ANNUAL REPORT 2023

FUTURE READY [NOW]

Sagicor Group Jamaica

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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.

Net Profit Attributable to Shareholders

Shareholders' Equity

Market Capitalisation

CariCRIS Rating

Pension Funds Market Share

Sigma Fund Raise

$14.37b

50%

$99.78b

19%

The Group is the largest on the Jamaica Stock Exchange by market capitalization and the second-largest conglomerate on the JSE, measured in terms of profitability.

$189.34b

18.4%

CariCRIS upgraded the assigned credit ratings of SJ to CariA+ (Local Currency Rating) and CariA (Foreign Currency Rating) on the regional scale.

CariA+

CariCRIS also reaffirmed SJ's Jamaica national scale ratings of jmAAA (Local Currency Rating) and jmAA+ (Foreign Currency Rating)

Our strategy supports our continued position as the number one investment manager, with a dominant market share of 30% in Pension Funds Under Management.

30%

We continue to place significant focus on creating awareness about financial security through our ongoing meetings with our members.

With another record raise and runner participation, the Group continued its mission of caring, inspiring, and serving positively impacting the lives of thousands of Jamaicans across the island.

$91.85m

Beneficiaries
The University Hospital of the West Indies Pediatric Unit and the Edna Manley College of the Visual and Performing Arts.

Chairman's Statement

Sagicor Group 2023 Performance

Throughout 2023, we remained focused on executing our strategic growth initiatives despite ongoing challenges, including heightened interest rates and geopolitical instability, mirroring the significant market volatility of 2022. Our company achieved commendable results with net profit after tax of $14.37 billion (earning per share of $3.67), reflecting 50% growth compared to the restated outturn for 2022. This significant improvement was driven by a robust performance across our core business segments along with effective cost management initiatives.

A significant undertaking during the year was the transition to International Financial Reporting Standard 17 (IFRS 17), a comprehensive accounting standard for insurance contracts.

Despite the complexity of the transition, I am pleased to report that we were able to successfully implement IFRS 17 and deliver our 2023 financial results on time. This accomplishment is a testament to the dedication, expertise, and collaborative spirit of our team, who demonstrated exceptional professionalism and resilience throughout the process.

Throughout the year, we continued to make significant investments in our technology infrastructure and digital transformation initiatives, enhancing our capabilities to deliver innovative products and services, streamline operations, and improve customer experience. We also completed the acquisition of Sagicor Panama from Sagicor Life Insurance Inc., widening the reach of our insurance products in Latin America, a key pillar of our regional growth strategy.

Corporate Governance

As a Board of Directors, we endeavoured to enhance our governance structures to address the growing complexities within the risk landscape and to ensure compliance with regulatory and statutory requirements across our diverse business segments. Our aim remains to fortify our oversight

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mechanisms while fostering transparency and accountability throughout the organisation.

I am pleased to announce that our efforts in strengthening governance practices have been recognized with an 'AA' rating from the Jamaica Stock Exchange's Corporate Governance Index; a step up from last year's 'A' rating and the highest rating under the framework.

I extend my heartfelt appreciation to our esteemed 51 Directors, who presided over a total of 141 Board and Committee meetings across all our subsidiaries throughout the year. Their dedication, diligence, and expertise have been instrumental in ensuring effective oversight of our operations and strategic decision-making processes. I would also like to acknowledge the work of Mrs. Janice Grant Taffe, our former Corporate Secretary, who served us for the past 14 years. Effective February 1, 2023, we welcomed our new Corporate Secretary, Dr. Sharma Taylor, who also serves as our Vice President Group Legal and Corporate Trust.

I also note a few changes at the subsidiary Board level, with Bruce James taking over the Chair of Sagicor Investments Jamaica Limited from Joanna Banks, who transitioned to a senior executive role within Sagicor Group, as well as Jeffrey Hall and Philip Armstrong joining the Group Board. We also accepted the resignation of Paul Facey, a long-time director of the Group, and recognise him for his stellar service over many years.

Corporate Social Responsibility

As part of our commitment to Corporate Social Responsibility, the Sagicor Foundation, through our annual Sigma Run, raised just under J$92 million for several worthy causes, a testament to the generosity and support of our numerous participants; companies and individuals alike.

Sagicor is committed to giving back; no one exemplified this spirit more than our late Foundation Chairman, Dr. the Honourable R. Danny Williams, a true patriot, who passed away this year, leaving a tremendous void but also bequeathing us with his passion for serving others and, by extension, his country.

Outlook

As we look forward to 2024, we maintain a hopeful but cautious stance on the economy, recognising the persistent uncertainties and difficulties that stem from the global environment. We are confident in our ability to navigate these challenges and capitalise on growth opportunities, leveraging our strong market position, diverse business portfolio, and robust risk management framework.

We recognise the many stakeholders in public office whose commitment to the tenets of fiscal stability remain steadfast, underwriting the continued improvements in Jamaica's macro-economic environment over the period.

Our Stakeholders

On behalf of the Board of Directors, I would like to express our sincere appreciation to our customers; your loyalty and patronage fuel our relentless pursuit of delivering world-class service.

I also want to commend the tremendous commitment, diligence and expertise of our team members, the true pillars of our enterprise; you make us Sagicor Strong!

To our many stakeholders, we extend our deepest gratitude for your ongoing support and trust in our mission. Your partnership is instrumental as we navigate the path forward.

Peter K. Melhado
Chairman

Statement of the President and CEO

I am delighted to present to you the annual report for Sagicor Group Jamaica Limited ("Sagicor") for the year ended December 31, 2023, which outlines our remarkable achievements and the promising outlook for our organisation.

Our Respect & Honour – *"He Made a Difference"*

It is important that we first honour the memory of Dr. the Honourable R. Danny Williams OJ, CD – founder of Life of Jamaica, which became Sagicor Life Jamaica. Danny was an exceptional individual whose life was characterized by purpose, compassion, and an unwavering dedication to Jamaica. His legacy, spirit, and profound impact on our hearts and nation will endure indefinitely.

In his own poignant words, Danny said, "I tried to make a difference." And that he did. His contributions were nothing short of extraordinary; he devoted his life to the service of his country, leaving behind a legacy of monumental achievements.

Danny was not merely a leader of Sagicor but an integral member of our family, cherished for his boundless love and admired for his accomplishments. At Sagicor, we remain committed to honouring his legacy and the principles he embodied by advancing the missions and work he started.

Overview

The 2023 fiscal year was outstanding for Sagicor. Net profit attributable to shareholders stands at $14.37 billion, a significant increase from restated net profit of $9.59 billion in 2022. We also saw a substantial improvement in our earnings per share, which rose to $3.67 compared to $2.45 in the previous year. This notable growth underscores our commitment to excellence and resilience in the face of challenge.

Financial Position & Strength

Our core operating revenues experienced robust growth across most segments. Of note, the Insurance Service Result recorded a commendable 13% improvement, while Investment Income (net of Insurance Finance

Our performance has been dependably consistent and strong. We are confident that our prospects remain excellent.

Charges) surged by an impressive 40%, contributing to our overall financial strength. Additionally, our Return on Equity increased to 16%, reflecting our dedication to maximizing shareholder value.

We are pleased to report substantial growth in our Total Assets, which reached $560.65 billion, representing a 9% increase over the previous year. Shareholders' Equity also grew by 19%, highlighting our solid financial foundation. Total Assets under Management also grew by 6% to $1.03 trillion during 2023.

At year-end 2023, Sagicor (ticker: SJ) was the largest company on the Jamaica Stock Exchange based on market capitalisation.

During 2023, our insurance subsidiaries – Sagicor Life Jamaica, Sagicor Life of the Cayman Islands, Advantage General Insurance Company, Sagicor Re Insurance and Sagicor Costa Rica – transitioned to IFRS 17. This new standard replaces IFRS 4 and establishes new principles for the recognition, measurement, presentation, and disclosures of insurance and reinsurance contracts. IFRS 17 improves transparency for the sources of profit and provides a greater degree of stability and predictability; it does not affect the underlying fundamentals of our business, our strategy, or our operations. The Group's reporting segments have been revised to align with the grouping and measurement of insurance products under IFRS 17. Accordingly, we have new segments: the Long-Term Insurance segment includes Annuities, Traditional Life and Universal Life products and the Short-Term Insurance segment contains our Group Life, Group Health and Property & Casualty offerings.

In our Long-Term Insurance segment, we continued to achieve strong results, with a release of Contractual Service Margin of $5.43 billion. The Short-Term Insurance segment also exhibited resilience, reporting a profit of $1.55 billion, demonstrating our commitment to meeting the diverse needs of our clients. We maintained our position as market share leaders in the life and health insurance sectors and delivered strong performance despite significant challenges, particularly in health insurance stemming from COVID-19-induced medical inflation. Another commendable accomplishment in 2023 was the implementation of automated termination of benefit options for our Defined Benefit pension clients.

Our Commercial Banking segment delivered net profits of $3.58 billion, driven by increased revenues and growth in the loan portfolios. While our Investment Banking segment continued to face challenges due to high interest rates and subdued capital markets, we have embarked on a number of strategies aimed at enhancing performance and navigating future opportunities with agility and resilience.

Committed to the Development of Jamaica

At the heart of Sagicor Group's identity is our dedication to enhancing the well-being of the communities we serve. From Jamaica to diverse locales throughout the region, our investments traverse various sectors and industries, embodying our belief in the transformative potential of strategic investment.

In Jamaica, our key initiatives include the development of the New Brunswick Village, which is a mixed-use development in Spanish Town, that consists of 45 commercial units and 89 residential units (70 apartments and 19 townhouses). The commercial village includes Island Grill and Sagicor Bank's first 'phygital' branch, which are open and in full operation. Other restaurants, stores and health service providers will be opening by mid-2024. Another key initiative is an J$800 million investment in the development of the JDF Cannon Ball Complex, which is scheduled to open in 2024.

In 2023, significant loans totaling more than J$5 billion were extended to support various large-scale construction projects across the island. In 2024, we will begin the construction of the Sagicor Portmore Promenade in Bernard Lodge, with a total investment commitment exceeding J$8.4 billion.

Regional Expansion

A tremendous achievement for Sagicor was the acquisition of Sagicor Panama from Sagicor Life Insurance ("SLI") in Barbados. This strategic move was made possible through a joint venture with our Costa Rican partners (Capital & Advice Inc.). This key step in our strategic objective of regional expansion is expected to replicate the success of our existing Sagicor Costa Rica joint venture.

We are confident that our expertise in and commitment to providing insurance solutions will add value to clients across Latin America and deepen our presence in the region as we move forward into new markets over the next few years, positioning ourselves for continued growth.

Digital Transformation & Omni-Channel Experience

In our ongoing pursuit of digital transformation, Sagicor remains steadfast in our commitment to innovation, both internally and externally.

In our Insurance segment, we (along with other SLI entities throughout the Caribbean) have embarked on an ambitious multi-year project, appropriately termed eVolve. This project seeks to modernise our technology foundation to drive efficiency, scale, and business agility.

In our Commerical Banking segment, several new branches are being built and existing branches are undergoing digital upgrades. The aim is to maintain our branch footprint and personal interactions, giving our clients an omni-channel experience that embodies our ongoing vision of modern, convenient, and innovative banking. Simultaneously, all our core banking systems are being upgraded to provide fully digital and seamless options for our clients who prefer this method of interaction.

With the introduction of our 'Phygital' branch concept, we will seamlessly integrate the best aspects of physical and digital banking experiences. Equipped with self-assist kiosks, our clients can initiate transactions digitally, significantly reducing wait times within our branches. Our state-of-the-art Intelligent Automated Banking Machines ("iABMs") will revolutionize the banking landscape, offering easier, faster, and more accessible transactions.

These advancements showcase our dedication to providing tailored solutions that meet the evolving needs of our clients in an increasingly digital era, while maintaining the personal touch that is integral to our client experience.

Client Centric

The needs of our clients drive our innovation and fuel the dedication of our team to deliver exceptional client experience, improving the ease in which business is done.

Sagicor is buoyed by the trust and confidence our clients place in us. Through compelling marketing campaigns and relatable narratives shared by our clients, the Sagicor brand has firmly cemented its place in the hearts and minds of people over the years. Our extensive presence across traditional and digital media channels, coupled with our active engagement in social and public relations efforts, has resulted in an impressive brand awareness score of 97% in 2023. We are geared to deliver on strategic initiatives that resonate deeply with Jamaicans, affirming our position as a leading financial institution.

Caring, inspiring, and serving our community lies at the core of our values. Through the impactful work of the Sagicor Foundation and our Corporate Social Responsibility programme, we continue to champion initiatives that align with our Foundation's pillars of care, inspiration, and service. The 25th staging of the Sagicor Sigma Corporate Run raised $91.85 million to support the University Hospital of the West Indies' Paediatric Unit and the Edna Manley College of the Visual and Performing Arts. Additionally, we remain committed to the development of the children of Jamaica, having invested over $25 million in scholarships for tertiary and secondary students, and channeling additional funds into early childhood education institutions through our Adopt-A-School Programme.

Outlook

Despite the challenges posed by ongoing global economic uncertainties, we remain cautiously optimistic about the future. We are confident in the resilience of our business model and the opportunities that lie ahead. We are strategically positioned to navigate through these challenges and capitalize on emerging trends, driving sustainable growth and value creation for our stakeholders. At Sagicor, we believe in and hold firm to the proper adherence to regulatory requirements and compliance. Our strong corporate governance and ethical business practices have kept us at the forefront of local and regional rating agencies, and we look forward to even greater achievements in this realm.

I take the opportunity to thank the Board of Directors for their guidance and support throughout the year. I applaud the phenomenal Sagicor team, who through their unwavering commitment and hard work, continue to deliver. I thank our shareholders for their continued belief in the Sagicor brand and our collective vision for the future.

As we look ahead, we will continue to deliver exceptional value and drive sustainable growth. With a strong foundation, a talented and empowered team, and a clear strategic direction, we are confident in our ability to seize opportunities and overcome challenges, creating a brighter future for all.

I am confident that Sagicor Group Jamaica Limited will continue to lead the financial industry as we strengthen our operations and enhance our client experience.

We extend our heartfelt gratitude to each member of the Sagicor family for their support. We eagerly anticipate the journey ahead, and look forward to achieving even greater milestones together.

Christopher Zacca
President & CEO

A TRIBUTE TO
Dr. R. DANNY WILLIAMS

— CHRISTOPHER ZACCA —

On behalf of the entire Sagicor Family, I extend a heartfelt thank you to all of you who have celebrated the indelible legacy of a man whose life has been interwoven with the very fabric of our organization.

In 2023 we bid farewell to a man whose life was defined by purpose, compassion, and an unshakable commitment to Jamaica, we find solace in knowing that while R. Danny Williams may no longer be with us in the physical sense, his legacy, his spirit, and the indelible mark he left on our hearts and our nation will forever endure.

In his own words, "I tried to make a difference," and what an enormous difference he made. He dedicated his life to serving Jamaica, and his contributions to our company and our nation were nothing short of extraordinary.

Dr. the Honourable R. Danny Williams was not just a giant in the figurative sense; his accomplishments were not just impressive; they were monumental. He was not just a leader within Sagicor; he was a beloved member of our family, and his love for us was reciprocated by the deep affection and admiration we held for him.

From humble beginnings to becoming a titan of industry, Danny's journey was nothing short of remarkable. The most important part of his journey was that at each step along the way, he included people—the building and development of people.

Danny's career was a testament to his unwavering dedication to Jamaica's growth and development. He was instrumental in founding Life of Jamaica (LOJ), which was a pioneering force in the Jamaican life insurance industry that further extended to the Caribbean. His vision and leadership laid the foundation for the modern life insurance landscape in Jamaica.

But he didn't stop there. Danny's determination and commitment to excellence propelled him to play a significant role in the transformation of LOJ into Sagicor Group Jamaica, a financial powerhouse that has not only become a symbol of trust and reliability but also a beacon of hope for Jamaican families.

Danny understood that true leadership extended beyond corporate success. He not only served as Chairman of Sagicor Group Jamaica, Sagicor Life Jamaica, Sagicor Pooled Investment Funds (PIF), and the Sagicor

Foundation, but he served on the boards of several major Jamaican companies, organisations and foundations.

Danny's contributions to education were far-reaching, and he played a pivotal role in advancing educational initiatives across the nation. He believed that education was the key to unlocking the full potential of Jamaica's youth, and he invested in countless scholarships, bursaries and programmes to make that a reality.

His passion for healthcare was equally profound. Danny's commitment to improving medical services and access to care for all Jamaicans was unwavering. He worked extensively with the deaf community, serving as the President of the Jamaica Association for the Deaf for 10 years and playing a pivotal role in the Danny Williams School for the Deaf. Overall, his support for healthcare initiatives touched the lives of countless individuals, leaving a lasting impact on the nation's well-being.

As Chairman of the Sagicor Foundation his contributions to education and health were enormous, and this was particularly demonstrated through his meaningful involvement in the Sagicor Sigma Corporate Run.

Danny's dedication to the underprivileged and children was unparalleled. He didn't just write cheques; he got involved personally. He spent time with the children, mentored them, and inspired them to dream big. His goal was to create a brighter future for the youth of Jamaica, and he pursued it with unwavering determination. If you saw him at any of our events, he was always with the children, talking to them, making jokes, and always encouraging them.

He was a philanthropist in the truest sense, championing causes close to his heart. Notable among them were his efforts to uplift his alma mater, Jamaica College.

As a mark of respect in recognition of Danny's immense contribution to the Sagicor Foundation and to Jamaica College, the Sagicor Foundation donated $10 Million to the R. Danny Williams Scholarship Fund at Jamaica College.

Throughout his illustrious career, Danny served as a bridge between the private sector and the government. He believed in collaboration and used his influence to advocate for policies that would benefit the entire nation. His significant contributions to government were never about politics; they were about Jamaica's progress and prosperity.

He did all of this while maintaining a personal touch that endeared him to everyone he met. Danny's humility and humanity stood out. He made time to speak to everyone, to mentor persons, no matter where they came from or who they were. He took the time to understand the struggles and aspirations of ordinary Jamaicans, and his genuine empathy touched hearts everywhere.

One invaluable lesson we all learned from Danny is the importance of returning calls to anyone, irrespective of their standing—a principle I've tried to uphold as well. He lived by this principle, and it's a legacy we should all walk away today striving to uphold. Everyone matters.

In the past year as he was less agile I was able to visit with Danny on several occasions at his home. We spoke about business, the future of Sagicor and the financial and insurance industry, the state of our country and I always walked away feeling inspired to continue on this journey that he created.

As we said farewell to this extraordinary man, we celebrated his life and his impact, and perhaps stopped and asked ourselves: What can I do personally that would not just make Danny proud but also impact the lives of those around me and the country we all strive to create? Danny taught us that each of us has the power to make a difference, and it's a legacy we must carry forward in his honour.

Danny, your light will forever guide our path, and your spirit will forever inspire us to strive for greatness. Your accomplishments will serve us and give us hope and a reminder of the incredible difference one individual can make in the world.

May you Rest in Peace.

"I TRIED TO MAKE A DIFFERENCE"

— Dr. The Honourable R. Danny Williams —

Beloved by all Dr. the Honourable R. Danny Williams OJ, CD, Hon. LLD, founder of Jamaica's first domestically owned life insurance company; Life of Jamaica, now Sagicor Life Jamaica; was revered as an insurance pioneer, philanthropist, and nation builder extraordinaire.

His strong legacy of service to the people of Jamaica – both in the public and private sectors will be fondly remembered. Below are a series of tributes to the memory of Dr. Williams.

Peter Melhado

Chairman, Sagicor Group Jamaica

As we reflect on the life and legacy of the late R. Danny Williams, it is impossible not to be moved by his profound impact. Danny was not only a brilliant mind but also a true trailblazer.

His foresight and unwavering determination to establish an institution that would provide financial security and prosperity to countless individuals and families throughout our nation has proven to be a decision that has changed lives.

Under his leadership, Life of Jamaica flourished, growing to become a symbol of trust and reliability in the insurance and financial services industry.

His dedication to excellence set the foundation for the high standards and commitment to customer satisfaction that have become synonymous with Sagicor Group Jamaica.

Danny's leadership was transformative. He understood that to achieve success, one must invest not only in the business but also in the community. This ethos led him to create the Sagicor Foundation, an organization dedicated to improving the lives of those in need. His philanthropic endeavors, driven by a genuine concern for the well-being of others, further solidified his status as a visionary and a true steward of positive change.

Danny was more than a business mogul, he was a man loved by his family, friends and anyone who met him. Danny was a Genius. Danny was a stalwart. Danny was a reminder that a big idea is never too big to achieve.

His legacy of transformation, innovation, and philanthropy will forever inspire us as we continue to build upon the foundation he laid and work to fulfill his vision of a brighter, more prosperous Jamaica.

Through his family and contributions, his legacy will live on. Rest well, my friend.

Andre Mousseau

President & CEO – Sagicor Financial Company Limited

Today, we celebrate the life of Dr. The Honourable R. Danvers Williams or "Danny," as he was affectionately called. Jamaica has lost a stalwart and a visionary. The saying goes "do not go where the path may lead, go instead where there's no path and leave a trail." Danny Williams indeed left a trail. His vision for an indigenous insurance company led him to boldly pursue his dream that proved a turning point in Jamaica's business landscape.

Danny's contributions were felt far from Jamaica's shores and across our region, and we are all fortunate to have had him as part of our Sagicor family.

He pioneered our Jamaican operation building Life of Jamaica, and Sagicor was fortunate to have partnered with him to create the force that is Sagicor Group Jamaica today. Danny was an outstanding business and statesman who left his mark on countless of our team members with whom he interacted frequently, leading with his heart, and impacting the lives of many through his philanthropic work. His selfless contribution spanned decades, reached across industries, and helped to transform the business landscape of a nation.

In 2012, in recognition of his more than 40 years of service to the organisation, the corporate headquarters in Jamaica, was aptly renamed in his honour. We remain grateful that we were able to bestow on him this accolade while he was able to witness it in person. He gave selflessly to both the public and private sectors. This was his distinguished vocation and an expression of his commitment to company, community and the wider nation.

Under his Chairmanship, Sagicor Group Jamaica Limited continued to thrive and would go on to reap unbridled success.

An industry legend, Danny's mark on Caribbean development is forever etched, and remains unmatched. We are eternally grateful for his legacy, knowing that the principles, values, and ideals for which he became known, will also serve as an inspiration to our team members in over 20 countries. We are proud to honour his life of service and will ensure his memory lives on as an enduring member of our Sagicor family.

Jamaica College
Wayne Robinson, Principal

Sir Danny … Blue-blooded Collegeman

The passing of Dr. the Hon. R. Danny Williams marks the end of a most remarkable life and an era. Lots of great and deserving accolades will be said about this amazing human being but our relationship with him was special.

Sir Danny loved Jamaica College. He gave his heart and time to our growth and development. He was the fulcrum on which Jamaica College turned.

He would come to the campus and talk with the boys, the teachers, the workers in a manner that made everyone feel that he cared for them personally.

Sir Danny would complain constantly about the state of my desk and took me up to his house/ office to show me what a desk should look like. Clear and empty! He would sit with me and listen to the challenges of the school and then suggest simple but workable solutions.

Sir Danny seemed to know everyone in Jamaica and had strong influence overseas too. He would just go into his little brown pocketbook, pick up the phone and in his inimitable voice say, "Good morning Joe, this is Danny..." and your problem was solved.

He was the greatest "man manager" created by our Lord. He knew how to get the best out of everyone. We would run through a brick wall if he asked us to.

He called me once when the first form was packed to its limit and again in his inimitable voice said "Wayne, I need your help...I have 4 boys for first form"...I said 4 Sir...4!!. He said "Yes...I just saw them and feel sorry for them...we must help them" I said "..but Sir" He said "Wayne, I know you will figure it out" That was the end of that.

We are all cried out....but will find more tears. Farewell Sir Danny....I will work on the desk.

Jamaica Association for the Deaf

The Jamaica Association for the Deaf (JAD) recognises the passing of R. Danny Williams who dedicated much of his time and resources since 1956 to support the achievement of the mission of the JAD.

Dr Williams joined the Adult Services Committee (now our Social Services Division) in 1956, to support the development of community engagement and deaf inclusion programmes for deaf adults in the wider population. He was asked to serve as Chair of the Committee from 1960 to 1963. This position offered him membership to the Executive Board, where he supported in this capacity until the death of Chairman Lister Mair in 1963, at which point Dr Williams was selected to carry the torch as Chairman of the JAD Executive Board.

Under his leadership a number of education and hearing healthcare programmes were enhanced, the organisation's structure was improved, and the ongoing partnership between the JAD and the Ministry of Education to support deaf education programmes was born. Dr Williams stepped

down as Chairman of the Executive Board in 1972 and maintained his presence as an ordinary member until 1974 when he was appointed President of the Association.

Even as he stepped down from this role, his engagement with the JAD was consistent, being present at our special functions, and checking in by phone or email to get updates on our activities and to make suggestions to enhance some of our efforts. To honour his efforts in supporting the development of deaf education and by extension the wider deaf community, the Danny Williams School for the Deaf was opened in 1987 in Hope Estate, Papine, St Andrew. He will be missed, but his legacy will never fade. The impact of his efforts to develop and sustain programmes to uplift the deaf community continues to this day, and his intention to spread the light of philanthropy and national service is noted even now through our partners, volunteer board members, and staff.

As noted in his Chairman's report reviewing the year ending March 1963 "We look back on the year ended with pride; for the coming year we confidently expect to proceed with even greater success in our work of assisting the deaf community in Jamaica." This statement resonates with us even now as each year we work assiduously to positively impact the lives of deaf persons in Jamaica.

Our current leadership at the level of the Executive Board and operational management, sit firm in the foundation of passion, accountability and improvement as was set by Dr Williams. He will be missed, but his legacy will never fade. The impact of his efforts to develop and sustain programmes to uplift the deaf community continues to this day, and his intention to spread the light of philanthropy and national service is noted even now through our partners, volunteer board members, and staff.

Private Sector Organisation of Jamaica (PSOJ)

Dr. The Hon. R. Danny Williams, OJ, CD – Founding Pillar of PSOJ and a True Jamaican Luminary

The Private Sector Organisation of Jamaica (PSOJ) is profoundly saddened by the loss of Dr The Hon. R. Danvers "Danny" Williams, OJ, CD. As a founding member of the PSOJ, Dr Williams was instrumental in crafting our organisation's mission and strategic goals.

Inducted into our Hall of Fame in 1997 and honoured in 2013, his unwavering belief in Jamaica's potential through a robust private sector has guided our journey.

Dr. Williams was a pioneering business leader, particularly as Director Emeritus of Sagicor Group Jamaica. His six-decade-long dedication to the life insurance industry has left an indelible mark. Alongside this, he was a devoted philanthropist and founder of the Lister Mair Gilbey School for the Deaf, underlining his commitment to social justice.

In public service, Dr. Williams served as Senator and State Minister for Industry and Commerce, where his business acumen was invaluable.

Beyond his pivotal role in the PSOJ and remarkable business achievements, Dr Williams was a monumental figure in Jamaica's education and youth development. He leaves an enduring legacy that has touched lives across generations.

We are profoundly moved by the loss of Dr. R. Danny Williams. His unparalleled leadership, philanthropy, and statesmanship have left an everlasting imprint on our organisation and the nation. His legacy will forever guide us as we continue to strive for a brighter, more unified Jamaica.

Our deepest condolences to his dear family, business colleagues and friends.

Group 10 -Year Financial Statistics

Year ended December 31, 2023

		IFRS 17			IFRS 4						
		2023	Restated* 2022	Restated* [4] 2021	2020	2019	2018	2017	2016	2015	2014
SALES:											
INSURANCE AMOUNTS											
Individual Life - Sums Assured	$m	355,315	303,462	314,991	272,584	236,353	209,675	184,455	176,329	171,246	151,131
Group Life - Sums Assured	$m	12,067	19,771	15,746	7,236	7,706	5,860	11,718	6,109	9,678	6,940
Total New Insurance Amount	**$m**	**367,382**	**323,233**	**330,736**	**279,819**	**244,060**	**215,535**	**196,173**	**182,438**	**180,924**	**158,071**
NEW ANNUALISED PREMIUMS											
Individual Life and Health	$m	4,887	4,936	5,160	4,668	4,470	4,140	3,614	3,341	2,918	2,656
Group Life and Health	$m	1,931	2,001	1,590	531	1,447	1,399	817	510	794	496
Group Annuities	$m	3,746	4,303	5,266	4,741	3,522	2,815	2,323	2,007	1,900	1,209
Bulk Annuities Single Premiums	$m	-	-	-	-	1,525	-	5,713	1,147	1,904	2,212
Group Pensions	$m	4,195	2,816	3,107	9,335	2,161	2,362	2,284	1,756	3,392	4,348
Total New Annualised Premiums	**$m**	**14,758**	**14,057**	**15,124**	**19,275**	**13,125**	**10,716**	**14,751**	**8,760**	**10,908**	**10,921**
IN FORCE:											
INSURANCE AMOUNT											
Individual Life - Sums Assured	$m	2,386,171	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
Group Life - Sums Assured	$m	1,440,105	1,237,273	1,090,630	1,036,284	967,899	882,103	772,050	661,581	601,357	591,020
Property and Casualty	$m	655,601	722,229	256,358	220,230	213,258	87,340	76,036	67,937	43,940	40,135
Total Insurance Amounts in Force	**$m**	**4,481,878**	**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**
Number of Individual Life policies in force		696,522	674,182	656,008	627,677	594,249	556,742	520,888	492,355	440,328	421,937
Number of New Individual Life policies		66,808	70,124	78,721	76,685	75,908	73,635	68,131	63,968	56,164	59,449

GROUP 10 -YEAR FINANCIAL STATISTICS

Year ended December 31, 2023

		IFRS 17			IFRS 4						
		2023	Restated* 2022	Restated*[4] 2021	2020	2019	2018	2017	2016	2015	2014
FINANCIAL POSITION & STRENGTH:											
Total Assets [1]	$m	560,649	515,781	535,285	490,695	459,999	394,133	352,037	340,955	300,390	284,216
Pension Funds under Management [2]	$m	247,283	230,345	238,573	214,944	247,537	206,359	186,759	154,734	130,311	98,209
Other Funds under Management	$m	222,796	226,546	189,739	195,760	220,631	163,180	141,023	113,842	95,616	78,865
Total Assets Under Management	**$m**	**1,030,728**	**972,672**	**963,597**	**901,399**	**928,167**	**763,672**	**679,819**	**609,531**	**526,317**	**461,290**
Bank Loans and advances, net of provision for credit losses	$m	119,062	108,840	93,388	87,844	84,663	69,061	61,321	56,038	43,760	37,302
Customer deposits	$m	156,500	145,950	133,339	120,570	107,250	92,264	84,280	75,166	62,924	56,044
Invested Assets [3]	$m	470,123	436,581	446,918	406,626	382,208	326,287	293,363	290,118	256,506	232,678
Insurance & Investment Contract Liabilities	$m	165,880	154,980	169,148	119,697	116,991	97,623	95,493	86,390	77,617	71,143
Shareholders' Equity	$m	99,779	83,614	85,491	106,384	91,252	74,340	68,502	56,411	46,569	46,065
Market Capitalization	$m	189,342	232,073	227,503	195,086	304,444	155,444	148,609	116,055	78,090	40,033
OPERATING RESULTS:											
Total Revenue	$m	90,894	62,185	102,561	84,573	92,600	70,657	70,444	59,701	54,998	45,630
Net (re)insurance service & finance expenses	$m	44,211	18,706	39,332	28,687	38,055	27,727	32,584	25,838	23,868	22,770
Total Commissions, Expenses, and Taxes	$m	32,351	34,076	45,026	40,114	39,067	30,510	26,933	23,108	21,278	17,515
Net profit, attributable to Shareholders	$m	14,368	9,586	17,395	13,780	15,650	14,232	12,070	11,258	9,793	8,513
FINANCIAL RATIOS:											
Return on average assets	%	3	2	3	3	4	4	3	4	3	4
Return on average shareholders' equity	%	16	11	16	14	19	20	19	22	21	21
Share price	$	48.50	59.42	58.25	49.95	77.95	39.80	38.05	29.90	20.00	10.25
Earnings per share	$	3.67	2.45	4.46	3.53	4.01	3.65	3.11	2.90	2.51	2.21
Price earnings ratio		13.22	24.25	13.05	14.15	19.44	10.90	12.23	10.31	7.97	4.64
Dividends per share	$	1.23	1.60	1.11	0.85	1.44	1.20	1.28	1.12	0.73	0.63

Footnotes:

* The Financial Statements have been restated due to the change in the standard from IFRS 4 to IFRS 17.

1 - Includes Segregated Funds

2 - Includes Sagicor Pooled Funds and Self-Directed Funds

3 - Invested Assets are made up of financial investments, pledged assets, investment properties, investment in Joint Venture and Loans and Leases after allowance for credit losses

4 - For 2021 only Balance Sheet items were restated

Sagicor's Dedication to Jamaica

J$20+ Billion

Injection into National Development in 2023

Sagicor Group Jamaica's vision of a prosperous nation, where innovation, growth, and welfare are given top priority, guided its investment of over J$20 billion in national development projects in 2023.

This list of projects were carefully chosen to ensure they met the criteria of having long-term sustainability and social impact.

Among these was a US$28 million investment in enhancing the water network of the Kingston and St. Andrew Metropolitan area, Portmore and Spanish Town, reducing shortfalls in the demand and supply of water for over 150,000 residents by 2025. Sagicor Group joined forces with the Government of Jamaica and the National Water Commission (NWC) to spearhead the project, which will also result in the construction of a 15 million imperial gallons per day capacity water treatment facility called the Rio Cobre Water Treatment Plant.

Supporting additional vital infrastructure needs for the country, Sagicor Group committed over US$18 million to the development of a ship repair and maintenance facility, the German Ship Repair Jamaica (GSRJ). The project's first phase saw the arrival of a German-made floating dock in Jamaica in mid 2023, marking a turning point for Kingston Harbour's ship repair capabilities. Sagicor Bank played a crucial role as the lead arranger in raising funding for the dry dock project, set to create exponential economic opportunities for the country and region for years while creating employment for over 100 skilled professionals.

Throughout 2023, Sagicor Group's investments were also strategically directed towards addressing the challenge of critical housing shortages. Noteworthy among these is the J$6 billion investment in the New Brunswick Village in Spanish Town, St Catherine, now in its final developmental stages. This project encompasses the creation of 40 commercial units and 89 residential spaces, an esplanade, fitness trail, outdoor gym, and more. It is set to become Jamaica's most vibrant urban neighbourhood for living and doing business, and marks a significant milestone for the Spanish Town community.

Added to this, through the extension of major loans exceeding J$5 billion, Sagicor Group supported various large-scale construction ventures, fostering economic advancement and sustainable development nationwide.

(from left) Vegetable farmer Jowayne Robinson is engaged by Sagicor Life's Ray Johnson – Portfolio Manager, Employee Benefits during a Lunch & Learn session powered by Hi-Pro Ace Supercentre Limited on day 1 of the Denbigh Agricultural Show. Alongside them are Sagicor Bank's Jovan Codling - Revenue Solutions Officer and Otis Wright, SME Business Banker.

The year also witnessed Sagicor Bank Jamaica collaborating with the National Housing Trust's External Financing Mortgage Programme (EFMP), enabling eligible contributors to apply for loans at any of Sagicor Bank's locations island-wide.

An often overlooked yet foundational sector imperative to nation building is agriculture. Ensuring that it received the support due, Sagicor plugged several million dollars into the education, business development, and financial support of those in the sector. The Group contributed $3.5 million in sponsorship to the Denbigh Agricultural, Industrial, and Food Show and supported businesses in agro-processing through Sagicor Bank's Manufacturing and Agro-Processing Loan and Sagicor Life's Agri Care Plan. Additionally, Sagicor Group invested in the expansion of Shavuot International, helping the company to add a second farm and factory operations, made possible through a Manufacturing and Agro-Processing Loan.

Other investments during the year included an J$800 million development of the Jamaica Defence Force's CannonBall Complex; Sagicor Bank's sponsorship of the Ministry of Industry, Investment, and Commerce's 'MSME Business Roadshow' and the Jamaica Business Development Corporation Global Entrepreneurs Week; Sagicor Investments' sponsorship of the Jamaica Stock Exchange National Investor Education Week and Sagicor Group's sponsorship of the Press Association of Jamaica Awards.

Closing out the year on a positive note, Sagicor Group, through its Sagicor Life and Sagicor Bank subsidiaries, was awarded the United Way of Jamaica's 2022 Workplace Philanthropy Programme in the Bronze category for its outstanding contribution to nation-building. Sagicor Group is proud to be a recipient.

Through strategic investments aimed at fostering economic growth, enhancing local infrastructure, empowering businesses, and advancing the well-being of the country's greatest asset—its people—Sagicor Group plays a vital role in helping to build Jamaica. The Group looks forward with great enthusiasm to the opportunities for continued investment in 2024 and beyond as we shape our nation's future.

US$28M

Investment in enhancing the water network of the Kingston and St. Andrew Metropolitan area, Portmore and Spanish Town

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING of the Company will be held on Wednesday 22nd day of May 2024 at 3:00 p.m., to be held at AC Hotel by Marriott at 38-42 Lady Musgrave Road, 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, 2023 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 Peter Clarke; Paul Hanworth; Dr. Dodridge Miller and Stephen McNamara who, being eligible, offer themselves for re-election.

"THAT Directors Peter Clarke; Paul Hanworth; Dr. Dodridge Miller and Stephen McNamara 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. Directors Joanna Banks and Paul Facey resigned from the Board effective June 30, 2023, and August 28, 2023 respectively. Accordingly, Directors Jeffrey Hall and Philip Armstrong 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 Jeffrey Hall and Philip Armstrong 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 $40,985,141 .00 included in the Audited Accounts of the Company for the year ended December 31, 2023 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 Seventy-Two cents ($0.72) paid on the 4th day of May 2023 and Fifty and a half cents ($0.505) paid on the 19th day of October 2023, respectively, be and are hereby ratified and declared as final for the year ended December 31, 2023."

DATED THIS 29th day of February 2024

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, 2023. The Financial Statements reflect the consolidated results of Sagicor Group Jamaica Limited (SGJ) and its subsidiaries.

	2023 J$000's	(Restated) 2022 J$000's
OPERATING RESULTS:		
Group Profit before tax	19,061,730	14,740,901
Taxation	(4,488,453)	(4,897,479)
Net Profit after tax	14,573,277	9,843,422
Attributable to:		
Stockholders of the parent company	14,368,019	9,585,965
Non-controlling interests	205,258	257,457

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 taken during the year.

Dividends

Interim dividends of Seventy-Two cents ($0.72) paid on the 4th day of May 2023 and Fifty and a half cents ($0.505) paid on the 19th day of October 2023.

Directors

Article 98 of the Company's Articles of Incorporation provides that one-third of the directors or if their number is not three or a multiple of three then the number nearest to one-third shall retire from office at each Annual General Meeting. The directors retiring under this Article are Directors Peter Clarke, Paul Hanworth, Dodridge Miller and Stephen McNamara who, being eligible, offer themselves for re-election. Directors Joanna Banks and Paul Facey resigned from the Board effective June 30, 2023, and August 28, 2023 respectively. Two new directors were appointed - Jeffrey Hall and Philip Armstrong, on July 1, 2023 and October 1, 2023 respectively.

With profound sadness, the Board acknowledges the passing and remarkable contribution on a national level of Sagicor Group Jamaica's esteemed Director Emeritus and Founder, Dr. the Hon. R. Danny Williams, OJ, CD on September 16, 2023.

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

Client Experience

The global financial landscape has evolved significantly in the last few years with rapid technological advancements and shifting consumer behaviours. At Sagicor we have proven our adaptability through our agility, our commitment to digital innovation and our relentless focus on client satisfaction.

[Relationships]

Indeed, more than ever, prioritizing exceptional customer experience is a necessity. We recognize that our clients are at the heart of everything that we do, therefore their satisfaction is not only paramount to us, it is the cornerstone of our success. With our clients in mind, we continue to harness the power of their invaluable feedback coupled with data-driven insights to aid us in understanding trends and establishing unparalleled customer experiences across all our touchpoints.

The year 2023 has not been without its challenges, however we continued to be the trusted financial partner for our clients, evidenced by our double-digit positive Net Promoter Score® (NPS) for the last 10 years. This would not be possible without remaining steadfast in providing the best products, monitoring and measuring our internal service delivery and closing the loop with each communicated sentiment on our performance. Central to our approach is a deep understanding of our clients' needs, preferences, and pain points. Through comprehensive market research, customer feedback mechanisms, and data analytics we can anticipate and address evolving customer demands proactively. The outcome of these efforts has translated into us continuing to trend positively in our complaints resolution, achieving 99.6% closure rate in 2023.

With renewed focus on the voice of the client, Sagicor Bank engaged their clients directly through the employment of feedback mechanisms and the establishment of client experience teams across their branch network. This demonstrated a proactive approach to uncovering the insights, while fostering trust and building on satisfaction. They did not stop there, as they in turn were able to leverage state of the art technological software to boost the security and safety of your banking experience. Sagicor is committed to providing the best banking experience and there are more enhancements on the horizon that promises to exceed expectations.

What has also been very true is that no two clients are alike and over the past year, Sagicor has invested in initiatives aimed at personalization and customization with the anticipated reward being stronger connections and a deep sense of belonging and loyalty amongst our clients. We are also committed to our user experiences being categorized as easy, simple and personal. In a time when our pensioners require channels that are accessible and easy to use, Sagicor Plus provides them with an avenue to verify their proof of life from the comfort and safety of their home. This biometric technology has reduced the need for physical visits and manual paper processes, thus equating to significant relief on our senior citizens to fulfil this important requirement annually. Additionally, our Pension Services team remains committed to digitizing processes, which now includes the automation of pension benefits. This is another step in helping our clients to make their preparations seamless throughout this very important stage of life.

While we take pride in our achievements, we understand that the pursuit of excellence is a journey, not a destination. As such, we remain committed to continuous improvement, regularly evaluating our processes, soliciting feedback, and implementing enhancements to raise the bar even higher for customer satisfaction. Last year was marked with renewed approach and heavy investments in modernizing the core of our business. As we look to the future, our dedication to elevating client experience remains resolute. With our client-centric approach, innovative mindset, and unwavering commitment to excellence, we are confident in our ability to navigate and secure the wins for our stakeholders and continue delivering exceptional value to our clients for years to come as their financial partner for life.

Left: Sagicor Group Jamaica President and CEO Christopher Zacca (centre) is animated as he chats with Private Sector Organisation Of Jamaica (PSOJ) President Metry Seaga (left) and Factories Corporation of Jamaica (FCJ) chairman Lyttleton 'Tanny' Shirley.

Board of Directors

Through scale and diversity, we've shown yet again that **we are resilient** to the ups and downs of external conditions.

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, Gallagher Caribbean 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 several Sagicor subsidiaries, British Caribbean Insurance Company, Radio Jamaica 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 Chairman of the Sagicor Foundation, 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 received the Jamaica Observer 2016 Lifetime Achievement Award for Business and received the UWI Mona School of Business Management's Outstanding Business Leader Award in 2023. He is also the recipient of the American Friends of Jamaica International Achievement Award in 2024.

ANDRE MOUSSEAU BA, M.B.A.
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.

PHILIP ARMSTRONG B.Sc.
Appointed 2023
Citizen of Jamaica

Mr. Armstrong is the Chief Operating Officer of Pan Jamaica Group Limited (Formerly PanJam Investment Limited). Mr. Armstrong holds a BSc in Avionics Technology and has completed the Harvard Business School's Advanced Management Program and the Harvard Business Analytics Program and has over 15 years of experience in the financial services industry. Mr. Armstrong previously served as Chairman of the South East Regional Health Authority from 2016 to 2019. Outside of the Sagicor Group of Companies, he currently serves as a Director for British Caribbean Insurance Company, Kingston Wharves Limited, Jamaica Property Company, and as an Advisory Board Member for Mo Technologias which is a Colombian based Financial Technology Company.

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

DR JACQUELINE COKE LLOYD DTL, MTL, B.Sc., CBC, J.P.
Appointed 2010
Citizen of Jamaica

Dr. Jacqueline Coke Lloyd is the Founder/Managing Director of Make Your Mark Group Ltd.

She is regarded as the leading management and leadership consultant, an astute 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), National Council on Technical and Vocational Training (NCTVET). 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 has negotiated numerous international labour, human resource and management conventions and legislation through her representation at the UN, OAS, and the ILO.

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 as an adjunct Professor, Director of Grateful Faces Charity, TLC and as a Justice of the Peace for St. Andrew.

STEPHEN B. FACEY B.A., M.Arch
Appointed 2004
Citizen of Jamaica

Mr. Stephen Facey is a Director of Sagicor Group Jamaica Limited, Sagicor Foundation Jamaica and Sagicor Financial Company Limited.

He is the Chairman of Pan Jamaica Group Limited and Jamaica Property Company Limited. A director of Jamaica Producer Group Limited, the Chairman of 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, he is a Director of the National Gallery of Jamaica, Devon House Development Limited and the Institute of Jamaica.

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

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

In 2018 he was conferred with the 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.

DR. 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, 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 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 is 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 of the Cayman Islands Ltd. Sagicor Property Services Limited and Sagicor Foundation and a former director of Sagicor Financial Corporation.

JEFFREY HALL C.D., B.A., M.P.P., J.D.
Appointed 2023
Citizen of Jamaica

Mr. Hall serves as Vice Chairman and CEO of Pan Jamaica Group. He served as CEO of Jamaica Producers Group (JP) from July 2007 through to the completion of the amalgamation that gave rise to the Pan Jamaica Group. He joined JP in 2002. Mr. Hall holds a Juris Doctor degree from Harvard Law School where he graduated with honours. He also holds a Master of Public Policy degree (Public and International Finance) from Harvard University where he was awarded the Woodrow Wilson Fellowship.

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

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

Mr. Paul Hanworth is the former Deputy Chief Executive Officer of Pan Jamaica Group Limited (Pan Jam), a multi-faceted investment holding company 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 Pan Jam, 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 also a Director of Pan Jam, British Caribbean Insurance Company, Carreras and Rainforest Seafoods. He founded Jamaica's first specialty fine wine business in 2004, which he sold in 2012.

MAHMOOD KHIMJI B.A., J.D.
Appointed 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 Life Jamaica Limited, 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.

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 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.

DR. THE MOST HONOURABLE DODRIDGE MILLER FCCA M.B.A., LLM, Hon. LLD

Appointed 2001
Citizen of Barbados

Dr. Dodridge D. Miller was Group President and Chief Executive Officer of Sagicor Financial Company Limited (SFCL) and its predecessor company Sagicor Financial Corporation Inc. (SFCI) from July 2002 until his retirement on March 31, 2023, and has been a director since December 2002. Dr. Miller joined SFCI in 1989 and has more than 30 years' experience in the banking, insurance, and financial services industries. Dr. Miller is also a director of several subsidiaries within the Sagicor Group. Dr. Miller is a Fellow of the Association of Chartered Certified Accountants (FCCA) and obtained his MBA 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 for his contribution to the development of financial services within the Caribbean region.

In November 2023, he was awarded Barbados's highest honor, the Order of Freedom of Barbados, for his exceptional contributions to the country and the region throughout his career. Dr. Miller is a Professor of Practice – Finance with the University of the West Indies and is a special advisor to the Prime Minister of Barbados focusing on Investments and economic growth.

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 (and chaired) numerous private company boards and, on behalf of EGDAS Group, on the public boards of Atlantic Power Corporation 2015-2020, cxLoyalty/Tenerity 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 Medalist 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.

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

Company Secretary
Citizen of Jamaica

Dr. Taylor joined Sagicor Group Jamaica Limited (Sagicor) on June 1, 2021, as Vice President - General Counsel, providing strategic leadership to Sagicor's Legal and Corporate Trust team. On February 1, 2023 she was appointed Corporate Secretary of Sagicor and its subsidiaries. Her role is to provide direction and general advice on legal, governance and corporate secretarial matters and to guide Sagicor's legal strategy as well as the ongoing monitoring of the governance framework. She is responsible for ensuring effective oversight and management of legal risk.

With 18 years' experience in regional commercial law, financial services, intellectual property, data privacy, technology vendor contracts, litigation and mergers and acquisitions, Dr. Tayor holds a Doctor of Philosophy Degree (Ph.D) in Law from Victoria University of Wellington in New Zealand, which was obtained on a Commonwealth Scholarship. She has a Master's Degree in Corporate and Commercial Law (LL.M) obtained on a Carreras Scholarship and a Bachelor's Degree in Law (LL.B) with First Class Honours from the University of the West Indies. Since 2021, she has co-chaired the Jamaica Bankers Association's Public Policy and Legislative Committee and is a member of the Private Sector Organisation of Jamaica's (PSOJ) Corporate Governance Committee.

[The Legacy Run]

1.

SIGMA RUN 2023

As the sun rose on the streets of New Kingston on the morning of Sunday, February 12, 2023 over 21,000 participants ran, walked and wheeled with friends and colleagues for the 25th staging of the Sagicor Sigma Corporate Run.

With the COVID-19 pandemic declared over by the World Health Organisation, there was truly an air of jubilation among participants — an apt reflection of the charity run's silver milestone celebrations and return to a full, in-person run for the first time in two years.

The 2023 staging was held under the theme 'The Legacy Run', to symbolize the tremendous and long-standing impact the charity event has had on the lives of Jamaicans young and old, in the areas of health and education.

Additionally, the event saw the return of Olympic and world champion Shelly-Ann Fraser-Pryce and Olympian Asafa Powell as the 2023 Sigma Run Patrons, having previously served as patrons.

True to Sagicor's standard of excellence, Sigma Corporate Run 2023 lived up to its legacy, raising a historic J$92 million, the highest funds to date for beneficiaries: the Paediatric Unit of the University Hospital of the West Indies (UHWI), and the Edna Manley College of the Visual and Performing Arts.

At the close of the race Garfield Gordon in 17.32 and Jozanne Harris, 23:20 crossed the finish line in first place for the male and female categories, respectively.

The Legacy Run culminated what was dubbed 'Sigma Week' by the organisation, which started off with a Church Service at Webster Memorial United Church on Sunday, February 5, then a special Legacy Awards and Fundraiser event on February 8 that honoured stalwarts of Sigma Run.

In its two and a half decades, Sigma Run, the largest annual road race in the region, has successfully raised over J$600 million for the purchase of life-saving medical equipment, developing educational institutions, building new hospital wards and providing targeted assistance to vulnerable groups across the island.

The charitable event stands as a beacon of hope that has inspired a sense of community like no other. Sagicor remains committed to always contributing to the development of a healthier, more educated, and inclusive Jamaica.

1. Over 20,000 Jamaicans came out to walk, run and wheel to support the Sigma 'Legacy Run' Beneficiaries - The Paediatric Unit of the University Hospital of the West Indies (UHWI), and the Edna Manley College of the Visual and Performing Arts.
2. Sigma 'Legacy' Run Patron, Olympian and World Champion Shelly-Ann Fraser-Pryce shares a gleeful moment alongside participants in the wheelchair race just before the start of the annual road race.
3. Jozanne Harris crossed the finish line in 23:20 in First Place - Female category at the 25th staging of the Sagicor Sigma Corporate Run.

Senior Leadership Team

CHRISTOPHER ZACCA, B.Sc., MBA, CD, JP
President and CEO
Sagicor Group Jamaica

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

He is highly respected in the private sector where he has held senior management positions at Desnoes and Geddes, ATL Group, Air Jamaica 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.

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

With an M.Sc. in Accounting and over 20 years of experience in the financial sector, Andre Ho Lung 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.

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 and the Expansion of Sagicor Life in Latin America. He has served the company in various capacities including Information Technology, actuarial and Special Projects Departments. He is board Chairman of Sagicor Insurance Brokers Limited and a director on the board of Sagicor Employee Benefits Administrator (EBA) Limited.

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

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

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

JOANNA BANKS B.Sc, MBA, CFA
Executive Vice President Strategy & Business Development Sagicor Group Jamaica

Joanna Banks is the former Chief Executive Officer of PanJam Investment Limited (now Pan Jamaica Group 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, Joanna worked at Exxon Mobil Corporation and Pan Caribbean Financial Services Limited. As such, she has senior management experience in roles focused on corporate finance, investor relations, pension fund management and strategy.

Joanna's directorships span the boards of entities such as: Agostini's Limited, Alliance Financial Services Limited, Sagicor Property Services Limited (where she is Board Chair), Outsourcing Management Limited, and the University Hospital of the West Indies.

TRACY-ANN SPENCE B.Sc., MBA
Executive Vice President and Chief Investment Officer Sagicor Group Jamaica

Tracy-Ann Spence joined the Group in July 2023 and assumed strategic leadership of the investment operations of the Group, including its investment banking and treasury and asset management businesses. Formerly the Chief Operating Officer of a major investment bank, she came to the role with over 20 years of experience in asset management, investment banking, and wealth management. Tracy holds a Bachelor of Science in Applied Mathematics from York University in Toronto, and a Master of Business Administration in Banking & Finance from the University of the West Indies. Tracy chairs the Assets & Liabilities Committee for Sagicor Investments and is a director of the Jamaica Stock Exchange.

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).

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 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 Sagicor Group Jamaica

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.

OMAR BROWN, BSc, CFA
CEO, Alliance Financial Services Limited

With over 25 years of experience in Operations and Treasury, Omar Brown's role of CEO entails overseeing the operations of Alliance's Cambio, Remittance and Bill Payment facility. He is also a Certified Financial Analyst (CFA), and a Certified Financial Modelling Specialist, with an honors degree in Banking and Finance from the University of the West Indies.

Omar is currently a trustee for the Pan Caribbean Pension Fund, a director of Sagicor Select Funds Limited, a member of the CFA Society of Jamaica and serves on the board for the children's charitable organisation, Chain of Hope Jamaica. He was also the former Treasurer for Sagicor Bank Jamaica where he served a pivotal role in leading the Treasury Team to significant growth and profitability.

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

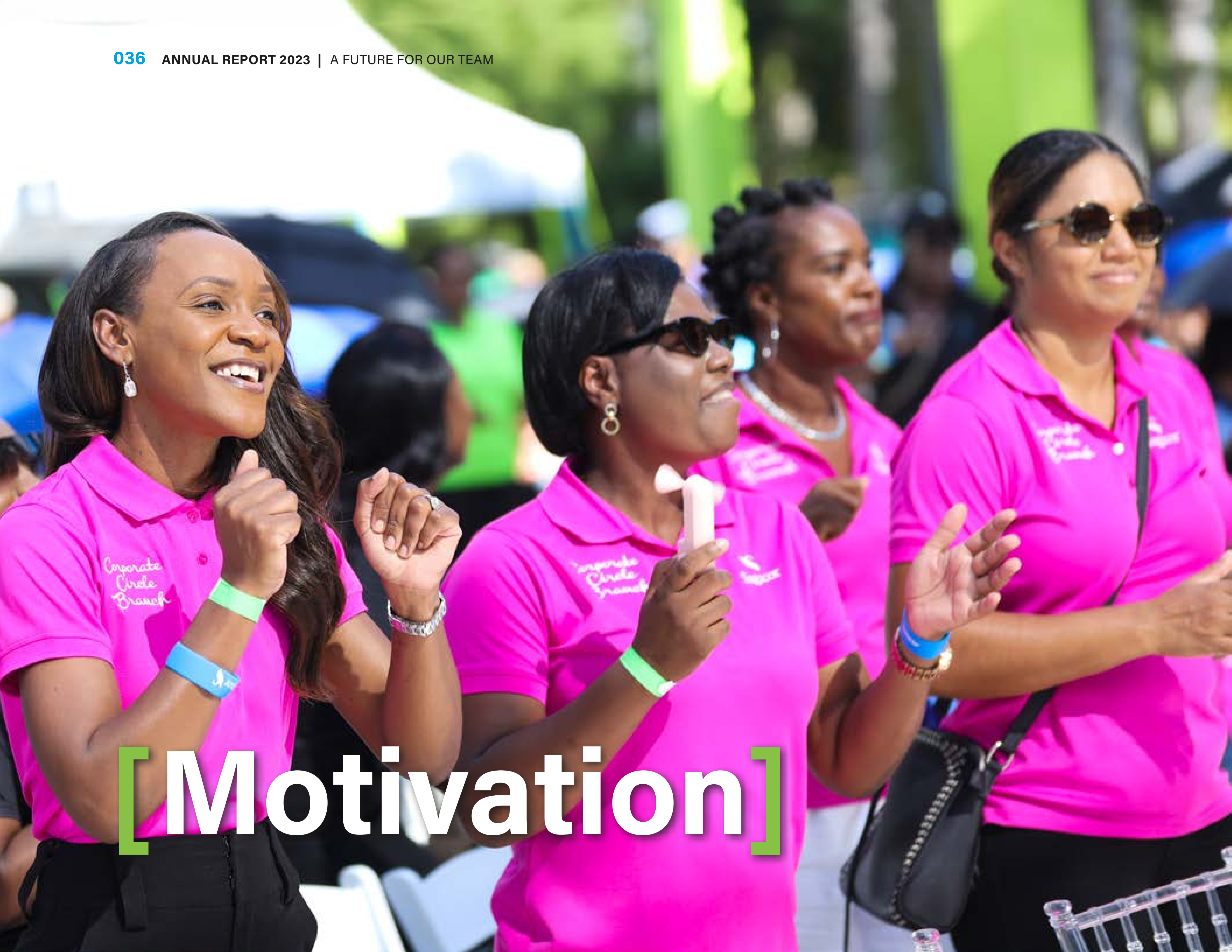
Since July 2007, Mark Thompson has presided over the transformation of Advantage General Insurance Company as CEO, and plays a pivotal role in the Company's commitment to becoming the 'Digital Insurer of Choice'. He has worked in several prominent businesses over the years in Canada and the Caribbean, 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 over 25 years.

HOWARD GORDON BBA (Hons.), MBA
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 BBA, MBA
Vice President, Enterprise Risk Management & Group Compliance
Sagicor Group Jamaica

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 20 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 (CAMS).



[Motivation]

A Future for Our Team

Sagicor Group Jamaica prides itself on having a "People First" culture driven by innovation, encouragement, high performance at every touchpoint and a deep appreciation for the tremendous contribution of each team member. Our vision of future readiness and continuous growth goes hand in hand with our team members who are essential to maintaining our position as a leader within the financial industry.

Recognizing that inclusion is a choice, Sagicor remains dedicated to cultivating a dynamic environment where each team member can express their creativity, have their voices heard and embrace their diverse talents in personal and professional realms.

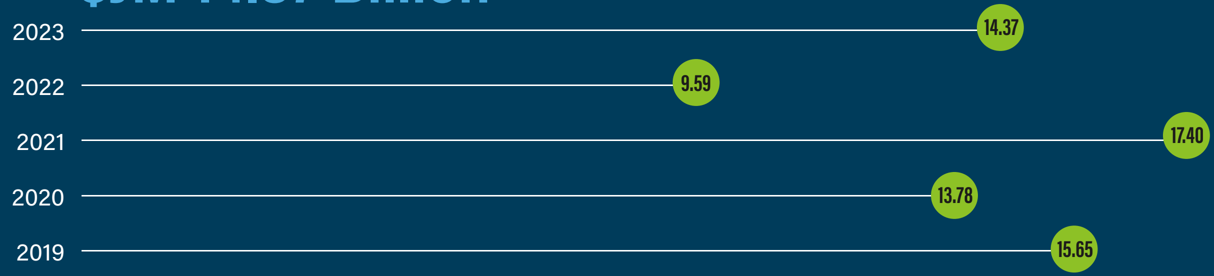
Investment in technology and developing the capability of our teams has been a key strategic focus for the company in 2023. Critical to adapting to and leveraging the diverse opportunities to be gained from this digital transformative focus, is encouraging the adherence to Data Protection and Privacy. Our cross-business line, cross-functional Data Protection Programme is a robust undertaking designed to support, educate, and help our talented team seamlessly navigate the digital landscape.

We are Sagicor Strong. We stand firm in our continuous efforts to maintain an upward trajectory while fostering a progressive environment that each person can thrive in and be reassured of their invaluable contributions.

Management's Discussion and Analysis

Net Profit Attributable to Shareholders

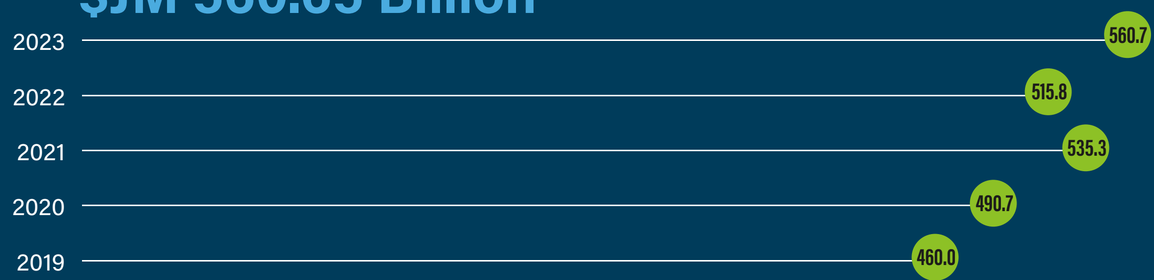
$JM 14.37 Billion



Net Profit in 2023 saw a 50% increase over the restated prior year.

Total Assets

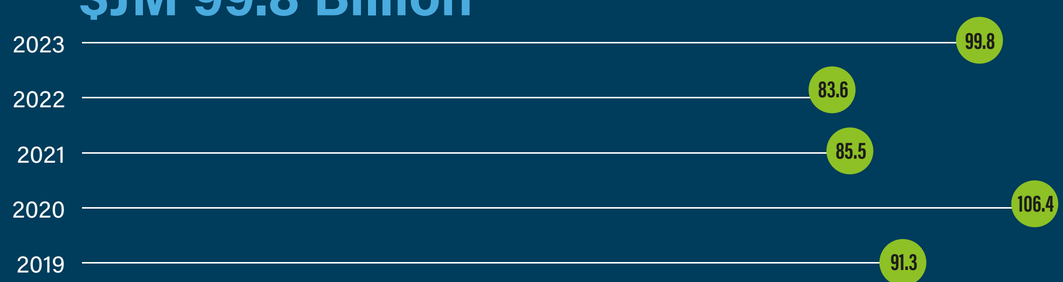
$JM 560.65 Billion



Total Assets in 2023 saw a 9% increase over the restated prior year.

Stockholders Equity

$JM 99.8 Billion



Stockholders' Equity in 2023 saw a 19% increase over the restated prior year.

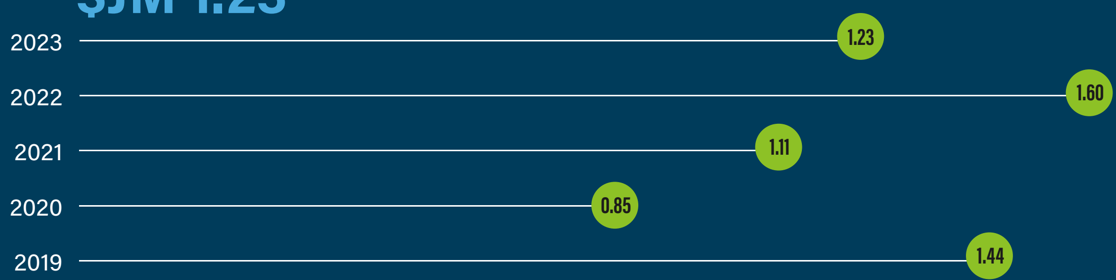
Earnings Per Share

$JM 3.67

Earnings Per Share in 2023 saw a 50% increase over the restated prior year.

Dividends Per Share

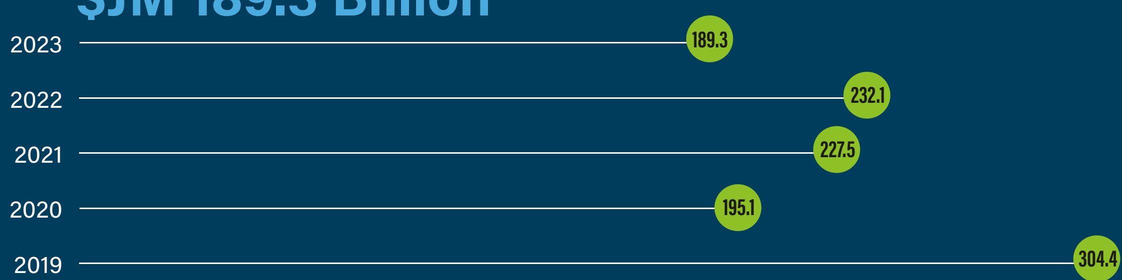
$JM 1.23



Dividends Per Share in 2023 saw a 23% decrease over prior year.

Market Capitalisation

$JM 189.3 Billion



Market Capitalisation in 2023 saw a 18.4% decrease over prior year.

2023 FINANCIAL PERFORMANCE HIGHLIGHTS

	Dec 2023 Audited	(Restated) Dec 2022 Audited	% Change
Operating Results (Income Statement Data):			
Net Profit, Attributable to Stockholders - J$ billions	14.37	9.59	50%
Insurance Service Results - J$ billions	8.07	7.14	13%
Contractual Service Margin (CSM) - J$ billions	5.43	4.26	27%
Financial Position & Strength (Balance Sheet Data):			
Total Assets of Sagicor Group Jamaica - J$ billions	560.65	515.78	9%
Total Assets Under Management - J$ billions	1,030.73	972.67	6%
Stockholders' Equity - J$ billions	99.78	83.61	19%
Adjusted Stockholders' Equity (+ CSM) - J$ billions	144.04	119.39	21%
Profitability:			
Return on Average Stockholders' Equity (ROE)	16%	11%	5%
Return on Average Assets (ROA)	3%	2%	1%
Earnings per stock unit (EPS) - J$	3.67	2.45	50%
Dividends paid per stock unit - J$	1.23	1.60	-23%

	Dec 2023	Dec 2022	% Change
Other Market Information:			
SGJ Share Price - J$	48.50	59.42	-18%
Market capitalization - J$ billions	189.34	232.07	-18%

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 2023 financial statements dated 29 February 2024 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
- Property & casualty insurance
- Commercial banking
- Investment banking
- Real estate
- Property management
- Captives' management
- Pension fund management
- Treasury and asset management
- Insurance brokerage
- Microfinancing
- Cambio and remittance services.

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 taken during the year. Effective 31 December 2023, Sagicor Group acquired 50 per cent of Sagicor Panama from Sagicor Life Inc. in Barbados through a joint venture arrangement with our Costa Rican partners (Capital & Advice Inc). Having received no objections from both Jamaican and Panamanian regulators, our joint venture will embark on this new journey, expecting to replicate the success of our existing Sagicor Costa Rica joint venture. Sagicor Panama currently offers a range of products including Group and Individual Life insurance, Group and Individual Health insurance, and Personal Accident insurance. With this venture, Sagicor Group Jamaica aims to further diversify its product offerings in the Latin American market.

For the financial year ended December 31, 2023, the Group's operations produced net profits attributable to stockholders of $14.37 billion, 50% higher than the restated profit in 2022.

In 2023, Insurance Service results improved by 13% and investment income net of insurance finance charges improved by 40% when compared to prior year. The Group's insurance product sales continue to show growth along most of its product lines. The Commercial Banking segment's loan and card payment portfolios continue to contribute positively to the Group's improved year over year results. The Investment Banking segment had another difficult year affected by unfavourable capital market conditions and narrowed interest margins due to higher liability costs.

The Group declared dividends totaling $1.23 per share (December 2022: $1.60 per share) during the year as part of our commitment to providing a return on capital to our shareholders, despite the challenging environment.

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 macroeconomic performance of these countries. Commentaries on the landscape of the main economies in which the Group operates are set out below:

JAMAICA

In 2023, Jamaica's economy faced various challenges, including:

- Higher oil and commodity prices owing to the Russia-Ukraine war and oil production cuts; and
- The ongoing tightening of global financial conditions due to interest rate hikes by central banks.

Despite these headwinds, key macroeconomic variables such as GDP and unemployment continued to show improvement as the country recovered from the COVID-19 pandemic. The tourism sector continued to be the main driver as stop-over arrivals continued to increase year-over-year. As at June 2023, the current account of the balance of payment reflected a surplus of US$241.0M or 1.26% of GDP compared to US$13.7M as at June 2022. Inflation continues to remain a bottleneck which remains above the Bank of Jamaica's 4% to 6% target range primarily due to higher food prices and an increase in the transport sector costs.

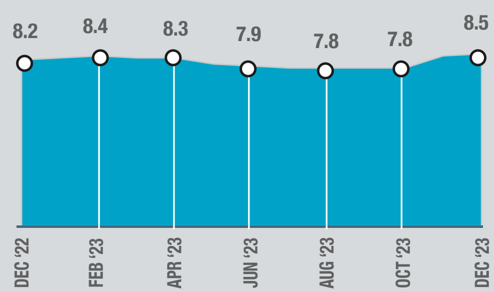
Economic Growth

According to data from the Statistical Institute of Jamaica (STATIN), the economy grew by 2.1% between July to September 2023 when compared to a similar period in 2022. According to recent estimates from the Planning Institute of Jamaica (PIOJ) for the calendar year 2023, the economy was projected to grow by 2.6%. This growth was largely attributed to the service industry fueled by the "Hotel and Restaurant' sector which grew by 6.7% during the 9 months and a projected growth of 11.9% for 2023. This outturn was driven by an increase in global travel which increased 20.9% from January to October 2023 according to the Jamaica Tourist Board. The Finance & Insurance Services industry grew by 1.5% compared to the similar period in 2022. This growth reflected increased revenue at commercial banks from net interest income and fees and commissions. The BOJ estimated that real value added for both FY2024/25 and FY2025/26 is expected to grow by 1.0% to 3.0%.

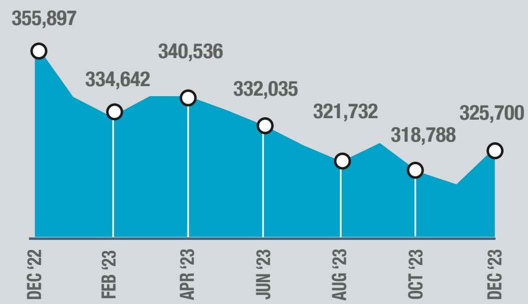
Unemployment

Jamaica's unemployment rate declined to 4.2% for October 2023 relative to 7.1% October 2021. The decline in the unemployment rate over the period continued to reflect sustained expansion in economic activities. A total of 1,320,400 persons were employed, an increase of 85,600 when compared to October 2021. The service workers and shop and market sales workers were the largest employment by occupation group. There was an increase in the female labour force, 4.0%, compared to 3.4% for the male labour force.

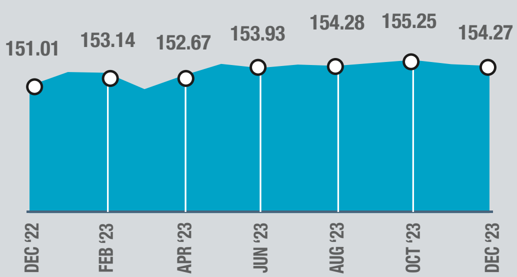
180-Day T-Bill Movements
% PERCENTAGE



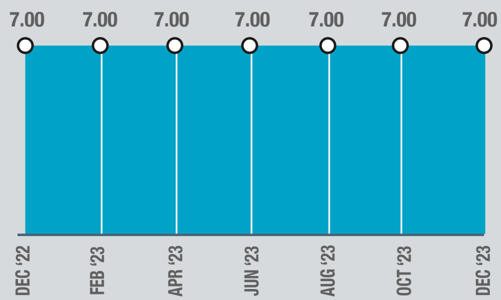
JSE Main Index Movements



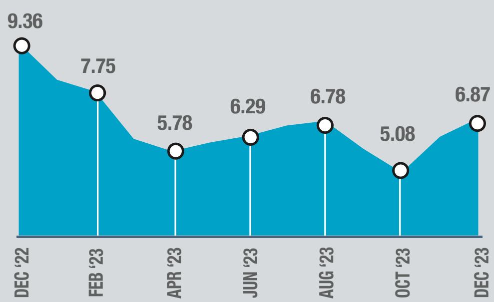
J$ vs US$ Exchange Rate Movements
$ DOLLARS



Interest Rate
% PERCENTAGE



12-Month Inflationary Changes
% PERCENTAGE



BB-

POSITIVE OUTLOOK

IDR Fitch Rating

In March 2024, Fitch Ratings affirmed Jamaica's Long-Term Foreign Currency Issuer Default Rating (IDR) at 'BB-' with a "Positive" outlook rating.

Inflation, Exchange Rate & Net International Reserves (NIR)

Jamaica's inflation rate, measured by the consumer price index, peaked in January 2023 at 8.10% before tapering off at 6.9% in December 2023. The monthly CPI breached the BOJ's 4% to 6% target range for ten out of the twelve months in 2023. During FY 2023 inflation rate experienced a seesaw effect due to bottlenecks such as an increase in fuel prices from the production cuts published by some OPEC+ members, drought impact on food prices and an increase in public passenger vehicle (PPV) fares. We anticipate that inflation should trend toward the BOJ's target at the end of the June quarter of 2025, partly due to the increase in PPV fares and higher agricultural food prices. In the latter months of 2023, the Government of Jamaica announced a two-phase increase in PPV fares where a 19% increase took effect in October and another 16% will take effect in April 2024. The rippling effect was seen in the inflation rate. To combat this increase, the government announced a reduction in Jamaica Urban Transit Company (JUTC) fares to cushion the impact. However, this impact on inflation was an overestimation of the true impact this reduction will have on inflation.

At the end of December 2023, the BOJ's weighted average selling rate closed at J$154.95 for the US dollar relative to J$152.05 at the start of the year. At the end of December 2023, the year-over-year depreciation was 1.91%. Similarly, there was a depreciation of 0.31% between November 2022 to November 2023. Conversely, net remittance transfers for the month of December 2023 decreased by 4.1% to US$ 294.1M compared to US$ 306.7M in December 2022. The BOJ continues to ensure liquidity assurance in the market via the foreign currency swap arrangement and the BOJ's Foreign Exchange Intervention Trading Tool (B-FXITT). Through the B-FXITT program, BOJ provided liquidity assistance amounting to US $936.8M from 35 interventions for 2023.

The NIR stood at US$ 4.76B at the end of December 2023, an increase from the US $3.98B recorded in December 2022. This increase was influenced by inflows through the public sector entity (PSE) facility. This can be seen from an increase in foreign assets to US$ 4.81B from US$ 4.52B due to the 12.43% increase in currency and deposits from foreign assets. The Foreign liabilities experienced a decline from US$548.9B to US$110.4B. The reserves as at December 2023 were sufficient to cover approximately 34.8 weeks of imports of goods and 23.9 weeks of imports of goods and services.

Interest Rate

For the entirety of 2023, the BOJ monetary tightening was held at bay at 7.00%. The aim was to bring the inflation rate within its target range whereas 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 keeping ahead of the Federal Reserve to eliminate capital flight. As at December 2023, the yields on the 90-day T-bills increased to 8.10% from 8.04% while the 180-day T-bills increased to 8.46% from 8.18%.

Debt

In March 2024, Fitch Ratings affirmed Jamaica's Long-Term Foreign Currency Issuer Default Rating (IDR) at 'BB-' with a "Positive" outlook rating. This upgrade comes as Jamaica's public debt continues its downward trajectory following a temporary increase in 2020. The debt-to-GDP has been on a downward trajectory for more than a decade, to a forecasted 73.5% in fiscal year 2023/2024 from a high of 135.3% of GDP in fiscal year 2012/2013. Revenues are forecasted to grow by 14.5% year-over-year, exceeding the forecasted growth rate of nominal GDP and above expenditure growth. Jamaica's real GDP growth rate moderated to an estimated 2.0% in 2023. This recovery was boosted by the tourism rebound, owing to stopover visitors.

Outlook

According to the Planning Institute of Jamaica, GDP is expected to grow by 2.6% for FY2023/24. This growth is driven by the goods-producing industry and the services industry which are projected to grow by 2.0% and 2.9% respectively. Real GDP is projected to grow between the range of 2.0%-4.0% for FY2023/24 largely attributed to expansion for the Hotels & Restaurant industry. For FY2024/25 real value added is expected to grow within the range of 1.0%-3.0% as the Mining & Quarrying industry is expected to see continued expansion. On the downside, headline inflation is projected to average close to 6.9% over the next eight quarters, according to the BOJ. This comes as the country is now faced with a new headline of increased PPV fares and a possible increase in agricultural food prices. It is anticipated that a tighter monetary policy via higher interest rates will continue into 2024.

6.9%

Jamaica's inflation rate at Dec. 2023

US$294.1M

Net remittance transfers for the month of Dec. 2023

J$154.95

Weighted average selling rate for the US$ at the end of Dec. 2023

US$4.76B

NIR at the end of Dec. 2023

2.0%

GDP Growth Rate 2023

5.2%

Cayman Islands Real GDP

3.6%

Cayman Consumer Price Index (CPI)

2.5%

US Real GDP Growth

3.7%

US Unemployment Rate at December 2023

3.4%

US Inflation Rate at December 2023

THE CAYMAN ISLANDS

The Cayman Islands Real GDP for 2022 expanded at an annualized rate of 5.2% relative to 4.9% in the similar period for 2021 by a rebound in the tourism sector. The service-producing industries grew by 5.6% continuing on the 3.5% growth in 2021. The expansion was broad-based, driven by higher levels of activity in all but one (1) industry, led by hotel & restaurants; transport & storage; other services; and human health & social work. The goods-producing industry declined by 5.8% from a growth of 5.9% in 2021. This decline resulted from lower manufacturing activities.

The Consumer Price Index (CPI) average annual inflation rate rose 3.6% in 2023 indicating an increase in the overall index. Of the twelve CPI divisions, ten recorded increased average prices driven by higher prices for Household Equipment, and Housing & Utilities. The Household Equipment division increased by 9.3% and correlated to the increase seen in the cost of glassware and utensils items. Housing & Utilities Division increased by 5.9%. This increase was attributed to an increase in rents and materials used for the maintenance and repair of the dwelling. On the flip side, the divisions of 'Food & Non-Alcoholic Beverages' and 'Communication' division recorded price decreases of 0.6% and 0.8%, respectively. The weighted average lending rate rose to 9.04% from 6.53%, while the prime lending rate rose to 8.13% from 4.88%.

It is expected that continued recovery in tourism and transport should support activities in other sectors. The growth in these industries is expected to boost the country's overall economic growth going forward. However, as the headwinds from tighter monetary policies and high inflationary pressures continue, increased stop-over is expected to increase demand in the labour market contributing to the lower unemployment levels.

UNITED STATES OF AMERICA

Real GDP increased 2.5% in 2023, compared to a 1.9% increase in 2022. Personal consumption was the main driver of the year-on-year increase. The main area of growth within personal consumption was "health care", "recreational goods & vehicles" and "food services and accommodations".

Fixed Investments by nonresidential economic actors (such as private businesses and by nonprofit institutions) on structures (such as construction of new buildings and fixtures for buildings) and software also contributed to the increase in GDP. Despite these investments, gross private domestic investment (investment in capital goods) declined; due to residential economic actors reducing their investment and also a decline in inventories. Government consumption and a reduction in imports helped to offset the decline in gross private domestic investment.

The cost of energy, which increased in 2022 and decreased in 2023, was the gray eminence behind the acceleration and deceleration of headline inflation, for both of those years respectively. The inflation rate decelerated considerably from approximately 7% in 2022 to close 2023 at 3.4%. Core inflation declined from approximately 6% at the end of 2022 to close 2023 at 3.9%.

After the rise of inflation since the COVID-19 pandemic, the Federal Reserves (Fed) has been seeking to increase savings and reduce spending, by increasing interest rates. The Fed stopped raising rates in July 2023, carrying the upper limit of its target range from 4.50% as at the end of 2022, to 5.50% at the end of 2023.

As at the end of 2023, the fed funds futures have been showing stronger bets on a decline in the target rate and the expectation is that in the second half of 2024, the Federal Reserve should start to ease the target rate lower.

The stock markets were expected to stumble in 2023, due to sustained higher rates leading to lower consumption and then lower earnings for firms. But the Artificial intelligence revolution was able to drag the stock market higher than anticipated, even after a March 2023 bank run, which caused several regional banks to go bankrupt. The issue is that the market breadth was narrow but strong enough to carry the S&P 500 to a strong 24% gain.

In 2023, the labour market remained tight. However, the unemployment rate increased from 3.5% at the end of December 2022, to 3.7% at the end of 2023. In fact, unemployment has edged upward to 3.9% as at the end of February 2024. The Labor Department's Job Openings and Labour Turnover Survey showed that there were 10.82 million job openings, as at the end of February 2024, roughly 400,000 jobs less than where it was at the end of December 2023.

COSTA RICA

Costa Rica's economy continued its impressive growth, and its government has been disciplined in its fiscal administration. For 2023, GDP growth was estimated at 4.4%. For the last three years, the economy had grown at an estimated compound annual growth rate of 5.50%.

The impressive growth followed a 4.3% decline in GDP for 2020. The rate of growth was faster than the 3% compound annual growth rate between 2017 and 2019. The economy, especially in the first half of the year, was driven by net exports, from both Freezone areas and from the general manufacturing base.

The consumer price index (CPI) confirmed that Costa Rica is experiencing deflation. According to data from El Banco Central de Costa Rica (BCCR), the CPI declined at a rate of -1.77%, between December 2022 and December 2023. The drop in the cost of living was impressive when compared to the 5.2% average CPI growth rate for Latin America and the Caribbean, as measured by the Economic Commission for Latin America and the Caribbean (ECLAC). In 2023, CPI declined for eight of the twelve months, on a month over month basis. The BCCR's survey of market expectations for the 12-month year-on-year inflation in February 2024 was 2.38%.

Costa Rica has been very disciplined of late, with the management of its central government accounts. Between 2017 and 2019, the overall fiscal balance was running at an estimated annual average of -6.0% of GDP. Between 2021 and 2023, the annual average improved to -3.8% of GDP. The improvement in central government accounts came after a new fiscal rule which was enforced in 2020. The new rule capped growth of government expenditure.

In February 2024, Fitch rating agency upgraded Costa Rica's debt from "BB-" to "BB." One of the key drivers of the rating upgrade was the fiscal rule that is anchoring continued structural improvement in Costa Rica's fiscal position. As such, the expectation is that debt to GDP will fall further in 2024, after falling from 68% of GDP in 2021 to an estimated 63% of GDP in 2023.

BB

POSITIVE OUTLOOK

Fitch Rating - Costa Rica

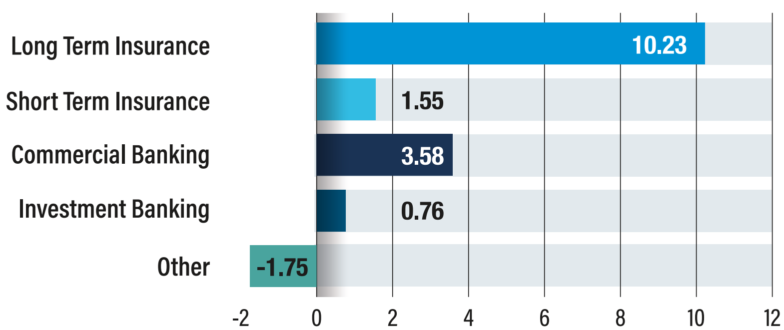
In February 2024, Fitch rating agency upgraded Costa Rica's debt from "BB-" to "BB."

FINANCIAL PERFORMANCE

These results represent the first year of reporting under IFRS 17. The new standard replaces IFRS 4 and establishes new principles for the recognition, measurement, presentation and disclosures of insurance and reinsurance contracts. The standard also allows for the revision of accounting policy choices made under IFRS 9 for assets supporting insurance liabilities. IFRS 17 does not affect the underlying fundamentals of our business, our strategy, or our operations.

Sagicor Group delivered a good performance despite a challenging year. The Group's net profit attributable to stockholders was $14.37 billion, a 50% improvement when compared to prior year's restated $9.59 billion. This was generated from total revenues of $90.89 billion, being 46% above the comparative prior year and total insurance and operating expenses of $72.07 billion, 51% above the comparative prior period.

Sagicor Group Jamaica
Net Profit by Business Segment
J$ BILLIONS



IFRS 17 IMPACT

IFRS 17 introduces key changes to the balance sheet and the timing of income recognition for Long-Term Insurance products, as follows:

- The introduction of a Contractual Service Margin (CSM). This liability represents the expected net present value of cash flows of insurance contracts that are deferred at inception and amortized to future income. The CSM qualifies as regulatory capital.
- Contracts whose CSM is negative at inception are classified as "Onerous" and these expected losses are recognized immediately in the income statement, similar to IFRS 4.
- Changes to the market value of investments supporting liabilities are now recognized in income to match the change in value of insurance liabilities caused by interest rate movements.

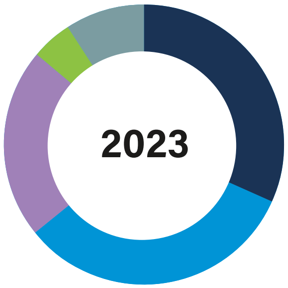
On transition, 31 December 2021, gains on existing insurance contracts that were previously recorded as income have been re-established as CSM by a transfer from equity. The CSM on transition was computed using a mix of retrospective and fair value approaches and totaled $30.51 billion. The impact on equity, mainly caused by the CSM and other Insurance liabilities, was a decrease of $29.12 billion. Regulatory capital includes CSM and remains strong.

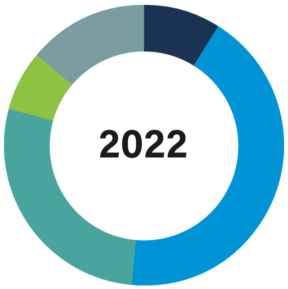
The new standard improves transparency for the sources of profit and provides a greater degree of stability and predictability to underlying Long Term insurance contract earnings. The Group's asset management, commercial and investment banking, and cambio and remittance businesses are unaffected by IFRS 17.

Sagicor Group Jamaica

Revenue by Business Segment

PERCENTAGE (%)





2023

- 32% LONG TERM INSURANCE
- 33% SHORT TERM INSURANCE
- 22% COMMERCIAL BANKING
- 5% INVESTMENT BANKING
- 8% OTHER

2022

- 9% LONG TERM INSURANCE
- 43% SHORT TERM INSURANCE
- 28% COMMERCIAL BANKING
- 7% INVESTMENT BANKING
- 13% OTHER

Revenue by Business Segment

	2023 J$M	%	2022 J$M	%
Long Term Insurance	28,775	32%	5,755	9%
Short Term Insurance	30,372	33%	26,010	43%
Commercial Banking	19,850	22%	17,183	28%
Investment Banking	4,115	5%	4,428	7%
Other	7,781	8%	8,810	13%
Total	**90,894**	**100%**	**62,185**	**100%**

The revenue performance of the Group was influenced by:

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

   Insurance revenue of $46.82 billion improved by 15% over the $40.67 billion recorded in the prior year. This can be attributed to strong core insurance results; through the release of CSM (Contractual Service Margin) of $5.43 billion (2022: $4.26 billion) and by generating new business CSM of $5.53 billion (2022: $5.40 billion). New business sales of $1.93 billion were recorded for the Group health and life products, primarily within its corporate client portfolios.

2. **Growth in Commercial Banking Activities**

   The segment recorded a 16% increase in revenues, due to greater volumes on its card payments portfolios and growth in net interest income. Loan portfolios continue to exhibit growth with new loans written of $36.16 billion contributing to a $2.74 billion increase in interest income.

3. **Growth in Net Investment Income**

   There was a significant improvement in Net Investment Income over prior year coming from $137.40 million in 2022 to $26.45 billion in 2023. The prior year's results were restated following the adoption of IFRS 17, and include an election to record the impact of changes in interest rates on the fair value of security prices, in the income statement. Unrealized gain on financial securities for 2023 was $1.60 billion, compared to an unrealized loss of $21.25 billion in 2022.

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

1. **Increase in Insurance Service Expenses**
   The Group's insurance service expense was $35.13 billion in 2023, a 15% increase over 2022 which recorded $30.55 billion. The insurance service expense includes incurred claims, insurance acquisition costs, losses on onerous contracts and other direct expenses of the insurance business. Of the $35.13 billion in insurance service expenses, $10.76 billion was attributable to the Long Term Insurance business, representing a 32% increase over prior year. The Short Term Insurance business accounted for $24.37 billion, a 9% increase over 2022. There was marked improvement in the loss ratios within the health insurance portfolios despite the steady rise in drug prices and other medical costs.

2. **Unfavourable changes in Net Insurance Finance Expense from changes in interest rates.**
   The Group recorded $5.46 billion in Net Insurance Finance Expenses in 2023 compared to the $14.83 billion in Net Insurance Finance Income recorded in 2022.

3. **Decrease in other operating expenses**
   Other operating expenses, inclusive of depreciation and amortization of software decreased by 5% year on year to end December 2023 at $26.95 billion (2022: $28.29 billion). This is a result of prior year's hotel expenses not forming part of the current year's expenses. This was offset by increases in communication and technology, loyalty rewards which are tied to commercial banking activities of our customers, IFRS 17 implementation costs and cost of living increases for staff.

$560.65 B

Total assets as at December 2023, an increase of 9% over December 2022

Total assets as at December 2023 were $560.65 billion, an increase of 9% over December 2022. This increase is partly the result of a $21.74 billion increase in financial investments.

INVESTED ASSETS

The Group's financial investments is made up of debt securities, equity securities, derivatives, repurchase agreements and short-term deposits. Fixed Income securities, which account for 79% of our portfolio, ended the year at $270.53 billion. This represented a marginal increase over 2022. Equity securities totaled $38.86 billion, a decrease from what was recorded in the prior year (2022: $40.20 billion), yielding a dividend income of $230.85 million in 2023 (2022: $273.71 million).

LOAN ASSETS

Sagicor Group Jamaica's gross loans of $124.13 billion, improved $11.39 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 $1.74 billion comprising only 1.39% of gross loans. The Bank's non-performing loans book also improved from 1.45% in 2022 to 1.29% in 2023.

INTANGIBLE ASSETS

Intangible assets comprise of goodwill, customer relationships, trade names and computer software. Computer software of $218.55 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, 2023, the Group's fixed assets increased by $282.87 million. This was primarily due to additions in Furniture, Equipment and Leasehold Buildings and Improvements. The Group's additions totaled $591.97 million for the year.

DEPOSITS AND SECURITIES LIABILTIES

Deposits and securities liabilities of $262.49 billion increased 5% over the prior year end. Customer Deposits, which represents 60% of the deposits and securities liabilities balance continues to be a significant source of funding for commercial banking activities. Our customer deposits of $156.50 billion increased 7% year over year. Securities sold under repurchase agreement, which represents 35% of the total deposits and securities liabilities, amounted to $90.82, a 4% increase over the prior year.

INSURANCE CONTRACT LIABILITIES

The Group's insurance contract liabilities amounted to $144.99 billion, a $10.17 billion increase over prior year (2022: $134.82 billion). The movement in insurance contract liabilities was aided by strong new business growth across the insurance products.
IFRS 17 introduced the concept of Contractual Service Margin (CSM) in the measurement of Insurance Contract Liabilities. This represents the expected net present value of cash flows of insurance contracts that are deferred at inception and amortized to future income for Long Term insurance products. The measurement of Insurance Contract Liabilities for the Short-Term portfolio is similar to IFRS 4 but includes an adjustment for the timing of profit recognition.

The Group's return on equity was 16% as at December 2023, increasing from 11% in the prior year.

Equity reserves increased by $3.70 billion, a result of $4.38 billion net unrealized gains on financial assets carried at fair value through other comprehensive income. This was influenced by still high but more stable market interest rates.

The overall liquidity of the Group remains solid with cash and cash equivalents ending the year at $45.35 billion, an increase over prior year by 6%.

RELATED PARTY TRANSACTIONS

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

The Group's major related party transactions include financial investments of $28.76 billion held in Sigma units and repurchase agreements of $22.20 billion issued to managed funds.

Liabilities under Insurance Contracts

	2023 $ '000	2022 $ '000
Long Term Insurance	134,061,198	125,609,498
Short Term Insurance	10,926,830	9,205,794
Total	**144,988,028**	**134,815,292**

16%

The Group's return on equity increased from 11% in the prior year.

$45.35B

Overall liquidity of the Group remains solid ending 6% over prior year.

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, 2023	Dec 31, 2022
Sagicor Life Jamaica Limited	Life insurance capital adequacy test (LICAT)[1]	100.0%	155.2%	-
Sagicor Bank Jamaica Limited	Regulatory capital to risk weighted assets ratio	10.0%	13.4%	13.0%
Sagicor Investments Jamaica Limited	Regulatory capital to risk weighted assets ratio	10.0%	16.5%	14.9%
Sagicor Life of the Cayman Islands Limited	Minimum capital requirement (MCR)	125.0%	456.6%	303.5%
Advantage General Insurance Company Limited	Minimum capital test ratio (MCT)	150.0%	304.5%	344.7%

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

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 October 2023, A. M. Best rating agency affirmed SLJ's Financial Strength Rating (FSR) of B++ (Good) and an Issuer Credit Rating (ICR) of "bbb+" (Good) 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) had its regional rating upgraded and 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 2023.

A.M. Best
Sagicor Life Jamaica

B++
(Stable)
Financial Strength Rating (FSR)

bbb+
(Stable)
Issuer Credit Rating (ICR)

CariCRIS
Sagicor Life

jmAAA
(Stable)
Jamaica National Scale

FUNDS UNDER MANAGEMENT

Sagicor Group Jamaica's key financial assets are managed by our Group Treasury and Asset Management (GTAM) division. This includes assets under management, such as Sagicor Sigma Global Funds, Investment funds, Pension funds and Unit Trusts. The Group's funds under management, which includes Group assets, totaled $1.03 trillion.

Pension Funds

Sagicor Life Jamaica operates as a licensed investment manager, offering to pension clients the financial solutions to aid their retirement savings using the following investment approaches:

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

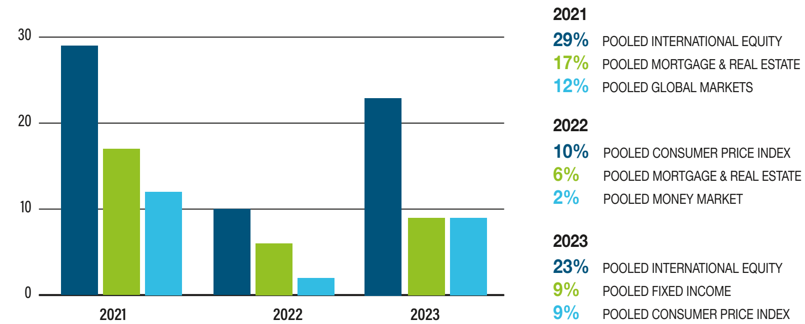
The total pension funds under management as at December 31, 2023, stood at $247.28 billion, which represents a 7% increase over 2022's $230.35 billion. Our pension clients are offered the most flexible and diverse range of investment options which includes local and global stocks and bonds, as well as 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 level of investment risk to their respective pension plans. The structure also facilitates better duration matching of pension liabilities and assets.

The Pooled Funds comprise nine unitized funds, the assets of which are segregated from the assets of SLJ and held under a 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.'

Sagicor Group Jamaica

Top 3 Performing Pension Funds 2021 - 2023

PERCENTAGE RETURN (%)



The top performing Fund was the Pooled International Equity Fund which generated a 12-month return of 23.4%. This Fund provides exposure to securities listed on recognized exchanges in approved jurisdictions. Other top performing funds included the Pooled Fixed Income Fund and the Pooled CPI Fund returning 9.3% and 8.7%, respectively.

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 strategic asset allocation which incorporates the process of diversification.

CariCRIS
Sagicor Group Jamaica

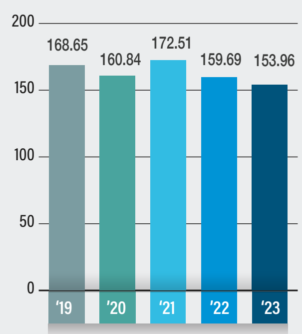
CariA	CariA+	jmAA+	jmAAA
(Stable)	(Stable)	(Stable)	(Stable)
Regional Scale Foreign Currency	Regional Scale Local Currency	Local Scale Foreign Currency	Local Scale Local Currency

Sagicor Sigma Global Funds

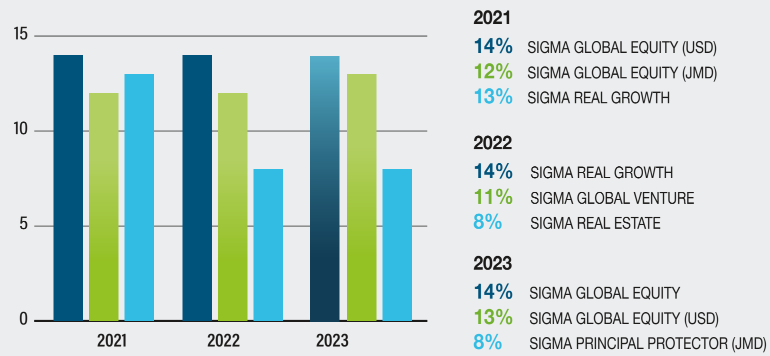
As at December 31, 2023, total net funds under management was $153.96 billion, a 4% decrease compared to the prior year's $159.69 billion. For the year 2023, asset price volatility continued to impact the performance of the Sagicor Sigma Global Funds. Nonetheless, the diversity of the Sigma portfolio resulted in some Funds yielding double digit returns. These include the Sigma Global Equity JMD and USD portfolios which generated 13.5% and 12.8%, respectively.

Sagicor Sigma Global Funds also maintained its coveted position as the largest collective investment scheme (CIS) in the region.

Sagicor Sigma Global Funds
Funds Under Management
J$ BILLIONS



Sagicor Sigma Global Funds
Top 3 Performing Funds 2021 - 2023
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 totaled $40.7 billion at the end of 2023, representing an increase of 8.8% over the prior year's total of $37.4 billion. This increase was primarily due to the improved performance of financial assets as a result of the deceleration of inflation and the tempering of interest rate increases locally and globally. The top performing funds included the Sagicor Foreign Currency Indexed Fund and the Sagicor International Equity Fund returning 12.5% and 11.5%, respectively.

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

SLCI's segregated funds under management totaled US$27.6 million, an increase of 16.5% over the prior year's US$23.8 million. These funds are invested in global equities and fixed-income securities. This investment portfolio offers our policyholders the opportunity to participate in three (3) investment funds, all of which generate positive returns for 2023 ranging from 7% to 20%.

Sagicor Life General Fund

The Sagicor Life Jamaica (SLJ) General Fund generated a positive yield and provided suitable revenues to the Group. During the year, this portfolio incurred an income yield of 6.8%. The portfolio value increased by 11% to $166.9 billion when compared the 2022 restated value of $150.5 billion. This restatement was due to the implementation of IFRS 17 during 2023. The portfolio generated investment income of approximately $10.6 billion and $1.9 billion in capital gains. SLJ's

General Fund is invested primarily in GOJ bonds denominated in both Jamaican and United States Dollars, as well as other sovereign and corporate bonds and notes, mortgage loans, equities, and real estate.

The invested assets of Sagicor Life of the Cayman Islands (SLCI) General Fund increased by 10.4% to US$118.4 million at the end of 2023, when compared to the 2022 IFRS 17 restated value of US$107.2 million. The investments in this portfolio are heavily weighted towards international corporate bonds with an Investment Grade rating at acquisition. The portfolio produced income of US$4.8 million, before capital gains and interest expense charges, with a yield of 5.2%.

$166.9 B

SLJ portfolio value Increased by 11%

$10.6 B

SLJ portfolio investment income

BUSINESS SEGMENT PERFORMANCE

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

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

The reporting segments were revised to align with the grouping and measurement of insurance products under IFRS 17. Accordingly, we have new segments:

Long-Term Insurance segment- includes Annuities, Traditional Life and Universal Life products

Short-Term Insurance segment- includes Group Life, Group Health, Individual Health, Creditor Life and Property & Casualty offerings.

These segments replace the Individual Life and Employee Benefits Division segments, which will no longer be used. Despite these changes, the Group's key financial targets and metrics have remained largely intact as does our philosophy regarding returns to our shareholders.

Notably, the Group's **Commercial** and **Investment Banking** segments are unaffected by IFRS 17.

Business Segment Performance Contribution to Net Profit

71%
Long Term Insurance

25%
Sagicor Bank

11%
Short Term Insurance

5%
Sagicor Investments

Other Segment represents -12% of the overall group performance.

SECTOR PERFORMANCE

LONG TERM INSURANCE

The segment includes products whose contract boundaries exceed one year in duration and are measured using the General Measurement Model (GMM) and Variable Fee Approach (VFA) under IFRS 17. The Long Term Insurance segment includes Annuities, Traditional Life and Universal Life products. The Division is serviced through a large distribution network of 403 financial advisors in the Core Branch Distribution Channel, independent advisors 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 925 Financial Advisors.

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

This segment had a strong performance, contributing $10.23 billion in net profit or 71% of the Group's 2023 results. This was derived from revenues of $28.77 billion as the segment continues to deliver an attractive return on the capital allocated.

The market share, a key performance indicator, was reported as 60% in 2023.

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 2023, the Division's block of in-force policies grew by 3% (2022 – 3%).

Insurance Revenues for the Long Term Insurance business were $17.54 billion, a 15% increase over the comparative 2022 period. This was driven by strong new annualized premium income in Jamaica and Cayman.

Long Term Insurance Division

High level P&L for 2023 and 2022

	2023 J$M	2022 J$M	% Variance
Insurance Revenue	17,544	15,270	14.9%
Insurance Service Expenses (including reinsurance contracts held)	(10,714)	(8,454)	-26.7%
Net Investment Income	11,271	(9,698)	216.2%
Net Insurance Finance Expense	(5,461)	14,828	-136.8%
Fees and Other Revenues	(40)	184	-121.7%
Expenses (including asset tax)	(224)	(144)	-55.6%
Taxes	(2,148)	(2,140)	-0.4%
Net Profit	**10,228**	**9,846**	**3.9%**

Insurance Service Expenses for Long Term Insurance were $10.76 billion, this includes incurred claims, insurance acquisition expenses, losses on onerous contracts and other directly attributable expenses of this insurance segment. Insurance Service Expenses were $8.18 billion in 2022.

The segment also experienced a 13% improvement in investment income net of finance expenses (2023: $5.81 billion, 2022: $5.13 billion).

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

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

$10.23 B

Net Profit for 2023

SECTOR PERFORMANCE

SHORT TERM INSURANCE

The segment includes products whose contract boundaries are less than one year and are measured using the Premium Allocation Approach (PAA) under IFRS 17. The Short-Term Insurance segment includes Group Life, Group Health, Individual Health, Creditor Life and Property & Casualty products. The segment focuses on building financial security programmes that balance the needs of both employer, employees, and Non-Employer Groups. Sagicor remains the market leader in these areas. It operates in a highly competitive environment where most contracts are renewed annually.

The Short Term Insurance segment earns its revenue from insurance premiums; investment income generated on the assets required to support the liabilities and surplus of its insurance and other fees relating to the short term insurance business. The segment generated profits of $1.55 billion, an improvement over prior year's profit of $0.13 billion. The increase over prior year is due primarily to improved loss ratios within the health insurance portfolios despite the steady rise in drug prices and other medical costs.

Insurance Revenues for the Short Term Insurance business was $29.27 billion, this was a 15% increase over the comparative 2022 period. This was driven by growth in new business sales of $1.93 billion for Group health and life products. In 2023 total segment revenues were $30.37 billion, this increased by 17% when compared to the prior year (2022: $26.01 billion).

Insurance Service Expenses for Short Term Insurance was $24.37 billion, this includes incurred claims, insurance acquisition expenses and other directly attributable expenses of the insurance segment. Insurance Service Expenses were $22.37 billion in 2022.

Short Term Insurance Division

High level P&L for 2023 and 2022

	2023 J$M	2022 J$M	% Variance
Insurance Revenue	29,274	25,402	15.2%
Insurance Service Expenses (including reinsurance contracts held)	(28,036)	(25,080)	-11.8%
Net Investment Income	1,001	519	92.9%
Fees and Other Revenues	97	89	9.0%
Expenses (including asset tax)	(675)	(1,066)	36.7%
Share of Profit from Joint Venture	242	440	-45.0%
Taxes	(349)	(174)	-100.6%
Net Profit	**1,554**	**130**	**1095.4%**

The Group Insurance line of business continues to pursue key strategic initiatives, digitalization, innovation and self-service options 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.

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.

$1.55 B

Net Profit for 2023

SECTOR PERFORMANCE

COMMERCIAL BANKING

Sagicor Bank Jamaica Limited (SBJ) had another successful year where we produced net profit of $3.58 billion, representing a 9% increase compared to the prior year. This is a considerable achievement when we look at the regulatory changes we adapted to locally as well as the global challenges faced. Once again, the SBJ team pivoted where needed and delivered an improved performance.

As the fourth (4th) largest bank, we are committed to our mantra of "In Your Corner" by continuing our digitalization journey with special focus on our clients. This was attained supporting projects that aided in the growth of Jamaica, further improving the lives of the people in the communities in which we operate.

Recognizing that the Small and Medium Enterprises (SMEs) sector is vital to the growth of Jamaica, we partnered with the Jamaica Business Development Corporation to provide training, mentoring and coaching free of charge to our SMEs through the Sagicor Bank Business Resource Centre.

A major highlight that cemented the importance of the partnership was the endorsement of the World Bank, actioned through a special visit by its President, Ajay Banga, who during his visit to the Centre, lauded our ongoing efforts. We also continued our Women in Business initiative, a project that further showcased our commitment to supporting the SMEs sector in diverse ways.

Another major initiative was our multi-billion-dollar loan investment into the German Ship Repair Jamaica (GSRJ) shipyard. As the lead arranger in raising funds for the dry dock project, SBJ committed more than US$18 million to developing the dry dock facilities. The floating dock arrived in Jamaica on August 24, 2023 to its new home port at Kingston Harbour.

Commercial Banking Division

High level P&L for 2023 and 2022

	2023 J$M	2022 J$M	% Variance
Revenue	19,850	17,183	15.5%
Expenses (including asset tax)	(14,288)	(12,093)	-18.2%
Taxes	(1,979)	(1,796)	-10.2%
Net Profit	**3,583**	**3,294**	**8.8%**

Sagicor Bank Key Performance Indicators

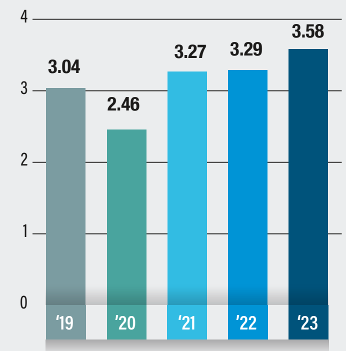
Indicators	2023	2022
Profitability		
Return on assets	1.81%	1.80%
Return on equity	13.63%	13.17%
Efficiency		
Operating efficiency	68.16%	66.61%
Net interest margin	7.36%	6.73%
Credit Quality		
Non-performing loans to gross loans	1.29%	1.45%
Provisions to total loans	1.25%	2.08%
Financial Leverage		
Deposits to total assets	80.06%	77.20%
Capital Adequacy	13.43%	13.02%

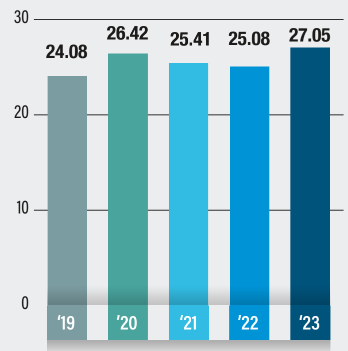
$3.58 B

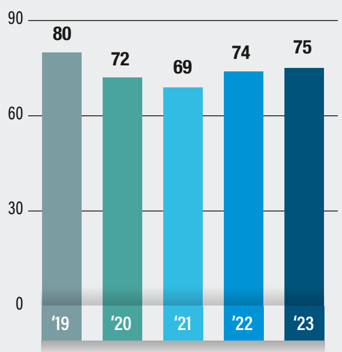
Net Profit for 2023

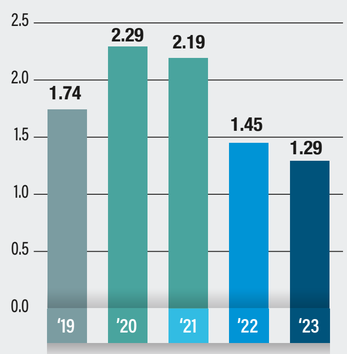
$19.85 B

Revenues for 2023









Profits for 2023 were produced from revenues of $19.85 billion, which were 16% more than prior year, driven by income from credit card fees, POS fees and loan fees. The provision for expected credit losses increased year over year by $122 million mainly due to growth in the Bank's loan portfolio. Revenue includes net interest income, fees and commission income and other fee-earning activities. Net interest income increased by 17%, while net interest margin increased to 7.36% from 6.73% in 2022.

In our core business (deposits & loans), the deposits portfolio grew by 7.9%, the loan portfolio grew by 10%. The Credit Card spend grew by 15%.

Our lending portfolio increased by $11 billion. The new loan business was largely funded by deposits, which grew by $11.4 billion. Return on allocated assets marginally increased to 1.81% from 1.80% in 2022. Return on allocated equity increased to 13.63% from 13.17% in 2022.

Non-interest income increased to 14% over the prior year. It should be noted that the increase recorded was well supported by fees from our electronic payments segment which grew 18% over prior year.

Total assets of $200.24 billion were 4% above the December 2022 total of $192.88 billion. Loans and advances, net of provision for loan losses, were $119.06 billion, 10% higher than the December 2022 balance.

Operating costs increased 18% over the prior year. The major drivers in terms of expenses were costs associated with electronic channels, information technology expenses and staff costs.

$200.24B

Total Assets

17%

Increase in Net Interest Income

$11B

Increase in lending portfolio

$11.4B

Growth in deposits

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 2023, the segment generated net profit of $763 million, a 32% decline over prior year. Performance was impacted by the prevailing macroeconomic conditions that continue to negatively impact the industry. The prolonged high interest rate environment, an effort by central banks to curtail high inflation, significantly impacted Net Interest Income by depressing margins and curtailed trading activities leading to a downturn in these revenue lines for the Jamaican operations. The segment was also impacted by the decline in market value on a part of its portfolio of securities during the year.

Despite these challenges, several segments of the business delivered strong performance. Our Asset Management segment through our Sagicor Sigma Global Funds continues to be the leader in market share with 38% of the market and held leading positions in performance, achieving the #1 performing Jamaican dollar Equity Fund and the #2 performing US dollar Equity Fund. In our stockbrokerage unit the team delivered another year of strong performance with SIJ achieving the #2 position in Value traded on the JSE for 2023 and the #3 positions in terms of Volume and Number of Trades executed. The company was also recognized in the categories of Revenue Generation & Market Activity, and Website (Member-Dealer category), placing number 1 in the former for most value traded on the exchange at the Jamaica Stock Exchange's Annual Best Practices Awards held in December 2023 recognising performance for 2022.

Our Capital Markets segment was also impacted by the economic environment which saw reduced activity in the market. Nevertheless, the team executed several deals

Sagicor Investments Key Performance Indicators

Indicators	2023	2022
Profitability		
Return on assets	1.15%	0.85%
Return on equity	8.47%	5.61%
Efficiency		
Operating efficiency	93.17%	69.09%
Net interest margin	1.71%	2.27%
Financial Leverage		
Interest bearing liabilities to total assets	83.74%	83.14%
Capital Adequacy	16.53%	14.90%

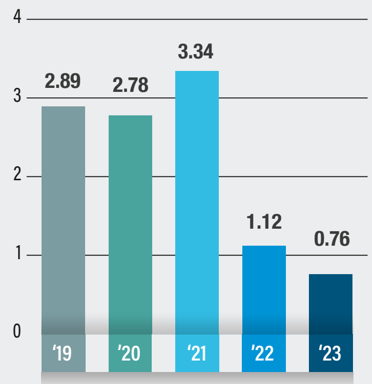
Investment Banking Division

High level P&L for 2023 and 2022

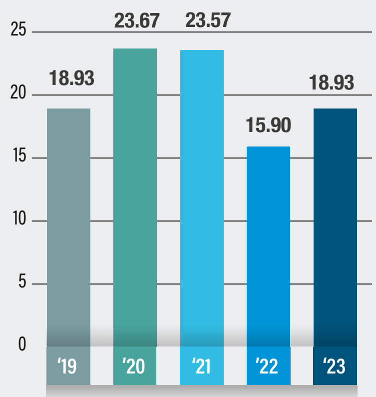
	2023 J$M	2023 J$M	% Variance
Revenue	4,115	4,428	-7.1%
Expenses (including asset tax)	(3,334)	(2,945)	-13.2%
Taxes	(18)	(359)	95.0%
Net Profit	**763**	**1,125**	**-32.2%**

SIGMA funds continues to be the leader in market share with 38% of the market and held leading positions in performance, achieving the #1 performing Jamaican dollar Equity Fund and the #2 performing US dollar Equity Fund.

Investment Banking
Profit
J$ BILLIONS



Investment Banking
Stockholders' Equity
J$ BILLIONS



brought to market during the year, notably successfully raising J$3.5 billion for Supreme Ventures limited which financed the commencement of operations in Ghana and has continued to build a strong pipeline that is expected to redound well for the business in 2024.

During the year we relaunched our new and improved Wealth Management offering to clients which was well received by our target market and garnered growth in this key market segment. Likewise, our team of wealth advisors across the branch network continued to go the extra mile to engage and deepen relationships with existing clients as well as new clients, and our research team provided timely research and insights to guide investment decisions during the volatile market conditions. We continue to provide expert and prudent advice in line with our strategic focus to build wealth for our clients.

In 2023 work continued to advance our strategic initiative of digital transformation. A new Order Management System was completed and implemented in Q4 which will see greater efficiencies in our stockbrokerage processing unit leading to an improved client experience. Work also continued on the upgrade of the internet banking platform as well as the IPO portal, eInvest, both of which will be implemented in 2024 allowing clients improved self-serve options at their fingertips. Continued investment in upskilling and build out of team capacity in support areas of Operations and Research was undertaken.

In 2023, the segment's total revenue of $4.12 billion decreased 7% over the 2022 financial year. This revenue comprised net interest income, fees and commission income, trading income and dividend. Net interest income was 15% lower than 2022. Net interest margin fell to 1.71% compared to 2.27% in 2022. Non-interest income of $1.85 billion was affected by prevailing market conditions. Operating costs increased marginally over the prior year.

Sagicor Investments Cayman recorded strong performance in 2023. With its first full year of operations, revenue grew by over 165% and assets increased 27%. The growth trajectory is on track with both profit targets and client targets met in 2023 and we expect to continue this trajectory with the further roll out of products and services in 2024.

J$763M

Net Profit

$4.12B

Total Revenue

1.71%

Net Interest Margin

$1.85B

Non Interest Income

#1

Performing Jamaican Equity Fund

#1

Most value traded on the JSE

OTHER SUBSIDIARIES

Advantage General Insurance Company Limited

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

AGIC continues to outperform prior year performances in gross premiums written in 2023 as the Company recorded its highest annual gross premiums written of $8.9 billion.

$8.9 B

AGI Gross premiums written

Overall, this resulted in the company recording a 19% improvement in insurance revenues year on year which contributed $8.29 billion to the Group's consolidated insurance revenues for 2023. AGIC experienced premium growth in both its motor and property related portfolios and reinforces the Company's strategy to both diversify its portfolio and improve its underwriting performances across its major business classes. AGIC's net insurance service results in 2023 were flat relative to prior year, while the company experienced continued improvements in claims related costs, these were offset by increased reinsurance and operating costs incurred during the year. AGIC also enjoyed a 49% improvement in investment returns in 2023 when compared to 2022 due mainly to the relatively higher average benchmark interest rates in 2023 and the repositioning of the investment portfolio to benefit from these higher returns. Overall, AGIC net income contribution to the group was $249.20 million.

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 2024, AGIC's plan is to continue our journey of furthering our digital footprint across all platforms allowing seamless and secure interface by our customers with our information systems. We also anticipate that AGIC will continue to grow in the commercial and personal lines space thereby furthering the growth in insurance premiums for AGIC.

Alliance Financial Services Limited

Sagicor Group 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 providing 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 operations. Total revenues for the twelve months of operations for 2023 amounted to J$1.25 billion, as both Cambio and Remittance services gradually regained the market share which was lost during the four-month closure.

As we look forward to 2024, AFSL will embark on an aggressive growth strategy which should see an increase in our Cambio and Remittance locations island wide. AFSL has now re-entered the bill payment market, it is growing gradually, and we intend on 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.

OTHER SUBSIDIARIES

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.

For 2023, SPS recorded an increase in total revenues, with net profit growing by approximately 168%. The primary revenue sources for SPS are fee-based income from the various services offered.

This level of profit growth highlights the continued 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 2024.

At the end of 2023, 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 26 members - 19 Caribbean governments, four Central American governments and three Caribbean Electric Utility Companies – 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, Water and plans for new Drought Product - insurance products not readily available in traditional insurance markets. Since 2017, CCRIF has offered two special policy endorsements for TC and EQ policies: The Aggregated Deductible Cover (ADC) and the Reinstatement of Sum Insured Cover (RSIC). In 2024 RSIC is offered also for XSR policies. These endorsements allow member countries to access coverage beyond the limits of their existing policies and are designed to supplement their existing TC and EQ policy structures. Since last year, CCRIF has offered three new policy endorsements aimed at improving the company's ability to provide better coverage for tropical cyclones and extreme rainfall events. These endorsements pay out under very specific conditions of localized rainfall events and rainfall events that occur when soils are oversaturated (usually due to previous rainfall in a relatively short period of time).

Sagicor Costa Rica

Sagicor Costa Rica, a joint venture with Central America Investors, celebrated its 10th 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.

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

The Group Treasury & Asset Management (GTAM) division has oversight of the key financial assets across Sagicor Group Jamaica Limited. The role of the division encompasses the effective management of these assets geared at improving profitability and reducing risk through a single arm of investment decisions, with due consideration to all business lines. Its objectives are as listed:

- 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
- Portfolio management responsibilities for Pension Funds, Collective Investment Schemes (CIS), Investment Banking and Insurance Funds.

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

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

As at December 31, 2023, the Division's total assets under management was $470 billion.

GTAM manages the activities related to the development of real estate within the Sagicor Group for resale or the generation of rental income. During 2023 the team continued work on commercial and residential developments which are slated for completion in 2024.

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.

$470 B

GTAM Total Assets under management

ENTERPRISE RISK MANAGEMENT & COMPLIANCE

Sagicor Group Jamaica (SGJ), as a full-service financial conglomerate operating in Jamaica with regional interests, SGJ appreciates that a robust Enterprise Risk Management and Compliance framework is paramount. Given the nature of Sagicor's business operations and the diverse products and services offered across various jurisdictions, the Group is exposed to both financial and non-financial risks as it pursues its strategic objectives. The aim of Sagicor's risk management framework is to ensure that risks taken are aligned with strategy and the Risk Appetite Statements and Tolerance Limits of the group and its subsidiaries.

The risk management framework is underpinned by developing a risk aware culture, utilizing the active involvement of the risk owners within the organization. The framework, including the governance structure through which it is executed, is designed and continually reviewed to maximize stakeholder value and minimize potential adverse effects on performance, reputation, and business relationships.

SGJ's 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 sub-committees that convene regularly and closely monitor the risk exposures of the Group and its subsidiaries against established limits. The sub-committees include:

- Audit Committee
- Investment & Risk Management Committee
- Group Risk Management Committee
- Asset/Liability Management Committees

Three Lines of Defence

The three lines of accountability model helps SGJ to have a balanced approach to managing risk and seizing opportunities:

1. **First Line: Core Business**
   - the principal owners of risk
   - Implements and carries out the day-to-day tasks to manage performance and risks taken to achieve strategy and business objectives
   - Sets business objectives
   - Establishes acceptable variation in performance
   - Reinforces risk responses

2. **Second Line: Support Function**
   - Provides independent oversight and challenges the first line to manage performance and take prudent risks to achieve strategy and business objectives
   - Supports the organization through specialized skills
   - Establishes risk appetites, risk limits, policies, and frameworks, in accordance with best practice and regulatory requirements
   - Measures, monitors, controls and reports to the Board and senior management on risks taken in relation to risk appetites, and on emerging risks

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

Risk Culture

The Risk-Aware Culture aligns risk taking and decision making with the core values and expected behaviors of the organization. The foundations of Sagicor's risk culture are establishing risk awareness, nurturing open communication, and fostering a culture of continuous improvement. The risk culture ensures improved agility, increased engagement, efficient resource allocation and compliance adherence.

SGJ's risk management process is interactive and iterative, as risk assessment activities are ongoing to ensure that key risks are being monitored, reported and 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 ERM framework including 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.

Continued geopolitical tensions, along with an elevated interest rate environment as well as lower levels of global growth were some of the challenges faced throughout 2023. The Group heightened its 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 the monitoring of 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 risk, primarily translation risk, due to the fluctuations of its foreign currency-denominated assets and liabilities (both on- and off-balance sheet). The Group manages this risk by adhering to its internal policy limits, actively monitoring changes in the environment, and adjusting its positions accordingly.

Interest rate risk is the potential impact on earnings and capital due to changes in interest rates. Interest rate risk arises when principal and interest cash flows (including final maturities), both on- and off-balance sheet, have mismatched repricing dates. 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 2023 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 throughout 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 Assets and Liabilities Committee meets monthly, or more frequently, if necessary, to review the management of liquidity risk exposures and reports to the Investment and Risk Management Committee on a periodic basis. During the reporting period, Sagicor continued to monitor and report on all key internal and regulatory liquidity metrics to ensure that liquidity is maintained and managed at prudent levels.

Insurance Risk

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 offers several life, health and general insurance products. The risks inherent in these products are managed with controls carefully selected to match business objectives and risk tolerances. These controls include board-approved underwriting guidelines and frequent reporting to the Board of Directors and various sub-committees of the Board.

The International Accounting Standard Board (IASB) issued a new accounting standard (IFRS 17), which establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts within the scope of the standard. Sagicor has adopted the new reporting requirements as prescribed by the standard which came into effect on January 1, 2023.

Operational Risk

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

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

Data, Information & Technology Risk

This refers to the likelihood of deficiencies related to the IT environment including security, data governance and integrity, reliability, and the critical systems and infrastructure used to handle business requirements. The era of digitization has led to the development and deployment of various solutions that enhance transactional simplicity and client convenience but also expanded potential 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.

In order to protect key systems and critical assets, Sagicor proactively monitors and manages potential risks and constantly reviews and refines programmes as new threats emerge. The Group also trains and sensitizes team members and clients about the increasing levels of security threats faced. 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 clients, team members and proprietary information.

The Data Protection Act took effect in December 2023 and Sagicor has taken the necessary steps to ensure compliance, including assigning a Data Protection Officer for the Group and conducting sensitization and training sessions with team members.

Legal, Regulatory & Compliance Risk

This refers to the risk of exposure to legal 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 a highly regulated industry, 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.

To ensure the management of these risks, Sagicor maintains a governance framework for compliance, supported by a suite of relevant policies and procedures and a comprehensive training programme. Furthermore, the Group Compliance Team conducts sanction screening and employs additional protocols to identify, report and address compliance risks.

Human Resource Risk

This refers to Sagicor's ability to attract, develop, engage, and retain a diverse, talented, and capable workforce and includes the risks to the organization and its performance that can be attributed to team members. It includes risks associated with team member 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 implemented 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 team member engagement activities.

Strategic Risk

The risk that the enterprise, business lines or corporate functions will make strategic choices that are poorly executed and/or ineffective, or insufficiently resilient to changes in the business environment. Risk management is therefore embedded within the annual strategic planning and approval sessions, which are conducted at both the subsidiary and Group levels.

To ensure that this risk is appropriately managed, 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 management team meets frequently, to evaluate the execution of the Group's strategic plan, and amendments are made where necessary.

Environmental, Social & Governance (ESG) Risk

In the rapidly evolving landscape of ESG considerations, Sagicor is committed to managing ESG risks and aligning the organization with the global sustainability objectives and ensuring the long-term success and sustainability of our operations. Risks related to climate change, resource depletion, and environmental regulations are assessed. By integrating sustainable practices, implementing energy-efficient technologies, and regularly evaluating our environmental impact, Sagicor strives to not only meet regulatory requirements but exceed them to contribute positively to the environment. Additionally, by fostering a diverse and inclusive workplace, adhering to fair labour practices, and actively participating in community development initiatives, Sagicor aims to mitigate social risks and fortify our resilience against potential challenges. Sagicor also continuously evaluates the governance frameworks, aligning them with evolving standards and best practices. Transparent reporting, ethical decision-making processes, and a strong commitment to accountability contribute to our resilience in the face of governance-related challenges.

By addressing ESG risks with transparency, innovation, and continuous improvement, Sagicor aims to fortify resilience, uphold reputation, and contribute positively to the sustainable development of communities.

OPERATIONAL CAPABILITIES AND TECHNOLOGY

Sagicor Group Jamaica's operational capabilities include the mix of team members, financial advisors, brokers, health-care providers, consultants, suppliers and all other entities along the supply and value chains. We carefully manage and 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, IT Security, 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
- Proactive IT security posture incorporating staff and clients
- 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 or external third parties who need to know a customer's information in order to perform certain required functions or to comply with the law 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, clients and other stakeholders. The BCP seeks to address events such as natural disasters, loss of utilities, loss of services by external providers, organised and/or deliberate disruption, and other organisational threats. The Crisis Management Plan includes the processes that will be taken to respond to a critical situation (physical or non-physical) that could negatively affect profitability, reputation or our ability to operate.

The Corporate Emergency Response Plan (ERP) was developed in synchrony with the BCP and is aimed at protecting 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.

We aim to accelerate our growth, innovate and deliver products that add value to our shareholders, clients and team members

OUR CORPORATE STRATEGY

At the core of Sagicor Group Jamaica lies an unwavering dedication to its corporate strategy. This commitment is underscored by our usage of data, performance evaluations, economic analysis, risk assessments, resource management and global best practices to develop strategic objectives that are aligned with the Group's vision and ensure sustainable, long-term value creation for all stakeholders.

Our corporate strategy is formulated through diligent planning, cross-functional collaboration across all business units, engagement with key stakeholders, assessment of market insights, and exploration of innovative and emerging opportunities. These activities inform the development of key initiatives, which are implemented in an agile way to guide us towards accomplishing our strategic objectives. The Group's Strategy is a refined compilation of these outlined plans with supporting budgets for a three-year outlook that is approved annually by our Board of Directors.

In 2024, the Group will be guided by five (5) strategic pillars as we aim to accelerate our growth, innovate and deliver easy-to-use product offerings that add value to our shareholders, clients and team members. The pillars that drive alignment across the Group are:

- **I. Digitally transform the business and improve operating efficiencies;**
- **II. Generate and grow revenue in new ways;**
- **III. Build client intimacy and loyalty through effective relationships;**
- **IV. Embed a culture that retains, engages and attracts the best talent; and**
- **V. Expand our geographical footprint.**

OUTLOOK

As we emerge from another challenging year of sluggish global economic growth, it is expected that the burden of inflation, tight monetary policies and heightened geopolitical tensions will carry forward into 2024. The World Bank projects that global growth will decline to 2.4% in 2024 (2023: 2.6%), the third consecutive year of global decline. Global trade is also projected to slow behind a decade of pre-pandemic trade averages due to industrial production slowdown. Notwithstanding the threat of a global recession, the resilience of the US economy, our main trading partner, was a bright spot albeit tempered by lower economic output in China.

In Jamaica, inflation continues to be a concern with December 2023's result being 90 basis points above the Bank of Jamaica's target ceiling, suggesting that higher interest rates may persist for longer than projected. Both the World Bank and the IMF forecast that Jamaica will grow by approximately 1.8% in 2024. The IMF in its latest release lauded the Jamaican authorities for their sound macroeconomic policies and framework that support growth and safeguards the economy against global risks. Strong inflows from tourism are expected to support the country's growth and result in a current account surplus and stronger international reserves. The IMF expressed confidence in Jamaica's financial system as being well capitalized and liquid, as well as the country's ability to reduce public debt.

While we note these improvements in Jamaica's economy, we remain alert to the impact of a tight monetary climate and how it dilutes the demand for capital and an overall slowdown in economic activity, both of which will impact Sagicor Group's results in the medium term. As such, we continue to be conservative in our capital and liquidity management going forward.

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

[Initiative]

Christmas cheer spread at Freetown Basic School

Joy was in the air as the Sagicor Foundation pulled up to the Freetown Basic School in December with gifts and goodies to host a special Christmas treat for the young ones. The treat was held as a part of the Foundation's yearly Adopt-A-School Programme, with Freetown being one of the three newly adopted schools that underwent extensive renovation and refurbishing for 2023.

President and CEO of Sagicor Group and Sagicor Foundation Chairman, Christopher Zacca, expressed what the initiative meant to the Foundation. "The Adopt-A-School Programme is not just about getting our basic schools up to standard. It is also about creating positive and fun experiences for our children. Making a lasting impact on our children can be done in many ways and we hope that this is a moment that will become a core memory for them filled with happiness," he said.

The children, aged 2 – 6 years old, enjoyed a range of activities and surprises, including games, gifts, delicious treats, face-painting, music and entertainment. The children were also treated to story-telling time, read to them by Zacca and the other members of the Sagicor Foundation team.

Lorna Alveranga, Principal of Freetown Basic School, also expressed her gratitude for the support received from the Sagicor Foundation. "We are incredibly thankful for the Sagicor Foundation's dedication to improving education in our community. The renovation and refurbishing works have greatly enhanced the learning environment for our students. Today's Christmas treat further reinforces the Foundation's commitment to the well-being and happiness of our children," she said.

The Adopt-A-School Programme provides much-needed renovation upgrades to early childhood institutions across the island, improving their overall teaching and learning environment. Each year, as part of the programme, three schools in need of assistance are adopted and infrastructural upgrades are completed by the Sagicor Foundation, helping schools become compliant with the standards outlined by the Early Childhood Commission.

Early Childhood Institutions, Irish Pen Early Childhood Institution in St Catherine and the Shrewsbury Early Childhood Institute in Clarendon also underwent extensive renovation and refurbishing, at a total cost of approximately J$32 million, all covered by the Sagicor Foundation.

All schools were also treated to a Health Tour where the students had their vision, hearing, oxygen levels, and other vitals checked by the Sagicor Mobile Wellness Unit.

We believe that an active, well-informed, and independent Board is necessary to ensure the highest standards of corporate governance.

Statement of Corporate Governance

For the year ended 31 December 2023

Sagicor Group Jamaica Limited (SGJ) (along with its subsidiaries) continues to prioritise a strong corporate governance framework which honours the principles and internal guidelines set out in our Corporate Governance Code. 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.

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 Company has continued the trend of increasing its score in the Jamaica Stock Exchange's (JSE's) Corporate Governance Index (CGI) and most recently attained the maximum rating of "AA" (92.13%) for 2023. The CGI serves as a benchmark for assessing the corporate governance practices of listed companies against international best practice and legal and regulatory requirements as embodied in the Rules of the JSE, the Companies Act and the Securities Act. SGJ was also awarded the best Annual Report by the JSE at its Best Practice Awards for 2023. The Committee commends its fellow Directors of the Board, SGJ's Management team and all team members for their role in helping to achieve these milestones.

Marjorie Fyffe Campbell
Chair - Corporate Governance & Ethics Committee

DISCLOSURE AND TRANSPARENCY – OUR COMMITMENT TO OUR STAKEHOLDERS

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

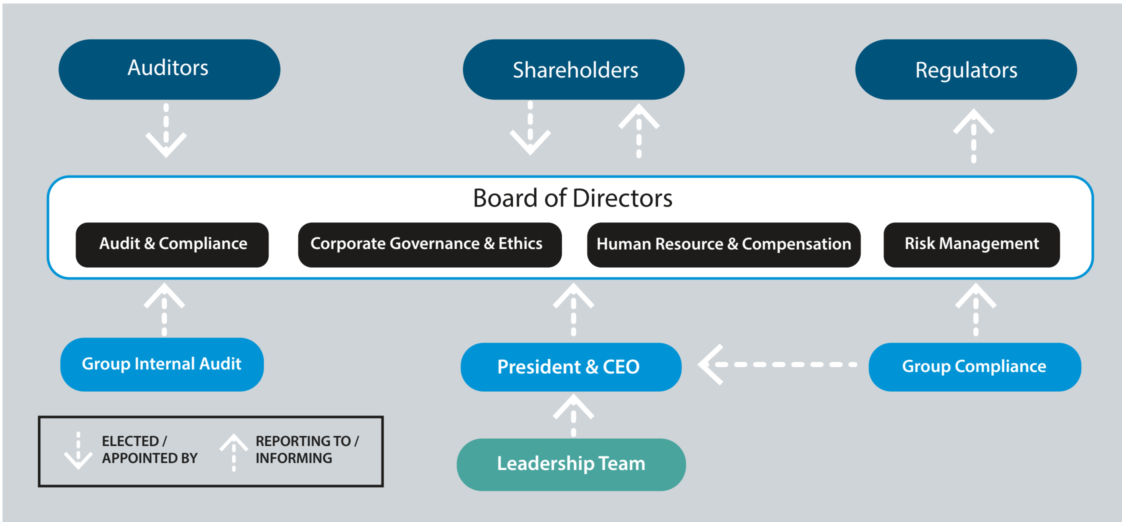
Our shareholders are invited to engage the Board and Management during a question-and-answer session at the Company's Annual General Meeting or at several investor briefing sessions held by our subsidiaries throughout the year. Shareholders are also able to email their queries about company news and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

The Minutes of the 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 **SBJ_Registrar@sagicor.com**.

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

The Company believes in preserving investor confidence in the market by complying with its disclosure obligations (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

CORPORATE GOVERNANCE FRAMEWORK



disclosure obligations under the exchange's listing rules. 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, social media accounts, through media briefings, as well as print media, radio and television. Significant regulatory developments are communicated via JSE announcements and press releases published in the daily newspapers.

THE ROLE OF THE BOARD

We believe that an active, well-informed, and independent Board is necessary to ensure the highest standards of corporate governance. It is well recognised that an effective Board is a prerequisite for 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 2023 the Board undertook:

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

BOARD CULTURE

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

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

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

OVERALL BOARD RESPONSIBILITIES AND ACTIVITIES

Strategic Planning

- Approving and 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 the Group President & CEO, and other executive officers.
- Reviewing and approving the process within the Group for identifying high potential officers.
- Completing annual internal and external evaluations of its own performance as a Board and individually as Directors.

Communication

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

Internal Controls

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

Corporate Governance

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

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.

"

With everything in life, the glass is either half empty or half full. If you look for the negatives you will find them. But, if you look for the positives, you will find them. And there are more positives than negatives.

— Dr. The Honourable R. Danny Williams —

BOARD COMPOSITION

The Board wishes to acknowledge the passing of our Director Emeritus Dr. the Hon. R. Danny Williams on September 16, 2023. Dr. Williams played an instrumental role in the continued success and growth of the Company. His visionary leadership and dedication to excellence contributed to the Board's oversight of the Company's achievement of several milestones both in Jamaica and regionally.

The Board also acknowledges the resignation of two Directors – Mr. Paul Facey and Ms. Joanna Banks – during the year, resulting in a new Board composition of fourteen (14) directors - thirteen (13) Non-Executive Directors (six (6) of whom are independent) and one Executive Director (being the President and Group CEO).

BOARD EXPERTISE

Our board members possess a range of qualifications, skills, and experience/competencies which is diverse and spans gender, industry knowledge and age. The Board appoints members who combine a broad and relevant spectrum of experience and expertise with a reputation for integrity. Its members have experience in positions with a high degree of responsibility and possess the necessary competencies and knowledge in wide and diverse areas relevant to the business. These include areas of international business, banking, corporate finance, mergers and acquisitions, strategic management, human resources, corporate governance, corporate law, asset management, insurance, property management, information technology, marketing and general management. This breadth of knowledge and expertise 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 stakeholders. Additionally, Directors are afforded the opportunity through internal and external training to build on or to be exposed to other disciplines.

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

SKILLS & EXPERTISE	BOARD MEMBERS															
	Peter Melhado	Christopher Zacca	Dr. Dodridge Miller	Paul Hanworth	Peter Clarke	Jacqueline Coke-Lloyd	Marjorie Fyffe Campbell	Stephen Facey	Stephen McNamara	Mahmood Khimji	Gilbert Palter	Andre Mousseau	Philip Armstrong	Jeffrey Hall	**TOTAL**	**%GE**
GENERAL MANAGEMENT	■	■	■	■	■	■	■	■	■	■	■	■	■	■	14	87.50%
INTERNATIONAL BUSINESS	■	■	■	■		■			■	■	■	■		■	10	62.50%
FINANCE	■	■	■	■			■	■		■	■	■	■	■	11	68.75%
STRATEGIC MANAGEMENT	■	■	■	■		■	■	■		■	■	■	■	■	12	75.00%
CORPORATE LAW			■		■				■					■	4	25.00%
BANKING	■		■							■		■	■	■	6	37.50%
CORPORATE FINANCE (Mergers & Acquisitions)	■	■	■	■	■			■			■	■		■	9	56.25%
ASSET MANAGEMENT	■		■		■					■	■	■	■		7	43.75%
INSURANCE	■	■	■	■							■	■			6	37.50%
HUMAN RESOURCE MANAGEMENT						■	■				■				3	18.75%
PROPERTY		■		■		■	■	■	■	■			■	■	9	56.25%
INFORMATION TECHNOLOGY			■								■		■		3	18.75%
CORPORATE GOVERNANCE						■	■		■			■			4	25.00%
MARKETING & PUBLIC RELATIONS						■									1	6.25%
REGULATORY EXPERIENCE												■			1	6.25%

KEY INDEPENDENT DIRECTOR

BOARD COMMITTEES

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

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

Committee members are appointed by the Board of Directors immediately following the Annual General Meeting each year and hold office for three (3) years or until they cease to be Directors. Each Board Committee is comprised of all or a majority of independent directors, are chaired by an independent director and save for the Investment and Capital Allocation Committee, consist entirely of non-executive directors. Members of the Executive Management Team are invited to attend meetings and participate through presentation of discussion documents and development of strategies.

BOARD LEADERSHIP

OUR CHAIRMAN

The Chairman, Mr. Peter Melhado is responsible for the effective leadership, operation and governance of the Board and its Committees. He 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.

OUR PRESIDENT AND GROUP CHIEF EXECUTIVE OFFICER

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

OUR CORPORATE SECRETARY

Our Corporate Secretary, Dr. Sharma Taylor is responsible for ensuring that the Board operates in accordance with the highest standards of ethical behaviour and accountability including adherence to relevant statutory and regulatory requirements. This includes implementing policies and procedures that encourage transparency, integrity, and responsible decision-making. She is also responsible for maintaining accurate and complete records of board meetings and decisions, ensuring that the board operates in accordance with its bylaws and articles of association, and ensuring that the board has the information and resources it needs to make informed decisions.

BOARD MEETINGS AND ATTENDANCE

In 2023, the Board held six (6) formal meetings. Additional meetings were held as needed 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 utilized 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 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. The frequency of Committee meetings and activities held during the year ending December 31, 2023 was in accordance with the respective Committee Charters.

COMMITTEE	MEMBERS	KEY RESPONSIBILITIES
Audit and Compliance Committee	**Peter Clarke** Chairman Marjorie Fyffe-Campbell Paul Hanworth	▪ 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	▪ 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.
Human Resource and Compensation Committee	**Peter Melhado** Chairman Jacqueline Coke-Lloyd Andre Mousseau Jeffrey Hall	▪ considered and approved the annual and long-term incentive plan for executives and the bonus payment to staff ▪ approved changes to the Committee Charter and reviewed the Pension Fund Performance and amendments to benefits to members ▪ considered issues affecting team members ▪ gave oversight to the union negotiations and issues which are likely to affect the business arising from the exercise ▪ monitored the annual team member Satisfaction Survey ▪ considered amendments to the Pension Plans proposed by Management

COMMITTEE	MEMBERS	KEY RESPONSIBILITIES
Corporate Governance and Ethics Committee	**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 met legislative and statutory requirements and were being updated periodically ▪ reviewed the Company's procurement process ▪ approved contracts awarded to suppliers and vendors ▪ reviewed JSE Corporate Governance requirements to ensure that governance protocols conformed to them ▪ reviewed and approved amendments to the Risk Management and Internal Audit Charters
Investment & Capital Allocation Committee	**Peter Melhado** Chairman Dodridge Miller Christopher Zacca Andre Mousseau Jeffrey Hall	▪ 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

2023 BOARD AND COMMITTEE MEETINGS

	Board	Audit Committee	Investment & Capital Allocation Committee	Risk Management Committee	Corporate Governance & Ethics Committee	Human Resource & Compensation Committee
Peter Melhado	7/8	-	3/3	1/1	2/3	4/4
The Late Hon. R. D. Williams (1)	5/8	-	-	-	-	-
Hon. Dr. Dodridge Miller (2)	6/8	-	2/3	-	-	2/4
Stephen Facey (3)	8/8	-	-	-	-	-
Paul Hanworth	6/8	5/5	-	1/1	-	-
Marjorie Fyffe-Campbell (4)	8/8	5/5	-	-	3/3	-
Stephen McNamara	8/8	-	-	-	-	-
Jacqueline Coke-Lloyd (5)	8/8	-	-	-	3/3	4/4
Paul Facey (6)	5/8	-	-	-	-	-
Peter Clarke	8/8	5/5	-	1/1	-	-
Christopher Zacca (7)	8/8	-	3/3	-	-	-
Andre Mousseau (8)	8/8	-	0/3	-	-	0/4
Mahmood Khimji	7/8	-	-	-	-	-
Gilbert Palter	8/8	-	-	-	-	-
Jeffrey Hall (9)	4/8	-	1/3	-	-	1/4
Philip Armstrong (10)	2/8	-	-	-	-	-
Joanna Banks (11)	4/8	-	0/3	-	-	1/4

1. The Late Hon. R. D. Williams ceased being a member of the Human Resource and Compensation Committee and Investment and Capital Allocation Committee as at January 1, 2023 and due to his death, no longer sits a director of the board as at September 16, 2023.
2. The Hon. Dr. Dodridge Miller is no longer a member of the Human Resource and Compensation Committee as at October 31, 2023
3. Mr. Stephen Facey is no longer a member of the Human Resource and Compensation Committee as at January 1, 2023.
4. Dr. Marjorie Fyffe-Campbell is no longer a member of the Human Resource and Compensation Committee as at January 1, 2023.
5. Dr. Jacqueline Coke-Lloyd is no longer a member of the Audit Committee as at January 1, 2023.
6. Mr. Paul Facey is no longer a member of the Audit Committee and Investment and Capital Allocation Committee as at January 1, 2023 and resigned from the board of directors on August 28, 2023.
7. Mr. Christopher Zacca is no longer a member of the Risk Management Committee.
8. Mr. Andre Mousseau was appointed to the Human Resource and Compensation Committee and Investment and Capital Allocation Committee as at November 1, 2023.
9. Mr. Jeffrey Hall was appointed to the board of Directors on July 1, 2023 and the Human Resource and Compensation Committee and the Investment and Capital Allocation Committee on October 1, 2023.
10. Mr. Philip Armstrong was appointed to the board of Directors on October 1, 2023.
11. Ms. Joanna Banks was appointed to the board's Human Resource and Compensation Committee and Investment and Capital Allocation Committee on January 1, 2023. Ms. Banks resigned from the board and all committees on June 30, 2023 due to her accepting an executive position within the company.

BOARD PERFORMANCE EVALUATION

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

(1) Self-Assessment

(2) Board Assessment

(3) Peer Assessment

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

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

DIRECTOR INDEPENDENCE

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

In 2023 the Directors who met the independent criteria were:

- Mr. Peter Melhado
- Dr. Jacqueline Coke-Lloyd
- Dr. Marjorie Fyffe Campbell
- Mr. Peter Clarke
- Mr. Stephen McNamara
- Mr. Paul Hanworth

An independent director is nominated as the Chairperson of each of the audit, corporate governance and ethics, human resources and compensation, and risk management committees.

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

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

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

DIRECTOR NOMINATION AND APPOINTMENT

The Board appreciates that proper succession planning allows for the addition of new members with fresh ideas, diverse perspectives and additional skill sets needed to help the Company navigate ever-evolving industries, technological advancements, competitive environments, or social or community needs. The Board, among other things, considers the prevailing needs of the Company in terms of its strategic imperatives, external business drivers and the existing talents around the Board table.

The Board has delegated the development of its success plan along with the relevant screening and recruitment of suitable candidates to the Corporate Governance and Ethics Committee. The Committee is guided by the Director Nomination process, Board Composition and Director Independence Policies outlined in the Company's Corporate Governance Manual in assessing candidates for directorship.

Candidates are assessed against six (6) criteria:

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

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

Messrs. Jeffery Hall and Philip Armstrong, who were nominated and appointed directors of the Company in 2023, are being recommended for election by the shareholders at the Company's Annual General Meeting.

APPOINTMENT, TERM, ELECTION & RETIREMENT

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

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

For 2024, Directors Peter Clarke, Paul Hanworth, Dodridge Miller and Stephen McNamara 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.

DIRECTOR ORIENTATION

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

BOARD TRAINING & PRESENTATIONS

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

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

- February 8, 2023 - AML for CEOs & Board of Directors presented by the Jamaica Institute of Financial Services (JIFS)/Jamaica Bankers Association (JBA) and Dr. Jide Lewis, Deputy Governor, Bank of Jamaica
- March 10, 2023 - Collective Investment Schemes Regulations: A look at the Directors' oversight role – pooled managed funds presented by Mr. Dane Patterson, Attorney-at-Law at Patterson Mair Hamilton.
- June 28, 2023 - Corporate Governance: ESG - The Board's Perspective - Sustainability-related disclosures presented by Mrs. Carolyn Bell-Wisdom, Partner, Risk Assurance Services, PwC Jamaica.
- September 1, 2023 - ESG: The role of the Board in the organization's strategic management process including succession planning presented by Professor Suzanne Goldson, Attorney-at-Law and Senior Lecturer at the Faculty of Law, University of the West Indies, Mona
- September 19, 2023 - Fintech and Insurtech: Understanding the latest trends, technologies, and disruptive innovations in the Fintech and Insurtech sectors, and their impact on the financial industry presented by Mr. Agustín Rubini, Director Analyst at Gartner
- October 13, 2023 - Financial Holding Companies and the Roles of the Board of Directors presented by Dr. Damion McIntosh, Professor of Practice of Finance at Auburn University
- November 24, 2023 - AML Best Practices and Regulatory Compliance presented by Mr. Keith Darien, Principal Director, Financial Investigations Division, Ministry of Finance

Two offsite Board Strategy and Education Sessions were held during the period, first on October 25 – 26, 2023 in Toronto, Canada and the second on November 16, 2023 in Jamaica. 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.

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 has a Director Remuneration Policy which provides a framework and outlines the principles for the remuneration of the directors.

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

The fee structure for the period ended December 31, 2023, was as follows:

Directors' Remuneration

Board/Committee (J$-Gross)	Annual Retainer	Audit	Investment & Capital Allocation	Risk Management	Corporate Governance & Ethics	Human Resource & Compensation
Board Chairman	**$8,022,341.00**					
Board Director	**$2,028,000.00**					
Committee Chair		1,326,000.00	858,000.00	1,326,000.00	858,000.00	858,000.00
Members		858,000.00	546,000.00	858,000.00	546,000.00	546,000.00

CORPORATE VALUES

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

The Sagicor value system is guided by the following policies:

Code of Conduct

The Sagicor Code of Business Ethics and Conduct, which is available on the Company's website, governs the behaviour of Directors, officers, agents, and employees of the Group. The standards contained in the Code 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

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 continued to reiterate in company-wide communication campaigns the existence and confidentiality of the Whistleblower framework. Complaints made are tracked and monitored until closure and the complainant advised of the steps taken.

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

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

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

Key Governance Policies

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

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

Health and Safety and Environmental Sustainability and Human Development

The Company considers its team members to be part of the corporate governance framework. Team members were kept up to date on the performance of the business via email blasts as well as the Company's annual Blast Off session held in January. They also have the opportunity to interact with executives via frequently held webinars and virtual and in person town hall meetings. The Board also carefully considers the results of the organisational employee survey presented, which reflects the feedback received from the team, in addition to any action plans put forward by Management to address team member concerns. Non-executive team members can also bring matters of concern to the attention of the Board by routing these matters through Management, including the Group President & CEO or anonymously through the Company's Whistleblowing procedures.

The Company places great emphasis on the health and safety of its employees and these matters are addressed in the Human Resources Committee of the Board. In 2023 the Company invested heavily in its Digital Transformation initiatives which aimed to upgrade systems utilised by our team members and customers as well as he physical facilities in which our team members operate. The Company also continued its focus on implementing environmental-friendly protocols resulting in the reduction of waste and becoming more energy efficient in our operations.

Marjorie Fyffe Campbell
Chair
Corporate Governance & Ethics Committee

AUDIT COMMITTEE REPORT

for the year ended 31 December 2023

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

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

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

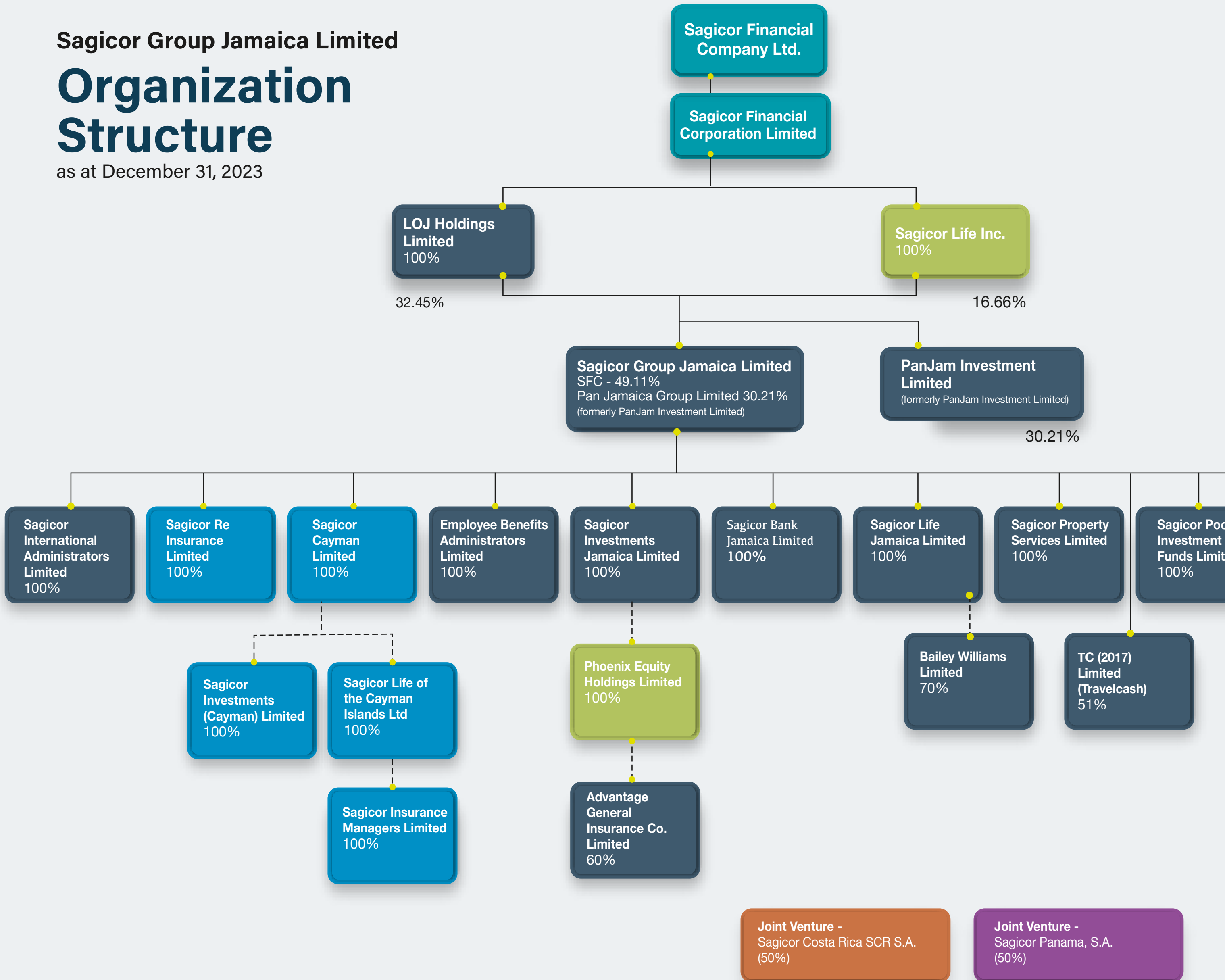
The External Auditors and the Group Internal Audit Department maintain separate independent auditing and reporting functions.

Signed,
Mr. Peter Clarke
Chairman
SGJ Audit Committee

Sagicor Group Jamaica Limited

Organization Structure

as at December 31, 2023



SFC – listed on Toronto Stock Exchange

SGJ – listed on Jamaica Stock Exchange

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

Domiciled in:
- Jamaica
- Cayman
- Barbados
- Bermuda
- Costa Rica
- Panama

Funds Under Administration:
- Pooled Pension Funds
- Self Direct Pension Funds
- GEASO
- GPASO
- Sigma Global Funds Limited
- Sagicor Select Funds Limited

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

[Community]

A Future for our Communities

Fueled by our commitment to make a difference in the lives of people and families across our beloved country, Sagicor is proud of our people-centric culture.

As we embrace the evolution of this digital age, we remain firm in our investment in the growth and development of Jamaica and Jamaicans.

Backed by our philanthropic arm, The Sagicor Foundation, we recognize that innovation must go hand in hand with nation building. We look forward to expanding our support for communities, charitable organizations, and spearheading initiatives in health and education sectors with this future-ready ethos.

Synonymous with fostering community growth, and enriching lives, the Sagicor brand will continue to bring joy and hope to our fellow countrymen through initiatives such as our Scholarship Programme, Adopt-A-School Programme and the Sagicor Sigma Corporate Run. For us, Corporate Social Responsibility is not just something we do, it is something we live, breathe, and believe in. Our Foundation's mantra 'caring, inspiring, serving,' stands as a testament to this belief.

Persistent Growth

Corporate Social Responsibility

Sagicor Group Jamaica's corporate social responsibility (CSR) initiatives continue to be geared towards improving the lives of Jamaicans by caring, inspiring, and serving, primarily through its charitable arm – Sagicor Foundation Jamaica.

For 2023, as customary, the Foundation focused heavily on the health and education sectors as well as supporting community development and nation building.

Health

Sagicor Sigma Corporate Run

In 2023, the Foundation's staple road race event celebrated 25 years and was dubbed 'The Legacy Run.' With over 20,000 people registering, a record-breaking feat was achieved by raising $91.85 million for two beneficiaries - the University Hospital of the West Indies Pediatric Unit and the Edna Manley College of the Visual and Performing Arts. Olympian and World Champion Shelly-Ann Fraser-Pryce and Olympian Asafa Powell served as the 2023 Sigma Run Patrons.

The Sagicor Sigma Corporate Run continues to be a beacon of hope that inspires a sense of community like no other, with thousands of Jamaicans coming together to ultimately support each other.

SIGMA FUND RAISE

$91,852,500

NUMBER OF PARTICIPANTS

20,000

1. Representatives for the 2023 Sagicor Sigma 25th Legacy Run beneficiaries Fitzgerald Mitchell (2nd left), Acting CEO – University Hospital of the West Indies and Dorrett Campbell (centre), Interim Principal - Edna Manley College of the Visual and Performing Arts celebrate with a symbolic cheque after the record-breaking $91.8 million in funds raised was revealed by Christopher Zacca (2nd right), Sagicor Group Jamaica President and CEO just before the start of the 5.5k charity race held in New Kingston on Sunday, February 12. Sharing in the photo-op are Karl Williams (left), Executive Vice President - Shared Services, Sagicor Group Jamaica and Peter Melhado (right), Chairman, Sagicor Group Jamaica.

4


5


6

8

Breast Cancer Awareness

For Breast Cancer Awareness Month, Sagicor Group Jamaica hosted a road tour, stopping at four locations across the island. Sixty persons received free mammograms as well as knowledge on how to perform breast cancer self-examinations via informative flyers.

The road tour, held under the theme "Inspiring Hope, Celebrating Resilience", featured a vibrant Breast Cancer Tribute Bus that embarked on a journey to selected Sagicor Bank and Sagicor Life branches in Kingston, Ocho Rios, Montego Bay, and Mandeville.

As a part of the tour's main highlight, Jamaicans got the chance to dedicate words of encouragement to loved ones who may have passed or are currently battling the formidable disease by writing on the tribute bus.

$2 million was also donated to the Jamaica Cancer Society.

2. Defending champion Jozanne Harris is happy to collect her prizes after crossing the line first in the female overall title following her time of 23 minutes and 20 seconds.
3. Olivene Raby (centre) accepts her free mammogram certificate from Sagicor volunteers Tasha-Gaye Doyle (left) and Syjaye Binnings.
4. Candice Heaven gives a word of encouragement on Sagicor's breast cancer awareness tribute bus during its Mandeville stop.
5. Zahyr Walker of Shrewsbury Early Childhood Institution gets his hearing tested by Sagicor Life Practical Nurse Latoya Johnson.
6. The little ones from Irish Pen Basic School are all smiles during their Health Tour screening.
7. Olympic and World Champion Shelly-Ann Fraser-Pryce returns as a 2023 Sigma Run Patron.
8. Sagicor's Breast Cancer Awareness Bus features tributes and words of encouragement from individuals to their loved ones who may have passed or are currently battling the disease.

$2 MILLION

Donated to the Jamaica Cancer Society

We are committed to supporting our Communities

$25+M
Basic School Renovations

$25+M
Scholarship Programme

$10M
Donated to R. Danny Williams Scholarship Endowment Fund

$8M
Donated to JTA National Athletic Championship

$2.5M
Donated to Liberty Academy

$800,000
Donated towards St. Jago High School Perimeter Wall

$8M
Jamaica Premier League Football Tournament

$1M
Jamaica Football Federation

60 PERSONS Received Free Mammograms

$2M
to The Jamaica Cancer Society

Education

Adopt-A-School Programme

With a goal of assisting schools in becoming compliant with and qualifying for the Early Childhood Commission Certification, the Foundation continued its Adopt-A-School Programme, undertaking renovations to three Basic schools across the island at a combined value of over $25 million.

The schools - Free Town Basic School, Irish Pen Basic School, and the Shrewsbury Early Childhood Institution also saw students and teachers engaged by the Foundation in various activities during the year.

These activities included a Health Tour where students at each school had their hearing, vision, oxygen levels and other vitals checked by the Sagicor Mobile Wellness Unit and a Christmas Treat held for the children of the Freetown Basic School.

Nominations were also opened for the 2024 Adopt-a-School Programme with the selection process now underway.

1. 2023 Sagicor Foundation tertiary scholarship recipient D'Jonel Farquharson (left) receives her certificate of award from Tracy-Ann Spence, Executive Vice President & Chief Investment Officer, Sagicor Group Jamaica.
2. Christopher Zacca (left), President & CEO of Sagicor Group Jamaica, shares some lens time with secondary scholarship recipient, Nero Christian.

35
Scholarships Awarded

Scholarship Programme

The 2023 Sagicor Foundation Scholarship Programme saw 35 students being awarded with scholarships – 15 at the tertiary level, valued at $300,000 each and 20 secondary scholars who received support of $50,000 each. Scholarships were also awarded to the three champion girls and three champion boys of the Sagicor/JTA National Athletics Championships, who all finished the competition with the same number of individual points.

The Tertiary Scholarship is applicable to new and existing students at the University of the West Indies, the

1. Top Performers in the Joy Town Community Development Foundation's Youth with GRIT Programme (from left) Anthony Knight, Julis Clarke and Suwayne High celebrate with the trophies and medals they received during the programme's graduation ceremony.
2. Students of St Jago High School in Spanish Town, St Catherine, join (holding cheque, from left) School Principal Collette Feurtado-Pryce, Sagicor Life financial advisor Colleen Wallace, Alumna Melody Royal, and Vice Principal Careen James-Barnett as they officially handed over a contribution of $800,000 from the Sagicor Foundation toward the building of the school's perimeter wall.

University of Technology, the Edna Manley College of the Visual and Performing Arts, the Mico University College, Caribbean Maritime University, and the Northern Caribbean University. Successful candidates are interviewed and selected based on academic merit, leadership, community involvement and financial need. The scholarship is open to clients/children of clients and Sagicor team members' children and is renewable annually for up to four years if students maintain a 3.0 GPA or above and complete at least 20 hours of volunteer service with the Foundation.

SCAN HERE TO VISIT OUR SAGICOR FOUNDATION SCHOLARSHIP WEBSITE

The Secondary Scholarship is available to Grade Six students who are dependents of and/or active Group Health Insurance policyholders administered by Sagicor Life Jamaica who have sat the Primary Exit Profile (PEP) Examinations in March and April and would be attending secondary school the following September. The scholarship is also renewable annually up to 4 years.

For 2023, over $25 million was awarded in new and renewed scholarships, strengthening Sagicor's commitment to supporting the dreams of young Jamaicans.

Youth with G.R.I.T Behaviour Modification School Programme

The Sagicor Foundation continued its support of the Youth with G.R.I.T Behaviour Modification School Programme in partnership with the Joy Town Community Development Foundation.

The programme is focused on helping high school students and their parents from the Joy Town Community in Trench Town with academic support, conflict resolution strategies and life skills. Students at the Charlie Smith High School in Kingston benefited from the programme - each student was awarded a certificate of completion during the graduation ceremony which was hosted by the Foundation in the auditorium of the R. Danny Williams Building.

Additionally, The Foundation also partnered with the Jamaica Defence Force (JDF) to engage the students in a career day session. Participants in the programme, were also invited by Sagicor for a Scavenger hunt fun day to Celebrate Read Across Jamaica Day.

Other Educational Support

In honour of the late Dr. the Honourable R. Danny Williams, founder of Life of Jamaica (now Sagicor Life) and former Chairman of Sagicor Foundation Jamaica, a special donation was made by the Sagicor Foundation to the R. Danny Williams Scholarship Endowment Fund at the Jamaica College where Dr. Williams was an alumnus.

The donation, valued at $10 million, will aid in transforming the lives of several underprivileged students, commemorating the legacy of the philanthropist, industry icon and humanitarian.

The Sagicor Foundation also donated to the Liberty Academy at the Priory for the third consecutive year. Valued at $2.5 million, the donation will play a significant role in supporting The Academy's mission of providing support to children who require special education.

For Teacher's Day, the Foundation surprised one teacher and their nominating student with a gift basket, book voucher valued at $10,000 and a weekend for 2 stay at Couples Resort. This was to reward them for winning our 'A Teaching Moment' social media promotion in celebration of teacher's day.

A donation of $800,000 towards St. Jago High School's Perimeter Wall was also completed. The new perimeter wall is set to provide greater security to students at the institution and allow for the school to secure space to be used for further development in academic and sporting disciplines.

For the 'back to school' period, the Foundation, along with the different business lines of the Group, supported and led several initiatives including: Donation of book vouchers to Sagicor team members and clients and supporting several health fairs and back to school fairs.

Labour Day

Labour Day 2023 saw Sagicor Group team members alongside a team from Sherwin Williams and the Jamaica Defence Force (JDF) volunteering to give three basic schools across the island a 'face-lift.' The schools which received renovations, such as painting and tree-planting activities included Challenge Basic School in St. James, Deliverance Centre Basic School in Kingston, and Morris Hall Basic School in Clarendon.

Sports

Sagicor/JTA National Athletic Championships

The Sagicor Foundation continued its partnership with the JTA for the Championship with a sponsorship of $8 million as well as volunteer support. The two-day Championship considered the birthplace of talent for several of the nation's brightest international athletes took place at the National Stadium. The event reached an exhilarating climax as St. Elizabeth dethroned three-time consecutive champions, St. Andrew, to claim their fourth overall title.

Other

In support of the historic World Cup campaign of the Jamaica Women's Senior National Football Team, Sagicor Group Jamaica made a significant sponsorship to the Jamaica Football Federation. The $1 million donation assisted with covering the team and other support staff's costs to travel to the World Cup, held in Australia.

Sagicor Group Jamaica also continued its sponsorship of the Jamaica Premier League (JPL) to the tune of $8 million which included being the main sponsor of the Dunbeholden Football Club. Additionally, Sagicor also provided primary healthcare coverage and personal accident insurance for the entire league of players while on and off the field.

Overall, the Group continued to strengthen its corporate social responsibility mandate of caring, inspiring, and serving by remaining committed to improving the lives of the people in the communities in which it operates.

3

3. Sunjai Kirkpatrick shows off her Top Girl trophy at the JTA/Sagicor Athletic Championships.

1. Nile Anderson introduces the guest speaker at the 2023 National Digital Transformation and the Estonian Experience.
2. Nile Anderson receives his 2019 Sagicor Foundation Scholarship Award certificate from Janice Grant Taffe, then Senior Vice President, General Counsel & Corporate Secretary, Sagicor Group Jamaica.

Meet Nile Anderson

2019 Sagicor Foundation Scholarship Awardee and 2024 Rhodes Scholar

1. How have your early experiences shaped who you are today?

There is an account in the Bible of Jesus healing a man who was blind from birth. When the disciples saw this blind man, they were prompted to ask what caused this man to be blind, "Rabbi, who sinned, this man or his parents, that he was born blind?" Jesus assured them neither was the case and that "this happened so that the works of God might be displayed in him".

This account truly resonates with me because this is how I am viewing the challenges of my life now, a Testimony of the Goodness of God. The Lord has faithfully brought me out of many challenges time and time again. I find that the experiences have also helped me grow many fruits of the spirit. It's not as hard as it is for others for me to empathize with an individual and even offer support from this perspective. Experiencing a lack of love and kindness has taught me to value them, and even share them, even more.

2. What motivated you to pursue your education and apply for scholarships like the Sagicor Foundation scholarship?

Truth be told, I started University in the Medicine and Surgery (MBBS) programme because of societal pressures and lack of financing for my desired program. I had a full Scholarship to this programme because I was also made the Sponsor List for the programme. However, my true passion of Engineering did not offer such an option and so it seemed far out of reach. When I reached the third year of MBBS, I couldn't help but feel that my true purpose was calling me elsewhere. With the encouragement of my then-scholarship officer and other wonderful people I met, I decided to take a leap of faith and try to enter my desired programme even though I did not know where I would find the balance of over J$700K. I would eventually come across the Sagicor Foundation Scholarship, and invested a great deal of time trying to put my best foot forward in the application as this seemed to be one of my only hopes of adequately covering the balance.

3. Can you share any significant challenges you faced on your academic journey and how you overcame them?

Now, I was given a preliminary diagnosis of ADD when I constantly found it difficult to keep up in school, and even life at times. Now, this event eventually paralleled with the loss of a few loved ones and the accompanying turbulence of that, I found myself now struggling with anxiety and depressive episodes. The pandemic had greatly exacerbated this state. I was pushed to take a leave of absence. Even in this dark time, God was truly an ever-present help. The Lord sent me a beautiful support system that was super helpful in pushing me towards finishing. I think we were truly made for Community. I am blessed to have realized that isolation and silence were not the answer in a situation like this. Also thank you to Sagicor for answering the call with great kindness and understanding when I shared this challenge along the journey with them.

4. **Reflecting on your journey so far, what have been some of your proudest or most memorable moments?**

I would say firstly that one of the most joyous moments for me was definitely when I started learning to truly surrender my life to Jesus Christ. My life has been totally brand new since then. After this, another big competitor was the moment I got the first call from the Sagicor Foundation about being shortlisted for the Scholarship. This was a big glimmer of hope for me in a period where everything was uncertain. I remember reaching for the first sheet of paper I could find to jot down everything the person was saying to me over the phone. I was visibly excited because this meant there was hope for my dream to come true.

5. **In what ways have you been involved in your community, and why do you think it's important to give back?**

Philippians 2:3-4 "Do nothing out of selfish ambition or vain conceit. Rather, in humility value others above yourselves, not looking to your own interests but each of you to the interests of the others." I am strong believer in the ethos that 'To whom much is given, much is expected.' I must admit that though school started as a challenge to me, I have discovered that I seem to have been given a natural affinity for Mathematics, and this has a lot to do with many dedicated educators around me. I have tried to share this gift by offering tutoring sessions to all having challenges with any subject with great Mathematical content. I have been doing this in Westmoreland while still going to Manning's School, and I have tried to not switch pace while at the University of the West Indies as I have volunteered with many academic support units to help students across several halls of residence. I give God thanks for this unique gift, and I pray I can continue to grow it so I can help even more people.

6. **How do you feel about being selected as a 2024 Rhodes Scholar? What does this achievement mean to you personally?**

I feel highly blessed. It is a big testimony for me about God's faithfulness in my life. What many don't know is that the Rhodes Scholarship came after a season of many "No's" on many opportunities I was looking forward to participating in. In this period, however, I tried to keep my eyes fixed on Jesus, the author and finisher of my faith. Now here it is, I have been allowed to achieve the purpose I feel He has put in my heart.

7. **How has being a Sagicor Scholar prepared you for this new achievement?**

I always tell people that when I decided to take a seemingly crazy leap of faith, Sagicor was the first to see the vision in this dream of mine. I had no idea that what already felt like a big blessing in itself would be a catalyst to further things. What's more, Sagicor still believed in my dream even when it hit turbulence that even I couldn't predict the outcome of. Sagicor Foundation has really been a big part of my driving force.

8. **As someone who has achieved success at a young age, how do you approach being a role model for others?**

If you asked at a different time, I would likely say something else. However, right now, I think Paul puts it best in his letter to the Church of Corinth "Follow my example, as I follow the example of Christ."

I look to the greatest role model, Jesus Christ. I believe in the value of mentorship; I believe that mentors need to be mentored as well in an unbroken chain of flowing wisdom. I ensure that there are people, particularly godly people, pouring into me before I consider pouring into others. To be effective here as well, I make use of a network because truth is, I won't be able to be the best guide to every group or individual I come across, but I can try to put them on to someone who can.

9. **Looking ahead, what are your aspirations for the future, and how do you plan to continue making a positive impact in your community and beyond?**

As a beneficiary of the Sagicor Foundation Scholarship, I must say that Sagicor has truly been improving the lives of the people in the communities in which they operate. They have certainly improved mine. I have a strong drive to pay it forward, as I remember even promising in my interview. One of my major goals is to help upskill Jamaicans so that we will be prepared for the upcoming technological paradigm. I hope to do this mainly through lecturing, but I also want to host academic and professional development sessions for youth and marginalized persons in society.

You may have also gathered that using my platforms, I also plan on trying to evangelize to the people I come across and testify what the Lord has done for me because as I hope everyone will come to recognise: Jesus Saves.

2023 Team Member of the Year Nominees

Each year, outstanding team members are nominated for the prestigious Sagicor Team Member of the Year Award. The award recognizes team members who consistently perform at the highest level throughout the year under review who make impactful contributions in the areas of Client Service, Creativity, Innovation, Social and Community involvement.

Here are some fun facts about our 2023 nominees who have shaped their immediate teams, our clients and the communities in which they operate.

Cainean Bailey-Bishop

Personal Banking Officer,
Sagicor Bank Jamaica

1. **What's the best piece of advice you've received from a colleague?**

   "Never give up!" This empowering mantra serves as a reminder that every obstacle is merely a stepping stone towards greater opportunities, guided by faith in the journey ahead.

2. **What's the most valuable lesson you've learned in 2023?**

   The importance of seizing every opportunity with unwavering dedication and diligence. By embracing a mindset of persistence and giving my all from the outset.

3. **If you could rename your team, what would you call it and why?**

   I would choose "Team Sunshine." Reflecting our vibrant spirit and the sunny locale of Portmore. This name encapsulates our positive energy and unwavering commitment to radiating warmth and brightness in all that we do.

Krishaun Dunkley

Pension Administrator -
Approved Retirement Scheme, EBA Ltd

1. **What would be your go-to karaoke song and why?**

   A Girl Like You by Kevon Edmonds. This is my dream proposal song and so I enjoy vibing to it at karaoke and imagining that day.

2. **What's the most valuable lesson you've learned in 2023?**

   The most valuable lesson is learned in 2023 is to just keep going. Things will undoubtedly get hard but the only way to get over it, is to go through it.

3. **If you could rename your team, what would you call it and why?**

   I would rename my team "The Dream Keepers". My General Manager, Latoya Mayhew-Kerr, always says that we are not simply administrators but we are actually keepers of dreams for our clients.

Nakaya Nedrick

Administrative Assistant,
Sagicor Group

1. **What's the best piece of advice you've received from a colleague?**

   The best piece of advice I have received from a colleague is that every piece of feedback received has the potential to contribute to your growth both personally and professionally.

2. **What would be your go-to karaoke song and why?**

   Win by Jada Kingdom. It conveys a message of empowerment and unwavering faith in God despite challenges encountered when working towards success. The song also speaks to the need for self-confidence and celebrating wins.

3. **What's the most valuable lesson you've learned in 2023?**

   The most valuable lesson I learned last year is "every setback is an opportunity for an even greater comeback".

Kareen Roache

Executive Assistant,
Sagicor Group Jamaica

1. **What's the best piece of advice you've received from a colleague?**

   No matter what people think, keep singing your own song. This is an important piece of advice because we are all unique and we all have our own goals and timelines we are working towards.

2. **What's the most valuable lesson you've learned in 2023?**

   Make yourself and your family a priority. This lesson proved to be a powerful one and has helped to shape how I balance the rigours of personal and work life challenges in a positive and welcoming way.

3. **If you could rename your team, what would you call it and why?**

   The Masterminds. We are solutions driven and creative in our approach. Constantly seeking new and viable solutions to grow and benefit not just one Business Line but the entire Group.

Abigail Davis

Investment Analyst,
Sagicor Group Jamaica

1. **If you could switch roles with anyone on the team for a day, who would it be and why?**

   Any member of the field force team. I'd love to be client-facing for one day to get to interact with the people I serve as I currently serve from behind the scenes and I never get to actually meet them.

2. **What would be your go-to karaoke song and why?**

   Return of the Mack – Mark Morrison. The song has an iconic intro and beat that is guaranteed to get everyone dancing and singing along the second you hear it start.

3. **What's the most creative solution you've seen someone come up with to solve a problem?**

   Someone asked for 100 sheets of blank paper and instead of counting out all 100, the team member went to the copier and copied one blank page 100 times. It took him less than 1 minute.

2023 Manager of the Year Nominees

Shane Walters
Unit Head, Real Estate Investment Management,
Sagicor Life Jamaica

1. **What's the most rewarding aspect of being a manager for your team?**

   The ability to support the individual goals of each team member and the trust placed in me by the entire team

2. **What do you consider the worst fruit to ever exist and why?**

   Sweet sop - too much work (seeds) to eat

3. **Describe yourself in 4 words.**

   Calm, easy-going, driven, motivated

Paulette Small
Manager - Funds & Mortgage Services
Sagicor Life Jamaica

1. **What's the most rewarding aspect of being a manager for your team?**

   The most rewarding aspect of being a manager for my team is seeing each member of the team develop and empowered to achieve both their personal and professional goals.

2. **If you could have a mentor, fictional or real, who would it be and why?**

   Mia Motley because of her leadership ability to inspire hope in people and being fearless as she represents the rights of the Caribbean people and not just her country.

3. **What do you consider the worst fruit to ever exist and why?**

   Jackfruit - it is very stainy and has a strong smell and to reach the fruit you have to take out the seeds before eating.

Sagicor's Manager of the Year Award celebrates leaders that demonstrate outstanding managerial prowess and drive success within the organization. From visionary strategies to positively impacting their team, this accolade honours those who exemplify the highest standard of leadership excellence. For 2023, four formidable individuals were nominated.

Lacreisha Davis

Manager - Pension Administration & Business Development
Employee Benefits Administrators

1. **What's the most rewarding aspect of being a manager for your team?**

The most rewarding aspect of being a manager for my team over the years is the team's ability to overcome seemingly insurmountable challenges to deliver above expectations.

2. **If you could have a mentor, fictional or real, who would it be and why?**

Richard Byles – I have admired his leadership since I first entered the world of work over 25 years ago. He took great pride in getting to know the team members by name, no matter what capacity they worked in, and was able to inspire clients' confidence in a small company at the time.

3. **What do you consider the worst fruit to ever exist and why?**

"Tinkin Toe" – It is the worst fruit because the pod is very hard to break, it smells very bad and could choke one to death if it is eaten without having water or juice available.

Von-Dane Lambert

Manager – ERM (Strategic & Operational Risk)
Sagicor Group Jamaica

1. **What's the most rewarding aspect of being a manager for your team?**

Being privileged to aid in the professional development of the very brilliant individuals on my team and to watch their growth, both individually as well as collectively, play their part in contributing to Sagicor's success.

2. **If you could have a mentor, fictional or real, who would it be and why?**

Too many to count to be honest. At this moment, based on current leisure reading, it would probably be the historical Roman political figure; Cato the Younger. His fastidious adherence to honesty and integrity proved that upholding such virtues will carry its own loyal crowd.

3. **If you could organize a themed office party, what would the theme be and why?**

"Everyting Kuntry"- which would highlight the memorable aspects of growing up in rural Jamaica. It has been my discrete observation that there is a healthy representation of a diaspora of "country High School Alumni" within Sagicor. I believe it would show that we have much more in common than we consider.

WINNERS WIN!

Team Member of the Year

Krishaun Dunkley

Pension Administrator - Approved Retirement Scheme, EBA Ltd (right) wins the Team Member of the Year title at the 2024 Corporate Awards. She is presented with the trophy by Coretta Foster, Vice President - Group Human Resources at Sagicor Group Jamaica.

Manager of the Year

Lacriesha Davis

Manager - Pension Administration & Business Development, EBA Ltd. (right) accepts her Manager of the Year Award from Joanna Banks, Executive Vice President, Strategy and Business Development, Sagicor Group Jamaica at the 2024 Corporate Awards.

Having passionate and engaged team members is an important aspect of our Sagicor culture and success.

Group Human Resources

In response to the changes in the world of work and in alignment with our company's digital transformation strategy Group HR's 2023 priorities included:

TEAM ENGAGEMENT & WELLNESS ACTIVITIES

Having passionate and engaged team members is an important aspect of our Sagicor culture and success. Excitingly, in 2023, team engagement resumed with face-to-face as well as virtual activities and Group HR was integral in executing activities that produced a more productive, high-performing, diverse, and conducive work environment for our team members.

These are some of the activities which our members experienced during 2023:

Our **2023 Blast Off**, held in January, was dubbed "Future Ready. Now!" This was the first physical Blast Off coming out of the pandemic season. As such, we literally decided to do an outdoor event and on January 18, 2023, we had the session at the Hope Gardens. The team came out in their numbers to experience both the Blast-Off event as well as to interact with their colleagues whom they had not seen face to face in over two years.

- **SIGMA Corporate Run** – Post-Pandemic Sigma was indeed an epic outcome. Our team members as well as members of the public took to the streets in support of the 25th staging of Sagiocr SIGMA Run was indeed a historic one as the company raised a whopping $91,852,500.
- **Sports Programme** – Our weekly fitness activities resumed, with team members being able to enjoy participation in Zumba, Pilates, Aerobics & Abs & Core classes. Other activities which further enhanced our sports programme were Football, Netball, Basketball & Dominoes Departmental Competitions.

S.T.A.R.S WEEK

Our annual S.T.A.R.S (Showcasing Talent and Recognizing Staff) Week, hosted during the period November 27 to December 9, 2023, was an extra special two weeks of activities dedicated to team members. This year we also returned to our face to face sessions, and also utilised the virtual sessions as needed. 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** – As is customary, we kicked off our S.T.A.R.S Week with church service at both Andrew's Memorial Seventh Day Adventist Church for our Saturday worshippers and a Sunday service at Swallowfield Chapel.
- **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, 'Paint and Sip', candle making, quizzes and other activities. Team members were excited to participate and fully enjoyed the experience.

- **Movie Night** – Lights, Camera, 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 Equalizer 3, Silent Night and Marvels. This year, movie night was not just a corporate area (Kingston) event, as Ocho Rios, Montego Bay and the Cayman Islands also participated.

- **All Star Lunch Hour Concert**
  This was a star-studded celebratory event for our team members where there were performances, giveaways, treats, surprises and many more activities for our team members.

- **School Dayz**
  For this activity a walk down memory lane to relive school "dayz" was a great experience for team members at all levels. Team members repped their alma mater; of course, adhering to the Sagicor Dress code policy. The day included playground games, activities from way back when, the popular tuck shop and so much more. Non-corporate team members also joined in the school "dayz" fun on the days Group HR visited the respective branches.

- **Department Sound Clash**
  The Battle 2.0 returned with a twist; departments went head-to-head in a musical clash to see which department would be crowned "Di Greatest Soun' of S.T.A.R.S. Week 2023." The finalists were Group Marketing and The Sagicor Life Spanish Town branch, with Group Marketing being crowned as Sagicor's Champions.

- **The Battle: Clash of the Titans**
  Another highly anticipated event was the "Clash of the Titans". This 3rd staging of the event which was held at the Wolmer's Boys' Auditorium was another exciting event that showcased the track selection skills of our leaders. This year we were pleased to have our President and CEO Chris Zacca exhibiting his musical prowess against our music enthusiast Chairman, Peter Melhado. After the dust settled the judges declared both leaders were indeed selection titans.

- **Business Showcase**
  Seventy (70) team members signed up to showcase their products and services in our Business Showcase at no cost to them on the Sagicor Life Head Office Auditorium Terrace. This event was opened to the public with products ranging from personalized key chains, paintings, handmade bags, plants, homemade wines, and pastries.

- **S.T.A.R.S. Week Charity- A Thousand Hearts for Charity**
  The wider community also benefited from S.T.A.R.S. Week as we also raised money for charity. The beneficiaries were the Yadel Home for Children and Jackson's Basic School. We raised over $1.1 million and collected other items such as toiletries and clothing for the Yadel Home.

- **Eclipse**
  S.T.A.R.S. Week 2023 ended with our coveted team party at Sabina Park "The Eclipse". We had over two thousand (2,000) team members participating in our team party.

LEARNING & DEVELOPMENT, CHANGE & TALENT MANAGEMENT INITIATIVES

Learning and Development continued to be a strong area of focus for Group Human Resources throughout 2023, with a total of 58,714 training hours completed for the year with 17,747 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, and in alignment with our digital transformation journey to use digital methods of training.

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. Some of our initiatives are listed below:

- **e-Learning Instructor-led sessions** – These were held using the online platforms 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 as we embrace the microlearning method of delivering our sessions.
- **Sage Academy** – In 2023 we launched our Learning Management System (LMS), Sage Academy to our team members. The LMS gives the team members access to manage their learning and development activities. It also provides them with engaging gamification activities that allow them to gain points on the leader board which they can use to redeem items from our Learning & Development E-Store.
- **Gamification** – Gamification is one strategy we use 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 while using the online method of training.

- **Upskill in Technology** – This remains a major priority as Learning and Development aligns the training strategies for the team members to our overarching digital transformation strategy. Team members continued to be exposed to 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 experience for not only our team members but also our clients. We also utilized other online platforms such as Udemy to access specialized skills training. The platform is mainly accessed by our IT Team members with a few Projects and Business Optimisation team members. Additionally, we offered the following technical courses as a part of our upskilling strategy:

- Data Science
- Introduction to SCRUM
- Data Analytics
- Data Visualisation

Client Experience: Future Ready. Now!
With the changing needs of our clients, we constantly have to upgrade our approach to delivering exceptional client service. For 2023 we dubbed our Client Experience training, "Client Experience: Future. Ready Now!" This was designed to help our team members understand the needs of today's clients while preparing them to be ready to handle the clients of the future.

Fraud Detection & Prevention
With fraud being on the rise we saw this training as a critical one for all team members to be trained and equipped with the tools to be able to identify and prevent fraud.

Cyber Security Awareness – Cyber security threats continue to increase rapidly so this course was aimed at exposing our team members to the importance of cyber security and included topics such as:

- **an introduction to cyber security**
- **social engineering manipulation**
- **phishing and other data-retrieval attempts**
- **malware and other hardware attacks**
- **how to keep your accounts safe**

The Agile Mindset
The Agile Mindset training course focused on building a growth mindset, challenging some core beliefs that we might have, and demonstrating the value of becoming more flexible, transparent, and adaptive to changing environments. Our team learned about the concept of agility, how to develop an agile mindset and the value agility brings to Sagicor, how to operate in a team, and apply agile behaviours in the workplace to become future-ready. Now.

Mental Health Series
With May being recognized globally as Mental Health Month, we also used the opportunity to provide our team members with initiatives about mental health and wellness. As such, we decided that for May our mental health month of activities would follow the theme of "Conquering Anxiety" with sessions such as managing anxiety workshops, "The Anxious Truth" team member podcast, affirmation videos shared by our SagicorLEAD Cohort 3 participants. With the positive feedback we received from our team members about these initiatives, the decision was taken to dedicate another month to delivering mental activities. As such, in October we continued our mental health month of activities under the theme "Self-Care is Health Care". We had activities such as Mental Reset, Work-Out-Wednesdays, Medication Management Therapy, and a Mental Health symposium on World Mental Health Day. Of note, is the collaboration we had with our Wellness team who provided on-site check-ups, health tests, and even mammograms to a few of our ladies which also aligned with our Breast Cancer Awareness Month of activities.

These events and activities aimed to emphasize the importance of self-care, both in terms of physical and mental well-being, and provided resources and support for team members to take better care of themselves both professionally and personally.

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 Ultimate Experience 2.0
- Prostate Cancer Awareness
- Rated M Reasonin': Unfiltered Conversations, "The Healthy Mind"

- Does Size Matter Health Talk
- Rated M Reasonin': Fatherly Mentorship
- Rated M meets TotallynHER: Work Life Balance: Myth or Method

TotallyHER Series – Development Programme for female team members

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

- Financial Management
- Breast Cancer Awareness Session
- Stress Management
- Understanding the Male Agenda
- Overcoming Childhood Trauma
- Managing & Resolving Conflict
- Work-Life Balance: Myth or Method?
- Parenting 101 – valuable parenting tips

The SagicorLEAD Cohort 3 at the Women in Finance conference. Our own Abigail Davis (seated in the centre) was one of the panelists.

DEVELOPMENT PROGRAMMES

SAGICORLEAD LEADERSHIP DEVELOPMENT PROGRAMME

In 2023 the SagicorLEAD Cohort 3 candidates were exposed to a variety of initiatives aimed at providing leadership exposure and developing strategic and critical thinking as well as management skills. Cohort 3 participated in a book discussion (The Alchemist by Paulo Coelho) that was led by Mr. Mark Chisholm, Chief Revenue Officer of Insurance. This allowed the candidates to glean from his experiences as well as to share their insights. The candidates completed Transformational Leadership Training which was facilitated by Terry Thomas. This was considered crucial to prepare the team to lead effectively in their own sphere as Sagicor continues to evolve and transform digitally.

The SagicorLEAD programme is geared towards promoting collaboration among team members to increase their knowledge and understanding of Sagicor's business. As such, candidates were given the opportunity to complete job rotations between July to October 2023 for six weeks across the Group. Additionally, the team continued their partnership 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.

SagicorLEAD Promotions 2023:

- Suzette Black-Branch Manager, Sagicor Bank (Former SagicorLEAD Participant)
- Michael Sutherland -Branch Manager, Sagicor Bank (Former SagicorLEAD Participant)
- Kristina Dyer-Manager-HR Relationship (Former SagicorLEAD Participant)
- Druscilla Allen-Henry-Learning & Development Officer (Current SagicorLEAD Participant)
- Clayon Warner- Supervisor, Claims Payment (Current SagicorLEAD Participant)
- Krista-Ramone Trowers-Manager, Treasury and Asset Manager (Current SagicorLEAD Participant)
- Brian Thompson- Data Science & Analytics (Current SagicorLEAD Participant)

SUCCESSION PLANNING

For 2023, the partnership with the American Management Association (AMA) continued through the use of their online learning platform. This platform with a suite of 25 course offerings provided lessons designed to enhance skills to address critical business, management issues, and leadership challenges present in today's work and business environment.

Candidates were exposed to self-paced leadership development courses which offered micro lessons and consistent learning opportunities. From our succession pool, fifty (50) candidates across the various entities were selected to access the suite of 25 courses with a minimum of 5 courses selected for completion. Upon completion of the various modules, candidates are expected to share this knowledge with their teams and utilize the strategies taught. On-the-job training continues for candidates in the pool. Candidates from the pool who were promoted include:

- Dianne Nicholas-Bolton- Assistant Vice President-Credit Risk
- Michelle Higgins-Assistant Vice President, People Operations (Group HR)
- Brent Johnson- Branch Manager
- Melecia Jones-Regional Manager-Investment Client Services (West)

CROSS TRAINING

The cross-training programme continues to allow our team members to get first-hand experience and knowledge in their areas of interest to meet their ultimate career needs. For the year 2023, there was an increase in the number of applications received and the successful completion of the programme.

The updated cross-training policy manual was approved in April 2023. The criteria were adjusted where the tenure for eligibility changed from 18 to 24 months to better align with the Company's performance appraisal cycle. Additionally, another new requirement included two (2) appraisal scores instead of three (3). This change complemented the change made to the tenure.

TALENT MANAGEMENT INITIATIVES

Career Month

We executed a month of activities that were geared toward the professional and personal development of team members. It involved team members participating in various sessions that were aimed at equipping them with skills and knowledge to build strong and dynamic careers within Sagicor. The activities included:

- Mock interviews with real-time feedback
- Personal Etiquette Conference (Make Your Mark - External)
- Reinventing You: Stepping into the Digital Future- Team members were exposed to ways they can upskill as we progress through the current digital transformation journey.
- Career Month Podcast – This was focused on giving tips about interview bloopers, blunders, and how to prepare for interviews.
- Prepare for Impact Training Sessions
- One on One Career Counselling and Coaching
- After Retirement Training Session
- Career Networking & Etiquette
- TotallyHER - Fancy & Frugal Career Month Edition – We engaged an Interior Decorator to teach our Sagicor women simple and cost-effective tips that they could utilize at home for Christmas and New Year.
- Resume Writing
- Mastering the Art of Interviews
- Interviewing Skills Training
- Weekly send-out of career videos depicting a day in the life of team members working across the Group. This gave team members an appreciation and understanding of various roles.

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. See below a summary of the activities executed in 2023.

Month	Event	Description/Comments
March	Pro-Millennial Link Up and Lyme	This was a networking session for the society geared at strengthening relationships and collaborating in a social setting.
April	Image is Everything	This session was facilitated by Aldane Milton, Assistant Vice President, SSIT & Jacqueline Brown-Barnes, Vice President-Group Insurance Services. The team was exposed to the importance of building a strong personal brand to gain a competitive advantage in their personal and professional pursuits.
May	My Emotions Have a Voice	This session was facilitated by Erica Prendergast Supervisor - Claims, Administration and Project Services (CAPS), & Andre Latchman, Manager-Client Experience. Both presenters share4 personal experiences and lessons in relation to the topic. The aim of the session was for participants to better understand and embrace their emotions to be effective leaders.
July	Modern Leadership	This session was facilitated by Andrew Burke, Vice President, Innovation and Data. The aim of this session was to provide insights about leading in today's dynamic work environment. and investing.
Aug-September	Motivational Message to the team	During this period the society was engaged through motivational messages sent via email.

REWARD & RECOGNITION

Recognizing hard work and rewarding our team members is a vital part of our Sagicor culture. As is customary, at the end of the year we selected our Team Member of the Year (TMOY) and for 2022 we implemented the Manager of the Year (MOY) award. Christine Grant (TMOY) and Michelle Higgins (MOY) were our awardees for Jamaica. At the Sagicorian Annual Awards in Barbados in 2023, both Christine and Michelle copped the coveted Sagicorian Team Member of the Year and the Sagicorian Manager of the Year awards across the Sagicor global network.

[Recognizing hard work and rewarding our team members is a vital part of our Sagicor culture.]

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 984 positions were filled as at December 31, 2023. 52% (507 positions) of the total vacancies filled were permanent positions, of which 69% (349 positions) were filled internally. Consequently, we have fallen slightly below our 70% internal fill mandate.

A total of 171 promotions and 141 appointments to staff were earned by our team members. Most promotions were in the Banking Division and most of the appointments to staff were also in the Banking Division.

RECRUITMENT / OUTREACH / YOUTH DEVELOPMENT

33 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:

- UWI Mona Annual Career Fair – February 24, 2023
- 58 Summer Workers onboarded for Batch One of the Summer Mentorship Programme – May 26, 2023
- 47 Summer Workers onboarded for Batch Two of the Summer Mentorship Programme – June 26, 2023
- 39 Summer Workers onboarded for Batch Three of the Summer Mentorship Programme – July 24, 2023
- 34 Offers accepted as a result of the Group Client Support Job Fair – May 4, 2023
- Additional job fairs for the Group Client Support Department were conducted on October 30, 2023, and November 15, 2023. Thirty-five (35) candidates were selected from these sessions.

APPOINTMENTS

The following appointments occurred throughout 2023 which resulted in changes or additions to succession positions for critical roles:

Team Member	New Role
Bianca Nam	Vice President - Wealth and Corporate Relationship Management
Camille Witter	Vice President - Insurance Pricing and Product Management
Caren Scott-Dixon	Vice President - Enterprise Risk Management and Group Compliance
Vinette Notice	Vice President – Credit Risk
Daidre Sloley-McKay	Assistant Vice President - Group Marketing
Dianne Nicholas-Bolton	Assistant Vice President - Credit Risk
Jodi-Kaye Ennis	Assistant Vice President - Corporate Strategy
Lakesha Ross-Duncan	Assistant Vice President – Internal Audit
Michelle Higgins	Assistant Vice President – Group Human Resources
Richard Patterson	Assistant Vice President - Card Operations & Digital Channels
Sashimo Wallace	Assistant Vice President – Insurance Accounting
Vanette Beam	Assistant Vice President - Corporate Actuarial
Brent Johnson	Branch Manager – SBJ – Up Park Camp
Ian Bourne	Branch Manager – SLJ - Holborn Branch
Michael Sutherland	Branch Manager – SBJ - New Brunswick Village

Team Member	New Role
Nikesha Bonnick Magnus	Branch Manager – SBJ – Hope Road
Suzette Black	Branch Manager - SBJ - Fairview Shopping Centre
Audia Cadogan	Marketing Manager - Insurance
Cherice Worgs	Manager - Group Compliance
Dwright Wright	Manager – Pension Investments
Jerome Mayne	Project Manager
Kelley-Ann Grant-Murray	Project Manager
Krista-Ramone Trowers	Manager - Treasury, And Asset Management
Kristen Smith	Manager - Credit Risk
Kristina Dyer	Relationship Manager – Group Human Resources
Lorna Mcpherson Samuels	Manager - GTAM Operations
Martina Whitelocke	Finance Manager - Insurance Accounting
Michell-Ann Gaye Brown	Credit Solutions Manager
Nicola Speid	Manager – SME Business Banking
Odeon Campbell	Manager - Electronic Channels & Consumer Programs
Olivia Campbell	Manager – Strategy & Sales Experience
Serena Smith Senior	Manager - Operations Monitoring and Control
Tena-Gaye Pusey	Manager - Pricing & Product Management

2024 FUTURE READY – ACCELERATING!

As we accelerate our digital transformation strategy, Group HR will continue to align its goals with the overarching company strategies and ensure that we continue to attract the best talent, motivate and retain said talent. We will utilise innovative and creative ways to engage our team members and to ensure that we keep our promise to provide an environment which is conducive to highly engaged team members, high performance and high productivity.

There is no greater power than the power within you.

— Dr. the Honourable R. Danny Williams

Sustainability at Sagicor Group Jamaica

Sagicor Group Jamaica is steadfast in its commitment to Environmental, Social and Governance (ESG) principles, which are integral to our vision, mission and operations. We actively pursue sustainability, social responsibility and ethical governance to create value for all of our stakeholders and contribute positively to the regional, and by extension, global community.

Environmental

Our commitment to the environment is unwavering. Sagicor strives to minimize its ecological footprint through innovative practices in energy conservation, waste management and sustainable sourcing.

Maintain support to our local governments, clients, and communities to facilitate our collective transition to a climate-resilient economy:

Water Security Partnership: We have established a government partnership to ensure city-wide water availability, even during droughts by 2025.

Hybridized Work Environment: Reduction in team member commute and office space utilization of electricity. Additionally, working areas have been retrofitted with energy-saving bulbs; decreasing energy consumption by some 75% in comparison to incandescent bulbs.

Digital Transformation Initiative: This will drive a massive reduction in our need for the usage of paper within the immediate to medium term (2024 – 2027).

Eco-Waste Disposal: Sagicor Foundation partnered with Recycling Partners of Jamaica for the Sigma Run Go Green Team. – Focused on recycling plastic bottles generated from the race -27,000 bottles targeted and met.

Social

We believe in the power of community and the importance of social equity. This year we have added to our initiatives aimed at fostering diversity, inclusion and enhancing the well being of the communities we serve.

In keeping with our vision to be a great company improving the lives of the communities in which we operate, reflecting their societal values, and contributing to their social and economic well-being:

Support for the Farming Community: Innovative products such as our agro-processing loans and affordable healthcare for farmers and fisherfolk

Investments in Health: For 26 years Sagicor has contributed over J$600 Million to various local charities and institutions in Jamaica such as children and public hospitals, as well as to those that cater for people with disabilities.

Investments in Education: Tertiary and Secondary educational scholarships

Serving the marginalized: Sagicor offers specialized products and entrepreneurial support programmes designed to empower women.

Family Support Leave Policy

Governance

Integrity and accountability are the cornerstones of our governance. We uphold the highest standards of business ethics and ensure responsible technology deployment. Our corporate governance structure is designed to drive transparency and stakeholder engagement.

Our risk management practices, and operational readiness plans help mitigate the impacts of climate-related disruptions in our more vulnerable regions via our Business Continuity and Disaster Recovery Plans. Sustainability is enhanced through our banking ESG policy.

Corporate Governance Structure: Through the Group Investment & Risk Management Committees, Audit committee, IT Steering Committee among others, there is robust and vigilant oversight of operations and the risk landscape. Our Property Services entity is ISO certified for quality assurance.

Data Privacy: Sagicor has fully implemented its Data Privacy Programme which includes a designated Data Protection Officer and a Data Privacy Office. Our products now undergo a new schematic that considers Privacy-By-Design.

Cybersecurity: Our posture is guided by robust Board-approved policies and procedures and adheres to global best practices.

Active Monitoring: ESG-related regulatory developments are at the forefront and we are currently in the process of building out our ESG Framework.

Supporting Environmental Sustainability

- **Docusign**
- **Decreased Printing And Ink**
- **Virtual Trainings -Paper-Based Tests**
- **Cloud Based Software Implementation**

Sagicor has recognized that as a part of being impactful in the communities in which we operate, it is imperative to educate our team, clients and wider society on the long-term effects of ecologically unfriendly habits and encourage mindful approaches to environmental responsibility.

In line with our overall Environmental, Social and Governance (ESG) framework; we strongly believe in putting sustainability into action for the long-term net positive effect on the environment and a better, greener Jamaica for all.

To underscore our dedication to making green living more than just a goal for all stakeholders, in 2023, through our subsidiary Sagicor Bank Jamaica, we redoubled our efforts through strategic partnerships, and donating the purchase/installation of rooftop solar panels, eco-friendly décor, and LED solar lights for clients.

For Sagicor Bank, supporting Small and Medium Enterprises (SMEs) is an integral part of the company's commitment to clients at every stage of their financial life.

The financial institution facilitated the expansion of a second farm and factory for Shavuot International under Sagicor Bank's Manufacturing and Agro-processing Loan — to help the herbal tea manufacturer meet its high demand for Jamaican produce in overseas markets. The herbal tea manufacturer has implemented several eco-friendly practices to preserve its green spaces, placing strong emphasis on the recyclability of its products.

As part of the Bank's larger strategy to explore innovative ways to help clients reduce their ecological footprint; we collaborated with the Hillside, St. Thomas-based operations of Burnish Aggregates Limited to fund the buildout of the aggregate company's fully computerized Aggregates Plant.

In addition to producing high-quality aggregate products such as crushed stone, sand, gravel and basalt to local and regional markets, Burnish Aggregates places emphasis on reducing adverse environmental impacts, such as flooding and land erosion due to blockages, through the removal of large stones which allows the river to flow freely.

1. A section of the Sagicor Bank-financed Burnish Aggregates quarry located in St. Thomas.
2. Michael Willacy (second right), Vice President, Corporate Banking, SME Business Banking and Strategic Business Development Unit at Sagicor Bank, learns about the production process from Shirene Williams (left), Factory Worker at Shavuot International during an exclusive tour of the Shavuot Factory on Wednesday, December 13, 2023. Sharing in the moment from left are: Jannielle Haughton-James, SME Business Banker at Sagicor Bank and Joel Harris, Co-Founder and Marketing Director of Shavuot.
3. Vanice Brown (centre) observers the installation of her new solar energy system courtesy of Sagicor Bank Jamaica on Wednesday, December 20, 2023 at her home in Westmoreland.

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Christopher Zacca
President & CEO

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Chorvelle Johnson Cunningham
CEO

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Latoya Mayhew-Kerr
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Tara Nunes
CEO

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Dave Hill
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Fax: (345) 949-8262

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Panama
Juan Carlos Martinelli
General Manager

Corporate Data

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Chairman

Christopher Zacca
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President & CEO

Dr. the Hon R.D. Williams
O.J., C.D., LL.D. (Hon.), J.P.
Director Emeritus
(Deceased September 16, 2023)

Philip Armstrong

Joanna Banks
(Resigned June 30, 2023)

Peter Clarke

Dr. Jacqueline Coke-Lloyd, J.P.

Dr. Marjorie Fyffe Campbell

Paul A.B Facey
(Resigned August 28, 2023)

Stephen B. Facey, C.D.

Jeffrey Hall

Paul Hanworth

Mahmood Khimji

Dr. Stephen McNamara, C.B.E

Dr. the Most Hon. Dodridge D. Miller

Andre Mousseau

Gilbert Palter

EXECUTIVE TEAM:

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President & CEO

Joanna Banks
Executive Vice President – Strategy & Business Development, Sagicor Group

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Chief Executive Officer
Alliance Financial Services Limited

Willard Brown
Chief Technology and Insurance Operations Officer -Sagicor Life Jamaica Limited

Mark Chisholm
Chief Revenue Officer, Insurance – Sagicor Life Jamaica Limited

Howard Gordon
Senior Vice President – Group Technology & Sagicor Life Jamaica Limited Operations

Andre Ho Lung
Executive Vice President, Finance and Group CFO

Chorvelle Johnson Cunningham
Chief Executive Officer
Sagicor Bank Jamaica Limited

Tara Nunes
Chief Executive Officer
Sagicor Investments Jamaica Limited

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Treasury & Asset Management,
Sagicor Life Jamaica Limited

Caren Scott Dixon
Vice President, Enterprise Risk Management & Group Compliance, Sagicor Group

Tracy-Ann Spence
Executive Vice President – Chief Investment Officer, Sagicor Investments Jamaica Limited

Mark Thompson
Chief Executive Officer
Advantage General Insurance Company

Karl Williams
Executive Vice President – Group Shared Services

Corporate Secretary:

Dr. Sharma Taylor

Appointed Actuary:

Janet Sharp

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PricewaterhouseCoopers

Bankers:

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Innovation

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Sagicor Group Jamaica Limited
Group Human Resources

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Vice President - Enterprise Risk Management & Group Compliance
Sagicor Group Jamaica Limited
Enterprise Risk Management & Group Compliance

Sharma Taylor
Vice President - General Counsel & Corporate Secretary
Sagicor Group Jamaica Limited
Group Legal, Trust & Corporate Services

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Vice President - Corporate Accounting
Sagicor Group Jamaica Limited
Group Corporate Accounting

Jacqueline Donaldson
Vice President - Corporate Services
Sagicor Group Jamaica Limited
Group Facilities & Records Management

SAGICOR GROUP JAMAICA

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Infrastructure & Technical Services

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Employee Benefits Administrators Limited
Pension Services (EBA)

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Banking Operations

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Sagicor Bank Jamaica Limited
Corporate Banking

Vinette Notice
Vice President – Credit Risk
Sagicor Bank Jamaica Limited
Credit Risk

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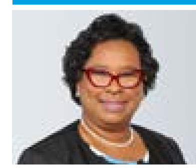
Wealth & Corporate Relationship Management

Mischa McLeod-Hines
Vice President - Capital Markets & Research
Sagicor Investments Jamaica Limited
Capital Markets

SAGICOR LIFE JAMAICA



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Business Optimization and Systems Control

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Group Treasury Operations

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Innovation

Philbert Perry
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Liguanea

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Up Park Camp

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Sagicor Bank Jamaica Limited
Hope Road

Glenroy Morgan
Branch Manager
Sagicor Bank Jamaica Limited
Portmore

Vilma Barrett Gunter
Branch Manager
Sagicor Bank Jamaica Limited
Black River

Clement Ellington
Branch Manager
Sagicor Bank Jamaica Limited
Duke & Tower Street

Nursita Gray Barriffe
Branch Manager
Sagicor Bank Jamaica Limited
Tropical Plaza

Doreen Pindling Williams
Branch Manager
Sagicor Bank Jamaica Limited
Ocho Rios

Ricardo Mahabeer
Branch Manager
Sagicor Bank Jamaica Limited
Savanna-La-Mar

Michael Sutherland
Branch Manager
Sagicor Bank Jamaica Limited
New Brunswick Village

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Branch Manager
Sagicor Bank Jamaica Limited
Mandeville

Natalie Buddan
Branch Manager
Sagicor Bank Jamaica Limited
May Pen

Wendy Bernard
Branch Manager
Sagicor Bank Jamaica Limited
Montego Bay - Sagicor Commercial Centre

Suzette Black
Branch Manager
Sagicor Bank Jamaica Limited
Montego Bay - Fairview Shopping Centre

Joyce Gordon
Relief Branch Manager
Sagicor Bank Jamaica Limited
Dominica Drive

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General Manager
Sagicor Insurance Brokers

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Norman Wilson
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Shelly-Ann Morgan
Manager - Investment Client Services- KMA 2
Sagicor Investments Jamaica Limited
Dominica Drive, Duke & Tower Street , Tropical, Barbados & Portmore

Carlos Gordon
Regional Manager - Investment Client Services - Central
Sagicor Investments Jamaica Limited
Black River & Mandeville

Melecia Jones
Regional Manager - Investment Client Services - West
Sagicor Investments Jamaica Limited
Fairview & Sav

Kimberley Thwaites
Regional Manager - Investment Client Services - North
Sagicor Investments Jamaica Limited
Ocho Rios

SAGICOR LIFE JAMAICA

Dalton Thompson
Branch Manager
Sagicor Life Jamaica Limited
Belmont Dukes

Odine Dacosta
Branch Manager
Sagicor Life Jamaica Limited
Half Way Tree

Mark Lindsay
Branch Manager
Sagicor Life Jamaica Limited
Senators

SAGICOR LIFE JAMAICA

Meila McKitty Plummer
Branch Manager
Sagicor Life Jamaica Limited
Corporate Circle

Michael Forbes
Branch Manager
Sagicor Life Jamaica Limited
New Kingston

Patrick Sinclair
Senior Branch Manager
Sagicor Life Jamaica Limited
Montego Bay

Flora “Dale” Greaves- Smith
Senior Branch Manager
Sagicor Life Jamaica Limited
Mandeville

Ramoth Watson
Branch Manager
Sagicor Life Jamaica Limited
Ocho Rios

Maurice McDonald
Branch Manager
Sagicor Life Jamaica Limited
Spanish Town

Derrick Lewis
Branch Manager
Sagicor Life Jamaica Limited
Liguanea

Leslie G. Francis
Branch Manager
Sagicor Life Jamaica Limited
Knutsford

Ian Bourne
Branch Manager
Sagicor Life Jamaica Limited
Holborn

Financial Statements

Year Ended 31 December 2023

Sagicor Group Jamaica

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31 December 2023

Sagicor Group

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APPOINTED ACTUARY'S REPORT
TO THE SHAREHOLDERS
AND POLICYHOLDERS

I have valued the policy actuarial liabilities of Sagicor Life Jamaica Limited and Sagicor Life of the Cayman Islands Ltd. for the consolidated statement of financial position at 31 December 2023, and the change in the consolidated income statement for the year then ended, in accordance with accepted actuarial practice, including selection of appropriate assumptions and methods.

The valuations of the Sagicor Life Jamaica Limited and the Sagicor Life of the Cayman Islands Ltd. business were conducted in accordance with the International Financial Reporting Standard 17, Insurance Contracts. The valuation complies with the Caribbean Actuarial Association's Actuarial Practice Standard 0 for General Actuarial Practice (APS0) and Actuarial Practice Standard 6 for Actuarial Services in Connection with International Financial Reporting Standard 17 (APS6).

In my opinion the amount of the actuarial reserves and other policy liabilities of Sagicor Life Jamaica Limited and Sagicor Life of the Cayman Islands Ltd. reported in the annual financial statements prepared in accordance with International Financial Reporting Standards for the year ended December 31, 2023, is appropriate for this purpose and the annual financial statements presents fairly the results of the valuation.

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

26 FEBRUARY 2024

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 2023, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

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

- the consolidated statement of financial position as at 31 December 2023;
- 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 2023;
- 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, comprising material accounting policy information and other explanatory information.

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T: (876) 922 6230, F: 876) 922 7581, www.pwc.com/jm

Basis for opinion

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

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). 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 2023. The Group adopted IFRS 17, Insurance Contracts on 1 January 2023. IFRS 17 established new rules and principles surrounding the measurement of insurance contracts, the earning of income, and the incurrence of expenses arising from insurance and reinsurance contracts. IFRS 17 also changed the presentation of several financial statement line items and significantly expanded the required disclosure notes. The adoption only impacted the components that issue insurance and hold reinsurance contracts. Consequent on the adoption, the Group also reclassified certain financial instruments accounted for in accordance with IFRS 9, Financial instruments.

We determined the scope of our audit by considering the internal organisation of the Group and identifying the components that have the most significant impact on the financial statements. The Group comprised the Company and 19 reporting components of which we selected 9 (including the parent company), which represent the principal business units within the Group and are located in Jamaica and the Cayman Islands. Full scope audits were performed for the Company and 5 other components, while audits of one or more financial statement line items were performed for 3 further components. The audit work performed covered 99% of the Group's total assets and 96% of the Group's total net insurance and investment result, and fees, hotel and other income. 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.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
IFRS 9 'Financial Instruments" – Probabilities of Default, Forward Looking Assumptions & Significant Increase in Credit Risk (SICR) (Group) *See notes 2(f), 3 (b) (iv), and 9 to the financial statements for disclosures of related accounting policies, judgements, estimates and balances.*	
As at 31 December 2023, loans and leases, after allowance for credit losses, totaled $124.1 billion on the Group's consolidated statement of financial position and represented 22.14% of total assets. The impairment provision recorded under the IFRS 9 expected credit loss (ECL) model amounted to $1.7 billion. 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.	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 the relevant controls for the forward looking information and SICR in the ECL model • Evaluated, with the assistance of our specialists, 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.

Key audit matter	How our audit addressed the key audit matter

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.
 	
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.
	• 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.
	• For management's SICR assessment, 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.
	• For Changes to weighting scenarios for forward looking information:
	  ○ Evaluated the reasonableness of the weighting used for the worst case scenario by agreeing the forward looking economic information to published external sources or reputable third parties.
	  ○ Sensitised the probability weightings used in the ECL calculation.
	The results of our procedures indicated that the assumptions used by management for determining the probabilities of default, SICR and forward looking information were not unreasonable.

Key audit matter	How our audit addressed the key audit matter
Adoption of IFRS 17, Insurance Contracts (Group) *See notes 2 (a), 3 (b) (i) 30, 33 and 52 to the consolidated financial statements for disclosures of related accounting policies, judgements, estimates and balances.* On 1 January 2023 the Group adopted IFRS 17 with a transition date of 1 January 2022 and restated comparative information for 2022 applying the transition provisions of IFRS 17. The adoption of the standard significantly impacted how the Group recognizes, measures, presents and discloses insurance contracts. The adoption of IFRS 17 resulted in a $29.1 billion reduction in total equity for the Group. Changes in accounting policies resulting from the adoption of IFRS 17 were applied using a full retrospective approach, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was mostly applied to the insurance contracts in force at the transition date that originated less than 5 years prior to transition. Where the full retrospective approach was determined to be impracticable, the fair value approach was applied. These changes required management judgement in developing and implementing accounting policies, including policies specific to transition. We considered this a key audit matter as auditing the Group's transition to IFRS 17 was complex as it related to the measurement of the Group's insurance contract liabilities including the transition Contractual Service Margin (transition CSM) included therein. This required the application of significant auditor judgement due to the complexity of the models, and in the determination of key assumptions, specifically the discount rate and risk adjustment relating to the measurement of the insurance contract liabilities, and the development of fair value assumptions used in the determination of the transition CSM.	Our approach to addressing the matter, with the assistance of our actuarial specialists, included the following procedures, amongst others: • Evaluated the accounting policies and the elections involved in transition. • Assessed the appropriateness and consistency of key assumptions, including discount rate and risk adjustment, used in the measurement of insurance contract liabilities and transition CSM, by comparing to published industry studies, market data, entity specific facts and circumstances, our knowledge of the products and the requirements of IFRS 17. • Tested, on a sample basis, underlying support and documentation such as executed policyholder insurance contracts. • Tested the methodology and calculations of the IFRS 17 insurance contract liabilities and transition CSM through review of the calculation logic within the newly implemented models. • Assessed the disclosures within the consolidated financial statements against the requirements of IFRS 17. Based on the results of our audit procedures, management's application of accounting policies as required by IFRS 17, in our view, was not unreasonable.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities - Estimation of fulfilment cash flows (Group) *See notes 2 (q), 3 (b) (i) 30 and 33 to the consolidated financial statements for disclosures of related accounting policies, judgements, estimates and balances* At 31 December 2023, insurance contract liabilites totalled $144.9 billion or 31.6% of total liabilties. Insurance contract liabilities consist of: o Fulfilment cash flows (FCFs) are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. FCFs comprise unbiased and probability weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk (risk adjustment). o Contractual service margin (CSM) is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future. Measurement of the FCFs requires management judgements in estimating the probability weighted mean of expected future cash flows on a present value basis, in addition to applying a risk adjustment. Estimates of expected cash flows incorporate best estimate assumptions for mortality, morbidity, longevity, expenses, and policyholder behaviour, as well as assumptions for discount rates and the risk adjustment. The assumptions are reviewed and updated at least annually by the Appointed Actuary. We considered this a key audit matter due to the judgment applied by management when determining the FCFs, which in turn led to a high degree of auditor judgment and effort in evaluating the assumptions described above.	Our approach to addressing the matter, with the assistance of our actuarial specialists, included the following procedures, amongst others: • Obtained an understanding on management's end to end process and controls supporting the determination of FCFs. • Tested accuracy and completeness of a sample of the data used in the estimates of future cash flows. • Assessed the reasonableness of management's best-estimate assumptions for mortality and policyholder behaviour (lapse and surrenders), and economic assumptions for discount rates, and the adjustment for non-financial risk by: o Evaluating whether management's assumptions were determined in accordance with the requirements of IFRS 17. o Evaluating the Company's internal experience studies for appropriateness by considering published industry studies, market data and component specific facts and circumstances. • Evaluated a sample of actuarial models used in management's determination of the FCFs, by: o Assessing the appropriateness of the model of product features. o Assessing the appropriateness of the application of best-estimate assumptions. o Assessing the disclosures within the consolidated financial statements against the requirements of IFRS 17. Based on the results of our audit procedures, management's determination of FCFs, in our view, was 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 Accounting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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
Kingston, Jamaica
29 February 2024

Consolidated Statement of Financial Position

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	December 31, 2023 $ '000	December 31, 2022 Restated $ '000	January 1, 2022 Restated $ '000
ASSETS				
Cash resources	6	22,838,318	22,252,670	23,383,971
Cash reserve at Central Bank	7	14,467,076	12,091,812	11,084,907
Financial investments	8	243,787,463	226,123,720	253,842,085
Loans and leases, after allowance for credit losses	9	124,125,496	112,736,829	96,889,917
Pledged assets	10	98,281,596	94,209,543	93,636,126
Investment properties	11	1,618,306	1,680,525	1,220,324
Investment in joint venture	12	2,310,020	1,830,001	1,329,797
Intangible assets	15	7,866,581	8,338,470	5,872,442
Property, plant and equipment	16	6,695,353	6,412,479	20,782,133
Right-of-use assets	38	1,873,251	1,823,204	2,155,117
Reinsurance contract assets	30	2,785,041	2,189,643	2,051,063
Insurance contract assets	30	174,931	-	-
Retirement benefit asset	17	635,539	706,137	472,179
Deferred income taxes	18	7,276,368	3,911,299	1,550,220
Taxation recoverable	19	7,234,809	6,281,323	4,186,609
Other assets	20	18,678,823	15,193,436	16,828,374
TOTAL ASSETS		560,648,971	515,781,091	535,285,264

The accompanying notes on pages 140-262 form an integral part of these financial statements

Consolidated Statement of Financial Position

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	December 31, 2023 $ '000	December 31, 2022 Restated $ '000	January 1, 2022 Restated $ '000
STOCKHOLDERS' EQUITY AND LIABILITIES:				
Stockholders' Equity Attributable to:				
Stockholders' of the Parent Company				
Share capital	22	8,879,881	8,998,808	8,816,093
Equity reserves	23	3,597,762	(101,441)	8,093,162
Capital redemption reserve		3,121,572	3,121,572	3,121,572
Special investment reserve		617,317	567,381	531,675
Loan loss reserve		(590,850)	(844,132)	(488,668)
Retained earnings reserve		7,703,161	6,602,098	5,327,140
Retained earnings		76,450,203	65,270,193	60,089,736
		99,779,046	83,614,479	85,490,710
Non-Controlling Interests	49	2,435,953	2,301,339	20,164,726
Total Equity		102,214,999	85,915,818	105,655,436
Liabilities				
Deposit and security liabilities	27	262,489,546	250,837,061	221,851,641
Loans payable	28	2,198,545	2,198,545	9,284,518
Deferred income taxes	18	475,426	421,305	2,169,101
Taxation payable		881,336	1,775,142	703,344
Retirement benefit obligations	17	3,920,646	3,000,585	5,780,581
Lease liabilities	38	2,143,602	2,143,801	2,521,790
Insurance contract liabilities	30	144,988,028	134,815,292	149,791,729
Reinsurance contract liabilities	30	595,741	551,715	1,013,904
Investment contract liabilities	31	20,892,274	20,164,220	19,356,485
Other liabilities	29	19,848,828	13,957,607	17,156,735
Total liabilities		458,433,972	429,865,273	429,629,828
TOTAL EQUITY AND LIABILITIES		560,648,971	515,781,091	535,285,264

Approved for issue by the Board of Directors on the 29 February 2024 and signed on its behalf by:

Peter Melhado **Chairman** **Christopher Zacca** **Director**

The accompanying notes on pages 140-262 form an integral part of these financial statements

Consolidated Income Statement

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $ '000	2022 Restated $ '000
Insurance revenue	33	46,818,336	40,671,501
Insurance service expenses	33	(35,133,709)	(30,546,498)
Net expense from reinsurance contracts held	33	(3,616,625)	(2,987,328)
INSURANCE SERVICE RESULT		8,068,002	7,137,675
Interest income earned from financial assets measured at amortised cost and FVTOCI	34	23,332,988	18,804,965
Net (loss) / gain on de-recognition of financial assets measured at amortised cost	34	(1,305)	579,060
Net gain on de-recognition of financial assets measured at FVTOCI	34	530,810	49,581
Interest income earned and capital net gain / (loss) from assets measured at FVTPL and other investment income	34	11,653,559	(12,418,786)
Interest expense	34	(8,617,319)	(6,302,543)
Credit impairment losses	34/8	(451,322)	(574,879)
NET INVESTMENT INCOME	34	26,447,411	137,398
Finance (expenses) / income from insurance contracts issued	34	(5,586,801)	14,602,878
Finance income from reinsurance contracts held	34	125,651	225,266
NET INSURANCE FINANCE (EXPENSES) / INCOME		(5,461,150)	14,828,144
NET INSURANCE AND INVESTMENT RESULT		29,054,263	22,103,217
Fees, hotel and other income	35	17,628,313	21,118,264
Administration expenses	36	(25,388,371)	(25,641,262)
Depreciation and amortisation	15/16	(1,562,215)	(2,114,113)
Other taxes and levies	37(a)	(911,924)	(893,280)
		(10,234,197)	(7,530,391)
Share of profit from joint venture	12	241,664	439,994
Impairment charge on goodwill	15	-	(530,127)
Gain on disposal of subsidiary	14/35	-	258,208
Profit before Taxation		19,061,730	14,740,901
Taxation	37(a)	(4,488,453)	(4,897,479)
NET PROFIT		14,573,277	9,843,422
Attributable to:			
Stockholders of the parent company	26/39	14,368,019	9,585,965
Non-controlling interests	49	205,258	257,457
		14,573,277	9,843,422
Earnings per stock unit for profit attributable to the stockholders of the parent company during the year:			
Basic and fully diluted	39	3.67	2.45

The accompanying notes on pages 140-262 form an integral part of these financial statements

Consolidated Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $ '000	2022 Restated $ '000
Net Profit for the year		14,573,277	9,843,422
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Fair value reserve:			
Unrealised gains / (losses) on securities designated as FVTOCI		3,332,276	(8,509,364)
Share of joint venture unrealised gains / (losses) on securities designated as FVTOCI		7,629	(51,439)
		3,339,905	(8,560,803)
Currency translation -			
Currency translation of foreign subsidiaries		207,997	(377,009)
Currency translation of joint venture		230,719	111,648
Retranslation of foreign operations recycled on sale of subsidiary		-	(152,490)
		438,716	(417,851)
Gains recycled to the income statement on sale and maturity of FVTOCI securities		(478,645)	(5,550)
Provision for expected credit losses on securities designated as FVTOCI	8	(81,846)	(6,535)
		(560,491)	(12,085)
Items that will not be subsequently reclassified to profit or loss			
Owner Occupied Property (OOP)			
Unrealised gains on OOP		474,599	2,352,690
Re-measurements of retirement benefits obligations	38	(717,084)	2,553,979
Total other comprehensive income recognised directly in stockholders' equity, net of taxes		2,975,645	(4,084,070)
Total Comprehensive Income		17,548,922	5,759,352
Attributable to:			
Stockholders of the parent company		17,226,129	4,099,745
Non-controlling interests		322,793	1,659,607
		17,548,922	5,759,352

Items in the statement above are stated net of taxes. The income tax relating to each component of other comprehensive income is disclosed in Note 37(c).

The accompanying notes on pages 140-262 form an integral part of these financial statements

Consolidated Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital	Equity Reserves (Note 23)	Capital Redemption Reserve	Special Investment Reserve	Loan Loss Reserve	Retained Earnings Reserve	Retained Earnings	Equity Owners' Total	Non-controlling Interests Total	Grand Total
		$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Restated Balance as at January 1, 2023		8,998,808	(101,441)	3,121,572	567,381	(844,132)	6,602,098	65,270,193	83,614,479	2,301,339	85,915,818
Tax Impact on application of IFRS 17	18	-	-	-	-	-	-	3,805,097	3,805,097	(60,259)	3,744,838
		8,998,808	(101,441)	3,121,572	567,381	(844,132)	6,602,098	69,075,290	87,419,576	2,241,080	89,660,656
Profit for the year		-	-	-	-	-	-	14,368,019	14,368,019	205,258	14,573,277
Other comprehensive income, net of taxation		-	3,665,909	-	-	-	-	(807,799)	2,858,110	117,535	2,975,645
Total comprehensive income for the year		-	3,665,909	-	-	-	-	13,560,220	17,226,129	322,793	17,548,922
Transactions with owners -											
Employee stock option plan											
- value of services provided	23	-	33,294	-	-	-	-	-	33,294	-	33,294
Dividend	25	-	-	-	-	-	-	(4,784,403)	(4,784,403)	(127,920)	(4,912,323)
Treasury shares	24	(118,927)	-	-	-	-	-	3,377	(115,550)	-	(115,550)
Total transactions with owners		(118,927)	33,294	-	-	-	-	(4,781,026)	(4,866,659)	(127,920)	(4,994,579)
Transfers between reserves -											
To special investment reserve	2(o)	-	-	-	49,936	-	-	(49,936)	-	-	-
To loan loss reserves	9	-	-	-	-	253,282	-	(253,282)	-	-	-
To retained earnings reserves		-	-	-	-	-	1,101,063	(1,101,063)	-	-	-
Total transfers between reserves		-	-	-	49,936	253,282	1,101,063	(1,404,281)	-	-	-
Balance as at December 31, 2023		8,879,881	3,597,762	3,121,572	617,317	(590,850)	7,703,161	76,450,203	99,779,046	2,435,953	102,214,999

The accompanying notes on pages 140-262 form an integral part of these financial statements

Consolidated Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital	Equity Reserves (Note 23)	Capital Redemption Reserve	Special Investment Reserve	Loan Loss Reserve	Retained Earnings Reserve	Retained Earnings	Equity Owners' Total	Non-controlling Interests Total	Grand Total
Balance as at December 31, 2021, as previously reported		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
Impact of initial application of IFRS 17		-	(235,054)	-	-	-	-	(44,771,904)	(45,006,958)	208,635	(44,798,323)
Impact of application of IFRS 9 policy choices as a result of IFRS 17 implementation		-	(343,782)	-	-	-	-	16,017,828	15,674,046	-	15,674,046
Restated balance as at January 1, 2022		8,816,093	8,093,162	3,121,572	531,675	(488,668)	5,327,140	60,089,736	85,490,710	20,164,726	105,655,436
Profit for the year as restated		-	-	-	-	-	-	9,585,965	9,585,965	257,457	9,843,422
Other comprehensive income, net of taxation		-	(8,042,637)	-	-	-	-	2,556,417	(5,486,220)	1,402,150	(4,084,070)
Total comprehensive income for the year as restated		-	(8,042,637)	-	-	-	-	12,142,382	4,099,745	1,659,607	5,759,352
Transactions with owners -											
Change in ownership of a subsidiary	14	-	-	-	-	-	-	124,576	124,576	1,465,923	1,590,499
Wind up and sale of subsidiary	49	-	-	-	-	-	-	-	-	(20,988,917)	(20,988,917)
Employee stock option plan											
- value of services provided	23	-	38,252	-	-	-	-	-	38,252	-	38,252
- options exercised/expired	23	-	(19,126)	-	-	-	-	-	(19,126)	-	(19,126)
Dividend	25	-	-	-	-	-	-	(6,257,999)	(6,257,999)		(6,257,999)
Treasury shares	24	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	24	-	(171,092)	-	-	-	-	171,092	-	-	-
From loan loss reserves	9	-	-	-	-	(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)	-	-	-
Restated balance as at December 31, 2022		8,998,808	(101,441)	3,121,572	567,381	(844,132)	6,602,098	65,270,193	83,614,479	2,301,339	85,915,818

The accompanying notes on pages 140-262 form an integral part of these financial statements

Company Statement of Financial Position

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $ '000	2022 $ '000
ASSETS			
Cash resources	6	402,592	655,852
Financial investments	8	1,038,154	469,235
Pledged assets	10	276,048	267,294
Investment in joint venture	12	414,267	414,267
Investment in subsidiaries	14	71,826,639	71,826,639
Intangible assets	15	84,471	93,995
Property, plant and equipment	16	154,423	93,906
Deferred income taxes	18	214,875	225,671
Taxation recoverable	19	92,136	81,661
Other assets	20	1,635,862	1,203,648
TOTAL ASSETS		76,139,467	75,332,168
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Stockholders' Equity Attributable to:			
Stockholders' of the Company			
Share capital		8,879,881	8,998,808
Equity reserves		28,466,097	28,432,803
Retained earnings		22,052,486	21,934,714
		59,398,464	59,366,325
Liabilities			
Promissory notes	27	10,937,404	11,098,704
Taxation payable		48,523	325,173
Other liabilities	29	5,755,076	4,541,966
Total liabilities		16,741,003	15,965,843
TOTAL EQUITY AND LIABILITIES		76,139,467	75,332,168

Approved for issue by the Board of Directors on the 29 February 2024 and signed on its behalf by:

Peter Melhado **Chairman**

Christopher Zacca **Director**

The accompanying notes on pages 140-262 form an integral part of these financial statements

Consolidated Statement of Cash Flows

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $ '000	2022 Restated $ '000
Cash Flows from Operating Activities			
Net profit		14,573,277	9,843,422
Adjustments for:			
Items not affecting cash			
Adjustments to reconcile net profit to net cash provided by operating activities	40(a)	(34,895,507)	(53,664,109)
Interest and dividends received		33,264,323	27,593,495
Interest paid		(8,470,109)	(5,750,488)
Income and asset taxes paid		(6,906,958)	(6,009,905)
Net cash used in operating activities		(2,434,974)	(27,987,585)
Cash Flows from Investing Activities			
Proceeds from disposal of subsidiary	14	-	1,732,007
Net cash outflows from purchase of subsidiary	50	-	(2,624,434)
Proceeds from disposal of Investment Property, net	11	252,352	-
Acquisition of property, plant and equipment	40(a)	(503,205)	(928,072)
Purchase of intangible assets, net	15	(218,545)	(592,580)
Net cash used in investing activities		(469,398)	(2,413,079)
Cash Flows from Financing Activities			
Deposits and securities liabilities excluding structured products	40(c)	10,462,688	27,383,942
Loan payable	40(c)	-	(153,573)
Change in ownership of subsidiary	14	-	1,590,499
Finance lease repayment	40(c)	(704,579)	(667,729)
(Purchases)/disposals of treasury shares, net		(115,550)	138,321
Dividend paid to minority interests		(127,920)	-
Dividends paid to stockholders	25	(4,784,403)	(6,257,999)
Net cash generated from financing activities		4,730,236	22,033,461
Effect of exchange rate on cash and cash equivalents		585,450	(574,787)
Increase / (Decrease) in cash and cash equivalents		2,411,314	(8,941,990)
Cash and cash equivalents at beginning of year		42,942,106	51,884,096
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	45,353,420	42,942,106

The accompanying notes on pages 140-262 form an integral part of these financial statements

Company Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $ '000	2022 $ '000
Revenue:			
Investment income	34	4,244,693	5,819,904
Interest and net investment expense	34	(218,699)	(234,729)
Net Investment Income	34	4,025,994	5,585,175
Management fees	35	6,492,018	5,138,881
Other income	35	16,500	712,488
Total revenue, net of interest and other investment expense		10,534,512	11,436,544
Expenses:			
Administration expenses	36	(5,221,818)	(4,645,929)
Depreciation	16	(46,033)	(51,344)
Amortisation of intangible assets	15	(57,606)	(71,522)
		(5,325,457)	(4,768,795)
Profit before Taxation		5,209,055	6,667,749
Taxation	37(a)	(306,880)	(324,277)
Total Comprehensive Income		4,902,175	6,343,472

The accompanying notes on pages 140-262 form an integral part of these financial statements

Company Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $ '000	Equity Reserves (Note 23) $ '000	Retained Earnings $ '000	Grand Total $ '000
Balance as at December 31, 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	25	-	-	(6,257,999)	(6,257,999)
Treasury shares	24	182,715	-	-	182,715
Employee stock options	40(a)	-	19,126	-	19,126
		182,715	19,126	85,473	287,314
Balance as at December 31, 2022		8,998,808	28,432,803	21,934,714	59,366,325
Profit for the year, being total comprehensive income		-	-	4,902,175	4,902,175
Dividends paid to owners of parent	25		-	(4,784,403)	(4,784,403)
Treasury shares	24	(118,927)	-	-	(118,927)
Employee stock options	40(a)	-	33,294	-	33,294
		(118,927)	33,294	117,772	32,139
Balance as at December 31, 2023		8,879,881	28,466,097	22,052,486	59,398,464

The accompanying notes on pages 140-262 form an integral part of these financial statements

Company Statement of Cash Flows

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $ '000	2022 $ '000
Cash Flows from Operating Activities			
Net profit		4,902,175	6,343,472
Adjustments for:			
Items not affecting cash			
Adjustments to reconcile net profit to net cash provided by operating activities	40(a)	(2,815,214)	(5,435,111)
Interest and dividends received		4,376,338	5,826,793
Interest paid		-	(252,144)
Income tax paid		(572,736)	-
Net cash generated from operating activities		5,890,563	6,483,010
Cash Flows from Investing Activities			
Net Cash outflow on acquisition of subsidiary	50	-	(3,155,150)
Cash received on disposal of subsidiary		-	3,920,755
Acquisition of Property, plant and equipment	16	(106,550)	(50,141)
Purchase of intangible assets, net	15	(48,082)	(22,134)
Net cash (used in) / generated from investing activities		(154,632)	693,330
Cash Flows from Financing Activities			
Securities liabilities		(380,000)	(887,126)
(Purchase)/disposal of treasury shares		(118,927)	182,715
Dividends paid to stockholders	25	(4,784,403)	(6,257,999)
Net cash used in financing activities		(5,283,330)	(6,962,410)
Increase in cash and cash equivalents		452,601	213,930
Cash and cash equivalents at beginning of year		988,069	774,139
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	1,440,670	988,069

The accompanying notes on pages 140-262 form an integral part of these financial statements

Notes to the Financial Statements

31 December 2023

(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% (2022 – 32.45%) owned by LOJ Holdings Limited (LOJH) which is also incorporated and domiciled in Jamaica and 16.66% (2022 – 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% (2022 – 49.11%) in the company. The other significant shareholder in SGJ is Pan Jamaica Group Limited with a 30.21% (2022 – 30.21%) holding.

The registered office of the Group is located at 28 - 48 Barbados Avenue, Kingston 5, Jamaica.

(b) The company, its subsidiaries and joint 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	Pension administration services	Jamaica	100%
• Sagicor Property Services Limited	Property management, real estate sales and rentals	Jamaica	100%
• Sagicor Pooled Investment Funds	Pension fund management	Jamaica	100%
• Sagicor Insurance Brokers Limited	Insurance brokerage	Jamaica	100%
• Sagicor International Administrators	Group insurance administration	Jamaica	100%
• Travel Cash Jamaica Limited	Microfinance	Jamaica	51%
• Sagicor Cayman Limited	Holding Company	Grand Cayman	100%
● Sagicor Investments (Cayman) Ltd.	Investment banking	Grand Cayman	100%
● Sagicor Life of the Cayman Islands	Life insurance	Grand Cayman	100%
● Sagicor Insurance Managers	Captives management	Grand Cayman	100%
• Alliance Financial Services Limited	Provision of remittance and cambio services	Jamaica	100%

All shareholdings remained the same as prior year.

(i) Sagicor Real Estate X Fund Limited (a subsidiary at the end of 2021) owned 51.86% of Jamziv Montego Bay Portfolio Jamaica Limited, (Jamziv Jamaica Limited) and X Fund Properties Limited owned 8.95%. Together Sagicor X Fund Group owned 60.81% of Jamziv Jamaica Limited.

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.

Notes to the Financial Statements
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

Notes to the Financial Statements
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

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 Accounting Standards) and interpretations issued by the IFRS Interpretations Committee (IFRIC) 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 Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Standards, interpretations and amendments to existing standards effective during the current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new interpretations and amendments, and has adopted the following, which are relevant to its operations.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (effective for annual periods beginning on or after 1 January 2023). The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

There was no material impact to the Group on adoption of this amendment and Practice Statement.

Definition of Accounting Estimates – Amendments to IAS 8 (effective for annual period 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. There was no impact to the Group on adoption of this amendment.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (Continued)

Standards, interpretations and amendments to existing standards effective during the current year (continued)

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. There was no significant impact to the Group on adoption of this amendment.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in the opening balance of retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

There was no material impact to the Group on the adoption of this amendment.

Definition of Accounting Estimates – Amendments to IAS 8 (effective for 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.

There was no material impact to the Group on adoption of this amendment.

IFRS 17 Insurance Contracts (including Amendments to IFRS 17 issued in June 2020 and Amendment to IFRS 17 - Initial Application of IFRS 17 and IFRS 9—Comparative Information (effective for annual periods beginning on or after 1 January 2023). The Group has initially applied IFRS 17, including any consequential amendments to other standards, from January 1, 2023, for the first time. The standard has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated certain comparative amounts. With the adoption of IFRS 17, the Group has elected to designate some financial assets, which were previously carried at amortised cost and fair value through OCI (FVTOCI) which support insurance liabilities, at fair value through profit and loss (FVTPL). Refer to the IFRS 9 – Financial instruments ("IFRS 9") section for further details of amendments to this standard which was previously implemented by the Group on January 1, 2018.

The nature and effects of the key changes in the Group's accounting policies resulting from its adoption of IFRS 17 are summarised below.

i. Recognition, measurement and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM unless the contract is onerous.

Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

Notes to the Financial Statements
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

Notes to the Financial Statements
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (Continued)

Standards, interpretations and amendments to existing standards effective during the current year (continued)

The Group no longer applies shadow accounting to insurance-related assets and liabilities. As stated previously the Group has elected to designate some financial assets, which were previously held at amortised cost and fair value through OCI (FVTOCI) which support insurance liabilities, at fair value through profit and loss (FVTPL).

Insurance finance income and expenses are presented separately from insurance revenue and insurance service expenses in the statement of income.

PAA will mainly be applied to short duration contracts where the policy's contract boundary is one year or less. This includes contracts, such as group life and health and general insurance business. Under PAA, insurance contracts are measured based on unearned premiums and the accounting is broadly similar to the Group's historical approach under IFRS 4.

Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in net income / (loss). Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

For an explanation of how the Group accounts for insurance and reinsurance contracts under IFRS 17, see Note 2(q).

ii. Changes to presentation and disclosure

For presentation in the statement of financial position, the Group aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance contracts issued that are assets
- Portfolios of insurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

Some line-item descriptions in the income statement and statement of comprehensive income have been changed when compared with last year. Previously, the Group reported the following line items:

- Gross premium revenue
- Insurance premium ceded to reinsurers
- Net premium revenue
- Insurance benefits incurred
- Insurance benefits reinsured
- Net insurance benefits
- Net movement in actuarial liabilities

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Finance income/ expense from insurance contracts issued
- Finance income/ expense from reinsurance contracts held

The Group provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (Continued)

Standards, interpretations and amendments to existing standards

iii. Transition

The Group adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was mostly applied to the insurance contracts in force at the transition date that were originated less than 5 years prior to transition. Where the full retrospective approach was determined to be impracticable, the fair value approach was applied. This approach was applicable for all reinsurance contracts as well.

Under the fair value approach the Group used an embedded value approach, the CSM was determined to be; the cost of capital required to support the insurance contracts less the value of the profits expected to emerge. Projections of required capital, excluding asset default components, were multiplied by a weighted average hurdle rate of 14% to determine the cost of capital. The projections of future profits were based on the expected releases of risk adjustments. All projections were performed at an aggregate portfolio level with the fair value CSM being allocated to the portfolios based on the value of the risk adjustment per cohort.

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

The Group has applied the transition provisions in IFRS 17 and has disclosed the impact of the adoption of IFRS 17 on each financial statement line item and EPS. The effects of adopting IFRS 17 on the consolidated financial statements at January 1, 2022 are presented in the statement of changes in equity. Refer to note 52 for details on restatements.

Insurance and reinsurance contracts

The Group applied the full retrospective approach or the fair value approach in IFRS 17 to identify, recognise and measure certain groups of contracts at January 1, 2022. The full retrospective approach was mostly applied to the insurance contracts in force at the transition date that were originated less than 5 years prior to transition.

The Group considers the full retrospective approach impracticable for some contracts under the following circumstance:

- The effects of retrospective application were not determinable because the information required had not been collected (or had not been collected with sufficient granularity) and was unavailable because of system migrations, data retention requirements or other reasons.

- The full retrospective approach required assumptions about what Group management's intentions would have been in previous periods or significant accounting estimates that could not be made without the use of hindsight.

IFRS - 9 Financial Instruments

With the adoption of IFRS 17, the Group has elected to designate some financial assets, which were previously 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 has restated prior periods to reflect changes in designation or classification of its financial assets held in respect of activities connected with contracts within the scope of IFRS 17 effective January 1, 2022. The group recognised the difference between the previous carrying amount of those financial assets and the carrying amounts of those financial assets at the transition date in retained earnings.

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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:

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 (effective for periods beginning on or after 1 January 2024)
In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28. The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

** In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.

There are no other IFRS Accounting Standards or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

(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.

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation (Continued)

The excess of the cost of the acquisition, the non-controlling interest recognised and the fair value of any previously held equity interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill. If there is no excess and there is a shortfall, the Group reassesses the net identifiable assets acquired. If after reassessment, a shortfall remains, the acquisition is deemed to be a bargain purchase and the shortfall is recognised in income as a gain on acquisition (negative goodwill). Any non-controlling interest balances represent the equity in a subsidiary not attributable to the Group's interests.

Subsequent ownership changes in a subsidiary, without loss of control, are accounted for as transactions between owners in the statement of changes in equity. Non-controlling interest balances represent the equity in a subsidiary not attributable to SGJ's interest.

On an acquisition by acquisition basis, the Group recognises at the date of acquisition the components of any non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's net identifiable assets. The latter option is only available if the non-controlling interest component is entitled to a proportionate share of net identifiable assets of the acquiree in the event of liquidation.

Non-controlling interest balances are increased/decreased by the non-controlling interest's proportionate share of changes in equity after the date of acquisition.

Investments in subsidiaries are stated in the company's financial statements at cost less impairment.

(i) Change in ownership interests in subsidiaries

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest 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.

(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. Where a significant exposure to variable returns, the Group either consolidates the assets, liabilities and activity of the fund and accounts for any non-controlling interest as a financial liability or accounts for the fund as an associate.

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2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation (Continued)

(iv) Employees share ownership plans (ESOP)

The Group operates two ESOP Trusts which acquire its shares on the open market. The Trusts hold the shares on behalf of employees. Until transfer to employees, shares held by the Trusts are accounted for as treasury shares. All dividends received by the Trusts are applied towards the future purchase of the Group's shares.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The operating segments have been defined in accordance with performance and resource allocation decisions of the chief operating decision-maker. The chief operating decision-maker is the Group's President and CEO.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Jamaican dollars, which is the 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. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

Changes in the fair value of monetary securities denominated in foreign currency classified as FVTOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statement, and other changes in the carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial instruments, such as equities held at FVTPL, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as FVTOCI financial assets, are included in the fair value reserve in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of stockholders' equity in the currency translation reserve.

2. Summary of Significant Accounting Policies (Continued)

(d) Foreign currency translation (Continued)

(iii) Group companies (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recorded in other comprehensive income. When a foreign operation is sold, such exchange differences are recycled to income statement as part of the gain or loss on sale.

Goodwill and other intangible assets recognised on the acquisition of a foreign entity are treated as assets of the foreign entity and translated at the rate ruling on December 31.

The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items. Applying IAS 21 at the end of the reporting period, the carrying amount of the group of insurance contracts, including the CSM, is translated into the functional currency at the closing rate. The Group has chosen to present the resulting foreign exchange differences within the line item 'other income'.

(e) Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash and balances at Central Banks (excluding statutory reserves), bank balances, investment securities, reverse repurchase agreements and bank overdrafts.

(f) Financial assets

(i) Classification of financial assets

The Group utilises a principles-based approach to the classification of financial assets. Debt instruments, including hybrid contracts, are measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortised cost based on the nature of the cash flows of these assets and the Group's business model. Equity instruments are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVTOCI with no subsequent reclassification to profit or loss.

Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, at FVTOCI or at FVTPL. Financial assets and liabilities are recognised when the Group becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Classification of debt instruments

Classification and subsequent measurement of debt instruments depend on:

- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories.

Measured at amortised cost

Debt instruments that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI), such as most loans and advances to banks and customers and some debt securities, are measured at amortised cost. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

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2. Summary of Significant Accounting Policies (Continued)

(f) Financial assets (Continued)

(i) Classification of financial assets (Continued)

Measured at FVTOCI
Financial assets that are held for collection of contractual cash flows and for selling the assets, where cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVTOCI. 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.

Solely Payment of Principal and Interest (SPPI)
Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows are SPPI. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

(ii) 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. Where these liabilities are accounted for at FVTPL, the financial investments backing these liabilities are consequently classified as and measured at FVTPL. This eliminates any accounting mismatch.

(iii) Embedded derivatives

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI. The Group may hold debt securities and preferred equity securities which may contain embedded derivatives. Where financial assets contain embedded derivatives, the embedded derivative is treated in the same manner as the host contract.

2. Summary of Significant Accounting Policies (Continued)

(f) Financial assets (Continued)

(iv) 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.

(v) Purchased or originated credit-impaired assets (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. 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.

(vi) 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.

(vii) Write-off
Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

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2. Summary of Significant Accounting Policies (Continued)

(f) Financial assets (Continued)

(viii) The general approach to recognising and measuring ECL

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Measurement

ECLs are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. The Group has calculated these inputs based on the estimated forward looking economic and historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the life-time ECL on initial recognition. For ECL provisions modelled on a collective basis, provisioning is done based on groupings of exposures on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed periodically during the year. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, in particular to changes in economic and credit conditions across a large number of geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

One key difference between Stage 1 and Stage 2 ECL is the respective PD horizon. Stage 1 and Stage 2 ECLs also incorporate different exposures at default which is based on the amortising schedule for non-revolving assets. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates will continue to leverage existing processes for estimating losses on impaired exposures, however, these processes have been updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An ECL estimate will be produced for each individual exposure, including amounts which are subject to a more simplified model for estimating ECL. The measurement of ECLs for each stage and the assessment of SICR must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment.

For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of ECLs which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

The estimation and application of forward-looking information requires significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

2. Summary of Significant Accounting Policies (Continued)

(f) Financial assets (Continued)

(viii) The general approach to recognising and measuring ECL (Continued)

Forward looking information (Continued)

The weightings assigned to each economic scenario were as follows:

	Base	Upside	Downside
December 31, 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%

	Base	Upside	Downside
December 31, 2023:			
Sagicor Group Jamaica - investments portfolios	80%	10%	10%
Sagicor Group Jamaica – Other lending portfolios	65%	10%	25%

Impairment on financial assets measured at amortised cost and FVTOCI are recognised in profit or loss. For FVTOCI debt instruments, an amount equal to the impairment recognised in profit or loss, is also recognised in OCI. Unrealised gains and losses arising from changes in fair value on FVTOCI assets are recognized in OCI. When a FVTOCI debt instrument is sold, the cumulative gain or loss and the cumulative provision for ECL previously recognised in OCI are reclassified to profit or loss as part of net gain on de-recognition of financial assets measured at FVTOCI.

(ix) 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.

(x) Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers and debt instruments. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flow to amounts the borrower is expected to be able to pay; or
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan; or
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate; or
- Change in the currency the loan is denominated in; or
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

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2. Summary of Significant Accounting Policies (Continued)

(f) Financial assets (Continued)

(x) Modification of loans (Continued)

If the terms are substantially different, the group derecognises the original financial asset and recognises a new asset at fair value and recalculates the new effective interest rate for the asset. The date of 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.

(xi) Reclassified balances

The Group reclassifies debt securities where its business model for managing those investments changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

(xii) Classification of equity instruments

The Group classifies and subsequently measures all equity investments at FVTPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVTOCI. The Group's policy is to designate equity investments as FVTOCI when those investments are held for purposes other than to generate investment returns.

(xiii) Presentation in the Income Statement and Statement of Other Comprehensive Income (OCI)

Financial instruments measured at FVTPL
Realised changes in fair value, unrealised changes in fair value, interest income and dividend income are included in other investment income.

Financial instruments measured at amortised cost
• Interest income is included in interest income earned from financial assets measured at amortised cost in the consolidated statement of income.
• Credit impairment losses are included in the consolidated statement of income.
• Gain or loss on derecognition of debt securities is presented in the consolidated statement of income.

Financial instruments measured at FVTOCI
• Interest income is included in interest income earned from financial assets measured at FVTOCI in the consolidated statement of income.
• Credit impairment losses are included in the consolidated statement of income.
• Unrealised gains and losses arising from changes in fair value are presented in OCI.
• On derecognition, the cumulative fair value gain or loss is transferred from OCI and is presented in the consolidated statement of income.

Equity securities measured at FVTOCI
• Dividend income is included in other investment income.
• Unrealised changes in fair value presented in OCI. Any impairment losses are included with fair value changes.
• On derecognition, the cumulative gain or loss in OCI remains in the fair value reserve for FVTOCI assets.

(g) Investment properties

Investment property consists of freehold land and freehold properties which are held for rental income and/or capital appreciation.

Investment property is recorded initially at cost. In subsequent financial years, investment property is recorded at fair values determined by independent valuers, with the appreciation or depreciation in value being taken to investment income. Fair value represents the price (or estimates thereof) that would be agreed upon in an orderly transaction between market participants at the valuation date. Fair values are derived using the market value approach and the income capitalisation approach, which reference market-based evidence, using comparable prices adjusted for specific factors such as nature, location and condition of property.

2. Summary of Significant Accounting Policies (Continued)

(g) Investment properties (Continued)

Investment property includes property partially owned by the Group and held under joint operations with third parties for which the Group recognises its share of the joint operation's assets, liabilities, revenues, expenses and cash flows.

Rental income is recognised on an accrual basis.

(h) Leases

(i) The Group's leasing activities and how these are accounted for are detailed below.

The Group leases various office spaces. Rental contracts are typically made for fixed periods of 6 months to 8 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. Where these exist, the Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease 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.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The extension and termination options need to be approved by the lessor. There are no variable lease payments and there were no residual value guarantees on leases. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:
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.

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2. Summary of Significant Accounting Policies (Continued)

(h) Leases (Continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of land and buildings, management has included various extension options in the lease liability, as relocating from existing locations would be onerous.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(i) Acceptances, guarantees, indemnities, letter of credit and undertakings

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:
(i) The amount of the loss allowance; and
(ii) The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for 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.

2. Summary of Significant Accounting Policies (Continued)

(j) Provision for credit losses determined under the Bank of Jamaica regulatory requirements

The effect of the provision for credit losses determined under the Bank of Jamaica regulatory requirements is to preserve capital. No amounts are booked to the income statement in respect of regulatory provisions. Provisions calculated based on regulatory requirements that exceed the amounts required under IFRS are transferred from retained earnings to a non-distributable loan loss reserve in stockholders' equity.

The provision for credit losses determined under the Bank of Jamaica regulatory requirements comprises a "specific provision", a "special provision" and a "general provision". The specific and special provisions are determined based on each specific loan for which problems have been identified. The general provision is considered to be prudential in nature and is established to absorb portfolio losses.

The specific provision is established for the estimated net loss for all non-performing loans and performing loans that meet specified criteria. Loans are considered to be non-performing where a principal or interest payment is contractually 90 days or more in arrears. At the time of classification as non-performing, any interest that is contractually due but in arrears is reversed from the income statement and interest is thereafter recognised in the income statement on the cash basis only. The estimated net loss is defined as the net exposure remaining after deducting the estimated net realisable value of the collateral (as defined by and determined by the regulations) from the outstanding principal balance of the loan. The regulations quantify the specific provision at ranges from 20% to 100% of the estimated net loss of each non-performing loan depending on the length of time the loan has been in arrears. In addition, where a non-performing loan is fully secured but the collateral is unrealised for a period of 12 months, a provision of 50% of the amounts outstanding should be made. Where the collateral is unrealised for a further 6 months (with limited exceptions which allow for up to a further 15 months) a full provision is made. The regulations further require that the specific provision for each loan should not be less than 1% of the amounts outstanding.

In respect of loans that are considered sub-standard for reasons other than being non-performing, a special provision is established for the greater of 1% of the amounts outstanding or 20% of the estimated net loss. A general provision is established for all loans (other than loans for which specific and special provisions were established) at 1% of the amounts outstanding.

(k) Property, plant and equipment

Freehold land and buildings owned and used by the Group are treated as owner-occupied properties. These properties are stated at their fair values based on valuations by external valuers, less subsequent depreciation for buildings. Fair value represents the price (or estimates thereof) that would be agreed upon in an orderly transaction between market participants at valuation date. All other property, plant and equipment are stated at historical cost less accumulated depreciation.

Increases in the carrying amounts arising from the revaluation of owner-occupied properties are included in the owner-occupied properties fair value reserve. Decreases that offset previous increases of the same asset are charged against the owner-occupied properties fair value reserve. All other reductions are taken directly to the income statement.

Owner-occupied properties include property held under joint operations with third parties for which the Group recognises its share of the joint operation's assets, liabilities, revenues, expenses and cash flows. On the disposal of the property, the amount included in the fair value reserve is transferred to retained earnings.

Depreciation is calculated on the straight-line basis at annual rates that will write off the carrying value of each asset over the period of its expected useful life. Annual depreciation rates are as follows:

Freehold buildings	2.5%
Leasehold improvements	Period of lease, not to exceed ten years
Computer equipment	20 - 33⅓%
Furniture	10.0%
Other equipment	15- 50%
Motor vehicles	20%
Land is not depreciated	

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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. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and renewals are charged to the profit or loss when the expenditure is incurred. On disposal of revalued assets, the revaluation amounts are transferred to retained earnings. Gains or losses recognised in income on disposal of property, plant and equipment are determined by comparing the net sale proceeds to carrying value.

(l) Real estate developed

Construction in progress for resale is classified as real estate held for resale and are accounted for in accordance with IAS 2, Inventory. They are valued at the lower of cost and net realisable value. Gains and losses realised on the sale of real estate are included in revenue at the time of sale.

(m) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries or associates and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, as, in the case of a bargain purchase, the difference is recognised as negative goodwill directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill arising in a reportable operating segment is allocated to that segment. Goodwill arising in a Group entity, which is not within a reportable operating segment, is allocated to that entity's own operations, or, if that entity is managed in conjunction with another Group entity, to their combined operations. Goodwill arising from an investment in an associate is included in the carrying value of the investment.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Goodwill is carried at cost less accumulated impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.
On the disposal of a subsidiary or insurance business, the associated goodwill is derecognised and is included in the gain or loss on disposal. On the disposal of a subsidiary or insurance business forming part of a reportable operating segment, the proportion of the goodwill disposed is the proportion of the fair value of the asset disposed to the total fair value of the operating segment.

(ii) Contractual customer relationships

This asset represents the present value of the benefit to the Group from customer lists, contracts, or customers relationships that can be identified separately and measured reliably. Customer relationships include those of insurance and banking customer relationships with an estimated useful life of 10 to 20 years.

(iii) Trademarks and licences

Trademarks and licences are shown at historical cost. They have a definite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful life.

2. Summary of Significant Accounting Policies (Continued)

(m) Intangible assets (Continued)

(iv) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their expected useful life of 5 years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overheads. All other costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(n) Employee benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(i) Pension obligations

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The Group pays contributions to privately administered pension plans on a contractual basis. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are charged to the income statement in the period to which they relate.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset or liability recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets, together with adjustments for past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality sovereign bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise.

Past-service costs are recognised immediately in the income statement.

For defined contribution plans, the Group pays contributions to the pension schemes on a mandatory or contractual basis. Once paid, the Group has no further payment obligations. Contributions are recognised in income in the period in which they are due.

Where a minimum funding requirement exists, the Group assesses the obligation, to determine whether the additional contributions would affect the measurement of the defined benefit asset or liability.

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2. Summary of Significant Accounting Policies (Continued)

(n) Employee benefits (Continued)

(ii) Other post-retirement benefit obligations

The Group provides supplementary health, dental and life insurance benefits to qualifying employees upon retirement. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(iii) Annual leave

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the year-end date.

(iv) Share-based compensation

The Group operates equity-settled, share-based compensation plans namely; Long-term Incentive Plan (LTI) and Staff Share Purchase Plan (SSPP).

Share options
Senior Executives of the Group participate in a LTI for Share Options. Shares are purchased on the market and held in trust by the LTI Trust until they are transferred to Executives. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). If the equity instruments granted vest immediately and the individual is not required to complete a further period of service before becoming entitled to those instruments, the services received are recognised in full on grant date in the income statement for the period, with a corresponding increase in equity. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity reserve for share based compensation over the remaining vesting period. Where the equity instruments do not vest until the individual has completed a further period of service, the services received are expensed in the income statement during the vesting period, with a corresponding increase in the reserve for equity compensation benefits or in non-controlling interest. Proceeds received net of any directly attributable transaction costs are paid to the trust on transfer of share options being exercised. Any cost to the Group beyond the exercise price of the options is reported in equity as provided for under IFRS 2.

Amounts held in the reserve for equity compensation benefits are transferred to share capital or non-controlling interest either on the distribution of share grants or on the exercise of share options.

Share grants
Senior Executives of the Group participate in a Long-term Incentive Plan for stock grants. Grants earned have a vesting period of four years after which they will expire. The market value of the shares issued at grant date is recognised as an expense in the measurement year to which the grants relate.

Share purchase plan
Non – Executive employees of the Group are eligible to purchase shares in the Sagicor Group Jamaica Limited at a discount under a share purchase plan.

(v) Bonus Plans

Annual Incentives Plan for Bonus
Senior Executives of the Group participate in an Annual Incentive plan for bonus which is paid on company and individual performance against a balanced score card.

2. Summary of Significant Accounting Policies (Continued)

(n) Employee benefits (Continued)

(v) Bonus Plans (Continued)

Productivity bonus
The Group recognises a liability and an expense for productivity bonuses as profit-sharing, paid to Non- Executive administrative staff based on a formula that takes into consideration the net profit for the period. The Group recognises a provision where contractually obliged or where past practice has created a constructive obligation.

(vi) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary separation. Benefits falling due more than twelve months after the year end date are discounted to present value.

(o) Share capital, reserves and transfers

Share Capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

(i) Share issuance cost
Incremental costs directly attributable to the issue of new shares or options are shown in stockholders' equity as a deduction from the proceeds.

(ii) Mandatorily redeemable preference shares are classified as liabilities.

(iii) Dividends on ordinary shares are recognised in stockholders' equity in the period in which they are approved by the company's Board of Directors.

Dividends for the year that are declared after the year end date are dealt with in the subsequent events note.

(iv) Treasury Stock

Sagicor Group Jamaica Limited shares held by Group member companies or the LTI and SSPP are carried as treasury stock on consolidation and reported in stockholders' equity.

(v) Reserve and transfers

Special investment reserve
Unrealised gains on investment properties are recorded in the income statement under IFRS. Regulatory reserve requirements are met through the following:

- Net unrealised gains brought forward at the beginning of each year are transferred to the special Investment reserve from retained earnings at 10%.
- Net unrealised gains earned during the year are transferred from retained earnings to the special investment reserve at 10%.

Transfers to retained earnings
Unrealised gains on certain quoted equities were recorded in the investment and fair value reserves under IFRS. Regulatory reserve requirements are met by transferring the following:

- Net unrealised gains brought forward at the beginning of each year are transferred from the investment and fair value reserves to retained earnings at 25%.
- Net unrealised gains earned during the year are transferred from the investment and fair value reserves to the retained earnings at 25%.

(vi) Statutory reserves

Statutory reserves are established when regulatory accounting requirements result in lower distributable profits or when an appropriation of retained earnings is required or permitted by law to protect policyholders, insurance beneficiaries or depositors.

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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.

Securities sold for repurchase
Securities sold for repurchase are treated as collateralised financing transactions and are recorded at the amount at which the securities were sold. Securities sold subject to repurchase are not derecognised but are treated as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral. The difference between the sale and repurchase price is treated as interest and is accrued over the life of the agreements using the effective yield method. The liability is extinguished when the obligation specified in the contract is discharged, assigned, cancelled or has expired.

Deposit liabilities
Deposits are recognised initially at fair value and are subsequently measured at amortised cost using the effective yield method plus or minus transaction costs.

Loans and other debt obligations
Loans and other debt obligations are recognised initially at fair value, being their issue proceeds, net of transaction costs incurred. Subsequently, obligations are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the loan obligations using the effective yield method.

Obligations undertaken for the purposes of financing operations and capital support are classified as loans payable and associated cost classified as 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.

2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations

(i) Summary of measurement approaches

The Group uses different measurement approaches, depending on the portfolio of contract issued, as follows:

Contracts Issued	Product Classification	Measurement Model
Traditional Life contracts	Insurance contracts	GMM
Universal life contracts	Insurance contracts without direct participation features	GMM
Living Benefits	Insurance contracts	GMM
Single Premium Health an	Insurance contracts	GMM
Annuities	Insurance contracts	GMM
Universal Life contract with direct participation	Insurance contracts with direct participation features	VFA
Variable endowments with direct participation	Insurance contracts with direct participation features	VFA
Group Life & Health	Insurance contracts	PAA
General Insurance – Accident, Liability, Marine, Property, Motor	Insurance contracts	PAA

(ii) Definition and classification

The Group issues insurance contracts that transfer significant insurance risk from the policyholder. The Group defines insurance risk as an insured event that could cause an insurer to pay significant additional benefits in a scenario that has a discernible effect on the economics of the transaction. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk and whether the accepted insurance risk is significant. Once a contract has been classified as an insurance contract, it remains an insurance contract for its duration, even if the insurance risk reduces significantly over time.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts and are not treated as insurance contracts.

Certain life policies issued by the Group contain direct participation features such as universal life contracts with direct participation features and variable endowments with direct participation features which entitle the policyholder to receive additional payments, supplementary to the main insurance benefit. Policy bonuses and policy dividends, together with residual gains in the participating accounts constitute direct participation features. The Group accounts for these contracts under IFRS 17.

An insurance contract with direct participation features is defined by the Group as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

These criteria are assessed at the individual contract level based on the Group's expectations at the contract's inception, and they are not reassessed in subsequent periods, unless the contract is modified. The variability in the cash flows is assessed over the expected duration of a contract. The duration of a contract considers all cash flows within the boundary (see note 2(q)(iv)).

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2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(ii) Definition and classification (Continued)

IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance service expenses. Investment components in some Universal Life and Indexed Deferred Annuities comprise policyholder account values less applicable surrender fees. The Group uses judgement to assess whether the amounts expected to be paid to the policyholder constitute a substantial share of the fair value returns on the underlying items.

Insurance contracts with direct participation features are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the amount of the Group's share of the fair value of the underlying items, which is based on a fixed percentage of investment management fees (withdrawn annually from policyholder account values based on the fair value of underlying assets and specified in the contracts with policyholders), less the FCF that do not vary based on the returns on underlying items. The measurement approach for insurance contracts with direct participation features is referred to as the VFA. The VFA modifies the accounting model in IFRS 17 to reflect that the consideration that an entity receives for the contracts is a variable fee.

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

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these consolidated financial statements apply to insurance and reinsurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

(iii) Unit of account

The Group manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are:

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

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

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. Expected profitability is determined at the contract level, unless the Group has reasonable and supportable information to access profitability at a higher level. The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

For contracts measured under the GMA and VFA models, the Group develops rates or prices for the range of insurance contracts that may be issued under a given product form. Rates would typically be intended to result in similar levels of profitability across all insurance contracts issued.

2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iii) Unit of account (Continued)

Generally, for contracts measured using the PAA, the Group assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

Similar to the treatment of the direct (underlying) contracts, the Group divides reinsurance contracts held into contracts with similar insurance risk. The risks for reinsurance contracts in the life business are mortality, morbidity, hybrid and longevity risks which correspond to portfolios of direct contracts. The hybrid risk for reinsurance contracts refers to treaties that cover both mortality and lapse benefits and therefore have more than one type of risk. The Group manages all reinsurance treaties on the same basis as it does for line of business reporting described above for direct contracts. Applying the grouping requirements to reinsurance contracts held, the Group's policy is to aggregate reinsurance contracts held concluded within a calendar year (annual cohorts) into groups limited to reinsurance contracts arising from a single treaty. IFRS 17 requires that reinsurance contracts be placed in groups of:

1. contracts for which there is a net gain at initial recognition, if any;
2. contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
3. remaining contracts in the portfolio, if any

Transition approaches that were applied by the Group on adoption of IFRS 17 with respect to contracts aggregation requirements are included in note 3(b)(i).

Before the Group accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

1. cash flows relating to embedded derivatives that are required to be separated;
2. cash flows relating to distinct investment components; and
3. promises to transfer distinct goods or distinct services other than insurance contract services.

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

Groups of insurance contracts issued are initially recognised from the earliest of the following:
1. the beginning of the coverage period;
2. the date when the first payment from the policyholder is due or actually received, if there is no due date; and
3. when the Group determines that a group of contracts becomes onerous.

Insurance contracts acquired in a business combination within the scope of IFRS 3 or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

Groups of reinsurance contracts are recognised at the earlier of:
1. The beginning of the coverage period; and
2. The date at which an onerous group of underlying contracts was recognised if it entered into the reinsurance before that date.

For proportionate contracts, recognition is delayed until the date when the underlying insurance contract is initially recognised, if that date is after the beginning of the coverage period of the group of reinsurance contracts held. Most life reinsurance treaties are proportionate and are entered into on or before the underlying contracts are recognised.

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2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iii) Unit of account (Continued)

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

Insurance and reinsurance contracts are derecognised when they are:
1. extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
2. the contract is modified, and additional criteria discussed below are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:

   i. is not within the scope of IFRS 17;
   ii. results in different separable components;
   iii. results in a different contract boundary; or
   iv. belongs to a different group of contracts.

b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition.

c) the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

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

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

a) adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;

b) adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:

   i. if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;
   ii. if the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party; or
   iii. if the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment for the premium that the Group would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification; when recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received; and

c) adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iii) Unit of account (Continued)

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to net income / (loss):

a) if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;

b) if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or

c) if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

(iv) Measurement

Fulfilment cash flows within contract boundary
The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:
a) represent a probability-weighted mean of the full range of possible outcomes;
b) are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
c) reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation. Refer to note 3(b)(i)

Discount rate applied for discounting of future cash flows are listed below:

	2023				
	1 Year	5 Years	10 Years	20 Years	30 Years
Jamaican Portfolio					
JMD	6.38%	7.91%	10.94%	11.93%	11.96%
USD	6.60%	5.51%	6.02%	6.10%	6.10%
Cayman Porfolio					
USD	5.89%	4.80%	5.29%	5.36%	5.36%

	2022				
	1 Year	5 Years	10 Years	20 Years	30 Years
Jamaican Portfolio					
JMD	6.18%	7.70%	10.30%	11.15%	11.17%
USD	6.81%	5.61%	6.02%	6.22%	6.23%
Cayman Porfolio					
USD	6.36%	5.30%	5.60%	5.75%	5.75%

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2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iv) Measurement(Continued)

Risk of the Group's non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows reflect the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

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

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
b) both of the following criteria are satisfied:
   - the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
   - the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

With the exception of contracts that change character referred to in the discussion below, the Group does not have any contracts where it has the right to reassess the risk nor to terminate unilaterally at an individual contract level. For certain universal life and health insurance contracts, the Group has the right to reset premiums to reflect expected experience for the product. However, the Group does not have the right to reprice at the portfolio level as it intends on aggregating contracts with the right to reprice with contracts for which it does not have the right to reprice in the same portfolio.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all of the cash flows within its boundary. Some insurance contracts issued by the Group provide policyholders with an option to alter the nature of the contract by exchanging one contract for another, for example, a term life contract being exchanged for a permanent contract or a deferred annuity contract being exchanged for a payout annuity. The Group assesses its practical ability to reprice such insurance contracts in their entirety to determine if the related cash flows are within or outside the insurance contract boundary.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

Any direct contract written and ceded during the period covered by the contract boundary becomes an underlying contract for the reinsurance contract. Cash flows falling within the contract boundary will be determined in relation to the cash flows arising from the direct (underlying) contracts. Since most treaties cover the direct contracts, as long as the direct contracts are in force, the associated cash flows will be projected for the life of the direct contracts.

The excess of loss reinsurance contracts held provide coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held.

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2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iv) Measurement (Continued)

Contract boundary (Continued)

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition costs

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

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

a) to that group; and
b) to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

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

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

Insurance acquisition cash flows assets not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

The recoverability assessment is performed in two steps, as follows:

1. an impairment loss is recognised to the extent that the carrying amount of each asset for insurance acquisition cash flows exceeds the expected net cash inflow as determined by the FCF as at initial recognition for the related group of insurance contracts;

2. in addition, when insurance acquisition cash flows directly attributable to a group of contracts are allocated to groups that include expected contract renewals, such insurance acquisition cash flows should not exceed the expected net cash inflow from the expected renewals as determined by the FCF as at initial recognition for the expected renewals; an impairment loss is recognised for the excess to the extent not recognised in step (1) above.

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2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iv) Measurement(Continued)

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in note 3.

(v) Initial measurement – Groups of contracts not measured under the PAA

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised) and arises from:

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

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in net income / (loss) immediately, with no CSM recognised on the statement of financial position on initial recognition, and a loss component is established in the amount of loss recognised (refer to the "Onerous contracts – Loss component" section in (f) Subsequent measurement – Groups of contracts not measured under the PAA).

For groups of reinsurance contracts held, any net gain or net cost at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in net income / (loss). For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

a) the initial recognition of the FCF;
b) cash flows arising from the contracts in the group at that date; and
c) any income recognised in net income / (loss) when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

(v) Initial measurement – Groups of contracts not measured under the PAA

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised in (c) above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iv) Measurement(Continued)

Contractual service margin (Continued)

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

For insurance contracts acquired in a portfolio transfer or a business combination within the scope of IFRS 3, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

a) the initial recognition of the FCF; and
b) cash flows arising from the contracts in the group at that date, including the fair value of the groups of contracts acquired as at the acquisition date as a proxy of the premiums received.

(vi) Subsequent measurement – Groups of contracts not measured under the PAA

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

a) the LRC, comprising:
   - the FCF related to future service allocated to the group at that date; and
   - the CSM of the group at that date; and
b) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

a) the asset for remaining coverage, comprising:
   - the FCF related to future service allocated to the group at that date; and
   - the CSM of the group at that date; and
b) the asset for the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

a) changes that relate to current or past service are recognised in net income / (loss); and
b) changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

a) experience adjustments – arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
b) changes in estimates of the present value of future cash flows in the LRC, except differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and
c) changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (a), (b) and (c) above are measured using discount rates determined on initial recognition (the locked-in discount rates).

For insurance contracts under the GMM, the following adjustments do not adjust the CSM:

a) changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
b) changes in the FCF relating to the LIC;
c) experience adjustments – arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
d) experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

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2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(vi) Subsequent measurement – Groups of contracts not measured under the PAA (Continued)

Changes in fulfilment cash flows (Continued)

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

a) changes in the amount of the Group's share of the fair value of the underlying items; and
b) changes in the FCF that do not vary based on the returns of underlying items:
   i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
   ii. experience adjustments arising from premiums received in the period that relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes;
   iii. changes in estimates of the present value of future cash flows in the LRC, except differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable;
   iv. differences between loans to a policyholder expected to become repayable in the period and the actual loan to a policyholder that becomes repayable in the period and
   v. changes in the risk adjustment for non-financial risk that relate to future service

Adjustments (ii)-(vi) are measured using the current discount rates.

For insurance contracts under the VFA, the following adjustments do not adjust the CSM:

a) changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
b) changes in the FCF that do not vary based on the returns of underlying items:
   i. changes in the FCF relating to the LIC; and
   ii. experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
   iii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

For insurance contracts issued, at the end of each reporting period the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

a) The effect of any new contracts added to the group.
b) For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
c) Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent that the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
d) The amount recognised as insurance revenue for insurance contract services provided during the period, determined after all other adjustments above.

The Group prepares consolidated financial statements on a quarterly basis. The Group has elected to treat every quarter as a discrete interim reporting period, and estimates made by the Group in previous interim financial statements are not changed when applying IFRS 17 in subsequent interim periods or in the annual financial statements.

The Group does not publish interim financial statements for the last quarter in the year. If an estimate reported in the previous quarter changes significantly in the fourth quarter, the nature and amount of such changes are disclosed in the annual statements.

2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(vi) Subsequent measurement – Groups of contracts not measured under the PAA (Continued)

Changes in fulfilment cash flows (Continued)

For reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

a) The effect of any new contracts added to the group.
b) Interest accreted on the carrying amount of the CSM.
c) Income recognised in the statement of income when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised.
d) Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held.
e) Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts.
f) The amount recognised in net income / (loss) for insurance contract services received during the period, determined after all other adjustments above.

Income referred to in (c) above is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that is entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using an average discount rate determined at initial recognition that is applied to nominal cash flows that do not vary based on the returns of underlying items. The discount rate used for accretion of interest on the CSM is determined using the top-down approach. The locked-in discount rate for a group is determined as the average of the discount rates applied at the beginning and ending of each period.

Adjusting the CSM for changes in the FCF relating to future service

The CSM is adjusted for changes in the FCF, measured applying the discount rates as specified in the Changes in fulfilment cash flows section earlier.

Release of the CSM to net income / (loss)

The amount of the CSM recognised in net income / (loss) for insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The coverage period is defined as a period during which the entity provides insurance contract services. Insurance contract services include coverage for an insured event (insurance coverage), the generation of an investment return for the policyholder, if applicable (investment-return service) for the contracts under the GMM, and the management of underlying items on behalf of the policyholder (investment-related service) for the contracts under the VFA. The period of investment-return service or investment-related service ends at or before the date when all amounts due to current policyholders relating to those services have been paid. Investment-return services are provided only when an investment component exists in insurance contracts or the policyholder has a right to withdraw an amount, and the Group expects these amounts to include an investment return that is achieved by the Group by performing investment activities to generate that investment return.

The total number of coverage units in a group is the quantity of service provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

a) the quantity of benefits provided by contracts in the group;
b) the expected coverage period of contracts in the group; and
c) the likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

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2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(vi) Subsequent measurement – Groups of contracts not measured under the PAA (Continued)

Release of the CSM to net income / (loss) (Continued)
The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits with respect to insurance coverage. For investment-return and investment-related services, policyholders' account values are used to determine the quantity of benefits provided.

The Group determines coverage units as follows:

Product	Coverage Units
Traditional Life contracts	Sum insured
Universal Life contracts	Net amount at risk and fund value
Universal Life contract with	Net amount at risk and fund value
Living Benefits	Sum insured
Payout Annuities	Periodic benefits
Endowment	Greater of maturity benefit and death benefit
Group Life	Maximum benefit
Deferred Annuities	Account value (during the accumulation period)

The Group reflects the time value of money in the allocation of the CSM to coverage units, using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items, except for contracts measured under the VFA which use the current discount rate.

For reinsurance contracts held, the CSM is released to net income / (loss) as insurance contract services are received from the reinsurer in the period.

The coverage period for these reinsurance contracts is determined based on the coverage period of all underlying contracts whose cash flows are included in the reinsurance contract boundary. Refer to the Contract boundary section in note 2(q)(iv) above.

Onerous contracts – Loss component
When negative adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

a) expected incurred claims and other liability and other directly attributable expenses for the period;
b) changes in the risk adjustment for non-financial risk for the risk expired; and
c) finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF relating to the future in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF relating to the future in subsequent periods increase the loss component.

When the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, a loss-recovery component is established or adjusted within the asset for remaining coverage for reinsurance contracts held. The loss-recovery component results in an amount immediately recognised within the statement of income within the net income (expense) from reinsurance contracts held.

2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(vi) Subsequent measurement – Groups of contracts not measured under the PAA (Continued)

Onerous contracts – Loss component (Continued)
Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

(vii) Initial and subsequent measurement – Groups of contracts measured under the PAA

The Group has determined that all contracts within the General Insurance and the Group Life and Health lines of business (with the exception of the Single premium group creditor products) have a coverage period of one year or less and are therefore automatically eligible for PAA. The Group does not have contracts that have a coverage period of more than one year that are measured under PAA.

For insurance contracts issued, insurance acquisition cash flows are expensed as incurred given that all contracts under PAA have contracts that are one year or less.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:
a) the LRC; and
b) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:
a) the asset for remaining coverage; and
b) the asset for incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For non-onerous insurance contracts issued, at each of the subsequent reporting dates, the LRC is:
a) increased for premiums received in the period
b) decreased for insurance acquisition cash flows paid in the period;
c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:
a) increased for ceding premiums paid in the period;
b) decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less. The Group has determined that for all groups of contracts issued for which there is no significant financing component, the LRC will not be discounted. At the inception of the contract, the Group considers the facts and circumstances, with the use of judgement, to determine if there is a significant financing component.

The Group adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance. The Group will reflect non-performance of reinsurers where it holds a net asset for the reinsurance treaty or where the reinsurance treaty does not provide the right of offset.

There are no investment components within insurance contracts issued and reinsurance contracts held that are measured under the PAA.

For contracts measured under the PAA and GMM, the LIC is measured similarly. Future cash flows are adjusted for the time value of money.

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2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(vii) Initial and subsequent measurement – Groups of contracts measured under the PAA (Continued)

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Group increases the carrying amount of the LRC to the amounts of the FCF determined using a methodology similar to the GMM with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined using a methodology similar to the GMM relating to the future service and the carrying amount of the LRC without the loss component.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in net income / (loss) and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

(viii) Amounts recognised in the statement of income within the insurance service result

Insurance revenue
As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:
Amounts relating to the changes in the LRC:

a) claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
   i. amounts allocated to the loss component;
   ii. repayments of investment components and policyholder rights to withdraw an amount
   iii. insurance acquisition expenses; and
   iv. amounts related to the risk adjustment for non-financial risk (see (b));
b) changes in the risk adjustment for non-financial risk, excluding:
   i. changes included in insurance finance income (expenses);
   ii. changes that relate to future coverage (which adjust the CSM); and
   iii. amounts allocated to the loss component;
c) the CSM release.

In period cash-flow variance would go through CSM if they are investment component, premium related or policy loan cash flow variances.

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows based on the applicable coverage units of each group.

For groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts

Insurance service expenses include the following:
a) incurred claims and benefits, excluding investment component and policy loans, reduced by loss component allocations;
b) insurance acquisition cash flows amortisation;
c) changes that relate to past service – changes in the FCF relating to the LIC; and
d) changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses; and
e) insurance acquisition cash flows assets impairment net of reversals.

2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(viii) Amounts recognised in the statement of income within the insurance service result (Continued)

Insurance revenue (Continued)
For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of income.

(ix) Amounts recognised in the statement of income within the insurance service result

Net income (expenses) from reinsurance contracts held
The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

a) ceding premiums paid;
b) incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
c) changes that relate to past service – changes in the FCF relating to incurred claims recovery;
d) effect of changes in the risk of reinsurers' non-performance; and
e) amounts relating to accounting for onerous groups of underlying insurance contracts issued:
   i. income on initial recognition of onerous underlying contracts;
   ii. reinsurance contracts held under the GMM: reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
   iii. reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

Ceding premiums (reinsurance expenses) are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

For contracts measured under the GMM, reinsurance expenses comprise the following amounts relating to the changes in the remaining coverage:

a) claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
   i. amounts allocated to the loss-recovery component;
   ii. amounts related to the risk adjustment for non-financial risk (see (b));
b) changes in the risk adjustment for non-financial risk, excluding:
   i. changes included in finance income (expenses) from reinsurance contracts held;
   ii. changes that relate to future coverage (which adjust the CSM); and
   iii. amounts allocated to the loss-recovery component;
c) amounts of the CSM recognised for the services received in the period; and
d) experience adjustments – arising from premiums paid in the period other than those that relate to future service.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part ceding premiums (reinsurance expenses). Ceding commissions that are contingent on claims of the underlying contracts issued increase incurred claims recovery.

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2. Summary of Significant Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(x) Amounts recognised in the statement of income within net insurance finance income / expenses

Insurance finance income or expenses
Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance and reinsurance contracts arising from:

a) the effect of the time value of money and changes in the time value of money; and
b) the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

a) interest accreted on the FCF and the CSM; and
b) the effect of changes in interest rates and other financial assumptions.

For contracts measured under the VFA, insurance finance income or expenses include changes in the value of underlying items (excluding additions and withdrawals).

Net income (expenses) from reinsurance contracts held

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

a) interest accreted on the LIC; and
b) the effect of changes in interest rates and other financial assumptions.

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

The Group includes all insurance finance income or expenses for the period in net income / (loss) (that is, the profit or loss option (the PL option) is applied.

The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items. Applying IAS 21 at the end of the reporting period, the carrying amount of the group of insurance contracts, including the CSM, is translated into the functional currency at the closing rate. The Group has chosen to present the resulting foreign exchange differences within the line item ‘other income’.

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(s) Revenue recognition

Revenues from service contracts with customers consist primarily of management and administration fees earned from third party investment funds, pension plans and insurance benefit plans (managed funds or administrative service only (ASO) benefit plans). These service contracts generally impose single performance obligations, each consisting of a series of similar related services to the unitholder or policyholder of each fund or plan. The Group’s performance obligations within these service arrangements are generally satisfied over time as the unitholders and policyholders simultaneously receive and consume contracted benefits over time.

2. Summary of Significant Accounting Policies (Continued)

(s) Revenue recognition (Continued)

The Group also earns revenues for the provision of corporate finance, stockbroking, trust and related services to various customers.

Revenue from service contracts with customers is recognised when (or as) the Group satisfies the performance obligation of the contract. For obligations satisfied over time, revenue is recognised monthly or over some other period. For performance obligations satisfied at a point in time, revenue is recognised at that point in time.

The various fees are billed periodically and are collected either by deduction or within a short period of time.

(i) Fee income

The Group earns fee income from:

- Investment management fees arising from services rendered in conjunction with the issue and management of investment contracts where the Group actively manages the consideration received from its customers to fund a return that is based on the investment profile that the customer selected on origination of the instrument.
- Loan origination fees for loans which are likely to be drawn down are deferred, together with related direct costs, and recognised as an adjustment to the effective yield on the loan.
- Negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.

Fee income is recognised on an accrual basis.

The Group charges customers for asset management and other related services using the following approaches:

- Front-end fees are charged to the client on inception. This approach is used particularly for single premium contracts. The consideration received is deferred as a liability and recognised over the life of the contract on a straight-line basis.
- Regular fees charged to the customer periodically either directly or by making a deduction from invested funds. Fees charged at the end of the period are accrued as a receivable that is offset against the financial liability when charged to the customer.

(ii) Interest income

Jamaican banking regulations stipulate that, where collection of interest income is considered doubtful or payment is outstanding for 90 days or more, interest should be taken into account on the cash basis. See 2 (f) for policies with respect impairment for loan receivable. The difference between the regulatory and IFRS bases of interest recognition was assessed to be immaterial.

(iii) 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.

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2. Summary of Significant Accounting Policies (Continued)

(s) Revenue recognition (Continued)

(iv) Land development and resale

The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the purchaser. An enforceable right to payment does not arise until legal title has passed to the purchaser. Therefore, revenue is recognised at a point in time when the legal title has passed to the purchaser.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component.

(t) Interest expense

Interest income (expense) is computed by applying the effective interest rate based to the gross carrying amount of a financial asset (liability), except for financial assets that are purchased, originated or subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (i.e. after deduction of the loss allowance). Interest includes coupon interest and accrued discount and premium on financial instruments.

(u) Taxation

(i) Current and deferred taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in OCI or directly in equity. In these cases, the tax is also recognised in OCI or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. Summary of Significant Accounting Policies (Continued)

(u) Taxation (Continued)

(ii) Income taxes

The Group is subject to taxes on income in the jurisdictions in which business operations are conducted. Rates of taxation in the principal jurisdictions for the current year are set out in the next table.

Income tax rates	Life insurance and non-registered annuities	Registered annuities	Regulated Companies	Other lines of business
Jamaica	25% of profit before tax	Nil	33.33% of profit before tax	25% of profit before tax
Grand Cayman	Nil	Nil	Nil	Nil
St. Lucia	None	None	None	1% of profit before tax
Barbados	None	None	None	5.5% of profit before tax

Asset tax
The Group is subject to an asset tax in Jamaica. The asset tax is levied on insurance, securities dealers and deposit-taking institutions, and is 2.5% of adjusted assets held at the end of the year. Non-related entities are subjected to a fixed rate based on the total value of assets.

(v) Fiduciary activities

The Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

(w) Financial instruments

Financial instruments carried on the statement of financial position include cash resources, investments, securities purchased under resale agreements, loans & leases, premiums due and unpaid, other assets, securities sold under repurchase agreements, due to banks and other financial institutions, customer deposits and other liabilities.

The fair values of the Group's and the company's financial instruments are disclosed in the notes to the financial statements.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(x) Offsetting of financial instruments

Financial assets and liabilities are offset with the net amount presented in the statements of financial position, only if the Group holds a currently enforceable legal right to set off the recognized amounts and there is an intention to settle on a net basis or to realise assets and settle the liability simultaneously. The legal right to set off the recognized amounts must be enforceable in both the normal course of business, and in the event of default, insolvency or bankruptcy of both the Group and its counterparty. In all other situations they are presented gross. When financial assets and financial liabilities are offset in the statement of financial position, the associated income and expense items will also be offset in the income statement, unless specifically prohibited by an applicable accounting standard.

(y) Securities purchased/sold under agreements to resell/repurchase

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

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2. Summary of Significant Accounting Policies (Continued)

(y) Securities purchased/sold under agreements to resell/repurchase (Continued)

Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or re-pledge the collateral; the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits or deposits due to customers, as appropriate. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks or customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

(z) 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.

(aa) Presentation of current and non-current assets and liabilities

In Note 42(c) (ii), the maturity profiles of financial and insurance assets and liabilities are identified.

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Group's accounting policies

(i) Consolidation of related entities

Management assessments were done for Sagicor Pooled Investment Fund and Sagicor Sigma Global Funds to ensure proper application of IFRS 10. A number of significant judgements were used regarding whether or not these entities had met the requirements to be consolidated within the financial statements of the Group and are highlighted below:

- Sagicor Pooled Investment Fund and Sigma Funds

Sagicor Pooled Investment Funds and Sigma Funds are Pooled Investment Funds and Unit Trusts managed by the Group, but which have independent trustees. Determining whether the Group has control over the Pooled Investment Funds and the Unit Trusts requires judgement. This would include a consideration of the trustees' rights to remove the investment manager and an assessment of the exposure to variability arising from the aggregate economic interests of the Group in the Unit Trusts.

Under IFRS 10, the single party substantive removal rights may in isolation be sufficient to conclude that the fund manager is an agent. However, the language in the Trust Deed is not specific on causes for which the manager can be removed. "Good and sufficient reason" envisaged by the Trust Deed may include negligence, poor financial performance and other reasons. However, the Deed also provides for the right for the manager to appeal. This appeal right and the requirement that the removal of the manager must be withheld by the independent party may limit the Trustee's freedom of removing the manager without good grounds for this. Under these circumstances, drawing a conclusion whether the removal rights of the Trustee are substantive rights requires significant judgement. Management considers that the Group does not have control of The Pooled Investment Fund and The Sagicor Sigma Funds. Although there are contractual terms which provide the Group with influence over The Pooled Investment Fund and The Sagicor Sigma Funds, the overall exposure of the Group to the variability of returns of Sagicor Sigma Funds is not sufficient to conclude that the Group has control. Therefore, the Sagicor Sigma Funds have not been consolidated in these financial statements.

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty

The Group makes estimates and assumptions that affect the reported assets and liabilities within the next financial year. The resulting accounting estimates will, by definition, seldom equal the related actual results. Areas of key sources of estimation uncertainty include the following:

(i) Insurance and reinsurance contracts

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The Group disaggregates information to disclose insurance contracts issued and reinsurance contracts issued separately. This disaggregation has been determined based on how the group is managed.

Contracts not measured under PAA

- Areas of Judgement
  Areas of judgement which broadly impact the Group's reporting include definition and classification of insurance contracts, the unit of account identified in which insurance contracts are assessed, and the level of aggregation applied for measurement and reporting purposes. Specific areas of judgement and estimates impacting contracts not measured under PAA are described in subsequent notes.
  - Definition and classification
    - Whether contracts are within the scope of IFRS 17 and, for contracts determined to be within the scope of IFRS 17, what measurement model is applicable. The Group was required to determine the classification of contracts issued in Participating product lines as insurance or investment contracts.
    - Whether a contract issued accepts significant insurance risk and, similarly, whether a reinsurance contract held transfers significant insurance risk. The Group issues investment contracts with discretionary participation features. In assessing whether these are within the scope of IFRS 17, the Group assessed if the discretionary amount is a significant amount of the total benefits.
    - Whether contracts that were determined to be within the scope of IFRS 17 meet the definition of an insurance contract with direct participation features, particularly:
      - o whether the pool of underlying items is clearly identified;
      - o whether amounts that an entity expects to pay to the policyholders constitute a substantial share of the fair value returns on the underlying items; and
      - o whether the Group expects the proportion of any change in the amounts to be paid to the policyholders that vary with the change in fair value of the underlying items to be substantial.

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(i) Insurance and reinsurance contracts(Continued)

Contracts not measured under PAA (Continued)

- Unit of account

  The Group was required to make judgements involved in combination of insurance contracts and separation of distinct components:
  - Combination of insurance contracts - whether the contracts with the same or related counterparty achieve or are designed to achieve, an overall commercial effect and require combination.
  - Separation – whether components in a contract are distinct (that is, they meet the separation criteria).
  - Separation of contracts with multiple insurance coverage – whether there are facts and circumstances where the legal form of an insurance contract does not reflect the substance and separation is required.

- Insurance contracts aggregation

  The Group was required to make judgements involved in the identification of portfolios of contracts (that is, having similar risks and being managed together) This included the aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous, and groups of other contracts and a similar grouping assessment for reinsurance contracts held.

  Areas of judgements include:
  - The determination of contract sets within portfolios and whether the Group has reasonable and supportable information to conclude that all contracts within a set would fall into the same group; and
  - Judgements might be applied on initial recognition to distinguish between non-onerous contracts (those having no significant possibility of becoming onerous) and other contracts.

  For contracts not measured under the PAA, the assessment of the likelihood of adverse changes in assumptions that might result in contracts becoming onerous is an area of judgement.

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(i) Insurance and reinsurance contracts (Continued)

Contracts not measured under PAA (Continued)

- The methods used to measure insurance contracts

  The Group primarily uses deterministic projections to estimate the present value of future cash flows.

  The following assumptions were used when estimating future cash flows:

  - Mortality and morbidity rates (life insurance and reinsurance business)

    Assumptions are based on standard industry and national tables, (tables from the Canadian Institute of Actuaries) according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's own experiences. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by policyholder gender, underwriting class and contract type.

    An increase in expected mortality and morbidity rates will increase the expected claim cost which will reduce future expected profits of the Group.

  - Longevity

    Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by a number of factors including (but not limited to) policyholder gender, underwriting class and contract type. An increase in expected longevity will lead to an increase in expected cost of annuity payments which will reduce future expected profits of the Group.

  - Expenses

    Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. Inflation is considered a non-financial assumption and is derived from the long run expense increases based on the Group's experience and management's expectation of the related expense control measures.

    The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational. The overheads are also consistently applied to all costs that have similar characteristics. An increase in the expected level of expenses will reduce future expected profits of the Group.

  - Lapse and surrender rates

    Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and sales trends.

    An increase in lapse rates early in the life of the policy would tend to reduce profits of the Group.

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(i) Insurance and reinsurance contracts (Continued)

Contracts not measured under PAA (Continued)

- Discount rates

  Life insurance contract liabilities are calculated by discounting expected future cash flows. Discount rates are composed of an observable component, an assumed ultimate discount rate and interpolation between the two.

  During the observable period, a top down approach was used, where the discount rate is determined as the yield implicit in the fair value of a reference portfolio adjusted for differences between the reference portfolio of assets and respective liability cash flows. Reference portfolios were selected to reflect the currency of the liabilities, the Group's investment strategies and the characteristics of the liabilities and are comprised of a mix of sovereign and corporate bonds available on the markets. The yield from the reference portfolio is adjusted to remove both expected and unexpected credit risk and, where applicable, other asset characteristics that are not related to the insurance contract liabilities. These adjustments are estimated using information from observed historical levels of default for bonds included in the reference portfolio.

  Where cash flows vary with an underlying, cash flows are projected assuming returns on the underlying that are consistent with the discount rate.

- Risk adjustment for non-financial risk

  The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers non-financial risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount. For reinsurance contracts held, the risk adjustment for non financial risk represents the amount of risk being transferred by the Group to the reinsurer.

  The Group has estimated the risk adjustment using a margin approach, calibrated to the cost of capital and target confidence levels. The margin approach involves applying shocks to the insurance assumptions used to project expected cash flows so as to produce an increase in the FCF. Shocks are selected using the projected cost of insurance risk capital such that the resulting risk adjustment falls within the Group's target confidence level range.

  The risk adjustment for insurance and reinsurance contracts corresponds to a confidence level between 80% to 90% (2022 - between 80% to 85%).

- Amortisation of the Contractual Service Margin

  The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Group will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in net income / (loss) as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

  - Identifying the coverage units in the group;
  - Allocating the CSM at the end of the period (before recognising any amounts in net income / (loss) to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future;
  - Recognising in net income / (loss) the amount allocated to coverage units provided in the period.

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(i) Insurance and reinsurance contracts (Continued)

Contracts not measured under PAA (Continued)

- Amortisation of the Contractual Service Margin (Continued)

  The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. For groups of insurance contracts, the quantity of benefits is the contractually agreed sum insured, maturity benefit or payout over the period of the contracts.

  The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

  For reinsurance contracts issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in force. The quantity of benefit is the maximum potential loss. The remaining coverage units are reassessed at the end of each reporting period to reflect the expected pattern of service and the expectations of lapses and cancellations of contracts. The remaining coverage is allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

  For reinsurance contracts held, the CSM amortisation is similar to the reinsurance contracts issued and reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in-force.

- Assets for insurance acquisition cash flows

  The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period. Insurance acquisition cash flows assets not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

- Determination of IFRS 17 Transition Amount

  The Group has adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was mostly applied to insurance contracts in force at the transition date that were originated less than 5 years prior to transition. The fair value approach was applied in circumstances where the full retrospective approach was impracticable. The transition approach was determined at the level of group of insurance contracts and affected the approach to calculating the CSM on initial adoption of IFRS 17 as follows:

  - Full retrospective approach
    The CSM at initial recognition is based on initial assumption when groups of contracts were recognised and rolled forward to the date of transition as if IFRS 17 has always been applied.

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(i) Insurance and reinsurance contracts (Continued)

Contracts not measured under PAA (Continued)

- Determination of IFRS 17 Transition Amount (Continued)

  - Fair value approach
    The CSM (or the loss component) is determined as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at the transition date.

  For all contracts measured under the fair value approach, the Group used reasonable and supportable information available at January 1, 2022 to determine:
  - how to identify groups of contracts;
  - whether a contract meets the definition of a direct participating contract; and
  - how to identify discretionary cash flows for contracts without direct participation features.

  A group of contracts for fair value measurement includes contracts from multiple cohorts and years into a single unit for accounting purposes. For these groups, the discount rates on initial recognition were determined at January 1, 2022 instead of at the date of initial recognition.

  In determining the fair value, the Group has applied the requirements of IFRS 13, Fair Value Measurement. An embedded value approach was used to determine the fair value of groups of insurance contracts for the purposes of applying the fair value approach. The embedded value is defined to be (a) the fulfilment cash flows plus (b) the cost of capital required to support the insurance contracts less (c) the value of the profits expected to emerge as the obligation is satisfied. The fair value for reinsurance contracts held was determined under the presumption that the market participant is the same market participant that would purchase the underlying direct contracts.

  For groups of reinsurance contracts covering onerous underlying contracts, the loss-recovery component within the asset for remaining coverage was determined at the transition date by multiplying the loss component of the liability for remaining coverage for the underlying insurance contracts at that date and the percentage of claims for the underlying insurance contracts the Group expects to recover from the reinsurance contracts held.

Contracts measured under PAA

- Areas of Judgement

  Areas of judgement which broadly impact the Group's reporting include definition and classification of insurance contracts, the unit of account identified in which insurance contracts are assessed, and the level of aggregation applied for measurement and reporting purposes. Specific areas of judgement and estimates impacting contracts measured under PAA are described in subsequent notes.

  For insurance contracts with a coverage period of more than one year and for which the entity applies the PAA, the eligibility assessment might involve significant judgement. All contracts measured by the Group under the PAA have a coverage period of one year or less. Thus, no assessment for the PAA is separately required and no judgement was involved. For contracts measured under the PAA, the assessment of the likelihood of adverse changes in applicable facts and circumstances is an area of judgement.

  For insurance contracts issued measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(i) Insurance and reinsurance contracts (Continued)

Contracts measured under PAA (Continued)

- Areas of Judgement (Continued)

  The determination of whether laws or regulations constrain the Group's practical ability to set a different price or level of benefits for policyholders with different risk profiles, so that the Group might include such contracts in the same group, disregarding the aggregation requirements, is an area of judgement.

  All contracts measured by the Group were determined to be non-onerous on initial recognition.

- Insurance and reinsurance contracts

  The Group applies the PAA to simplify the measurement of insurance contracts in its general insurance and group life and health insurance portfolios. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Group's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Group has elected not to discount the cash flows within the LIC for certain groups of contracts where the cash flows are expected to be paid within a year of the date on which the claim is incurred. For all groups of contracts, the Group includes an explicit risk adjustment for non-financial risk.

- Liability for incurred claims

  The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

  The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim counts based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

  Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

  Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(i) Insurance and reinsurance contracts (Continued)

Contracts measured under PAA (Continued)

- Risk adjustment for non-financial risk

  The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally require to remove the uncertainty that future cash flows will exceed the expected value amount.

  The Group has estimated the risk adjustment by using the margin approach. Risk adjustment percentages were determined according to a confidence level range of 70% to 75%.

- Assets for insurance acquisition cash flows

  The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about the amounts allocated to insurance contracts expected to arise from renewals of existing insurance contracts in a group and the volume of expected renewals from new contracts issued in the period.

  At the end of each reporting period, the Group revisits the assumptions made to allocate insurance acquisition cash flows to groups and where necessary revises the amounts of assets for insurance acquisition cash flows accordingly.

(ii) Pension and post-retirement benefits

The cost of these benefits and the present value of the pension and the other post-retirement liabilities depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and post-retirement benefits include the expected long-term rate of return on the relevant plan assets, the discount rate and, in the case of the post-employment medical benefits, the expected rate of increase in medical costs. Any changes in these assumptions will impact the net periodic cost (income) recorded for pension and post-retirement benefits and may affect planned funding of the pension plans. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investments returns. The discount rate represents the interest rate that should be used to determine the present value of estimated future cash outflows required to meet the pension, life insurance and medical benefits as they fall due. The discount rate is based on yields on long term Government of Jamaica and CARICOM bonds. The expected rate of increase of medical costs is based on expected increases in utilisation and general increases in medical expenses above expected price inflation. Other key assumptions for the pension and post-retirement benefits cost and credits are based in part on current market conditions.

(iii) Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(iv) Impairment of financial assets (Continued)

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	D	C	DDD	D
		9	Doubtful			DD	
		10	Loss			D	

- Establishing staging for debt securities and deposits.

  The Group uses its internal credit rating model to determine in which of the three stages an asset is to be categorized for the purposes of ECL. Once the asset has experienced a SICR the investment will move from Stage 1 to Stage 2. Sagicor has assumed that the credit risk of a financial instruments has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial asset that is investment grade or 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.

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(iv) Impairment of financial assets (Continued)

- Establishing staging for other assets measured at amortised cost, lease receivables, loan commitments and financial guarantee contracts.

  Exposures are considered to have resulted in a SICR and are moved to stage 2 based on the following:

  Qualitative test
  Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

  Backstop Criteria
  Accounts that are 30 calendar days or more past due. The 30 days past due criterion is a backstop rather than a primary driver of moving exposures into stage 2.

  - Forward looking information

    When management determines the macro-economic factors that impact the portfolios of financial assets, they first determine all readily available information within the relevant market. Portfolios of financial assets are segregated based on product type, historical performance and homogenous country exposures. There is often limited timely macro-economic data for Jamaica, Cayman Islands and Costa Rica to a lesser extent. Management assesses data sources from the government, International Monetary Fund (IMF) and other reliable data sources. A regression analysis is performed to determine which factors are most closely correlated with the credit losses for each portfolio. Where projections are available, these are used to look into the future up to three years and subsequently the long-term average performance is then used for the remaining life of the product. These projections are re-assessed on a quarterly basis.

(v) 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, 2023. Should the courts rule against the Group then the value of its holding will need to be written down by $535,756,000. See also Note 47.

(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.

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(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 Group's policy liabilities in accordance with accepted actuarial practice and regulatory requirements and report thereon to the policyholders and stockholders. In performing the valuation, the Actuary makes assumptions as to the future rates of interest, asset defaults, mortality, morbidity, claims experience, policy termination, inflation, reinsurance recoveries, expenses and other contingencies, taking into consideration the circumstances of the Group and the insurance policies in force.

The stockholders pursuant to the Companies Act appoint the external auditors. Their responsibility is to conduct an independent and objective audit of the financial statements in accordance with International Standards on Auditing and report thereon to the stockholders. In carrying out their audit, the auditors also make use of the work of the appointed Actuary and the report on the policy liabilities.

5. Segmental Financial Information

Management has determined the operating segments based on the reports reviewed by the Group President and CEO that are used to make strategic decisions. The Group President and CEO is considered to be the Chief Operating Decision Maker (CODM).

The Group is managed on a matrix basis, reflecting both line of business and geography. Accordingly, segment information is presented in two formats. The Group is organised into four primary business segments and another which captures all other business activities:

(a) Long term insurance - Provides annuities, traditional life and universal life products.

(b) Short term insurance – Provides group life, group health and property & casualty offerings

(c) Commercial Banking – Comprises of personal banking, retail mortgages, small business (SME's) banking, treasury management and corporate banking.

(d) Investment Banking – Comprises of wealth management products and services offered to retail and institutional clients; including unit trusts, mutual funds, brokerage, asset management and corporate trust.

(e) Other – Comprises property management, captives management, 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 insurance contract liabilities and interest-bearing liabilities.

Costs incurred by the support units of the Group are allocated to the business segments based on certain criteria determined by management. These criteria include staff complement, square footage and time spent providing the service to the business segment. The expenses that are allocated are mainly staff costs, depreciation and amortisation and other operating expenses and are treated as direct allocated costs.

Transactions between the operating segments are on normal commercial terms and conditions. There has been no change in the basis of the pricing of transactions over the prior year.

Eliminations comprise inter-company and inter-segment transactions.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2023 or 2022.

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5. Segmental Financial Information

	The Group					
	2023					
	Long Term Insurance	Short Term Insurance	Commercial Banking	Investment Banking	Other	Group
	$'000	$'000	$'000	$'000	$'000	$'000
Insurance revenue	17,544,174	29,274,162	-	-	-	46,818,336
Insurance service expenses	(10,761,293)	(24,372,416)	-	-	-	(35,133,709)
Net expense from reinsurance contracts held	47,169	(3,663,794)	-	-	-	(3,616,625)
Insurance service result	6,830,050	1,237,952	-	-	-	8,068,002
Interest income earned and capital net gain / (loss)	11,271,371	1,028,578	14,612,614	7,038,888	1,564,601	35,516,052
Interest expense	-	(27,930)	(3,261,674)	(4,854,432)	(473,283)	(8,617,319)
Credit impairment reversal / (losses)	(416)	541	(580,473)	76,058	52,968	(451,322)
Net investment income / (expenses)	11,270,955	1,001,189	10,770,467	2,260,514	1,144,286	26,447,411
Net insurance finance income / (expense)	(5,461,150)	-	-	-	-	(5,461,150)
Net insurance and investment result	12,639,855	2,239,141	10,770,467	2,260,514	1,144,286	29,054,263
Fees and other revenue	(40,170)	97,095	9,079,615	1,854,612	6,637,161	17,628,313
Share of results of joint venture	-	241,664	-	-	-	241,664
Other operating expenses	(110,361)	(477,746)	(13,087,187)	(2,976,830)	(8,736,247)	(25,388,371)
Depreciation and amortisation	-	(153,839)	(753,761)	(142,543)	(512,072)	(1,562,215)
Asset and other taxes	(113,532)	(43,240)	(446,971)	(214,847)	(93,334)	(911,924)
Profit / (Loss) before taxation	12,375,792	1,903,075	5,562,163	780,906	(1,560,206)	19,061,730
Taxation	(2,148,191)	(349,119)	(1,978,675)	(17,573)	5,105	(4,488,453)
Net Profit / (Loss)	10,227,601	1,553,956	3,583,488	763,333	(1,555,101)	14,573,277
Attributable to:						
Stockholders of the parent Company						14,368,019
Non-controlling interests						205,258
						14,573,277
Segment assets	156,036,071	24,294,685	200,244,327	128,062,251	33,934,029	542,571,363
Unallocated assets						18,077,608
Total assets						560,648,971
Segment liabilities	134,215,832	12,287,452	173,194,819	109,128,579	25,221,553	454,048,235
Unallocated liabilities						4,385,737
Total liabilities						458,433,972
Other segment items:						
Capital expenditure: Computer software (Note15)						(218,545)
Property, plant and equipment (Note 16)						(591,966)

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5. Segmental Financial Information (Continued)

	The Group					
	2022					
	Long Term Insurance	Short Term Insurance	Commercial Banking	Investment Banking	Other	Group
	$'000	$'000	$'000	$'000	$'000	$'000
Insurance revenue	15,269,538	25,401,963	-	-	-	40,671,501
Insurance service expenses	(8,180,895)	(22,365,603)	-	-	-	(30,546,498)
Net expense from reinsurance contracts held	(273,091)	(2,714,237)	-	-	-	(2,987,328)
Insurance service result	6,815,552	322,123	-	-	-	7,137,675
Interest income earned and capital net gain / (loss)	(9,693,237)	533,438	11,876,788	5,948,477	(1,650,646)	7,014,820
Interest expense	-	(20,095)	(2,154,588)	(3,386,178)	(741,682)	(6,302,543)
Credit impairment reversal / (losses)	(5,071)	5,281	(474,185)	(16,198)	(84,706)	(574,879)
Net investment income / (expenses)	(9,698,308)	518,624	9,248,015	2,546,101	(2,477,034)	137,398
Net insurance finance income / (expense)	14,828,144	-	-	-	-	14,828,144
Net insurance and investment result	11,945,388	840,747	9,248,015	2,546,101	(2,477,034)	22,103,217
Fee and other revenue	183,598	89,371	7,934,751	1,881,966	11,286,786	21,376,472
Share of results of joint venture	-	439,994	-	-	-	439,994
Other operating expenses	(25,827)	(402,912)	(10,971,954)	(2,619,887)	(11,620,682)	(25,641,262)
Depreciation,amortisation and impairment	-	(619,104)	(716,110)	(82,090)	(1,226,936)	(2,644,240)
Asset and other taxes	(117,895)	(43,912)	(404,804)	(242,547)	(84,122)	(893,280)
Profit / (Loss) before taxation	11,985,264	304,184	5,089,898	1,483,543	(4,121,988)	14,740,901
Taxation	(2,139,720)	(174,344)	(1,795,525)	(358,797)	(429,093)	(4,897,479)
Net Profit / (Loss)	9,845,544	129,840	3,294,373	1,124,746	(4,551,081)	9,843,422
Attributable to:						
Stockholders of the parent Company						9,585,965
Non-controlling interests						257,457
						9,843,422
Segment assets	118,605,082	25,409,084	190,533,274	114,285,444	53,183,011	502,015,895
Unallocated assets						13,765,196
Total assets						515,781,091
Segment liabilities	122,668,836	5,337,588	167,831,361	100,493,729	30,111,861	426,443,375
Unallocated liabilities						3,421,898
Total liabilities						429,865,273
Other segment items:						
Capital expenditure: Computer software (Note15)						(592,580)
Property, plant and equipment (Note 16)						(928,072)

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5. Segmental Financial Information (Continued)

The Group’s geographic information:

	Jamaica	Cayman Islands	Other	United States	Total
			2023		
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	80,511,807	5,053,867	5,328,386	-	90,894,060
Total assets	509,629,162	42,276,696	8,743,113	-	560,648,971
			2022		
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	57,727,979	(3,326,042)	3,123,998	4,659,436	62,185,371
Total assets	477,965,106	35,985,984	1,830,001	-	515,781,091

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.

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6. Cash Resources

	The Group		The Company	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Balances with banks payable on demand	17,795,029	17,359,184	402,592	655,852
Cash in hand	5,043,289	4,893,486	-	-
Balances as per statement of financial position	22,838,318	22,252,670	402,592	655,852
Short term deposits	17,828,543	3,161,031	-	22,549
Securities purchased under resale agreement	734,451	2,813,219	1,038,078	309,668
USA Government Treasury Bills and bonds	3,952,108	14,715,186	-	-
Balances as per statement of cash flows	45,353,420	42,942,106	1,440,670	988,069

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 and requirements and Liquid Asset Ratio are the same for deposit-taking institutions (DTIs). The local and foreign currency prescribed liabilities increased by 100bps to 6% (reduced to 5%) and 14% (reduced to 13%) respectively, effective April 2023.

No interest is paid on cash reserves.

8. Financial Investments

	The Group		The Company	
	2023	2022 Restated	2023	2022
	$ '000	$ '000	$ '000	$ '000
Financial assets FVTPL -				
Debt Securities				
Sovereign bonds	93,359,459	86,878,195	-	-
Corporate bonds	31,631,712	27,775,533	-	-
	124,991,171	114,653,728	-	-
Equities				
Quoted and unquoted equities	9,723,260	11,040,472	-	-
Unit trusts	29,073,648	29,100,535	-	-
	38,796,908	40,141,007	-	-
Derivatives	-	2,378	-	-
Total FVTPL	163,788,079	154,797,113	-	-
Financial assets at FVTOCI -				
Debt Securities				
Sovereign bonds	97,272,251	108,399,697	-	-
Corporate bonds	38,705,806	32,550,886	-	-
	135,978,057	140,950,583	-	-
Equities				
Quoted and unquoted equities	63,796	56,009	-	-
Total FVTOCI	136,041,853	141,006,592	-	-
Investments at amortised cost, net of ECL -				
Debt Securities				
Sovereign bonds	1,579,621	5,524,680	-	-
Corporate bonds	7,981,169	9,009,779	-	-
Securities purchased under resale agreement	2,061,129	4,882,866	1,038,078	309,783
Short term deposits	30,617,208	5,112,233	276,124	426,746
Total investments at amortised cost, net of ECL	42,239,127	24,529,558	1,314,202	736,529
Less: Pledged assets (Note 10)	(98,281,596)	(94,209,543)	(276,048)	(267,294)
Total Financial Investments	243,787,463	226,123,720	1,038,154	469,235

Current portion of Financial Instruments disclosed under Note 42(c) (ii). Restatement details are included in Note 52(b).

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 disclosed in the table above.

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8. Financial Investments (Continued)

The table below shows the composition of FVTPL securities according to those securities that were mandatorily designated, and those that were designated by election.

	The Group 2023			The Group 2022		
	Mandatory designation $ '000	Designated by election $ '000	Total $ '000	Mandatory designation $ '000	Designated by election $ '000	Total $ '000
Unit trust and equities	30,233,173	8,563,735	38,796,908	31,040,930	9,100,077	40,141,007
Derivatives	-	-	-	-	2,378	2,378
Debt securities	9,736,086	115,255,085	124,991,171	8,622,151	106,031,577	114,653,728
	39,969,259	123,818,820	163,788,079	39,663,081	115,134,032	154,797,113

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 2023 $ '000	The Group 2022 $ '000
Debt securities		
Sovereign debt instruments		
Jamaica	171,267,356	176,829,529
Trinidad & Tobago	3,221,322	2,694,574
Barbados	158,311	152,964
USA	14,871,570	18,864,969
Canada	289,771	267,737
Other	2,403,001	1,992,799
Corporate debt instruments		
Jamaica	38,779,242	37,065,698
Trinidad & Tobago	3,001,694	2,961,602
Barbados	1,498,529	225,659
USA	27,182,663	21,209,867
Canada	371,156	426,993
Other	7,485,403	7,446,379
	270,530,018	270,138,770

The table below is a summary sector concentration of corporate instruments.

	The Group 2023 $ '000	The Group 2022 $ '000
Corporate debt instruments		
Communication Services	2,101,447	3,076,033
Consumer Discretionary	7,027,738	5,225,386
Consumer Staples	3,518,416	2,430,955
Energy	19,519,845	18,935,193
Financials	23,775,445	18,993,042
Health Care	3,869,346	3,277,956
Industrials	3,058,528	3,361,698
Information Technology	7,243,600	5,853,591
Materials	2,277,633	2,676,851
Real Estate	1,109,604	1,154,722
Tourism	194,649	197,581
Utilities	4,622,436	4,153,190
	78,318,687	69,336,198

8. Financial Investments (Continued)

Provision for credit losses recognised in the Group's income statement are as follow:

	The Group 2023 $ '000	The Group 2022 $ '000
Loans and Leases (Note 9)	(539,042)	(451,997)
Investments (Note 8)	87,720	(122,882)
Total per income statement	(451,322)	(574,879)

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 - 2023 ECL Staging				
FINANCIAL INVESTMENTS – AMORTISED COST	Stage 1 12-month ECL $ '000	Stage 2 lifetime ECL $ '000	Stage 3 lifetime ECL $ '000	Purchased credit-impaired $ '000	Total $ '000
Credit grade:					
Investment	1,033,949	-	-	-	1,033,949
Non-investment	39,016,030	2,246,264	-	-	41,262,294
Gross carrying amount	40,049,979	2,246,264	-	-	42,296,243
Loss allowance	(18,610)	(38,506)	-	-	(57,116)
Carrying amount	40,031,369	2,207,758	-	-	42,239,127

	The Group - 2022 ECL Staging				
FINANCIAL INVESTMENTS – AMORTISED COST	Stage 1 12-month ECL $ '000	Stage 2 lifetime ECL $ '000	Stage 3 lifetime ECL $ '000	Purchased credit-impaired $ '000	Total $ '000
Credit grade:					
Investment	5,718,631	-	-	-	5,718,631
Non-investment	18,855,061	-	-	-	18,855,061
Gross carrying amount	24,573,692	-	-	-	24,573,692
Loss allowance	(44,134)	-	-	-	(44,134)
Carrying amount	24,529,558	-	-	-	24,529,558

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8. Financial Investments (Continued)

Credit risk exposure - financial investments subject to impairment

	The Group - 2023				
	ECL Staging				
DEBT SECURITIES - FVTOCI	**Stage 1 12-month ECL**	**Stage 2 lifetime ECL**	**Stage 3 lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Credit grade:					
Investment	34,261,876	-	-	-	34,261,876
Non-investment	102,952,652	1,396,069	-	168,659	104,517,380
Maximum credit exposure	137,214,528	1,396,069	-	168,659	138,779,256
Loss allowance	(74,583)	(46,894)	-	-	(121,477)
Maximum credit exposure less ECLs	137,139,945	1,349,175	-	168,659	138,657,779

	The Group - 2022				
	ECL Staging				
DEBT SECURITIES - FVTOCI	**Stage 1 12-month ECL**	**Stage 2 lifetime ECL**	**Stage 3 lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Credit grade:					
Investment	39,498,867	-	-	-	39,498,867
Non-investment	110,942,682	1,151,137	-	165,095	112,258,914
Maximum credit exposure	150,441,549	1,151,137	-	165,095	151,757,781
Loss allowance	(205,551)	(46,392)	-	-	(251,943)
Maximum credit exposure less ECLs	150,235,998	1,104,745	-	165,095	151,505,838

	The Company - 2023				
	ECL Staging				
FINANCIAL INVESTMENTS - AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 lifetime ECL**	**Stage 3 lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Credit grade:					
Non-investment	1,314,202	-	-	-	1,314,202
Gross carrying amount	1,314,202	-	-	-	1,314,202
Loss allowance	-	-	-	-	-
Carrying amount	1,314,202	-	-	-	1,314,202

8. Financial Investments (Continued)

Credit risk exposure- financial investments subject to impairment

	The Company - 2022				
	ECL Staging				
FINANCIAL INVESTMENTS - AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 lifetime ECL**	**Stage 3 lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Credit grade:					
Non-investment	736,529	-	-	-	736,529
Gross carrying amount	736,529	-	-	-	736,529
Loss allowance	-	-	-	-	-
Carrying amount	736,529	-	-	-	736,529

Maximum exposure to credit risk - Financial instruments not subject to impairment

For financial investments measured at FVTPL which are related to under the unit-linked insurance contracts and investment contracts, the unit holders bear the credit risk and the Group has no direct credit exposure. For the remaining portion of the FVTPL portfolio, the Group bears the credit risk.

	The Group	
	2023	**2022**
	$ '000	**$ '000**
Financial assets designated at fair value		
Debt securities	9,736,086	8,622,399
Equity securities	30,233,173	31,040,930

Loss allowances

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of ‘step-up’ (or ‘step down’) between 12-month and lifetime ECL;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements;

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8. Financial Investments (Continued)

Loss allowances (Continued)

The following tables contain an analysis of the loss allowance financial investments for which an ECL allowance is recognised.

FINANCIAL INVESTMENTS – AMORTISED COST	The Group - 2023 ECL Staging Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Purchased credit-impaired	Total
	$ '000	$ '000	$ '000	$ '000	$ '000
Loss Allowance as at January 1, 2023	44,134	-	-	-	44,134
Transfers:					
Transfer from Stage 1 to Stage 2	(4,570)	4,570	-	-	-
New financial assets originated or purchased	5,147	-	-	-	5,147
Financial assets fully derecognised during the period	(1,525)	-	-	-	(1,525)
Changes to inputs used in ECL calculation	(25,256)	33,936	-	-	8,680
Foreign exchange adjustment	680	-	-	-	680
Loss Allowance as at December 31, 2023	18,610	38,506	-	-	57,116

FINANCIAL INVESTMENTS – AMORTISED COST	The Group - 2022 ECL Staging Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Purchased credit-impaired	Total
	$ '000	$ '000	$ '000	$ '000	$ '000
Loss Allowance as at January 1, 2022	25,700	-	-	-	25,700
New financial assets originated or purchased	8,063	-	-	-	8,063
Financial assets fully derecognised during the period	(4,854)	-	-	-	(4,854)
Changes to inputs used in ECL calculation	15,573	-	-	-	15,573
Foreign exchange adjustment	(348)	-	-	-	(348)
Loss Allowance as at December 31, 2022	44,134	-	-	-	44,134

8. Financial Investments (Continued)

Loss allowances (Continued)

DEBT SECURITIES - FVTOCI	The Group - 2023 ECL Staging Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Purchased credit-impaired	Total
	$ '000	$ '000	$ '000	$ '000	$ '000
Loss Allowance as at January 1, 2023	205,551	46,392	-	-	251,943
Transfers:					
Transfer from Stage 1 to Stage 2	(99)	99	-	-	-
Transfer from Stage 2 to Stage 1	5,681	(5,681)	-	-	-
New financial assets originated or purchased	12,149	-	-	-	12,149
Financial assets fully derecognised during the period	(34,236)	-	-	-	(34,236)
Changes to inputs used in ECL calculation	(116,623)	5,083	-	-	(111,540)
Foreign exchange adjustment	2,160	1,001	-	-	3,161
Loss Allowance as at December 31, 2023	74,583	46,894	-	-	121,477

DEBT SECURITIES - FVTOCI	The Group - 2022 ECL Staging Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Purchased credit-impaired	Total
	$ '000	$ '000	$ '000	$ '000	$ '000
Loss Allowance as at January 1, 2022	215,407	71,481	-	-	286,888
New financial assets originated or purchased	31,819	-	-	-	31,819
Financial assets fully derecognised during the period	(24,194)	(19,250)	-	-	(43,444)
Changes to inputs used in ECL calculation	(15,597)	(4,851)	-	-	(20,448)
Foreign exchange adjustment	(1,884)	(988)	-	-	(2,872)
Loss Allowance as at December 31, 2022	205,551	46,392	-	-	251,943

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8. Financial Investments (Continued)

Loss allowances (Continued)

The most significant period-end assumptions used for the ECL were as follows:

Economic variable assumptions for exposure corporate securities

Outlook for the next three (3) years from December 2023:

		2024	2025	2026
S&P 500 Financial Index EPS	Base	42	46	45
	Upside	68	73	72
	Downside	27	29	29
World GDP growth rate	Base	2.9%	3.2%	3.2%
	Upside	4.5%	4.9%	4.9%
	Downside	2.1%	2.4%	2.4%
WTI Oil Prices/10	Base	7	7	7
	Upside	13	12	12
	Downside	3	3	3

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 2023:

		2024	2025	2026
Jamaica	Base	Stable	Stable	Stable
	Upside	Positive	Positive	Positive
	Downside	Negative	Negative	Negative

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

8. Financial Investments (Continued)

Loss allowances (Continued)

Sensitivity analysis at December 2023

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	32,563

* See note 2(f) (viii) 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.

			ECL impact of	
Loss Given Default	**Actual value applied**	**Change in value**	**Increase in value**	**Decrease in value**
Investments – Corporate Debts	53%	(- / + 5)%	9,866	(9,866)
Investments – Sovereign Debts (excluding Government of Barbados and Government of Jamaica)	35%	(- / + 5)%	5,790	(5,790)
Investments – Sovereign Debts (Government of Jamaica)	15%	(- / + 5)%	11,161	(11,161)

			ECL impact of	
Weighting for downside scenario	**Actual value applied**	**Change in value**	**Increase in value**	**Decrease in value**
Investments – excluding Government of Barbados	10% (80% for base scenario and 10% for upside scenario)	(- /+ 5) % - keep the weighting for base scenario and adjust the weighting for upside scenario accordingly	6,946	(6,946)

Sensitivity analysis at December 2022

SICR criteria *	Actual threshold applied	Change in threshold	ECL impact Change in threshold
Investments	2-notch downgrade since origination	1-notch downgrade since origination	44,491

* See note 2 (f) (viii) 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.

			ECL impact of	
Loss Given Default	**Actual value applied**	**Change in value**	**Increase in value**	**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)

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8. Financial Investments (Continued)

Sensitivity analysis at December 2022 (Continued)

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)

IFRS 9 maximum exposure to credit risk

The following tables explain the changes in the maximum credit exposure at the beginning and the at end of the period due to these factors. For instruments at amortised cost, the gross carrying amount equals the maximum exposure.

8. Financial Investments (Continued)

IFRS 9 maximum exposure to credit risk (Continued)

	The Group - 2023				
	ECL Staging				
FINANCIAL INVESTMENTS – AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 lifetime ECL**	**Stage 3 lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Maximum exposure to credit risk as at January 1, 2023	24,573,692	-	-	-	24,573,692
Transfers:					
Transfer from Stage 1 to Stage 2	(2,193,493)	2,193,493	-	-	-
New financial assets originated or purchased	90,362,986	-	-	-	90,362,986
Financial assets fully recognized during the period	(132,351,275)	-	-	-	(132,351,275)
Changes in principal and interest	59,530,331	52,771	-	-	59,583,102
Foreign exchange adjustment	127,738	-	-	-	127,738
Maximum exposure to credit risk as at December 31, 2023	40,049,979	2,246,264	-	-	42,296,243

	The Group - 2022				
	ECL Staging				
FINANCIAL INVESTMENTS – AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 lifetime ECL**	**Stage 3 lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Maximum exposure to credit risk as at January 1, 2022	46,067,826	-	-	-	46,067,826
New financial assets originated or purchased	33,577,824	-	-	-	33,577,824
Financial assets fully recognized during the period	(55,110,495)	-	-	-	(55,110,495)
Changes in principal and interest	123,232	-	-	-	123,232
Foreign exchange adjustment	(84,695)	-	-	-	(84,695)
Maximum exposure to credit risk as at December 31, 2022	24,573,692	-	-	-	24,573,692

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8. Financial Investments (Continued)

IFRS 9 maximum exposure to credit risk (Continued)

	The Group - 2023				
	ECL Staging				
DEBT SECURITIES - FVTOCI	**Stage 1 12-month ECL**	**Stage 2 lifetime ECL**	**Stage 3 lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Maximum exposure to credit risk as at January 1, 2023	150,441,549	1,151,137	-	165,095	151,757,781
Transfers:					
Transfer from Stage 1 to Stage 2	(415,946)	415,946	-	-	-
Transfer from Stage 2 to Stage 1	190,689	(190,689)	-	-	-
New financial assets originated or purchased	28,563,965	-	-	-	28,563,965
Financial assets fully recognized during the period	(41,957,845)	-	-	-	(41,957,845)
Changes in principal and interest	(1,034,886)	(5,175)	-	-	(1,040,061)
Foreign exchange adjustment	1,427,002	24,850	-	3,564	1,455,416
Maximum exposure to credit risk as at December 31, 2023	137,214,528	1,396,069	-	168,659	138,779,256

	The Group - 2022				
	ECL Staging				
DEBT SECURITIES - FVTOCI	**Stage 1 12-month ECL**	**Stage 2 lifetime ECL**	**Stage 3 lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Maximum exposure to credit risk as at January 1, 2022	139,033,389	1,547,398	-	168,278	140,749,065
Transfers:					
New financial assets originated or purchased	39,658,426	-	-	-	39,658,426
Financial assets fully recognized during the period	(25,696,399)	(373,204)	-	-	(26,069,603)
Changes in principal and interest	(1,366,722)	(844)	-	-	(1,367,566)
Foreign exchange adjustment	(1,187,145)	(22,213)	-	(3,183)	(1,212,541)
Maximum exposure to credit risk as at December 31, 2022	150,441,549	1,151,137	-	165,095	151,757,781

8. Financial Investments (Continued)

IFRS 9 maximum exposure to credit risk (continued)

	The Company - 2023				
	ECL Staging				
FINANCIAL INVESTMENTS - AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 lifetime ECL**	**Stage 3 lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Maximum exposure to credit risk as at January 1, 2023	736,529	-	-	-	736,529
New financial assets originated or purchased	2,559,427	-	-	-	2,559,427
Financial assets fully recognized during the period	(3,106,130)	-	-	-	(3,106,130)
Changes in principal and interest	1,124,376				1,124,376
Maximum exposure to credit risk as at December 31, 2023	1,314,202	-	-	-	1,314,202

	The Company - 2022				
	ECL Staging				
FINANCIAL INVESTMENTS - AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 lifetime ECL**	**Stage 3 lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Maximum exposure to credit risk as at January 1, 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

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9. Loans and Leases, after Allowance for Credit Losses

	The Group 2023 $ '000	The Group 2022 $ '000
Gross loans and advances	125,059,188	113,660,058
Less: Allowance for credit losses	(1,738,075)	(1,846,831)
	123,321,113	111,813,227
Loan interest receivable	709,955	589,523
	124,031,068	112,402,750
Lease receivables, net of allowance for credit losses	94,428	334,079
	124,125,496	112,736,829

Current portion of Loans and Leases, after Allowance for Credit Losses disclosed under Note 42(c) (ii).

The provision for credit losses determined under Central Bank regulatory requirements was as follows:

	The Group 2023 $ '000	The Group 2022 $ '000
Specific provision	1,272,279	1,106,178
General provision	1,247,981	1,135,944
	2,520,260	2,242,122
Excess of regulatory provision over IFRS Accounting Standards provision recognized in the Bank reflected in non-distributable loan loss reserve Note 2(j)	(253,282)	355,464

Lease receivables:

	The Group 2023 $ '000	The Group 2022 $ '000
Gross investment in finance leases -		
Not later than one year	-	111,460
Later than one year and not later than five years	94,428	250,040
	94,428	361,500
Less: Unearned income	-	(27,344)
Net investment in finance leases	94,428	334,156
Net investment in finance leases -		
Not later than one year	-	96,347
Later than one year and not later than five years	94,428	237,809
	94,428	334,156
Less: Provision for credit losses	-	(77)
	94,428	334,079

9. Loans and Leases, after Allowance for Credit Losses (Continued)

Credit risk exposure- loans and leases subject to impairment

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

The Group - 2023

LOANS AND LEASES – AMORTISED COST	Stage 1 12-month ECL $ '000	Stage 2 Lifetime ECL $ '000	Stage 3 Lifetime ECL $ '000	Purchased credit-impaired $ '000	Total $ '000
	ECL Staging				
Credit grade:					
Non-investment	120,767,824	3,100,614	-	-	123,868,438
Default			1,995,133	-	1,995,133
Gross carrying amount	120,767,824	3,100,614	1,995,133	-	125,863,571
Loss allowance	(718,703)	(112,877)	(906,495)	-	(1,738,075)
Carrying amount	120,049,121	2,987,737	1,088,638	-	124,125,496

The Group - 2022

LOANS AND LEASES – AMORTISED COST	Stage 1 12-month ECL $ '000	Stage 2 Lifetime ECL $ '000	Stage 3 Lifetime ECL $ '000	Purchased credit-impaired $ '000	Total $ '000
	ECL Staging				
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

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 $139,000,000 (2022: $513,000,000).

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9. Loans and Leases, after Allowance for Credit Losses (Continued)

Loss allowances

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of 'step-up' (or 'step down') between 12-month and life-time ECL;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements;

The following tables contain an analysis of ECL allowances recognised during the period.

	The Group - 2023				
	ECL Staging				
LOANS AND LEASES – AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Loss Allowance as at January 1, 2023	868,913	103,697	874,221	-	1,846,831
Transfers:					
Transfer from Stage 1 to Stage 2	(6,507)	6,507	-	-	-
Transfer from Stage 1 to Stage 3	(4,874)	-	4,874	-	-
Transfer from Stage 2 to Stage 1	46,619	(46,619)	-	-	-
Transfer from Stage 2 to Stage 3	-	(2,466)	2,466	-	-
Transfer from Stage 3 to Stage 1	9,924	-	(9,924)	-	-
Transfer from Stage 3 to Stage 2	-	6,276	(6,276)	-	-
New financial assets originated or purchased	124,741	9,314	28,879	-	162,934
Financial assets fully derecognised during the period	(39,058)	(3,285)	(155,019)	-	(197,362)
Changes to inputs used in ECL calculation	(283,179)	38,126	165,868	-	(79,185)
Foreign exchange adjustment	2,124	1,327	1,406	-	4,857
Loss Allowance as at December 31, 2023	718,703	112,877	906,495	-	1,738,075

9. Loans and Leases, after Allowance for Credit Losses (Continued)

Loss allowances (Continued)

	The Group - 2022				
	ECL Staging				
LOANS AND LEASES – AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Loss Allowance as at January 1, 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

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, 2023

Outlook for lending at December 2023

Jamaica	**Expected state for the next 12 months**	
Interest rate	Base	Stable
	Upside	Positive
	Downside	Negative
Unemployment rate		
	Base	Stable
	Upside	Positive
	Downside	Negative

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9. Loans and Leases, after Allowance for Credit Losses (Continued)

Loss allowances (Continued)

At December 31, 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 2023

The tables below show the sensitivity of the ECL to its various components.

Weighting for downside scenario	Actual value applied	Change in value	ECL impact of: Increase in value	ECL impact of: 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	13,450	(14,411)

Sensitivity analysis at December 2022

The tables below show the sensitivity of the ECL to its various components.

Weighting for downside scenario	Actual value applied	Change in value	ECL impact of: Increase in value	ECL impact of: 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)

9. Loans and Leases, after Allowance for Credit Losses (Continued)

IFRS 9 Maximum exposure to credit risk

The following tables explain the changes in the maximum credit exposure at the beginning and the at end of the period due to these factors. For instruments at amortised cost, the gross carrying amount equals the maximum exposure.

	The Group - 2023				
	ECL Staging				
LOANS AND LEASES – AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Maximum exposure to credit risk as at January 1, 2023	108,964,595	3,542,726	2,076,339	-	114,583,660
Transfers:					
Transfer from Stage 1 to Stage 2	(1,246,585)	1,246,585	-	-	-
Transfer from Stage 1 to Stage 3	(829,224)	-	829,224	-	-
Transfer from Stage 2 to Stage 1	1,606,353	(1,606,353)	-	-	-
Transfer from Stage 2 to Stage 3	-	(96,197)	96,197	-	-
Transfer from Stage 3 to Stage 1	46,868	-	(46,868)	-	-
Transfer from Stage 3 to Stage 2	-	27,723	(27,723)	-	-
New financial assets originated or purchased	27,697,645	251,877	49,948	-	27,999,470
Financial assets fully derecognised during the period	(6,118,812)	(116,365)	(323,311)	-	(6,558,488)
Changes to inputs used in ECL calculation	(9,763,541)	(180,338)	(661,105)	-	(10,604,984)
Foreign exchange adjustment	410,525	30,956	2,432	-	443,913
Maximum exposure to credit risk as at December 31, 2023	120,767,824	3,100,614	1,995,133	-	125,863,571

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9. Loans and Leases, after Allowance for Credit Losses (Continued)

IFRS 9 Maximum exposure to credit risk (Continued)

	The Group - 2022				
	ECL Staging				
LOANS AND LEASES – AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased credit-impaired**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Maximum exposure to credit risk as at January 1, 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 1	-	35,269	(35,269)	-	-
Transfer from Stage 3 to Stage 2	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 to inputs used in ECL calculation	(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 risk as at December 31, 2022	108,964,595	3,542,726	2,076,339	-	114,583,660

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	
	2023	**2022**
Loans and leases	**$ '000**	**$ '000**
Industry segments		
Agriculture, fishing and mining	1,647,749	1,278,231
Construction and real estate	18,315,139	15,976,768
Distribution	10,395,436	10,728,273
Manufacturing	3,557,331	3,890,799
Personal	55,377,167	48,687,205
Professional and other services	17,631,702	16,370,231
Tourism and entertainment	9,343,377	6,946,151
Transportation, storage and communication	989,606	924,009
Other	7,896,109	9,192,470
	125,153,616	113,994,137
Less: Provision for credit losses	(1,738,075)	(1,846,831)
	123,415,541	112,147,306
Interest receivable	709,955	589,523
	124,125,496	112,736,829

10. Pledged Assets

Assets of the Group are pledged as collateral under repurchase agreements with customers and financial institutions. Mandatory cash reserves and investment securities are also held with the regulators, the Bank of Jamaica and the Financial Services Commission.

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$ '000	**$ '000**	**$ '000**	**$ '000**
Investment securities pledged as collateral:				
With regulators	140,710	153,048	-	-
Under repurchase agreements (Note 27)	95,860,867	91,413,522	-	-
With bank and other financial institutions	2,280,019	2,642,973	276,048	267,294
	98,281,596	94,209,543	276,048	267,294

11. Investment Properties

	The Group	
	2023	**2022**
	$ '000	**$ '000**
At beginning of year	1,680,525	1,220,324
Disposal during the year	(247,219)	-
Fair value gains	185,000	234,572
Transfer from other assets & Property, Plant and Equipment	-	225,629
At end of year	1,618,306	1,680,525

The investment properties as at December 31, 2023 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 prior 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 34.

(iii) During the year, some of the properties were tenanted and generated rental income. There were no operating expenses related to the properties which were not tenanted (2022: NIL).

The valuations of investment property have been classified as Level 3 of the fair value hierarchy under IFRS 13, 'Fair Value Measurement' in Note 41.

12. Investment in Joint Venture

This relates to the group's investment in Grupo Sagicor GS, G.A.

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$ '000	**$ '000**	**$ '000**	**$ '000**
Balance at 1 January	1,830,001	1,329,797	414,267	414,267
Share of after tax earnings	241,664	439,994	-	-
Share of movement in other comprehensive income, net of taxation	238,355	60,210	-	-
Balance at 31 December	2,310,020	1,830,001	414,267	414,267

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12. 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.

Grupo Sagicor GS, G.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	
	2023	2022
	$ '000	$ '000
Current assets		
Cash and cash equivalents	325,574	178,760
Reinsurance contracts assets	90,921	95,554
Other current assets	2,385,142	3,557,422
	2,801,637	3,831,736
Non-current assets		
Investments	2,325,031	1,625,807
Other non-current asset	65,252	37,877
	2,390,283	1,663,684
Total Assets	5,191,920	5,495,420
Current liabilities		
Insurance contract liabilities	54,092	1,291,107
Other liabilities	201,767	-
	255,859	1,291,107
Non Current liabilities		
Notes and loans payable	316,022	541,478
Other liabilities	-	2,833
	316,022	544,311
Total Liabilities	571,881	1,835,418
Net Assets	4,620,039	3,660,002

12. Investment in Joint Venture (Continued)

Summarised statement of comprehensive income

	The Group	
	2023	2022
	$ '000	$ '000
Insurance revenue	5,040,353	3,473,536
Insurance service expenses	(2,504,115)	(1,100,437)
Net expenses from reinsurance contracts held	(431,481)	(315,696)
Insurance service result	2,104,757	2,057,403
Net investment income/(expenses)	(72,406)	(46,466)
Net insurance and investment result	2,032,351	2,010,937
Fees and other income	-	223,399
Other operating expenses	(1,298,123)	(1,120,260)
Net profit before taxation	734,228	1,114,076
Taxation	(250,901)	(234,087)
Net profit after tax for the period	483,327	879,989
Other comprehensive income	393,500	201,239
Total comprehensive income	876,827	1,081,228
Reconciliation of summarized financial information		
Opening net assets at 1 January	3,660,002	2,659,594
Net profit after tax for the period	483,327	879,989
Other comprehensive income	393,500	201,239
Currency translation	83,210	(80,820)
Closing net assets	4,620,039	3,660,002

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13. Interest in Structured Entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities. An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Group. Such interests include holdings of debt or equity securities and investment management agreements. Structured entities are assessed for consolidation as discussed in Note 3(a)(i).

Consolidated Structured Entity
The Group has no consolidated structured entity.

Unconsolidated Structured Entity
The Group established Sagicor Pooled Investment Fund Limited (PIF), Sagicor Sigma Global Unit Trust (twenty-one portfolios), and the Sagicor Select Funds Limited (two portfolios) to provide customers and pension funds with several investment opportunities.

(i) PIF
PIF is a custodian trustee for the assets of the Pooled Pension Investment Funds which are held in trust on behalf of pension funds. The trust has a separate Board of Directors. The administration of the assets in trust is done by one of the Group's subsidiaries, Employee Benefits Administrator Limited. The investment manager of these Funds is also one of the Group's subsidiaries, Sagicor Life Jamaica Limited. Both the administration of the assets and the provision of investment management services entitled the Group to receive management fees based on the assets under management. See critical accounting estimates Note 3(a)(i) for further details.

The table below shows the total assets of PIF, the Group's exposure in and income arising from involvement with PIF as well as the maximum exposure to loss. The maximum exposure to loss from the Group's interests represents the maximum loss that the Group could incur as a result of its involvement with the PIF regardless of the probability of the loss being incurred. The income from the Group's interest includes recurring and non-recurring fees and any mark-to-market gains/losses on a net basis. The Group's exposure to loss arises from the Group's defined benefit pension scheme's investment in units in PIF. The income earned from the Group's interests represents the income earned by the Group's defined benefit pension scheme's investment in units in PIF. Management fees are earned by the Group from its administration and investment management activities.

	The Group	
	2023	2022
	$ '000	$ '000
Total assets of PIF	178,615,201	171,946,402
Maximum exposure to loss	22,457,645	21,657,166
Liability to the Unit Trust in relation to repurchase obligations (included in repurchase obligations on the consolidated statement of financial position)	9,293,065	5,023,465
Total income/(losses) from the Group's interests	760,569	(1,036,272)
Management Fees earned	1,977,700	2,014,519

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.

The Unit Trust has an independent trustee. One of the Group's subsidiaries, Sagicor Investments Jamaica Limited is the investment manager of the Unit Trust and is entitled to receive management fees based on the assets under management. The Group also holds units in the Unit Trust.

13. Interest in Structured Entities (Continued)

(ii) Sagicor Sigma Global Unit Trust (Continued)

The table below shows the total assets of the Unit Trust, the Group's interest in and income arising from involvement with the Unit Trust, the Group's liability to the Unit Trust in relation to repurchase obligations and other borrowings, as well as the maximum exposure to loss. The maximum exposure to loss from the Group's interests represents the maximum loss that the Group could incur as a result of its involvement with the Unit Trust regardless of the probability of the loss being incurred. The income from the Group's interest includes recurring and non-recurring fees and any mark-to-market gains/losses on a net basis.

	The Group	
	2023	2022
	$ '000	$ '000
Total assets of the Unit Trust	153,964,642	159,925,587
The Group's interest – Carrying value of equities held (included in fair value through profit and Loss – Note 8)	28,756,893	28,623,521
Maximum exposure to loss	(28,756,893)	(28,623,521)
Liability to the Unit Trust in relation to repurchase obligations (included in repurchase obligations on the consolidated statement of financial position)	12,907,990	16,603,636
Liability to the Unit Trust in relation to the purchase of shares in Advantage General Insurance Company Limited	800,000	800,000
Liability issued by the Unit Trust	3,546,064	2,400,000
Managed Funds -Real Estate Payables	2,261,657	-
Total income from the Group's interests	2,885,726	2,851,567

The Group has not provided any non-contractual financial support during the period and does not anticipate providing non-contractual support to the Unit Trust in the future.

(iii) Sagicor Select Funds
Sagicor Select Funds consists of two publicly traded companies listed on Jamaica Stock exchange. They are the Financial Select Fund and the Manufacturing and Distribution Select Fund. The objective of these funds is to provide a low cost and effective means of investing in a diverse pool of companies listed on the stock market.

The table below shows the total assets of the Select Funds, the Group's interest in and income arising from involvement with the entities, the Group's liability to the Funds in relation to repurchase obligations as well as the maximum exposure to loss. The maximum exposure to loss from the Group's interests represents the maximum loss that the Group could incur as a result of its involvement with the Funds regardless of the probability of the loss being incurred. The income from the Group's interest includes recurring and non-recurring fees and any mark-to-market gains/losses on a net basis.

	The Group	
	2023	2022
	$ '000	$ '000
Total assets of Funds	6,786,570	7,626,920
The Group's interest – Carrying value of equities held (included in fair value through profit and Loss – Note 8)	1,850	1,950
Maximum exposure to loss	(1,850)	(1,950)
Total income from the Group's interests	19,397	24,347

The Group has not provided any non-contractual financial support during the period and does not anticipate providing non-contractual support to the Funds in the future.

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14. Investment in subsidiaries

The investment in subsidiaries is represented as follows:

	The Company	
	2023	2022
	$ '000	$ '000
Investment at January 1	71,826,639	71,860,326
Acquisitions	-	3,271,873
Disposal/dilution of interest	-	(3,305,560)
Investment at December 31	71,826,639	71,826,639

(a) **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 50 for additional information on the transaction.

(b) **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 earnings. Refer to ii, iii and iv below for further details.

14. Investment in subsidiaries (Continued)

(b) 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 period January 1 to September 30, 2022.

	2022
	$ '000
Revenues	
Investment income	46,298
Interest expense	(242,559)
Net Investment Income	(196,261)
Hotel revenue	4,659,437
Fees and other income	(111,050)
Total Revenues	4,352,126
Expenses	
Administration expenses	(41,796)
Hotel expenses	(3,379,914)
Depreciation	(579,482)
Total Expenses	(4,001,192)
Gain on sale of the subsidiary after tax (See iii below)	258,208
Profit before taxation	609,142
Taxation	(126,722)
Profit from discontinued operation	482,420
Attributable to:	
Stockholders of the parent company	323,178
Non-controlling interests	159,242
	482,420

	2022
	$ '000
Profit from discontinued operation	482,420
Other comprehensive income	
Items that may be subsequently reclassified to profit or loss	
Currency translation of foreign subsidiaries	(184,152)
Retranslation of foreign operations recycled on sale of subsidiary/associate	(152,490)
	(336,642)
Items that will not be subsequently reclassified to profit or loss Unrealised gains on OOP	2,006,928
Total other comprehensive income recognised directly in stockholders' equity, net of taxes	1,670,286
Total Comprehensive Income from discontinued operation	2,152,706
Attributable to:	
Stockholders of the parent company	550,484
Non-controlling interests	1,602,222
	2,152,706

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14. Investment in subsidiaries (Continued)

(b) Sagicor Real Estate X Fund Limited (Continued)

ii. Summarised statement of cash flows

	2022 $ '000
Cashflows from operating activities:	
Net cash generated by operating activities	1,710,736
Cashflows from investing activities:	
Net cash used in investing activities	(3,613,591)
Cashflows from financing activities:	
Net cash used in financing activities	(332,787)
Net decrease in cash and cash equivalents	(2,235,642)

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 23 include $171,092,000 transferred on sale of subsidiary.

iii. 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 discontinued operations	1,732,007

15. Intangible Assets

		The Group				
		Goodwill	Contractual Customer Relationship	Trade Names	Computer Software	Total
		$ '000	$ '000	$ '000	$ '000	$ '000
Cost -						
At 1 January 2022		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
Impairment charge	(iii)	(530,127)	-	-	-	(530,127)
Disposals		-	(329,000)	-	-	(329,000)
Translation adjustment		(14,519)	-	-	-	(14,519)
At 31 December 2022		5,138,946	5,801,499	940,433	5,024,228	16,905,106
Additions		-	-	-	218,545	218,545
Translation adjustment		16,261	-	-	242	16,503
At 31 December 2023		5,155,207	5,801,499	940,433	5,243,015	17,140,154
Amortisation -						
At 1 January 2022		-	3,942,106	507,552	3,500,460	7,950,118
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
Amortisation charge		-	287,105	843	418,989	706,937
At 31 December 2023		-	4,424,812	536,535	4,312,226	9,273,573
Net Book Value -						
31 December 2022		5,138,946	1,663,792	404,741	1,130,991	8,338,470
31 December 2023		5,155,207	1,376,687	403,898	930,789	7,866,581

On adoption of IFRS 17, the cash flow projections for each Cash Generating Unit were restated. Sagicor Life Jamaica Short Term Insurance Division revised projected net inflows reduced significantly which led to a full write off of the Cash Generating Unit's(CGU) goodwill.

	The Company Computer Software $ '000
Cost -	
At 1 January 2022	1,797,638
Additions	22,134
At 31 December 2022	1,819,772
Additions	48,082
At 31 December 2023	1,867,854
Amortisation -	
At 1 January 2022	1,654,255
Amortisation charge	71,522
At 31 December 2022	1,725,777
Amortisation charge	57,606
At 31 December 2023	1,783,383
Net Book Value -	
31 December 2022	93,995
31 December 2023	84,471

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15. Intangible Assets (Continued)

(a) The allocation of goodwill to the Group's and the company's CGU is as follows:

	The Group	
	2023	2022
	$ '000	$ '000
Sagicor Life Jamaica Long Term Insurance Division	855,191	855,191
Sagicor Life of the Cayman Islands Long Term Insurance Division	769,639	753,376
Sagicor Investments Jamaica Limited	186,066	186,066
Travel Cash Jamaica Limited	119,994	119,994
Advantage General Insurance Company	558,705	558,707
Alliance Financial Services Limited	2,665,612	2,665,612
	5,155,207	5,138,946

(i) At December 31, 2023, 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 Long Term Insurance Division
- Sagicor Life Jamaica Short Term Insurance Division
- Sagicor Life of the Cayman Islands Long Term Insurance Division

Management has determined the recoverable amount of the life insurance CGUs of the Group by assessing the fair value less cost of sell (FVLCS) of the underlying assets. The recoverable amounts are considered to be level 3 in the fair value hierarchy due to the unobservable inputs used in the valuation. Goodwill impairment of $530,127,000 relating to the Sagicor Life Jamaica Short Term Insurance Division was identified in 2022.

Management's approach and the key assumptions used to determine the CGU's FVLCS were as follows:

	The Group							
	2023				2022			
	Earnings Multiple	Cost to sell	Post-tax discount rate	Long term Growth Rate	Earnings Multiple	Cost to sell	Post-tax discount rate	Long term Growth Rate
Sagicor Life Jamaica Long Term Insurance Division	9.60	5%	15.8%	4.5%	9.40	0.5%	14.68%	4.5%
Sagicor Life Jamaica Short Term Insurance Division	-	-	-	-	10.30	0.5%	14.26%	5%
Sagicor Life of the Cayman Islands Long Term Insurance Division	8.10	5%	15.1%	2%	7.80	0.5%	14.35%	2%

The inputs are determined as follows:
- Earnings multiple represents the inverse of the capitalisation rate that is, 1 divided by post-tax discount rate less long-term growth rate.
- Cost to sell is estimated cost, based on management's experience of the typical 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.

15. Intangible Assets (Continued)

(iii) Value in use calculations are used to determine the recoverable amount of the non-life CGUs:
- Sagicor Investments Jamaica Limited
- Travel Cash Jamaica Limited
- Advantage General Insurance Company
- Alliance Financial Services Limited

These calculations use cash flow projections based on financial budgets approved by management covering a three-year period. Cash 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.

Key assumptions used for the impairment calculations are as follows:

	2023		2022	
	Earnings Growth Rate	Discount Rate	Earnings Growth Rate	Discount Rate
Sagicor Investments Jamaica Limited	5.00%	13.74%	5.00%	13.96%
Travel Cash	6.00%	15.64%	6.00%	15.52%
Advantage General Insurance Company Limited	4.50%	14.54%	4.50%	14.82%
Alliance Financial Services Limited	4.50%	12.30%	4.50%	11.73%

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16. Property, Plant and Equipment

	The Group				
	Leasehold Buildings & Improvements	Freehold Land & Buildings	Furniture & Equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000	$'000
Cost or Valuation -					
At January 1, 2022	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
Reclassifications	-	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 December 31, 2022	1,892,402	4,173,549	5,669,003	345,693	12,080,647
Additions	218,880	-	298,130	74,956	591,966
Revaluation adjustments	-	472,664	-	-	472,664
Disposals	-	(109,949)	(439)	(20,051)	(130,439)
Translation adjustment	3,264	19,006	2,904	-	25,174
At December 31, 2023	2,114,546	4,555,270	5,969,598	400,598	13,040,012
Accumulated Depreciation -					
At January 1, 2022	964,557	1,317,226	5,174,970	207,273	7,664,026
Charge 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 December 31, 2022	1,114,585	167,517	4,136,664	249,402	5,668,168
Charge for the year	147,017	46,683	485,918	46,994	726,612
Relieved on revalued assets	-	(28,441)	-	-	(28,441)
Relieved on disposals	-	(5,432)	(415)	(20,051)	(25,898)
Translation adjustment	1,494	379	2,345	-	4,218
At December 31, 2023	1,263,096	180,706	4,624,512	276,345	6,344,659
Net Book Value -					
At December 31, 2022	777,817	4,006,032	1,532,339	96,291	6,412,479
At December 31, 2023	851,450	4,374,564	1,345,086	124,253	6,695,353

The valuations of Freehold Land and Building have been classified as Level 3 of the fair value hierarchy under IFRS 13, 'Fair Value Measurement'

16. Property, Plant and Equipment (Continued)

	The Company			
	Leasehold Improvements	Furniture & Equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000
Cost or Valuation -				
At January 1, 2022	33,646	500,582	35,840	570,068
Additions	2,774	36,367	11,000	50,141
Disposals	-	(219)	-	(219)
At December 31, 2022	36,420	536,730	46,840	619,990
Additions	24,054	64,496	18,000	106,550
At December 31, 2023	60,474	601,226	64,840	726,540
Accumulated Depreciation -				
At January 1, 2022	13,833	447,472	13,459	474,764
Charge for the year	3,535	39,358	8,451	51,344
Disposals	-	(24)	-	(24)
At December 31, 2022	17,368	486,806	21,910	526,084
Charge for the year	5,126	29,739	11,168	46,033
At December 31, 2023	22,494	516,545	33,078	572,117
Net Book Value -				
At December 31, 2022	19,052	49,924	24,930	93,906
At December 31, 2023	37,980	84,681	31,762	154,423

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 2023 - $501,105,000 (2022 - $2,904,777,000), 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	
	2023	2022
	$ '000	$ '000
Cost	1,602,736	1,714,013
Accumulated Depreciation	(197,221)	(176,864)
Net Book Value	1,405,515	1,537,149
Carrying value of revalued assets	4,374,564	4,006,032

Disposal of property, plant and equipment in prior year includes derecognition of X Fund's property, plant and equipment on sale.

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17. Retirement Benefits

	The Group 2023 $ '000	The Group 2022 $ '000
Retirement benefit assets -		
Pension scheme	635,539	706,137
Retirement benefit obligations -		
Other post-retirement benefits	3,920,646	3,000,585
	3,920,646	3,000,585

Pension schemes comprised the following –

	2023 $ '000	2022 $ '000
Retirement benefit assets	635,539	706,137
	635,539	706,137

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 (2022) was 108%.

(ii) Sagicor Life of the Cayman Islands Ltd. participates in the Cayman Islands Chamber of Commerce Pension Plan. This plan is a money purchase contributory plan covering all the employees in the Cayman Islands. Contributions are vested immediately. The company contributes at a fixed rate of 7% of pensionable earnings.

(iii) Sagicor Investments Jamaica Limited and Sagicor Bank Jamaica Limited jointly operate an open DC pension plan and a closed DB pension plan covering its permanent employees. The assets of these funded plans are held independently of the companies' assets in separate trustee administered funds. The solvency level (the ratio of assets to past service liabilities) as at the last triennial funding valuation (2022) was 116% and 112% for the DB and DC plan, respectively.

(iv) Sagicor Bank Jamaica Limited has a closed DC plan covering all permanent employees (formerly employed to RBC Jamaica Limited) who are not covered under the DC and DB plans it jointly operates with Sagicor Investments Jamaica Limited. The assets of this funded plan are held independently of the company's assets in separate trustee administered funds. The solvency level (the ratio of assets to past service liabilities) as at the last triennial funding valuation (2022) was 109%.

(v) Advantage General Insurance Company Limited sponsors a DB scheme, which is open to all employees who have satisfied certain minimum service requirements. The scheme is funded by employee and employer contributions at varying rates. Retirement and other benefits are based on average salary for the last three years of pensionable service.

The law requires each plan sponsor to be an ordinary annual contributor but does not stipulate a minimum funding rate or solvency level. In absence of guidance from the regulator, the actuaries have agreed on a minimum employer contribution rate of 0.25% of payroll per annum where plan rules do not specify a minimum. The Trustees of the pension schemes ensure benefits are funded, benefits are paid, assets invested to maximise returns subject to acceptable investment risks while considering the liability profile. Any plan surplus or funding deficiency for the defined benefits plans as determined by independent actuaries annually using the Projected Unit Credit Method are recognised fully as a charge to shareholders' equity.

17. Retirement Benefits (Continued)

(a) Pension schemes

The amounts recognised in the statement of financial position are determined as follows:

	The Group 2023 $ '000	The Group 2022 $ '000
Present value of funded obligations	28,055,210	24,570,993
Fair value of plan assets	(29,124,959)	(27,167,909)
	(1,069,749)	(2,596,916)
Impact of minimum funding requirement/asset ceiling	434,210	1,890,779
Surplus of funded plan	(635,539)	(706,137)
Asset in the balance sheet	(635,539)	(706,137)

Movement in the present value of the defined benefit obligations recognised in the statement of financial position:

	The Group 2023 $ '000	The Group 2022 $ '000
Liability at start of year	24,570,993	30,218,160
Current service cost	607,204	720,690
Interest cost	3,021,820	2,278,054
Net expense recognised in income	3,629,024	2,998,744
Re-measurement:		
Losses/(gains) from changes in financial assumptions	2,175,117	(6,284,435)
Gains from changes in experience	(1,735,310)	(1,853,988)
Net losses/(gains) recognised in other comprehensive income	439,807	(8,138,423)
Contributions by the members	934,489	880,444
Value of purchased annuities	443,573	466,159
Benefits paid	(1,962,676)	(1,854,091)
Net liability, end of year	28,055,210	24,570,993

Movement in the fair value of plan assets recognised in the statement of financial position:

	The Group 2023 $ '000	The Group 2022 $ '000
Balance at start of year	27,167,909	29,746,423
Contributions made by the Employer	670,877	622,472
Contributions by the members	934,489	880,444
Value of purchased annuities	443,573	466,159
Benefits paid	(1,962,676)	(1,854,091)
Interest income on plan assets	3,465,725	2,305,461
Re-measurement:		
Gains/(losses) from changes in financial assumptions	760,233	(1,863,773)
Losses from changes in experience	(2,355,171)	(3,135,186)
Net gains/(losses) recognised in other comprehensive income	1,957,050	(4,998,959)
Balance, end of year	29,124,959	27,167,909

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17. Retirement Benefits (Continued)

(a) Pension schemes (Continued)

Movement in the minimum funding requirement/asset ceiling recognised in the statement of financial position:

	The Group 2023 $ '000	The Group 2022 $ '000
Balance at start of year	1,890,779	-
Interest income on assets	245,801	-
Funding requirement/asset ceiling	-	1,890,779
Re-measurement:Losses from changes in experience	(1,702,370)	-
Net (losses)/gains recognised in other comprehensive income	(1,456,569)	1,890,779
Balance, end of year	434,210	1,890,779

The amounts recognised in the income statements as follows:

	The Group 2023 $ '000	The Group 2022 $ '000
Current service cost	607,204	720,690
Interest cost on plan obligations	3,267,621	2,278,054
Interest income on plan assets	(3,465,725)	(2,305,461)
Total, included in staff cost (Note 36(a))	409,100	693,283

The amounts recognised in other comprehensive income is as follows:

	The Group 2023 $ '000	The Group 2022 $ '000
Change in financial assumptions	(287,486)	(4,420,662)
Experience adjustments:		
Funding requirement/asset ceiling	-	1,890,779
Pension assets and liabilities	619,861	1,281,198
	332,375	(1,248,685)
Deferred tax	(53,027)	282,401
	279,348	(966,284)

The principal actuarial assumptions used were as follows:

	The Group 2023 $ '000	The Group 2022 $ '000
Discount rate J$ Benefits	11.00%	13.00%
Discount rate - US$ Indexed Benefits	7.50%	10.00%
Inflation	6.00%	5.50%
Expected return on plan assets	11.00%	13.00%
Future salary increases	9.50%	9.50%
Future pension increases	0.50%	0.50%
Minimum Funding Rate (MFR) as a % of payroll	0.25%	0.25%
Average expected remaining working lives (years)	12	12

The weighted average duration of the defined benefit obligation ranges from 31 years (2022 – 31 years) to 39 years (2022 – 39 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.

17. Retirement Benefits (Continued)

(a) Pension schemes (Continued)

Pension plan assets are comprised as follows:

	The Group 2023 $ '000	The Group 2022 $ '000
Equities	6,801,792	8,005,728
GOJ Bonds	350,221	352,719
Inflation-linked(CPI) Fund	3,096,881	2,439,428
Real Estate	212,752	182,548
Mortgages and real estate fund	4,609,262	4,318,926
Money market fund	794,094	441,764
Fixed income fund	2,877,589	2,170,003
Foreign currency fund	3,233,770	3,343,650
Global market fund	700,269	683,247
Diversified investment fund	104,669	31,278
Receivables	132,789	-
	22,914,088	21,969,291
Value of purchased annuities	6,210,871	5,198,618
	29,124,959	27,167,909

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
		2023 $ '000	2023 $ '000
Discount rate	1.0%	(123,931)	160,832
Future salary increases	1.0%	3,803	(3,305)
Future pension increases	1.0%	220,975	206,885
Life expectancy	1 year	(2,722)	2,067
		2022 $ '000	2022 $ '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 above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

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17. Retirement Benefits (Continued)

(b) Other retirement benefits

In addition to pension benefits, the Group offers retirees medical and life insurance benefits that contribute to the health care and life insurance coverage of employees and beneficiaries during retirement. The method of accounting and frequency of valuations are similar to those used for defined benefit pension schemes.

The amounts recognised in the statement of financial position are determined as follows:

	The Group	
	2023	2022
	$ '000	$ '000
Present value of unfunded obligations	4,216,812	3,262,679
Fair value of plan assets	(296,166)	(262,094)
Liability in the statement of financial position	3,920,646	3,000,585

Movement in the amounts recognised in the statement of financial position:

	The Group	
	2023	2022
	$ '000	$ '000
Liability at beginning of year	3,262,679	5,079,345
Current service cost	69,801	140,376
Interest cost	415,320	401,052
Net expense recognised in income	485,121	541,428
Re-measurement:		
Losses/(gains) from changes in financial assumptions	641,145	(2,531,795)
(Gains)/losses from changes in experience	(27,502)	313,101
Net Losses/(gains) recognised in other comprehensive income	613,643	(2,218,694)
Benefits paid	(144,631)	(139,400)
Net Liability, end of year	4,216,812	3,262,679

The principal actuarial assumption used was as follows:

	The Group	
	2023	2022
	$ '000	$ '000
Rate of medical inflation	9.0%	8.5%

The amounts recognised in the income statement are as follows:

	The Group	
	2023	2022
	$ '000	$ '000
Current service cost	69,801	140,376
Interest cost on plan obligation	415,320	401,052
Interest income on plan assets	(34,072)	(19,414)
Total, included in staff cost (Note 36(a))	451,049	522,014

The amounts recognised in other comprehensive income are as follows:

	The Group	
	2023	2022
	$ '000	$ '000
Change in financial assumptions	641,145	(2,531,795)
Experience adjustments	(27,502)	313,101
	613,643	(2,218,694)
Deferred tax	(175,907)	630,999
	437,736	(1,587,695)

17. Retirement Benefits (Continued)

(b) Other retirement benefits (Continued)

Movement in the fair value of plan assets recognised in the statement of financial position:

	The Group	
	2023	2022
	$ '000	$ '000
Balance, as previously reported	262,094	242,680
Interest income on plan assets	34,072	19,414
Balance, end of year	296,166	262,094

The sensitivity of the other retirement benefits 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
		2023	2023
		$ '000	$ '000
Discount rate	1.0%	(195,163)	249,904
Future salary increases	1.0%	4,257	(3,806)
Medical cost inflation	1.0%	256,426	(206,947)
Life expectancy	1 year	35,672	(35,774)
		2022	2022
		$ '000	$ '000
Discount rate	1.0%	(343,733)	417,720
Future salary increases	1.0%	16,180	(14,156)
Medical cost inflation	1.0%	393,033	(327,298)
Life expectancy	1 year	79,548	(79,544)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

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17. Retirement Benefits (Continued)

(c) Plan risks

Through its defined benefit pension plans and post-employment medical plans, the Company is exposed to a number of risks. The Company does not use derivatives to manage its plan risks. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. Pensions are secured through the purchase of annuities. The remaining assets are invested in segregated pooled funds. The Company has not changed the processes used to manage its risks from previous periods.

The most significant of these plan risks are detailed below:

(i) Investment risk
The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields. If plan assets underperform this yield, this will create a deficit.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension scheme. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term assets with maturities that match the benefit payments as they fall due. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations.

(ii) Changes in bond yields
A decrease in Government of Jamaica bond yields will increase plan liability, although this will be partially offset by an increase in the return on plan's assets which are linked to debt investment.

(iii) Salary risk
The present value of the plan liabilities is calculated in reference to the future salaries of members. Therefore, an increase in the salary of members will increase the plan's liability.

(iv) Life expectancy
The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

18. Deferred Income Taxes

Deferred income taxes are calculated in full on all temporary differences under the liability method using a principal rate for the entity.

Deferred tax assets and liabilities, net recognised on the statement of financial position are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Deferred income tax assets, net	(7,276,368)	(3,911,299)	(214,875)	(225,671)
Deferred income tax liability, net	475,426	421,305	-	-

18. Deferred Income Taxes (Continued)

The amounts shown in the statement of financial position included the following:

	The Group			
	Deferred tax assets		Deferred tax liabilities	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Deferred tax assets/liabilities to be recovered after more than 12 months	551,641	229,965	-	355,473

	The Company			
	Deferred tax assets		Deferred tax liabilities	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Deferred tax assets/liabilities to be recovered after more than 12 months	214,875	225,671	-	-

Net deferred income tax assets and liabilities are attributable to the following items:

	The Group			
	Net deferred tax assets		Net deferred tax liabilities	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Deferred income tax assets				
Property, plant and equipment	(380,447)	(464,272)	(167,176)	-
Investment securities - FVTOCI	(1,526,372)	(2,395,768)	(40,723)	-
Tax losses unused	(3,895,582)	(96)	-	-
Unrealised foreign exchange losses	(307,158)	(216,677)	-	-
Impairment losses on loans & investment securities (IFRS 9)	(154,042)	(16,985)	-	-
Pensions and other post-retirement benefits	(988,129)	(654,962)	-	-
Other	(24,638)	(162,539)	-	-
	(7,276,368)	(3,911,299)	(207,899)	-
Deferred income tax liabilities -				
Property, plant and equipment	-	-	-	4,692
Loan & investment securities	-	-	3,085	-
Unrealised foreign exchange losses	-	-	10,940	6,809
Customer Relationship and Brand	-	-	349,971	404,082
Pensions and other post-retirement benefits	-	-	87,029	-
Other	-	-	232,300	5,722
	-	-	683,325	421,305
Net deferred taxation (asset)/liability	(7,276,368)	(3,911,299)	475,426	421,305

	The Company	
	2023	2022
	$ '000	$ '000
Deferred income tax assets		
Property, plant and equipment	(214,875)	(225,671)
Net deferred tax asset	(214,875)	(225,671)

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18. Deferred Income Taxes (Continued)

The movement in net deferred tax assets is as follows:

	Property, plant and equipment	Fair value gains/ (losses)	Unused tax losses and credits	Unrealised foreign exchange gains	Loan & investment securities loss provision	Post-employment benefits	Other	Total
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
At January 1, 2022	(305,211)	341,582	(96)	(299,862)	150,546	(1,401,821)	(35,358)	(1,550,220)
(Credited)/Charged to income statement (Note 37(a))	(177,662)	(227,407)	-	83,185	(154,428)	(166,541)	(127,181)	(770,034)
(Credited)/Charged to other comprehensive income (Note	18,601	(2,509,943)	-	-	(13,103)	913,400	-	(1,591,045)
At December 31, 2022	(464,272)	(2,395,768)	(96)	(216,677)	(16,985)	(654,962)	(162,539)	(3,911,299)
Tax Impact of initial application of IFRS 17 (a)	-	-	(3,895,486)		-	-	-	(3,895,486)
As Restated	(464,272)	(2,395,768)	(3,895,582)	(216,677)	(16,985)	(654,962)	(162,539)	(7,806,785)
(Credited)/Charged to income statement (Note 37(a))	66,847	(226,351)	-	(90,481)	(99,416)	9,163	137,901	(202,337)
(Credited)/Charged to other comprehensive income (Note	16,978	1,095,747	-	-	(37,641)	(342,330)	-	732,754
At December 31, 2023	(380,447)	(1,526,372)	(3,895,582)	(307,158)	(154,042)	(988,129)	(24,638)	(7,276,368)

The movement in net deferred tax liabilities is as follows:

	Property, plant and equipment	Fair value gains/ (losses)	Unused tax losses and charges	Unrealised foreign exchange gains	Loan & investment securities loss provision	Post-employment benefits	Customer Relationship and Brand	Other	Total
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
At January 1, 2022	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 37(a))	133,436	987	-	14,764	89,551	40,697	(49,208)	17,301	247,528
(Credited)/Charged to other comprehensive income (Note 37(c))	533,486	(967,187)	-	-	-	-	-	-	(433,701)
Foreign exchange	9,890		5,972	-	-	-	-	185	16,047
At December 31, 2022	4,692	-	-	6,809	-	-	404,082	5,722	421,305
Tax Impact of initial application of IFRS 17 (a)	-	-	-	-	-	-	-	150,648	150,648
As Restated	4,692	-	-	6,809	-	-	404,082	156,370	571,953
(Credited)/Charged to income statement (Note 37(a))	(181,396)	(63,336)	-	4,131	3,085	(26,367)	(54,111)	75,930	(242,064)
Charged to other comprehensive income (Note 37(c))	9,528	22,613	-	-	-	113,396	-	-	145,537
At December 31, 2023	(167,176)	(40,723)	-	10,940	3,085	87,029	349,971	232,300	475,426

(a) The measurement of revenue and the ultimate determination of profits under IFRS 17, will result in profits recorded in prior periods being subject to corporation tax twice. To address this, a “tax transitional amount” was determined as the difference between retained earnings under IFRS 4 and the restated amount. Deferred income tax was recorded on the amount.

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18. Deferred Income Taxes (Continued)

	The Company	
	2023	2022
	$ '000	$ '000
As at 1 January	(225,671)	(225,671)
Credited to the income statement	10,796	-
As at 31 December	(214,875)	(225,671)

19. 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.

20. Other Assets

	The Group		The Company	
	2023	2022 Restated	2023	2022
	$ '000	$ '000	$ '000	$ '000
Due from sales representatives	713,683	627,489	-	-
Real estate developed for resale – (i)	9,936,329	7,248,044	-	-
Due from related parties (Note 21)	545,399	290,594	725,866	339,833
Service contract assets				
Due from Government Employees & Other - Administrative Scheme Only Fund and Government Pensioners Administrative Scheme Only Fund	216,660	225,232	-	-
Prepayments and deferred commission	3,791,869	3,068,714	747,901	732,504
Customer settlements accounts/unsettled trades	529,747	629,559	-	-
Legal claim (Note 47)	53,686	53,686	-	-
Other receivables	2,891,450	3,057,855	162,095	131,311
	18,678,823	15,201,173	1,635,862	1,203,648
Provision against doubtful receivables and impairment charge	-	(7,737)	-	-
	18,678,823	15,193,436	1,635,862	1,203,648

(i) Real estate developed for sale relates to the construction of residential and commercial complexes.

Current portion of Other Assets disclosed under Note 42(c) (ii).

21. 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. 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). Pan Jamaica Group 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	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Due from related parties -				
Ultimate parent company	126,344	72,886	-	-
Subsidiaries	-	-	686,788	339,833
Other related companies	66,653	5,967	39,078	-
Other managed funds	352,402	211,741	-	-
	545,399	290,594	725,866	339,833
Due to related companies -				
Ultimate parent company	673,872	225,850	574,241	70,655
Subsidiaries – other liabilities	-	-	4,837,450	3,872,586
Other related companies	1,150	-	-	-
Managed funds	246,241	136,313	-	-
	921,263	362,163	5,411,691	3,943,241
Financial investments -				
Short term deposits	-	-	276,048	136,903
Securities purchased under resale agreements with SIJL	-	-	1,038,078	309,668
Bonds issued by Ultimate parent company	-	1,933,068	-	-
Bonds issued by other related companies	5,082,259	-	-	-
Bonds issued by Pan Jamaica Group Limited	504,377	501,441	-	-
Sagicor Select Funds Units	1,850	1,950	-	-
Sigma Units	28,756,893	28,623,521	-	-
	34,345,379	31,059,980	1,314,126	446,571
Deposit and Security Liabilities -				
Promissory loans:				
Subsidiaries	-	-	10,937,404	11,098,704
BW Shareholders	20,218	23,500	-	-
Other managed funds	3,546,064	4,701,952	-	-
Loan Payable with managed funds	800,000	-	-	-
Repurchase agreements with managed funds	22,201,055	15,097,215	-	-
Customer Deposit with ultimate parent Company	120,862	115,888	-	-
Managed Funds -Real Estate Payables	2,261,657	-	-	-
	26,688,199	19,938,555	10,937,404	11,098,704

	The Group		The Company	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Pan Jamaica Group Limited				
Securities sold under agreement to repurchase	563,830	-	-	-
Customer deposits	376,140	2,278,058	-	-
	939,970	2,278,058	-	-

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21. Related Party Balances and Transactions (Continued)

(b) The balances below resulted from transactions with related parties and companies as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Directors, key management and other related parties-				
Securities sold under agreements to repurchase and other loans	(218,293)	(398,025)	-	-
Customer deposits	(11,004,823)	(6,823,289)	-	-
Investment Securities	1,435,263	1,126,297	-	-

(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 13.

	The Group		The Company	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Ultimate parent company				
Interest income	392,100	122,256	-	-
Interest expense	3,641	1,267	-	-
Shared service fees	263,953	183,206		
Sagicor Pooled Investment Funds -				
Interest expense	334,345	167,168	-	-
Capital appreciation/(depreciation)	760,569	(1,036,272)	-	-
Lease rental expense	119,812	116,322	-	-
Management fee income	1,977,700	2,014,519	-	-
Pension Schemes -				
Management Fees – Self Directed Funds	298,053	278,592	-	-
Management Fees – DA	11,657	4,626	-	-
			-	-
Pan Jamaica Group Limited				
Interest expense	37,445	1,450	-	-
Interest Income	2,632	34,250	-	-
Directors and key management personnel -				
Interest expense	16,923	2,418	-	-
Interest Income	16,030	11,968	-	-

21. Related Party Balances and Transactions (Continued)

	The Group		The Company	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Parent Company transactions with subsidiaries -				
Management fees Income	-	-	6,492,018	5,138,881
Interest expense	-	-	(218,699)	(234,729)
Dividend income	-	-	4,179,000	5,721,610
Interest Income	-	-	42,779	74,911
Transactions with Select and Sigma Fund				
Service fee income	2,905,123	2,875,914	-	-
Interest expense	(396,052)	(418,477)	-	-
Lease expense	(685,641)	(519,509)	-	-
Capital appreciation	(388,879)	(903,235)	-	-
Key management compensation -				
Salaries and other short-term benefits	851,780	876,115	-	-
Share based payments	243,325	243,435	-	-
Contributions to pensions and insurance schemes	42,238	38,043	-	-
	1,137,343	1,157,593	-	-
Directors' emoluments -				
Fees	157,002	136,433	40,985	38,701
Other expenses	4,077	3,780	4,059	-
Management remuneration (included in key management compensation)	568,233	515,477	-	-
	729,312	655,690	45,044	38,701

22. Share Capital

	The Group and The Company	
	2023	2022
	$ '000	$ '000
Authorised		
13,598,340,000 (2022 – 13,598,340,000)		
Ordinary shares		
Issued and fully paid:		
Ordinary stock – January 1	8,998,808	8,816,093
(Acquisition)/Issue of Treasury shares (Note 24)	(118,927)	182,715
	8,879,881	8,998,808

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23. Equity Reserves

	The Group			
	Stock Options Reserve	Investment & Fair Value Reserves	Currency Translation Reserve	Equity Owners' Total
	$ '000	$ '000	$ '000	$ '000
Balance at December 31, 2022	77,479	(6,495,411)	6,316,491	(101,441)
Net gains recycled to revenue on disposal and maturity of FVTOCI securities	-	(478,646)	-	(478,646)
Net unrealised gains on FVTOCI securities	-	4,375,469	-	4,375,469
Net unrealised gains on revaluation of owner-occupied properties	-	466,974	-	466,974
Deferred tax on unrealised capital gains and impairment	-	(1,091,886)	-	(1,091,886)
Provision for expected credit losses - IFRS 9 on FVTOCI securities	-	(44,718)	-	(44,718)
Currency translation	-	-	438,716	438,716
Total comprehensive income for the year	-	3,227,193	438,716	3,665,909
Transactions with owners -				
Employee share option scheme - value of services provided	33,294	-	-	33,294
Total transactions with owners	33,294	-	-	33,294
Balance at December 31, 2023	110,773	(3,268,218)	6,755,207	3,597,762

	The Group			
	Stock Options Reserve	Investment & Fair Value Reserves	Currency Translation Reserve	Equity Owners' Total
	$ '000	$ '000	$ '000	$ '000
Balance as at December 31, 2021 as previously reported	58,353	679,475	7,934,170	8,671,998
Impact of initial application of IFRS 17	-	1,107,268	(1,342,322)	(235,054)
Impact of application of IFRS 9 policy choices as a	-	(343,782)	-	(343,782)
Restated balance as at January 1, 2022	58,353	1,442,961	6,591,848	8,093,162
Net gains recycled to revenue on disposal and maturity of FVTOCI securities	-	(5,550)	-	(5,550)
Net unrealised losses on FVTOCI securities	-	(11,967,885)	-	(11,967,885)
Net unrealised gains on revaluation of owner-occupied properties	-	870,756	-	870,756
Deferred tax on unrealised capital gains and impairment	-	3,360,690	-	3,360,690
Provision for expected credit losses -IFRS 9 on FVTOCI securities	-	(25,868)	-	(25,868)
Expected credit losses recycled	-	577	-	577
Currency translation	-	-	(275,357)	(275,357)
Total comprehensive income for the year	-	(7,767,280)	(275,357)	(8,042,637)
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 December 31, 2022	77,479	(6,495,411)	6,316,491	(101,441)

23. Equity Reserves (Continued)

(a) Investment and fair value reserves include the following:

(i) Owner Occupied Properties and Fair value Reserves (FVTOCI) - This represents the unrealised surplus or deficit on the re-measurement of securities classified as FVTOCI and the revaluation of property, plant and equipment.

(ii) Currency Translation Reserve –This represents the unrealised foreign exchange gains and losses on the translation of subsidiaries and joint venture with functional currencies other than the Jamaican dollar.

(b) Special Investment Reserve - This represents a non-distributable reserve under the provisions of the Insurance Regulations, 2001.

(c) Loan Loss Reserve - This is a non-distributable reserve representing the excess of the allowance for impairment losses determined using the Bank of Jamaica's regulatory requirements over the amount determined under IFRS Accounting Standards.

(d) Retained earnings reserve - Section 2 of the Banking Act of 1992 permits the transfer of any portion of the Bank's net profit to a retained earnings reserve. This reserve constitutes a part of the capital base for the purpose of determining the maximum level of deposit liabilities and lending to customers. Transfers to the retained earnings reserve are made at the discretion of the subsidiary's Board of Directors. Such transfers must be notified to the Bank of Jamaica.

Reserve fund (included as a part of retained earnings reserve) - This fund is maintained in accordance with the Banking Act 1992 which requires that a minimum of 15% of the net profit of the banking subsidiary as defined by the Act be transferred annually to the reserve fund until the amount of the fund is 50% of the paid-up share capital of the subsidiary, and thereafter 10% of the net profit until the amount of the fund is equal to the paid-up capital of the subsidiary.

(e) The provision of section 62 (1) (d) of The Companies Act 2004, requires the transfer from retained earnings to the capital redemption reserve fund a sum equal to the amount of the redeemable preference shares redeemed otherwise than out of the proceed of a fresh issue.

24. Stock Options and Grants

Long-term incentive plan

The Group offers stock grants and stock options to senior executives as part of its long-term incentive plan. The Group has set aside 150,000,000 of its authorised but un-issued shares at no par value for the stock grants and stock options.

In January 2007, the Group introduced a new Long-Term Incentive (LTI) plan which replaced the previous Stock Option plan. Under the LTI plan, executives are entitled but not obliged to purchase the Group stock at a pre-specified price at some future date. The options are granted each year on the date of the Board of Directors Human Resources Committee meeting following the performance year at which the stock option awards are approved. Stock options vest in 4 equal installments beginning the first December 31 following the grant date and for the next three December 31st dates thereafter (25% per year). Options are not exercisable after the expiration of 7 years from the date of grant. The number of stock options in each stock option award is calculated based on the LTI opportunity via stock options (percentage of applicable salary) divided by the Black-Scholes value of a stock option of Sagicor Group Jamaica Limited stock on 31 March of the measurement year. The exercise price of the options is the closing bid price on 31 March of the measurement year.

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24. Stock Options and Grants (Continued)

Long-term incentive plan (Continued)

Details of the combined share options outstanding are as follows:

	Sagicor Group Jamaica Limited			
	2023		2022	
	Options (thousands)	Weighted Average exercise price in $ per share	Options (thousands)	Weighted Average exercise price in $ per share
At beginning of year	10,526	40	10,252	33.73
Measurement year – 2022 awarded 2023	2,650	57	-	-
Measurement year – 2021 awarded 2022	-	-	2,660	51.88
Exercised	(859)	28	(2,386)	25.63
At end of year	12,317	44.60	10,526	40.15
Exercisable at the end of the period	7,992	39	6,815	38.08

Stock options outstanding at the end of the year for the company have the following expiry dates and exercise prices:

	2023		2022	
Expiry Date	Exercise Price	No. of Outstanding Options 000's	Exercise Price	No. of Outstanding Options 000's
March 2023			10.49	416
March 2024	23.65	408	23.65	412
March 2025	34.10	887	34.10	893
March 2026	36.45	1,713	36.45	1,772
March 2027	39.99	2,202	39.99	2,308
March 2028	52.40	2,046	52.40	2,092
March 2029	51.88	2,503	51.88	2,633
March 2030	57.44	2,558		
	39.75	12,317	29.55	10,526

For options outstanding at the end of the year, exercise prices range from $23.65 to $57.44 (2022 - $10.49 to $51.88). The remaining contractual terms range from 3 months to 7 years (2022 – 3 months to 7 years).

The weighted average share price for options exercised during the year was $57.44 (2022 - $51.88) and the cost of these options was $ 7,085 (2022 - $ 3,579,730).

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 $46,136,500 (2022- $43,468,608). The significant inputs into the model were:

	2023	2022
Share Price	52.90	$57.44
Dividend Yield	2.38%	2.71%
Standard Deviation	28.00%	29.00%
Risk free ratio	6.30%	5.40%
Expected Volatility period	7 years	7 years

24. Stock Options and Grants (Continued)

Long-term incentive plan (Continued)

The Sagicor Group Jamaica Limited recognised cumulative expenses of $110,770 in the Stock Option Reserves (2022 – $77,475,104) and share options expense of $31,096,119 (2022 - $42,236,751) 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 2023, the Staff Share Purchase Plan Trust purchased 3,000,000 (2022: NIL) 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 5,670,838 (2022 - 3,039,597) at a cost of $281,183,508 (2022 - $162,256,228).

25. Dividends

	The Group and Company	
	2023 $ '000	2022 $ '000
First interim dividend – $0.72 per share (2022 – $1.06 per share)	2,812,057	4,148,956
Second interim dividend – $0.51 per share (2022 – $0.54 per share)	1,972,346	2,109,043
	4,784,403	6,257,999

Dividends represented a dividend per stock unit of $1.23 (2022 - $1.60). There were no dividends declared subsequent to the year end.

26. Net Profit

	2023 $ '000	2022 $ '000
(i) Net profit attributable to stockholders of Sagicor Group Jamaica Limited, dealt with in the financial statements of:		
The company	4,902,175	6,343,472
Less dividends from subsidiaries	(4,179,000)	(5,721,610)
The subsidiaries, associate and joint venture	13,850,102	9,221,560
	14,573,277	9,843,422

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27. Deposit and Security Liabilities

	The Group		The Company	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Securities sold under repurchase agreements	90,821,213	87,385,529	-	-
Shareholders loan – Bailey Williams Limited	20,218	23,500	-	-
Due to banks and other financial institutions (i)	11,602,121	12,917,290	-	-
Customer deposits and other accounts	156,499,930	145,950,107	-	-
Promissory notes (ii)	3,546,064	3,901,952	10,937,404	11,098,704
Derivative (Note 8)	-	2,378	-	-
Structured Product (iii)	-	656,305	-	-
	262,489,546	250,837,061	10,937,404	11,098,704

Current portion of Deposit and Security Liabilities disclosed under Note 42(c) (ii).

	Interest Rate (%)	Maturity Year	The Group 2023 $ '000	The Group 2022 $ '000	The Company 2023 $ '000	The Company 2022 $ '000
(i) Due to banks and other financial institutions:						
Development Bank of Jamaica Limited (a)	various	various	1,038,081	1,269,558	-	-
National Housing Trust (NHT) (b)	various	various	1,072,567	846,472	-	-
International Financial Corporation (IFC) (c)	3.4%	2023	-	6,106,050	-	-
Bank of Nova Scotia (BNS) (d)	8.5%	2024	1,000,698	1,000,465	-	-
Other Loans (e)	various	various	8,490,775	3,694,745	-	
			11,602,121	12,917,290	-	-

(a) Development Bank of Jamaica Limited (DBJ)
The agreement allows DBJ, at its absolute discretion, to approve J$ financing to Sagicor Bank Jamaica Limited (SBJ) for on-lending to customers for developmental projects which meet the criteria of DBJ and on such terms and conditions as DBJ may stipulate.

Funds disbursed to SBJ bear interest at DBJ's lending rate prevailing at the date of approval of each disbursement unless otherwise carried by DBJ and are extended to the client at a maximum spread as stipulated by DBJ.

(b) National Housing Trust (NHT)
This is a third-party financing agreement between Sagicor Life Jamaica Limited, Sagicor Bank Jamaica Limited and the National Housing Trust and attracts interest at rates ranging from 0% to 2%.

(c) International Financial Corporation (IFC)
This was a loan agreement between Sagicor Bank Jamaica and International Financial Corporation (IFC) which attracted interest at 3.4%. The loan was settled in May 2023.

(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 8.50%. The loan matures in January 2024.

(e) Other Loans
These are loans issued by individuals and companies to Sagicor Investment Cayman Limited and Alliance Finnacials Services Limited with various maturity dates in 2024.

27. Deposit and Security Liabilities (Continued)

(ii) Promissory notes

	The Group		The Company	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Sagicor Life Jamaica Limited (i)	-	-	10,377,808	10,174,675
Sagicor Investment Jamaica Limited (ii)	-	-	559,596	924,029
Other managed funds (iii)	3,546,064	3,901,952	-	-
	3,546,064	3,901,952	10,937,404	11,098,704

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 January 2025.

(iii) This represents funding provided by managed funds to provide working capital support and to cover costs associated with development projects. The loans attract interest at 10% to 11.5% per annum and mature in June 2024. The balance includes loans issued by Sigma Global Funds to Alliance Financial Services Limited (AFSL). AFSL was compliant with the debt covenant ratio at year end.

(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 notes matured in June 2023.

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28. Loans Payable

	The Group		The Company	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
(a) Jamaica Central Securities Depository	2,198,545	2,198,545	-	-
Total loans payable	2,198,545	2,198,545	-	-

Current portion of Loans Payable disclosed under Note 42(c) (ii).

(a) 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.

29. Other liabilities

	The Group		The Company	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Legal claim payable (Note 46/47)	53,686	54,086	-	-
Suspense and other amounts	3,485,947	3,793,366	-	-
Accounts payable and accruals	4,951,628	2,851,137	148,201	397,362
Staff related payable	956,296	678,719	-	-
Dividends payable	266,600	275,001	195,184	201,363
Due to related parties (Note 21)	921,263	362,163	5,411,691	3,943,241
Due to brokers and agents	1,397	4,479	-	-
Mortgage principal and real estate payables	3,072,614	1,338,626	-	-
Customer settlement accounts	1,737,518	1,570,806	-	-
Regulatory fees and Statutory payables	1,405,861	815,505	-	-
Items in course of payment	636,596	482,084	-	-
Cheques issued but uncashed	959,708	852,384	-	-
Miscellaneous	1,399,714	879,251	-	-
	19,848,828	13,957,607	5,755,076	4,541,966

Current portion of Other Liabilities disclosed under Note 42(c) (ii).

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30. Insurance and Reinsurance Contract Assets and Liabilities

The table below presents a summary of contract assets and liabilities held by the Group.

	2023 $'000	2022 Restated $'000
Insurance contract assets (Note 30i.a)	174,931	-
Insurance contract liabilities (Note 30i.a)	144,988,028	134,815,292
Reinsurance contract assets (Note 30ii.a)	2,785,041	2,189,643
Reinsurance contract liabilities(Note 30ii.a)	595,741	551,715

The following table presents insurance contract and reinsurance contract assets and liabilities by contract type and summarises those contracts which are measured under the premium allocation approach (PAA) and those which are not measured under the PAA.

	2023 $'000	2022 $'000
Insurance contracts issued (includes direct participation contracts)		
Contracts measured under PAA - net (asset) / liability, end of period (Note 30i.a)	10,919,049	9,205,794
Contracts not measured under PAA (GMM/ VFA) - net (asset) / liability, end of period (Note 30i.a)	133,894,048	125,609,498
Total - Net (asset) / liability, end of period	144,813,097	134,815,292
Reinsurance contracts held		
Contracts measured under PAA - net asset / (liability), end of period(Note 30ii.a)	1,775,631	1,582,782
Contracts not measured under PAA (GMM) - net asset / (liability), end of period (Note 30ii.a)	413,669	55,146
Total - Net asset /(liability), end of period	2,189,300	1,637,928

The following tables explain the components of insurance contract and reinsurance contract assets and liabilities, in addition to changes in these balances for the period.

i. a) Reconciliation of the liability for remaining coverage and the liability for incurred claims components

Short Term Insurance

	2023				2022			
	LRC	LIC			LRC	LIC		
Insurance contracts issued **Contracts measured under PAA**	Excluding loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Insurance contract liabilities, beginning of period	1,766,226	7,134,985	304,583	9,205,794	1,625,079	7,481,448	329,132	9,435,659
Insurance contract assets, beginning of period	-	-	-	-	-	-	-	-
Net balance – (asset) / liability, beginning of period	**1,766,226**	**7,134,985**	**304,583**	**9,205,794**	**1,625,079**	**7,481,448**	**329,132**	**9,435,659**
Insurance revenue	**(29,274,162)**			**(29,274,162)**	**(24,769,183)**	**(632,780)**	**-**	**(25,401,963)**
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	20,726,428	23,269	20,749,697	-	19,209,942	(24,514)	19,185,428
Insurance acquisition cash flows amortisation	3,622,719	-	-	3,622,719	3,180,175	-	-	3,180,175
Total insurance service expenses	**3,622,719**	**20,726,428**	**23,269**	**24,372,416**	**3,180,175**	**19,209,942**	**(24,514)**	**22,365,603**
Total amounts recognised in the insurance services result	**(25,651,443)**	**20,726,428**	**23,269**	**(4,901,746)**	**(21,589,008)**	**18,577,162**	**(24,514)**	**(3,036,360)**
Effect of exchange rate changes	802	3,277	41	4,120	150	(5,530)	(35)	(5,415)
Total amounts recognised in total comprehensive income	**(25,650,641)**	**20,729,705**	**23,310**	**(4,897,626)**	**(21,588,858)**	**18,571,632**	**(24,549)**	**(3,041,775)**
Cash flows								
Premiums received	30,093,906	-	-	30,093,906	24,994,511	-	-	24,994,511
Claims and other directly attributable expenses paid	-	(19,790,826)	-	(19,790,826)	-	(18,918,095)	-	(18,918,095)
Insurance acquisition cash flows	(3,692,199)	-	-	(3,692,199)	(3,264,506)	-	-	(3,264,506)
Total cash flows	**26,401,707**	**(19,790,826)**	**-**	**6,610,881**	**21,730,005**	**(18,918,095)**	**-**	**2,811,910**
Net balance – (asset) / liability, end of period	**2,517,292**	**8,073,864**	**327,893**	**10,919,049**	**1,766,226**	**7,134,985**	**304,583**	**9,205,794**
Insurance contract liabilities, end of period	2,728,818	7,867,507	330,505	10,926,830	1,766,226	7,134,985	304,583	9,205,794
Insurance contract assets, end of period	(211,526)	206,357	(2,612)	(7,781)	-	-	-	-
Net balance – (asset) / liability, end of period	**2,517,292**	**8,073,864**	**327,893**	**10,919,049**	**1,766,226**	**7,134,985**	**304,583**	**9,205,794**

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30. Insurance and Reinsurance Contract Assets and Liabilities (Continued)

i. a) Reconciliation of the liability for remaining coverage and the liability for incurred claims components (Continued)

Long Term Insurance

	2023				2022			
	LRC				LRC			
Insurance contracts issued **Contracts not measured under PAA**	**Excluding loss component**	**Loss component**	**LIC**	**Total**	**Excluding loss component**	**Loss component**	**LIC**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Insurance contract liabilities, beginning of period	108,932,582	13,783,801	2,893,115	125,609,498	123,294,661	12,834,829	4,226,580	140,356,070
Insurance contract assets, beginning of period	-	-	-	-	-	-	-	-
Net balance – (asset) / liability, beginning of period	**108,932,582**	**13,783,801**	**2,893,115**	**125,609,498**	**123,294,661**	**12,834,829**	**4,226,580**	**140,356,070**
Insurance revenue	**(17,544,174)**			**(17,544,174)**	**(15,269,538)**	**-**	**-**	**(15,269,538)**
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	(450,137)	10,376,863	9,926,726	-	(442,313)	7,397,793	6,955,480
Losses on onerous contracts and reversal of those losses	-	167,333	-	167,333	-	1,037,009	-	1,037,009
Insurance acquisition cash flows amortisation	667,234	-	-	667,234	188,406	-	-	188,406
Total insurance service expenses	667,234	(282,804)	10,376,863	10,761,293	**188,406**	**594,696**	**7,397,793**	**8,180,895**
Total amounts recognised in the insurance services result	(16,876,940)	(282,804)	10,376,863	(6,782,881)	(15,081,132)	594,696	7,397,793	(7,088,643)
Finance income / (expenses) from insurance contracts issued	5,089,844	496,958	-	5,586,802	(15,119,631)	516,753	-	(14,602,878)
Effect of exchange rate changes	987,813	181,933	9,968	1,179,714	(910,691)	(162,477)	(10,336)	(1,083,504)
Total amounts recognised in total comprehensive income	**(10,799,283)**	**396,087**	**10,386,831**	**(16,365)**	**(31,111,454)**	**948,972**	**7,387,457**	**(22,775,025)**
Investment components	**(11,901,796)**	**-**	**11,901,796**	**-**	**(12,615,755)**	**-**	**12,615,755**	**-**
Cash flows								
Premiums received	34,617,747	-	-	34,617,747	31,888,935	-	-	31,888,935
Claims and other directly attributable expenses paid	-	-	(22,008,073)	(22,008,073)	-	-	(21,336,677)	(21,336,677)
Insurance acquisition cash flows	(4,308,759)	-	-	(4,308,759)	(2,523,805)	-	-	(2,523,805)
Total cash flows	**30,308,988**	**-**	**(22,008,073)**	**8,300,915**	**29,365,130**	**-**	**(21,336,677)**	**8,028,453**
Net balance – (asset) / liability, end of period	**116,540,491**	**14,179,888**	**3,173,669**	**133,894,048**	**108,932,582**	**13,783,801**	**2,893,115**	**125,609,498**
Insurance contract liabilities, end of period	116,470,741	14,179,888	3,410,569	134,061,198	108,932,582	13,783,801	2,893,115	125,609,498
Insurance contract assets, end of period	69,750	-	(236,900)	(167,150)	-	-	-	-
Net balance – (asset) / liability, end of period	**116,540,491**	**14,179,888**	**3,173,669**	**133,894,048**	**108,932,582**	**13,783,801**	**2,893,115**	**125,609,498**

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30. Insurance and Reinsurance Contract Assets and Liabilities (Continued)

i. b) Reconciliation of the measurement components of insurance contract balances

Long Term Insurance

Insurance contracts issued Contracts not measured under PAA	2023 Present value of future cash flows	2023 Risk adjustment for non-financial risk	2023 CSM	2023 Total	2022 Present value of future cash flows	2022 Risk adjustment for non-financial risk	2022 CSM	2022 Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Insurance contract liabilities, beginning of period	81,025,377	8,803,937	35,780,184	125,609,498	99,059,730	10,781,378	30,514,962	140,356,070
Insurance contract assets, beginning of period	-	-	-	-	-	-	-	-
Net balance – (asset) / liability, beginning of period	81,025,377	8,803,937	35,780,184	125,609,498	99,059,730	10,781,378	30,514,962	140,356,070
Changes that relate to current service								
CSM recognised in net income / (loss) for the services provided	-	-	(5,426,885)	(5,426,885)	-	-	(4,262,610)	(4,262,610)
Change in the risk adjustment for non-financial risk for risk expired	-	(1,121,265)	-	(1,121,265)	-	(987,957)	-	(987,957)
Experience adjustments	(402,064)	-	-	(402,064)	(2,875,086)	-	-	(2,875,086)
	(402,064)	(1,121,265)	(5,426,885)	(6,950,214)	(2,875,086)	(987,957)	(4,262,610)	(8,125,653)
Changes that relate to future service								
Changes in estimate that adjust the CSM	(8,749,284)	2,237,606	6,511,678	-	(2,624,375)	(423,025)	3,047,400	-
Changes in estimates that result in onerous contract losses or reversal of	(269,014)	124,358	-	(144,656)	655,560	(41,182)	-	614,378
Contracts initially recognised in the period	(6,325,555)	1,109,482	5,528,062	311,989	(6,031,925)	1,053,233	5,401,324	422,632
	(15,343,853)	3,471,446	12,039,740	167,333	(8,000,740)	589,026	8,448,724	1,037,010
Total amounts recognised in the insurance service result	**(15,745,917)**	**2,350,181**	**6,612,855**	**(6,782,881)**	**(10,875,826)**	**(398,931)**	**4,186,114**	**(7,088,643)**
Finance income / (expenses) from insurance contracts issued	3,388,059	497,590	1,701,153	5,586,802	(14,249,287)	(1,549,097)	1,195,506	(14,602,878)
Effect of exchange rate changes	959,961	53,522	166,231	1,179,714	(937,693)	(29,413)	(116,398)	(1,083,504)
Total amounts recognised in total comprehensive income	(11,397,897)	2,901,293	8,480,239	(16,365)	(26,062,806)	(1,977,441)	5,265,222	(22,775,025)
Cash flows								
Premiums received	34,617,747	-	-	34,617,747	31,888,935	-	-	31,888,935
Claims and other directly attributable expenses paid	(22,008,073)	-	-	(22,008,073)	(21,336,677)	-	-	(21,336,677)
Insurance acquisition cash flows	(4,308,759)	-	-	(4,308,759)	(2,523,805)	-	-	(2,523,805)
Total cash flows	**8,300,915**	**-**	**-**	**8,300,915**	**8,028,453**	**-**	**-**	**8,028,453**
Net balance – (asset) / liability, end of period	**77,928,395**	**11,705,230**	**44,260,423**	**133,894,048**	**81,025,377**	**8,803,937**	**35,780,184**	**125,609,498**
Insurance contract liabilities, end of period	78,101,760	11,706,439	44,252,999	134,061,198	81,025,377	8,803,937	35,780,184	125,609,498
Insurance contract assets, end of period	(173,365)	(1,209)	7,424	(167,150)	-	-	-	-
Net balance – (asset) / liability, end of period	**77,928,395**	**11,705,230**	**44,260,423**	**133,894,048**	**81,025,377**	**8,803,937**	**35,780,184**	**125,609,498**

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30. Insurance and Reinsurance Contract Assets and Liabilities (Continued)

i. c) Impact of contracts recognised in the period

Long Term Insurance

	2023			2022		
	Contract issued		Total	Contract issued		Total
Insurance contracts issued	Non-onerous	Onerous		Non-onerous	Onerous	
	$'000	$'000	$'000	$'000	$'000	$'000
Estimates of present value of future cash outflows						
Insurance acquisition cash flows	(4,012,032)	(344,143)	(4,356,175)	(3,227,880)	(589,987)	(3,817,867)
Claims and other directly attributable expenses	(15,273,093)	(1,731,862)	(17,004,955)	(14,851,886)	(3,932,265)	(18,784,151)
Estimates of present value of future cash outflows	(19,285,125)	(2,076,005)	(21,361,130)	(18,079,766)	(4,522,252)	(22,602,018)
Estimates of present value of future cash inflows	25,813,755	1,872,930	27,686,685	24,360,852	4,273,091	28,633,943
Risk adjustment for non-financial risk	(1,000,568)	(108,914)	(1,109,482)	(879,762)	(173,471)	(1,053,233)
CSM	(5,528,062)	-	(5,528,062)	(5,401,324)	-	(5,401,324)
Increase / (decrease) in insurance contract liabilities from contracts	**-**	**(311,989)**	**(311,989)**	**-**	**(422,632)**	**(422,632)**

i. d) Amounts determined on transition to IFRS 17 – The CSM by transition method

Long Term Insurance

	2023			2022		
Insurance contracts issued (Note 30i.b)	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Total
	$'000	$'000	$'000	$'000	$'000	$'000
CSM, beginning of period	**27,532,698**	**8,247,486**	**35,780,184**	**24,485,742**	**6,029,220**	**30,514,962**
Changes that relate to current service						
CSM recognised in net income / (loss) for the services provided	(4,366,728)	(1,060,157)	(5,426,885)	(3,489,320)	(773,290)	(4,262,610)
Changes that relate to future service						
Changes in estimates that adjust the CSM	2,233,638	4,278,040	6,511,678	97,322	2,950,078	3,047,400
Contracts initially recognised in the period	5,528,062	-	5,528,062	5,401,324	-	5,401,324
	3,394,972	3,217,883	6,612,855	2,009,326	2,176,788	4,186,114
Finance income / (expenses) from insurance contracts issued	1,488,414	212,739	1,701,153	1,054,658	140,848	1,195,506
Effect of exchange rate changes	95,434	70,797	166,231	(17,028)	(99,370)	(116,398)
Total amounts recognised in total comprehensive income	4,978,820	3,501,419	8,480,239	3,046,956	2,218,266	5,265,222
CSM, end of period	**32,511,518**	**11,748,905**	**44,260,423**	**27,532,698**	**8,247,486**	**35,780,184**

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30. Insurance and Reinsurance Contract Assets and Liabilities (Continued)

ii. a) Reconciliation of the remaining coverage and the incurred claims components

Short Term Insurance

Reinsurance contracts held Contracts measured under PAA	2023 Remaining coverage Excluding loss recovery component	2023 Incurred claims Present value of future cash flows	2023 Incurred claims Risk adjustment for non-financial risk	2023 Total	2022 Remaining coverage Excluding loss recovery component	2022 Incurred claims Present value of future cash flows	2022 Incurred claims Risk adjustment for non-financial risk	2022 Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Reinsurance contract liabilities, beginning of period	(34,790)	12,544	627	(21,619)	(14,688)	12,105	605	(1,978)
Reinsurance contract assets, beginning of period	673,524	892,514	38,363	1,604,401	296,722	806,896	33,638	1,137,256
Net balance – (asset) / liability, beginning of period	638,734	905,058	38,990	1,582,782	282,034	819,001	34,243	1,135,278
Net income / (expenses) from reinsurance contracts held								
Reinsurance expenses	(5,927,847)	-	-	(5,927,847)	(4,303,614)	-	-	(4,303,614)
Other incurred directly attributable expenses	(754,598)	-	-	(754,598)	(558,494)	-	-	(558,494)
Claims recovered	-	2,991,603	27,048	3,018,651	-	2,143,112	4,759	2,147,871
Net income / (expenses) from reinsurance contracts held	**(6,682,445)**	**2,991,603**	**27,048**	**(3,663,794)**	**(4,862,108)**	**2,143,112**	**4,759**	**(2,714,237)**
Effect of exchange rate changes	415	3,875	14	4,304	587	(4,332)	(12)	(3,757)
Total amounts recognised in total comprehensive income	**(6,682,030)**	**2,995,478**	**27,062**	**(3,659,490)**	**(4,861,521)**	**2,138,780**	**4,747**	**(2,717,994)**
Cash flows								
Premiums paid net of ceding commissions and other directly attributable	6,982,323	(213,653)	-	6,768,670	5,218,221	555,386	-	5,773,607
Recoveries from reinsurance	-	(2,916,331)	-	(2,916,331)	-	(2,608,109)	-	(2,608,109)
Total cash flows	**6,982,323**	**(3,129,984)**	**-**	**3,852,339**	**5,218,221**	**(2,052,723)**	**-**	**3,165,498**
Net balance – asset / (liability), end of period	**939,027**	**770,552**	**66,052**	**1,775,631**	**638,734**	**905,058**	**38,990**	**1,582,782**
Reinsurance contract liabilities, end of period	(90,925)	19,856	(100)	(71,169)	(34,790)	12,544	627	(21,619)
Reinsurance contract assets, end of period	1,029,952	750,696	66,152	1,846,800	673,524	892,514	38,363	1,604,401
Net balance – asset / (liability), end of period	**939,027**	**770,552**	**66,052**	**1,775,631**	**638,734**	**905,058**	**38,990**	**1,582,782**

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30 Insurance and Reinsurance Contract Assets and Liabilities (Continued)

ii. a) Reconciliation of the remaining coverage and the incurred claims components
Long Term Insurance

	2023				2022			
	Remaining coverage		Incurred claims		Remaining coverage		Incurred claims	
Reinsurance contracts held **Contracts not measured under PAA**	**Excluding loss recovery component**	**Loss recovery component**		**Total**	**Excluding loss recovery component**	**Loss recovery component**		**Total**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Reinsurance contract liabilities, beginning of period	(471,116)	7,453	(66,433)	(530,096)	(679,706)	8,742	(340,962)	(1,011,926)
Reinsurance contract assets, beginning of period	164,552	36,617	384,073	585,242	(34,650)	87,649	860,808	913,807
Net balance – asset / (liability), beginning of period	(306,564)	44,070	317,640	55,146	(714,356)	96,391	519,846	(98,119)
Net income / (expenses) from reinsurance contracts held								
Reinsurance expenses	(275,733)	(4,903)	-	(280,636)	(221,449)	-	-	(221,449)
Claims recovered	-	(6,522)	338,239	331,717	-	(20,272)	1,279	(18,993)
Changes that relate to future service – changes in the FCF do not adjust the CSM for the group of underlying insurance contracts	-	(3,912)	-	(3,912)	-	(32,649)	-	(32,649)
Net income / (expenses) from reinsurance contracts held	**(275,733)**	**(15,337)**	**338,239**	**47,169**	**(221,449)**	**(52,921)**	**1,279**	**(273,091)**
Finance income / (expenses) from reinsurance contracts held	125,265	386	-	125,651	223,755	1,511	-	225,266
Effect of exchange rate changes	227	749	4,821	5,797	215	(911)	(4,845)	(5,541)
Total amounts recognised in total comprehensive income	**(150,241)**	**(14,202)**	**343,060**	**178,617**	**2,521**	**(52,321)**	**(3,566)**	**(53,366)**
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	271,072	-	-	271,072	405,271	-	(57)	405,214
Recoveries from reinsurance	-	-	(91,166)	(91,166)	-	-	(198,583)	(198,583)
Total cash flows	271,072	-	(91,166)	179,906	405,271	-	(198,640)	206,631
Net balance – asset / (liability), end of period	(185,733)	29,868	569,534	413,669	(306,564)	44,070	317,640	55,146
Reinsurance contract liabilities, end of period	(323,024)	29,868	(231,416)	(524,572)	(471,116)	7,453	(66,433)	(530,096)
Reinsurance contract assets, end of period	137,291		800,950	938,241	164,552	36,617	384,073	585,242
Net balance – asset / (liability), end of period	**(185,733)**	**29,868**	**569,534**	**413,669**	**(306,564)**	**44,070**	**317,640**	**55,146**

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30. Insurance and Reinsurance Contract Assets and Liabilities (Continued)

ii. b) Reconciliation of the measurement components of reinsurance contract balances

Long Term Insurance (Continued)

Reinsurance contracts held **Contracts not measured under PAA**	**2023** **Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Total**	**2022** **Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Reinsurance contract liabilities, beginning of period	(754,576)	72,779	151,701	(530,096)	(1,063,068)	71,929	(20,787)	(1,011,926)
Reinsurance contract assets, beginning of period	68,034	203,948	313,260	585,242	579,458	174,570	159,779	913,807
Net balance – asset / (liability), beginning of period	(686,542)	276,727	464,961	55,146	(483,610)	246,499	138,992	(98,119)
Changes that relate to current service								
CSM recognised in net income / (loss) for the services received	-	-	(47,801)	(47,801)	-	-	(27,024)	(27,024)
Change in the risk adjustment for non-financial risk for risk expired	-	(31,735)	-	(31,735)	-	(27,789)	-	(27,789)
Experience adjustments	130,617	-	-	130,617	(185,629)	-	-	(185,629)
	130,617	(31,735)	(47,801)	51,081	(185,629)	(27,789)	(27,024)	(240,442)
Changes that relate to future service								
Changes in estimate that adjust the CSM	(494,633)	136,184	358,449	-	(471,478)	118,836	352,642	-
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	(27,476)	70,514	(46,950)	(3,912)	(50,991)	40,589	(22,247)	(32,649)
Contracts initially recognised in the period	(26,435)	5,861	20,574	-	(33,149)	5,205	27,944	-
	(548,544)	212,559	332,073	(3,912)	(555,618)	164,630	358,339	(32,649)
Net income / (expenses) from reinsurance contracts held	(417,927)	180,824	284,272	47,169	(741,247)	136,841	331,315	(273,091)
Finance income / (expenses) from reinsurance contracts held	217,741	(108,084)	15,994	125,651	324,617	(102,093)	2,742	225,266
Effect of exchange rate changes	(9,717)	5,323	10,191	5,797	7,067	(4,520)	(8,088)	(5,541)
Total amounts recognised in total comprehensive income	(209,903)	78,063	310,457	178,617	(409,563)	30,228	325,969	(53,366)
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	271,072	-	-	271,072	405,214	-	-	405,214
Recoveries from reinsurance	(91,166)	-	-	(91,166)	(198,583)	-	-	(198,583)
Total cash flows	179,906	-	-	179,906	206,631	-	-	206,631
Net balance – asset / (liability), end of period	(716,539)	354,790	775,418	413,669	(686,542)	276,727	464,961	55,146
Reinsurance contract liabilities, end of period	(970,449)	113,947	331,930	(524,572)	(754,576)	72,779	151,701	(530,096)
Reinsurance contract assets, end of period	253,910	240,843	443,488	938,241	68,034	203,948	313,260	585,242
Net balance – asset / (liability), end of period	(716,539)	354,790	775,418	413,669	(686,542)	276,727	464,961	55,146

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30. Insurance and Reinsurance Contract Assets and Liabilities (Continued)

ii. d) Amounts determined on transition to IFRS 17 – The CSM by transition method

Long Term Insurance (Continued)

Reinsurance contracts held (Note 30ii.b)	2023 New contracts and contracts measured under the full retrospective approach at transition	2023 Contracts measured under the fair value approach at transition	2023 Total	2022 New contracts and contracts measured under the full retrospective approach at transition	2022 Contracts measured under the fair value approach at transition	2022 Total
	$'000	$'000	$'000	$'000	$'000	$'000
CSM, beginning of period	**44,549**	**420,412**	**464,961**	**-**	**138,992**	**138,992**
Changes that relate to current service						
CSM recognised in net income / (loss) for the services provided	(10,519)	(37,282)	(47,801)	(2,676)	(24,348)	(27,024)
Changes that relate to future service						
Changes in estimates that adjust the CSM	53,281	305,168	358,449	24,627	328,015	352,642
Contracts initially recognised in the period	20,574	-	20,574	27,944	-	27,944
Reversal of loss-recovery component from onerous underlying contracts	-	(46,950)	(46,950)	-	(22,247)	(22,247)
	63,336	220,936	284,272	49,895	281,420	331,315
Finance income / (expenses) from insurance contracts issued	15,994	-	15,994	2,742	-	2,742
Effect of exchange rate changes	389	9,802	10,191	(8,088)	-	(8,088)
Total amounts recognised in total comprehensive income	79,719	230,738	310,457	44,549	281,420	325,969
CSM, end of period	**124,268**	**651,150**	**775,418**	**44,549**	**420,412**	**464,961**

iii. Liability for Incurred Claims

Summary of LIC by segment

	Long term insurance	Short term insurance	Total
	$'000	$'000	$'000
31-Dec-2023			
Gross LIC:			
Insurance contracts issued	3,173,669	8,401,757	11,575,426
Direct participation contracts issued	-	-	-
Total (Note 30i.a)	3,173,669	8,401,757	11,575,426
Reinsurers' share of LIC:			
Reinsurance contracts held (Note 30ii.a)	569,534	836,604	1,406,138
31-Dec-2022			
Gross LIC:			
Insurance contracts issued	2,864,306	7,439,568	10,303,874
Direct participation contracts issued	28,809	-	28,809
Total (Note 30i.a)	2,893,115	7,439,568	10,332,683
Reinsurers' share of LIC:			
Reinsurance contracts held (Note 30ii.a)	317,640	944,048	1,261,688

The liability for incurred claims represented by insurance lines of business is as follows:

	Gross LIC		Reinsurers' share	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Life insurance and annuity benefits	8,662,829	2,891,775	1,039,285	330,810
Property and casualty	2,708,852	2,858,354	347,099	474,675
Health	203,745	4,582,554	19,754	456,203
	11,575,426	10,332,683	1,406,138	1,261,688

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31. Investment Contract Liabilities

	The Group	
	2023	2022
	$ '000	$ '000
Amortised cost -		
Amounts on deposit	18,965,347	18,083,616
Deposit administration fund	1,529,625	1,469,504
Other investment contracts	397,302	611,100
	20,892,274	20,164,220

Current portion of Investment contract liabilities is disclosed under Note 42(c) (ii).

The fair value of financial liabilities at amortised cost is based on a discounted cash flow valuation technique. This discount rate is determined by current market assessment of the time value of money and risk specific to the liability.

32. Collateralised Reversed Repurchase Agreements

At December 31, 2023, the Group held $1,975,628,000 (2022 – $5,036,501,000) of securities, mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements. None of the collateral for reverse repurchase agreements for the Group was repledged.

33. Insurance revenue and service expenses

(a) Insurance service result

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held is included below.

	The Group	
	2023	2022
	$ '000	$ '000
Insurance revenue		
Contracts not measured under the PAA		
Amounts relating to the changes in the LRC:		
Expected incurred claims and other directly attributable expenses after loss component allocation	10,328,790	9,830,565
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	1,121,265	987,957
CSM recognised in net income / (loss) for the services provided	5,426,885	4,262,610
Insurance acquisition cash flows recovery	667,234	188,406
Insurance revenue for contracts not measured under the PAA (Note 30i.a)	17,544,174	15,269,538
Insurance revenue from contracts measured under the PAA (Note 30i.a)	29,274,162	25,401,963
Total insurance revenue	46,818,336	40,671,501

For insurance contracts not measured under the PAA, an analysis of the related revenue by transition method is included below.

	The Group	
	2023	2022
	$ '000	$ '000
New contracts and contracts measured under the full retrospective approach	8,760,825	7,106,325
Contracts measured under the fair value approach	8,783,349	8,163,213
	17,544,174	15,269,538

33. Insurance revenue and service expenses (Continued)

(a) Insurance service result (Continued)

	The Group	
	2023	2022
	$ '000	$ '000
Insurance service expenses		
Contracts not measured under the PAA		
Incurred claims and other directly attributable expenses(Note 30i.a)	(9,926,726)	(6,955,480)
Losses on onerous contracts and reversal of those losses(Note 30i.a)	(167,333)	(1,037,009)
Insurance acquisition cash flows amortisation(Note 30i.a)	(667,234)	(188,406)
	(10,761,293)	(8,180,895)
Contracts measured under the PAA		
Incurred claims and other directly attributable expenses(Note 30i.a)	(20,749,697)	(19,185,428)
Insurance acquisition cash flows amortisation(Note 30i.a)	(3,622,719)	(3,180,175)
	(24,372,416)	(22,365,603)
Total insurance service expenses	(35,133,709)	(30,546,498)
Net income / (expenses) from reinsurance contracts held– contracts not measured under the PAA		
Amounts relating to the changes in the remaining coverage:		
Expected claims and other directly attributable expenses recovery	(331,717)	18,993
Change in the risk adjustment recognised for the risk expired	(31,735)	(27,789)
Experience adjustments	130,617	(185,629)
CSM recognised in net income / (loss) for the services received	(47,801)	(27,024)
Reinsurance expenses	(280,636)	(221,449)
Other incurred directly attributable expenses	331,717	(18,993)
Changes that relate to past service – adjustments to incurred claims	(3,912)	(32,649)
Total -contracts not measured under PAA (Note 30ii.a)	47,169	(273,091)
Net income / (expenses) from reinsurance contracts held– contracts measured under the PAA		
Reinsurance expenses	(6,682,445)	(4,862,108)
Claims recovered	3,018,651	2,147,871
Total -contracts measured under PAA (Note 30ii.a)	(3,663,794)	(2,714,237)
Total net income / (expenses) from reinsurance contracts held	(3,616,625)	(2,987,328)
Total insurance service result	8,068,002	7,137,675

(b) Amounts determined on transition to IFRS 17

For insurance contracts not measured under the PAA, an analysis of the related CSM by transition method is included below.

	The Group	
	2023	2022
	$ '000	$ '000
CSM, end of period (Note 30i.d)		
New contracts and contracts measured under the full retrospective approach at transition	32,511,518	27,532,698
Contracts measured under the fair value approach at transition	11,748,905	8,247,486
	44,260,423	35,780,184
REINSURANCE CONTRACTS HELD		
CSM, end of period (Note 30ii.d)		
New contracts and contracts measured under the full retrospective approach at transition	124,268	44,549
Contracts measured under the fair value approach at transition	651,150	420,412
	775,418	464,961

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33. Insurance revenue and service expenses (Continued)

(c) Expected recognition of the contractual service margin

The following tables summarise the expected recognition of the contractual service margin based on the estimate of the CSM using discounted coverage units to allocate the CSM to each year.

	The Group	
	2023	2022
	$ '000	$ '000
INSURANCE CONTRACTS ISSUED		
Contracts not measured under the PAA		
Number of years until expected to be recognised		
1	3,562,860	2,893,850
2	3,082,096	2,676,240
3	2,655,771	2,494,038
4	2,339,610	2,345,785
5	2,104,615	2,214,133
6-10	8,317,458	9,426,202
>10	22,198,013	13,729,936
Total	44,260,423	35,780,184

	The Group	
	2023	2022
	$ '000	$ '000
REINSURANCE CONTRACTS HELD		
Contracts not measured under the PAA		
Number of years until expected to be recognised		
1	46,522	35,960
2	45,188	34,334
3	40,699	31,388
4	36,992	29,025
5	34,389	26,935
6-10	139,710	97,083
>10	431,918	210,236
Total	775,418	464,961

34. Total Investment Income and Net Insurance Finance Result

	The Group		
	2023		
	Amortised cost assets	FVTOCI assets	Total
	$ '000	$ '000	$ '000
Interest income -			
Debt securities	4,819,079	5,018,057	9,837,136
Mortgage loans	1,636,638	-	1,636,638
Loans and finance leases	10,950,346	-	10,950,346
Securities purchased for re-sale	111,740	-	111,740
Deposit	797,128	-	797,128
Total Interest Income	18,314,931	5,018,057	23,332,988
Net gain on de-recognition of financial assets measured at FVTOCI			530,810
Net loss on de-recognition of financial assets measured at amortised cost			(1,305)
			23,862,493
FVTPL investments			
Interest income			8,870,946
Dividend income			230,848
Unrealised gain on financial assets			1,597,304
Net gain on de-recognition of financial assets			759,479
			11,458,577
Investment properties:			
Unrealised gain			185,000
Rental Income			69,419
			254,419
Other investment income and expense:			
Other investment expense			(59,437)
			(59,437)
Income earned and capital gain from assets measured at FVTPL and other investment income			11,653,559
Total Investment Income			35,516,052
Interest expense -			
Investment contracts			(820,993)
Customer deposits			(2,563,215)
Repurchase liabilities			(4,456,219)
Due to banks and other financial institutions			(466,591)
Lease liabilities			(163,151)
Loans payable			(147,150)
			(8,617,319)
Credit impairment losses			(451,322)
Net investment income			26,447,411

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34. Total Investment Income and Net Insurance Finance Result (Continued)

	The Company 2023		
	Amortised cost assets	FVTOCI assets	Total
	$ '000	$ '000	$ '000
Interest income -			
Debt securities	65,693	-	65,693
Total interest income	65,693	-	65,693
Dividend income			4,179,000
			4,244,693
Interest expense -			
Promissory notes			(218,699)
Net investment income			4,025,994

	The Group 2022 Restated		
	Amortised cost assets	FVTOCI assets	Total
	$ '000	$ '000	$ '000
Interest income -			
Debt securities	678,074	7,647,050	8,325,124
Mortgage loans	1,319,430	-	1,319,430
Loans and finance leases	8,677,745	-	8,677,745
Securities purchased for re-sale	317,962	-	317,962
Deposit	164,704	-	164,704
Total Interest Income	11,157,915	7,647,050	18,804,965
Net gain on de-recognition of financial assets measured at FVTOCI			49,581
Net gain on de-recognition of financial assets measured at amortised cost			579,060
			19,433,606
FVTPL investments			
Interest income			8,382,711
Dividend income			273,705
Unrealised losses on financial assets			(21,245,698)
Net losses on de-recognition of financial assets			(112,011)
			(12,701,293)
Investment properties:			
Unrealised gain			234,572
Rental Income			57,043
			291,615
Other investment income and expense:			
Other investment income			25,375
Other direct investment expense			(34,483)
			(9,108)
Income earned and capital losses from assets measured at FVTPL and other investment income			(12,418,786)
Total Investment Income			7,014,820

34. Total Investment Income and Net Insurance Finance Result (Continued)

	Total
	$ '000
Interest expense -	
Investment contracts	(792,034)
Customer deposits	(1,412,202)
Repurchase liabilities	(2,954,409)
Due to banks and other financial institutions	(572,088)
Lease liabilities	(160,027)
Loans payable	(411,783)
	(6,302,543)
Credit impairment losses	(574,879)
Net investment income	137,398

	The Company 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 gain on de-recognition of financial assets measured at FVTOCI			546
			5,819,904
Interest expense -			
Promissory notes			(234,729)
Net investment income			5,585,175

An analysis of net investment income and net insurance finance expenses is presented in the following tables:

	The Group 2023	2022
	$ '000	$ '000
Net investment income / (expenses) – Underlying assets		
Interest income earned from financial assets measured at amortised cost and FVTOCI	1,203,830	1,064,961
Net (loss) / gain on de-recognition of financial assets measured at amortised cost	(1,305)	579,058
Net gain on de-recognition of financial assets measured at FVTOCI	95,067	67,162
Interest income earned and capital net gain / (loss) from assets measured at FVTPL and other investment income	11,002,347	(10,843,139)
Net credit impairment gain	125	210
Net investment income / (expenses) – Underlying assets	12,300,064	(9,131,748)
Net investment income – Other investments		
Gain on derecognition of amortised cost investments	-	2
Gain / (Loss) on derecognition of assets carried at FVTOCI	435,743	(17,581)
Interest income earned from financial assets measured at amortised cost and FVTOCI	22,129,157	17,740,004
Net gain / (loss) on FVTPL investments	456,231	(1,858,154)
Net credit impairment loss	(451,447)	(575,089)
Net investment income – Other investments	22,569,684	15,289,182

Underlying assets are those directly related to the insurance portfolio.

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34. Total Investment Income and Net Insurance Finance Result (Continued)

	The Group	
	2023	2022
	$ '000	$ '000
Net investment income – Other		
Investment property – rental income	69,419	57,043
Investment property – unrealised gains	185,000	234,572
Other investment income	(59,437)	(9,108)
Net investment income – Other	194,982	282,507
Total net investment income	35,064,730	6,439,941
Finance (expenses) / income from insurance contracts issued		
Changes in fair value of underlying assets of contracts measured under the VFA	(1,321,299)	3,451,828
Interest accreted	(3,509,302)	(2,807,220)
Effect of changes in interest rates and other financial assumptions	(756,200)	13,958,270
Finance (expenses) / income from insurance contracts issued	(5,586,801)	14,602,878
Finance income from reinsurance contracts held		
Interest accreted	6,663	(1,397)
Effect of changes in interest rates and other financial assumptions	135,184	226,663
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	(16,196)	-
Finance income from reinsurance contracts held	125,651	225,266
Net insurance finance (expenses) / income	(5,461,150)	14,828,144
Summary of the amounts recognised in the statement of income		
Net investment income / (expenses) – Underlying assets	12,300,064	(9,131,748)
Net investment income – Other investments	22,569,684	15,289,182
Net investment income – Other	194,982	282,507
Net insurance finance (expenses) / income	(5,461,150)	14,828,144
	29,603,580	21,268,085

35. Fees, Hotel and Other Income

	The Group		The Company	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Fees and other income				
Service contract revenue	13,128,046	12,001,884	-	-
Foreign exchange gains / (losses)	140,613	256,297	15,722	(21,282)
Other fees and commission income	4,220,239	4,350,581	-	-
Management fees	-	-	6,492,018	5,138,881
Gain on disposal of subsidiary	-	258,208	-	615,195
Conditional Payment - AFSL	-	116,723	-	116,723
Impairment on Real Estate Developed for Resale	-	(310,664)	-	-
Miscellaneous fees & other income	139,415	44,006	778	1,852
	17,628,313	16,717,035	6,508,518	5,851,369
Hotel Income				
Rooms	-	3,208,817	-	-
Food and beverage	-	1,066,879	-	-
Other departments	-	304,902	-	-
Other income	-	78,839	-	-
	-	4,659,437	-	-

36. Administration Expenses

	The Group			
	2023			
	Attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
	$ '000	$ '000	$ '000	$ '000
Advertising and branding	293,912	32,895	1,090,019	1,416,826
Auditors' remuneration	5,689	4,489	345,417	355,595
Automated banking machines cost	-	-	278,056	278,056
Commission and fees	3,363	13,747	490,754	507,864
Commission and Sales Expense	5,267,854	2,179,918	181,673	7,629,445
Communication and technology	332,435	400,112	3,022,907	3,755,454
Depreciation and amortisation(Notes 15/16/38)	294,842	228,983	1,562,215	2,086,040
Electronic channels charges	-	-	2,783,958	2,783,958
Fraud and operational losses	-	-	309,958	309,958
Insurance expense	4,798	524	303,770	309,092
Legal and professional fees	102,496	94,024	1,353,008	1,549,528
Office accommodation	230,778	106,595	1,015,183	1,352,556
Policy stamp duties and reimbursements	86,638	-	13,008	99,646
Postage, printing and office supplies	37,821	36,680	179,195	253,696
Sales convention and incentives	374,488	-	82,653	457,141
Services outsourced	48,600	118,559	1,149,540	1,316,699
Other expenses	350,955	265,603	1,614,522	2,231,080
Staff costs (a)	2,202,498	1,773,576	11,174,750	15,150,824
	9,637,167	5,255,705	26,950,586	41,843,458

(a) Staff costs

	The Group			
	2023			
	Attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
	$ '000	$ '000	$ '000	$ '000
Salaries	1,690,765	1,388,671	8,012,078	11,091,514
Payroll taxes	200,969	162,807	917,249	1,281,025
Pension costs (Note 17)	77,006	57,164	274,930	409,100
Other post-retirement benefits (Note 17)	39,639	13,572	397,838	451,049
Share based compensation	32,291	24,133	215,496	271,920
Restructuring costs	244	193	89,094	89,531
Other	161,584	127,036	1,268,065	1,556,685
	2,202,498	1,773,576	11,174,750	15,150,824

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36. Administration Expenses (Continued)

	The Group 2022			
	Attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**
Advertising and branding	182,053	31,212	1,107,327	1,320,592
Auditors' remuneration	6,150	4,463	274,904	285,517
Automated banking machines cost	-		219,970	219,970
Commission and fees	4,953	20,100	334,089	359,142
Commission and Sales Expense (c)	5,075,652	2,308,785	173,751	7,558,188
Communication and technology	270,384	340,853	2,333,656	2,944,893
Depreciation, amortisation and impairment (Notes 15/16/38)	279,975	210,758	2,644,240	3,134,973
Electronic channels charges	-	-	2,244,401	2,244,401
Fraud and operational losses	-	-	91,053	91,053
Insurance	5,404	596	268,706	274,706
Legal and professional fees	149,991	113,446	721,651	985,088
Office accommodation	236,545	95,015	880,548	1,212,108
Policy stamp duties and reimbursements	86,551	654	20,879	108,084
Postage, printing and office supplies	55,352	37,709	216,226	309,287
Sales convention and incentives	306,306	-	42,479	348,785
Services outsourced	29,761	79,315	1,122,903	1,231,979
Other expenses	279,544	156,329	1,551,118	1,986,991
Staff costs (a)	2,072,079	1,569,880	10,657,687	14,299,646
Hotel expenses (b)	-	-	3,379,914	3,379,914
	9,040,700	4,969,115	28,285,502	42,295,317

(a) Staff costs

	The Group 2022			
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
	$ '000	**$ '000**	**$ '000**	**$ '000**
Salaries	1,571,395	1,161,366	7,716,238	10,448,999
Payroll taxes	196,449	165,468	829,980	1,191,897
Pension costs (Note 17)	60,794	48,115	584,374	693,283
Other post-retirement benefits (Note 17)	57,462	42,734	421,818	522,014
Share based compensation	5,083	2,251	157,891	165,225
Restructuring costs	16,083	11,671	90,244	117,998
Other	164,813	138,275	857,142	1,160,230
	2,072,079	1,569,880	10,657,687	14,299,646

Other staff costs incurred by the Group associated with its hotel operations are disclosed in Note 36(b).

36. Administration Expenses (Continued)

	The Company	
	2023	**2022**
	$ '000	**$ '000**
Advertising and branding	234,930	366,420
Auditors' remuneration	43,471	34,498
Communication and technology	322,162	294,771
Depreciation, amortisation and impairment (Notes 15/16/38)	103,639	122,866
Insurance	-	1,082
Legal and professional fees	197,174	253,558
Office accommodation	29,150	44,303
Postage, printing and office supplies	3,581	8,733
Sales convention and incentives	13,918	14,340
Other expenses	246,642	179,947
Staff costs (a)	4,130,790	3,448,277
Hotel expenses (b)	5,325,457	4,768,795

(a) Staff costs

	The Company	
	2023	**2022**
	$ '000	**$ '000**
Salaries	3,101,061	3,018,645
Payroll taxes	354,550	335,153
Share based compensation	-	44,375
Other	675,179	50,104
	4,130,790	3,448,277

(b) Hotel expenses

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$ '000	**$ '000**	**$ '000**	**$ '000**
Rooms	-	397,669	-	-
Food and beverage	-	421,553	-	-
Property operations	-	100,614	-	-
Franchise expense	-	171,161	-	-
Sales and marketing	-	267,636	-	-
Other operated departments	-	772,806	-	-
Staff costs:				
Salaries and benefits	-	1,217,733	-	-
Payroll taxes	-	30,742	-	-
	-	3,379,914	-	-

(c) Commission and Sales Expense

Amount represents commission and bonuses paid to sales representatives.

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37. Taxation

(a) Tax is computed as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Current year taxation -				
Dividend income tax @ 15%	6,308	3,059	-	-
Income tax at 33 ⅓%	2,474,831	2,582,294	-	-
Income tax at 25%	2,451,715	2,834,632	296,084	324,277
	4,932,854	5,419,985	296,084	324,277
Deferred income tax (Note 18) -				
Deferred tax (credit)/charge relating to the origination and reversal of temporary differences	(444,401)	(522,506)	10,796	-
Taxation	4,488,453	4,897,479	306,880	324,277
Other taxes:				
Asset tax @ 0.25%	910,504	892,860	-	-
Withholding tax	1,420	420	-	-
Other taxes	911,924	893,280	-	-

37. Taxation (Continued)

(c) Reconciliation of applicable tax charges to effective tax charge:

	The Group		The Company	
	2023	2022	2023	2022
	$ '000	$ '000	$ '000	$ '000
Investment income tax -				
Dividend income	42,052	20,391	-	-
Tax at 15%	6,308	3,059	-	-
Income tax -				
Profit before taxation	19,061,730	14,740,901	5,209,055	6,667,749
Tax at 1%, 21%, 25% & 33⅓%	5,362,830	4,444,446	1,302,264	1,666,937
Adjusted for:				
Income not subject to income tax (i)	(3,117,146)	(2,162,900)	(1,044,750)	(1,261,958)
Asset tax not deductible for tax purposes	318,780	328,643	64,573	-
Expenses not deductible for tax purposes (ii)	2,391,091	1,845,429	-	74,883
Subsidiaries taxed at zero rate	(281,577)	(420,786)	-	-
Net effect from IFRS 17 Restatement	-	1,097,926	-	-
Prior year under provision	27,808	19,753	-	-
Net effect of other charges and allowances	(219,641)	(258,091)	(15,207)	(155,585)
	4,482,145	4,894,420	306,880	324,277
Taxation expense	4,488,453	4,897,479	306,880	324,277

(i) This includes income from Annuities and earnings from joint venture.

(ii) This includes expenses relating to annuities and interest charges

(d) The tax (charge)/credit relating to components of other comprehensive income is as follows

	The Group					
	2023			2022		
	Before tax	Tax (charge)/ credit	After tax	Before tax	Tax (charge)/ credit	After tax
Fair value gains/(losses) on OCI, net amounts recycled to income on disposal and maturity of FVTOCI securities	3,979,620	(1,118,360)	2,861,260	(12,043,483)	3,477,130	(8,566,353)
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	(119,487)	37,641	(81,846)	(19,638)	13,103	(6,535)
Re-measurement of post-employment benefits	(946,018)	228,934	(717,084)	3,467,379	(913,400)	2,553,979
Unrealised gains on owner-occupied properties:	501,105	(26,506)	474,599	2,904,777	(552,087)	2,352,690
Retranslation of foreign operations recycled on dilution of subsidiary	-	-	-	(152,490)	-	(152,490)
Retranslation of foreign operations	438,716	-	438,716	(265,361)	-	(265,361)
Other comprehensive income Deferred income taxes (Note 18)	3,853,936	(878,291)	2,975,645	(6,108,816)	2,024,746	(4,084,070)

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38. Leases

(a) Amounts recognised in the statement of financial position
The statement of financial position shows the following amounts relating to leases:

	2023 $ '000	2022 $ '000
Right-of-use assets		
Buildings	1,819,487	1,767,944
Land	53,764	55,260
	1,873,251	1,823,204
Lease liabilities		
Current	737,304	605,806
Non-current	1,406,298	1,537,995
	2,143,602	2,143,801

Additions to the right-of-use assets during the 2023 financial year were $708,252,000 (2022- $361,653,000).

(b) Amounts recognised in the profit or loss statement

The income statement shows the following amounts relating to leases:

	2023 $ '000	2022 $ '000
Amortisation charge of right-of-use assets	652,491	621,075
Interest expense (included in Interest and other interest expense – note 34)	163,151	160,027
Expense relating to short-term leases (included in administration expenses)	-	64,517

(c) The total cash outflow for leases in 2023 was $883,051,000 (2022 - $773,219,099).

(d) As at December 31, 2023, potential future cash outflows of $37,639,000 (2022- $42,174,000) (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 $310,210,000 (2022- $209,118,332).

39. 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	
	2023 $ '000	2022 $ '000
Net profit attributable to stockholders ($'000)	14,368,019	9,585,965
Weighted average number of ordinary stock units in issue ('000)	3,903,960	3,906,010
Basic earnings per stock unit ($)	3.68	2.45

(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	
	2023 $ '000	2022 $ '000
Net profit attributable to stockholders ($'000)	14,368,019	9,585,965
Weighted average number of ordinary stock units in issue ('000)	3,914,770	3,913,579
Fully diluted earnings per stock unit ($)	3.67	2.45

(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	
	2023 $ '000	2022 $ '000
Weighted average number of ordinary stock units for the purposes of the computation of basic earnings per stock unit	3,903,960	3,906,010
Effect of dilutive potential ordinary stock units – stock options	10,810	7,569
Weighted average number of ordinary stock units for the purposes of the computation of diluted earnings per stock unit	3,914,770	3,913,579

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40. Cash Flows

(a) Adjustments to reconcile net profit to net cash provided by operating activities

	Note	The Group 2023 $ '000	The Group 2022 $ '000	The Company 2023 $ '000	The Company 2022 $ '000
Adjustments for non-cash items, interest and dividends:					
Depreciation and amortisation	15/16/38	2,086,040	2,604,846	103,639	122,866
Interest and dividend income	34	(32,434,782)	(27,461,381)	(4,244,693)	(5,819,358)
Interest expense and finance costs	34	8,617,319	6,302,543	218,699	234,729
Income tax	37	4,488,453	4,897,479	306,880	324,277
Other tax expense	37	911,924	893,280	-	-
Gains on disposal of investment securities	34	(1,288,984)	(516,630)	-	(546)
Fair value (gains)/losses on trading securities	34	(1,597,304)	21,245,698	-	-
Credit impairment losses	34	451,322	574,879	-	-
Gain on disposal on Investment property	34	(5,133)	-	-	-
Impairment charge on land developed for resale		-	310,664	-	-
Interest and gains on disposal of Real Estate Developed for Resale		-	(608,697)	-	-
Gains on revaluation of investment properties	11	(185,000)	(234,572)	-	-
Conditional Payment - AFSL	35	-	(116,723)	-	(116,723)
Losses on disposal of property, plant and equipment		15,781	-	-	195
Movement in Insurance contract liabilities		8,818,761	(13,887,543)	-	-
Movement in Reinsurance contract assets		(539,699)	(610,100)	-	-
Movement in Investment contract liabilities		579,303	941,546	-	-
Retirement benefit obligations		44,637	453,425	-	-
Effect of exchange gains on foreign currency balances		(140,613)	(256,297)	(3,454)	1,325
Gain on disposal of subsidiary	14	-	(258,208)	-	(615,195)
Impairment charge on goodwill	15	-	530,127	-	-
Share of profits from joint venture	12	(241,664)	(439,994)	-	-
		(10,419,639)	(5,635,658)	(3,618,929)	(5,868,430)

	The Group 2023 $ '000	The Group 2022 $ '000	The Company 2023 $ '000	The Company 2022 $ '000
Changes in other operating assets and liabilities:				
Statutory reserves at Bank of Jamaica and restricted cash	(2,375,264)	(1,213,130)	-	-
Structured products	(671,959)	485	-	-
Stock options and grants	33,294	19,126	33,294	19,126
Due from related parties	335,872	51,617	1,082,418	-
Other assets	(4,062,638)	(244,428)	(56,656)	(297,170)
Other liabilities	5,519,326	(2,520,986)	(255,339)	123,860
	(1,221,369)	(3,907,316)	803,717	(154,184)

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40. Cash Flows (Continued)

(a) Adjustments to reconcile net profit to net cash provided by operating activities (Continued)

	The Group 2023 $ '000	The Group 2022 $ '000	The Company 2023 $ '000	The Company 2022 $ '000
Net investment purchases:				
Proceeds on sale of investment securities	154,030,759	102,073,524	(2)	590,510
Purchase of investment securities	(154,490,533)	(131,238,498)	-	(3,007)
Repurchase agreements and deposits	(10,886,124)	1,838,963	-	-
Loans and leases	(11,908,601)	(16,795,124)	-	-
	(23,254,499)	(44,121,135)	(2)	587,503
	(34,895,507)	(53,664,109)	(2,815,214)	(5,435,111)

(b) Net acquisition of property, plant and equipment

	The Group 2023 $ '000	The Group 2022 $ '000	The Company 2023 $ '000	The Company 2022 $ '000
Purchases	(591,966)	(928,072)	(106,550)	(50,141)
Proceeds from disposal	88,761	-	-	-
	(503,205)	(928,072)	(106,550)	(50,141)

(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:

	Note	The Group 2023 $ '000	The Group 2022 $ '000
Deposit and security liabilities	27	262,489,546	250,837,061
Loans payable	28	2,198,545	2,198,545
Lease liabilities	38	2,143,602	2,143,801
		266,831,693	255,179,407

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40. Cash Flows (Continued)

(c) Net debt reconciliation (Continued)

	The Group	
	2023	2022
	$ '000	$ '000
At January 1	255,179,407	233,657,949
Interest Payable	(1,161,195)	(703,955)
	254,018,212	232,953,994
Drawdown, net of repayments:		
Deposits and securities liabilities excluding structured products (i)	10,462,688	27,383,942
Loan payable	-	(153,573)
Lease repayments	(704,579)	(667,729)
Structured products	(671,959)	-
Non-Cash Movements:		
Assumed on acquisition (AFSL) (note 50)	-	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	708,252	285,387
Foreign Exchange Impact	1,711,065	(2,786,425)
Amortisation of loan cost	-	22,074
Interest payable	1,308,014	1,161,195
At December 31	266,831,693	255,179,407

	The Company	
	2023	2022
	$ '000	$ '000
At January 1	11,098,704	12,003,246
Interest Payable	(43,989)	(61,405)
	11,054,715	11,941,841
Loan repayments	(380,000)	(887,126)
Interest payable	262,689	43,989
At December 31	10,937,404	11,098,704

41. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the statement of financial position dates.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(i) Investment securities at FVTPL are measured at fair value by reference to quoted prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models, or discounted cash flows. Fair value is equal to the carrying amount of these items.

(ii) Investment securities classified as FVTOCI are measured at fair value by reference to quoted market prices or dealer quotes when available (level 1). If quoted market prices are not available, then fair values are based on pricing models or other recognised valuation techniques. (level 3) Investments in unit trusts are based on prices quoted by the fund managers.(level 2)

(iii) The fair value of the equity indexed options and the exchange traded funds that are shorted are based on quoted prices (level 1).

(iv) The fair value of demand deposits and customer accounts with no specific maturity is assumed to be the amount payable on demand at the year-end date. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using interest rates for new deposits (level 3).

(v) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

(vi) Loans are net of provision for impairment. The estimated fair value of loans represents the discounted amount of estimated future cash flows expected to be received (level 3). Expected cash flows are discounted at current market rates to determine fair value.

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.

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 and fair value is not expected to approximate to the carrying value.

	The Group			
	Carrying Value	Fair Value	Carrying Value	Fair Value
	2023	2023	2022	2022
	$ '000	$ '000	$ '000	$ '000
Financial Assets				
Investments at amortised cost (loans and receivables)	42,239,127	42,019,748	24,529,558	25,312,248
Loans & leases, after allowance for credit losses	124,125,496	121,950,383	112,736,829	111,464,342
	166,364,623	163,970,131	137,266,387	136,776,590
Financial Liabilities (Note 27)				
Securities sold under agreements to repurchase	90,821,213	90,821,213	87,385,529	87,385,529
Customer deposits and other accounts	156,499,930	156,847,334	145,950,107	145,955,724
Due to banks and other financial institutions	11,622,339	11,585,432	12,940,790	12,928,260
Loans Payable	2,198,545	2,205,923	2,198,545	2,176,559

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41. Fair Values of Financial Instruments (Continued)

	The Company			
	Carrying Value	Fair Value	Carrying Value	Fair Value
	2023	2023	2022	2022
	$ '000	$ '000	$ '000	$ '000
Financial Assets				
Financial investments – loans and receivables	1,314,202	1,314,202	736,529	736,529

(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.

41. Fair Values of Financial Instruments (Continued)

(iii) Level 3 – inputs for the instrument that are not based on observable market data

A financial instrument is classified as Level 3 if:

- The fair value is derived from quoted prices of similar instruments that are observable and which would be classified as Level 2; or
- The fair value is derived from inputs that are not based on observable market data.

Level 3 FVTOCI securities include corporate and government agency debt instruments. The fair values of these instruments have been derived from December 31 market yields of government instruments of similar durations in the country of issue of the instruments.

Level 3 assets designated as FVTPL are mainly debt securities.

The techniques and methods described in the preceding section (ii) for non-traded financial assets and liabilities may also be used in determining the fair value of Level 3 instruments.

The following table provides an analysis of financial instruments that are measured in the statement of financial position at fair value at December 31, 2023, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

	The Group 2023			
	Level 1	Level 2	Level 3	Total
	$ '000	$ '000	$ '000	$ '000
Financial Assets				
Financial investments	66,458,837	232,762,635	608,460	299,829,932
Non-Financial Assets				
Property, plant & equipment	-	-	4,374,564	4,374,564
Investment properties	-	-	1,618,306	1,618,306
	66,458,837	232,762,635	6,601,330	305,822,802

	The Group 2022			
	Level 1	Level 2	Level 3	Total
	$ '000	$ '000	$ '000	$ '000
Financial Assets				
Financial investments	63,324,418	231,705,685	773,602	295,803,705
Non-Financial Assets				
Property, plant & equipment	-	-	4,006,032	4,006,032
Investment properties	-	-	1,680,525	1,680,525
	63,324,418	231,705,685	6,460,159	301,490,262

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41. Fair Values of Financial Instruments (Continued)

The following table summarizes the quantitative information about the significant unobservable inputs used to measure the Group's Level 3 financial instruments:

	The Group					
Description	Fair Value at		Unobservable inputs	Range of unobservable inputs		Relationship of unobservable inputs to fair value
	2023 $ '000	2022 $ '000		2023 $ '000	2022 $ '000	
Investment properties (Note 11)	1,618,306	1,680,525	Comparable sale	5%	5%	Increases in comparable sale prices will have direct correlation to the fair value.
Property, plant & equipment (Note 16)	4,374,564	4,006,032	Comparable sale	5%	5%	Increases in comparable sale prices will have a direct correlation to fair value.
Unquoted ordinary equity	608,460	773,602	Adjustments to net assets	10%	10%	Increases in adjusted net assets of the underlying entities will have a direct correlation to fair value.
	6,601,330	6,460,159				

Reconciliation of level 3 unquoted ordinary equity –

	The Group	
	2023 $ '000	2022 $ '000
Balance at beginning of year	773,602	736,547
Total gains/(losses) – income statement	(165,142)	83,061
Purchases	-	63,927
Settlements	-	(109,933)
Balance at end of year	608,460	773,602

The gains or losses recorded in the profit or loss statement are included in Note 34.

The fair values for all other financial instruments approximate their carrying values and also fall within Level 2 based on the following:

- The fair value of liquid assets and other assets maturing within one year (such as cash and balances at Central Banks and amounts due from other banks) is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;
- The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the date of the statement of financial position; and
- The fair value of variable rate loans is assumed to approximate their carrying amounts and management does not believe that, after deduction of provision for credit losses, there is any significant difference between the fair value of fixed rate loans and their carrying values as interest rates approximate current market rates offered on similar loans.

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42. Insurance and Financial Risk Management

The Group's activities expose it to a variety of financial risks and those activities necessitate the analysis, evaluation, control and/or acceptance of some degree of risk or combination of risks. Taking various types of risk is core to the financial services business and operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group has a risk management framework with clear terms of reference. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the Board of Directors to Executive Management committees and senior managers. Policy frameworks which set out the risk profiles for the Group's risk management, control and business conduct standards for the Group's operations have been put in place. Each policy has a member of Executive Management charged with overseeing compliance with that policy.

The Board of Directors is ultimately responsible for the establishment and oversight of the risk management framework. The Board of Directors has established committees/departments/structures for managing and monitoring risks, as indicated below.

(i) Board Audit Committee
The Board Audit Committee comprises independent directors. The Committee:

- Oversees how management monitors internal controls, compliance with the Group's risk management policies and adequacy of the risk management framework to risks faced by the Group;
- Reviews the Group's annual and quarterly financial statements, related policies and assumptions and any accompanying reports or statements; and
- Reviews the internal audit function as well as the external auditor's independence, objectivity and effectiveness.

The Board Audit Committee is assisted in its oversight role by the Internal Audit Department. The Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board Audit Committee.

(ii) Board Capital Allocation and Investment Committee
The Board Capital Allocation and Investment Committee comprises mainly of independent directors. As part of its Terms of Reference, the Committee:

- Oversees the solvency position of regulated entities in the Group;
- Oversees the return on capital employed;
- Decides on the allocation of capital within the Group;
- Considers new capital funding options;
- Oversees the Group's financial risk management framework;
- Approves the investment policies within which the Group's investment portfolios are managed;
- Reviews the performance of the Group's investment portfolios;
- Ensures adherence to prudent standards in making investment and lending decisions and in managing investments and loans; and
- Approves new investment projects over certain thresholds, ensuring the required rates of returns are considered.

42. Insurance and Financial Risk Management (Continued)

(iii) Asset/Liability Management (ALM) Committee
The Group has in place an Asset/Liability Management (ALM) Committee. This Committee:

- Monitors the profile of the Group's assets and liabilities;
- Plans, directs and monitors various financial risks including, interest rate risk, equity risk, liquidity risk, currency risk and country risk;
- Provides guidance to the Investment Managers with regards to the appropriateness of investments assigned or purchased to support the liabilities of the various lines of business; and
- Monitors market interest rates and establishes the credited rate for various investment contracts.

(iv) Anti-Money Laundering (AML)
The Group has assigned responsibility for AML and anti-fraud to a designated department. The responsibilities of this department include:

- Maintaining and communicating the AML and Anti-fraud policies and procedures;
- Interrogating financial transactions to identify suspicious and threshold reportable items;
- Coordinating information received from operating departments on reportable items;
- Ensuring that adequate anti-fraud controls are in place; and
- Filing required reports with Management, Board of Directors and Regulatory bodies.

(v) Regulatory Compliance
The Board has assigned responsibility for monitoring regulatory compliance to a designated department. This department maintains a catalogue of all required regulatory filings and follows-up the respective departments to ensure timely submissions. The Department files the required performance reports with management and the Board of Directors.

(vi) Enterprise Risk Management
The Group utilises an Enterprise Risk Management (ERM) framework, including policies and procedures designed to identify, measure and control risk in all business activities. The policies and procedures are reviewed periodically by senior managers and the Board of Directors.

The framework provides for quarterly evaluation of risks by senior management, with reporting to the Board Audit Committee. The risk exposures are prioritised each year and the top twenty (20) risks reported on.

Boards of subsidiary companies and management teams carry similar operating structures where applicable.

The most important types of risk facing the Group are insurance risk, reinsurance risk, credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risk.

42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk

The Group issues both short term and long-term contracts that transfer insurance risk or financial risk or both.

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

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

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Long term insurance contracts

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

- Mortality risk – risk of loss arising due to the incidence of policyholder death being different than expected
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
- Longevity risk – risk of loss arising due to the annuitant living longer than expected
- Expense risk – risk of loss arising from expense experience being different than expected
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

Long-term contracts are typically for a minimum period of 5 years and a maximum period which is determined by the remaining life of the insured. In addition to the estimated benefits which may be payable under the contract, the insurer has to assess the cash flows which may be attributable to the contract. The process of underwriting may also be undertaken and may include specific medical tests and other enquiries which affect the insurer's assessment of the risk. The insurer assesses the likely benefits and cash flows both in establishing the amount of premium payable under the contract and in estimating the statement of financial position liability arising from the contract.

For long-term contracts in-force, the Group has adopted a policy of investing in assets with cash flow characteristics that closely match the cash flow characteristics of its policy liabilities. The primary purpose of this matching is to ensure that cash flows from these assets are synchronised with the timing and the amounts of payments that must be paid to policyholders.

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Long term insurance contracts (Continued)

(i) Frequency and severity of claims
For contracts where death is the insured risk, the most significant factors that could increase the overall frequency and severity of claims are epidemics and wide-ranging lifestyle changes, such as in eating, smoking and exercise habits resulting in earlier or more claims than expected. For contracts where survival is the insured risk, the most significant factors that could increase longevity are improvements in medical science and social conditions. At present, these risks do not vary significantly in relation to the location of the risk insured by the Group. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. For contracts with fixed and guaranteed benefits and fixed return premiums, there are no mitigating terms and conditions that reduce the insurance risk accepted.

The table below presents the Insurance companies' concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described below in Note 42(b). (These tables do not include annuity contracts, for which a separate analysis is reported in following pages).

	The Group - 2023			
Individual Life Benefits Assured per Life ($'000)	Total Benefits Insured			
	Before Reinsurance $ '000	%	After Reinsurance $ '000	%
0 – 200	157,670,437	7	134,401,669	6
200 - 400	152,865,000	6	130,985,018	6
400 - 800	184,673,674	8	166,909,404	7
800 - 1000	144,265,207	6	139,885,445	6
More than 1,000	1,746,697,129	73	1,706,379,108	75
Total	2,386,171,447	100	2,278,560,644	100

	The Group - 2022			
Individual Life Benefits Assured per Life ($'000)	Total Benefits Insured			
	Before Reinsurance $ '000	%	After Reinsurance $ '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

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Long term insurance contracts (Continued)

The table below represents the Insurance company's concentration of insured benefits across five bands of insured benefits per group individual life assured. The benefit insured figured are shown gross and net of reinsurance.

Group Life Benefits Assured per Life ($'000)	The Group - 2023			
	Total Benefits Insured			
	Before Reinsurance $ '000	%	After Reinsurance $ '000	%
0 – 200	36,563,586	3	24,737,424	2
200 - 400	5,357,876	0	3,767,061	0
400 - 800	1,305,297	0	522,651	0
800 - 1000	8,490	0	8,490	0
More than 1,000	1,396,870,052	97	1,375,082,351	98
Total	1,440,105,301	100	1,404,117,977	100

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 - 1000	13,690	-	13,690	-
More than 1,000	1,197,000,319	97	1,179,875,787	98
Total	1,237,272,864	100	1,206,399,941	100

The following tables for the Insurance companies' annuity contracts illustrate the concentration of risk based on five bands that group these contracts in relation to the amount payable per annum as if the annuity was in payment at the year end. The greatest risk concentration remains at the highest band, which is consistent with the prior year. The Group does not hold any reinsurance contracts against the liabilities carried for these contracts.

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Long term insurance contracts (Continued)

Annuity Payable per annum per annuitant ($'000)	The Group Total Benefits Insured 2023 $ '000	%	2022 $ '000	%
0 – 20	124,712	2	116,682	2
20 - 40	137,050	2	125,969	2
40 - 80	98,234	2	105,766	2
80 - 100	47,037	1	48,719	1
More than 100	5,777,591	93	5,472,561	93
Total	6,184,624	100	5,869,697	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.

The Group manages these risks through its underwriting strategy and reinsurance arrangements.

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. The Group reinsures the excess of the insured benefit for new business for standard risks under an excess of loss reinsurance arrangement. Medically impaired lives are reinsured at a higher cost than standard risks. The Group does not place any reinsurance for contracts that insure survival risk. Insurance risk for contracts is also affected by the policyholders' rights to pay reduced or no future premiums, to terminate the contract completely, or to exercise a guaranteed annuity option. As a result, the amount of insurance risk is also subject to the policyholders' behaviour. On the assumption that the policyholders will make decisions rationally, overall risk can be assumed to be heightened by such behaviour.

The Group has factored the impact of policyholders' behaviour into the assumptions used to measure these liabilities.

(ii) Sources of uncertainty in the estimation of future benefit payments and premium payments
Uncertainty in the estimation of future benefit payments and premium receipts for long term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in the policyholder behaviour.

The Group uses appropriate base tables of standard mortality according to the type of contract being written. An investigation as to the actual experience of the Group is carried out, and statistical methods are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future. The best estimate of future mortality is based on standard industry tables adjusted for the group's overall experience. For 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.

42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Long term insurance contracts (Continued)

(iii) Process used in deriving assumptions
The assumptions for short term life contracts and the process used in deriving these assumptions have remained substantially unchanged since the previous year.

For long-term insurance contracts, at the reporting date, the Group determines current best estimate assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. The best estimate assumptions are determined based on experience studies and the current circumstances of the business. The risk adjustment is also included (Note 3(b)(i)) which reflects an amount that Group would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

Short term insurance contracts

Short-term contracts are typically for one year's coverage, with an option to renew under terms that may be amended by the insurer. In determining the premium payable under the contract, the insurer considers the nature and amount of the risk assumed, and recent experience and industry statistics of the benefits payable. This is the process of underwriting, which establishes appropriate pricing guidelines, and may include specific tests and enquiries which determine the insurer's assessment of the risk. Insurers may also establish deductibles to limit amounts of potential losses incurred.

Policy benefits payable under short-term contracts are generally triggered by an insurable event, i.e. a medical expense or a death claim. Settlement of these benefits is expected generally within one year. However, some benefits are settled over a longer duration.

The principal risks arising from short-term insurance contracts are premium risk, claims risk and reinsurance risk (See Note 42(b)).

Premium risk is the risk that the premium rate has been set too low for the risk being assumed.

Claims risk is the risk that:

- the number of claims may exceed expectations
- the severity of claims incurred may exceed expectations
- the claim amount may develop during the interval between occurrence and settlement.

For the Group life and health insurance contracts, significant risk exposures arise from mortality and morbidity experience.

(i) Frequency and severity of claims
These contracts are mainly issued to employers to insure their commitments to their employees in terms of their employee benefit plans. This risk is affected by the nature of the industry in which the employer operates. The risk of death and disability will vary by industry. Undue concentration of risk by industry will therefore increase the risk of a change in the underlying average mortality or morbidity of employees in a given industry, with significant effects on the overall insurance risk.

Insurance risk under disability contracts is also dependent on economic conditions in the industry. The Group attempts to manage this risk through its underwriting, claims handling and reinsurance policy. Excess of loss reinsurance contracts have been purchased by the Group to limit the maximum loss on any one life and health claims, see Note 42(b) for retention limits.

42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Short term insurance contracts (Continued)

(ii) Sources of uncertainty in the estimation of future claim payments
There is no need to estimate mortality rates or morbidity rates for future years because these contracts have short duration.

(iii) Process used in deriving assumptions
The assumptions for short-duration life contracts and the process used in deriving these assumptions have remained substantially unchanged since the previous year.

The process to derive the assumptions for short-duration life contracts is similar to long-term insurance contracts. However, the short-term nature of the mortality risk underwritten makes the Group's estimate of the liability covering death benefit payments less uncertain than in the case of long-term contracts.

Property and casualty insurance risk

Advantage General Insurance Company Limited (AGI)
The primary insurance activity carried out by the subsidiary is the transfer of risk from persons or entities that are directly subject to the risk, by means of the sale of insurance policies. As such the Group is exposed to uncertainty surrounding the timing, frequency and severity of claims under these policies.

The principal types of policy written by AGI are:
- Motor insurance
- Property insurance
- Liability insurance

The management team is responsible for the execution of the Insurance Risk Management policies established and monitored directly by the Board of Directors. AGI manages its insurance risk through its underwriting and claims policies that include inter alia, authority limits, approval procedures for transactions that exceed set limits, pricing guidelines and the centralised management of reinsurance. AGI actively monitors insurance risk exposures both for individual and portfolio types of risks. These methods include internal risk measurement, portfolio modeling and scenario analyses.

Underwriting strategy
Insurance companies assume risk through the insurance contracts they underwrite and the exposures are associated with both the perils covered by the specific line of insurance and the specific processes associated with the conduct of the insurance business. AGI manages the individual risk through its Underwriting Risk Management Policy to determine the insurability of risks and exposure to large claims. AGI follows detailed, uniform underwriting practices and procedures designed to properly assess and quantify risks before issuing coverage. AGI's underwriting guidelines also outline acceptance limits and the appropriate levels of authority for acceptance of risks.

Reinsurance strategy
A comprehensive reinsurance programme is critical to the financial stability of the organisation and a detailed analysis of AGI's exposures, reinsurance needs and quality of reinsurance securities is conducted by the Board and Senior Management.

AGI's exposures are continually evaluated by Management to ensure that its reinsurances remain adequate and mechanisms are in place to continually monitor the reinsurance counterparties to ensure that they maintain A ratings, in keeping with AGI's Board approved Reinsurance Risk Management Policy. Credit risk on reinsurance is discussed in more detail later in Note 42(b).

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Short term insurance contracts (Continued)

Property and casualty insurance risk (Continued)

Advantage General Insurance Company Limited (AGI) (Continued)

Terms and conditions of general insurance contracts and factors affecting cash flows:
The table below provides an overview of the terms and conditions of general insurance contracts written by AGI and the key factors upon which the timing and uncertainty of future cash flows of these contracts depend:

Type of insurance contract	Terms and conditions	Key factors affecting future cash flows
Motor	Motor insurance contracts provide cover in respect of policyholders' motor vehicles and their liability to third parties in respect of damage to property and injury. The exposure on motor insurance contracts is normally limited to the replacement value of the vehicle, bodily injuries sustained and a policy limit in respect of third-party damage.	In general, claims reporting lags are minor and claims complexity is relatively low except with respect to bodily injury claims. Bodily injury claims tend to be more difficult to estimate due to uncertainties with respect to the value at which they will be ultimately settled, and the timeframe within which they will be settled.
Property	Property insurance indemnifies, subject to any limits or excesses, the policyholder against the loss or damage to their own material property and business interruption arising from this damage.	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.

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Short term insurance contracts (Continued)

Property and casualty insurance risk (Continued)

Advantage General Insurance Company Limited (AGI) (Continued)

Management of risks relating to Insurance contracts

Motor contracts:
The risks relating to motor contracts are managed primarily through the pricing and selection process. Management monitors and reacts to changes in trends of injury awards, litigation and the frequency of claims appeals.

Property contracts:
The risks relating to property contracts are managed primarily through the pricing and selection processes. AGI uses strict underwriting criteria to ensure that the risk of losses is acceptable. Furthermore, AGI accepts property insurance risks for one year so that each contract can be re-priced on renewal to reflect the continually evolving risk profile.

Liability contracts:
Risks arising from liability insurance are managed primarily through pricing, product design, risk selection, adopting an appropriate investment strategy, rating and reinsurance. Management monitors and reacts to changes in the general economic and commercial environment in which it operates to ensure that only liability risks which meet its criteria for profitability are underwritten. In pricing contracts, AGI makes assumptions that costs will increase in line with the latest available research.

Risk exposure and concentrations of risk:
Total insurance coverage on insurance policies provides a quantitative measure of absolute risk. However, claims arising in any one year are a very small proportion in relation to the total insurance coverage provided. The table below shows the concentration of gross and net insurance contract liabilities by type of contract at December 31. Management has its largest risk concentration in the property line.

	The Group							
	2023				2022			
Total insurance coverage	Motor insurance	Property insurance	Liability insurance	Total	Motor insurance	Property insurance	Liability insurance	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Contracts issued	98,867,176	468,589,912	88,172,046	655,629,134	85,242,978	724,361,401	79,914,204	889,518,583
Reinsurance held	49,564,512	394,190,385	71,558,896	515,313,793	42,627,573	668,798,678	62,662,473	774,088,724
Total net insurance contracts	49,302,664	74,399,527	16,613,150	140,315,341	42,615,405	55,562,723	17,251,731	115,429,859

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Short term insurance contracts (Continued)

Property and casualty insurance risk (Continued)

Liability for incurred claims - Claims development

In addition to sensitivity analysis, the development of of claims provides a measure of Sagicor Re and AGI's ability to estimate the ultimate value of claims. The table below illustrates how management's estimate of the ultimate claims liability for accident years 2018 - 2023 has changed at successive year ends, up to 2023. Updated unpaid claims and other directly attributable expenses related to claims management in each successive year, as well as amounts paid to date are used to derive the revised amounts for the ultimate claims liability for each accident year, used in the development calculations.

As required by IFRS 17, in setting claims provisions, the Group gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

The development of an insurer's claims in the course of settlement provides a measure of its ability to estimate the ultimate value of claims incurred. In the table below, the estimate of total claims incurred for each year is provided at successive year ends. The most recent estimate is then reconciled to the liability recognised as in the roll forward.

Gross undiscounted liabilities for incurred claims	The Group						
	2023						
Accident year	2018	2019	2020	2021	2022	2023	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
At the end of accident year	2,366,194	2,381,008	1,700,600	1,672,251	1,907,781	2,026,848	
One year later	2,603,621	2,423,211	1,786,758	1,811,728	2,008,642		
Two years later	2,713,092	2,530,613	1,840,956	1,860,515			
Three years later	2,884,722	2,596,148	1,866,374				
Four years later	2,910,780	2,676,145					
Five years later	2,934,225						
Gross estimates of the undiscounted amount of the claims	2,934,225	2,676,145	1,866,374	1,860,515	2,008,642	2,026,848	13,372,749
Cumulative payments to date	(2,742,086)	(2,407,599)	(1,690,719)	(1,663,593)	(1,642,725)	(803,606)	(10,950,328)
Liability recognised in the statement of financial position	192,139	268,546	175,655	196,922	365,917	1,223,242	2,422,421
Liability in respect of prior years and ULAE							516,678
Effect of discounting							(404,748)
Effect of the risk adjustment margin for non-financial risk							174,502
Total liability							2,708,853
At the end of accident year	12,505	144,540	750,832	852,000	975,414	1,018,295	
One year later	15,199	256,792	801,057	906,487	1,006,133		
Two years later	15,573	265,100	814,494	931,893			
Three years later	15,018	267,872	827,417				
Four years later	15,821	270,441					
Five years later	18,165						
Current estimate of cumulative claims	18,165	270,441	827,417	931,893	1,006,133	1,018,295	4,072,344
Cumulative payments to date	(18,432)	(255,444)	(753,565)	(832,756)	(822,949)	(399,823)	(3,082,969)
Recoverable recognised in the statement offinancial position	(267)	14,997	73,852	99,137	183,184	618,472	989,375
Recoverable in respect of prior years							3,958
Effect of discounting							(96,294)
Effect of the risk adjustment margin for non-financial risk							31,965
Other							(581,905)
Total recoverable from reinsurers							347,099

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Short term insurance contracts (Continued)

Property and casualty insurance risk (Continued)

Liability for incurred claims - Claims development (Continued)

Gross undiscounted liabilities for incurred claims

	The Group						
	2022						
Accident year	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
At the end of accident year	2,147,757	2,366,194	2,381,008	1,700,600	1,677,655	2,147,326	
One year later	5,412,465	2,603,621	2,423,211	1,786,758	1,828,004		
Two years later	2,736,195	2,713,092	2,530,613	1,853,479			
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						
Gross estimates of the undiscounted amount of the claims	2,975,312	2,924,408	2,612,056	1,853,479	1,828,004	2,147,326	14,340,585
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	262,984	341,793	1,317,013	2,726,216
Liability in respect of prior years and ULAE							510,805
Effect of discounting							(284,560)
Effect of the risk adjustment margin for non-financial risk							(94,926)
Total liability							2,857,535
At the end of accident year	14,076	12,505	144,540	750,832	861,136	1,197,332	
One year later	12,720	15,199	256,792	801,057	910,492		
Two years later	28,673	15,573	265,100	817,130			
Three years later	29,968	15,018	268,425				
Four years later	30,569	15,871					
Five years later	32,581						
Current estimate of cumulative claims	32,581	15,871	268,425	817,130	910,492	1,197,332	3,241,831
Cumulative payments to date	(3,434)	(13,849)	(245,745)	(709,060)	(746,279)	(417,018)	(2,135,385)
Recoverable recognised in the statement offinancial position	29,147	2,022	22,680	108,070	164,213	780,314	1,106,446
Recoverable in respect of prior years							23,641
Effect of discounting							(61,792)
Effect of the risk adjustment margin for non-financial risk							(32,780)
Other							(560,843)
Total recoverable from reinsurers							474,672

	The Group					
	2023			2022		
	Present value of future cash flows	**Risk adjustment for non-financial risk**	**Total**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Total gross LIC	2,617,239	91,614	2,708,853	2,762,609	94,926	2,857,535
Amount recoverable from reinsurers	287,450	59,649	347,099	441,892	32,780	474,672
Total net LIC	2,329,789	31,965	2,361,754	2,320,717	62,146	2,382,863

42. Insurance and Financial Risk Management (Continued)

Sagicor Re Insurance Company Limited
Certain casualty risks for the Group and its affiliates are covered through the subsidiary, Sagicor Re Insurance Company Limited.

The frequency and severity of casualty claims can be affected by several factors. The most significant casualty risks under the professional indemnity, directors and officers liability, medical malpractice, contractors all risk, employer's liability and public liability policies are slip and fall accidents at the insured premises, and damage to areas occupied or contents at the insured premises due to blocked drains or burst pipes. In addition, increasing level of awards, the increasing number of cases coming to court and inflation all impact on ultimate claims costs. The Group manages these risks through its underwriting strategy and proactive claims handling. The underwriting strategy concentrates on fully reinsuring the exposures to casualty risks.

Property insurance risks (Sagicor Re)
For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, river flooding, hurricanes, etc.) and their consequences (for example, subsidence claims). For certain contracts, there is a maximum amount payable for claims in any policy year.

Sagicor Re has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claims payment limits are always included to cap the amount payable on occurrence of the insured event. The cost of rebuilding properties, of replacement or indemnity for contents are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from storm or flood damage.

All of the property and casualty risks insured by Sagicor Re are reinsured, while only some of risks insured by AGI are reinsured. However, in the event that these reinsurers are unable to meet their obligations under the reinsurance agreements, the Group would be liable to pay the claims subject to deductibles and a "catch all clause". The Group mitigates the risks associated with failure of its reinsurers by transacting only with well-established and rated insurance/reinsurance companies. These are primarily international reinsurers, however, a portion of reinsurance is placed with local and regional insurers.

(b) Reinsurance risk

To limit its exposure of potential loss on an insurance policy, the insurer may cede certain levels of risk to a reinsurer. The Group selects reinsurers which have established capability to meet their contractual obligations and which generally have high credit ratings. The credit ratings of reinsurers are monitored.

For its property risks, the Group uses Treaty reinsurance - Quota Share, Excess of Loss - and Facultative reinsurance arrangements to cover single events and multiple claims arising from catastrophes. The insurer may be required to pay an additional premium to reinstate the reinsurance coverage where a claim exhausts the reinsurance limit.

For other insurance risks, insurers limit their exposure by event or per person by excess of loss or quota share treaties.

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42. Insurance and Financial Risk Management (Continued)

(b) Reinsurance risk (Continued)

Retention limits represent the level of risk retained by the insurer. The Board of Directors approved policy retention limits. Coverage in excess of these limits is ceded to reinsurers up to the treaty limit. The retention programs used by the Group are summarised below

Type of insurance contract - 2023	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 - 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.

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk

(i) Credit risk

Credit risk is the risk that one party to a financial instrument, insurance contract issued in an asset position or reinsurance contract held will cause a financial loss for the other party by failing to discharge an obligation. The following policies and procedures are in place to mitigate the Company's exposure to credit risk.

The Group's credit risk policy sets out the assessment and determination of what constitutes credit risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported accordingly. The policy is regularly reviewed for pertinence and for changes in the risk environment.

Credit risk relating to financial instruments is monitored by the Group's investment team. It is their responsibility to review and manage credit risk, including environmental risk for all counterparties. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits. It is the Group's policy to invest in high quality financial instruments with a low risk of default. If there is a significant increase in credit risk, the policy dictates that the instrument should be sold and amounts recovered reinvested in high quality instruments.

The nature of the Group's exposure to credit risk and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period. For financial assets measured at either FVTOCI or amortised cost, credit risk exposure is the gross carrying amount, while financial assets measured at FVTPL, the Group's credit risk exposure is the carrying amount. Refer to Notes 3(b)(iv), 8,and 9.

Credit exposure
The table below provides information regarding the credit risk exposure of the Group by classifying assets according to the Group's credit ratings of counterparties as defined in Note 3(b)(iv)).The amounts represent the maximum amount exposure to credit risk. The credit risk analysis below is presented in line with how the Group manages the risk. The Group manages its credit exposure based on the carrying value of the financial instruments (detailed in Note 8) and insurance and reinsurance assets.

	The Group					
	2023					
	Investment grade	**Non-investment grade**	**Watch**	**Default**	**Unrated**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash resources	9,407,939	13,430,379	-	-	-	22,838,318
Cash reserve at Bank of Jamaica	-	14,467,076	-	-	-	14,467,076
Financial investments & pledged assets excluding equities	60,359,082	242,809,968	39,305	-	-	303,208,355
Unit trusts	-	29,073,648	-	-	-	29,073,648
Loans and leases, after allowance for credit losses	-	123,036,858	1,088,638		-	124,125,496
Reinsurance contract assets	2,785,041	-	-	-	-	2,785,041
Other assets	-	4,781,054	-	-	-	4,781,054
Total credit risk exposure	72,552,062	427,598,983	1,127,943	-	-	501,278,988

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(i) Credit risk (Continued)

	The Group					
	2022					
	Investment grade	Non-investment grade	Watch	Default	Unrated	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cash resources	10,198,500	12,054,170	-	-	-	22,252,670
Cash reserve at Bank of Jamaica	-	12,091,812	-	-	-	12,091,812
Financial investments & pledged assets excluding equities	62,523,436	217,572,459	37,974	-		280,133,869
Unit trusts	-	29,100,535	-	-	-	29,100,535
Loans and leases, after allowance for credit losses	-	111,534,711	1,202,118	-	-	112,736,829
Reinsurance contract assets	2,189,643	-	-	-	-	2,189,643
Other assets	-	5,103,743	-	-	-	5,103,743
Total credit risk exposure	74,911,579	387,457,430	1,240,092	-	-	463,609,101

The Group's maximum exposure to credit risk from insurance contract assets is as per balance on the Statement of Financial Position.

The Group actively manages its product mix to ensure that there is no significant concentration of credit risk.

(ii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

The Group is exposed to daily calls on their available cash resources from, insurance benefits payments, working capital requirements, overnight placement of funds, maturing placement of funds, loan draw-downs and guarantees. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of investment of maturing funds can be predicted with a high level of certainty. The Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the Treasury Department, includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;

(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Maintaining committed lines of credit and optimising cash returns on investments;

(iv) Monitoring statement of financial position liquidity ratios against internal and regulatory requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities; and

(v) Managing the concentration and profile of debt maturities.

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(ii) Liquidity risk (Continued)

Liquidity risk management process (Continued)

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for companies ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of loss.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

Certain investment portfolios within the Group contain securities which can only be disposed of over a period of time. In such instances, the Group generally maintains higher levels of short term instruments to compensate for the relative illiquidity of the aforementioned securities.

The disclosures provided in this note are based on the Group's and the company's investment portfolio as at December 31, 2023 and 2022.

The tables below present the undiscounted cash flows payable (both interest and principal cash flows) of the Group's financial based on contractual repayment obligations. The Group expects that many policyholders/customers will not request repayment on the earliest date the Group could be required to pay. The expected maturity dates of liabilities are based on estimates made by management as determined by retention history. Liquidity risk tables are shown for financial liabilities.

	The Group			
	Within 1 year	**1-5 years**	**Over 5 years**	**Total**
	$000	**$000**	**$000**	**$000**
Undiscounted Financial Liabilities - December 31, 2023				
Deposit and security liabilities	265,869,442	2,102,107	1,692,251	269,663,800
Loans Payable	2,291,270	-	-	2,291,270
Other liabilities	18,368,931	53,686	720,439	19,143,056
Lease liabilities	861,473	1,486,951	162,262	2,510,686
Investment contracts liabilities	15,691,624	5,822,821	-	21,514,445
Total undiscounted liabilities	303,082,740	9,465,565	2,574,952	315,123,257

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(ii) Liquidity risk (Continued)

	The Group			
	Within 1 year	**1-5 years**	**Over 5 years**	**Total**
	$000	**$000**	**$000**	**$000**
Undiscounted Financial Liabilities - December 31, 2022				
Deposit and security liabilities	251,865,681	2,358,394	1,531,067	255,755,142
Loans Payable	147,956	2,290,866	-	2,438,822
Other liabilities	13,919,657	53,686	-	13,973,343
Lease liabilities	751,678	1,248,556	746,466	2,746,700
Investment contracts liabilities	16,624,192	4,062,071		20,686,263
Total undiscounted liabilities	283,309,164	10,013,573	2,277,533	295,600,270

	The Company 2023			
	Within 1 year	**1-5 years**	**Over 5 years**	**Total**
	$000	**$000**	**$000**	**$000**
Undiscounted Financial Liabilities				
Promissory notes	-	10,965,309	-	10,965,309
Other Liabilities	5,755,076	-	-	5,755,076
Total undiscounted liabilities	5,755,076	10,965,309	-	16,720,385

	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

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(ii) Liquidity risk (Continued)

Off-balance sheet items

The tables below show the contractual expiry by maturity of commitments.

	The Group			
	No later than 1 year	1-5 years	Over 5 years	Total
	$000	$000	$000	$000
At December 31, 2023				
Credit commitments	11,192,560	1,945,367	905,664	14,043,591
Guarantees, acceptances and other financial facilities	4,751,966	4,550	1,508,653	6,265,169
Operating lease commitments	33,246	-	-	33,246
	15,977,772	1,949,917	2,414,317	20,342,006
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

The amounts of insurance contract liabilities that are payable on demand are set out below:

	The Group			
	2023		2022	
	Amounts payable on demand	Carrying amount	Amounts payable on demand	Carrying amount
	$000	$000	$000	$000
Long term contracts	63,603,844	133,894,048	57,220,698	125,609,498

The tables below reflect the financial assets and liabilities portion of the insurance contracts assets and liabilities at the year- end date

Insurance and Reinsurance Contracts Assets	2023			2022		
	Long-term	Short-term	Total	Long-term	Short-term	Total
	$000	$000	$000	$000	$000	$000
Reinsurance contract assets	253,910	750,696	1,004,606	68,034	892,514	960,548
Insurance contract assets	(173,365)	206,357	32,992	-	-	-
	80,545	957,053	1,037,598	68,034	892,514	960,548

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42. Insurance and Financial Risk Management (Continued)

(ii) Liquidity risk (Continued)

The tables below reflect the expected maturities of the Group's discounted insurance contract and reinsurance assets and liabilities at the year-end date.

	The Group 2023						
	Within 1 Year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
	$000	$000	$000	$000	$000	$000	$000
Insurance and Reinsurance Contracts Assets							
Reinsurance contract assets	436,667	13,925	126,150	10,181	(3,019)	420,702	1,004,606
Insurance contract assets	219,258	2,565	(55)	(857)	(228)	(187,691)	32,992
	655,925	16,490	126,095	9,324	(3,247)	233,011	1,037,598
Insurance and Reinsurance Contracts Liabilities							
Reinsurance contract liabilities	(430,479)	42,671	42,578	28,505	(5,498)	1,272,816	950,593
Insurance contract liabilities	(502,851)	(4,790,580)	(2,181,494)	(2,201,183)	1,259,957	94,385,418	85,969,267
	(933,330)	(4,747,909)	(2,138,916)	(2,172,678)	1,254,459	95,658,234	86,919,860
On statement of financial position liquidity gap	1,589,255	4,764,399	2,265,011	2,182,002	(1,257,706)	(95,425,223)	(85,882,262)
Cumulative liquidity gap	1,589,255	6,353,654	8,618,665	10,800,667	9,542,961	(85,882,262)	

	The Group 2022						
	Within 1 Year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
	$000	$000	$000	$000	$000	$000	$000
Insurance and Reinsurance Contract Assets	839,908	-	98,612	-	-	22,028	960,548
Insurance and Reinsurance Contract Liabilities	7,845,212	(4,405,080)	(2,408,334)	(2,495,286)	(1,438,867)	91,804,749	88,902,394
	(7,005,304)	4,405,080	2,506,946	2,495,286	1,438,867	(91,782,721)	(87,941,846)
On statement of financial position liquidity gap	(7,005,304)	4,405,080	2,506,946	2,495,286	1,438,867	(91,782,721)	(87,941,846)
Cumulative liquidity gap	(7,005,304)	(2,600,224)	(93,278)	2,402,008	3,840,875	(87,941,846)	

	The Group 2023			
	Within 1 Year	1-5 years	Over 5 years	Total
	$000	$000	$000	$000
Assets				
Financial assets excluding Insurance and Reinsurance Contracts Assets				
Cash resources	22,838,318	-	-	22,838,318
Cash reserve at Bank of Jamaica	14,467,076	-	-	14,467,076
Financial investments and pledged assets excluding equities	65,011,631	49,790,892	188,405,832	303,208,355
Unit trusts	29,073,648	-	-	29,073,648
Loans & leases, after allowance for credit losses	35,636,090	45,342,558	43,146,848	124,125,496
Other assets	4,727,368	53,686	-	4,781,054
Total financial assets excluding Insurance and Reinsurance Contracts Assets	**171,754,131**	**95,187,136**	**231,552,680**	**498,493,947**

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(ii) Liquidity risk (Continued)

	The Group 2023			
	Within 1 Year	1-5 years	Over 5 years	Total
	$000	$000	$000	$000
Liabilities				
Financial liabilities excluding Insurance and Reinsurance Contracts Liabilities				
Deposit and security liabilities	260,197,885	1,109,781	1,181,880	262,489,546
Loan Payable	2,198,545	-	-	2,198,545
Other liabilities	19,089,370	53,686	-	19,143,056
Lease liabilities	737,495	1,271,531	134,576	2,143,602
Investment contract liabilities	15,566,346	5,215,506	110,422	20,892,274
Total liabilities	297,789,641	7,650,504	1,426,878	306,867,023
On statement of financial position liquidity gap	(126,035,510)	87,536,632	230,125,802	191,626,924
Cumulative liquidity gap	(126,035,510)	(38,498,878)	191,626,924	

	The Group 2022			
	Within 1 Year	1-5 years	Over 5 years	Total
	$000	$000	$000	$000
Total financial assets excluding Insurance and Reinsurance Contracts Assets	158,876,041	78,427,041	224,118,754	461,421,836
Total financial liabilities excluding Insurance and Reinsurance Contracts Liabilities	273,644,198	14,074,029	1,463,229	289,181,456
On statement of financial position liquidity gap	(114,768,157)	64,353,012	222,655,525	172,240,380
Cumulative liquidity gap	(114,768,157)	(50,415,145)	172,240,380	

	The Company 2023			
	Within 1 Year	1-5 years	Over 5 years	Total
	$000	$000	$000	$000
Assets				
Financial assets				
Cash resources	402,592	-	-	402,592
Financial investments and pledged assets	1,314,202	-	-	1,314,202
Other assets	162,095	-	-	162,095
Total assets	1,878,889	-	-	1,878,889
Liabilities				
Financial liabilities				
Promissory notes	-	10,937,404	-	10,937,404
Other liabilities	5,755,076	-	-	5,755,076
Total liabilities	5,755,076	10,937,404	-	16,692,480
On statement of financial position liquidity gap	(3,876,187)	(10,937,404)	-	(14,813,591)
Cumulative liquidity gap	(3,876,187)	(14,813,591)	(14,813,591)	

	2022			
Financial assets	1,523,698	-	-	1,523,698
Financial liabilities	5,395,340	10,174,675	-	15,570,015
On statement of financial position liquidity gap	(3,871,642)	(10,174,675)	-	(14,046,317)
Cumulative liquidity gap	(3,871,642)	(14,046,317)	(14,046,317)	

42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(ii) Liquidity risk (Continued)

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, central bank balances, items in the course of collection, investment securities and other eligible bills, loans and advances to banks, and loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt securities and treasury and other bills have been pledged to secure liabilities. The Group is also able to meet unexpected net cash outflows by selling securities and accessing additional funding sources from other financing institutions.

(iii) Market risk

The Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Investment department which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

The Group's investment portfolios were impacted by the widening of credit spreads and resulted in significant fall-off in asset prices. The Group has continually monitored its portfolios to determine if any further action would have been needed to protect the Group's statement of financial position and have re-balanced portfolios where necessary. The investment portfolios across the group, particularly in the main asset classes (fixed income, equities and real estate) were positively impacted in the recovery both locally and internationally for the current year.

Price risk

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

The Group is exposed to equity securities price risk because of investments held by the Group and classified as FVTOCI or at FVTPL. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Group.

The Group's investments in equity securities are publicly traded on the Jamaica Stock Exchange (JSE), the National Association of Securities Dealers Automated Quotation System (NASDAQ) and the New York Stock Exchange (NYSE). The Group's sensitivity to equity securities price risk is disclosed in Note 43.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Group takes an open position in a currency. To control this exchange risk the Asset and Liability Committee (ALCO) has approved limits for net open position in each currency for both intra-day and overnight position. This limit may vary from time to time as determined by ALCO.

The Group also has transactional currency exposure. Such exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign assets to address short term imbalances.

The Group's operations in the Cayman Islands, Costa Rica and 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.

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

Currency risk (Continued)

Concentrations of currency risk
The Group and the company are most sensitive to currency risk in its operating currencies which float against the United States dollar.

The following tables summarise the exposure of the Group and the company to foreign currency exchange rate risk. Included in the tables are the Group's financial and insurance assets and liabilities at carrying amounts categorised by currency.

	The Group 2023			
	Jamaican $	US$	Other	Total
	$000	$000	$000	$000
Financial Assets				
Cash resources	11,695,760	8,699,774	2,442,784	22,838,318
Cash reserve at Bank of Jamaica	5,771,926	8,392,645	302,505	14,467,076
Financial investments and pledged assets	181,208,570	160,087,251	773,238	342,069,059
Loans & leases, after allowance for credit losses	103,579,709	20,545,787	-	124,125,496
Insurance contract assets	7,781	(6,888)	174,038	174,931
Reinsurance contracts assets	1,421,055	772,842	591,144	2,785,041
Other assets	3,387,659	1,392,455	940	4,781,054
Total financial and insurance assets	307,072,460	199,883,866	4,284,649	511,240,975
Financial Liabilities				
Deposit and security liabilities	144,078,627	115,704,392	2,706,527	262,489,546
Loan payable	2,198,545	-	-	2,198,545
Other liabilities	16,221,103	2,876,221	45,732	19,143,056
Insurance contract liabilities	86,351,667	49,681,301	8,955,060	144,988,028
Lease liabilities	2,143,602	-	-	2,143,602
Investment contracts liabilities	13,713,138	7,035,626	143,510	20,892,274
Reinsurance contract liabilities	293,881	262,041	39,819	595,741
Total financial and insurance liabilities	265,000,563	175,559,581	11,890,648	452,450,792
Net on statement of financial position foreign currency exposure	42,071,897	24,324,285	(7,605,999)	58,790,183

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

Currency risk (Continued)

	The Group			
	2022			
	Jamaican $	US$	Other	Total
	$000	$000	$000	$000
Total assets	276,363,131	194,625,088	3,719,734	474,707,953
Total liabilities	237,123,489	176,685,401	10,739,563	424,548,453
Net on statement of financial position foreign currency exposure	39,239,642	17,939,687	(7,019,829)	50,159,500

As of December 31, 2023, the Company's maximum exposure to foreign currency exchange rate risk pertains to financial investments, pledged assets and cash resources amounting to J$143,160,000 (2022: J$423,097,000), denominated in US dollars.

Cash flow and fair value interest rate risk

Cash flow risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Interest rate changes may also result in losses if asset and liability cash flows are not closely matched with respect to timing and amount. The Asset and Liability Committee sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored at least quarterly.

The return on investments may be variable, fixed for a term or fixed to maturity. On reinvestment of a matured investment, the returns available on the new investment may be significantly different from the returns formerly achieved. This is known as reinvestment risk.

The Group monitors interest rate risk by calculating the mean duration of the investment portfolio and the liabilities issued. The mean duration is an indicator of the sensitivity of the assets and liabilities to change in current interest rates. The mean duration of the liabilities is determined by means of projecting expected cash flows from the contracts using best estimate assumptions.

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

(i) Long term traditional insurance contracts and some investment contracts
Insurance and investment contracts with guaranteed and fixed terms have benefit payments that are fixed and guaranteed at the inception of the contract. The financial components of these benefits may include a guaranteed fixed interest rate and hence the Group's primary financial risk on these contracts is the risk that interest income and capital redemptions from the financial assets backing the liabilities 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.

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

Cash flow and fair value interest rate risk (Continued)

(ii) Long term insurance contracts and investment contracts without fixed terms (Continued)
The Group's primary exposure to financial risk for these contracts is the risk of volatility in asset management fees due to the impact of interest rate and market price movements on the fair value of the assets held in the linked funds, on which investment management fees are based.

A decrease of 10% in the value of the assets would reduce the asset management fees to $123,899,000 (2022 - $44,993,000) per annum.

Unit-linked and interest-sensitive universal life type contracts have embedded surrender options. These embedded derivatives vary in response to the change in a financial variable (such as equity prices and interest rates). At year end, all embedded derivatives within insurance liabilities were closely related to the host contract and did not require separation.

For short term insurance contracts, the Group has matched the insurance liabilities with a portfolio of debt securities. The financial assets in this portfolio are characterised by interest rate risk.

Short term liabilities are not directly sensitive to the level of market interest rates, as they are undiscounted and contractually non-interest bearing.

The following tables summarise carrying amounts of statement of financial position assets, financial liabilities and insurance liabilities in order to arrive at the Group and company's interest rate gap based on earlier of contractual repricing or maturity dates.

The disclosures provided in this note are based on the Group and company's financial assets portfolio as at December 31, 2023 and 2022.

	The Group				
	2023				
	Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
	$000	$000	$000	$000	$000
Financial Assets					
Cash resources	9,266,085	-	-	13,572,233	22,838,318
Cash reserve at Bank of Jamaica	-	-	-	14,467,076	14,467,076
Financial investments and pledged assets	65,773,904	44,783,049	188,428,295	43,083,811	342,069,059
Loans & leases, after allowance for credit losses	122,477,667	888,545	207,693	551,591	124,125,496
Reinsurance contract assets	(176,903)	301,256	(291,233)	2,951,921	2,785,041
Insurance contract assets	(4,302)	5,476	169,921	3,836	174,931
Other assets	-	53,685	-	4,727,369	4,781,054
Total financial assets	197,336,451	46,032,011	188,514,676	79,357,837	511,240,975

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

Cash flow and fair value interest rate risk (Continued)

	The Group				
	2023				
	Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
	$000	$000	$000	$000	$000
Financial Liabilities					
Deposit and security liabilities	237,972,553	22,907,597	936,713	672,683	262,489,5
Loan Payable	-	2,180,000	-	18,545	2,198,5
Other liabilities	-	53,686	-	19,089,370	19,143,0
Lease liabilities	731,137	1,225,888	167,576	19,001	2,143,6
Insurance contract liabilities	(13,482,851)	(14,007,986)	166,065,921	6,412,944	144,988,0
Reinsurance contract liabilities	(447,991)	(44,412)	(346,659)	1,434,803	595,7
Investment contracts liabilities	15,566,346	5,215,506	110,422	-	20,892,2
Total financial liabilities	240,339,194	17,530,279	166,933,973	27,647,346	452,450,7
On statement of financial position interest sensitivity gap	(43,002,743)	28,501,732	21,580,703	51,710,491	58,790,1
Cumulative interest sensitivity gap	(43,002,743)	(14,501,011)	7,079,692	58,790,183	

	The Group				
	2022				
	Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
	$000	$000	$000	$000	$000
Total financial assets	174,326,802	37,127,231	184,531,451	78,722,469	474,707,9
Total financial liabilities	250,132,203	(4,205,157)	157,207,237	21,414,170	424,548,4
On statement of financial position interest sensitivity gap	(75,805,401)	41,332,388	27,324,214	57,308,299	50,159,5
Cumulative interest sensitivity gap	(75,805,401)	(34,473,013)	(7,148,799)	50,159,500	

42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

Cash flow and fair value interest rate risk (Continued)

	The Company				
	2023				
	Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
	$000	$000	$000	$000	$000
Financial Assets					
Cash resources	402,592	-	-	-	402,592
Financial investments and pledged assets	1,314,202	-	-	-	1,314,202
Other assets	-	-	-	162,095	162,095
Total financial assets	1,716,794	-	-	162,095	1,878,889
Financial Liabilities					
Deposit and security liabilities	-	10,937,404	-	-	10,937,404
Other liabilities	-	-	-	5,755,076	5,755,076
Total financial liabilities	-	10,937,404	-	5,755,076	16,692,480
On statement of financial position interest sensitivity gap	1,716,794	(10,937,404)	-	(5,592,981)	
Cumulative interest sensitivity gap	1,716,794	(9,220,610)	(9,220,610)	(14,813,591)	

	The Company				
	2022				
	Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
	$000	$000	$000	$000	$000
Total financial assets	1,392,381	`		471,144	1,863,525
Total financial 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)	

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

Cash flow and fair value interest rate risk (Continued)

The table summarises the average effective yields by the earlier of the contractual repricing or maturity dates:

	The Group 2023					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
	%	%	%	%	%	%
Investments (1)	5.64	5.46	6.58	6.36	5.72	6.77
Loans	10.4	8.6	7.2	8.0	2.8	9.8
Mortgages (2)	-	9.5	6.0	6.5	6.0	6.0
Bank overdraft	0.48	-	-	-	-	-
Deposits	2.3	5.5	5.0	5.8	8.0	2.9

	The Group 2022					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
	%	%	%	%	%	%
Investments (1)	8.70	5.10	8.20	4.90	3.30	7.60
Loans	9.70	8.10	6.80	6.80	2.80	8.70
Mortgages (2)	-	9.90	8.60	9.50	7.10	8.80
Bank overdraft	48.00	-	-	-	-	-
Deposits	1.20	3.80	4.30	4.20	-	1.73

	The Company 2023					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
	%	%	%	%	%	%
Investments (1)	-	7.0	-	-	-	7.0
Deposits	-	-	4.5	7.0	-	5.8

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

Cash flow and fair value interest rate risk (Continued)

	The Company					
	2022					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
	%	%	%	%	%	%
Investments (1)	-	4.0	-	-	-	-
Deposits	-	4.5	5.5	-	-	-

(1) Yields are based on book values and contractual interest adjusted for amortisation of premiums and discounts.

(2) Yields are based on book values, net of allowances for impairment and contractual interest rates.

Sensitivity

The Group's sensitivity to interest rate risk is disclosed in Note 43.

(iv) Operational risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

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43. Sensitivity Analysis

The sensitivity analysis for assets and liabilities including those relating to insurance and reinsurance contracts are detailed below.

(i) Sensitivity arising from the valuation of life insurance and annuity contracts

In summary, the valuation of liabilities of life insurance and annuity contracts is sensitive to:
- the economic scenario,
- the investments allocated to back the liabilities,
- the underlying assumptions used, and
- risk adjustment for non-financial risks

The Appointed Actuary tests the 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 contract liabilities. The other assumptions to which the liabilities of the Group are most sensitive, are in descending order of impact:

- Mortality and morbidity
- Longevity
- Operating expenses
- Lapse and surrender rates

The following sensitivity analysis shows the impact (gross and net of reinsurance held) on contractual service margin, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options. When options exist, they are the main reason for the asymmetry of sensitivities. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

	The Group		
Insurance contracts issued	2023		
	Change in assumptions	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance
		$'000	$'000
Mortality/morbidity rate	+10%	(526,688)	(526,688)
Longevity	+10%	16,547	16,547
Expenses	+10%	(193,674)	(193,674)
Lapse and surrenders rate	+10%	(103,864)	(103,864)

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43. Sensitivity Analysis (Continued)

(i) Sensitivity arising from the valuation of life insurance and annuity contracts (Continued)

Insurance contracts issued

	2023		
	Change in assumptions	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance
		$'000	$'000
Mortality/morbidity rate	-10%	514,789	514,789
Longevity	-10%	(18,205)	(18,205)
Expenses	-10%	193,457	193,457
Lapse and surrenders rate	-10%	173,059	173,059

	The Group 2022		
	Change in assumptions	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance
		$'000	$'000
Mortality/morbidity rate	+10%	(448,036)	(448,036)
Longevity	+10%	12,867	12,867
Expenses	+10%	(191,505)	(191,505)
Lapse and surrenders rate	+10%	(106,354)	(106,354)
Mortality/morbidity rate	-10%	436,400	436,400
Longevity	-10%	(12,867)	(12,867)
Expenses	-10%	191,356	191,356
Lapse and surrenders rate	-10%	134,305	134,305

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43. Sensitivity Analysis (Continued)

(i) Sensitivity arising from the valuation of life insurance and annuity contracts (Continued)

	The Group				
		2023		2022	
	Change in assumptions	Impact on CSM before tax gross of reinsurance	Impact on CSM before tax net of reinsurance	Impact of CSM before tax gross of reinsurance	Impact of CSM before tax net of reinsurance
		$'000	$'000	$'000	$'000
Mortality/morbidity rate	+10%	(4,132,240)	(3,860,904)	(3,841,675)	(3,602,696)
Longevity	+10%	43,157	43,157	36,740	36,740
Expenses	+10%	(1,155,867)	(1,155,836)	(1,043,211)	(1,043,155)
Lapse and surrenders rate	+10%	(2,586,331)	(2,541,480)	(2,120,659)	(2,079,041)
Mortality/morbidity rate	-10%	4,073,393	3,796,730	3,790,351	3,546,555
Longevity	-10%	(47,723)	(47,723)	(36,740)	(36,740)
Expenses	-10%	1,155,330	1,155,301	1,030,562	1,030,497
Lapse and surrenders rate	-10%	2,931,420	2,880,293	2,552,894	2,508,916

The determination of contract liabilities is sensitive to a number of assumptions, and changes in those assumptions could have a significant effect on the valuation results. In applying the noted methodologies, the following assumptions were made:

(i) The claims inflation rate implicitly used in the valuation is equivalent to that rate which is part of the historical data. To the extent that this has raised the average factors on which future development expectations are based, the valuation contains implicit provision for future inflationary shocks, which we believe is appropriate;

(ii) With respect to the analysis of the incurred claims development history, the level of case reserve adequacy is relatively consistent (in inflation adjusted terms) over the experience period;

(iii) With respect to the Bornhuetter-Ferguson method, the average on-level ultimate net loss ratios are representative of recent historical loss ratios. There is no evident trend in the historical net loss ratios adjusted for rate changes and cost changes;

(iv) With respect to the analysis of the gross and net paid claims development history, the rate of payment of ultimate incurred losses for the more recent years is indicative of future settlement patterns. This assumption is based on management's view of the change in claims settlement practices in recent years; and

(v) Claims are expressed at their estimated ultimate undiscounted value, in accordance with the requirement of the Insurance Act, 2001. Refer to the gross undiscounted liabilities for incurred claims table in Note (42(a)).

A 10% increase in the future development assumptions increases the liabilities for incurred claims by $51,719,000 (2022 - $61,719,000) while a 10% decrease, decreases the liabilities for incurred claims by $53,553,000 (2022 - $64,796,000).

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

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43. Sensitivity Analysis (Continued)

(ii) Sensitivity arising from the valuation of property and casualty contracts (Continued)

The following sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are non linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

	The Group				
	2023				
	Change in assumptions	Impact of profit before tax gross of reinsurance	Impact of profit before tax net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
		$'000	$'000	$'000	$'000
Weighted average term to settlement	+10%	(31,527)	(22,094)	(21,018)	(14,729)
Expected loss	+10%	(91,537)	(53,553)	(61,025)	(35,702)
Inflation rate	+1%	43,579	30,737	29,053	20,491
Weighted average term to settlement	-10%	31,902	22,372	21,268	14,915
Expected loss	-10%	88,527	51,758	59,018	34,505
Inflation rate	-1%	(42,375)	(29,877)	(28,250)	(19,918)
	2022 Restated				
Weighted average term to settlement	+10%	(28,086)	(20,218)	(18,724)	(13,479)
Expected loss	+10%	83,264	54,147	55,509	36,098
Inflation rate	+1%	42,520	31,987	28,347	21,325
Weighted average term to settlement	-10%	28,389	20,446	18,926	13,631
Expected loss	-10%	(87,502)	(56,805)	(58,335)	(37,870)
Inflation rate	-1%	(41,488)	(31,211)	(27,659)	(20,807)

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43. Sensitivity Analysis (Continued)

(iii) Sensitivity arising from a decline in equity prices

The Group is sensitive to fair value risk on its financial assets at FVTPL and FVTOCI equity securities. The effects of an increase by 10% and a decrease by 5% in equity prices at the year-end date are set out below.

	The Group		
	Carrying Value	Effect of 10% decrease at December 31, 2023	Effect of 5% increase at December 31, 2023
	$000	$000	$000
Financial assets at fair value through profit or loss and other comprehensive income equity securities:			
Listed on Jamaica Stock Exchange	5,672,593	(567,259)	283,630
Listed on US Stock Exchange	3,933,230	(393,323)	196,662
Other	29,254,881	(2,925,488)	1,462,744
	38,860,704	(3,886,070)	1,943,036

(iv) Sensitivity arising from currency risk

The Group and the Company is most sensitive to currency risk in its operating currencies which float against the United States dollar.

The effect of further depreciation and appreciation in the Jamaican dollar (JMD) relative to the United States dollar (USD) at the year-end date is considered in the following tables. The correlation of variables will have a significant effect in determining the ultimate impact of currency risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. The method used for deriving sensitivity information and significant variables did not change from the previous period.

	The Group					
	2023			2022 Restated		
	Balances Denominated in other than JMD	Effect of 10% depreciation at December 31, 2023	Effect of 10% appreciation at December 31, 2023	Balances Denominated in other than JMD	Effect of 4% depreciation at December 31, 2022	Effect of 1% appreciation at December 31, 2022
	$000	$000	$000	$000	$000	$000
Statement of financial position:						
Assets	199,883,866	179,895,479	219,872,253	194,625,088	186,840,084	196,571,340
Liabilities	175,559,581	158,003,623	193,115,539	176,685,401	169,617,985	178,452,255
Net position	24,324,285	21,891,857	26,756,714	17,939,687	17,222,100	18,119,085
Impact on Net Profit						
Other comprehensive Income		(2,432,429)	2,432,429		(717,587)	179,398

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43. Sensitivity Analysis (Continued)

(iv) Sensitivity arising from currency risk (Continued)

	The Company					
	2023			2022 Restated		
	Balances Denominated in other than JMD	Effect of 10% depreciation at December 31, 2023	Effect of 10% appreciation at December 31, 2023	Balances Denominated in other than JMD	Effect of 10% depreciation at December 31, 2022	Effect of 10% appreciation at December 31, 2022
	$000	$000	$000	$000	$000	$000
Statement of financial position:						
Assets	140,218	126,196	154,240	423,097	406,173	427,328
Liabilities	-	-	-	-	-	-
Net position	140,218	126,196	154,240	423,097	406,173	427,328
Impact on Net Profit -Other comprehensive Income		(14,022)	14,022		(16,924)	4,231

The following analysis is performed for reasonably possible movements in key variables, with all other variables held constant, showing the impact on contractual service margin, profit before tax, and equity due to changes in the fair value of insurance and reinsurance contract assets and liabilities.

	The Group							
	2023				2022			
	Change in exchange rate	CSM denominated in US$	Impact on profit before tax	Impact on equity	Change in exchange rate	CSM denominated in US$	Impact on profit before tax	Impact on equity
		$000	$000	$000	%	$000	$000	$000
JMD/USD exchange rate								
Insurance and reinsurance contracts	+10%	3,218,741	(136,026)	(156,587)	+10%	4,699,153	(324,668)	(102,527)
Insurance and reinsurance contracts	-10%	2,926,128	156,587	156,587	-10%	3,844,761	324,668	102,527

	The Group					
	2023			2022		
	Change in exchange rate	Impact on profit before tax	Impact on equity	Change in exchange rate	Impact on profit before tax	Impact on equity
JMD/USD exchange rate						
Insurance and reinsurance contracts, net	+10%	(4,586,096)	(594,931)	+10%	(4,055,430)	(480,052)
Underlying assets	+10%	8,541,143	3,259	+10%	7,304,492	2,248
Insurance and reinsurance contracts, net	-10%	4,586,096	594,931	-10%	4,055,430	480,052
Underlying assets	-10%	(8,541,143)	(3,259)	-10%	(7,304,492)	(2,248)

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43. Sensitivity Analysis (Continued)

(v) Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on profit or loss and other components of equity.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables have been changed on an individual basis. It should be noted that movements in these variables are non–linear. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

	The Group					
	2023			2022 Restated		
	Change in interest rate	Impact on profit before tax	Impact on equity	Change in interest rate	Impact on profit before tax	Impact on equity
		$000	$000		$000	$000
Insurance and reinsurance contracts	+100 bps	88,485	-	+50 bps	80,492	-
Insurance and reinsurance contracts	-100 bps	(89,661)	-	-50 bps	(81,577)	-
Debt instruments						
Long Term Insurance	+100 bps	(9,882,428)	(345,172)	+50 bps	(4,770,429)	(178,364)
Short Term Insurance	+100 bps	(309,932)	(85,422)	+50 bps	(164,769)	(44,264)
Other investment securities	+100 bps	(7,195)	(6,500,586)	+50 bps	(3,667)	(3,008,342)
Debt instruments						
Long Term Insurance	-100 bps	11,050,715	392,162	-50 bps	5,346,022	189,722
Short Term Insurance	-100 bps	338,274	91,123	-50 bps	172,831	45,816
Other investment securities	-100 bps	8,263	6,988,188	-50 bps	3,929	3,196,145

The Company is not exposed to changes in interest rates.

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44. Capital Management

The capital adequacy of the principal operating entities within the Group is set out below.

(i) To comply with capital requirements established by insurance, banking and other financial intermediary regulatory authorities;

(ii) To comply with internationally recognised capital requirements for insurance, where local regulations do not require these international standards;

(iii) To safeguard its ability to meet future obligations to policyholders, depositors, note-holders and stockholders;

(iv) To provide adequate returns to stockholders by pricing insurance, investment and other contracts commensurately with the level of risk; and

(v) To maintain a strong capital base which is sufficient for the future development of the Group's operations.

The Group deploys its capital resources to activities carried out through various lines of business in operating companies which are either insurance entities or provide other financial services. The capital is deployed in such a manner as to ensure that each line of business generates the desired return on capital employed, that the operating companies have adequate and sufficient capital resources to carry out their activities and to meet regulatory requirements.

Required capital adequacy information is computed for regulated entities of the Group on a 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 calculated monthly by the Appointed Actuary and reviewed by Executive Management and the Board of Directors. 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 is the Jamaican Life Insurance Capital Adequacy Test (JA-LICAT) which became effective January 1, 2023 as per the Insurance Regulations, 2001 amended 2023. Minimum Continuing Surplus and Capital Requirement (MCCSR) was in effect prior to 2023. The minimum standard requirement for LICATand MCCSR ratio is 100% and 150% respectively. Sagicor Life Jamaica Limited exceeded the standard requirement at year-end.

(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 December 31, 2023 satisfied the regulatory capital requirements.

(c) Sagicor Bank Jamaica Limited and Sagicor Investments Jamaica Limited

Capital adequacy, capital management ratios and the financial statements of the Bank and Investment Company are monitored monthly by management. These are reviewed quarterly by the Boards of Directors. Capital is managed based on prudent best practices and employing techniques and guidelines developed by the Financial Services Commission (FSC), the Bank of Jamaica (BOJ), Basel II and the Board of Directors Risk Management Committees. The required information is filed with the respective Regulatory Authorities at stipulated intervals.

44. Capital Management (Continued)

The BOJ and the FSC require each regulated entity to:

(i) Hold the minimum level of the regulatory capital; and
(ii) Maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

The regulatory capital is divided into two tiers:

(i) Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill is deducted in arriving at Tier 1 capital; and

(ii) Tier 2 capital: qualifying subordinated loan capital, collective impairment allowances and revaluation on property, plant and equipment.

Any investment in subsidiaries is deducted from Tier 1 and Tier 2 capital to arrive at the regulated capital.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

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 150% effective January 1, 2023, reducing from 175%. AGI was compliant with the regulatory capital requirements as at December 31, 2023.

45. Fiduciary Risk

Certain subsidiaries in the Group provide custody, trustee, corporate administration, investment management or advisory services to third parties which may involve these subsidiaries making allocation and purchase and sale decisions in relation to a wide range of financial instruments. These assets are not included in these financial statements.

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46. 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) 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) A former employee, along with seven (7) former employees of America Life Insurance Company ("ALICO") had been contributing to ALICO's pension scheme in excess of ten (10) years prior to their termination. Upon termination, their contributions were refunded. The Group's position is that the refund of their contribution disqualified them from being eligible for a deferred annuity at retirement on the basis of the language of the pension trust deed. The Claimants hold the view that membership in the scheme for ten (10 years) or more creates a vested entitlement to the deferred annuity.

47. 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. The Privy Council ordered on March 2, 2023 that an interim payment of £100,000.00 be made to Mr. Seaton which was duly paid by the Government of Jamaica. We await the Privy Counsel's decision regarding the computation of the substantive award to Mr. Seaton.

47. 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 December 31, 2023.

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48. 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 2023						
				Related amounts not set off in the statement of financial position			
	Gross amounts of financial assets $'000	Gross amounts net off on the balance sheet $'000	Net amounts of financial assets presented on the balance sheet $'000	Impact of master netting agreements $'000	Cash collateral $'000	Financial instruments collateral $'000	Net amounts $'000
Assets							
Cash resources	37,305,394	-	37,305,394	-	-	-	37,305,394
Financial investments	466,194,555	-	466,194,555	(98,140,886)	-	(140,710)	367,912,959
	503,499,949	-	503,499,949	(98,140,886)	-	(140,710)	405,218,353
Liabilities							
Due to banks and other financial institutions	262,489,546	-	262,489,546	(91,821,911)	-	-	170,667,635
	262,489,546	-	262,489,546	(91,821,911)	-	-	170,667,635

	The Group 2022						
				Related amounts not set off in the statement of financial position			
	Gross amounts of financial assets $'000	Gross amounts net off on the balance sheet $'000	Net amounts of financial assets presented on the balance sheet $'000	Impact of master netting agreements $'000	Cash collateral $'000	Financial instruments collateral $'000	Net amounts $'000
Assets							
Cash resources	34,344,482	-	34,344,482	-	-	-	34,344,482
Financial investments	433,070,092	-	433,070,092	(94,056,495)	-	(155,426)	338,858,171
	467,414,574	-	467,414,574	(94,056,495)	-	(155,426)	373,202,653
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

48. Offsetting Financial Assets and Financial Liabilities (Continued)

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements.

	The Company 2023						
				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	402,592	-	402,592	-	-	-	402,592
Financial investments	1,314,202	-	1,314,202	-	-	(276,048)	1,038,154
	1,716,794	-	1,716,794	-	-	(276,048)	1,440,746
Liabilities							
Due to banks and other financial institutions	10,937,404	-	10,937,404	-	-	-	10,937,404
	10,937,404	-	10,937,404	-	-	-	10,937,404

	The Company 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	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 to banks and other financial institutions	11,098,704	-	11,098,704	-	-	-	11,098,704
	11,098,704	-	11,098,704	-	-	-	11,098,704

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49. Non-Controlling Interests

The non-controlling interests represent the share of net assets and net profit not attributed to Sagicor Group. The amounts were calculated as follows:

	2023			
	Travel Cash $000	AGI $000	Bailey Williams $000	Total $000
Total assets	1,102,831	11,477,161	5,800,604	
Total liabilities	272,900	6,919,583	5,727,356	
Net Assets	829,931	4,557,578	73,248	
Non-controlling interest	479,675	1,934,303	21,975	2,435,953
Revenue	216,871	1,088,932	15,035	
Net profit for the period	104,029	415,339	13,611	
Other comprehensive income	-	293,835	-	
Total comprehensive income	104,029	709,174	13,611	
Non-controlling interest	50,973	150,202	4,083	205,258
Cashflows from operating activities	(5,189)	(1,079,085)	(3,172,289)	
Cashflows from investing activities	(30,043)	198,382	-	
Cashflows from financing activities	-	-	3,005,639	
Net increase/ (decrease) in cash and cash equivalents	(35,232)	(880,703)	(166,650)	

	2022				
	SREX $000	Travel Cash $000	AGI $000	Bailey Williams $000	Total $000
Total assets	-	1,132,248	10,070,864	3,628,162	
Total liabilities	-	306,347	5,874,513	3,568,522	
Net Assets	-	825,901	4,196,351	59,640	
Non-controlling interest	-	477,701	1,805,746	17,892	2,301,339
Revenue (b)	4,352,126	246,103	960,239	288	
Net profit/(loss) for the period	224,213	141,539	403,619	(1,183)	
Other comprehensive income	59,769	-	102,076	-	
Total comprehensive income	283,982	141,539	505,695	(1,183)	
Non-controlling interest	159,241	69,354	122,416	(93,554)	257,457
Cashflows from operating activities	1,710,735	111,972	(2,463,933)	(547,625)	
Cashflows from investing activities	(3,613,590)	(1,480)	(295,653)	-	
Cashflows from financing activities	(332,786)	-	-	733,970	
Net increase/ (decrease) in cash and cash equivalents	(2,235,641)	110,492	(2,759,586)	186,345	

(a) The information above represents amounts before intercompany eliminations.
(b) Revenue includes Net Insurance Results, Net Investment Income and Fees and Other Revenues.
(c) Non-controlling interest reduced in the prior year on deconsolidation of SREX and windup of Jamziv

	2022
Jamziv (i)	5,767,620
SREX (ii)	15,221,297
	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 14 for additional details.

50. 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 $$697,358,000 and $68,743,000 for the year ended December 31, 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 December 31, 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 16)	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 15)	2,665,612
Cash paid (i)	3,155,150
Cash and cash equivalents included in net assets acquired	(530,716)
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.

(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.

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51. Subsequent Events

The Group has evaluated subsequent events through to February 29, 2024, the date the financial statements were available for issuance, and determined that there have not been any events that have occurred subsequent to December 31, 2023 that would require disclosure in the financial statements.

52. Restatements

Effective 1 January 2023, IFRS 17 replaced IFRS 4 Insurance Contracts, materially changing the recognition and measurement of insurance contracts and the corresponding presentation and disclosures in the Group's financial statements.

(1) Change in Accounting Policies
Refer to Note 2 (q) for the accounting policies under IFRS 17.

(2) Transition Approach
In accordance with the transition requirements of IFRS 17, the Group has restated its financial statements, and is therefore presenting:

i) An opening Consolidated Statement of Finnacial Position as at 31 December 2021, the date of transition to IFRS 17. Differences between the carrying value of assets, liabilities and equity previously recorded and those under IFRS 17 were recorded in Retained Earnings.

ii) Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income and Consolidated Cash Flows as previously reported under IFRS 4 and the restated position under IFRS 17.

(3) Redesignation of Financial Assets
The Group has elected to designate the financial assets, previously held at amortised cost and fair value through OCI (FVTOCI), as 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 has restated prior periods to reflect changes in designation of its financial assets held in respect of activities connected with contracts within the scope of IFRS 17 effective January 1, 2022. The Group was not required to restate prior periods and the re-statement of assets presents certain challenges. The Group decided to restate prior periods using a simplified method, ignoring the effect of assets derecognised during the year ended 31 December 2022. The Group recognised the difference between the previous carrying amount and the carrying amounts of those financial assets at 1 January 2022 as an adjustment to Retained Earnings.

(4) Presentation
Several assets and liabilities experienced no change to their measurement but have been moved to other areas of the financial statements, including:

i) Premiums Receivable, Policy Loans, Property and Casualty Insurance Contracts and Other Policy Liabilities and amounts in Other Assets and Other Liabilities directly related to the insurance portfolios were reclassified to insurance contract liabilities under IFRS 17 with no remeasurement and no impact to equity.

ii) Due to/from Reinsurers – Due to/from Reinsurers have now been reclassified to reinsurance contract assets/liabilities as they are related to reinsurance contracts.

(5) Deferred Income Tax
Deferred tax adjustments were recorded on the FVTPL gains/losses on securities reclassified from OCI and AC to FVTPL.

(6) Segment
The Group's reporting segments have been revised to align with the grouping and measurement of insurance products under IFRS 17. The new segments; Long-Term Insurance segment includes Annuities, Traditional Life and Universal Life products and Short-Term Insurance segment contains Group Life, Group Health and Property & Casualty earnings. These segments replace the Individual Life and Employee Benefits Division segments, which will no longer be used.

Notes to the Financial Statements
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

Notes to the Financial Statements
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

52 Restatements (continued)

The details of restatements as a result of the adoption of IFRS 17 and related changes to IFRS 9 on the Statement of Financial Postion at 31 December 2021 are detailed in the sections below.

(a) STATEMENT OF FINANCIAL POSITION

	The Group		
	31 December 2021	Adjustments	31 December 2021
	As previously stated	IFRS 9 & 17 adjustments	Restated
	$'000	$'000	$'000
ASSETS			
Financial investments (b)	332,381,435	15,096,776	347,478,211
Loans and leases, after allowance for credit losses	96,889,917	-	96,889,917
Reinsurance contract assets	3,689,080	(1,638,017)	2,051,063
Insurance contract assets	-	-	-
Premium due and unpaid	4,419,045	(4,419,045)	-
Deferred income taxes	1,980,237	(430,017)	1,550,220
Other assets impacted by IFRS 17			
Due from sales representatives	2,263,676	(1,315,137)	948,539
Other assets neither impacted by IFRS 17 nor IFRS 9	86,367,314	-	86,367,314
TOTAL ASSETS	527,990,704	7,294,560	535,285,264
EQUITY AND LIABILITIES:			
Total equity	134,779,713	(29,124,277)	105,655,436
Liabilities			
Policyholders' Funds:			
Life and health insurance	97,996,749	(97,996,749)	-
Investment contract liabilities	19,356,485	-	19,356,485
Property and casualty insurance contracts and other policy	13,151,747	(13,151,747)	-
Insurance contract liabilities	-	149,791,729	149,791,729
Reinsurance contract liabilities	1,653,153	(639,249)	1,013,904
Other liabilities impacted by IFRS			
Suspense and other amounts due	4,579,669	(112,550)	4,467,119
Regulatory fees and Statutory payables	925,946	(44,235)	881,711
Miscellaneous	841,224	387,364	1,228,588
Due to brokers and agents	1,594,398	(1,051,878)	542,520
Unearned reinsurance commissions	763,848	(763,848)	-
Other liabilities neither impacted by	252,347,772	-	252,347,772
Total Liabilities	393,210,991	36,418,837	429,629,828
TOTAL EQUITY AND LIABILITIES	527,990,704	7,294,560	535,285,264

52. Restatements (continued)

(b) FINANCIAL INVESTMENTS

As at 31 December 2021, certain assets under IFRS 9 were redesignated as FVTPL on implementation of IFRS 17 to effectively reduce the possibility of an accounting mismatch.

	The Group				
	December 31, 2021				December 31, 2021
	As previously stated				Restated
	Carrying value	Amount reclassified to Insurance Contracts Liabilities	Amount reclassified as FVTPL	Amount remeasured as FVTPL	Carrying value
	$'000	$'000	$'000	$'000	$'000
Financial investments FVTPL -					
Debt Securities	9,236,098		96,730,685	16,104,062	122,070,845
Equities	38,377,296	-	-	-	38,377,296
Derivatives	16,733	-	-	-	16,733
Total FVTPL	**47,630,127**	**-**	**96,730,685**	**16,104,062**	**160,464,874**
Financial investments at FVTOCI -					
Debt Securities	165,755,851	-	(24,864,591)	-	140,891,260
Equities	79,950	-	-	-	79,950
Total FVTOCI	165,835,801	-	(24,864,591)	-	140,971,210
Financial investments at amortised cost, net of ECL -					
Debt Securities	88,368,134	-	(71,866,094)	-	16,502,040
Securities purchased under resale agreement	10,467,668	-	-	-	10,467,668
Short term deposits	19,072,419	-	-	-	19,072,419
Total investments at amortised cost, net of ECL	**117,908,221**	**-**	**(71,866,094)**	**-**	**46,042,127**
Total financial investments excluding policy loans	331,374,149	-	-	16,104,062	347,478,211
Policy loans previously reported[3]	1,007,286	(1,007,286)	-	-	-
Less Pledged asset (Note 10)[4]	(93,636,126)	-	-	-	(93,636,126)
Total financial investments	**238,745,309**	**(1,007,286)**	**-**	**16,104,062**	**253,842,085**

Notes to the Financial Statements
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

52. Restatements (Continued)

The details of restatements as a result of the adoption of IFRS 17 and related changes to IFRS 9 on the results at 31 December 2022 are detailed in the sections below.

(c) STATEMENT OF FINANCIAL POSITION

	The Group		
	December 31, 2022	Adjustments	December 31, 2022
	As previously stated	IFRS 9 & 17 adjustments	As restated
	$'000	$'000	$'000
ASSETS			
Financial investments (g)	315,256,933	5,076,330	320,333,263
Loans and leases, after allowance for credit losses	112,736,829	-	112,736,829
Reinsurance contract assets	4,072,339	(1,882,696)	2,189,643
Insurance contract assets	-	-	-
Premium due and unpaid	4,887,437	(4,887,437)	-
Deferred income taxes	4,021,850	(110,551)	3,911,299
Intangible assets	8,868,597	(530,127)	8,338,470
Other others neither impacted by IFRS 17 nor IFRS 9			
Due from sales representatives	1,707,088	(1,079,599)	627,489
Other receivables	3,041,566	16,289	3,057,855
Other assets neither impacted by IFRS 17 nor IFRS 9	64,586,243	-	64,586,243
TOTAL ASSETS	519,178,882	(3,397,791)	515,781,091
EQUITY AND LIABILITIES:			
Total equity	115,923,369	(30,007,551)	85,915,818
Liabilities			
Policyholders' Funds:			
Life and health insurance contracts liabilities	92,248,682	(92,248,682)	-
Investment contract liabilities[2]	20,164,220	-	20,164,220
Property and casualty insurance contracts and other policy liabilities	13,379,310	(13,379,310)	-
Insurance contract liabilities	-	134,815,292	134,815,292
Reinsurance contract liabilities	1,654,674	(1,102,959)	551,715
Other liabilities impacted by IFRS 17 and/or IFRS 9:			
Suspense and other amounts due	3,922,172	(128,806)	3,793,366
Accounts payable and accruals	2,866,976	(15,839)	2,851,137
Miscellaneous	361,126	518,125	879,251
Due to brokers and agents	998,260	(993,781)	4,479
Unearned reinsurance commissions	854,280	(854,280)	-
Other liabilities neither impacted by IFRS 17 nor IFRS 9	266,805,813	-	266,805,813
Total Liabilities	403,255,513	26,609,760	429,865,273
TOTAL EQUITY AND LIABILITIES	519,178,882	(3,397,791)	515,781,091

(d) CONSOLIDATED INCOME STATEMENT

	The Group		
	December 31, 2022	Adjustments	December 31, 2022
	As previously stated	IFRS 9 & 17 adjustments	As restated
	$'000	$'000	$'000
Insurance revenues	62,814,376	(22,142,875)	40,671,501
Insurance service expenses	(34,664,539)	4,118,041	(30,546,498)
Net expenses from reinsurance contracts held	(4,887,693)	1,900,365	(2,987,328)
INSURANCE SERVICE RESULT	**23,262,144**	**(16,124,469)**	**7,137,675**
NET INVESTMENT INCOME	17,378,861	(17,241,463)	137,398
NET INSURANCE FINANCE INCOME	-	14,828,144	14,828,144
NET INSURANCE AND INVESTMENT RESULT	**40,641,005**	**(18,537,788)**	**22,103,217**
Fees, hotel and other income	23,172,998	(2,054,734)	21,118,264
Administration and Commission expenses	(39,083,442)	13,442,180	(25,641,262)
Depreciation and amortisation	(2,604,846)	490,733	(2,114,113)
Other taxes and levies	(893,280)	-	(893,280)
	(19,408,570)	**11,878,179**	**(7,530,391)**
Share of profit from joint venture	439,994	-	439,994
Gain on disposal of subsidiary	258,208	-	258,208
Impairment Charge on Goodwill	-	(530,127)	(530,127)
Profit before Taxation	21,930,637	(7,189,736)	14,740,901
Taxation	(5,334,757)	437,278	(4,897,479)
NET PROFIT	**16,595,880**	**(6,752,458)**	**9,843,422**
Attributable to:			
Stockholders of the parent company	16,378,634	(6,792,669)	9,585,965
Non-controlling interests	217,246	40,211	257,457
	16,595,880	**(6,752,458)**	**9,843,422**
Basic and fully diluted	**4.19**		**2.45**

Notes to the Financial Statements

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52. Restatements (Continued)

(e) CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group		
	December 31, 2022	Adjustments	December 31, 2022
	As previously stated	IFRS 9 & 17 adjustments	As restated
	$'000	$'000	$'000
Cash Flows from Operating Activities			
Net profit	16,595,880	(6,752,458)	**9,843,422**
Adjustments for:			
Items not affecting cash			
Adjustments to reconcile net profit to net cash provided by operating activities	(60,526,359)	6,862,250	(53,664,109)
Interest and dividends received	27,703,287	(109,792)	27,593,495
Interest paid	(5,750,488)	-	(5,750,488)
Income and asset taxes paid	(6,009,905)	-	(6,009,905)
Net cash generated from operating activities	**(27,987,585)**	**-**	**(27,987,585)**
Cash Flows from Investing Activities			
Net cash used in investing activities	(2,413,079)	-	**(2,413,079)**
Cash Flows from Financing Activities			
Net cash generated from financing activities	22,033,461	-	**22,033,461**
Effect of exchange rate on cash and cash equivalents	(574,787)	-	(574,787)
Decrease in cash and cash equivalents	**(8,941,990)**	-	**(8,941,990)**
Cash and cash equivalents at beginning of year	51,884,096	-	51,884,096
CASH AND CASH EQUIVALENTS AT END OF YEAR	**42,942,106**	**-**	**42,942,106**

(f) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group		
	December 31, 2022	Adjustments	December 31, 2022
	As previously stated	IFRS 9 & 17 adjustments	As restated
	$'000	$'000	$'000
Items that may be subsequently reclassified to profit or loss			
Fair value reserve	(15,495,153)	6,934,350	(8,560,803)
(Losses)/gains recycled to the income statement on sale and maturity of FVTOCI securities	(17,270)	11,720	(5,550)
Provision for expected credit losses on securities designated as FVTOCI	29,105	(35,640)	(6,535)
Currency translation	(1,913,533)	1,495,682	(417,851)
Change in actuarial liabilities	2,536,928	(2,536,928)	-
	(14,859,923)	5,869,184	(8,990,739)
Items that will not be subsequently reclassified to profit or loss			
Owner Occupied Property (OOP)	2,352,690	-	2,352,690
Re-measurements of retirement benefits obligations	2,553,979	-	2,553,979
	4,906,669	-	4,906,669
Total other comprehensive income recognised directly in stockholders'equity, net of taxes	**(9,953,254)**	**5,869,184**	**(4,084,070)**
Total Comprehensive Income	**6,642,626**	**(883,274)**	**5,759,352**

Notes to the Financial Statements
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

52. Restatements (continued)

(g) FINANCIAL INVESTMENTS

As at January 1, 2023, certain assets under IFRS 9 were redesignated as FVTPL on implementation of IFRS 17 to effectively reduce the possibility of an accounting mismatch.

	The Group				
	January 1, 2023 As previously stated				January 1, 2023 Restated
	Carrying value	Amount reclassified to Insurance Contracts Liabilities	Amount reclassified as FVTPL	Amount remeasured as FVTPL	Carrying value
	$'000	$'000	$'000	$'000	$'000
Financial investments FVTPL -					
Debt Securities	8,717,052		99,875,068	6,061,608	114,653,728
Equities	40,141,007	-	-	-	40,141,007
Derivatives	2,378	-	-	-	2,378
Total FVTPL	**48,860,437**	**-**	**99,875,068**	**6,061,608**	**154,797,113**
Financial investments at FVTOCI -					
Debt Securities	168,189,380	-	(27,238,797)	-	140,950,583
Equities	56,009	-	-	-	56,009
Total FVTOCI	168,245,389	-	(27,238,797)	-	141,006,592
Financial investments at amortised cost, net of ECL -					
Debt Securities	87,170,730	-	(72,636,271)	-	14,534,459
Securities purchased under resale agreement	4,882,866	-	-	-	4,882,866
Short term deposits	5,112,233	-	-	-	5,112,233
Total investments at amortised cost, net of ECL	**97,165,829**	**-**	**(72,636,271)**	**-**	**24,529,558**
Total financial investments excluding policy loans	314,271,655	-	-	6,061,608	320,333,263
Policy loans previously reported	985,278	(985,278)	-	-	-
Less Pledged asset (Note 10)	(94,209,543)	-	-	-	(94,209,543)
Total financial investments	**221,047,390**	**(985,278)**	**-**	**6,061,608**	**226,123,720**

Corporate Directory

SAGICOR LIFE

MAURICE MCDONALD
Branch Manager
SPANISH TOWN
16 Burke Road,
Spanish Town Business Centre
888-SAGICOR
Fax: 984-8474

DALTON THOMPSON
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
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Fax: 974-1818

MEILA MCKITTY PLUMMER
Branch Manager
CORPORATE CIRCLE
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Fax: 968-0762

DERRICK LEWIS
Branch Manager
LIGUANEA
35 Trafalgar Road,
Kingston 5
888-SAGICOR
Fax: 978-7404

PHILBERT PERRY
Branch Manager
MANDEVILLE
59 Main Street,
Mandeville Business Centre
888-SAGICOR
Fax: 962-3788

IAN BOURNE
Branch Manager
HOLBORN
35 Trafalgar Road,
Kingston 5
888-SAGICOR
Fax: 968-0762

SOPHIA MORRIS
Branch Manager
NEW KINGSTON
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Kingston 5
888-SAGICOR
Fax: 968-0762

LESLIE FRANCIS
Branch Manager
KNUTSFORD
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Kingston 5
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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,
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888-SAGICOR
Fax: 968-0762

MARK LINDSAY
Branch Manager
SENATORS
35 Trafalgar Road,
Kingston 5
888-SAGICOR
Fax: 968-0762

DAVE HILL
General Manager
SAGICOR INSURANCE
BROKERS LIMITED
Sigma Building
63 Knutsford Boulevard
Kingston 5
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Fax: (876) 929-4730

TATIANA BROWN
Branch Manager
SAGICOR LIFE OF THE
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George Town
Grand Cayman KY1-1102
Cayman Islands
888-SAGICOR
Fax: (345) 949-8262

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44 Main Street
May Pen, Clarendon
888-SAGICOR
Fax: 754 – 1804

TRENCH TOWN
85 West Road
Kingston 12
888-SAGICOR
Fax: 754 – 1804

SAV-LA-MAR
Shop 3 Hendon Mall,
Savanna-la-Mar
Westmoreland

SAGICOR BANK

LAUREL WEBSTER
Branch Manager
LIGUANEA & MANOR PARK
LIGUANEA
106 Hope Road, Kingston 6
888-SAGICOR
Fax: 978-7404
MANOR PARK
Manor Park Extension Plaza

CLEMENT ELLINGTON
Branch Manager
DUKE & TOWER STREET
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888-SAGICOR
Fax: 922-2937

BRENT JOHNSON
Branch Manager
UP PARK CAMP
South Camp Road, Kingston 5
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GLENROY MORGAN
Branch Manager
PORTMORE
Shop #34 Portmore Pines Plaza
Portmore, St. Catherine
888-SAGICOR
Fax: 989-0214

JOYCE GORDON
Branch Manager (Acting)
DOMINICA DRIVE
17 Dominica Drive, Kingston 5
888-SAGICOR

Corporate Directory (Cont'd)

NIKESHA BONNICK MAGNUS
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HOPE ROAD
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NURSITA GRAY BARRIFFE
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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
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KAVON WALKER
Branch Manager
MANDEVILLE
5-7 Ward Avenue, Mandeville,
Manchester
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VILMA BARRETT GUNTER
Branch Manager
BLACK RIVER
Corner High and School Streets,
Black River, St. Elizabeth
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Fax: 965-2385

WENDY BERNARD
Branch Manager
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Commercial Shopping Centre,
Howard Cooke Boulevard,
Montego Bay, St. James
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Fax: 979-5274

SUZETTE BLACK
Branch Manager
FAIRVIEW
Shop B8,
21B Fairview Shopping Centre,
Bogue Estates, Montego Bay
888-SAGICOR

LOVEN MCCOOK
Regional Manager
Retail Banking (Western Region)
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Mandeville
Manchester
876 975 – 6845/ 888 SAGICOR

NATALIE BUDDAN
Branch Manager
MAY PEN (Temporarily)
6b Manchester Avenue,
May Pen, Clarendon
888-SAGICOR
Fax: 986-9409

MICHAEL SUTHERLAND
Branch Manager
NEW BRUNSWICK
25 – 27 Brunswick Street,
Spanish Town, St. Catherine
888-SAGICOR

Subsequent Events

CLEMENT ELLINGTON
(appointed February 1, 2024)
Branch Manager
LIGUANEA & MANOR PARK

LAUREL WEBSTER
(appointed February 1, 2024)
Branch Manager
DUKE & TOWER STREET

RICARDO MAHABEER
(appointed March 20, 2024)
Branch Manager
DOMINICA DRIVE

MARIAN EDWARDS
(appointed March 4,2024)
Branch Manager
SAVANNA-LA-MAR

SAGICOR INVESTMENTS

CARLOS GORDON
Regional Manager
Investment Client Services
(Central)
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Mandeville, Manchester
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Fax: 962-7361

BIANCA NAM
Vice President
Wealth & Corporate Relationships
Management
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SHELLY-ANN MORGAN
Regional Manager
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Manager
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Vice President
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Assistant Vice President
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Regional Manager
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Unit 5 & 6 Eight Rivers Town
Centre
Ocho Rios, St. Ann

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Regional Manager
Investment Client Services (West)
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21B Fairview Shopping Centre,
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198N Church St. George Town
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Disclosure of Shareholdings

SHAREHOLDINGS OF THE TEN LARGEST SHAREHOLDERS

AT 31 DECEMBER 2023

	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)*	98,643,763	105,956,955	2.71%
	(Trustee Sagicor Long-Term Incentive Plan - connected company)	5,667,935		
	(Sagicor Life Jamaica Share Purchase Plan 2003)	222,339		
	(Trustee of the SLJ of Employee Share Purchase Plan)	1,422,918		
	(Trustee SIJL of Employee Share Inv Trust)	-		
2	Pan Jamaica Group 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	33,825,137	38,991,114	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		27,682,689	0.71%
8	JCSD Trustee Services Ltd - Sigma Equity		24,334,327	0.62%
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	16,778,262	21,858,836	0.56%
	(JPS Co. Ltd. (Original 1973) EMPL. Pension Plan PAM - Fund Managers - connected company)	5,080,574		
	Total		**3,464,141,263**	**88.70%**
	Others		441,493,653	11.30%
	Total Issued Shares		**3,905,634,916**	**100.00%**

Disclosure of Shareholdings (Cont'd)

SHAREHOLDINGS OF DIRECTORS

AT 31 DECEMBER 2023

	LIST OF DIRECTORS		NO OF SHARES	%
1	Peter Melhado - Chairman		Nil	0.00%
2	Christopher Zacca - President & CEO	2,233,404	2,233,464	0.06%
	(Karen E. Zacca - connected person)	Nil		
	(Edward Zacca - connected person)	60		
3	Dr. Dodridge D. Miller		25,389	0.00%
4	Dr. Marjorie Fyffe-Campbell		25,000	0.00%
5	Philip Armstrong		3,538,394	0.09%
6	Stephen Facey	1,027,791	1,135,254	0.03%
	(Wendy Facey - connected person)			
	(Alexander & Matthew Facey - connected person)	107,463		
7	Paul Hanworth		49,799	0.00%
8	Peter Clarke		Nil	0.00%
9	Dr. Jacqueline D. Coke-Lloyd		43,375	0.00%
10	Stephen McNamara		Nil	0.00%
11	Jeffrey Hall		321	0.00%
12	Mahmood Khimji		Nil	0.00%
13	Gilbert Palter		Nil	0.00%
14	Andre Mousseau		Nil	0.00%
15	Dr. Sharma Taylor (Company Secretary)		6,957	0.00%

SHAREHOLDINGS OF LEADERSHIP TEAM

AT 31 DECEMBER 2023

	LIST OF LEADERSHIP TEAM		NO OF SHARES	%
1	Christopher Zacca - President & CEO	2,233,404	2,233,464	0.06%
	(Karen E. Zacca - connected person)	Nil		
	(Edward Zawwcca - connected person)	60		
2	Andre Ho Lung		135,073	0.00%
3	Mark Chisholm		3,304,493	0.08%
	(Te-Anne Chisholm - connected person)			
	(Sharo Anne Chisholm - connected person)			
	(Joneel Chisholm - connected person)			
4	Willard Brown		886,937	0.02%
5	Karl Williams		1,687,852	0.04%
6	Chorvelle Johnson Cunningham		158,223	0.00%
7	Tara Nunes		884,668	0.02%
	(Kelly A. Nunes- connected person)			
	(Brooke M. Nunes - connected person)			
8	Donnette Scarlett		600,005	0.02%
	(Merrick Scarlett - connected person)			
	(Monique Scarlett - connected person)			
9	Caren Scott-Dixon		Nil	0.00%
10	Omar Brown		9,253	0.00%
	(Polliana M. Brown - connected person)			
11	Howard Gordon		Nil	0.00%
	(Beverley Gordon - connected person)			
	(Michelle Gordon-Taylor - connected person)			
12	Tracy-Ann Spence		5,633	0.00%
	(Carson Nicholas - connected person)			
13	Joanna Banks	Nil		
	(Pierre-John Holmes - connected person)	6,949	6,949	0.00%
	(Ana Kay & Brady A. Holmes - connected person)			

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 AC Hotel by Marriott on 38-42 Lady Musgrave Road, Kingston 5, Saint Andrew on the 22nd day of May 2024 at 3:00 p.m. and at any adjournment thereof.

The Proxy will vote on the undermentioned resolutions as indicated:

Resolutions	For	Against
1. To receive the Audited Accounts and Report of the Directors for the year ended December 31, 2023.		
2. To elect Directors That the election of directors be made en-bloc.		
3. To elect Directors. **a)** In accordance with Articles 98 Peter Clarke Paul Hanworth Dr. Dodridge Miller Stephen McNamara **b)** In accordance with Article 100 Jeffrey Hall Philip Armstrong		
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 ________________________2024

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: • Share transfers and dividend queries • Enquiries and updates to your share account/shareholdings • Replacement of lost/missing share certificates	**Corporate Trust** Ground Floor R. Danny Williams Building 28-48 Barbados Avenue Kingston 5 sbj_registrar@sagicor.com 876-936-7382-7 876-936-7390 876-733-8573
To obtain additional printed copies of the Annual Report or make enquiries about company news and initiatives	**Investor Relations** sgj_investorrelations@sagicor.com

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 Europe - +800-4-SAGICOR

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