



Sagicor Group Jamaica Annual Report 2024

**FUTURE READY: ACCELERATING**



# 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

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

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## Financial Highlights

**\$9.24b**

Net Profit Attributable  
to Shareholders

**\$102.17b**

Stockholders' Equity

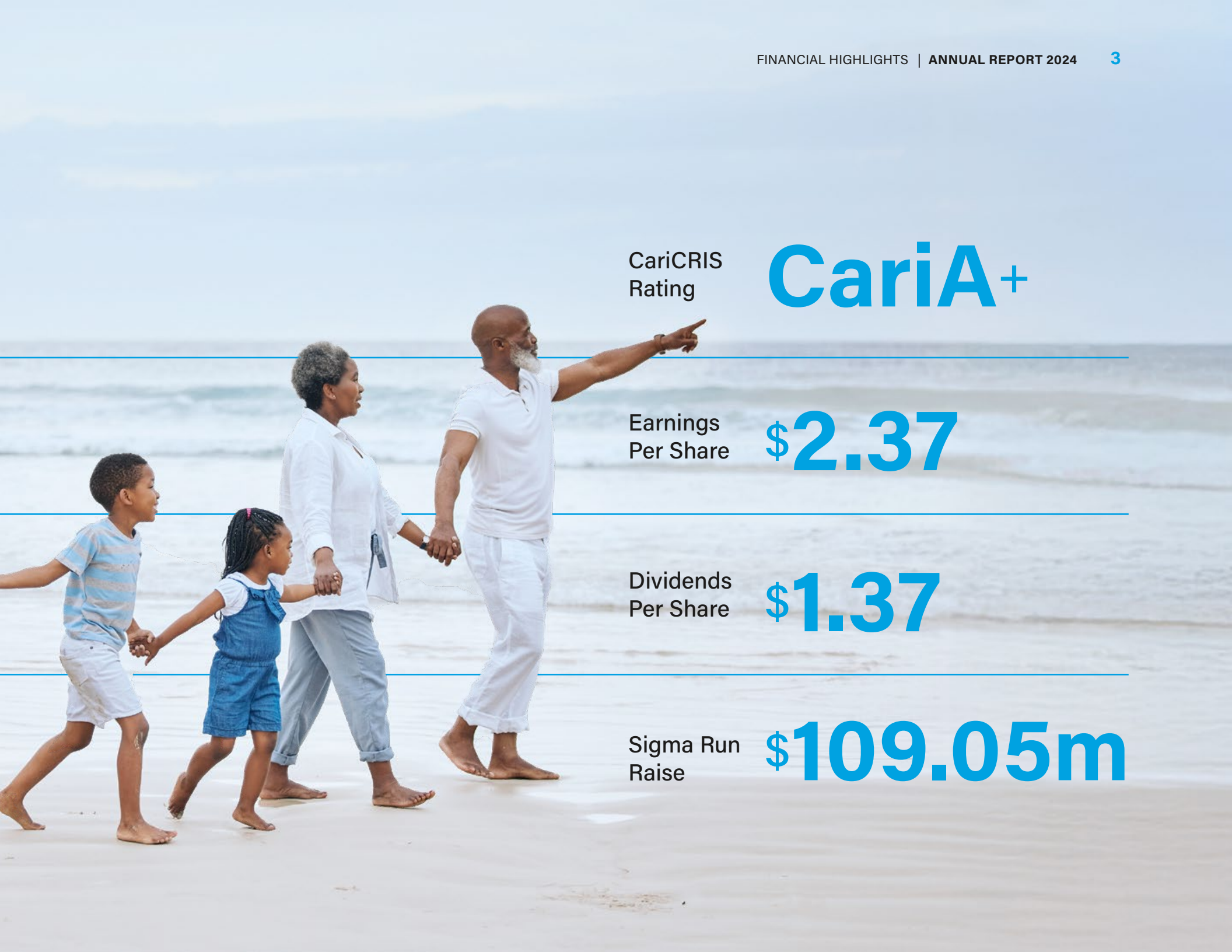
**\$597.79b**

Total Assets

**\$161.89b**

Market  
Capitalisation





CariCRIS  
Rating

**CariA+**

Earnings  
Per Share

**\$2.37**

Dividends  
Per Share

**\$1.37**

Sigma Run  
Raise

**\$109.05m**



# Chairman's Statement

## Financial Performance

2024 was shaped by persistent economic pressures and shifting market dynamics, requiring our leadership team to remain focused on delivering value, staying true to our purpose, and positioning Sagicor Group Jamaica Limited ("Sagicor" or "the Group") for long-term growth. Net profit attributable to shareholders stood at J\$9.24 billion, below the prior year's earnings but still reflective of the strength of our underlying operations and our ability to foster financial resilience across the Group under difficult conditions.

We expect to continue to leverage our strong fundamentals and dominant market position going forward.

## Upholding Governance Excellence

The Board continues to provide stable and effective oversight, with no changes to its composition during 2024. We maintained a diverse, highly engaged group of Directors—both local and international—who met consistently to support decision-making and drive accountability. There were eight Group Board meetings for the year, with a similar cadence for subsidiary Board meetings. With our Directors residing in various jurisdictions, we leveraged technology to ensure seamless engagement and participation in Board deliberations.

Our Board Committees remained active, meeting in accordance with their mandates, to provide deeper focus on matters of audit, risk, governance, investment management, and more.

We are proud to report that Sagicor once again earned an "AA" rating on the Jamaica Stock Exchange's ("JSE") Corporate Governance Index—this time with an improved score of 93.25%. This recognition not only affirms the strength of our governance frameworks but also reflects the efforts of our management team, Directors, and team members in upholding the highest standards of transparency, ethics, and compliance.

It was also an honour to have won the award for "Best Annual Report" for the second consecutive year at the JSE's Best Practice Awards. We view this as both an accomplishment and a responsibility to keep telling our story with integrity and clarity.

## Purpose in Action

The 26th Sagicor Sigma Corporate Run was a standout moment on our calendar in 2024. Held in honour of our founder, the late Dr. the Hon. R. Danny Williams, the event saw record-breaking participation and raised over \$109 million for institutions serving Jamaica's health and education sectors. It was more than a fundraiser; it was a celebration of legacy, community, and collective impact.

We are grateful for the opportunity to continue making a positive difference in the communities we serve.

## Looking Ahead

As we chart our path forward, our priorities remain clear. We are investing in technology and talent to transform how we serve our clients. We are reimagining our operations to improve efficiency, scale, and innovation, as well as capitalise on new growth opportunities across the Caribbean. And through it all, our primary focus remains on delivering a stronger, more seamless client experience.

While 2024 was not without its challenges, I remain confident in our strategy and our people. Our foundation is strong, opportunities to grow will arise, and with the #OneSagicor spirit guiding us, we are well-positioned to move forward with purpose and momentum.

## Appreciation for Your Continued Support

On behalf of the Board, I extend my sincere appreciation to our shareholders, clients, agents, team members, and partners for your unbreakable trust and support. Your belief in our vision and dedication to the journey drives us forward.



**Peter K. Melhado**

B.Sc., MBA  
Chairman



## Statement of the President & CEO

It is my privilege to present to you the Annual Report for Sagicor Group Jamaica Limited ("Sagicor" or "the Group") for the financial year ended December 31, 2024. This year's report reflects our resilience as an organisation in the face of complex challenges, and our momentum as we advance, boldly and deliberately, into a future of innovation, sustainability and growth.

**Our 2024 theme, Future Ready: Accelerating, captures this spirit—a commitment to staying ahead of change, transforming how we deliver value, and deepening our impact in the communities we serve.**

### Navigating a Dynamic Environment

2024 brought a range of economic challenges, including the impact of Hurricane Beryl and the resulting inflationary pressures in key sectors. Yet, Sagicor's strength lies in its adaptability and purpose-driven leadership.

The Group recorded shareholders' net profit of J\$9.24 billion, compared to J\$14.37 billion in 2023—a difference shaped largely by a one-time actuarial model adjustment in our Long-Term Insurance segment. Notwithstanding this, total revenues rose by 12% to J\$111.85 billion, signalling solid growth

across our core operations. Total assets increased to J\$597.79 billion, while funds under management grew to J\$1.08 trillion, underscoring the scale and resilience of our business.

We paid out dividends of J\$1.37 per share, compared to J\$1.23 per share in 2023, continuing our commitment to delivering shareholder returns in all phases of the economic cycle.

### Business Line Strength and Innovation

Our Long-Term Insurance segment generated J\$6.07 billion in net profit, supported by strong policyholder retention and sustained market leadership with a 61% market share. The Short-Term Insurance segment delivered J\$1.43 billion in profit, reflecting effective portfolio management and product innovation, even amidst rising health-care costs and post-hurricane claims activity.

Sagicor Bank Jamaica had another record year, posting J\$3.81 billion in profit, driven by growth in deposits, loan portfolios, and card payments revenues. Notably, the Bank successfully executed a US\$80-million syndicated loan for a client in Guyana, showcasing our capabilities in regional financial structuring and cross-border partnerships.

In 2024, we also celebrated the official opening of New Brunswick Village in Spanish Town, a modern mixed-use development and home to the Group's first 'phygital' branch—combining the best of digital

and physical banking for unmatched client convenience.

Our Investment Banking arm delivered J\$894.17 million in net profit, maintaining our market share leadership in asset management while expanding our digital infrastructure and product offerings.

### Driving the Future Through Technology

Our theme, Future Ready: Accelerating, is more than a vision—it is an operating principle. We made substantial strides in our multi-year digital transformation—modernising platforms, launching digital tools, and expanding omni-channel service capabilities across the Group.

From our improved processes in insurance, to new card enhancements on eBank, upgraded core banking systems, and digital asset management tools, we are building a more responsive, secure, and client-centric financial services ecosystem.

### Investing in Nation Building

Sagicor remains a trusted partner in national development. In 2024, we continued to finance and develop infrastructure projects that improve lives and expand economic opportunities.

One such example is the Rio Cobre Water Treatment Plant, a significant public-private investment that will bring reliable potable water to thousands of Jamaicans. This project exemplifies the role the private sector can play in shaping a more sustainable and resilient future.

Through our Commercial Banking arm, we provided over J\$41 billion in new loans, supporting key industries and large-scale developments across Jamaica. Our SME Business Resource Centre also continued to strengthen local enterprises, with training and financial support.

As Jamaica's leading life and health insurer, Sagicor paid out over J\$36 billion in total insurance benefits across both Long-Term and Short-Term Insurance segments. These payments encompass life claims, health benefits, and policy maturities, a depiction of our enduring commitment to stand by our clients and their families when they need us most. These benefits are more than financial settlements; they reflect our promise to provide peace of mind, security, and dignity to our clients in times of need.

### Commitment to Community and Corporate Citizenship

At our core, we are a company that cares. Through the work of the Sagicor Foundation, our philanthropic efforts

in health, education, and youth development continued to reach thousands.

The 26th staging of the Sagicor Sigma Corporate Run raised a record-breaking J\$109 million, supporting critical improvements for the National Chest Hospital, the Danny Williams School for the Deaf, and the Savanna-la-Mar Public General Hospital.

In addition to scholarships, school programmes, and early childhood education support, we expanded access to community care and strengthened partnerships across the island.

### A Regional Vision, A Global Standard

We expanded our presence and deepened our expertise across the region in 2024. With a presence in Costa Rica, Panama, and the Cayman Islands, these operations continued to deliver solid growth in both insurance and investments.

As we expand regionally, we remain anchored in governance, transparency, and compliance. These values define who we are, wherever we do business.

### Outlook

As we look towards 2025, we do so with optimism and focus. Key economic indicators such as inflation

and interest rates are trending positively, but we remain alert to global uncertainties and external shocks. We will continue to approach the future with discipline, agility, and strategic intent.

Our priorities are clear: enhance the client experience, grow talent, strengthen digital capabilities, and pursue regional growth opportunities that align with our values.

### In Gratitude

I extend my heartfelt thanks to our Board of Directors for their guidance and vision. To our clients, shareholders, advisors, and team members – thank you for your trust and tireless dedication. You are the reason we continue to move forward, together.

*Sagicor is future ready, and we are accelerating!*



**Christopher Zacca**

C.D., J.P., LLD (Honoris Causa)  
President & CEO

WE'RE BUILDING A FUTURE GROUNDED IN  
**PURPOSE** AND POSSIBILITY. WITH EVERY  
CHALLENGE, WE'VE GROWN STRONGER.  
WITH EVERY **SUCCESS**, MORE CERTAIN.  
THE PATH AHEAD IS CLEAR: KEEP DOING  
THE WORK, KEEP SHOWING UP, AND KEEP  
MAKING A DIFFERENCE THAT MATTERS.

# Group 10-Year Financial Statistics

Year ended December 31, 2024

		IFRS 17				IFRS 4					
		2024	2023	Restated* 2022	Restated* <sup>4</sup> 2021	2020	2019	2018	2017	2016	2015
<b>SALES:</b>											
<b>INSURANCE AMOUNTS</b>											
Individual Life – Sums Assured	<b>J\$m</b>	336,355	355,315	303,462	314,991	272,584	236,353	209,675	184,455	176,329	171,246
Group Life – Sums Assured	<b>J\$m</b>	26,548	12,067	19,771	15,746	7,236	7,706	5,860	11,718	6,109	9,678
<b>Total New Insurance Amount</b>	<b>J\$m</b>	<b>362,903</b>	<b>367,382</b>	<b>323,233</b>	<b>330,736</b>	<b>279,819</b>	<b>244,060</b>	<b>215,535</b>	<b>196,173</b>	<b>182,438</b>	<b>180,924</b>
<b>NEW ANNUALISED PREMIUMS</b>											
Individual Life and Health	<b>J\$m</b>	5,314	4,887	4,936	5,160	4,668	4,470	4,140	3,614	3,341	2,918
Group Life and Health	<b>J\$m</b>	3,369	1,931	2,001	1,590	531	1,447	1,399	817	510	794
Group Annuities	<b>J\$m</b>	5,539	3,746	4,303	5,266	4,741	3,522	2,815	2,323	2,007	1,900
Bulk Annuities Single Premiums	<b>J\$m</b>	-	-	-	-	-	1,525	-	5,713	1,147	1,904
Group Pensions	<b>J\$m</b>	4,335	4,195	2,816	3,107	9,335	2,161	2,362	2,284	1,756	3,392
<b>Total New Annualised Premiums</b>	<b>J\$m</b>	<b>18,557</b>	<b>14,758</b>	<b>14,057</b>	<b>15,124</b>	<b>19,275</b>	<b>13,125</b>	<b>10,716</b>	<b>14,751</b>	<b>8,760</b>	<b>10,908</b>
<b>IN FORCE:</b>											
<b>INSURANCE AMOUNT</b>											
Individual Life – Sums Assured	<b>J\$m</b>	2,585,283	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
Group Life – Sums Assured	<b>J\$m</b>	1,141,923	1,440,105	1,237,273	1,090,630	1,036,284	967,899	882,103	772,050	661,581	601,357
Property and Casualty	<b>J\$m</b>	629,850	655,601	722,229	256,358	220,230	213,258	87,340	76,036	67,937	43,940
<b>Total Insurance Amounts in Force</b>	<b>J\$m</b>	<b>4,357,055</b>	<b>4,481,878</b>	<b>4,139,527</b>	<b>3,364,194</b>	<b>3,036,219</b>	<b>2,768,470</b>	<b>2,406,594</b>	<b>2,137,789</b>	<b>1,927,608</b>	<b>1,721,264</b>
Number of Individual Life Policies in Force		716,620	696,522	674,182	656,008	627,677	594,249	556,742	520,888	492,355	440,328
Number of New Individual Life Policies		67,730	66,808	70,124	78,721	76,685	75,908	73,635	68,131	63,968	56,164

## GROUP 10-YEAR FINANCIAL STATISTICS

Year ended December 31, 2024

		IFRS 17				IFRS 4					
		2024	2023	Restated* 2022	Restated* 2021	2020	2019	2018	2017	2016	2015
<b>FINANCIAL POSITION &amp; STRENGTH:</b>											
Total Assets <sup>1</sup>	<b>J\$m</b>	597,795	560,649	515,781	535,285	490,695	459,999	394,133	352,037	340,955	300,390
Pension Funds under Management <sup>2</sup>	<b>J\$m</b>	255,331	247,283	230,345	238,573	179,605	247,537	206,359	186,759	154,734	130,311
Other Funds under Management	<b>J\$m</b>	223,443	222,796	226,546	189,739	231,099	220,631	163,180	141,023	113,842	95,616
<b>Total Assets Under Management</b>	<b>J\$m</b>	<b>1,076,568</b>	<b>1,030,728</b>	<b>972,672</b>	<b>963,597</b>	<b>901,399</b>	<b>928,167</b>	<b>763,672</b>	<b>679,819</b>	<b>609,531</b>	<b>526,317</b>
Bank Loans and Advances, Net of Provision for Credit Losses	<b>J\$m</b>	133,166	119,062	108,840	93,388	87,844	84,663	69,061	61,321	56,038	43,760
Customer Deposits	<b>J\$m</b>	172,482	156,500	145,950	133,339	120,570	107,250	92,264	84,280	75,166	62,924
Invested Assets <sup>3</sup>	<b>J\$m</b>	502,197	470,123	436,581	446,918	406,626	382,208	326,287	293,363	290,118	256,506
Insurance & Investment Contract Liabilities	<b>J\$m</b>	182,293	165,880	154,980	169,148	119,697	116,991	97,623	95,493	86,390	77,617
Shareholders' Equity	<b>J\$m</b>	102,167	99,779	83,614	85,491	106,384	91,252	74,340	68,502	56,411	46,569
Market Capitalisation	<b>J\$m</b>	161,889	189,342	232,073	227,503	195,086	304,444	155,444	148,609	116,055	78,090
<b>OPERATING RESULTS:</b>											
Total Revenue	<b>J\$m</b>	111,849	100,204	62,185	102,561	84,573	92,600	70,657	70,444	59,701	54,998
Net (Re)insurance Service & Finance Expenses	<b>J\$m</b>	56,572	44,211	18,706	39,332	28,687	38,055	27,727	32,584	25,838	23,868
Total Commissions, Expenses, and Taxes	<b>J\$m</b>	35,036	32,351	34,076	45,026	40,114	39,067	30,510	26,933	23,108	21,278
Net Profit, Attributable to Shareholders	<b>J\$m</b>	9,238	14,368	9,586	17,395	13,780	15,650	14,232	12,070	11,258	9,793
<b>FINANCIAL RATIOS:</b>											
Return on Average Assets	<b>%</b>	2	3	2	3	3	4	4	3	4	3
Return on Average Shareholders' Equity	<b>%</b>	9	16	11	16	14	19	20	19	22	21
Share Price	<b>J\$</b>	41.45	48.50	59.42	58.25	49.95	77.95	39.80	38.05	29.90	20.00
Earnings per Share	<b>J\$</b>	2.37	3.67	2.45	4.46	3.53	4.01	3.65	3.11	2.90	2.51
Price-to-Earnings Ratio		17.49	13.22	24.25	13.05	14.15	19.44	10.90	12.23	10.31	7.97
Dividends per Share	<b>J\$</b>	1.37	1.23	1.60	1.11	0.85	1.44	1.20	1.28	1.12	0.73

### Footnotes:

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 - Only Balance Sheet items were restated



# Building for Tomorrow:

## Sagicor's Commitment to Progress

Sagicor has long been a driving force in national development, investing in infrastructure, housing, and community projects that drive Jamaica's progress.

In 2024, Sagicor continued this commitment with key investments in New Brunswick Village, Portmore Promenade, and the Rio Cobre Water Treatment Plant.

### Transforming Communities: New Brunswick Village & Portmore Promenade

Sagicor marked a significant milestone with the opening of New Brunswick Village, a mixed-use development in Spanish Town, St. Catherine. This gated community, the first of its kind in the parish, integrates residential and commercial spaces, providing a safe and modern environment for businesses and families alike, breathing new life into the former capital city. The project features Sagicor Bank's first "phygital" branch which blends physical and digital service offerings for clients.

Beyond Spanish Town, Sagicor continues to play a pivotal role in urban renewal and green space development with the Portmore Promenade project - designed to enhance the livability of St. Catherine's most populous municipality. The Promenade will feature an innovative mix of green spaces, recreational areas, and commercial hubs, creating a vibrant and dynamic urban environment.

### Investing in Jamaica's Future: Rio Cobre Water Treatment Plant

Sagicor Bank was also the lead financier of the Rio Cobre Water Treatment Plant, reaffirming the organisation's commitment to improving Jamaica's essential services. As the only local commercial bank involved in the project, Sagicor Bank provided US\$13 million

in long-term secured financing for the initiative. This project will significantly enhance Jamaica's water infrastructure, supplying reliable potable water for communities in the Kingston Metropolitan Area and parts of St. Catherine.

From real estate and commercial developments, to disaster relief and infrastructure financing, Sagicor continues to make strategic investments that drive economic growth, strengthen communities, and improve the lives of Jamaicans.



1. (From left) Christopher Zacca, President & CEO of Sagicor Group Jamaica is delighted to show Portmore Promenade plans to Prime Minister Andrew Holness at the groundbreaking ceremony.
2. Key financing partners put pen to paper at the signing of an agreement for the development of the Rio Cobre Water Treatment Plant. (From left) President and CEO of Sagicor Group Jamaica, Christopher Zacca; Country Representative in Jamaica for Inter-American Development Bank, Natacha C. Marzolf; Chairman of Rio Cobre Water Limited, Nicholas Scott; Senior Investment Officer (Infrastructure) of Proparco, Bastien Trombetti; and Acting Managing Director of Development Bank of Jamaica, David Wan.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING of the Company will be held on Thursday, the 22nd day of May 2025 at 3:00 p.m., in "The Auditorium" at Sagicor Group Jamaica Limited, R. Danny Williams Building, 28-48 Barbados Avenue, 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, 2024, 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 Dr. Marjorie Fyffe-Campbell, Stephen Facey, Mahmood Khimji, Dr. Jacqueline Coke-Lloyd, and Peter Melhado who, being eligible, offer themselves for re-election.

"THAT Directors Dr. Marjorie Fyffe-Campbell, Stephen Facey, Mahmood Khimji, Dr. Jacqueline Coke-Lloyd, and Peter Melhado who retire by rotation and are eligible for re-election, be and are hereby re-elected as Directors of the Company en-bloc."

b) Article 100 of the Company's Articles of Incorporation provides that the Directors shall have power at any time from time to time to appoint any other person to be a Director of the Company, either to fill a casual vacancy or as an addition to the Board. Accordingly, Director Cathleen McLaughlin, who was appointed by the Board of Directors since the last Annual General Meeting to fill the casual vacancy created by the resignation of Mr. Gilbert Palter, which was effective on January 31, 2025, retires and being eligible, offers herself for re-election.

"THAT Director Cathleen McLaughlin be and is hereby elected as a Director of the Company."

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

#### Resolution No. 4:

"THAT the amount of J\$40,200,741 included in the Audited Accounts of the Company for the year ended December 31, 2024, as remuneration for their services as Directors be and is hereby approved."

### 5. To appoint Auditors and authorise 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 Ninety-Six Cents (J\$0.96) paid on the 8th day of May 2024 and Forty-One Cents (J\$0.41) paid on the 16th day of October 2024, be and are hereby ratified and declared as final for the year ended December 31, 2024."

DATED THIS 28th day of February 2025

BY ORDER OF THE BOARD



**Dr. Sharma L. 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 J\$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, 2024. The Financial Statements reflect the consolidated results of Sagikor Group Jamaica Limited and its subsidiaries.

OPERATING RESULTS:	2024 J\$000's	2023 J\$000's
Group Profit before Tax	13,098,376	19,061,730
Taxation	(4,047,533)	(4,488,453)
Net Profit after Tax	9,050,843	14,573,277
<b>Attributable to:</b>		
Stockholders of the Parent Company	9,238,468	14,368,019
Non-controlling Interests	(187,625)	205,258

## Dividends

Interim dividends of Ninety-Six Cents (\$0.96) paid on the 8th day of May 2024 and Forty-One Cents (\$0.41) paid on the 16th day of October 2024.

## 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 Dr. Marjorie Fyffe-Campbell, Stephen Facey, Mahmood Khimji, Dr. Jacqueline Coke-Lloyd, and Peter Melhado who, being eligible, offer themselves for re-election.

## 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

**For 54 years, Sagicor's growth has always been driven by one priority: YOU, our valued clients. Your experience with us remains central to everything we do. In 2024, we continued to focus on listening to your needs, exceeding expectations, enhancing accessibility, and implementing digital solutions to ensure seamless, secure, and personalised service.**

A key part of this strategy involved strengthening our internal teams. We emphasised cross-department collaboration, accountability, and a service culture of excellence, resulting in a Group-wide Internal Client Satisfaction Assessment (iCSAT®) score of 76%, aligned with global standards. Additionally, our one-on-one support programme provided targeted coaching, while our recognition initiatives celebrated 119 service excellence commendations and Client Experience Champions across departments. These efforts contributed to another strong Net Promoter Score (NPS®) performance, reinforcing the trust you place in us.

We also improved our digital services to make things faster, safer, and more efficient. At Sagicor Life, we used Robotic Process Automation (RPA) to handle repetitive tasks. This helped speed up how we process policy disbursements, reduce errors, and shorten turnaround times. We also automated how we process salary deduction payments, so payments are now applied more quickly and smoothly.

Sagicor Bank introduced the new Preferred Prepaid Mastercard®. It comes with chip and contactless technology, making it easy to use both locally and overseas. You can also load remittances from Alliance Financial Services onto the card.

To strengthen payment security, Sagicor Bank implemented 3D Secure technology. This extra layer of protection helps verify payments, giving merchants peace of mind and keeping clients safe.

Sagicor Investments Jamaica relaunched its iInvest platform to make investing easier and more accessible. First launched in 2021, we've refreshed the

platform to improve your user experience when exploring public offerings.

Beyond products and services, we focused on meaningful engagement. In 2024, Sagicor opened New Brunswick Village, providing housing solutions and convenient access to Sagicor offices. We enhanced services for pensioners through the SagicorPlus platform, hosted SME client engagements, including business fairs, and facilitated industry connections through an empowerment summit hosted by Sagicor Investments Jamaica.

Throughout the year, our team remained committed to responsiveness, handling over 465,000 client contacts and processing more than 3.6 million health claims. We are dedicated to being a trusted partner, continually evolving to deliver exceptional experiences, and ensuring your financial success.

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**In Photo:**

Chorvelle Johnson Cunningham (right), CEO of Sagicor Bank Jamaica, and Gabrielle Waite, Managing Director of GabbyGlam Co and Carnival Glam Hub, have a fun time at the Bank's 'Christmas BizFair', held in December 2024.

## Board of Directors

STRONG LEADERSHIP SHAPES MORE THAN STRATEGY — IT SHAPES CULTURE, CONFIDENCE, AND **MOMENTUM**. OUR BOARD BRINGS TOGETHER EXPERIENCE, INSIGHT, AND CARE, HELPING US MOVE FORWARD WITH CLARITY AND **PURPOSE**, NO MATTER THE CLIMATE. THEIR GUIDANCE IS ONE OF OUR GREATEST STRENGTHS.



**PETER K. MELHADO** B.Sc., MBA  
Chairman  
Appointed to the Board in 2014  
Citizen of Jamaica

Mr. Peter Melhado is the Chairman (appointed July 2019) of Sagicor Group Jamaica. 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, Gallagher Caribbean Group, West Indies Home Contractors, Social Commerce Inc. (Puerto Rico), American International School of Kingston, Industrial Chemical Company, and Red Stripe. He is also a Director of the Boards of several Sagicor subsidiaries, British Caribbean Insurance Company, Radio Jamaica, Advantage Communications, and Sandals Resorts International (2000).

He is currently President and CEO of ICD Group. He is a former Vice President of the Private Sector Organisation of Jamaica and former CEO of Manufacturers Sigma until its merger with Pan Caribbean Financial Services in 2003. 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 ZACCA** CD, B.Sc., MBA, Hon. LL.D, JP  
President and CEO  
Appointed to the Board in 2017  
Citizen of Jamaica

Mr. Christopher Zacca is the President and CEO of Sagicor Group Jamaica and the Chairman of Sagicor Foundation Jamaica, 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, and Air Jamaica, and served as President of the Private Sector Organisation of Jamaica ("PSOJ").

His track record in public service is equally impressive, having served as Special Advisor to the Prime Minister of Jamaica from 2009 to 2011. He is a former Chairman of the Development Bank of Jamaica and the National Health Fund.

Mr. Zacca's strong leadership is reflected in the many accolades he has received, including the 2016 Jamaica Observer Lifetime Achievement Award for Business. He was also recognised in 2023 as an Outstanding Business Leader by the Mona School of Business and Management, University of the West Indies. In 2024, he was honoured with the prestigious American Friends of Jamaica International Achievement Award, became the 30th inductee into the PSOJ Hall of Fame, and was conferred with the Doctor of Laws Honoris Causa by the University of Technology, Jamaica.



**ANDRE MOUSSEAU** BA, MBA  
Appointed to the Board in 2022  
Citizen of Canada

Mr. Andre Mousseau is the President and CEO of Sagicor Financial Company ("SFC"), the ultimate parent company of the Sagicor group that operates across the Caribbean and North America. Mr. Mousseau joined SFC in 2019 as Group Chief Financial Officer and subsequently held the title of Group Chief Operating Officer. He also currently acts as the CEO of ivari, SFC's wholly-owned Canadian subsidiary, and Sagicor USA.

Mr. Mousseau holds an undergraduate degree in Economics from McGill University and an MBA from the Richard Ivey School of Business, University of Western Ontario. Prior to joining Sagicor, Mr. Mousseau had over 20 years of experience in the financial services industry, primarily as a private equity investor and executive.

Mr. Mousseau is a Director of SFC and a number of other companies within the Sagicor group.



**PHILIP ARMSTRONG** B.Sc.

Appointed to the Board in 2023  
Citizen of Jamaica

Mr. Philip Armstrong is the Chief Operating Officer of Pan Jamaica Group (formerly PanJam Investment). Mr. Armstrong holds a B.Sc. in Avionics Technology, and has completed the Harvard Business School's Advanced Management Programme and the Harvard Business Analytics Programme. He has over 15 years of experience in the financial services industry.

Mr. Armstrong served as Chairman of the South East Regional Health Authority from 2016 to 2019. Outside of the Sagicor group, he currently serves as a Director for British Caribbean Insurance Company, Kingston Wharves, and Pan Jamaica Property Company, and as an Advisory Board Member for Mo Technologias, a Colombia-based financial technology company.

Within the Sagicor group, Mr. Armstrong also serves as a Director of Sagicor Bank Jamaica, Sagicor Life Jamaica, and Sagicor Investments Jamaica.



**PETER E. CLARKE** BA

Appointed to the Board in 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 ("SFC") and sits on the Board of several other companies in the SFC group, including Sagicor Life Inc. and Sagicor General Insurance.

Mr. Clarke is the holder of an undergraduate 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 CEO of West Indies Stockbrokers 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 and a Director of a number of other companies in Trinidad and Tobago.



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

Appointed to the Board in 2010  
Citizen of Jamaica

Dr. Jacqueline Coke-Lloyd is the Founder/Managing Director of Make Your Mark Group. She is regarded as the leading management and leadership consultant, as well as an astute negotiator and change agent. She is a graduate of the University of Technology, Jamaica ("UTECH"), the International Training Centre of the International Labour Organisation ("ILO"), and Bakke Graduate University. Dr. Coke-Lloyd holds a Doctorate in Transformational Leadership, and is a SHRM Certified Behavioural Coach, Certified Mediator, and Job Readiness Trainer.

She has served on several local Boards including the National Housing Trust, Jamaica Productivity Centre, UTECH, Young Entrepreneurs Association of Jamaica ("YEA"), Jamaica Employers' Federation ("JEF"), the Labour Advisory Council, National Council on Technical and Vocational Training, and Council of Community Colleges of Jamaica ("CCCJ"). She has also served on international Boards, such as the ILO and the Caribbean Employers' Confederation. Dr. Coke-Lloyd has negotiated numerous local and international conventions and legislation through her representation at the Ministry of Labour and Social Security, United Nations, Organization of American States, and the ILO.

Dr. Coke-Lloyd is the former CEO of the JEF. She is the past Deputy Chairman of the CCCJ, Advisor and Life Board Member of the YEA, Grande Slam President of the Optimist Club, a member of Private Sector Organisation of Jamaica's Human Capital Development Committee, the United Way Women's Leadership Initiative, and the Human Resource Management Association of Jamaica. She serves as an Adjunct Professor, a Director of Grateful Faces Charity, Process Technology and Solutions, and Transformed Life Church, and a Justice of the Peace.



**STEPHEN B. FACEY** CD, BA, M.Arch

Appointed to the Board in 2004  
Citizen of Jamaica

Mr. Stephen Facey is the Chairman of Pan Jamaica Group (formerly PanJam Investment) and Pan Jamaica Property Company. He is a Director of Jamaica Producer Group, and the Chairman of Caribbean Policy Research Institute, Kingston Restoration Company, and the New Kingston Civic Association. Mr. Facey also serves as Chairman of the C.B. Facey Foundation, and is a Director of the National Gallery of Jamaica, Devon House Development, and the Institute of Jamaica. He is also a Director of Sagicor Foundation Jamaica and Sagicor Financial Company.

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 Order of Distinction in the rank of Commander by the Government of Jamaica for outstanding contribution to the Real Estate Development, Banking, and Financial Insurance Sectors.



**DR. MARJORIE M. FYFFE-CAMPBELL**

B.Sc. (Hons.), M.Sc., DBA, FCA, JP  
Appointed to the Board in 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 from Mona School of Business and Management, University of the West Indies ("MSBM"). She also holds a B.Sc. (Hons.) and an M.Sc. in Accounting from the University of the West Indies. She has attended Developmental Management courses at Harvard University, Duke University, and the Wharton School at the University of Pennsylvania. She is a Fellow of the Institute of Chartered Accountants of Jamaica, a former member of the Hospitality, Financial and Technology Professionals, and a Justice of the Peace/Lay Magistrate.

She is a former President and CEO of the Urban Development Corporation and a former Adjunct Lecturer at MSBM.

Dr. Fyffe-Campbell is also a member of the Director of Sagicor Life Jamaica, Sagicor Life of the Cayman Islands, Sagicor Property Services, Sagicor Foundation Jamaica, and Sagicor Pooled Investment Fund. She is a former Director of Sagicor Financial Corporation. She is listed as a mentor to new listings on the Jamaica Stock Exchange Junior Market.



**JEFFREY HALL** CD, BA, MPP, J.D.

Appointed to the Board in 2023  
Citizen of Jamaica

Mr. Hall serves as Vice Chairman and CEO of Pan Jamaica Group (formerly PanJam Investment). Mr. Hall is also Managing Director of Jamaica Producers Group ("JP")—a holding company—and has served in that capacity since 2007; 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 in 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 (where he served as a Director for over 15 years). He currently serves as Chairman of Kingston Wharves, Blue Power Group, and Lumber Depot, and as a Director of JP. Mr. Hall has served as a Director of a range of Jamaican national institutions, including the Institute of Jamaica, Jamaica Promotions Corporation, the Jamaica Stock Exchange, the Bank of Jamaica, and the National Housing Trust. Within the Sagicor group, Mr. Hall also serves as a Director of Sagicor Bank Jamaica, Sagicor Life Jamaica, and Sagicor Investments Jamaica.



**PAUL HANWORTH** MA, M.Sc., FCA, CPA

Appointed to the Board in 2008  
Citizen of Jamaica and the United Kingdom

Mr. Paul Hanworth is the former Deputy Chief Executive Officer of Pan Jamaica Group (formerly PanJam Investment (“Pan Jam”)), a multi-faceted investment holding company. 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, Diageo in the USA and South Africa for nine years, and the Mechala Group (now ICD Group) in Jamaica for five 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** BA, J.D.

Appointed to the Board in 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 practised law at Paul, Weiss, Rifkind, Wharton & Garrison.

Mr. Khimji is the Chairman of Sagicor Financial Corporation. He also serves as a Director of Sagicor Life Jamaica, Playa Hotels & Resorts, and American Hotel Income Properties. He is a member of the Young Presidents’ Organization, Chief Executives Organization, and the Real Estate Forum. Mr. Khimji serves on the Boards of Aga Khan Museum and the Asia Society. Additionally, he serves on the Board of Trustees for St. Mark’s School of Texas and the Board of Visitors for Columbia Law School.

He attended the University of British Columbia, and holds a Bachelor’s degree (Summa Cum Laude) from the University of Houston and a Juris Doctor degree from Columbia Law School.



**STEPHEN MCNAMARA** CBE, LL.D

Appointed to the Board in 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 Sagicor Life Inc. and a number of other entities within the group.

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

In 2015, Mr. McNamara was made a Commander of the Order of the British Empire for public service and services to the legal profession. 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** FB, FCCA, MBA, LL.M, Hon. LL.D  
Appointed to the Board in 2001  
Citizen of Barbados

Dr. the Most Honourable Dodridge D. Miller was Group President and CEO of Sagicor Financial Company ("SFC") and its predecessor company Sagicor Financial Corporation from July 2002 until his retirement on March 31, 2023; he has been a Director since December 2002. Dr. Miller joined the Sagicor group 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 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 ("UWI").

In 2008, he was conferred with an Honourary Doctor of Laws degree by UWI for his contribution to the development of financial services within the Caribbean region, and in November 2023, he was awarded Barbados' highest honour, the Order of Freedom of Barbados, for his exceptional contributions to the country and the region throughout his career.

Dr. Miller is Chairman of the Barbados National Growth Council, and on August 1, 2024, he was appointed as the 7th Chancellor of UWI.



### GILBERT J. PALTER

 B.Sc., MBA

Appointed to the Board in 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, a Bermuda-based life reinsurer, leading the US\$500-million initial funding. He is the former Chairman of Affinion Group Holdings, which operated Affinion Benefits Group, 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 EGADS Group, on the public Boards of Atlantic Power Corporation from 2015 to 2020, cxLoyalty/Tenerity since 2017, and RPX Corporation from 2016 to 2018. In his early career, Mr. Palter worked at Morgan Stanley, McKinsey & Company, Clairvest Group, and Smith Barney.

Mr. Palter received an MBA from Harvard Business School, where he graduated as a Baker Scholar and the winner of the John L Loeb Fellowship in Finance. He earned a B.Sc. degree in Computer Science and Economics at the University of Toronto, where he was the Gold Medallist in his class. He was a 2003 recipient of "Canada's Top 40 Under 40" award and a recipient of the Ernst & Young Entrepreneur of The Year® Award in 2006.



### Dr. SHARMA TAYLOR

 LL.B, LEC, LL.M, Ph.D

Company Secretary  
Appointed in 2023  
Citizen of Jamaica

Dr. Sharma Taylor joined Sagicor Group Jamaica on June 1, 2021, as Vice President - General Counsel, providing strategic leadership to Sagicor's legal team. On February 1, 2023, she was appointed Corporate Secretary of Sagicor and its subsidiaries. Since November 2024, her role has been to provide direction on corporate governance and corporate secretarial matters, as well as to guide Sagicor's corporate trust strategy.

Dr. Taylor has over 18 years' experience in regional commercial law. She holds a Doctor of Philosophy Degree 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, obtained on a Carreras Scholarship, and a Bachelor's degree in Law 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 Corporate Governance Committee.



## Sigma Run 2024 Beneficiary Message

### Dr. Suman Vemu

Senior Medical Officer - Savanna-la-Mar Public General Hospital

On behalf of Sav-la-mar Hospital, I extend our heartfelt gratitude for being selected as one of the 2024 Sigma Run beneficiaries. The funds raised through this initiative will significantly enhance our hospital's capacity to provide quality healthcare to the community.

As our population continues to grow and medical demands increase, these contributions will allow us to better serve those in need.

With the support provided, the hospital will acquire essential medical equipment, including a ceiling-mounted surgical light to expand operating theatre capacity, a transport ventilator to ensure the safe transfer of critically ill patients, an endoscopy tower to expand surgical services, a portable X-ray machine to provide vital imaging

for unstable patients on bedside, and vital signs monitors to enhance patient monitoring across key areas.

These additions will improve efficiency and quality care, and reduce the overall hospital stay of the patient.

We deeply appreciate the trust placed in us and the opportunity to improve healthcare delivery through the generosity of the Sagicor Foundation and the 2024 Sigma Run. Thank you for your continued commitment to making a lasting impact on the healthcare system of Jamaica.

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**Left:**

Dr. Suman Vemu, Senior Medical Officer, Savanna-la-Mar Public General Hospital.

**Right:**

Children from the Danny Williams School for the Deaf are all smiles as they share a moment with (from left) Mark Chisholm, Chief Revenue Officer, Sagicor Life Jamaica; Ian Bourne, Branch Manager, Sagicor Life Jamaica Holborn Branch; Heidi-Ann Mitchell-Dillon, Principal, Danny Williams School for the Deaf; Race Patron and Olympian Rushell Clayton; Dr. Suman Vemu, Senior Medical Officer, Savanna-la-Mar Public General Hospital; Race Patron and Reggae Boyz Captain Andre Blake; Christopher Zacca, President and CEO, Sagicor Group Jamaica and Chairman of the Sagicor Foundation; and Dwayne Francis, CEO, National Chest Hospital.



# Senior Leadership Team



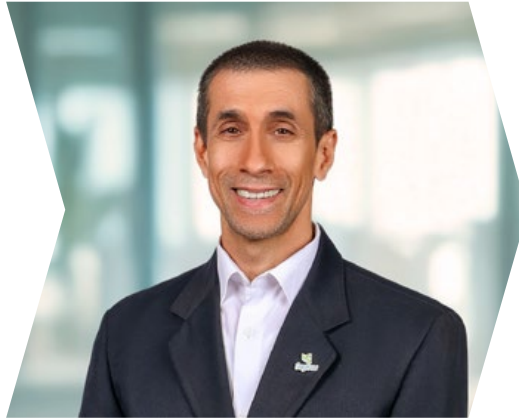
**CHRISTOPHER ZACCA** CD, B.Sc., MBA, Hon. LL.D, JP  
**President and CEO**  
**Sagicor Group Jamaica**

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

Mr. Zacca has held senior management positions at Desnoes and Geddes, ATL Group, and Air Jamaica. He also served as President of the Private Sector Organisation of Jamaica (“PSOJ”).

His track record in public service is equally impressive, having served as Special Advisor to the Prime Minister of Jamaica from 2009 to 2011. He is a former Chairman of the Development Bank of Jamaica and the National Health Fund.

Mr. Zacca’s strong leadership is reflected in the many accolades he has received, including the 2016 Jamaica Observer Lifetime Achievement Award for Business. He was also recognised in 2023 as an Outstanding Business Leader by the Mona School of Business and Management, University of the West Indies. In 2024, he was honoured with the prestigious American Friends of Jamaica International Achievement Award, became the 30th inductee into the PSOJ Hall of Fame, and was conferred with the Doctor of Laws Honoris Causa by the University of Technology, Jamaica.



**ANDRE HO LUNG** B.Sc., M.Sc.  
**Group Chief Financial Officer**  
**Sagicor Group Jamaica**

With a Master’s degree in Accounting and over 20 years of experience in the financial sector, Mr. Andre Ho Lung has a strong track record of delivering operational performance transformation based on a foundation of strategy, corporate development, restructuring, and mergers and acquisitions.

Mr. Ho Lung’s knowledge and expertise encompass a diverse field of industries, including life and general insurance, securities, and investments. He has also worked in banking and audit, across areas such as compliance and operations. As a key member of Sagicor’s Senior Leadership Team, Mr. Ho Lung 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 and CEO**  
**Sagicor Life of the Cayman Islands**

Mr. Mark Chisholm’s experience in the insurance industry spans over 35 years. Over this period, he has moved up the corporate ladder to his current positions.

Mr. Chisholm has direct responsibility for the growth of the Group’s life insurance, health insurance, and pensions portfolios, which encompass 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, Advantage General Insurance Company, Sagicor Insurance Managers, and Sagicor Reinsurers.



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

Mr. Willard Brown has direct responsibility for technology and insurance operations. He also has oversight of corporate actuarial, insurance pricing, product management, and Employee Benefits Administrator (“EBA”), as well as the expansion of Sagicor Life in Latin America.

Mr. Brown has served the company in various capacities across a number of departments, including information technology, actuarial, and special projects. He is the Chairman of Sagicor Insurance Brokers and a Director of EBA.

Mr. Brown holds a Bachelor’s degree in Mathematics and Computer Science. He is also a Fellow of the Society of Actuaries.

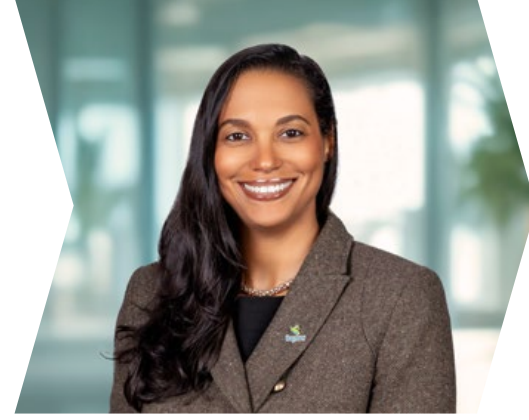


**CHORVELLE JOHNSON CUNNINGHAM** MBA  
**Chief Executive Officer**  
**Sagicor Bank Jamaica**

With a diverse educational background, Mrs. Chorvelle Johnson Cunningham holds the much sought after Chartered Banker MBA, offered by Bangor University. She is also a member of the Chartered Banker Institute at the United Kingdom-based institution.

With over three decades of experience in the financial sector, the renowned leader joined the Sagicor team in January 2018. Mrs. Johnson Cunningham is a trailblazer in the financial services industry, with an impressive track record of success at the leadership level.

She is a former Vice President of the Jamaica Bankers’ Association, a past Chair of the United Way of Jamaica, and the current Deputy Chair of the Women’s Leadership Initiative Membership Committee (a sub-committee of the United Way). Mrs. Johnson Cunningham is a proponent of female empowerment and women shattering societal expectations. She is Jamaica’s first International Women’s Forum Fellow, chosen for the periods 2015 and 2016.



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

Ms. Joanna Banks is the former Chief Executive Officer of PanJam Investment-now Pan Jamaica Group (“Pan Jam”). She holds a Bachelor’s degree in Systems Engineering from the University of Pennsylvania and an MBA from the University of Chicago Booth School of Business. She is also CFA Charterholder.

Prior to joining Pan Jam, Ms. Banks worked at Exxon Mobil Corporation, Deere & Company, and Pan Caribbean Financial Services. She has senior management experience in roles focused on corporate finance, investor relations, pension fund management, and strategy.

Her directorships span the Boards of entities, including Agostini, Alliance Financial Services, Sagicor Property Services (which she Chairs), and the University Hospital of the West Indies.



**TRACY-ANN SPENCE** B.Sc., MBA  
**Chief Investment Officer**  
**Sagicor Group Jamaica**

Ms. Tracy-Ann Spence joined Sagicor in July 2023, assuming responsibility for strategic leadership of the investment operations in the Group, including its investment banking, treasury and asset management, and real estate businesses.

Formerly the Chief Operating Officer at a major investment bank, she came to her current role with over 20 years of experience in asset management, investment banking, and wealth management. Ms. Spence holds a Bachelor's degree in Applied Mathematics from York University in Toronto, and an MBA in Banking & Finance from the University of the West Indies.

Ms. Spence chairs the Assets & Liabilities Committee for our Investment Banking arm and is a Director of the Jamaica Stock Exchange.

**KARL WILLIAMS** B.Sc., Executive MBA  
**Executive Vice President -**  
**Shared Services**  
**Sagicor Group Jamaica**

Mr. Karl Williams' leadership spans over 25 years in the management disciplines of marketing & sales, learning & development, and human resources.

In his role as Executive Vice President - Shared Services, Mr. Williams has direct responsibility for group human resources, procurement, facilities and records management, and security operations. He also oversees group marketing & communications, legal, corporate trust & corporate secretarial, and group client support & experience.

Mr. Williams is a Past President of the Human Resource Management Association of Jamaica and serves as a Director of Jamaica Institute of Financial Services and e-Learning Jamaica Company.

**TARA NUNES** B.Sc. (Hons.)  
**Chief Executive Officer**  
**Sagicor Investments Jamaica & Sagicor**  
**Investments (Cayman)**

Mrs. Tara Nunes has over 25 years of 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 our Investment Banking arm, which is now 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.

Mrs. Nunes is an Officer of the Jamaica Securities Dealers Association and a member of the Women's Leadership Initiative.

**DONNETTE SCARLETT** B.Sc. (Hons.), CFA  
**Senior Vice President - Group Treasury**  
**and Asset Management**  
**Sagicor Group Jamaica**

Mrs. Donnette Scarlett has over 25 years of experience in the financial services industry and is currently Sagicor's Senior Vice President - Group Treasury and Asset Management. In her role, Mrs. Scarlett 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.

Mrs. Scarlett holds a Bachelor's degree in Economics & Management from the University of the West Indies and is a CFA Charterholder. She is a member of the CFA Institute and the CFA Society of Jamaica.



**OMAR BROWN** B.Sc., CFA  
**Chief Executive Officer**  
**Alliance Financial Services**

Mr. Omar Brown is charged with overseeing operations at Alliance Financial Service’s cambio, remittance, and bill payment facilities. With over 25 years’ experience in operations and treasury, he is a CFA Charterholder and a Certified Financial Modelling Specialist, and has a Bachelor’s degree (with Honours) in Banking and Finance from the University of the West Indies.

Mr. Brown serves as a Trustee for the Pan Caribbean Pension Fund, a Director of Sagicor Select Funds, and a member of the CFA Society of Jamaica. His philanthropic efforts see him serving on the Board of the children’s charitable organisation, Chain of Hope Jamaica.

Mr. Brown was the former Treasurer of Sagicor Bank Jamaica, where he played a pivotal role in leading the treasury team to significant growth and profitability.



**DAVE MORRISON** FCA  
**Chief Executive Officer**  
**Advantage General Insurance Company**

Appointed CEO of Advantage General Insurance Company (“AGIC”) on December 1, 2024, Mr. Dave Morrison has amassed more than a decade of experience with the company. He previously served as its Deputy CEO since September 2023, after rejoining the company in 2019 as Chief Financial Officer.

A Chartered Accountant with over 20 years in financial leadership, Mr. Morrison has led the financial affairs of several local companies, including Rubis Energy Jamaica and Mavis Bank Coffee Factory. He has also served as a Director of Sterling Asset Management and Dolphin Cove.

As CEO, he is committed to driving AGIC’s growth through innovation and digital transformation, while enhancing customer experience and operational efficiency in an evolving insurance landscape.



**HOWARD GORDON** BBA (Hons.), MBA  
**Senior Vice President – Group**  
**Technology and Sagicor Life Operations**  
**Sagicor Group Jamaica**

Mr. Howard Gordon has direct oversight of the team implementing digital transformation initiatives and optimising operations within Sagicor Life Jamaica. He has over 35 years’ experience, spanning areas such as: technology, banking operations, business administration, anti-fraud, procurement, audit, risk management, and process and productivity management. He has worked at several major Jamaican financial institutions.

Mr. Gordon is a graduate of the Manchester School of Business, where he earned an MBA. He also holds a First Class Honours Bachelor’s degree in Business Administration from the University of Technology, Jamaica. Mr. Gordon is an Associate of the Chartered Institute of Bankers London.



**CAREN SCOTT-DIXON** BBA, MBA, CA, CAMS  
**Vice President – Enterprise Risk**  
**Management & Group Compliance**  
**Sagicor Group Jamaica**

Mrs. Caren Scott-Dixon oversees the development and implementation of Sagicor’s risk and compliance frameworks. Her work ensures that the Group operates within established risk tolerance levels and adheres to regulatory requirements.

She has over 22 years’ experience in the financial services industry, with a specific focus on the areas of risk management, compliance, and financial analysis.

Mrs. Scott-Dixon completed her Bachelor’s degree (with Distinction) at the University of Technology, Jamaica. She also has an MBA from the University of the West Indies, where her focus was Banking and Finance. Her many accomplishments also include being a Fellow of the Association of Chartered Certified Accountants and a Certified Anti-Money Laundering Specialist.



## Committed to Our Team

In 2024, we accelerated our mission to build a future-ready organisation, ensuring that team members are not just ready for the ever-evolving digital world, but are also actively shaping it with the skills and support required.

Throughout the year, we reaffirmed our commitment to cultivating an environment where every individual can flourish. It is our belief that innovation, growth, and progress are born from the convergence

of diverse perspectives. As a result of this, empowering our team to contribute their unique talents towards a collective vision has been central to our approach. Core to this is continuous development, ensuring that our workforce remains agile, resilient, and prepared to navigate and excel amid tomorrow's evolving challenges.

Beyond professional excellence, we recognise that true success is rooted in the holistic well-being of our people.

Nurturing both personal fulfilment and career growth creates a supportive atmosphere that inspires confidence and respect. Our steadfast dedication to this balanced culture drives our ongoing investments in the overall wellness of our team. This guiding principle remains at the heart of our efforts to build a resilient, future-ready team poised for sustained success.



### Far Left:

(From left) Tasheeka Harrison, Tenelle Cuff, Angella Sturridge, (background left) Radrique Miller, Nekoshae Dillon and Yvonne Scott from Sagicor Life's Spanish Gems enjoy a moment at Blast Off 2024.

### Left:

Showcasing their culinary skills at the Men Who Cook event in Brooks Park, Mandeville were Sagicor Investments Regional Manager, Carlos Gordon; Sagicor Bank Mandeville Branch Manager, Kavon Walker; Sagicor Life Mandeville Branch Manager, Philbert Perry; and Sagicor Group Assistant Vice President, Property Services, Shane Walters.

## Management's Discussion and Analysis

BEHIND EVERY NUMBER IS A DECISION, A **PIVOT**, A LESSON LEARNED. THIS SECTION BREAKS DOWN THE TRENDS, RISKS, AND STRATEGIES THAT INFLUENCED OUR YEAR — AND THE THINKING THAT HELPS US STAY READY, STEADY, AND FOCUSED ON **LONG-TERM VALUE.**

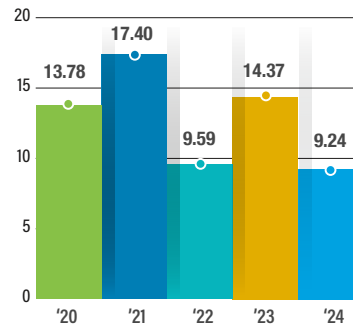
## OVERVIEW

The Management's Discussion and Analysis ("MD&A") is intended to provide the leadership's perspective on the operating environment (internal and external), operating results, and financial condition of Sagicor Group Jamaica Limited ("SGJ," "Sagicor," or "the Group"). This MD&A should be read in conjunction with the Group's 2024 financial statements dated 28 February 2025, which form a part of this Annual Report.

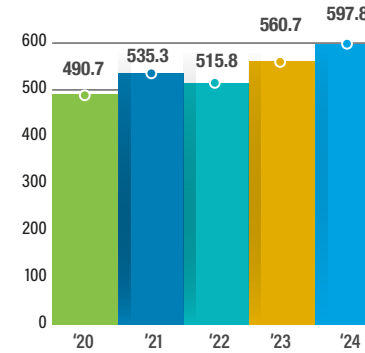
Sagicor is a leading financial conglomerate, commanding a large market share in many of the lines of business it operates. The Group is also among the largest on the Jamaica Stock Exchange by market capitalisation. It has a diversified business model that offers products and services in:

- 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

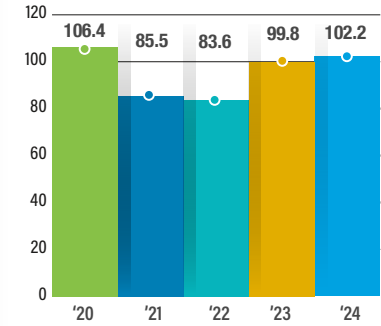
**Net Profit Attributable to Shareholders**  
J\$ BILLIONS



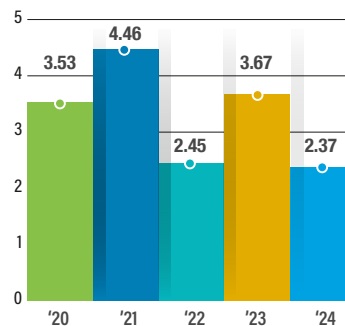
**Total Assets**  
J\$ BILLIONS



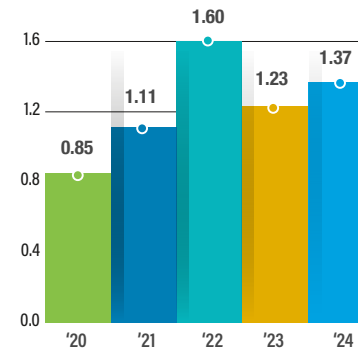
**Stockholders Equity**  
J\$ BILLIONS



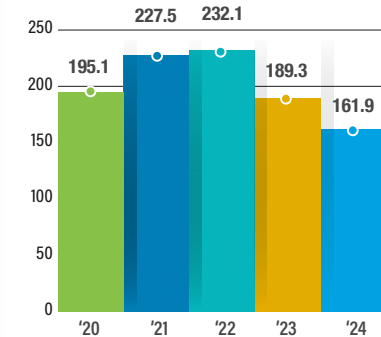
**Earnings Per Share**  
J\$



**Dividends Per Share**  
J\$



**Market Capitalisation**  
\$ BILLIONS



## 2024 FINANCIAL PERFORMANCE HIGHLIGHTS

	Dec 2024 Audited	Dec 2023 Audited	% Change
<b>Operating Results (Income Statement Data):</b>			
Net Profit, Attributable to Stockholders - J\$ billions	9.24	14.37	-36%
Insurance Service Results - J\$ billions	6.24	8.07	-23%
Contractual Service Margin (CSM) - J\$ billions	5.90	5.43	9%
<b>Financial Position &amp; Strength (Balance Sheet Data):</b>			
Total Assets of Sagicor Group Jamaica - J\$ billions	597.79	560.65	7%
Total Assets Under Management - J\$ billions	1,076.57	1,030.73	4%
Stockholders' Equity - J\$ billions	102.17	99.78	2%
Adjusted Stockholders' Equity (+ CSM) - J\$ billions	146.87	144.04	2%
<b>Profitability:</b>			
Return on Average Stockholders' Equity (ROE)	9%	16%	-7%
Return on Average Assets (ROA)	2%	3%	-1%
Earnings per Stock Unit (EPS) - J\$	2.37	3.67	-35%
Dividends Paid per Stock Unit - J\$	1.37	1.23	11%
	Dec 2024	Dec 2023	% Change
<b>Other Market Information:</b>			
Share Price - J\$	41.45	48.50	-15%
Market Capitalisation - J\$ billions	161.89	189.34	-15%

**At the core of our operations is the wellness of our clients, team members, and other stakeholders. This continues to guide the strategic initiatives the Group undertakes and the decisions made during the year.**

For the financial year ended December 31, 2024, the Group's operations produced net profits attributable to stockholders of J\$9.24 billion, a decrease from the prior year's profit of J\$14.37 billion. Despite several one-off items that contributed to the decline in full-year profits, SGJ has remained focused on improving service levels for our clients while driving internal efficiencies. This approach resulted in meaningful growth in the Group's insurance revenues and net interest income relative to the prior year. Expenses increased broadly in line with inflation, and we continued to fund significant capital investments in digital platforms and data security.

The Group declared dividends totalling J\$1.37 per share (December 2023: J\$1.23 per share) during the year as part of our commitment to providing a return on capital to our shareholders, despite the challenging environment.

# 11.38%

Increase in Dividends  
over Prior Year

# OUR ECONOMIC ENVIRONMENT

Sagicor Group Jamaica has a strong presence in Jamaica, the Cayman Islands, Costa Rica, and the United States, with investments extending to several other countries. Consequently, the Group's performance is influenced by the economic conditions and trends within these key markets. An overview of the macroeconomic landscape in these countries is provided below:

## JAMAICA

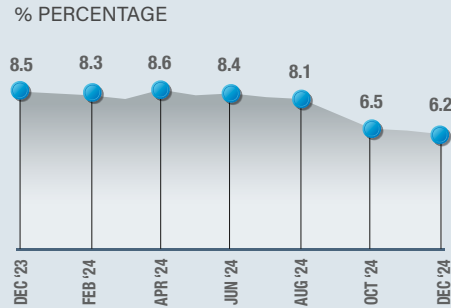


In 2024, Jamaica's economy faced several challenges, including:

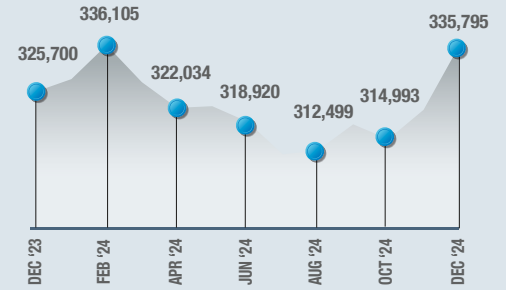
- Adverse weather events, such as Hurricane Beryl and Tropical Storm Rafael, which negatively affected key sectors, particularly agriculture and infrastructure development
- The continued impact of global geopolitical tensions which contributed to volatility in commodity prices and supply chain disruptions
- Slowing economic growth, reflecting disruptions in the Goods-Producing and Services sectors.

Despite these challenges, Jamaica's labour market remained resilient, with unemployment at historically low levels. The Tourism sector continued to be a key driver of economic activity, benefiting from increased stopover arrivals and higher visitor spending.

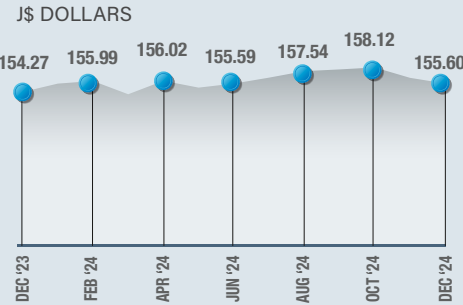
**180-Day T-Bill Movements**



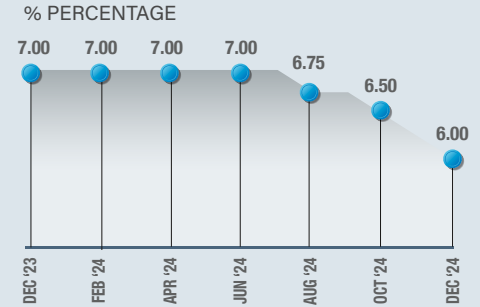
**JSE Main Index Movements**



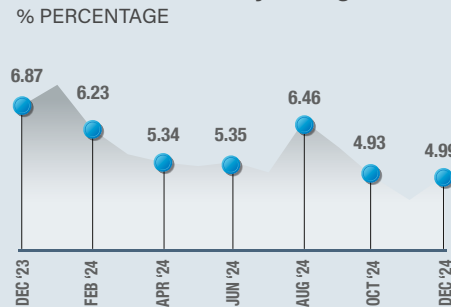
**J\$ vs US\$ Exchange Rate Movements**



**Interest Rate**



**12-Month Inflationary Changes**



# BB-

## IDR Fitch Rating Positive Outlook

In February 2025, Fitch affirmed Jamaica's Long-Term Foreign Currency Issuer Default Rating ("IDR") at BB- citing strong governance, a disciplined fiscal framework, and a firm political commitment to maintaining large primary surpluses.

5.0%

**Jamaica's Annualised  
Inflation Rate**

US\$277M

**Net Remittance Transfers**

J\$156.42

**Weighted Average Selling  
Rate for the US\$ at the End of  
December 2024**

US\$5.58B

**NIR at the End of Decemeber 2024  
Reflecting an Increase of 17.47%  
over Prior Year**

Inflation largely remained within the Bank of Jamaica's ("BOJ") target range of 4.0% to 6.0%, supported by tight monetary policy, lower imported inflation, and relative exchange rate stability. Stemming from the inflation outturn recorded, the central bank began policy rate reductions towards the end of 2024.

### Economic Growth

Jamaica's economy experienced a contraction in 2024, with Real Value Added declining by an estimated 0.9%, according to the Planning Institute of Jamaica ("PIOJ"). This downturn was driven by declines in both the Goods-Producing and Services sectors. The Goods-Producing sector saw a reduction of 2.3%, with Agriculture, Forestry, & Fishing falling by 3.4% and Construction declining by 2.8%. The Services sector recorded a smaller contraction of 0.3%, though industries such as Electricity & Water Supply, Transport, Storage & Communication, Finance & Insurance Services, and Hotels & Restaurants managed to grow despite overall challenges.

Economic performance in the latter half of the year was significantly impacted by severe weather events. In the fourth quarter of 2024, Real Value Added declined by an estimated 1.8% compared to the similar period in 2023, following a 3.5% contraction in

the third quarter. The downturn in the third quarter was largely attributed to the passage of Hurricane Beryl in July, while the fourth-quarter performance reflected the lingering effects of the hurricane, coupled with disruptions caused by Tropical Storm Rafael and other adverse weather conditions. In the fourth quarter, the Finance & Insurance Services industry experienced an estimated 1.0% growth in Real Value Added. This was driven by higher revenues at deposit-taking institutions, particularly from net interest income, along with fees and commissions. The industry also benefited from strong employment levels and improved economic sentiment, with business confidence rising by 7.3% and consumer confidence edging up by 0.2%.

### Unemployment

Labour market conditions remained stable despite the economic contraction, as indicated by the October 2024 Labour Force Survey conducted by the Statistical Institute of Jamaica. However, due to changes in data collection methodologies, the figures are not directly comparable to previous years. The unemployment rate for October 2024 stood at 3.5%, with male unemployment at 2.6% and female unemployment at 4.5%. Youth unemployment was recorded at 11.0%, with male youth unemployment at 8.9% and female youth unemployment

at 13.7%. The employed labour force reached 1,417,000 persons in October 2024, with males accounting for 54.2% or 768,500 individuals, while females comprised 45.8% or 648,400 individuals. The unemployed labour force totalled 51,300 persons. Despite economic challenges, Jamaica's labour market remained resilient, with relatively low unemployment rates and steady workforce participation.

### Inflation, Exchange Rate & Net International Reserves ("NIR")

Consumer prices continued to rise in December 2024, with the All-Jamaica Consumer Price Index ("CPI"), increasing by 1.2% for the month, reaching 143.5. On an annual basis, inflation from December 2023 to December 2024 stood at 5.0%, primarily driven by price increases in key categories such as: Food and Non-Alcoholic Beverages (1.9%); Housing, Water, Electricity, Gas, and Other Fuels (2.4%); and Restaurants and Accommodation Services (0.1%).

Throughout 2024, annual point-to-point inflation exhibited a general downward trend, starting at 7.4% in January before gradually easing to 4.3% in November, the lowest level recorded for the year. However, this trajectory was briefly disrupted in the aftermath of Hurricane Beryl.

Leading up to mid-year, inflation steadily declined, reflecting stable economic conditions and moderating price pressures. However, the impacts caused by Hurricane Beryl in early July led to supply chain disruptions, particularly in the Agricultural sector, which resulted in a temporary spike in inflation. This was evident in August, where inflation climbed to 6.5%, the highest level since February. The effects of the hurricane drove up food prices and other essential goods, contributing to the increase.

Despite these challenges, inflation began to stabilise in the following months as recovery efforts took hold. By October, inflation had fallen to 4.9%, and it reached 4.3% in November before ending the year at 5.0% in December. This suggests that while Hurricane Beryl had a short-term impact on price levels, economic resilience and policy measures helped contain inflationary pressures in the latter part of the year.

At the end of December 2024, the BOJ's Weighted Average Selling Rate stood at J\$156.42. In 2024, the BOJ intervened in the foreign exchange market 38 times, injecting US\$1.1 billion, compared to US\$936.8 million through 35 interventions in 2023. However, there were no interventions in December 2024.

In December 2024, net remittance transfers saw a year-over-year increase of 6.0%, reaching US\$277.00 million relative to US\$294.10 in December 2023. This was primarily due to a decline of US\$16.4 million or 5.2% in total remittance inflows, compounded by an increase in remittance outflows of US\$1.2 million or 6.1%. The United States remained the leading source of remittance flows to Jamaica, contributing 67.3% of total inflows in December. Other key sources included the UK at 11.8%, followed by Canada and the Cayman Islands, which accounted for 8.7% and 7.5%, respectively, underscoring the significance of diaspora contributions from these jurisdictions.

As of December 2024, Jamaica's NIR stood at US\$5.58 billion, reflecting a 17.5% increase from the US\$4.75 billion recorded as of December 2023. This growth was primarily due to an increase in foreign assets, particularly currency and deposits. At the same time, total foreign liabilities declined from US\$110.40 million in December 2023 to US\$49.24 million in December 2024, a reduction of 55.4%. The country's reserves at the end of December 2024 were sufficient to cover approximately 44.78 weeks of goods imports and 29.35 weeks of imports of goods and services,

compared to 43.53 weeks and 28.53 weeks, respectively, in the prior month.

### Interest Rate

Over the course of 2024, the BOJ implemented a cumulative 100-basis-point reduction in its policy rate, bringing it down from 7.00% to 6.00%. This decision reflects the BOJ's confidence in the economic environment and its ability to maintain low, stable, and predictable inflation. This easing of monetary policy is intended to stimulate economic activity while ensuring that inflation remains within the desired range. In December 2024, the BOJ lowered its policy rate by 25 basis points to 6.00%, marking the fourth consecutive reduction, following similar cuts done in August, September and November. As of December 2024, the six-month treasury bill yield stood at 6.17%, relative to 8.46% in December 2023. The BOJ's 30-day Certificate of Deposits rate stood at 6.34%, compared to 10.43% in December 2023.

### Credit Rating and Debt

In February 2025, Fitch affirmed Jamaica's Long-Term Foreign Currency Issuer Default Rating of 'BB-', citing strong governance, a disciplined fiscal framework, and a firm political commitment to maintaining large primary surpluses. The rating reflects

Jamaica's significant progress in reducing its debt burden, with the Debt-to-Gross Domestic Product ("GDP") ratio projected to decline to 70.8% in fiscal year 2024/25. Further reductions are expected, with Debt-to-GDP forecast to fall to 63.5% by fiscal year 2026/27, keeping the country on track to meet its long-term debt reduction targets. The primary fiscal surplus is expected to narrow to 5.0% of GDP in fiscal year 2024/25, down from 5.7% in 2023/24, reflecting adjustments in government spending. Meanwhile, revenues are projected to increase by 9% year over year, supported by enhanced tax administration, labour market resilience, and stronger consumer-driven tax revenues.

Despite these improvements, Jamaica's rating remains constrained by structural challenges such as subdued economic growth, a high crime rate, low productivity, and demographic weaknesses. Additionally, the country remains vulnerable to external shocks, including weather-related events. However, Fitch's Positive Outlook reflects expectations of continued progress in debt reduction and further strengthening of the policy framework, including measures to mitigate climate-related risks.

3.0%

Cayman Islands' Expected Real GDP Growth

2.6%

Cayman Islands' Average Inflation Rate

2.8%

US Real GDP Growth

2.9%

US Year-Over-Year Inflation Rate

4.1%

US Unemployment Rate

### Outlook

Economic growth is anticipated to resume in early 2025 following a decline in the second half of 2024. Growth is expected to be supported by continued expansion in the economies of Jamaica's key trading partners, which should strengthen external demand for Jamaican goods and services. Increased employment levels are also expected to boost domestic consumption, while improved business and consumer confidence may lead to greater investment activity. Additionally, industries that were negatively affected by recent weather-related disruptions are projected to recover, easing the drag on economic growth. The PIOJ projects that economic growth for the January to March 2025 quarter should range between 0.1% and 1.0%, with the overall outlook for the medium term remaining positive.

However, several risks could temper this positive outlook. Aging infrastructure in key industries may lead to unexpected downtime, while delays in the execution of capital projects could slow economic momentum. Additionally, weaker-than-expected growth among Jamaica's main trading partners could dampen external demand for Jamaican goods and services, potentially limiting the pace of recovery.

The BOJ projects that inflation will average 5.0% over the next eight quarters, from March 2025 to December 2026. This represents a slight slowdown compared to the previous eight-quarter average of 5.9%. The anticipated moderation in inflation is influenced by lower imported inflation and the delayed impact of the BOJ's tight monetary policy stance, which is expected to help stabilise inflation expectations and the exchange rate.

THE CAYMAN ISLANDS



Economic activity in the Cayman Islands expanded in the second quarter of 2024, with GDP increasing by an estimated 3.0% in real terms. This represents a slowdown compared to the 3.6% growth recorded in the first quarter. Over the first half of the year, the economy grew by 3.2%, driven largely by higher activity in the Accommodation sector, which contributed to growth in utilities and other service industries. Based on performance in the first six months, GDP is expected to expand by 2.8% for the year. This growth is primarily supported by sustained demand for financial and domestic services, alongside continued (albeit moderating) contributions from the Tourism sector in the latter half of the year.

In 2024, the average inflation rate stood at 2.6%, with the third quarter recording the highest quarterly movement at 4.1%. This overall increase in the CPI was primarily influenced by rising costs in several categories, including Education, Communication, Health, Housing & Utilities, Clothing & Footwear, Food & Non-alcoholic Beverages, and Miscellaneous Goods & Services.

During the fourth quarter, inflation reached 2.9%, with Education playing a significant role in the increase. The Education Index surged by 14.3%, driven by notable price hikes across different levels of schooling—pre-primary and primary education rose by 20.8%, secondary education increased by 13.0%, and tertiary education saw a 5.9% uptick. Comparing the fourth quarter to the third quarter, CPI increased by 0.5%. Key contributors to this movement were Communication and Education, both rising by 4.3%, with Transport increasing by 2.1% and Food & Non-alcoholic Beverages by 1.1%.

The Spring 2024 Labour Force Survey reported a 5.0% increase in the Cayman Islands' population, bringing the total to 87,866, up from 83,671 in Spring 2023. This population growth was driven by a 2.5% rise in Caymanian residents (971 persons), a 21.6% increase in permanent residents (1,389 persons), and a 4.8% expansion in the non-Caymanian population (1,836 persons).

Employment levels also increased, with 61,003 persons employed in Spring 2024, up from 57,266 in Spring 2023. The unemployment rate rose slightly to 2.8%, compared to 2.4% in the previous year.

## UNITED STATES OF AMERICA



The US economy expanded at a slower than expected pace in the final quarter of 2024, according to the US Commerce Department. Real GDP grew at an annualised rate of 2.3% in the fourth quarter, bringing full-year growth to 2.8%. This was slightly below the 2.9% recorded in 2023. From the fourth quarter of 2023 to the fourth quarter of 2024, GDP increased by 2.5%. Economic resilience was largely supported by strong consumer spending, which grew at a 4.2% annualised rate, continuing to drive about two-thirds of total economic activity.

CPI data for December 2024 showed a slight increase in inflation, with prices rising 0.4% month-over-month on a seasonally adjusted basis. This brought the year-over-year inflation rate to 2.9%, in line with market expectations. Core CPI, which excludes Food and Energy, increased by 3.2% year-over-

year, a marginal improvement from the 3.3% recorded in November, indicating modest progress in managing underlying inflation.

Among key CPI components, Shelter Costs—which accounts for about a third of the index—rose 0.3% in December and 4.6% annually, marking the slowest year-over-year increase since January 2022. Meanwhile, energy prices rebounded, climbing 2.6% in December. This was driven by a 4.4% spike in gasoline prices, which accounted for nearly 40% of the total CPI increase. Food prices increased 0.3% for the month and were 2.5% higher than a year earlier, while overall energy costs declined by 0.5% year-over-year.

Despite signs of an economic slowdown, the US labour market remained resilient. Employers added 256,000 jobs in December, significantly exceeding forecasts of 155,000 and surpassing November's 212,000 job gains. The unemployment rate edged down to 4.1%, reflecting sustained job creation. The strongest job growth was seen in Healthcare (+46,000), Leisure & Hospitality (+43,000), and Government (+33,000). Retail employment, which saw a 29,000 job loss in November, rebounded by adding 43,000 jobs in December.

On December 18, 2024, the Federal Open Market Committee ("FOMC") reduced its benchmark interest rate by 25 basis points, setting the new target range at 4.25% to 4.50%. This marked the fourth consecutive rate cut of the year, totalling a 100-basis-point reduction, since the first rate reduction in September 2024. The Federal Reserve's December meeting minutes suggested that while the labour market remained strong, signs of cooling persisted, influencing the central bank's decision to ease monetary policy further.

The US equity market performed better than expected in 2024. The S&P 500 ended December 2024 at 5,881.63, reflecting a 25.7% increase from the 4,679.83 recorded at close in December 2023. Notwithstanding this positive performance for 2024, there were contractions in the last month of the year. Driving this downturn in the last month were sharp contractions in the Materials and Real Estate sectors, which dropped 10.9% and 9.2%, respectively. While most sectors experienced declines, Consumer Discretionary, Information Technology, and Communication Services showed resilience. Market sentiment in the latter part of the year was dampened by concerns over a potential uptick in inflation driven by fiscal and trade



# 25.7%

**Increase in the S&P 500 for the year ended December 2024. The US equity market performed better than expected, closing the year at 5,881.63 (Dec 2023: 4,679.83).**



## 4.3%

Costa Rica's growth in average economic activity for the first 11 months of 2024

## 0.8%

Costa Rica's headline inflation as at December 2024

Costa Rican exports are set to gain momentum, supported by improving global economic conditions, while private investment is anticipated to continue benefiting from FDI inflows.

policy shifts under the incoming Trump Administration, which tempered expectations of additional Federal Reserve rate cuts in early 2025. This was compounded by heightened expectation that the Federal Reserve will likely adopt a 'wait-and-see' stance at the next meeting of its FOMC in January 2025 as it observes the Trump Administration in its honeymoon period.

## COSTA RICA



In November 2024, the Monthly Index of Economic Activity showed a year-on-year increase of 4.5%, marking a decrease of 0.2 percentage points compared to November 2023, yet an increase of 0.2 percentage points relative to the previous month. Overall, the first eleven months of 2024 saw average economic activity growth of 4.3%. Economic growth is expected to remain steady at 3.8% in both 2025 and 2026, following a 4.3% expansion in 2024. This is expected to be driven by strong export performance, growing private consumption, and increased Foreign Direct Investment ("FDI"). The country's trade sector is expected to benefit from robust global demand, while rising employment levels and improved consumer confidence will support household spending. Private investment will also remain strong, backed by a solid pipeline of FDI projects. Unemployment has declined, now sitting below pre-pandemic levels. However, this improvement is partly attributed to lower labour force participation, particularly among women and youth. At the same time, formal employment is expanding, with new jobs increasingly requiring

specialised and technical skills. After turning negative in 2023 due to falling global commodity prices, inflation began to gradually rise in 2024 and is moving back toward the central bank's target of 3.0%. The steepest declines in 2024 were seen in Food and Fuel, leading to historically low inflation levels. As of December 2024, headline inflation stood at 0.8%. Inflation expectations remain stable but have edged lower.

Household spending is expected to be buoyed by formal job growth and low inflation, though government consumption is likely to be constrained by efforts to control public spending. Exports are set to gain momentum, supported by improving global economic conditions, while private investment is anticipated to continue benefiting from FDI inflows. Inflation is expected to average 1.6% in 2025, helped by gradual monetary policy easing. However, this outlook carries potential risks. A rise in foreign currency borrowing could increase Financial sector vulnerabilities, while inflation may fall below expectations, potentially leading to larger-than-anticipated interest rate cuts and exchange rate volatility.

# FINANCIAL PERFORMANCE

The Group's net profit attributable to stockholders was J\$9.24 billion, a decrease when compared to the prior year's J\$14.37 billion. This was generated from total revenues of J\$111.85 billion, 12% above the comparative prior year. Total insurance and operating expenses were valued at J\$88.26 billion, and increase of 22% compared to the prior period.

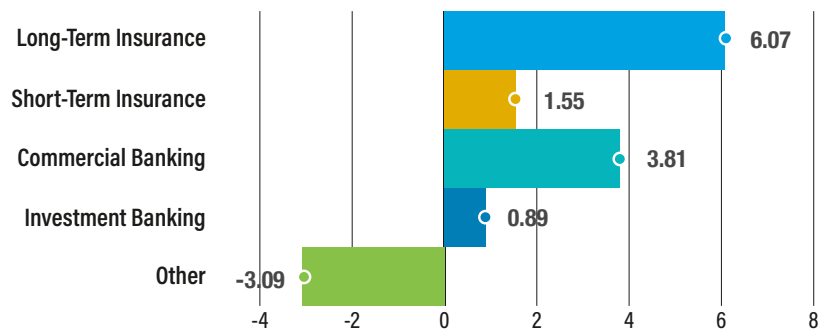
The revenue performance of the Group was influenced by:

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

Insurance revenue of J\$54.53 billion improved by 16% over the J\$46.82 billion recorded in the prior year. This can be attributed to strong core insurance results through the release of Contractual Service Margin ("CSM") of J\$5.90 billion (2023: J\$5.43 billion) and by generating new business CSM of J\$6.42 billion (2023: J\$5.53 billion). New business sales of J\$3.37 billion were recorded for the Group health and life products, primarily within its corporate client portfolios.

## Sagicor Group Jamaica Net Profit by Business Segment

J\$ BILLIONS



## Sagicor Group Jamaica Revenue by Business Segment % PERCENTAGE



2024	2023
28% LONG-TERM INSURANCE	29% LONG-TERM INSURANCE
32% SHORT-TERM INSURANCE	30% SHORT-TERM INSURANCE
23% COMMERCIAL BANKING	24% COMMERCIAL BANKING
9% INVESTMENT BANKING	9% INVESTMENT BANKING
8% OTHER	8% OTHER

## Revenue by Business Segment

	2024 J\$M	%	2023 J\$M	%
Long-Term Insurance	30,899	28%	28,775	29%
Short-Term Insurance	36,247	32%	30,641	30%
Commercial Banking	26,320	23%	23,692	24%
Investment Banking	9,936	9%	8,894	9%
Other	8,447	8%	8,202	8%
<b>Total</b>	<b>111,849</b>	<b>100%</b>	<b>100,204</b>	<b>100%</b>

## 2. Growth in Commercial Banking activities

The segment recorded an 11% increase in revenues due to greater volumes on its card payments portfolios and growth in net interest income. Loan portfolios continued to exhibit growth with new loans written of J\$41.05 billion contributing to a J\$1.71 billion increase in net interest income.

## 3. Growth in net investment income

Net investment income of J\$27.90 billion improved by 5% over the prior year's J\$26.45 billion. This was driven by growth in net interest income, which was offset by an increase in credit impairment losses on one corporate banking arrangement.

# 11.0%

Growth in Commercial Banking activities

# \$27.90B

Net investment income

## 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 J\$44.56 billion in 2024, a 27% increase over 2023 which recorded J\$35.13 billion. Sagicor's insurance service expense was negatively impacted by a one-off adjustment to the actuarial models which increased the loss component in the first quarter; this took insurance expenses to an abnormal high. This adjustment is not expected to recur in future years. The insurance service expense includes incurred claims, insurance acquisition costs, losses on onerous contracts, and other direct expenses of the Insurance segment.

### 2. Unfavourable changes in net insurance finance expense from changes in interest rates

The Group recorded J\$8.28 billion in net insurance finance expenses in 2024 compared to the J\$5.46 billion in net insurance finance expenses recorded in 2023.

### 3. Increase in other operating expenses

Other operating expenses, inclusive of asset taxes, depreciation and amortisation of software, increased by 14% year on year to end December 2024 at J\$31.69 billion (2023: J\$27.86 billion). This is a result of increases in the cost of living, and higher communication and technology costs.

Total assets as at December 2024 were valued at J\$597.79 billion, an increase of 7% over December 2023. This increase is partly the result of a J\$17.01 billion increase in financial investments.

## INVESTED ASSETS

The Group's financial investments are made up of debt securities, equity securities, repurchase agreements, and short-term deposits. Fixed income securities, which account for 76% of our portfolio, ended the year at J\$271.59 billion. This represented a marginal increase over 2023. Equity securities totalled J\$41.72 billion, an increase over what was recorded in the prior year (2023: J\$38.86 billion), yielding dividend income of J\$78.41 million in 2024 (2023: J\$230.85 million).

## LOAN ASSETS

Sagicor's net loans of J\$138.67 billion improved by J\$14.55 billion year over

year. This was primarily driven by new loan business mainly from our corporate loans segment. The Group's loan book had an allowance for credit losses of J\$2.44 billion (2023: J\$1.74 billion) comprising 1.74% of gross loans; this includes allowance for a corporate banking arrangement.

## INTANGIBLE ASSETS

Intangible assets comprise goodwill, customer relationships, trade names, and computer software. Computer software of J\$487.58 million was added during the year. The Group recorded goodwill impairment of J\$700.00 million on Alliance Financial Services as the entity's core revenue growth and margins trend below initial projections.

## FIXED ASSETS

The Group's fixed assets include land & buildings, leasehold improvement, furniture, equipment, and motor vehicles. As at December 31, 2024, the Group's fixed assets had increased by J\$402.20 million. This was primarily due to additions in furniture, equipment, motor vehicles, and leasehold buildings & improvements. The Group's additions totalled J\$727.88 million for the year.

**DEPOSITS AND SECURITIES LIABILITIES**

Deposits and securities liabilities of J\$285.24 billion increased 9% over the prior yearend. Customer deposits, which represent 60% of the deposits and securities liabilities balance, continued to be a significant source of funding for Commercial Banking activities. Our customer deposits of J\$172.48 billion increased 10% year over year. Securities sold under repurchase agreement, which represents 33% of the total deposits and securities liabilities, amounted to J\$93.64 billion, a 3% increase over the prior year.

**INSURANCE CONTRACT LIABILITIES**

The Group's insurance contract liabilities amounted to J\$160.35 billion, a J\$15.36 billion increase over the prior year (2023: J\$144.99 billion).

The movement in insurance contract liabilities was aided by strong new business growth across the insurance products. IFRS 17 introduced the concept of 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 amortised 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 9% as at December 2024, decreasing from 16% in the prior year.

Equity reserves declined by J\$710.31 million, a result of J\$896.29 million of net unrealised losses on financial assets carried at fair value through

other comprehensive income. This was influenced by prevailing market interest rates.

The overall liquidity of the Group remains solid, with cash and cash equivalents ending the year at J\$54.01 billion, an increase over the prior year by 19%.

**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 J\$30.83 billion of financial investments held in Sigma units and J\$27.46 billion of repurchase agreements issued to managed funds.



**\$54.01B**

The overall liquidity of the Group remains solid, with a 19% increase over prior year

Liabilities under Insurance Contracts		
	2024 \$ '000	2023 \$ '000
Long-Term Insurance	147,061,624	134,061,198
Short-Term Insurance	13,290,322	10,926,830
<b>Total</b>	<b>160,351,946</b>	<b>144,988,028</b>

# 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 entities 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 and Board Committees.

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

## Industry Ratings

Presently, financial ratings are only conducted for the largest subsidiary, Sagicor Life Jamaica ("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, AM Best affirmed SLJ's Financial Strength Rating of B++ (Good) and Issuer Credit Rating (ICR) of bbb+ (Good) with a Stable outlook.

## CAPITAL RATIOS

Regulated Entities	Key Regulatory Ratios	Minimum Statutory Requirements	Dec 31, 2024	Dec 31, 2023
<b>Sagicor Life Jamaica Limited</b>	Life Insurance Capital Adequacy Test (LICAT) <sup>1</sup>	100.0%	161.9%	155.2%
<b>Sagicor Bank Jamaica Limited</b>	Regulatory capital-to-risk weighted assets ratio	10.0%	13.1%	13.4%
<b>Sagicor Investments Jamaica Limited</b>	Regulatory capital-to-risk weighted assets ratio	10.0%	17.4%	16.5%
<b>Sagicor Life of the Cayman Islands Limited</b>	Minimum Capital Requirement (MCR)	125.0%	383.6%	456.6%
<b>Advantage General Insurance Company Limited</b>	Minimum Capital Test ratio (MCT)	150.0%	265.1%	304.5%

<sup>1</sup> SLJ's capital ratio is now calculated using the Life Insurance Capital Adequacy Test (LICAT)

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 had its regional rating reaffirmed and retained the highest credit rating in Jamaica from 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 of 2024.

**AM Best**  
Sagicor Life  
Jamaica

**B++**  
(Good)

Financial Strength Rating

**bbb+**  
(Good)

Issuer Credit Rating

**CariCRIS**  
Sagicor Life  
Jamaica

**jmAAA**  
(Stable)

Jamaica National Scale

# FUNDS UNDER MANAGEMENT

Sagicor Group Jamaica's key financial assets are managed by our Group Treasury and Asset Management 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 include Group assets, totalled J\$1.08 trillion.

## Pension Funds

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

Type I Pooled Funds

Self-Directed Funds

Deposit Administration

The net total pension funds under management as at December 31, 2024, was J\$242.8 billion, which represents an increase of 8% over 2023's J\$224.1 billion. Our pension clients are offered the most flexible and diverse range of investment options, which include local and

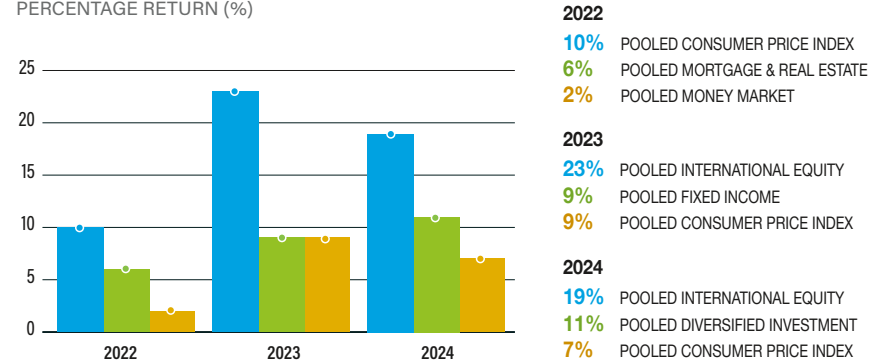
global stocks and bonds, as well as a diversified real estate portfolio that spans commercial, warehousing, and tourism properties diversified across Jamaica and the region. This allows pension fund Trustees to efficiently diversify portfolios, thereby reducing the level of investment risk applicable to their respective pension plans. The structure also facilitates better duration matching of pension liabilities and assets.

The Pooled Funds comprise nine unitised funds, the assets of which are segregated from the assets of SLJ and held under a trust arrangement via a wholly owned subsidiary company, Sagicor Pooled Investment Funds. Sagicor manages pension funds on behalf of corporate clients as

### Sagicor Group Jamaica

#### Top 3 Performing Pension Funds 2022 - 2024

PERCENTAGE RETURN (%)



approved superannuation funds, as well as for individuals through an approved retirement scheme known as 'Sagicor Lifestyle.'

The top performing fund was the Pooled International Equity Fund which generated a 12-month return of 19%. This fund provides exposure to securities listed on recognised exchanges in approved jurisdictions. Other top performing funds included the Pooled Diversified Investment Fund and the Pooled CPI Fund, which returned 11% and 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 based on funds under management.

As the leading investment manager in Jamaica, our objective remains to generate positive long-term investment growth for our clients based on a prudent strategic asset allocation through our diverse array of investment options.

**CariCRIS**  
Sagicor Group  
Jamaica

**CariA**  
(Stable)

Regional Scale Foreign Currency

**CariA+**  
(Stable)

Regional Scale Local Currency

**jmAA+**  
(Stable)

Local Scale Foreign Currency

**jmAAA**  
(Stable)

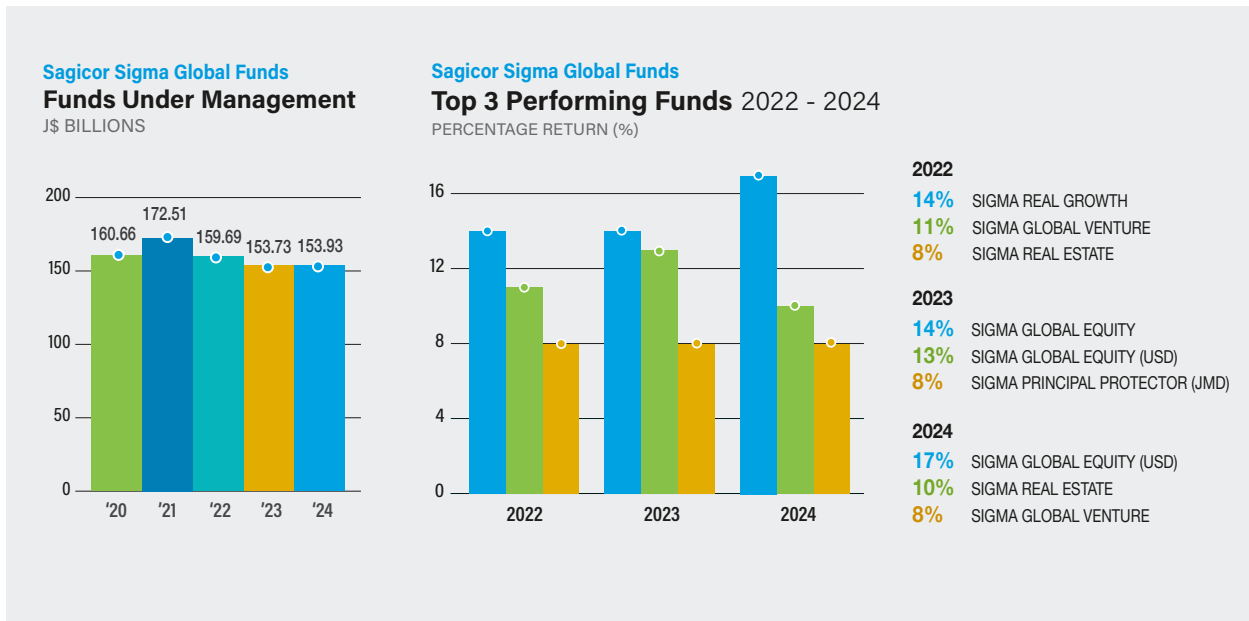
Local Scale Local Currency

## Sagicor Sigma Global Funds

As at December 31, 2024, total gross funds under management was J\$153.9 billion, a marginal increase compared to the prior year's J\$153.7 billion. For 2024, the Sagicor Sigma Global Funds retained the coveted title of the largest collective investment scheme in the region. During the year, the performance of the funds was positively influenced by the stabilisation of financial markets, which resulted in the funds generating strong returns. The top performing funds for 2024 included the Sigma Global Equity (USD) and the Sigma Real Estate portfolios, with returns of 17% and 10%, respectively.

# \$153.93 B

Total gross funds under management



## Segregated Policy Investment Funds

Sagicor manages segregated investment funds on behalf of policyholders of both SLJ and Sagicor Life of the Cayman Islands ("SLCI"). The policyholders share all the rewards and risks associated with the performance of these funds. SLJ's segregated investment funds under management totalled J\$44.5 billion at the end of 2024, representing an increase of 9.3% over the prior year's

total of J\$40.7 billion. This increase was primarily due to the improved performance of financial assets as a result of the deceleration of inflation and the loosening of monetary policy, locally and globally. The top performing funds included the Sagicor International Equity Fund and the Sagicor Equity Fund, which returned 13% and 6%, 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 totalled US\$30.7 million, an increase of 11% over the prior year's US\$27.6 million. These funds are invested in global equities and fixed income securities. The investment

portfolios provide our policyholders the opportunity to invest in three investment funds—the Cayman International Equity Fund, which generated a return of 16%; the Cayman Investment Fund, which returned 11%; and the Cayman Fixed Income Fund, which remained flat for 2024.

# \$44.5 B

SLJ Segregated Investment Funds Under Management

## Sagicor Life General Fund

The Sagicor Life Jamaica (SLJ) General Fund generated a positive yield, contributing strong revenues to the Group. During the year, this portfolio incurred an income yield of 6.9% with an increase in the portfolio value of 6.2% to J\$177.2 billion, when compared to J\$166.9 billion in 2023. Investment income for 2024 was approximately J\$9.9 billion, with capital gains amounting to J\$254 million. SLJ's General Fund is invested primarily in GOJ bonds, denominated in both Jamaican and United States Dollars, 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 6.0% to US\$125.5 million at the end of 2024, when compared to the 2023 value of US\$118.4 million. The assets held in this portfolio were heavily weighted towards international corporate bonds with an Investment Grade rating at acquisition. The portfolio generated income of US\$5.0 million, before capital gains and interest expense charges, with a yield of 5.0%.

**\$177.2B**

SLJ General Fund portfolio value



Long-Term Insurance

**66%**



Short-Term Insurance

**17%**



Commercial Banking

**41%**



Investment Banking

**10%**

Other segment represents -34% of the overall Group performance.

### Business Segment Performance Contribution to Net Profit

# 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.

## 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 and Variable Fee Approach 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 373 financial advisors in the core branch distribution channel, independent advisors, and 36 agency and brokerage house affiliates in Jamaica (SLJ) and the Cayman Islands (SLCI), a composite total of 843 financial advisors.

The division earns its revenues principally from insurance products and investment income on assets assigned to cover the liabilities and surplus requirements of the portfolios.

The segment contributed J\$6.07 billion in net profit or 66% of the Group's 2024 results; this was derived from revenues of J\$30.90 billion. Long-Term Insurance was negatively impacted by a one-off

adjustment to the actuarial models, which increased the loss component in the first quarter. This took insurance expenses to an abnormal high of J\$15.33 billion (2023: J\$11.22 billion). This adjustment is not expected to recur in future years.

The market share, a key performance indicator, was reported as 61% in 2024.

The segment results were driven by exceptional new business sales and improvement in 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 2024, the division's block of in-force policies grew by 3% (2023: 3%).

Insurance revenues for the Long-Term Insurance business were valued at J\$19.77 billion, a 13% increase over the comparative 2023 period. This was driven by strong new annualised premium income in Jamaica and Cayman.

## Long-Term Insurance Division

High level Profit & Loss for 2024 and 2023

	2024 J\$M	2023 J\$M	% Variance
Insurance Revenue	19,768	17,544	12.7%
Insurance Service Expenses (including Reinsurance Contracts Held)	(15,643)	(11,177)	-40.0%
Net Investment Income	10,979	11,271	2.6%
Net Insurance Finance Expense	(8,185)	(5,461)	49.9%
Fees and Other Revenues	151	(40)	-477.5%
Expenses (including asset tax)	(115)	(114)	-0.9%
Taxes	(881)	(2,148)	59.0%
<b>Net Profit</b>	<b>6,074</b>	<b>9,875</b>	<b>-38.5%</b>

Insurance service expenses for Long-Term Insurance were J\$15.33 billion. This includes incurred claims, insurance acquisition expenses, losses on onerous contracts, and other directly attributable expenses of this Insurance segment.

Within the local landscape, a large segment of the Jamaican population continues to be under-insured, not have insurance (uninsured), or 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.

# \$6.07 B

Net profit for 2024

# \$19.77 B

Insurance revenue

## 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 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 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 J\$1.43 billion, an improvement over prior year's profit of J\$1.13 billion. The increase was 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 were J\$34.77 billion, a 19% increase over the comparative 2023 period. This was driven by growth in new business sales of J\$3.37 billion for group health and life products, primarily within its corporate client portfolio. In 2024, total segment revenues were J\$36.25 billion, an 18% increase when compared to the prior year (2023: J\$30.64 billion).

Insurance service expenses for Short-Term Insurance were J\$30.15 billion; this included incurred claims, insurance acquisition expenses, and other directly attributable expenses of the insurance segment. Insurance service expenses were J\$24.80 billion in 2023.

The group insurance line of business continues to pursue key strategic initiatives to overcome challenges

## Short-Term Insurance Division

High level Profit & Loss for 2024 and 2023

	2024 J\$M	2023 J\$M	Variance %
Insurance Revenue	34,766	29,274	18.8%
Insurance Service Expenses (including Reinsurance Contracts Held)	(33,572)	(28,460)	-18.0%
Net Investment Income	1,087	1,001	8.6%
Net Insurance Finance Expense	(95)	-	-
Fees and Other Revenues	143	97	47.4%
Expenses (including Asset Tax)	(691)	(675)	-2.4%
Share of Profit from Joint Venture	226	242	-6.5%
Taxes	(431)	(349)	-23.5%
<b>Net Profit</b>	<b>1,434</b>	<b>1,130</b>	<b>26.9%</b>

related to greater utilisation levels and increased costs of healthcare 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, which facilitates greater connections to employees and provides 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 continue creating a positive impact on their lives.

# \$1.43 B

Net profit for 2024

# \$34.77 B

Insurance revenue

## SECTOR PERFORMANCE

# COMMERCIAL BANKING

**Sagicor Bank Jamaica ("SBJ") is pleased to report another outstanding year, marked by a net profit of J\$3.82 billion, representing impressive 7% year-over-year growth.**

Building on our position as the fourth largest bank in Jamaica, we continued to drive our #ONESagicor initiative with a relentless focus on delivering outstanding service experiences that exceed our clients' expectations.

**2024 was a milestone year for Sagicor Bank Jamaica**

- ▶ **Landmark Syndicated Deal:** We successfully closed a US\$80-million syndicated loan deal for a new client out of Guyana, showcasing our expertise as lead arranger. The syndication included other banks in the Caribbean and our strategic partner, Sagicor Investments Jamaica.

- ▶ **Innovative Branch Launch:** We expanded our physical presence with the opening of our first "phygital" branch at the New Brunswick Village in St. Catherine. This state-of-the-art branch offers enhanced digital services, including self-serve kiosks and intelligent ABMs, providing clients with flexible banking options.

- ▶ **Sagicor Preferred Prepaid Card Launch:** We introduced the Sagicor Preferred Prepaid Card, designed to provide our clients with convenient and secure payment solutions.

Profit for 2024 was derived from net revenue of J\$21.65 billion, which was 9% more than prior year, driven by income from credit card fees, point of sale fees, and loan fees. In spite of the increase in the provision for credit losses in our corporate banking facilities, loan portfolios continue to grow with new loans written. Net interest income increased by 10%, while net interest margin increased to 7.91% from 7.36% in 2023.

## Commercial Banking Division

High level Profit & Loss for 2024 and 2023

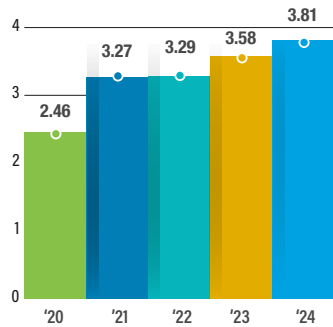
	2024 J\$M	2023 J\$M	% Variance
Revenue (Net of Interest Expense and Credit Impairment)	21,649	19,850	9.1%
Expenses (including Asset Tax)	(15,744)	(14,288)	-10.2%
Taxes	(2,090)	(1,979)	-5.6%
<b>Net Profit</b>	<b>3,815</b>	<b>3,583</b>	<b>6.5%</b>

## Sagicor Bank Key Performance Indicators

INDICATORS	2024	2023
<b>Profitability</b>		
Return on Assets	1.84%	1.81%
Return on Equity	13.55%	13.63%
<b>Efficiency</b>		
Operating Efficiency	70.10%	68.16%
Net Interest Margin	7.91%	7.36%
<b>Credit Quality</b>		
Non-performing Loans-to-Gross Loans	1.56%	1.29%
Provisions-to-Total Loans	1.54%	1.25%
<b>Financial Leverage</b>		
Deposits-to-Total Assets	83.18%	80.06%
<b>Capital Adequacy</b>		
	13.10%	13.43%

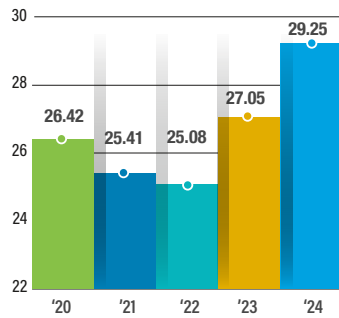
**Sagicor Bank Jamaica Profit**

J\$ BILLIONS



**Sagicor Bank Jamaica Stockholders' Equity**

J\$ BILLIONS



In our core business (deposits and loans), both the deposits and loans portfolios grew by 12%. Credit card spend also grew by 12%.

Our lending portfolio increased by J\$14.1 billion. The new loan business was largely funded by deposits, which grew by J\$18.9 billion. Return on allocated assets increased to 1.84% from 1.81% in 2023. Return on allocated equity declined to 13.55% from 13.63% in 2023.

Non-interest income increased by 8% over the prior year. It should be noted that the increase recorded was well-supported by fees from our electronic payments segment, which grew 12% over the prior year.

Total assets of J\$215.46 billion were 8% above the December 2023 total of J\$200.24 billion.

Operating costs increased 5% over the prior year; the major drivers were costs associated with electronic channels, information technology expenses, and staff costs.

**\$3.82 B**

Net profit for 2024

**\$21.65 B**

Net revenue for 2024

**\$215.46 B**

Total assets

**8%**

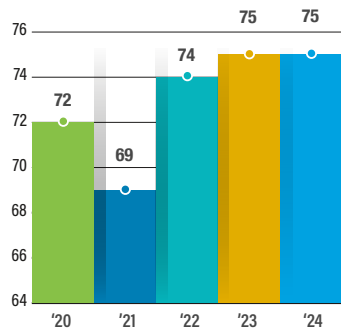
Increase in net interest income

**\$14.1B**

Increase in lending portfolio

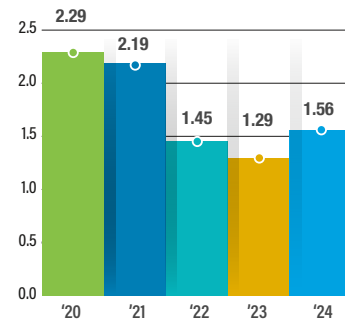
**Sagicor Bank Jamaica Loans-to-Deposit Ratio**

PERCENTAGE (%)



**Sagicor Bank Jamaica Non-Performing Loans-to-Total Loans**

PERCENTAGE (%)



## SECTOR PERFORMANCE

# INVESTMENT BANKING

Sagcor Investments Jamaica ("SIJ") and Sagcor Investments (Cayman) ("SIC") comprise the investment banking, asset management, trading, and wealth management arm of SGJ. In 2024, the segment recorded improved performance over the prior year while navigating challenging macroeconomic conditions that continued to negatively impact the industry.

The segment generated net profit of J\$894.17 million, a 17% improvement over prior year. Net investment income of J\$3.03 billion represented a 34% increase (2023: J\$2.26 billion), mainly due to higher interest income and a meaningful improvement in market experience gains from securities trading. Short-term funding rates remained high and contributed to an increase in the segment's funding costs. Total revenue of J\$9.94 billion increased by 12% over the 2023 financial year. This revenue comprised interest income, capital net gain, fees and commission income, trading income, and dividends. Net interest income improved by 8% over 2023. Net interest margin increased to 2.17% compared to 1.71% in 2023.

Non-interest income of J\$1.79 billion was affected by prevailing market conditions. Operating costs increased by 12% over the prior year.

Despite the challenges, several segments of the business delivered strong performance. Our asset management segment, through the management of Sagcor Sigma Global Funds, continues to be the leader in market share with 35% of the market, and held leading positions in performance, achieving the #1 performing US dollar Fixed Income Fund and Balanced Funds as well as the #2 performing US dollar Equity Fund. In our stockbrokerage unit, the team delivered another year of strong performance with SIJ achieving the #1 position in value traded on the Jamaica Stock Exchange

## Sagcor Investments Key Performance Indicators

INDICATORS	2024	2023
<b>Profitability</b>		
Return on Assets	0.55%	0.20%
Return on Equity	3.98%	1.48%
<b>Efficiency</b>		
Operating Efficiency	81.83%	93.17%
Net Interest Margin	2.17%	1.71%
<b>Financial Leverage</b>		
Interest-bearing Liabilities-to-Total Assets	83.92%	83.74%
<b>Capital Adequacy</b>		
	17.41%	16.53%

## Investment Banking Division

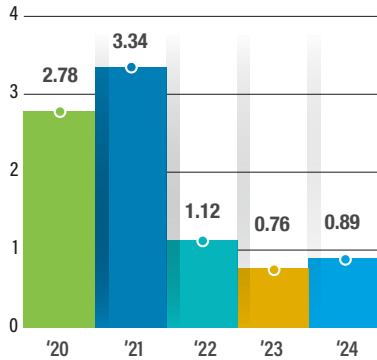
High level Profit & Loss for 2024 and 2023

	2024 J\$M	2023 J\$M	% Variance
Revenue (Net of Interest Expense and Credit Impairment)	4,824	4,115	17.2%
Expenses (including Asset Tax)	(3,747)	(3,334)	-12.4%
Taxes	(183)	(18)	-916.7%
<b>Net Profit</b>	<b>894</b>	<b>763</b>	<b>17.2%</b>

**Our asset management segment, through the management of Sagcor Sigma Global Funds, continues to be the leader in market share with 35% of the market, and held leading positions in performance, achieving the #1 performing US dollar Fixed Income Fund and Balanced Funds as well as the #2 performing US dollar Equity Fund.**

**Investment Banking Profit**

J\$ BILLIONS



(“JSE”) for 2024 and the #3 position in terms of number of trades executed.

Our capital markets segment faced a challenging year. However, the team leveraged expertise to drive results and successfully executed a number of deals for our clients, including listing RA Williams Distributors on the Junior Market of the JSE.

During the year, our team of wealth advisors across the branch network continued to engage and deepen relationships with existing as well as new clients. 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.

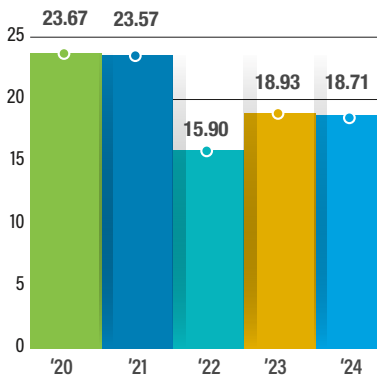
In 2024, we also advanced our ongoing strategic initiative of digital transformation. Our upgraded eInvest platform was relaunched in the third quarter. This platform, which allows clients to digitally apply for public offers, was enhanced to provide our clients with an improved experience and new features, including a seamless digital refund process and digital approvals from joint holders. Work also continued on the upgrade of our internet banking platform,

which will be implemented in phases beginning in 2025, providing clients with improved self-serve options at their fingertips. The segment continued to invest in upskilling team members and expanding team capacity in core areas, including capital markets, wealth management, and operations.

In the second quarter of 2022, SIC officially launched to the public. In its second full year of operations, revenue grew by 16% and assets increased by 19%. The growth trajectory remains strong and we expect to continue on this path with the further roll-out of new products and services in 2025.

**Investment Banking Stockholders' Equity**

J\$ BILLIONS



**J\$894.17 M**

Investment Banking net profit

**J\$9.94 B**

Investment Banking total revenue

**2.17%**

SII net interest margin

**J\$1.79 B**

Investment Banking non-interest income

**#1**

Performing USD fixed income fund

**#1**

In value traded on the JSE

**16%**

SIC growth in revenue

**19%**

SIC growth in assets



## OTHER SUBSIDIARIES



## Advantage General Insurance Company

Advantage General Insurance Company ("AGIC"), our General Insurance arm, operates out of 11 locations across the island and is supported by an interactive digital network in order to offer a suite of general insurance services in Jamaica, including:

- **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 outperformed the prior year's performance in gross premiums written in 2023 as it recorded its highest annual gross premiums written—J\$10 billion. Overall, this resulted in an 18% improvement in insurance revenues year on year, which contributed J\$9.81 billion to the Group's consolidated insurance revenues for 2024. AGIC experienced premium growth in both its motor (6%) and property (6%) related portfolios and reinforced its strategy to both diversify its portfolio and improve its underwriting performances across its major business classes. Its 2024 net insurance service results declined as a result of the inclusion of a prior-year IFRS 17 adjustment and an increase in Incurred But Not Reported ("IBNR"), which was primarily driven by higher claims experience on the motor portfolio and the property portfolio following Hurricane Beryl and other one-off events in the fourth quarter. AGIC enjoyed a 27% improvement in investment returns in 2024 when compared to 2023, due mainly to favourable returns from short-term instruments with attractive yields.

Throughout the year, AGIC continued its journey to build out its digital platforms. Its products and services are now more easily accessible by

clients through all the digital channels that have been developed in recent years. The customer renewal, quote and buy, claims reporting, and tracking interfaces were successfully launched on AGIC's digital platforms.

For 2025, AGIC's plan is to continue its journey of growing its digital footprint across all platforms, allowing seamless and secure client interactions with its information systems. AGIC is anticipated to continue to grow in the commercial and personal lines space, thereby furthering its growth in insurance premiums.

# J\$10 B

AGIC gross premiums written

# J\$9.81 B

AGIC insurance revenue

# 27%

AGIC improvement in investment returns



## Alliance Financial Services

Sagicor Group Jamaica acquired Alliance Financial Services ("AFSL") as of March 1, 2022, and restarted its operations on April 4, 2022. AFSL is a Primary Agent for MoneyGram International and provides cambio services through its five branches islandwide.

Its primary revenue sources are fee-based income from remittance transactions that are processed on behalf of MoneyGram International and trading gains from cambio operations. Total revenue for 2024 amounted to J\$1.22 billion.

As we look forward to 2025, AFSL will embark on an aggressive growth strategy which should see an increase in cambio and remittance locations islandwide. AFSL has now re-entered the bill payment market; it is growing gradually, and it is now an Instant Payment Provider for Jamaica Public Service, with the intention to onboard all utility companies and our own, Sagicor Life Jamaica.

## OTHER SUBSIDIARIES

This plan of action will provide a gateway for additional services to Sagicor Group Jamaica through our islandwide network of over 90 sub-agents, that will provide additional essential remittance services to even more Jamaicans in their communities. As we continue on this growth trajectory, AFSL will achieve these initiatives by digitally transforming the business to allow for increased convenience and greater operational efficiency.



# J\$1.22B

AFSL total revenues



### Sagicor Property Services

Sagicor Property Services ("SPS"), our Property Management subsidiary, provides property management (including maintenance), leasing, real estate sales, and rental services for Group-owned, Group-affiliated, and third-party properties.

For 2024, SPS recorded net profit of J\$244 million. The primary revenue sources for SPS are fee-based income from the various services offered. For the 12-month period, management services and property management fees, and leasing commissions all exceeded the annual budget.

This level of profit growth highlights the continued year-over-year recovery from the pandemic and its impact on SPS revenue. SPS has adapted to this new environment, as highlighted by the implementation of improved processes and initiatives, evidenced by its ISO

9001:2015 (Quality Management) and ISO 14001:2015 (Environmental Management) certifications received in 2024.

SPS manages approximately 2.5 million square feet of prime commercial and residential real estate across the island, making it the largest private property manager in Jamaica.

SPS's goal is to leverage all the key business lines to increase its value added to the Group. 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 ("SIM"), our Cayman Islands subsidiary that manages captive insurance companies, has made a positive contribution to the Group's results over the years. However, the SIM Board of Directors has decided to discontinue its operations in 2025. The remaining clients are in the process of being transferred to other insurance managers. Following this transition, SIM will surrender its licence to the Cayman Islands Monetary Authority.

### Sagicor Costa Rica

In 2024, Sagicor Costa Rica, a joint venture with Central American investors, celebrated its 11th fiscal year as a composite insurance company with sustained profitability, and enhanced e-commerce and service capabilities. It has grown its market share, as it accessed new markets and positively impacted its insured members, sponsors, and brokers.

Sagicor Costa Rica is committed to continuing to innovate and implement initiatives geared towards creating a healthier society through mindful leadership and focus, while respecting regulatory and environmental limits.

# SAGICOR GROUP TREASURY AND ASSET MANAGEMENT

The Group Treasury and Asset Management ("GTAM") division has oversight of the key financial assets across Sagicor Group Jamaica. 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. The division's objectives are:

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

To effectively manage the Group's assets, GTAM uses 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 functions also incorporates oversight for:**

- Real estate management and development, including assessment, analysis, project management, sales and leasing, and property management and maintenance
- Portfolio management and reporting responsibilities for pension funds, collective investment schemes, 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 comprise various investment portfolios, which include pension clients, annuitants, individual policyholders, investment and insurance clients, and stockholders.



# ENTERPRISE RISK MANAGEMENT & COMPLIANCE

**In pursuit of value creation for shareholders, clients, and other stakeholders, Sagicor Group Jamaica (“the Group” or “SGJ”) remains committed to a robust and adaptable risk management programme. This commitment allows us to achieve sustainable growth and profitability, strengthen the resilience and adaptability of our operations, and uphold our reputation as a trusted financial group.**

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 Group’s risk management activities are designed to safeguard the balance between risk and reward, and ensure that the results of risk-taking activities are consistent with the Group’s strategies, risk appetite and tolerance levels. To achieve this, Sagicor has implemented a risk-based oversight framework that guides its risk management activities, ensuring a structured approach to identifying, assessing, and mitigating risks across all subsidiaries.

## Risk Management Principles

- a) Understanding Current and Emerging Risks** – Sagicor will identify, assess, and manage both material and emerging risks and opportunities to which it is exposed.
- b) Balancing Risk and Reward** – Decisions will be made in alignment with strategic objectives and the established appetite and tolerance limits.
- c) Shared Responsibility for Risk** – All team members at Sagicor play an integral role in risk management.
- d) Maintaining Robust Controls** – Sagicor will uphold a resilient and comprehensive internal control framework to mitigate risks.
- e) Incentive Alignment** – Sagicor’s performance and compensation structures reinforce its values and encourage prudent risk-taking.

## Enterprise Risk Management Framework

SGJ’s Enterprise Risk Management Framework (“ERM”), supported by the elements outlined below, is aligned to international best practice standards and is frequently reviewed and updated to ensure the confidence of

Sagicor’s shareholders, clients, team members and other stakeholders as the Group executes its strategy and takes advantage of opportunities.

## Risk Governance

The Board of Directors is ultimately responsible for risk oversight and management within the Group, and has a fiduciary responsibility to stakeholders. In dispensing its oversight functions, the Board is supported by several sub-committees (at the Group and Subsidiary levels) that convene regularly and closely monitor the risk exposures of the Group and its subsidiaries. The sub-committees include:

- **Audit Committees**
- **Investment and Risk Management Committees**
- **Asset/Liability Management Committees**

## Risk Appetite & Tolerance Statements

Sagicor’s Risk Appetite and Tolerance Statements articulate the types and levels of risks it is willing to take to meet its strategic objectives. These limits ensure that Sagicor remains

within appropriate risk boundaries and efficiently manages its exposures in order to find the optimal balance between risk and return. The risk appetite is continuously reviewed and updated as the Group’s strategy and operations evolve.

## Policies and Procedures

As a critical component of the ERM framework, robust and appropriate policies and procedures establish a structured approach to identifying, assessing, and mitigating risks. They provide clear guidelines for risk governance, ensuring consistency, compliance, and alignment with strategic objectives. Regular reviews and updates enhance their effectiveness in addressing emerging risks and regulatory changes.

## Risk Management Tools

Sagicor leverages various tools to systematically identify, assess, and mitigate risks, ensuring informed decision-making. The risk assessment process is a key tool that evaluates risks based on their likelihood and potential impact, allowing for prioritisation and appropriate response strategies. Risk registers serve as centralised repositories for tracking

risks, controls, and mitigation actions, fostering transparency and accountability. Additionally, tools such as key risk indicators, scenario analysis, and stress testing provide valuable insights into emerging risks and vulnerabilities. These tools collectively enhance Sagicor's ability to anticipate, manage, and respond to risks in alignment with strategic objectives.

### Monitoring and Reporting

Effective risk monitoring and reporting are integral to the ERM framework, ensuring that risks are continuously assessed and managed in alignment with the organisation's strategic objectives, appetite, and tolerance. Through ongoing monitoring, key risk exposures are identified, tracked, and analysed to detect emerging threats and opportunities. Structured reporting mechanisms provide management and stakeholders with timely, accurate, and comprehensive insights, enabling data-driven decision-making.

### Risk Culture

The risk-aware culture aligns risk-taking and decision-making with the core values and expected behaviours of the organisation. 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. The culture is also supported by the three-lines-of-defence model.

#### 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 strategic 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 organisation through specialised skills
- Establishes risk appetites, risk limits, policies, and frameworks, in accordance with best practices 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 ERM practices, identifying issues and improvement opportunities, making recommendations, and keeping the Board and senior management up to date on matters requiring resolution.

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## SGJ'S KEY RISKS

### Financial Risk

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

Continued geopolitical tensions, the US presidential campaign and elections, a reducing interest rate environment within the second half of the year, and lower levels of global growth were some of the challenges faced throughout 2024. The Group continued its heightened monitoring of key risks and implemented additional risk controls to minimise the adverse impacts on its positions and performance.

### Credit Risk

Credit risk includes 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 Group'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

Market risk includes changes in financial markets, prices, or rates associated with general market movements or specific assets on the Group'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 and amounts. 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 2024 through the use of measures such as stress testing, stop loss limits, and other sensitivity assessments, across all entities, to minimise 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: (1) untimely sale of assets at unexpected prices/volumes; (2) inability to meet contractual obligations; or (3) 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 Management 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 in 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 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 and information technology; legal, regulatory, and compliance; fraud; 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 minimisation of adverse impacts on clients, team members, and other stakeholders in the event of business disruptions.

### Data, Information, and Technology Risk

This refers to the likelihood of deficiencies related to the information technology ("IT") environment including security, data governance, and integrity, reliability, and the critical systems and infrastructure used to handle business requirements.

As digital transformation accelerates, Sagicor continues to leverage technology to enhance operational efficiency and client convenience. However, this increased reliance on technology introduces risks related to data security, system integrity, and infrastructure reliability. Cyber threats, data breaches, and system failures can disrupt operations, expose sensitive information, and result in financial penalties and reputational damage. To mitigate these risks, Sagicor employs a proactive approach to monitoring and managing IT vulnerabilities, continuously refining security frameworks and

implementing advanced protective measures. Additionally, ongoing training and awareness programmes equip team members and clients with the knowledge to identify and respond to evolving cybersecurity threats. A comprehensive Information Security Policy, supported by robust policies, procedures, and technologies, ensures the confidentiality, integrity, and availability of critical systems and data.

### **Legal, Regulatory, and Compliance Risk**

This refers to the risk of exposure to legal penalties, financial forfeiture, and material loss that an organisation 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 financial group operating in a complex regulatory environment, Sagicor must navigate a broad range of legal and compliance requirements. Non-compliance with corporate governance standards, anti-money laundering and counter-terrorist financing regulations, data privacy laws, and ethical business practices can result in financial penalties, operational disruptions, and reputational harm. To manage these risks, Sagicor maintains a structured governance framework, supported by rigorous policies, procedures, and a comprehensive training programme.

Business units serve as the first line of defence, managing day-to-day compliance risks, while the Group's Legal and Compliance teams provide oversight and guidance as the second line of defense. Additionally, Sagicor employs robust screening and monitoring mechanisms to detect, report, and address regulatory risks, ensuring continued adherence to industry best practices and legal obligations.

### **Fraud Risk**

Fraud remains a critical risk for all financial institutions, requiring robust controls and continuous monitoring to safeguard assets, maintain regulatory compliance, and protect stakeholder trust. Sagicor employs a comprehensive fraud risk management framework and internal controls to detect and prevent fraudulent activities. The Group continuously assesses fraud risks across various channels and implements enhanced security measures to mitigate these risks. Annual fraud training for team members and client sensitisation are used to further strengthen our fraud prevention efforts. As fraud schemes evolve, Sagicor remains committed to adapting our strategies and investing in technology to mitigate emerging threats and uphold the highest standards of financial security.

### **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 organisation and its performance that can be attributed to team members.

The success of Sagicor is driven by its ability to attract, develop, and retain a skilled and engaged workforce. Human resource risks, including recruitment challenges, employee retention, performance management, succession planning, and labour relations, can impact the Group's operational stability and long-term growth. To address these risks, Sagicor has established clear policies and procedures that guide talent management and workforce development. A strong emphasis is placed on succession planning to ensure key roles remain adequately resourced, enabling the Group to execute strategic initiatives effectively. Through a people-first culture, Sagicor fosters an environment of excellence, collaboration, and continuous learning, reinforced by engagement programmes that enhance team member satisfaction, motivation, and productivity.

### **Strategic Risk**

Strategic risk arises from business decisions that may be misaligned with market conditions, poorly executed, or insufficiently resilient to external disruptions. To mitigate this risk, Sagicor integrates risk management into its strategic planning process, ensuring that potential challenges and opportunities are identified, assessed, and addressed. Business leaders across the Group continuously monitor internal and external factors that could impact strategic objectives, allowing for timely adjustments to strategic initiatives. Executive management regularly reviews progress against the Group's strategic plan, making data-driven decisions to ensure long-term resilience, competitiveness, and sustainable growth.

### **Environmental, Social & Governance ("ESG") Risk**

With ESG considerations playing an increasingly critical role in corporate strategy, Sagicor remains committed to managing environmental, social, and governance risks while aligning with global sustainability objectives. Climate change, resource management, and evolving environmental regulations present key challenges that the Group addresses through sustainable business practices, energy-efficient initiatives, and continuous impact assessments. Social risks are mitigated through a commitment to diversity,

fair labour practices, and active community engagement, fostering a resilient and inclusive corporate culture. Governance risks are managed by continuously strengthening governance frameworks, enhancing transparency, and upholding ethical decision-making. By integrating ESG principles into its operations, Sagicor aims to fortify resilience, uphold its 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, healthcare providers, consultants, suppliers, and all other entities along the supply and value chains. We carefully manage and synchronise 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 Group's Annual Awards Gala in April, 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

The Group recognises 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 organisation 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 realise our vision of becoming a leading, fully integrated financial services player in the Caribbean, we are executing a number technological strategies, including:**

- Data analytics and business intelligence
- Innovation and digital transformation
- Proactive IT security posture, incorporating team members and clients
- Increased focus on resilience, and data privacy and protection
- The provision of 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 client's information in order to perform certain required functions or to comply with the law are provided with authorised 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 clients' information.

The Board of Directors has approved our policy and programmes, and is kept informed of their overall progress and status; programmes 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 client information, wherein all team members with access to client information must complete information protection training annually.

### Business Continuity

Sagicor 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 Corporate Emergency Response Plan ("ERP")
- A Crisis Management Plan ("CMP")
- An Information Technology Disaster Recovery Plan ("IT DRP"), which includes an Incident Response Plan

The Corporate BCP was developed with input from all business units and 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 CMP includes the processes that will be followed to respond to a critical situation (physical or non-physical) that could negatively affect profitability, reputation, or our ability to operate.

The Corporate ERP was developed in synchrony with the BCP and is aimed at protecting team members, visitors, contractors, and anyone else in the various facilities in

which we operate. The plan assigns roles and responsibilities for the implementation of the plan during an emergency, and 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 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 assets.

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

# OUR CORPORATE STRATEGY

Sagicor Group Jamaica is built on a strong commitment to our corporate strategy, driven by data analysis, performance reviews, economic evaluation, risk management, resource optimisation, and global best practices. These are fundamental in shaping strategic objectives that align with the Group's vision and deliver sustainable, long-term value for all stakeholders.

Our strategy is formulated through diligent planning, cross-functional collaboration, stakeholder engagement, and continuous analysis of market trends and emerging opportunities, at the Group and subsidiary levels. These insights drive key initiatives which are executed with agility and efficiency to achieve strategic goals. Updated annually and approved by the Board of Directors, the Group's strategy outlines a clear path and three-year outlook.

The Group will continue to be guided by five strategic pillars as we aim to provide industry-leading product

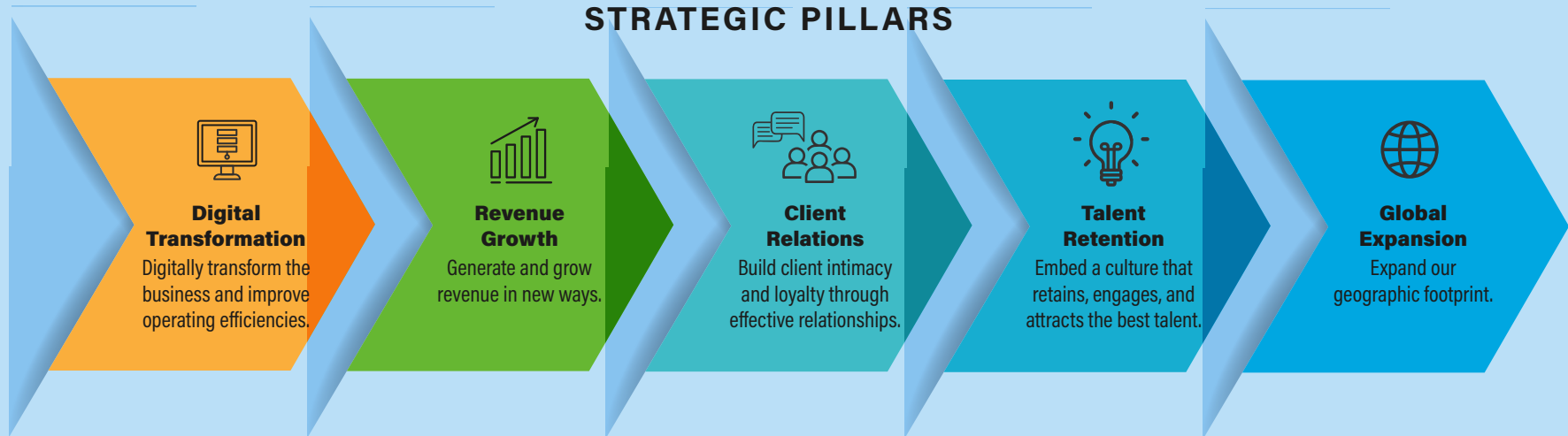
offerings, expand our market reach, drive sustainable performance, and accelerate growth in order to add value to our shareholders, clients, and team members. The pillars that drive alignment across the Group are:

- 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**
- V. Expand our geographic footprint**

## OUTLOOK

As we close another financial year, we note the improvements in two key economic indicators over the prior year—inflation and interest rates. Jamaica's inflation rate

## STRATEGIC PILLARS



trended downwards from the 7.4% recorded at the start of 2024 to 5.0% in December 2024, now within the Bank of Jamaica's ("BOJ") target range. The BOJ continued its policy rate cuts with two in the fourth quarter amounting to 50 basis points, moving from 6.5% to 6.0%. An acceptable inflation rate was a necessary precursor for this ease in monetary policy. The BOJ projects that real GDP growth for the 2024/25 fiscal year will range between -1.5% and -0.5% following a contraction in GDP stemming from the impact of Hurricane Beryl. GDP growth for the 2025/26 fiscal year is projected to be between 1.0% and 3.0%, reflecting an anticipated economic recovery underpinned by expansions in the Agriculture and Forestry & Fishing industries.

Jamaica's outlook was upgraded from Stable to Positive by S&P Global at the start of the fourth quarter. The country's improved public finances and macroeconomic stability, as well as its resilience throughout economic shocks, were cited as reasons for this upgrade.

Though these indicators are trending in the right direction, potential headwinds may influence these metrics in the near future. Our main trading partner has imposed trade sanctions on selected countries, intensified deportation of illegal immigrants, and suspended many foreign aid programmes, causing increased uncertainty in global markets. This volatility has resulted in a more cautious approach by central banks, including the BOJ's pause in

policy rate reductions at its February 2025 meeting.

Sagicor Group Jamaica will continue to monitor the various economic and industry developments and remain conservative in our approach to managing liquidity and capital. Our focus is clear—enhance customer experience, invest in talent and technology, drive more efficient operations, and identify strategic growth opportunities. While the road ahead may not be without its challenges, we are approaching the future with a clear strategy for recovery and growth.

### 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 positive work ethic while serving our clients.

To our clients, thank you for the trust and confidence you place in us; we are #SagicorStrong in our commitment to help you navigate these challenging times.

Thank you to our business partners and our stockholders for their continued support.

And, of course, our Directors for their diligence, wise counsel, and continued guidance.

**CHRISTOPHER ZACCA** CD, JP  
PRESIDENT & CEO

**ANDRE HO LUNG**  
CHIEF FINANCIAL OFFICER

## Investing in Our Nation's Future:

The Sagicor Foundation's Impact Through the Adopt-A-School Programme



The Sagicor Foundation's Adopt-A-School programme reaches into the heart of Jamaica, to early childhood institutions across the island that are doing their best with too little for far too long.

It is here, in these quiet corners of the country, from rural to urban spaces, that the Foundation brings the kind of help that transforms lives, not just through buildings, but through care and presence.

Each year, the Foundation selects schools most in need of support. For the 2023/24 school year, three early childhood institutions were adopted. They were Shrewsbury Early Childhood Institution in St. Elizabeth, Freetown Basic School in St. Andrew, and Irish Pen Basic School in St. Catherine. When the Sagicor team visited, the reality was clear; resources were stretched painfully thin, and teachers were doing their best with the bare minimum. While children were learning in spaces that were filled with love, the institutions lacked the necessary infrastructural resources they deserved.

That is where the Sagicor Foundation stepped in, not just with paint and cement, but with purpose. During the project, classrooms were refurbished, playgrounds brought back to life, and sanitation upgraded to meet the Early Childhood Commission's standards. These were not just renovations, but the renewal of pride. Spaces once worn and weary became safe, vibrant, and full of potential. They became places where children could feel proud to learn and grow.

Carol Bailey, Principal of Shrewsbury Early Childhood Institution, said "the Adopt-A-School programme breathed new life into our school and has given the students a safe place to grow and excel."

Here at the Sagicor Foundation, we understand that true education must be supported by care, and we support both, hand in hand. The Adopt-A-School programme is about showing up for communities that are too often forgotten and reminding them that they are not alone.

1. Cheddita Black, a teacher at Shrewsbury Early Childhood Institution, takes a hands-on approach with her pupils (from left) Tamelia Samuels, Quwayne Levy, and Rojay Walcott during an interactive classroom session.
2. Carol Bailey, Principal of Shrewsbury Early Childhood Institution, looks on as K3 pupils (from left) Xavier Cordell and Deborah Gayle stay focused during class activities.
3. (From left) Xavier Cordell and Deborah Gayle enjoy their lunch break at the newly renovated playground at Shrewsbury Early Childhood Institution.



2.



3.



## Committed to Our Clients

The trust our clients place in us is the foundation of everything we do. Their hopes, dreams, and expectations influence the way we operate, and we strive to meet these with dedication and care. We believe in fostering strong, long-term partnerships with our clients, where every engagement helps us better understand their needs and enables us to deliver solutions that have a tangible, positive impact on their lives.

At the core of our approach is a dedication to our clients that extends beyond transactions. We are deeply committed to fostering relationships that are grounded in trust, transparency, and meaningful engagement. Our focus is not only on responding to their immediate needs but also on ensuring that every interaction contributes to their long-term success and growth.

In every service we offer, we infuse the spirit of being future ready, accelerating progress with each step we take. Our approach is defined by a relentless pursuit of excellence, agile adaptation to emerging challenges, and a drive to empower those we serve. Through these efforts, we create a resilient partnership that continuously evolves, ensuring that every client feels supported, valued, and equipped for a promising tomorrow.



**Far Left:** Sagicor Life team with UHWI nursing staff at 'Welcome to the Family' baby shower pop-up, which formed part of our Child Month celebrations in May.

**Left:** Business Support Corporate Banking Manager, Maria Lee assists SME client at a training session hosted by Sagicor Bank.

**TRUST** ISN'T BUILT OVERNIGHT — IT'S EARNED, DECISION BY DECISION. GOOD GOVERNANCE MEANS STAYING TRUE TO WHAT WE BELIEVE, STAYING CLEAR IN HOW WE ACT, AND STAYING ACCOUNTABLE TO THE PEOPLE WHO COUNT ON US TO **GET IT RIGHT.**

# Statement of Corporate Governance

For the year ended 31 December 2024



**Dr. Marjorie Fyffe-Campbell**

Chair - Corporate Governance  
& Ethics Committee

Sagicor Group Jamaica Limited (“SGJ”, “the Group”, or “the Company”), 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 in conformance with internationally accepted Corporate Governance Codes. 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, Directors’ orientation and training, performance evaluation of the Board, Directors’ peer review, Directors’ compensation, related party transactions and issues relating to any potential conflicts of interest.

**We are pleased that the Company has continued the trend of increasing its score in the Jamaica Stock Exchange’s (JSE’s) Corporate Governance Index (CGI). Having attained the maximum rating of “AA” (92.13%) for 2023, the Company again earned an “AA” rating for 2024, topping its previous score, at 93.25%.**

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. For the second year in a row, SGJ was also awarded the best Annual Report by the JSE at its Best Practice Awards held in 2024 in respect of the Annual Report 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 significant corporate governance milestones.

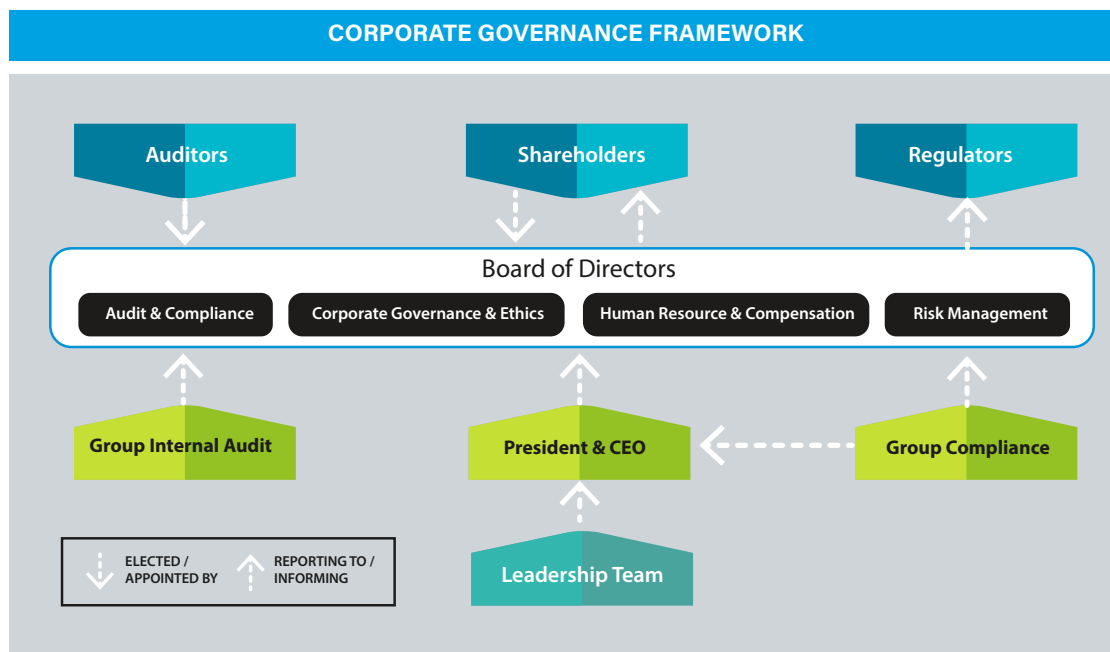
## DISCLOSURE AND TRANSPARENCY – OUR COMMITMENT TO OUR STAKEHOLDERS

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 (AGM) 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](mailto: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](mailto: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 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 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. It ensures that the Company is effectively managed by Management in alignment with its mission, goals and regulatory requirements.

### In 2024, 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
- 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, organisational 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.

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

SKILLS & EXPERTISE	BOARD MEMBERS													TOTAL	%GE	
	Peter Melhado	Christopher Zacca	Dr. Dodridge Miller	Paul Hanworth	Peter Clarke	Dr. Jacqueline Coke-Lloyd	Dr. Marjorie Fyffe-Campbell	Stephen Facey	Stephen McNamara	Mahmood Khimji	Gilbert Palter	Andre Mousseau	Philip Armstrong			Jeffrey Hall
GENERAL MANAGEMENT	■	■	■	■	■	■	■	■	■	■	■	■	■	■	14	100.00%
INTERNATIONAL BUSINESS	■	■	■	■	■	■	■	■	■	■	■	■	■	■	10	71.42%
FINANCE	■	■	■	■	■	■	■	■	■	■	■	■	■	■	11	78.57%
STRATEGIC MANAGEMENT	■	■	■	■	■	■	■	■	■	■	■	■	■	■	12	85.71%
CORPORATE LAW	■	■	■	■	■	■	■	■	■	■	■	■	■	■	4	28.57%
BANKING	■	■	■	■	■	■	■	■	■	■	■	■	■	■	6	42.85%
CORPORATE FINANCE (Mergers & Acquisitions)	■	■	■	■	■	■	■	■	■	■	■	■	■	■	9	64.28%
ASSET MANAGEMENT	■	■	■	■	■	■	■	■	■	■	■	■	■	■	7	50.00%
INSURANCE	■	■	■	■	■	■	■	■	■	■	■	■	■	■	6	42.85%
HUMAN RESOURCE MANAGEMENT	■	■	■	■	■	■	■	■	■	■	■	■	■	■	4	28.57%
PROPERTY	■	■	■	■	■	■	■	■	■	■	■	■	■	■	9	64.28%
INFORMATION TECHNOLOGY / CYBER SECURITY	■	■	■	■	■	■	■	■	■	■	■	■	■	■	4	28.57%
CORPORATE GOVERNANCE / ESG	■	■	■	■	■	■	■	■	■	■	■	■	■	■	4	28.57%
MARKETING & PUBLIC RELATIONS	■	■	■	■	■	■	■	■	■	■	■	■	■	■	1	7.14%
REGULATORY EXPERIENCE	■	■	■	■	■	■	■	■	■	■	■	■	■	■	1	7.14%
RISK MANAGEMENT	■	■	■	■	■	■	■	■	■	■	■	■	■	■	1	7.14%

**KEY** ■ INDEPENDENT DIRECTOR

### BOARD COMPOSITION

There were no changes to the composition of the Board of Directors during the financial year ended December 31, 2024. This stability in leadership has allowed for continuity in decision-making and strategic direction, ensuring the consistent execution of the Company's long-term goals and fostering a strong, unified governance structure. As a result, the Board of Directors consisted of thirteen (13) Non-Executive Directors, six (6) of whom are independent along with one Executive Director serving as 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.

## 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 comprises 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.





8

Board Meetings  
in 2024

4

Investment & Capital  
Allocation Committee  
Meetings

3

Human Resources  
& Compensation  
Committee Meetings

6

Audit Committee  
Meetings

2

Risk Management  
Committee Meetings

3

Corporate Governance  
& Ethics Committee  
Meetings

## BOARD MEETINGS AND ATTENDANCE

In 2024, the Board held eight (8) 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 utilised to enable those Directors to participate.

Meetings and training sessions continued to be held virtually with Directors receiving their meeting packs through an online Board portal, which facilitates the secure and convenient sharing and utilisation of Board and Board Committee documentation.

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

- Approval of the year-end Audited Financial Statements
- Review and approval of the quarterly unaudited financial statements and reports to the stockholders
- Annual General Meeting preparation
- Approval of the Company's Budget and Strategic Plan
- Consideration and approval of interim dividend payments to stockholders
- Considered, approved and recommended the appointment of new Directors to subsidiary Boards
- Considered and approved the reorganisation 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 and subsidiaries
- Consideration and approval of new Corporate Policies and approved amendments to existing policies
- 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 that 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, 2024 was in accordance with the respective Committee Charters.

COMMITTEE	MEMBERS	KEY RESPONSIBILITIES
<b>Audit and Compliance Committee</b>	<p><b>Peter Clarke</b> Chairman</p> <p>Dr. Marjorie Fyffe-Campbell</p> <p>Paul Hanworth</p>	<ul style="list-style-type: none"> <li>▪ Reviewed and recommended the approval of the audited financial statements to the Board</li> <li>▪ Considered and approved inter alia the financial reports of the Company and its subsidiaries and disclosures to the shareholders and regulators</li> <li>▪ Reviewed and assessed the main areas of operational risk management and internal control processes</li> <li>▪ Reviewed the activities of the internal and external auditors and assessed the level of compliance with legal and regulatory requirements</li> <li>▪ Approved the Annual Internal Audit Plan and the Audit Charter during the period</li> <li>▪ Considered the management of fraud activities across the Group</li> <li>▪ Recommended the Anti-Fraud framework for approval by the Board</li> <li>▪ Considered the Company's compliance with local laws and regulations</li> <li>▪ Reviewed the Group's Business Continuity Management plan.</li> </ul>
<b>Risk Management Committee</b>	<p><b>Paul Hanworth</b> Chairman</p> <p>Peter Clarke</p> <p>Peter Melhado</p> <p>Philip Armstrong</p>	<ul style="list-style-type: none"> <li>▪ 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</li> <li>▪ 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.</li> </ul>
<b>Human Resource and Compensation Committee</b>	<p><b>Peter Melhado</b> Chairman</p> <p>Dr. Jacqueline Coke-Lloyd</p> <p>Andre Mousseau</p> <p>Jeffrey Hall</p>	<ul style="list-style-type: none"> <li>▪ Considered and approved the annual and long-term incentive plan for executives and the bonus payment to staff</li> <li>▪ Approved changes to the Committee Charter and reviewed the Pension Fund Performance and amendments to benefits to members</li> <li>▪ Considered issues affecting team members</li> <li>▪ Gave oversight to the union negotiations and issues which are likely to affect the business arising from the exercise</li> <li>▪ Monitored the annual team member Satisfaction Survey</li> <li>▪ Considered amendments to the Pension Plans proposed by Management.</li> </ul>

COMMITTEE	MEMBERS	KEY RESPONSIBILITIES
<b>Corporate Governance and Ethics Committee</b>	<b>Dr. Marjorie Fyffe-Campbell</b> Chair Dr. Jacqueline Coke-Lloyd Peter Melhado	<ul style="list-style-type: none"> <li>▪ Reviewed and approved Related Party Transactions</li> <li>▪ Approved the Procurement Policy and Framework (as revised)</li> <li>▪ Reviewed the process for dealing with potential conflicts of interest</li> <li>▪ Reviewed the list of Corporate Policies to ensure that these met legislative and statutory requirements and were being updated periodically</li> <li>▪ Reviewed the Company's procurement process</li> <li>▪ Approved contracts awarded to suppliers and vendors</li> <li>▪ Reviewed JSE Corporate Governance requirements to ensure that governance protocols conformed to them</li> <li>▪ Reviewed and approved amendments to the Risk Management and Internal Audit Charters</li> <li>▪ Exercised oversight of the Board Evaluation, Peer and Self-Review and Conflict of Interest surveys.</li> </ul>
<b>Investment &amp; Capital Allocation Committee</b>	<b>Peter Melhado</b> Chairman Dr. Dodridge Miller Christopher Zacca Andre Mousseau Jeffrey Hall	<ul style="list-style-type: none"> <li>▪ 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)</li> <li>▪ 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</li> <li>▪ 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</li> <li>▪ Had oversight of the Company's surplus assets and determined the optimal deployment of such surplus assets.</li> </ul>

## 2024 BOARD AND COMMITTEE MEETINGS

	Board	Audit Committee	Investment & Capital Allocation Committee	Risk Management Committee	Corporate Governance & Ethics Committee	Human Resource & Compensation Committee
<b>Peter Melhado</b>	8/8	-	4/4	2/2	3/3	3/3
<b>Dr. Dodridge Miller</b>	5/8	-	-	-	-	-
<b>Stephen Facey</b>	6/8	-	-	-	-	-
<b>Paul Hanworth</b>	8/8	6/6	-	2/2	-	-
<b>Dr. Marjorie Fyffe-Campbell</b>	7/8	6/6	-	-	3/3	-
<b>Stephen McNamara</b>	8/8	-	-	-	-	-
<b>Dr. Jacqueline Coke-Lloyd</b>	8/8	-	-	-	3/3	3/3
<b>Peter Clarke</b>	8/8	6/6	-	2/2	-	-
<b>Christopher Zacca</b>	8/8	-	4/4	-	-	-
<b>Andre Mousseau</b>	7/8	-	3/4	-	-	3/3
<b>Mahmood Khimji</b>	5/8	-	-	-	-	-
<b>Gilbert Palter</b>	8/8	-	-	-	-	-
<b>Jeffrey Hall</b>	8/8	-	4/4	-	-	3/3
<b>Philip Armstrong<sup>(1)</sup></b>	6/8	-	-	0/2	-	-

1. Mr. Philip Armstrong was appointed to the Risk Management Committee on May 29, 2024. He would therefore not have attended the meetings held in January and March 2024. The December 2024 meeting was rescheduled to January 2025.

## 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 2024 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 succession 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.

## 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 2025, Directors Dr. Marjorie Fyffe-Campbell, Stephen Facey, Mahmood Khimji, Dr. Jacqueline Coke-Lloyd and Peter Melhado shall retire by rotation and are eligible for re-election. All five (5) 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, 2024** - AML for CEOs & Board of Directors presented by the Jamaica Institute of Financial Services (JIFS)/Jamaica Bankers Association (JBA)
- **April 5, 2024** - IFRS 17 Implementation presented by Mr. Daniel Willmann – EY Canada Partner, Financial Accounting Advisory Services.
- **April 12, 2024** - Corporate Governance: ESG - The Board’s Perspective - Sustainability-related disclosures presented by Ms. Ali Matalon, CEO, CorpCare.
- **July 9, 2024** – Enterprise-wide Risk Management Framework and Considerations for the Board – Identifying, Assessing and Managing risks that would affect an organisation’s objectives presented by Ms. Lynda Gauthier, Chief Risk Officer, Sagicor Financial Company Limited.
- **October 15, 2024** – JBA/JIFS 13th Annual Anti-Money Laundering (AML)/Counter-Financing of Terrorism (CFT) Conference on “Building Resilience: AML Strategies for Today and Tomorrow.” “The Mutual Evaluation Process – Lessons Learnt and Next Round Preparations” was presented by Ms. Maurene Simms, Jamaica’s Prime Contact to the Caribbean Financial Action Task Force (CFATF) & Principal Advisor, Bank of Jamaica. There was also a Conference Regulators’ Round Table session on the topic: “Regulatory Review and the Changing Environment.”

- **November 20, 2024** – The Investment Environment presented during the Board Strategic Planning Retreat by Ms. Tracy-Ann Spence, Chief Investment Officer, SIJ. The offsite Board Strategy and Education Session held on November 20, 2024 in Jamaica provided an opportunity for an in-depth assessment of the strategic plan and issues impacting the lines of business, as well as a look at the future direction of the Group.

**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, 2024, was as follows:**

<b>Directors’ Remuneration</b>						
Board/Committee (J\$-Gross)	Annual Retainer	Audit	Investment & Capital Allocation	Risk Management	Corporate Governance & Ethics	Human Resource & Compensation
<b>Board Chairman</b>	<b>\$8,022,341.00</b>					
<b>Board Director</b>	<b>\$2,028,000.00</b>					
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 emphasise 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
- 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 utilised. 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, 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 2024 the Company continued to invest heavily in its Digital Transformation initiatives which aimed to upgrade systems utilised by our team members and customers as well as the physical facilities in which our team members operate. The Company also continued its focus on implementing environmentally-friendly protocols resulting in the reduction of waste and becoming more energy efficient in our operations.

**Dr. Marjorie Fyffe-Campbell**  
Chair  
Corporate Governance &  
Ethics Committee

## AUDIT COMMITTEE REPORT

for the year ended 31 December 2024

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 six (6) 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 the external auditors.

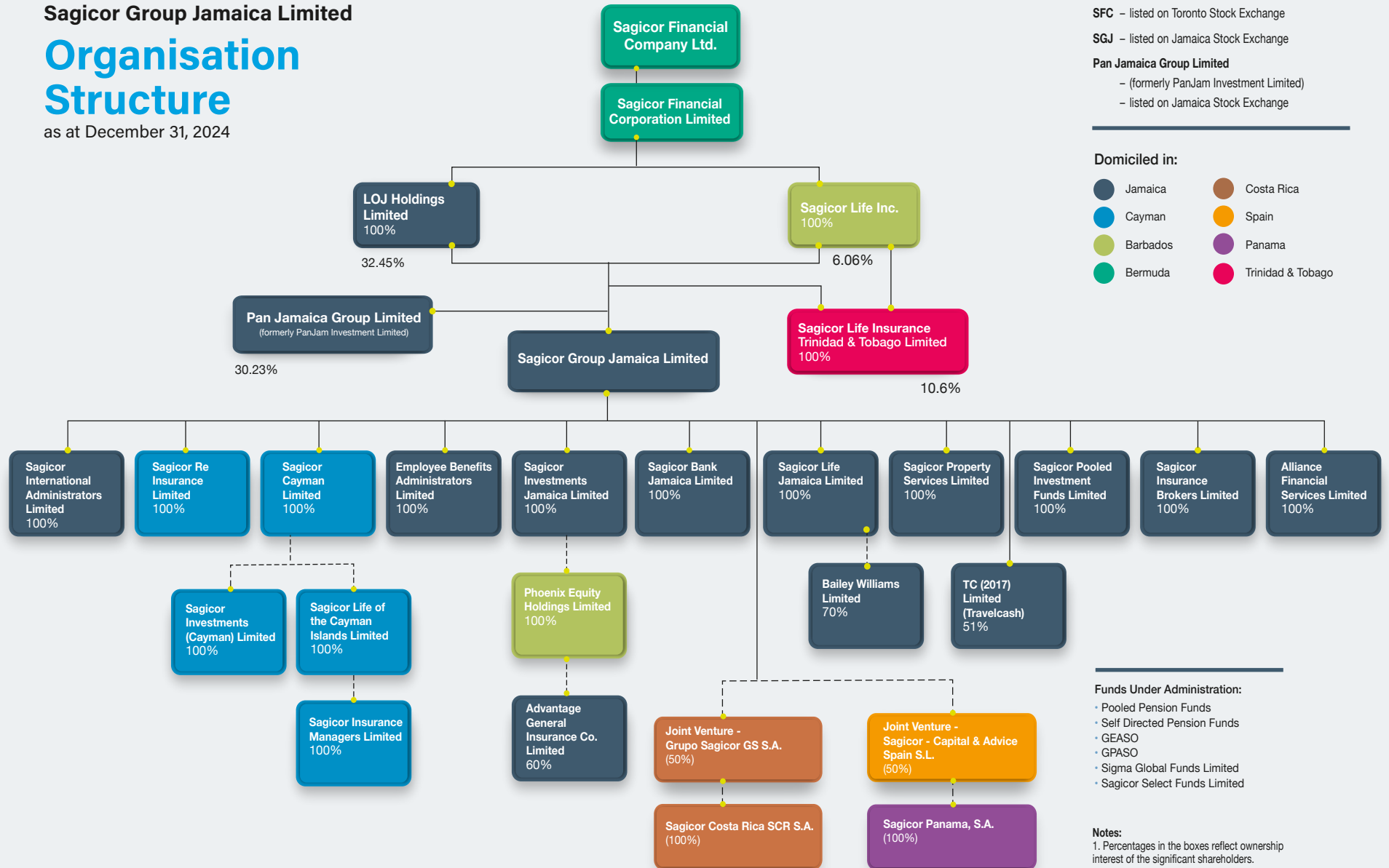
The Audit Committee considered and reviewed, with Management and the Head of Group Internal Audit, the following:

- 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
- Budget and staffing for the internal audit functions.

The external auditors and the Group Internal Audit Department maintain separate independent auditing and reporting functions.

**Mr. Peter Clarke**  
Chairman  
Audit Committee

**Sagikor Group Jamaica Limited**  
**Organisation Structure**  
 as at December 31, 2024



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
- Spain
- Panama
- Trinidad & Tobago

**Funds Under Administration:**

- Pooled Pension Funds
- Self Directed Pension Funds
- GEASO
- GPASO
- Sigma Global Funds Limited
- Sagikor Select Funds Limited

**Notes:**

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

# THE PRIME NATIONAL YOUTH AWARDS FOR EXCELLENCE




 **Sagicor**  
FOUNDATION

Date: \_\_\_\_\_

Pay to the order of:  
**The Prime Minister's National Youth Awards**

Amount: **Five Hundred Thousand Dollars** **J\$500,000.00**

**Sagicor Foundation Jamaica**  
© Lundy Williams Building  
20-40 Blackstock Avenue, Kingston 5,  
Jamaica  
Toll Free: 888-SAGICOR (724-4267)  
sagicor.com

Signature: 

18467907 032 // 509 2 05824098029375

# Committed to Our Community

Sagikor’s commitment to uplifting lives across Jamaica continued in 2024 with a renewed focus on creating lasting impact through education, health, sports, and community development. Building on last year’s foundation of being future ready, we accelerated our efforts, pushing forward with greater momentum to strengthen communities and create opportunities for growth. We embraced the opportunities of 2024 to not only support communities but to empower them, laying the groundwork for a brighter future.

Through our philanthropic initiatives, we expanded outreach, deepened engagement, and reinforced our dedication to making a meaningful difference. We sought out areas where our support could have the greatest impact, from enhancing education and healthcare facilities to supporting local sports and community-driven initiatives. By investing in people and programmes that drive progress, we continue to foster resilience, empowerment, and long-term success.

Our vision is not just to respond to immediate needs but also to actively shape the future. The work we do today is the foundation of a more inclusive, prosperous tomorrow, where opportunities are within reach for all. Through dedication, collaboration, and a relentless pursuit of excellence, we aim to accelerate the path to progress, ensuring that the communities we serve not only survive but thrive.



**Far Left:** Sagikor Foundation supports youth empowerment through the Prime Minister’s National Youth Awards. (From second left) Jacqueline Donaldson (second left), Vice President - Corporate Services, Sagikor Group Jamaica, hands over a symbolic cheque for \$500,000 to the 2024 Prime Minister Youth awardees for academic excellence, alongside Minister of Education and Youth Fayval Williams (third left). The awardees are Aayush Jain (left); Nile Anderson (third right); Kuti Kmau Ra, represented by his mother (second right); and Tashae Bowes.

**Left:** Sagikor Foundation partnered with the team from Reading ‘N’ Reasoning to champion financial literacy on Read Across Jamaica Day. Here, a Sagikor team member engages with students at Montego Bay Conference Centre.



## Corporate Social Responsibility Overview

At Sagicor Group Jamaica Limited, corporate social responsibility is more than a commitment—it is a responsibility we embrace with purpose and passion. Through the Sagicor Foundation, we continue to invest in initiatives that uplift communities, transform lives, and contribute to national development.

In 2024, we invested J\$149.3 million, impacting approximately 225,000 Jamaicans through strategic initiatives in health, education, youth development, and community support.

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**FUNDS DISBURSED**

**\$149.3m**

**SIGMA FUNDS RAISED**

**\$109.1m**

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**PERSONS IMPACTED**

**225,342**

**SIGMA REGISTRANTS**

**27,349**



## Health - Advancing Care and Saving Lives

The 26th staging of the Sagikor Sigma Corporate Run, held in honour of the late Dr. the Honourable R. Danny Williams – Founder of Life of Jamaica and former Chairman of the Sagikor Foundation – marked another record-breaking event. With over 27,000 registrants, the run raised over \$109 million, benefitting the Savanna-la-Mar Public General Hospital, the National Chest Hospital, and the Danny Williams School for the Deaf. The overwhelming support from corporate partners, participants, and sponsors underscored

1. The 2024 Sagikor Sigma 'Honour' Run raised a record-breaking J\$109 million for this year's beneficiaries: the National Chest Hospital, the Danny Williams School for the Deaf, and the Savanna-la-Mar Public General Hospital. From left: Christopher Zacca, President & CEO, Sagikor Group Jamaica and Chairman, Sagikor Foundation; race patron Rushell Clayton; Dwayne Francis, CEO, National Chest Hospital; Heidi-Ann Mitchell-Dillon, Principal, Danny Williams School for the Deaf; Camille Lewin, CEO, Savanna-la-Mar Public General Hospital; Dr. Suman Vemu, Consultant Orthopaedic Surgeon; Peter Melhado, Chairman, Sagikor Group Jamaica; and race patron Orett 'DJ Bambino' Hart.
2. 2024 Sagikor Sigma 'Honour' Run race patron and two-time World Championships 400m hurdles bronze medallist Rushell Clayton sounds the horn to signal the start of the historic race.
3. Paralympian athlete Alphanso Cunningham receives a prize from Caren Scott Dixon, Vice President, Enterprise Risk Management & Group Compliance at Sagikor Group Jamaica, after being the first wheelchair participant to finish the race.



4. The foam pit was a hit on the Sigma Run route as patrons had a blast running for the fun and donating for the cause.



Sigma Run's status as the Caribbean's largest charity road race. Beyond fundraising, we deepened our commitment to sustainability, implementing an expanded plastic bottle collection drive to promote recycling.

For 2024, Sagikor Life launched the 5% Club Breast Cancer Awareness Month campaign to highlight the low percentage of the population that actively schedule annual mammograms. The campaign ended with a 'Pink Day' event that was held on the Terrace of the R. Danny Williams Building. The two-hour gathering brought together survivors, supporters, and the wider community

to foster awareness and provide support for those affected by breast cancer. Attendees participated in symbolic activities, including the planting of pink periwinkles provided by Best Buds, representing resilience and remembrance. They also crafted butterflies adorned with messages of encouragement at the Wings of Hope workshop.

## 5% CLUB BREAST CANCER AWARENESS MONTH

HIGHLIGHTS THE LOW PERCENTAGE OF THE POPULATION THAT ACTIVELY SCHEDULES ANNUAL MAMMOGRAMS

5. (From left) Gazelle Francis, Davia Campbell, Nathaylia Wilberforce, Djanee Stoner and Abygail McDowall share a moment of unity at Sagikor's 'Pink Day' as they enjoy tasty parfaits from chef Jacqui Tyson.
6. Shanika Williams (left) and Jahbari Dawes pause from planting pink periwinkles provided by Best Buds, as they join scores of supporters who attended Sagikor's 'Pink Day' to spread breast cancer awareness.
7. Dahlia Henry of Island Car Rentals shares a heartfelt message for breast cancer survivors as she joins the Sagikor team in spreading hope and awareness during 'Pink Day'.



We are committed to supporting our Communities



**\$29.65M**

Scholarship Programme

**173**

Scholarship Recipients

**\$11M**

Adopt-A-School Programme



**\$25M**

Rebuilding Hope Brooks Studio at the Edna Manley College



**\$11.5M**

Donated to JTA Sagcor National Athletics Championships



**\$20M**

Hurricane Beryl Devastation Response



**15,000+**

Individuals benefitting from hurricane response

## Education - Creating Opportunities for the Next Generation

The Sagicor Foundation continued to significantly invest in education through its annual Scholarship Programme, providing over J\$8 million in support to 47 new students. A total of J\$29.65 million was disbursed for the year, inclusive of 126 scholarship renewals. Two new awards were also introduced at the 2024 Scholarship Awards Ceremony: The R. Danny Williams Visionary Award for Leadership and Volunteerism and The Chairman's Innovation Award, celebrating students who exemplify excellence beyond academics.

Through the Adopt-A-School Programme, we continued to support early childhood education, completing renovations at Shrewsbury Basic School, Irish Pen Basic

School, and Freetown Basic School. With a J\$11-million investment, these institutions received essential upgrades that created safer and more conducive learning environments, helping schools become compliant with the standards outlined by the Early Childhood Commission.

Another major highlight for the year was the groundbreaking for the rebuilding of Hope Brooks Painting Studio at the Edna Manley College of the Visual and Performing Arts. This \$25-million investment, made possible by funds raised from the 2023 Sigma Run, will provide a modern facility for over 40 art students annually, reinforcing our support to the creative economy.

8. 20 tertiary students were elated to receive Sagicor Foundation scholarships valued at J\$300,000 each towards tuition, at the 2024 Scholarship Awards Ceremony.



8.



9.

9. (From left) Dorrett Campbell, Principal, Edna Manley College of the Visual and Performing Arts (EMCVPA); Hope Brooks, former Dean, School of Visual Arts and Adjunct Lecturer, EMCVPA; Christopher Zacca, President & CEO, Sagicor Group Jamaica and Chairman of the Sagicor Foundation; Miriam Hinds Smith, Dean, School of Visual Arts, EMCVPA; Leighton Jones, Vice Principal, Administration and Resource Development, EMCVPA.



10.

10. (From left) Tertiary scholars Sydnie McDermott, Eric Mitchell and Danielle Lobban show off their Certificate of Award at the 2024 Sagicor Foundation Scholarship Awards Ceremony.



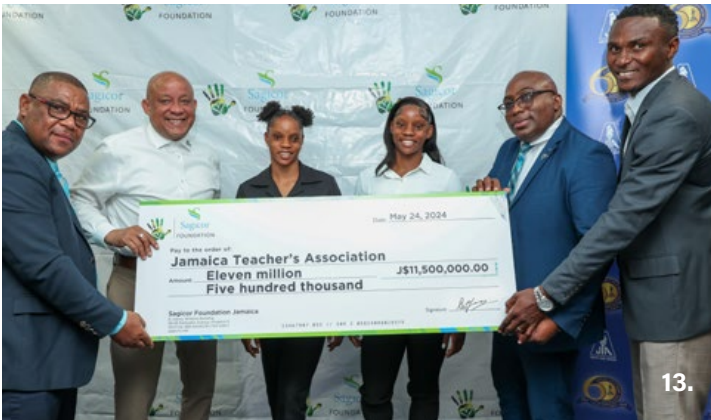
SCAN HERE TO  
VISIT OUR SAGICOR  
FOUNDATION  
SCHOLARSHIP  
WEBSITE



11.



12.



13.



14.

- 11. Twenty-one students who excelled in the Primary Exit Profile (PEP) examination and six athletes from the 2024 JTA/Sagicor National Athletics Championships were awarded with academic scholarships to attend secondary institutions at the Sagicor Foundation Scholarship Awards Ceremony, held at the Jamaica Pegasus on Tuesday, August 20, 2024.
- 12. (From left) Advantage General Insurance team members Anita Dunkley, Deonjay Ewen and Daynalee King lend a hand at Elletson Primary & Infant School's new garden. The trio volunteered for Sagicor Foundation's Labour Day project at the school, which has been adopted by Advantage General Insurance Company.

- 13. (From left) Jamaica Teachers' Association (JTA) Liaison Officer Colin Spence; Chief Revenue Officer of Insurance, Sagicor Life Jamaica and Director at Sagicor Foundation, Mark Chisholm; World Under-20 record holders & newly minted brand ambassadors for the upcoming meet, Tia, and Tina Clayton; President of the Jamaica Teacher's Association Leighton Johnson, and JTA Sports Committee Chairman Kemar Bailey pose with the ceremonial cheque for the 2024 JTA/Sagicor National Athletics Championships.
- 14. Melicia Jones (right), Regional Manager - Investment Client Services (West) at Sagicor Investments Jamaica and Shellene Wallace, Housekeeper at Sandals Resorts Montego Bay, collaborate to plant hibiscus shrubs at The Jamaica Christian School for the Deaf on Labour Day 2024.

## Youth & Community Development - Building a Stronger Jamaica

Our 2024 Labour Day efforts aligned with the national theme of fostering inclusivity, as our volunteers focused on enhancing learning spaces for schools that support students with special needs.

In Kingston, the Sagicor Foundation team worked at Elletson Primary and Infant School, painting two special education classrooms and planting a vegetable garden. We also installed an irrigation system and executed general landscaping. Volunteers also revitalised a seating area and beautified the school's surroundings.

In Montego Bay, we partnered with Sandals Foundation to enhance the Jamaica Christian School for the Deaf. Volunteers applied fresh coats of paint and varnish to several key areas, including the cafeteria, basketball court, sections of the vocational training centre, and restrooms in the meeting hall.

Youth in sports remained a key focus for 2024, with the JTA/Sagicor National Athletics Championships receiving a J\$11.5-million investment, benefitting over 1,200 student-athletes from across the island. The event was particularly special, as former participants Tina and Tia Clayton served as meet ambassadors, further inspiring young athletes to pursue excellence.

15. The 2024 JTA/Sagikor National Athletics Championships concluded in thrilling fashion on Saturday, June 8, as St. Thomas dethroned defending champions St. Elizabeth to claim the coveted Parish Champions title at the National Stadium.
16. Sagikor Group Jamaica team member and volunteer Annmarie Ferguson helps pack milk products for distribution as part of the company's Hurricane Beryl relief efforts.
17. (L-R) Chairman of Food For The Poor Jamaica, Andrew Mahfood; President and CEO of Sagikor Group Jamaica, Christopher Zacca; and Kivette Silvera, Executive Director of Food For the Poor Jamaica, discuss the areas that were most impacted by Hurricane Beryl during a site visit.



15.



16.

## Hurricane Beryl Relief Efforts

In the wake of Hurricane Beryl's devastation, Sagikor Foundation responded quickly by partnering with Food for the Poor Jamaica, to mobilise J\$20 million in aid. This assisted 16,000 individuals across 20 communities, including roof repairs in the parishes of Clarendon and St. Elizabeth. We restored 15 school greenhouses, across 8 parishes – benefiting more than 15,000 students and supplying 50 farmers and fisherfolk in Clarendon, Manchester, and St. Elizabeth with essential tools to aid in rebuilding their livelihoods. Our team of Sagikor volunteers also mobilised to distribute relief supplies, ensuring direct support for some of the hardest-hit communities.



17.

## Looking Ahead – Strengthening Our Impact

Through the Sagikor Foundation, our efforts remain grounded in our mission to care, inspire, and serve. We are keen on making investments that create opportunities and make a real difference in people's lives.

As we move into 2025, our focus remains on deepening our impact and ensuring that our initiatives continue to bring meaningful change. From strengthening healthcare services and supporting disaster relief, to investing in education and nurturing young talent, our work remains focused on building a stronger, more resilient Jamaica.



# Shenielle Gayle

## Chairman's Innovation Award

**Above:** Shenielle Gayle, Computer Science student at the University of the Commonwealth Caribbean ("UCC") is happy to accept the Chairman's Innovation Award from Christopher Zacca, President & CEO, Sagicor Group Jamaica and Chairman of the Sagicor Foundation.

## 2024 Sagicor Foundation Scholar Shenielle Gayle Cops Inaugural 'Innovation Award'

### Inspires Fellow Beneficiaries with Story of Resilience & Faith

At just 21 years old, Shenielle Gayle is breaking new ground in the field of information technology (IT). Despite losing her sight just five years ago, her resilience has propelled her to the forefront of innovation. A student at the University of the Commonwealth Caribbean, Gayle was recently honoured with the Chairman's Innovation Award at the 2024 Sagicor Foundation Scholarship ceremony. This inaugural award, presented by Christopher Zacca, President & CEO of Sagicor Group Jamaica and Chairman of the Sagicor Foundation, recognises individuals who have used technology to make a significant impact in their communities.

Growing up in Portmore, Gayle fondly recalls her childhood in a single-parent household. She attended Portmore Gospel Assembly Preparatory School and attributes much of her early development to her mother, Yvonne Thomas, whom she considers her role model. "My mother was always there, guiding me and teaching me responsibility, independence, and street smarts," Gayle remembers. Her

love for IT was heavily influenced by her mother's background in the field. "My mother's work in IT exposed me to technology at a young age, allowing me to explore and develop a deep interest in the field," she explained.

### A Turn of Events

Life has not been without challenges for Gayle. Along with financial difficulties, she experienced the devastating loss of her sight at 16 due to a non-cancerous tumour pressing against her optic nerve near the pituitary gland.

Reflecting on that time, she shared, "It was terrifying at first because I didn't know what was causing it. My sight was dwindling, and I had to stand so close to the classroom board just to see and take notes. At one point, I could barely stand on both legs. The doctors couldn't tell me what was happening, and when I finally learned I needed brain surgery, it was even more frightening. What allowed the fear to fade was that I started seriously going to church," she shared.

She continued, "I felt more at peace knowing I could put everything in God's hands, trusting that nothing bad would happen. Surprisingly, I found myself at peace—no fear, no tears, no depression. I was simply waiting for God's direction, and when He showed me the way, I followed. That's been

my journey—terrifying at first, but completely transformed once I found my faith in God."

### Helping Persons Living with Disabilities Through IT

Gayle's passion for innovation has been crucial in helping her navigate the challenges of losing her sight. She began by finding ways to help herself, which ultimately enabled her to help others.

"Overcoming this involved finding new ways to do what I was doing before I lost my vision. I discovered various technologies, like screen readers and AI apps on my phone that can describe images and labels to me. I can point my camera at something, and it will tell me what's in front of me. There have been financial hurdles, but I've always tried my best to help myself through tutoring and seeking funding where necessary. I never let financial constraints stop me from achieving my goals."

Now a dedicated advocate for all Jamaicans, especially those with disabilities, Gayle volunteers at the Jamaica Society for the Blind, teaching others how to use computers with screen readers. She also runs a YouTube channel, "Thee Quinn," where she offers tutorials and introduces new apps, including AI tools that assist visually impaired users. Additionally,

Gayle developed a free transcription app for the blind, deaf, and those with multiple disabilities.

Helping others has always been a strong passion for Gayle. She reflects,



*"Even as a child, I had an urge to help. It brings me joy when someone thanks me for making a difference in their life. For me, it's more rewarding than money—knowing I've helped someone become independent and opened new doors for them is what drives me."*

Gayle was visibly elated and overcome with joy when her name was announced as the winner of the Chairman's Innovation Award. In addition to being a 2024 Sagicor Scholarship recipient, which will fund her final year tuition, Gayle received an additional cash prize of J\$500,000 as part of the award.

She is grateful for the recognition from the Sagicor Group Foundation and hopes to inspire others to find their true strength within. She advises, "Go for it. The sky's the limit. No matter how small you feel or how others see you, with love for people, determination, and a positive mindset, you can achieve greatness. Don't let anyone tell you otherwise—you are more than capable."



## Ramone Young

R. Danny Williams Visionary Award

For Leadership and Volunteerism

**Above:** Bridgette Azan (left), Director at the Sagicor Foundation and daughter of the late R. Danny Williams is happy to present the R. Danny Williams Visionary Award for Leadership and Volunteerism to Ramone Young, Nursing student at the University of Technology ("UTECH").

**Nursing Student Ramone Young is the proud recipient of the 2024 R. Danny Williams Visionary Award for Leadership and Volunteerism.**

In a fitting tribute to its late Founder and Chairman, the Hon. R. Danny Williams, the Sagicor Foundation has introduced a new scholarship award in his memory: the **Visionary Award for Leadership and Volunteerism**. Ramone Young, a nursing student at the University of Technology, was the proud recipient of this inaugural accolade during the 2024 Sagicor Foundation Scholarship Awards ceremony, held on August 20 at the Pegasus Hotel.

The criteria for the R. Danny Williams Visionary Award for Leadership and Volunteerism stipulated that the recipient must be a Sagicor Foundation Tertiary Scholarship recipient who excels in multiple areas, demonstrating outstanding leadership within their school, community, or organisational setting. The award particularly honours those who have led initiatives or projects that have made a significant positive impact. Additionally, the recipient must show consistent involvement in volunteer activities, reflecting a deep commitment to serving others and driving meaningful change.

Elated with being the first recipient of this prestigious award, Young expressed his gratitude, stating, "I'm not usually an open or emotional person, so crying about this really means a lot. It shows me that God is always in the picture and that my efforts haven't gone unnoticed. It feels like Sagicor has been watching all along, and I'm just at a loss for words. I've always gravitated toward voluntary service, despite people telling me to focus more on school or myself. But this recognition is exactly why I do it—because I know that younger people, students, and future leaders will look up to me and understand that I wasn't just doing this for myself. I was doing it to make Jamaica a better place. And what better way to show you care about Jamaica than by volunteering?"

Commenting on the motivation behind introducing the new awards, Christopher Zacca, President & CEO of Sagicor Group Jamaica and Chairman of the Sagicor Foundation, said, "The R. Danny Williams Visionary Award for Leadership and Volunteerism holds deep significance for the Sagicor Foundation and Sagicor Group, and it has personal meaning for me as well. Danny Williams was a guiding mentor whose wisdom, leadership, and philanthropic efforts profoundly shaped my own path. Our aim in introducing this award in his name is to recognise and support individuals

who exemplify the same visionary spirit and commitment to community service."

Brigette Azan, Director, Sagicor Foundation, and daughter of the late R. Danny Williams presented Young with the award. She reflected on the full-circle moment for her family, noting,



*"He's a wonderful young man—truly remarkable. I spoke with him afterwards, and I know Daddy would have been very pleased with a recipient like Ramone. He's so dedicated to helping others, and among the group I saw, he was undoubtedly the best choice. I believe he's a first-class selection."*

For more than a decade, the Sagicor Foundation Scholarship Programme has been a key avenue through which the Foundation supports high-achievers. The 2024 Sagicor Scholarship Awards Ceremony saw 27 students receiving secondary scholarships, while 20 students received tertiary scholarships.





# 2024 Team Member of the Year Nominees

## Rafeea Grant

### ERM & Group Compliance

Rafeea has played a pivotal role in strengthening the Group's compliance framework since joining in 2020. Now Assistant Manager, she has led major updates to AML policies, streamlined risk scoring processes, and helped the department master on-demand training tools.

Her leadership has contributed to smoother regulatory inspections and improved compliance readiness across the Group. Known for her coaching and collaborative spirit, Rafeea is also a part of the SagicorLEAD programme and serves in a mentorship leadership role. Her commitment to excellence and empowerment continues to elevate her team and the wider organisation.

## Jozan Lawrence

### Disbursement & Payroll Services

Jozan brings over 14 years of accounting expertise and a strong commitment to service excellence. As a key member of the Payroll team, she supports high-volume, high-stakes operations with precision, teamwork, and a client-first mindset.

She has been instrumental in enhancing team performance and process efficiency, all while delivering consistently high standards. Jozan is also the founder of Nire Purpose Foundation, through which she led a successful post-Hurricane Beryl relief effort in Clarendon. Her dedication to both work and community truly exemplifies what it means to be a Sagicor team player.

## Daive Richards

### Group Marketing

Daive's creative work across eight Sagicor entities has driven real results—from \$13M in Sigma shirt sales to \$267M in leads from his automotive campaigns. In a year of major restructuring, he consistently delivered on-brand, high-impact designs while saving the Company over \$58M in outsourcing costs.

Whether he's working late to meet a deadline or fine-tuning design elements others might miss, Daive brings quiet excellence to everything he does. A mentor, church leader, and creative force, he embodies the values that move Sagicor forward.

## Chavelle Wellington-Grindley

### Group Client Support

A dedicated Sagicor team member since 2013, Chavelle has made significant contributions to the Group Client Support Department, where she now serves as Assistant Manager. With a passion for people and process, she has successfully led key projects, including the AVAYA PBX Upgrade, ECRIS Escalation Tool, and the rollout of Proactive Outreach Manager.

Her work has helped transform client support operations, enhance service delivery, and improve call centre performance. Known for her empathy and leadership, Chavelle is also an active mentor and volunteer, always driven by her belief that "everyone can be great because everyone can serve."

## Varsha Panday

### EBA Actuarial Services

Since joining Sagicor in 2023, Varsha has already made a strong impact as Associate Actuary at EBA Ltd. She brings a wealth of knowledge and fresh perspective to her role, helping to advance actuarial operations and risk analysis.

Varsha's qualifications include the prestigious CERA designation—making her the first Guyanese to earn it — as well as associate membership with the Society of Actuaries. Her technical expertise, attention to detail, and drive for continuous learning make her a standout contributor within the actuarial team and beyond.

(From left) **Rafeea Grant** – ERM & Group Compliance, **Jozan Lawrence** – Disbursement & Payroll Services, **Daive Richards** – Group Marketing, **Chavelle Wellington-Grindley** – Group Client Support, **Varsha Panday** – EBA Actuarial Services



## Chavelle Wellington-Grindley

2024 Sagikor Team Member of the Year

**In Photo:** Group Client Support's Chavelle Wellington-Grindley (right) receives the prestigious TMOY award from Michelle Higgins, Assistant Vice President, Group HR People Operations, Sagikor Group Jamaica.

**Every year, Sagicor's Team Member of the Year (TMOY) award honours an individual who exemplifies the company's core values through exceptional performance, teamwork, service, and leadership. The award celebrates those who go above and beyond to make a meaningful impact, not only within the Company, but also in the lives of the people they serve and support every day. At Sagicor's Corporate Awards Ceremony held in April 2025, Chavelle Wellington-Grindley – an individual whose calm strength, commitment, and people-first approach have made her a quiet force across the organisation – walked away with the award for being 2024's TMOY.**

When Wellington-Grindley heard her name called during the awards ceremony, she could hardly believe it. "I wasn't expecting to hear my name at all," she laughed. "My husband had to be the one to nudge me to stand up." But for those who've worked alongside her, there was no surprise. Recently promoted to Manager – Client Support in March 2025, Wellington's new role puts her at the helm of one of the most people-centred functions in the organisation. "It's been a journey, and I'm grateful for every step. This new role is an opportunity to keep serving and supporting in a bigger way, and I'm excited to grow into it."

Her journey began in Portsmouth, Portmore, where she grew up with her grandmother, sister, and uncle in a tight-knit community filled with childhood adventures and life lessons. "The area we lived in was small but full of life," she recalled fondly. With the support of her family, she thrived in school – from Portsmouth Primary to St. Andrew High School for Girls, and then the University of Technology – concluding with a bachelor's degree in tourism

management and later a master's in human resource management.

Wellington-Grindley credits two people for her constant drive to succeed: her grandmother, Ilene Brown, and her late uncle, Lenville Michael Anderson. "I was always at church because of my grandmother. She's a devout Seventh-day Adventist and was a service leader back then. So, I was right there beside her, helping. She had such a giving heart and always made sure I understood the value of service." Her uncle, she says, played a pivotal role in her academic journey. "He covered my school fees from primary all the way through high school. And when I finished, I didn't want to go to university; I was ready to start working. But he insisted and said, 'You're going to be the first in the family to get a degree! And I did it for him, for all of us!'"

She joined Sagicor in 2013 as a Contact Centre Associate, a role that marked the beginning of a steady, purpose-driven climb through the Company. Over the years, she earned multiple promotions and was frequently recognised as Team

Member of the Month, not just for her performance, but for her consistent commitment to service, integrity, and excellence.

Her experience in both operations and support functions has given her a holistic view of the business. But more importantly, they helped her grow the soft skills that now define her leadership style – one sprinkled with patience, empathy, and a listening ear. "I see this award and my new role as an opportunity for growth," Wellington said. "It's a chance to see Sagicor in a new light, to be exposed to new experiences, new people, and new challenges. I'm excited, not just for myself, but for the impact I can make. This is a historic accomplishment for me, and something I'll always carry proudly on my professional journey."

In the past year, Wellington-Grindley led two impactful projects. First, she helped develop the Escalation Tool, which streamlined client query handling through the service portal, improving response times and accountability. "It's about accountability, if one person is out, others can pick up the query and move it forward," she said. Wellington-Grindley also spearheaded the implementation of the quality monitoring tool, which includes speech analytics and screen capture for more efficient coaching and better tracking of client interactions.

Through it all, Wellington-Grindley says, teamwork has been the foundation. "You know the saying, 'teamwork makes the dream work'? It's true. In the Contact Centre, no one is an island. If I don't understand something, the person beside me helps and I do the same for them. That culture of support is something we've nurtured over time."

As a leader, she believes in collaboration, empowerment, and inclusivity. "When people see their ideas being used, it gives them a sense of ownership. They feel empowered, and they're inspired to contribute even more. I really believe in that democratic approach. Different perspectives help us make better, smarter, decisions."

Her advice to others striving for success is simple:



*"Grow where you're planted. You never know who's noticing your hard work. Your efforts may seem small, but they never go unnoticed. Keep growing and excelling in whatever space you're in; your goals are achievable. Wherever you are, excel. Always give your best. And for me, I believe that with God, all things are possible. Don't let barriers stop you. With faith, you can break through anything."*

# Group Human Resources

## Group human resources 2024 priorities

In response to the changes in the world of work and in alignment with our company's digital transformation strategy, Group HR's 2024 priorities focused on:



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## TEAM ENGAGEMENT & WELLNESS ACTIVITIES

Team engagement and team member wellness continue to be an integral part of our DNA and are essential to Sagicor's success. They impact our culture, resources, productivity and ultimately, our bottom line. We value the health and well-being of our team, and this is evident in our programme offerings.

### WELLNESS PROGRAMMES

For 2024, we continued partnering with external gyms to offer corporate discounts, with 264 team members enrolled for the year. The Company advances annual gym fees, which are then recovered through salaries over 12 months.

### SPORTS PROGRAMMES

Team members participated in inter-department competitions such as netball, football, basketball, table tennis, and dominoes, building team spirit and engagement. Additionally, Sagicor's 'B' teams placed 2nd in the Business House Netball Competition and 1st in the Business House Basketball Competition.

### REWARDS & RECOGNITION PROGRAMME

Our 2024 Sagicorian Award was presented to Chavelle Wellington - Group Client Support. We also introduced two new recognition categories:

- » Group Pioneer Award
- » Group Contributor
- » Group Rookie of the Year



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## SAGICOR GAMES 2024 LET'S MOVE AND CELEBRATE

Aligned with the Olympics season, we launched the Sagicor Games under the theme "Let's Move and Celebrate".

The Games featured a number of in-person and virtual activities such as:

- **Team Trivia** – School Challenge Quizzes and Spelling Bee competitions
- **Physical Challenges** – Football, Netball, Basketball and Domino competitions
- **Creative Contests**
- **Virtual Games** – Scavenger Hunts
- **Engagement Events** – Lime & Spoon, Thread the Needle, Cup Challenge and Musical Chairs

The Sagicor Games was more than an event; it was a movement towards a healthier, happier and more active lifestyle. It also fostered healthy competitions across the five (5) houses, providing a fun way for our team members to connect.

Once the dust settled, **Blue Sonic** emerged as the overall Champions of Sagicor Games 2024!

1-3. Jacqueline Donaldson, Vice President of Corporate Services, Sagicor Group Jamaica, presents the inaugural Group Rookie of the Year Award, Group Contributor of the Year Award and Group Pioneer Award to Matthew Baker - Group Treasury & Asset Management, Sashakay Clarke, Branch Sales (Dominica Drive) and Brandon Grant, Group Facilities & Records Management, respectively.

4. (From left) Team Member of the Year 2024 runner-ups Daive Richards and Varsha Panday pose alongside winner Chavelle Wellington-Grindley and Michelle Higgins, Assistant Vice President, Group HR People Operations, Sagicor Group Jamaica.

5. Sagicor team members rep their team colours for Sagicor Games 2024.

6. Team Blue Sonic celebrates after winning Sagicor Games 2024.

## S.T.A.R.S. WEEK OF ACTIVITIES

This year, we took a different approach to S.T.A.R.S. Week, with most of our activities being hosted virtually, including:

- Business Showcase
- Virtual Par
- Praise & Worship Session
- Trivia Competition



**Above:** Team members certainly had fun participating in the 2024 Sagikor Games activities.

## END OF YEAR CELEBRATION

As we approached the end of 2024, we held our traditional Group-wide Christmas party in a different way. With the aim of fostering more meaningful connections within our teams, each department hosted individual celebrations, strengthening the bonds we share with our immediate colleagues.

Members of our leadership team also joined in the celebrations, which created the opportunity for them to personally thank the team for their contributions and achievements.

**Below:** Group HR team members close the year with an epic '90's bashment' party theme.



## LEARNING & DEVELOPMENT, CHANGE & TALENT MANAGEMENT INITIATIVES

Sagikor's commitment to continuous learning and professional growth remained a priority in 2024. We facilitated 45,447 training hours for 16,155 participants across 58 courses, leveraging innovative methods to ensure accessibility and engagement.

### Key Learning & Development Initiatives:

**Self-Paced Learning:** Recognising the need for flexibility, we introduced self-paced training courses, allowing team members to complete modules at their convenience. This approach

catered to diverse schedules and learning preferences, promoting a culture of independent development.

**Virtual Instructor-Led Training:** Most courses were delivered virtually via Microsoft Teams and Zoom, with durations adjusted from traditional 7-hour sessions to more engaging 2 to 5-hour formats. This microlearning approach ensured that content remained digestible while maintaining high participation levels.

**Sage Academy Expansion:** Following its successful 2023 launch, Sage Academy expanded with 800 additional licences, accommodating more team members, including financial advisors. The platform continues to serve as a hub for structured, career-aligned training programmes.

**Gamification:** We incorporated game-based learning techniques to make training more interactive.

- Kahoot! was used to integrate quizzes and team challenges into training sessions.
- Breakout rooms, polls, and interactive discussions were also used to create a classroom-like experience in virtual settings, boosting engagement and retention.

**Upskilling & Reskilling:** To support Sagicor's digital transformation journey, we acquired Udemy licences for targeted upskilling. Team members were nominated by supervisors to receive a 1- to 3-month Udemy licence. Courses were pre-selected to align with individual growth plans and Company objectives.

### Client Experience: Future Ready. Accelerating!

This year, our annual Client Experience training adopted a dynamic two-pronged approach:

**Client Experience Part 1:** Future Ready, Accelerating! A self-paced training course designed to deepen our team members' understanding of Sagicor's core values.

**Client Experience Part 2:** Meet the Bakers, an immersive, gamified simulation that challenged participants to apply their learnings in real-world scenarios. Through this engaging experience, team members followed the Bakers on their life journey, interacting with every Sagicor business line and reinforcing their ability to deliver exceptional client experiences.

### Know Scamming: Accelerate with Good Business Practices

With financial scams becoming more sophisticated worldwide, we reinforced our commitment to fraud prevention through Company-wide training, educating team members on common scam tactics and how to identify red flags.

The programme reinforced Sagicor's Code of Ethics & Conduct, empowering employees to uphold integrity and accountability.

### Sexual Harassment Awareness Workshop

Following the enactment of Jamaica's Sexual Harassment Act, we prioritised education on:

- Legal rights and responsibilities under the new legislation
- Recognising and addressing workplace harassment
- Creating a safe space for open discussions and guidance.

This initiative not only deepened understanding but also empowered team members to seek guidance and have their questions answered, reinforcing our commitment to a respectful and compliant workplace.



### Mental Health Series

Recognising the link between mental health and productivity, we continued our tradition of celebrating May and October as Mental Health Awareness Months.

#### May Theme: Moving More for Mental Health

- Paint and Potting Workshop
- The Art of Drama Workshop
- It's Not All in Your Head Webinar
- Pages to Peace Book Club Launch
- PositiviTEA Day
- Keep It Moving Friday
- Taking the Mind on a Positive Journey Workshop
- Mental Move Virtual Session
- Mental Move Dance Challenge

**October Theme: Prioritising Your Mental Health**

- Arise and Beam Motivational Session
- Physical and Mental Connection Road Tour
- World Mental Health Day Webinar hosted by the Jamaica Mental Health Advocacy Network (JAMHAN)
- Flex and Relax Leadership Routine videos
- Mental Wellness Star of the Month

**Rated M - Development Programme for male team members**

**Rated M**, Sagicor Group's dedicated male development programme, is designed to empower and uplift our male team members. This year, the programme focused on a holistic approach to men's well-being, emphasising the critical pillars of physical, mental, emotional, and social health. Through interactive sessions, expert-led discussions and a hands-on expo, Rated M provided valuable insights on key areas such as mental resilience, fitness, self-care, and work-life balance. By equipping participants with the tools and knowledge to operate at their best, the initiative reinforced a culture of confidence, well-being, and continuous personal growth.

- Rated M Reasonin': Fatherhood Uncensored
- Mental Health: Man in the Mirror
- Men's Health Champions
- Men's Health Expo
- Holiday Hustle

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

In 2024, we successfully executed six impactful activities aimed at encouraging women to prioritise their holistic health and well-being. These activities were strategically scheduled to coincide with Women's Month (March) and Breast Cancer Awareness Month (October).

**Topics and activities included:**

- SheLeads: Inspire Inclusion in Digital Transformation
- Pain Point: Endometriosis Awareness Session
- From Trauma to THRIVING
- Your Best Fit
- "Busting" Breast Cancer Myths
- Holiday Hustle

**DEVELOPMENT PROGRAMMES FOR ALL TEAM MEMBERS****SagicorLEAD Leadership Development PROGRAMME**

The SagicorLEAD Programme remains a premier leadership development initiative, providing high-potential team members with advanced training and mentorship. In May 2024, Cohort 3 graduated, and

Cohort 4 was inducted. Participants engaged in a mix of book discussions, executive mentorship, and leadership workshops, including:

- Start with Why (Simon Sinek) – led by Joanna Banks (EVP, Strategy & Business Development)
- The Leader Who Had No Title (Robin Sharma) – led by Christopher Zacca (President & CEO)
- Strategic & Critical Thinking Workshop – facilitated by Dr. William Lawrence
- Dale Carnegie Leadership Training
- John Maxwell's Emotional Intelligence Workshop – led by Tanya Powell
- Public Speaking with Fae Ellington
- Social Etiquette & Networking Workshop – hosted by Ingrid Peralto.

**SagicorLEAD Promotions 2024:**

- Nickeshia Salmon: Assistant Manager, Credit Risk (SagicorLEAD Cohort 3 Participant)
- Natshon Edwards: Manager, Credit Solutions SME (SagicorLEAD Cohort 3 Participant)
- Rohan Daley: Assistant Manager, Regulatory Reporting (SagicorLEAD Cohort 4 Participant)
- Diana Ellis: Manager, Legal Services (SagicorLEAD Cohort 4 Participant)
- Courtney Patterson-Thorp: Manager, Legal Services (SagicorLEAD Cohort 4 Participant)
- Abigail Davis: Assistant Manager, Investment Analysis and Product Development (SagicorLEAD Cohort 3 Participant)



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1. Coretta Foster (left), Vice President - Group Human Resources shares a gift with SagicorLEAD cohort 4 inductee, Christina Durrant.
2. The newly minted SagicorLEAD graduates share a group photo with Christopher Zacca (front left), President & CEO, Sagicor Group Jamaica, and Mark Chisholm (front right), Chief Revenue Officer, Sagicor Life Jamaica.
3. SagicorLEAD cohort 3 graduate, Abigail Davis, Assistant Manager - Investment Analysis and Product Development, Sagicor Group Jamaica.
4. SagicorLEAD Cohort 4 inductees are excited to start their journey of professional development. With them are Christopher Zacca (8th from left), President & CEO, Sagicor Group Jamaica, Mark Chisholm (9th from right), Chief Revenue Officer, Sagicor Life Jamaica, and Chorvelle Johnson Cunningham, CEO Sagicor Bank Jamaica (centre).

## Succession Planning

Through our partnership with the American Management Association (AMA), 45 high-potential candidates accessed 25 leadership courses. The lessons focused on developing skills to tackle essential business management challenges and leadership issues found in today's work and business landscape. Upon completion, participants applied their learnings to support team and business growth.

### Candidates from the pool who were promoted include:

- Charmaine Rankine: General Manager, EBA Limited
- Corrinne Bellamy: Vice President, EBA Actuarial Services
- Latoya Mayhew-Kerr: Senior Vice President, Insurance Operations
- Grace Royal Bassaragh: Vice President, Group Legal, General Counsel
- Shayna Stennett-Jones: Assistant Vice President, Corporate Actuarial Services
- Shane Walters: Assistant Vice President, Real Estate and Investment Management
- Michael Willacy: Senior Vice President, Corporate Banking and SME
- Vanesa Williams: Vice President, Business Optimisation and Systems Control
- Andrea Chung: Vice President, Group Project Management Office
- Daidre Sloley-McKay: Vice President, Group Marketing.



## Cross Training

The cross-training programme continues to provide our team members with the chance to gain hands-on experience and knowledge in their areas of studies and interest, helping them fulfil their career aspirations.

**Statistics for the year ending 2024 are as follows:**

**79% Approved** - This represents the approval from both the team members' home and cross-training department with the successful completion of the process by the applicant.

**17% Not Approved** - This percentage is a result of the following:

- The cross-training department was unable to accommodate the team members, in some cases based on the time of request.
- The cross-training requirements were not met based on our policy manual.

**3% Pending** - This represents an incomplete application.



## Talent Management Initiatives

### Career Development Month

For 2024, Career Month was executed through several virtual activities geared towards growth and development. The sessions included:

- **Empowered to Conquer** - This session provided team members with information and guidance on continuing professional education. This was facilitated through a panel discussion led by representatives from the University of Technology Jamaica and Career Guidance (resume and interviewing tips) with a representative from Caribbean Jobs.
- **Conquering the Unknown** - Insights were shared on how to prepare for retirement and careers that can be pursued upon retirement.
- **Weekly Career Tips and Videos** - These depicted a peek into the day of team members working across the Group. This gave team members an appreciation and understanding of various roles while sharing useful information.
- **Giveaways** - Four team members received UDEMY licences with full access to certificate courses.
- **Career Guidance** - A sensitisation video was shared with the team, reminding them of the opportunities offered at Sagicor and the different HR units to contact if faced with challenges on the job.

### Sagicor Group Jamaica NextGEN Mentorship Society:

The Sagicor NextGEN Mentorship Society was created to offer an exclusive and dynamic mentorship programme for professionals and emerging leaders across Sagicor Group Jamaica. Originally known as the Sagicor Group Pro-Millennial Mentorship Society, it was rebranded in 2024 to remove generational boundaries and foster inclusivity across all age groups. The goal of this change was to promote stronger collaboration across generations and within the organisation. The rebrand officially took effect on Wednesday, August 14, 2024.

The updated logo of the Sagicor Group Jamaica NextGEN Mentorship Society is shown below:



SUMMARY OF THE ACTIVITIES EXECUTED IN 2024	
Event /Theme	Description/Comments
<p><b>Theme:</b> “Double Di Money”  <b>Speaker:</b> Jodian Aris  <b>Venue -</b> Sagicor Auditorium</p>	<p>This session was geared towards providing gems on how to use investments as collateral, current investment opportunities, and methods and tools to manage investments. The keynote speaker was the Assistant Vice President, Research and Strategy, Jodian Aris.</p>
<p><b>Theme:</b> Unlock Your Leadership Potential  <b>Speakers:</b> Vanesa Williams, Vice President - Business Optimisation and Systems Control                      Andrea Chung, Vice President Group Project Management Office  <b>Venue-</b> Sage Hub                      Hybrid</p>	<p>This session provided participants with information and tips on how to actively develop and utilise the inherent abilities and characteristics within that can enable them to become successful leaders.</p>

SUMMARY OF THE ACTIVITIES EXECUTED IN 2024	
Event /Theme	Description/Comments
<p><b>Theme:</b> Listening’s Role in Conflict Resolution  <b>Speaker:</b> Mr. Rajae Danvers  <b>Venue:</b> Sagicor Insurance Brokers Office                      Hybrid</p>	<p>The objective of the session was to provide various perspectives on how to resolve conflicts. Our speaker used socio-economic events to enwrap the audience on the topic. He emphasised different ways to take note of verbal and non-verbal communication to defuse situations.</p>
<p><b>Theme:</b> You Get Addressed How You Dress  <b>Speaker:</b> Rochelle Cameron  <b>Venue:</b> Sage Hub                      Hybrid</p>	<p>Our objective for the session was to bring awareness to the ways in which our attire elevates or diminishes one’s personal brand. The session was opened with a fashion show depicting various uniform, corporate and casual outfits, worn by members of the SagicorLEAD team. Ms. Cameron followed with an energetic and informative presentation that had everyone in attendance empowered to “Dress like you’re embracing life, not hiding from it.”</p>



## TALENT ACQUISITION

**Recruitment in 2024 was quite robust, with a total of 915 positions filled for the year.**

This is a 7.11% decline from the prior year, where 985 positions were filled.

575 of these positions were replacements – with vacancies resulting from team members transferring to other roles and/or departments within the Company, while the remaining 340 positions were additions to the organisation’s structure.

Most of these additions were in the Shared Services (201) and Group Technology and Sagicor Life Operations (57) divisions with notable additions in the departments in the following table. >>>>>

**915**

Positions Filled in 2024

**52%**

New Hires

**48%**

Hires attributable to Internal Movements

RECRUITMENT IN 2024		
Department Name	# of Additions	Sample Roles Added
Innovation	28	<ul style="list-style-type: none"> <li>» Programmer Analyst</li> <li>» Programmer Analyst Trainee</li> <li>» Solution Architect</li> <li>» Product Designer</li> <li>» UX Researcher</li> <li>» Data Security Architect</li> </ul>
Group Client Support	79	<ul style="list-style-type: none"> <li>» Client Support Associate</li> <li>» Supervisor – Operations Support</li> </ul>
Business Optimisation and Systems Control	13	<ul style="list-style-type: none"> <li>» Test Analyst</li> <li>» Process Analyst</li> <li>» Technical Writer</li> <li>» Application Tester</li> <li>» Testing &amp; Evaluation Analyst</li> </ul>
Shared Services IT (Jamaica)	14	<ul style="list-style-type: none"> <li>» Programmer Analyst</li> <li>» Programmer Analyst – Mulesoft</li> <li>» Solutions Engineer</li> </ul>

With respect to the nature of our hires in 2024, 440 (48%) were attributable to internal movements (promotions, lateral movements, temporary to permanent appointments and new temporary contracts), while the remaining 475 hires (52%) were either new to the organisation or returning hires.

This 1:1 ratio of internal movements to new hires is indicative of the Company's balanced focus on both external talent acquisition and internal development.

## RECRUITMENT MARKETING, OUTREACH & DEVELOPMENT

In 2024, we participated in three (3) in-person career fairs, where we made a positive impact on young job seekers by providing them with valuable insights to enhance their job search efforts. These fairs also served as an opportunity to promote Sagicor as an employer of choice, while building connections with promising candidates who demonstrated potential to successfully transition into the organisation.

Additionally, our collaboration with the HEART Trust NSTA continued in 2024, resulting in the successful placement of 24 HEART trainees across various departments and divisions within the Group.

Our Talent Acquisition Manager – Deyhmia Cross – also served as the Keynote Speaker at the UTech Co-operative Education (Internship) Fair 2024, held on February 29, 2024.

The Summer Mentorship programme remained an anticipated staple in our outreach and youth development efforts. In 2024, we hired 116 summer workers over 2 batches, from May 27 – July 19.

## Appointments

Several team members were appointed to key roles at the grade 4 level and above in 2024. See table >>>>>



**Our people are our greatest strength. We place a high priority on developing talent and leadership skills at all levels of our organisation.**

APPOINTMENTS IN 2024		
Team Member	New Role	New Grade
Latoya Mayhew-Kerr	Senior Vice President - Operations	7
Michael Willacy	Senior Vice President - Corporate Banking and SME Business Banking	7
Nicole Campbell Robinson	Vice President - Corporate Communications, Social Media and Corporate Social Responsibility	6
Daidre Sloley-McKay	Vice President - Marketing, Jamaica and Latin America	6
Grace Royal Bassaragh	Vice President - General Counsel, Group Legal	6
Vanesa Williams	Vice President - Business Optimisation & Systems Control	6
Andrea Chung	Vice President - Group Project Management Office	6
Corrinne Bellamy	Vice President - EBA Actuarial Services	6
Jodian Aris	Assistant Vice President - Research & Strategy	5
Andrea Mesquita	Assistant Vice President - Operations	5
Charmaine Rankine	General Manager - Employee Benefits Administrators Ltd.	5
Shane Walters	Assistant Vice President - Real Estate Investment Management	5
Shanya Stennett	Assistant Vice President - Corporate Actuarial	5
Antoinette Smith	Manager - Pricing & Product Management	4T
Kenneth Williams	Solution Architect	4T
Martin Morrison	Manager - Software Quality Assurance	4T
Castell James	Data Engineer	4T
Dwight Walker	Manager - Technical Support - Cards & Payments	4T
Gabrielle Taylor	Manager - Treasury & Fixed Income Trading	4T
Courtney Patterson Thorpe	Manager - Legal Services	4T
Sheneal McCourtie	Privacy Engineer	4T
Peter-Jon Williams	Manager - Technical Services	4T
Diana Ellis	Manager - Legal Services	4T
Winnifred Isaacs-Harper	Relationship Manager - Corporate Banking	4S

APPOINTMENTS IN 2024		
Team Member	New Role	New Grade
Marian Edwards	Branch Manager	4S
Michelle A. Senior	Relationship Manager	4S
Joyce Gordon	Manager - Team Credit	4S
Jason Brown	Manager - Learning & Development & Change Management	4
Karla Reece	Manager - Group Treasury Operations	4
Jhanine Jackson	Manager - Sales & Leasing	4
Soroya Blake	Project Manager	4
Davica Hamilton	Real Estate Sales Manager	4
Sharif Small	Manager - Research & Strategy	4
Alexia Bradshaw	Manager - Revenue Operations and Payment	4
Laura-Kaye Watson	Manager - Client Experience	4
Christopher Harris	Manager - Cambio	4
Daniel Benjamin	Marketing Manager-Non-Insurance Services	4
Carol Manning Duffus	Manager - Centralized, Collateral & Securities	4
Janielle Johnson-Laing	Project Manager	4
Christine Grant	Manager - Financial Analysis & Relations	4
Kemar Hanson	Branch Manager	4
Rohan Campbell	Manager - Fraud Detection and Prevention	4
Emelio Williams	Manager - Property Maintenance	4
Yanique Dawson	Manager - Capital Markets	4
Dainnia Bailey	Manager - Finance	4
Javaughn Keyes	Corporate Communications Manager	4
Jennifer McLeod Powell	Pension Administration Manager	4
Ewort Atkinson	Digital & Content Manager	4

# 2025

**O.N.E. SAGICOR -  
LET'S MAKE GREAT  
THINGS HAPPEN**

Group HR stands as a strategic partner in fostering alignment, collaboration, and excellence across all levels of the organisation.

To bring our 2025 theme to life, HR will focus on:

1. Building a Unified Culture
2. Talent Development & Engagement
3. Operational Efficiency & Support
4. Team Member Well-being & Inclusion



## Lorna Jamieson Bond's 40-Year Journey at Sagicor

Decades of dedication and expertise within a single Company can be priceless assets, especially during periods of transformative growth. Lorna Jamieson Bond, Assistant Vice President of Business Development & Financial Analysis at Sagicor Group Jamaica, epitomises this. With over 40 years at the financial services giant, she is one of two team members who received a Long Service Award for their four decades of pivotal contributions to the company's evolution and success.

For Bond, it has been 41 fulfilling years since she began her journey at Sagicor in 1982. Back then, the Company operated as Life of Jamaica Limited (LOJ), the country's pioneering indigenous life insurance provider, dedicated to offering accessible life insurance solutions to Jamaicans.

Jamieson Bond had just turned 20 years old after graduating from the University of Technology, Jamaica (called CAST at the time) and saw the company as the best place for her to put her skills to work. "It was exciting from day one. I'm a Jamaican nationalist at heart. So, I saw Life of Jamaica as a Jamaican company in which I could work and grow. As a country, we had all these ambitions for Jamaica to be the best place to work and raise a family, so Life of Jamaica fit that mould and aligned with my passion," she explained.

She started out working as an accounting clerk in the accounts payable department, facilitating weekly payrolls and vendor payments. As the years went by, her work ethic led to her promotion to positions dealing with budgeting, corporate planning, and various areas of finance.

While her early years at the Company were largely characterised by stable growth, there are certain periods in her career that she can never forget. The most challenging of these was during the 1990s.

In response, the Company pursued several strategic mergers and acquisitions that not only reshaped and fortified its position in the financial sector, but also enabled it to offer a comprehensive range of financial services. This transformed the Company into today's Sagicor Group, known as a formidable financial conglomerate.



*"My friends and I were integral parts of this transformative period. In that moment, we learned resilience; we learned grit and determination."*

— Lorna Bond —

Decades later, she still shares the lessons she learned from these tough moments with younger team members. Jamieson Bond understands that not every person will remain at a company as long as she has, but notes that when one finds a company whose values and vision are for the betterment of others, it is almost impossible to part ways. "I've always told the young people who come that you won't be happy all the time, but if you're happy most of the time, keep on keeping on and give yourself reasons to get up every morning and enjoy the work you do. Do it not just because of what the company can give you, but because of the growth you can personally gain and the contributions you can make to your Company, country, and family," she advised.

**In Photo:** Celebrating her years of experience, Lorna Jamieson Bond shared a memorable moment with her husband Christopher Bond at the Sagicor 2024 Long Service Awards.

## ESG Statement

Our vision is "To be a great company committed to improving the lives of the people in the communities in which we operate". Ensuring a sustainable future is essential to realising our corporate vision. We further recognise that adapting to a changing environment is critical to our long-term success.

Sagicor Group Jamaica ("SGJ") is one of the region's leading financial services conglomerates, with over 50 years of history serving individuals and businesses. Rooted in a commitment to "Wise Financial Thinking for Life," we offer a diverse range of financial products and services to our communities.

Since our establishment, SGJ has built a legacy rooted in strategic foresight and adaptability. Our rich history reflects our ability to implement effective strategies that generate both shareholder value and sustainable growth. We remain steadfast in our mission to blend business excellence with community empowerment, to create a lasting impact that resonates across the markets we serve.

Across every pillar of our sustainability programme, SGJ continues to make meaningful progress toward reaching our goal of being committed to sustainability by balancing the present and future needs of our organisation, while creating long-term sustainable value for our organisation, clients and communities. Through innovation, responsible business practices, environmental stewardship, and our unwavering commitment to our core values and social well-being, we strive to build a future where prosperity and progress go hand in hand.

- 1. Building a Foundation of Trust:** Governance & Business Ethics
- 2. Securing Our Future:** Proactive Risk Management & Climate Resilience
- 3. Enabling Our Communities to Thrive:** Corporate Social Responsibility Initiatives
- 4. Embracing Responsible Business Practices:** Transparency, Data Security and Customer-Centricity



### Building a Foundation of Trust:

#### Governance and Business Ethics

- » Maintained ongoing focus on cultivating a diverse and inclusive culture, with near gender parity across all levels: 47% female executives, 60% female non-executives.
- » Integrated sustainability considerations directly into core business functions through our enterprise risk management system.
- » Proactively engaged with key stakeholders including regulators (BOJ, FSC, JSE), rating agencies, and community partners to align strategy with their expectations.

### Securing Our Future:

#### Proactive Risk Management & Climate Resilience

- » Successfully navigated Hurricane Beryl with minimal operational impact, demonstrating the effectiveness of our risk management framework.
- » Enhanced cross-departmental coordination and emergency communication protocols based on real-world experience.
- » Implemented comprehensive scenario analysis and tabletop exercises to systematically identify and address climate-related risks.

### Enabling Our Communities to Thrive:

#### Corporate Social Responsibility Initiatives

- » Raised a historic \$109 million through the 26th Sagcor Sigma Corporate Run, benefiting the Savanna-la-Mar Public General Hospital, National Chest Hospital, and Danny Williams School for the Deaf.
- » Invested over \$40 million in education initiatives, including renovations of early childhood institutions through our Adopt-A-School programme and the introduction of two prestigious new scholarship awards.
- » Engaged 450+ volunteers and impacted more than 207,000 beneficiaries through our strategic CSR initiatives focused on health, education, sports, and community development.

### Embracing Responsible Business Practices:

#### Transparency, Data Security and Customer-Centricity

- » Maintained exceptional customer retention rates: 96% for Health, Life and AD&D products and 94% for P&C policies.
- » Implemented robust data security protocols resulting in zero monetary losses from privacy-related proceedings.
- » Enhanced digital banking innovations to remove traditional barriers to financial services for underserved populations.

## Rooted in Responsibility, Strengthening Communities, Building Trust

**At Sagicor, sustainability isn't just a statement — it's showing up in the spaces we create, the services we offer, and the way we support communities across Jamaica. From banking and investments to education and wellness, our teams are weaving sustainable thinking into everyday decisions and long-term plans. Here's how that came to life in 2024:**

In Spanish Town, our new Sagicor Bank 'Phyigital' branch at New Brunswick Village offers more than just convenience. It represents a modern, blended approach to banking, one that balances technology with human touch. With state-of-the-art kiosks and automated machines, the branch reduces wait times and paper use, while still giving clients the option of face-to-face service. Located within a thoughtfully designed mixed-use complex, it reflects our commitment to serve growing communities through smart infrastructure and accessible financial services.

That same vision is driving the development of the Portmore Promenade, an eco-friendly and sustainable commercial complex designed to support both business and well-being. The space will feature

a central park and green zones for community use — bringing nature back into the heart of an urban centre. Solar energy and rainwater harvesting systems will also support the complex's environmental efficiency, creating a model for sustainable urban development in Jamaica.

Supporting healthier environments also means getting young minds involved. In 2024, we partnered with Farm Primary School in Montego Bay to sponsor an immersive marine tour, helping students understand the importance of protecting Jamaica's marine ecosystems. In Kingston and Spanish Town, we donated vegetable gardens to Elletson Primary (Advantage General Insurance's adopted school), and Friendship Primary to support hands-on learning about sustainability, nutrition, and the importance of growing what we eat. These initiatives nurture a lifelong connection to the environment while encouraging healthier habits and community pride.

That same spirit of growth extended to our annual Breast Cancer initiative, where attendees planted pink periwinkles in a quiet, symbolic act of hope and remembrance. It's a small gesture that speaks to something

much larger—healing, beauty, and the resilience of our community.

On the business side, our digital transformation is making sustainable choices more seamless. At Advantage General Insurance, over 80% of transactions can now be completed online — whether customers are managing policies, filing and tracking claims, or renewing coverage. This shift isn't just about convenience; it's reducing paper use, cutting wait times, and lowering our collective environmental footprint, while delivering a faster, more efficient experience for clients. Likewise, the shift of eInvest to a fully digital platform has made investing simpler and more efficient for our clients, especially during high-traffic periods like IPOs.

We're also helping our clients go green. Through home equity financing and dedicated business lending, Sagicor Bank is supporting homeowners and entrepreneurs who want to install solar energy systems — a move that not only reduces utility costs but also contributes to a cleaner energy future.

Behind the scenes, we're holding ourselves to high standards. In 2024, Sagicor Property Services earned ISO 14001:2015 certification, an

internationally recognised standard for environmental management. It's not just a plaque on the wall; it means we've put systems in place to actively monitor, manage and reduce our environmental impact across the properties we oversee. From energy efficiency to waste reduction and regulatory compliance, the certification confirms that we're making thoughtful choices in how we operate — building value not just in properties, but in the planet too.

And for our own team members, sustainability means flexibility. Our hybrid Work from Home policy supports a modern workforce while lowering the environmental impact tied to commuting and in-office energy use. It's a practical step toward balancing business efficiency with wellbeing.

From the spaces we build to the ways we work, our sustainability efforts reflect one belief: that long-term value is built through purpose. Whether it's a student planting a seed, a business owner going solar, or a client experiencing faster, greener financial services, Sagicor is committed to growing a future that works for everyone.





**Left:**

(From left) Nicole Campbell Robinson, Vice President - Communications, Social Media & CSR at Sagicor Group Jamaica; Debbie Meek, Principal of Elletson Primary & Infant School; and Clarence Ennis, Community Representative, Elletson Primary & Infant School Board, get their hands dirty in the school's freshly established garden donated by Sagicor Foundation, as part of the organisation's Labour Day activities.

**Below:**

Christopher Zacca (right), President & CEO of Sagicor Group Jamaica, and Michael Sutherland, Sagicor Bank New Brunswick Village Branch Manager, try out the new self-assisted kiosk at Bank's first 'Phygital' branch at New Brunswick Village in Spanish Town, St Catherine.



# Subsidiaries

## SAGICOR LIFE JAMAICA LIMITED

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

**Christopher Zacca**  
President & CEO

## SAGICOR BANK JAMAICA LIMITED

Head Office  
17 Dominica Drive  
Kingston 5, Jamaica W.I.  
Tel: (876) 960-2340

**Chorvelle Johnson Cunningham**  
CEO

## EMPLOYEE BENEFITS ADMINISTRATOR LIMITED

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

**Charmaine Rankine**  
General Manager

## SAGICOR INVESTMENTS JAMAICA LIMITED

Head Office  
85 Hope Road  
Kingston 6, Jamaica W.I.  
Tel: (876) 929-5583

**Tara Nunes**  
CEO

## SAGICOR INSURANCE BROKERS LIMITED

63-67 Knutsford Boulevard  
Kingston 5, Jamaica W.I.  
Tel: (876) 929-8920-9  
Fax: (876) 929-4730

**Dave Hill**  
General Manager

## SAGICOR POOLED INVESTMENT FUNDS LIMITED

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

## SAGICOR RE-INSURANCE LIMITED

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

## SAGICOR PROPERTY SERVICES LIMITED

R. Danny Williams Building  
28-48 Barbados Avenue, Kingston 5,  
Jamaica W.I.  
Tel: (876) 929-9182-9

## SAGICOR INTERNATIONAL ADMINISTRATORS LIMITED

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

## TC (2017) LIMITED

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

## SAGICOR CAYMAN LIMITED

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

## ALLIANCE FINANCIAL SERVICES LIMITED

Head Office  
7 Belmont Road,  
Kingston 5

**Omar Brown**  
CEO

## SAGICOR LIFE OF THE CAYMAN ISLANDS LTD.

1st Floor Sagicor House  
198 North Church Street,  
George Town  
Grand Cayman KY1-1102  
Cayman Islands  
Tel: (345) 949-8211  
Fax: (345) 949-8262

**Mark Chisholm**  
President & CEO

## SAGICOR INSURANCE MANAGERS LIMITED

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

## SAGICOR INVESTMENTS (CAYMAN) LIMITED

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

## PHOENIX EQUITY HOLDINGS LIMITED

c/o Worthing Corporate Centre  
Worthing, Christ Church  
Barbados

## ADVANTAGE GENERAL INSURANCE COMPANY LIMITED

Head Office  
4-6 Trafalgar Road  
Kingston 10

**Dave Morrison**  
CEO

## BAILEY WILLIAMS LIMITED

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

## JOINT VENTURES

### SAGICOR COSTA RICA, SCR, S.A.

102 Avenida Escazú,  
Torre, 2 Suite, 405  
Escazú, San José,  
Costa Rica

**Fernando Viquez**  
Deputy Manager

### SAGICOR PANAMA S.A.

Ave Samuel Lewis y Calle,  
Santa Rita  
Edificio Plaza Obarrio,  
Apartado 832-1299,  
WTC Panama,  
Panama

**Juan Carlos Martinelli**  
General Manager

## FOUNDATION

### SAGICOR FOUNDATION JAMAICA

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

# Corporate Data

## DIRECTORS:

**Peter K. Melhado**  
Chairman

**Christopher Zacca**  
President & CEO

**Philip Armstrong**

**Peter Clarke**

**Dr. Jacqueline Coke-Lloyd**

**Dr. Marjorie Fyffe-Campbell**

**Stephen B. Facey**

**Jeffrey Hall**

**Paul Hanworth**

**Mahmood Khimji**

**Dr. Stephen McNamara**

**Dr. the Most Hon. Dodridge  
D. Miller**

**Andre Mousseau**

**Gilbert Palter**

## EXECUTIVE TEAM:

**Christopher Zacca**  
President & CEO  
Sagicor Group Jamaica Limited

**Joanna Banks**  
Executive Vice President – Strategy &  
Business Development  
Sagicor Group Jamaica Limited

**Omar Brown**  
Chief Executive Officer  
Alliance Financial Services Limited

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

**Chorvelle Johnson Cunningham**  
Chief Executive Officer  
Sagicor Bank Jamaica Limited

**Dave Morrison**  
Chief Executive Officer  
Advantage General  
Insurance Company

**Tara Nunes**  
Chief Executive Officer  
Sagicor Investments Jamaica Limited

**Donnette Scarlett**  
Senior Vice President - Treasury &  
Asset Management  
Sagicor Life Jamaica Limited

**Caren Scott Dixon**  
Vice President - Enterprise Risk  
Management & Group Compliance  
Sagicor Group Jamaica Limited

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

**Karl Williams**  
Executive Vice President – Group  
Shared Services  
Sagicor Group Jamaica Limited

**Corporate Secretary:**  
Dr. Sharma Taylor

**Appointed Actuary:**  
Janet Sharp

**Auditors:**  
PricewaterhouseCoopers

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

## Attorneys:

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

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

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

**DunnCox**  
48 Duke Street  
Kingston

## Registered Office:

**R. Danny Williams Building**  
28-48 Barbados Avenue,  
Kingston 5,  
Jamaica, W.I.  
Telephone : (876) 929-8920-9  
Toll Free : 888-SAGICOR  
Fax No : (876) 929-4730  
Email : infoja@sagicor.com  
Cable Code : 'LOJAM'  
Website : www.sagicor.com/en-jm.com

# Senior Vice Presidents & Vice Presidents

## SAGICOR GROUP JAMAICA



**Andrew Burke**  
Vice President - Innovation & Data  
Sagicor Group Jamaica Limited  
Innovation



**Andrea Chung**  
Vice President - Group Project  
Management Office  
Sagicor Group Jamaica Limited  
Group Project Management Office



**Camisha Sinanon**  
Vice President - Corporate Accounting  
Sagicor Group Jamaica Limited  
Group Corporate Accounting



**Catherine Allen**  
Senior Vice President & Corporate Actuary  
Sagicor Group Jamaica Limited  
Corporate Actuarial Services



**Coretta Foster**  
Vice President - Group Human Resources  
Sagicor Group Jamaica Limited  
Group Human Resources



**Grace Royal Bassaragh**  
Vice President - General Counsel, Group  
Legal  
Sagicor Group Jamaica Limited  
Group Legal



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



**Mark Clarke**  
Vice President - Group Infrastructure &  
Technical Services  
Sagicor Group Jamaica Limited  
Infrastructure & Technical Services



**Merrick Plummer**  
Vice President, Client Adoption Retention  
& Enrichment  
Sagicor Group Jamaica Limited  
Client Adoption Retention & Enrichment  
(C.A.R.E.)

## SAGICOR GROUP JAMAICA



**Sharma Taylor**  
Vice President - Corporate Secretary,  
Group Corporate Secretarial and  
Corporate Trust  
Sagicor Group Jamaica Limited  
Group Corporate Secretarial and  
Corporate Trust



**Yvonne Pandohie**  
Vice President - Finance: Banking  
Sagicor Group Jamaica Limited  
Banking (SBI/SIJ/SIC)



**Nicole Campbell Robinson**  
Vice President - Corporate  
Communications, Social Media &  
Corporate Social Responsibility  
Sagicor Group Jamaica



**Daidre Sloley-McKay**  
Vice President  
Group Marketing - Latin America & the  
Caribbean  
Sagicor Group Jamaica

## EMPLOYEE BENEFITS ADMINISTRATORS



**Corrinne Bellamy**  
Vice President - EBA Actuarial Services  
Employee Benefits Administrators Limited  
Actuarial Services (EBA)

## SAGICOR BANK JAMAICA



**Annette Osborne**  
Vice President - Banking  
Operations  
Sagicor Bank Jamaica Limited  
Banking Operations



**Damion Hylton**  
Senior Vice President - SME Banking,  
Cards & Payments  
Sagicor Bank Jamaica Limited  
Executive (Banking)



**Michael Willacy**  
Senior Vice President - Corporate Retail  
& Strategic Business Development Unit  
(SBDU) Sagicor Bank Jamaica Limited  
Corporate Banking

## SAGICOR BANK JAMAICA



**Vinette Notice**  
Vice President - Credit Risk  
Sagicor Bank Jamaica Limited  
Credit Risk

## SAGICOR INVESTMENTS JAMAICA



**Bianca Nam**  
Vice President - Wealth Management  
Sagicor Investments Jamaica Limited  
Wealth & Corporate Relationship  
Management



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

## SAGICOR LIFE JAMAICA



**LaToya Mayhew-Kerr**  
Senior Vice President - Insurance  
Operations  
Sagicor Life Jamaica



**Camille Witter**  
Vice President - Pricing & Product  
Management  
Sagicor Life Jamaica Limited  
Pricing and Product Management



**Jacqueline Brown-Barnes**  
Vice President - Insurance Operation  
Services  
Sagicor Life Jamaica Limited  
Insurance Operation Services



**Nicola Leo-Rhynie**  
Vice President - Insurance and Pension  
Revenue  
Sagicor Life Jamaica Limited  
Executive (Revenue)



**Vanesa Williams**  
Vice President - Business Optimisation &  
Systems Control  
Sagicor Life Jamaica Limited  
Business Optimisation and Systems Control

# Assistant Vice Presidents

## SAGICOR GROUP

### Aldane Milton

Assistant Vice President - Application Services

Sagicor Group Jamaica Limited  
Shared Services IT (Jamaica)

### Bryan Johnson

Assistant Vice President - Group IT Infrastructure Support

Sagicor Group Jamaica Limited  
Infrastructure & Technical Services

### Christopher King

Assistant Vice President - Corporate Actuarial

Sagicor Group Jamaica Limited  
Corporate Actuarial Services

### Faith Vincent

Assistant Vice President - Treasury & Investment Operations

Sagicor Group Jamaica Limited  
Treasury & Asset Management

### Jassetta Jones Townsend

Assistant Vice President - Group Legal Services

Sagicor Group Jamaica Limited  
Group Legal, Trust & Corporate Secretarial

### Jodi-Kaye Ennis

Assistant Vice President - Corporate Strategy

Sagicor Group Jamaica Limited  
Group Strategy & Business Development

### Jodian Aris

Assistant Vice President - Research & Strategy

Sagicor Group Jamaica Limited  
Research & Strategy

### Lakesha Ross-Duncan

Assistant Vice President - Internal Audit

Sagicor Group Jamaica Limited  
Group Internal Audit

## SAGICOR GROUP

### Lorie-Ann Turner

Assistant Vice President - Treasury & Asset Management Operations

Sagicor Group Jamaica Limited  
Group Treasury Operations

### Lorna Jamieson Bond

Assistant Vice President - Business Development & Financial Analyst

Sagicor Group Jamaica Limited  
Group Strategy & Business Development

### Michelle Higgins

Assistant Vice President - Group Human Resources

Sagicor Group Jamaica Limited  
Group Human Resources

### Neil Kellyman

Assistant Vice President - Pension Investment

Sagicor Group Jamaica Limited  
Pension Investment (EBA)

### Opal Donaldson

Assistant Vice President - Data and Analytics

Sagicor Group Jamaica Limited  
Data & Analytics

### Robert McKenzie

Assistant Vice President - Asset Management

Sagicor Group Jamaica Limited  
Treasury & Asset Management

### Shane Walters

Assistant Vice President - Real Estate Investment Management

Sagicor Group Jamaica Limited  
Treasury & Asset Management

### Shayna Stennett-Jones

Assistant Vice President - Corporate Actuarial

Sagicor Group Jamaica Limited  
Corporate Actuarial Services

## SAGICOR GROUP

### Vanette Beam

Assistant Vice President - Corporate Actuarial

Sagicor Group Jamaica Limited  
Corporate Actuarial Services  
Sagicor Bank Jamaica

## EMPLOYEE BENEFITS ADMINISTRATORS

### Charmaine Rankine

General Manager - Employee Benefits Administrators Ltd.

Employee Benefits Administrators Limited  
Pension Services (EBA)

## SAGICOR BANK

### Clinton Hunter

Assistant Vice President - Retail Banking

Sagicor Bank Jamaica Limited  
Executive (Banking)

### Danyu Dacres

Assistant Vice President - Business Re-engineering & Operations Efficiency

Sagicor Bank Jamaica Limited  
Business Reengineering and Operations Efficiency

### Dianne Nicholas-Bolton

Assistant Vice President - Credit Risk

Sagicor Bank Jamaica Limited  
Credit Risk

### Keri-Leigh Manning

Assistant Vice President (Treasury)

Sagicor Bank Jamaica Limited  
Banking Treasury

### Richard Patterson

Assistant Vice President - Card Operations & Digital Channels

Sagicor Bank Jamaica Limited  
Card Operations

## SAGICOR BANK

### Tanya Sloley

Assistant Vice President - Cards & Payments

Sagicor Bank Jamaica Limited  
Card & Payments

## ALLIANCE FINANCIAL SERVICES

### Andrea Mesquita

Assistant Vice President - Operations

Alliance Financial Services Limited  
Executive (Alliance)

## SAGICOR INVESTMENTS

### Karen Richards

Assistant Vice President - Investment Client Services

Sagicor Investments Jamaica Limited  
Investment Client Services (Dominica Drive)

### Roger McKenzie

Assistant Vice President - Treasury & Trading

Sagicor Investments Jamaica Limited  
Treasury & Trading (Fixed Income)

## SAGICOR LIFE

### Sashimo Wallace

Assistant Vice President - Insurance Accounting

Sagicor Life Jamaica Limited  
Insurance Accounting

### Megan Irvine

Assistant Vice President - SLJ Operations and Initiatives

Sagicor Life Jamaica Limited  
Innovation

# Branch Managers

## SAGICOR BANK JAMAICA

### Laurel Webster

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales (Duke & Tower Street)

### Brent Johnson

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales (Up Park Camp)

### Nikeshia Bonnick Magnus

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales (Hope Road)

### Glenroy Morgan

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales (Portmore)

### Vilma Barrett Gunter

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales (Black River)

### Clement Ellington

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales (Liguanea & Manor Park)

### Nursita Gray Barriffe

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales (Tropical Plaza)

### Doreen Pindling Williams

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales (Ocho Rios)

### Ricardo Mahabeer

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales (Dominica Drive)

### Michael Sutherland

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Operations (New Brunswick Village)

## SAGICOR BANK JAMAICA

### Kavon Walker

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales (Mandeville)

### Kemar Hanson

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales (May Pen)

### Wendy Bernard

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales  
(Montego Bay - Sagicor Commercial Centre)

### Suzette Black

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales  
(Montego Bay - Fairview Shopping Centre)

### Marian Edwards

#### Branch Manager

Sagicor Bank Jamaica Limited  
Branch Sales (Savanna-la-Mar)

## ALLIANCE FINANCIAL SERVICES

### Jason Baker

#### Branch Manager

Alliance Financial Services Limited  
Liguanea (Alliance)

## SAGICOR INSURANCE BROKERS

### Dave Hill

#### General Branch Manager

Sagicor Insurance Brokers

## SAGICOR INVESTMENTS (CAYMAN)

### Geoffrey Chong

#### Country Manager

Sagicor Investments (Cayman) Limited

### James Youn

#### Wealth Manager

Sagicor Investments (Cayman) Limited

## SAGICOR LIFE OF THE CAYMAN ISLANDS

### Tatiana Brown

#### Country Manager

Sagicor Life of the Cayman Islands Limited

## SAGICOR INVESTMENTS JAMAICA

### Anthony Howard

#### Manager

Investment Client Services - KMA  
Sagicor Investments Jamaica Limited  
Hope Road, Liguanea

### Shelly-Ann Morgan

#### Manager

Investment Services  
Sagicor Investments Jamaica Limited  
Dominica Drive, Duke & Tower Street,  
Half Way Tree

### Carlos Gordon

#### Regional Manager

Investment Client Services - Central & North  
Sagicor Investments Jamaica Limited  
May Pen, Mandeville, Black River

### Melecia Jones

#### Regional Manager

Investment Client Services - West  
Sagicor Investments Jamaica Limited  
Fairview & Savanna-la-Mar

### Kimberley Garbutt

#### Regional Manager

Investment Client Services - North  
Sagicor Investments Jamaica Limited  
Ocho Rios

## SAGICOR LIFE JAMAICA

### Odine Dacosta

#### Branch Manager

Sagicor Life Jamaica Limited  
Half Way Tree

### Dalton Thompson

#### Branch Manager

Sagicor Life Jamaica Limited  
Belmont Dukes

### Mark Lindsay

#### Branch Manager

Sagicor Life Jamaica Limited  
Senators

## SAGICOR LIFE JAMAICA

### Leslie G. Francis

#### Branch Manager

Sagicor Life Jamaica Limited  
Knutsford

### Errol Moss

#### Branch Manager

Sagicor Life Jamaica Limited  
Ocho Rios

### Meila McKitty Plummer

#### Branch Manager

Sagicor Life Jamaica Limited  
Corporate Circle

### Sophia Morris

#### Branch Manager

Sagicor Life Jamaica Limited  
New Kingston

### Maurice McDonald

#### Branch Manager

Sagicor Life Jamaica Limited  
Spanish Town

### Derrick Lewis

#### Branch Manager

Sagicor Life Jamaica Limited  
Liguanea

### Ian Bourne

#### Branch Manager

Sagicor Life Jamaica Limited  
Holborn

### Philbert Perry

#### Branch Manager

Sagicor Life Jamaica Limited  
Mandeville

### Patrick Sinclair

#### Senior Branch Manager

Sagicor Life Jamaica Limited  
Montego Bay

### Sean Edwards

#### Branch Manager

Sagicor Life Jamaica Limited  
EBD Marketing



Sagicor Group Jamaica

# Financial Statements

Year Ended 31 December 2024







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

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

www.sagikor.com

### APPOINTED ACTUARY'S REPORT TO THE SHAREHOLDERS AND POLICYHOLDERS

I have valued the policy actuarial liabilities of Sagikor Life Jamaica Limited and Sagikor Life of the Cayman Islands Ltd. for the consolidated statement of financial position at 31 December 2024, 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 Sagikor Life Jamaica Limited and the Sagikor 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 (APSO) and Actuarial Practice Standard 6 for Actuarial Services in Connection with International Financial Reporting Standard 17 (APSO6).

In my opinion the amount of the actuarial reserves and other policy liabilities of Sagikor Life Jamaica Limited and Sagikor 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, 2024, 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

28 FEBRUARY 2025



## Independent auditor's report

To the Members of Sagikor 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 Sagikor Group Jamaica Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2024, 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 2024;
- 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 2024;
- 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.

#### 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.

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 based on risk or size on the Group financial statements. The Group comprised the Company and 20 reporting components of which we selected 11 (including the parent company), which represent the principal business units within the Group and are located in Jamaica, the Cayman Islands and Costa Rica. Full scope audits were performed for the Company and 5 other components, while audits of one or more financial statement line items were performed for 5 further components. The audit work performed covered 99% of the Group's total assets and 94% of the Group's total net insurance and investment result, and fees and other income. All reporting components were audited by PwC network firms.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, 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
<p><b>IFRS 9 'Financial Instruments' – Probabilities of Default, Forward Looking Assumptions &amp; Significant Increase in Credit Risk (SICR) (Group)</b></p> <p><i>Refer to notes 2 (f), 3 (b) (iv), and 9 to the consolidated financial statements for disclosures of related material accounting policies and balances.</i></p> <p>As at 31 December 2024, loans and leases, after allowance for credit losses, totalled \$138.7 billion on the Group's consolidated statement of financial position and represented 23.2% of total assets. The impairment provision recorded under the IFRS 9 expected credit loss (ECL) model amounted to \$2.4 billion.</p> <p>The IFRS 9 ECL impairment model takes into account reasonable and supportable forward looking information (FLI) as well as probabilities of default (PDs).</p> <p>PDs represent the likelihood of a borrower defaulting on its obligation over the next twelve months or over the remaining lifetime of the obligation.</p> <p>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.</p> <p>To determine whether there is a SICR, the Group considers reasonable and supportable information that is available including information from the past and FLI. The underlying model and its calibration, including its sensitivity to FLI, requires the use of assumptions which are highly subjective and sensitive to the risk factors, the estimation of which requires significant judgement.</p> <p>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.</p>	<p>Our approach to addressing the matter, with the assistance of our valuation specialists, included the following procedures, amongst others:</p> <ul style="list-style-type: none"> <li>Updated our understanding of management's ECL model including any changes to source data and assumptions and tested the mathematical integrity of the model.</li> <li>Evaluated the design and tested the operating effectiveness of the relevant controls for the FLI and SICR in the ECL model.</li> <li>Evaluated the appropriateness of management's judgements pertaining to FLI, including macro-economic factors and the basis of the multiple economic scenarios used.</li> <li>Sensitised the various inputs and assumptions as part of our reasonableness tests.</li> <li>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.</li> <li>Tested the staging of a sample of loans by reference to the number of days outstanding on the loan.</li> <li>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.</li> <li>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 in relation to management's SICR.</li> <li>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.</li> <li>Sensitised the probability weightings used in the calculation.</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<p><b>IFRS 17 – “Insurance Contracts” - Valuation of insurance contract liabilities - Estimation of fulfilment cash flows (Group)</b></p> <p><i>Refer to notes 2 (q), 3 (b) (i), 30, and 33 to the consolidated financial statements for disclosures of related material accounting policies and balances.</i></p> <p>As at 31 December 2024, insurance contract liabilities totalled \$160.4 billion or 32.5% of total liabilities. Insurance contract liabilities measured under the variable fee approach and general measurement model consist of:</p> <ul style="list-style-type: none"> <li>Contractual service margin (CSM) - This 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.</li> <li>Fulfilment cash flows (FCFs) – These 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).</li> </ul> <p>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.</p> <p>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.</p> <p>We focused on this area due to the judgement applied by management when determining the FCFs and the assumptions described above.</p>	<p>Our approach to addressing the matter, with the assistance of our actuarial specialists, included the following procedures, amongst others:</p> <ul style="list-style-type: none"> <li>Updated our understanding on management’s end to end process and controls supporting the determination of FCFs.</li> <li>Tested accuracy and completeness of a sample of the data used in the estimates of future cash flows.</li> <li>Assessed the independence, experience and objectivity of management’s actuarial experts.</li> <li>Assessed the reasonableness of management’s best-estimate assumptions for mortality, morbidity, longevity, expenses and policyholder behaviour (lapse and surrenders), and economic assumptions for discount rates, and the adjustment for non-financial risk by:             <ul style="list-style-type: none"> <li>Evaluating whether management’s assumptions were determined in accordance with the requirements of IFRS 17.</li> <li>Evaluating the Company’s internal experience studies for appropriateness by considering published industry studies, market data and component specific facts and circumstances.</li> </ul> </li> <li>Evaluated a sample of actuarial models used in management’s determination of the FCFs, by:             <ul style="list-style-type: none"> <li>Assessing the appropriateness of the model of product features.</li> <li>Assessing the appropriateness of the application of best-estimate assumptions.</li> </ul> </li> </ul> <p>Assessing the disclosures within the consolidated financial statements against the requirements of IFRS 17.</p>



Key audit matter	How our audit addressed the key audit matter
<p><b>Goodwill impairment (Group)</b></p> <p><i>Refer to notes 2 (m), 3 (b) (vi), and 15 to the consolidated financial statements for disclosures of related material accounting policies and balances.</i></p> <p>As at 31 December 2024, goodwill totalled \$4.5 billion or 0.7% of total assets.</p> <p>Management performed goodwill impairment assessments using the Fair Value Less Costs to Sell approach (FVLCS) to derive the recoverable amount of the life insurance industry related Cash Generating Units (CGUs) and the Value-in-Use approach (VIU) to derive the recoverable amount for the non-life insurance industry related CGUs, as these are considered the higher value model in each of these components. The VIU approach is based on discounted cash flows and FVLCS is based on the capitalised earnings approach. In performing these assessments, management were assisted by valuation experts where required.</p> <p>The impairment assessments resulted in an impairment charge of \$700 million, which management recognised in the consolidated income statement.</p> <p>We focused on this area as the determination of the carrying value of the goodwill requires management judgement and estimation, and the assessment remains sensitive to reasonably possible changes in key assumptions being:</p> <ul style="list-style-type: none"> <li>earnings multiples (FVLCS method);</li> <li>earnings growth rates (VIU method); and</li> <li>discount rates (VIU method).</li> </ul>	<p>Our approach to addressing the matter, with the assistance of our valuation specialists, involved the following procedures, amongst others:</p> <ul style="list-style-type: none"> <li>Updated our understanding of management’s approaches to performing their annual impairment assessment, including future cash flow forecasts and evaluated for any changes.</li> <li>Compared previous forecasts to actual results to assess the performance of the business and the extent to which reliance can be placed on management’s ability to forecast.</li> <li>Confirmed that the forecasts used in the valuation models were consistent with the Board approved business plan, and that the key assumptions were subject to oversight from the Board of Directors.</li> <li>Tested the assumptions and methodologies used, in particular those relating to the earnings multiple, earnings growth rate and discount rate as follows: Evaluated these assumptions with reference to valuations and performance forecasts of similar companies;</li> <li>Compared the key assumptions to externally derived data where available, including industry betas, equity and market risk premiums, risk free rates, macro-economic indicators and industry growth rates; and</li> <li>Applied sensitivities in evaluating the Directors’ assessment of the planned growth rate in cash flows.</li> <li>Tested the valuation model calculations for mathematical accuracy.</li> </ul>



### 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 judgment 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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  
3 March 2025

## Consolidated Statement of Financial Position

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

		December 31, 2024	December 31, 2023
	Note	\$ '000	\$ '000
<b>ASSETS</b>			
Cash resources	6	22,586,502	22,838,318
Cash reserve at Central Bank	7	15,029,842	14,467,076
Financial investments	8	260,798,358	243,787,463
Loans and leases, after allowance for credit losses	9	138,670,942	124,125,496
Pledged assets	10	98,579,723	98,281,596
Investment properties	11	1,614,440	1,618,306
Investment in joint ventures	12	2,533,543	2,310,020
Intangible assets	15	6,941,398	7,866,581
Property, plant and equipment	16	7,097,551	6,695,353
Right-of-use assets	38	1,773,801	1,873,251
Reinsurance contract assets	30	3,552,974	2,785,041
Insurance contract assets	30	627,410	174,931
Retirement benefit asset	17	324,679	635,539
Deferred income taxes	18	8,151,039	7,276,368
Taxation recoverable	19	8,887,434	7,234,809
Other assets	20	20,625,054	18,678,823
<b>TOTAL ASSETS</b>		<b>597,794,690</b>	<b>560,648,971</b>

The accompanying notes on pages 138-253 form an integral part of these financial statements



## Consolidated Statement of Financial Position

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

		December 31, 2024	December 31, 2023
	Note	\$ '000	\$ '000
<b>STOCKHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Stockholders' Equity Attributable to:</b>			
<b>Stockholders' of the Parent Company</b>			
Share capital	22	8,997,402	8,879,881
Equity reserves	23	2,887,453	3,597,762
Capital redemption reserve		3,121,572	3,121,572
Special investment reserve		686,739	617,317
Loan loss reserve		(908,701)	(590,850)
Retained earnings reserve		9,013,161	7,703,161
Retained earnings		<u>78,369,076</u>	<u>76,450,203</u>
		102,166,702	99,779,046
<b>Non-Controlling Interests</b>	48	<u>2,053,298</u>	<u>2,435,953</u>
<b>Total Equity</b>		<u>104,220,000</u>	<u>102,214,999</u>
<b>Liabilities</b>			
Deposit and security liabilities	27	285,242,068	262,489,546
Loans payable	28	-	2,198,545
Deferred income taxes	18	320,283	475,426
Taxation payable		962,220	881,336
Retirement benefit obligations	17	5,000,719	3,920,646
Lease liabilities	38	1,895,975	2,143,602
Insurance contract liabilities	30	160,351,946	144,988,028
Reinsurance contract liabilities	30	620,373	595,741
Investment contract liabilities	31	21,941,329	20,892,274
Other liabilities	29	<u>17,239,777</u>	<u>19,848,828</u>
<b>Total liabilities</b>		<u>493,574,690</u>	<u>458,433,972</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>597,794,690</u>	<u>560,648,971</u>

Approved for issue by the Board of Directors on the 28 February 2025 and signed on its behalf by:

	
Peter Melhado	Christopher Zacca
Chairman	Director

The accompanying notes on pages 138-253 form an integral part of these financial statements

## Consolidated Income Statement

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

		2024	2023
	Note	\$ '000	\$ '000
Insurance revenue	33	54,533,839	46,818,336
Insurance service expenses	33	(44,556,096)	(35,133,709)
Net expense from reinsurance contracts held	33	<u>(3,736,164)</u>	<u>(3,616,625)</u>
<b>INSURANCE SERVICE RESULT</b>		6,241,579	8,068,002
Interest income earned from financial assets measured at amortised cost and FVTOCI	34	26,072,409	23,332,988
Net gain / (loss) on de-recognition of financial assets measured at amortised cost	34	1,123	(1,305)
Net gain on de-recognition of financial assets measured at FVTOCI	34	496,812	530,810
Interest income earned and capital net gain from assets measured at FVTPL and other investment income	34	11,818,552	11,653,559
Interest expense	34	(9,080,028)	(8,617,319)
Credit impairment losses	34/8	<u>(1,409,645)</u>	<u>(451,322)</u>
<b>NET INVESTMENT INCOME</b>	34	<u>27,899,223</u>	<u>26,447,411</u>
Finance expenses from insurance contracts issued	34	(8,239,979)	(5,586,801)
Finance (expenses) / income from reinsurance contracts held	34	<u>(39,939)</u>	<u>125,651</u>
<b>NET INSURANCE FINANCE EXPENSES</b>		<u>(8,279,918)</u>	<u>(5,461,150)</u>
<b>NET INSURANCE AND INVESTMENT RESULT</b>		25,860,884	29,054,263
Fees and other income	35	18,699,698	17,628,313
Administration expenses	36	(28,358,642)	(25,388,371)
Depreciation and amortisation	15/16	(1,692,152)	(1,562,215)
Other taxes and levies	37(a)	<u>(937,791)</u>	<u>(911,924)</u>
		(12,288,887)	(10,234,197)
Share of profit from joint ventures	12	226,379	241,664
Impairment charge on goodwill	15	(700,000)	-
<b>Profit before Taxation</b>		13,098,376	19,061,730
Taxation	37(a)	<u>(4,047,533)</u>	<u>(4,488,453)</u>
<b>NET PROFIT</b>		<u>9,050,843</u>	<u>14,573,277</u>
<b>Attributable to:</b>			
Stockholders of the parent company	26/39	9,238,468	14,368,019
Non-controlling interests	48	<u>(187,625)</u>	<u>205,258</u>
		<u>9,050,843</u>	<u>14,573,277</u>
<b>Earnings per stock unit for profit attributable to the stockholders of the parent company during the year:</b>			
Basic and fully diluted	39	<u>2.37</u>	<u>3.67</u>

The accompanying notes on pages 138-253 form an integral part of these financial statements

## Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	2024	2023
Note	\$ '000	\$ '000
<b>Net Profit for the year</b>	9,050,843	14,573,277
<b>Other comprehensive income:</b>		
<b>Items that may be subsequently reclassified to profit or loss</b>		
<b>Fair value reserve:</b>		
Unrealised (losses) / gains on securities designated as FVTOCI	(828,977)	3,332,276
Share of joint ventures unrealised gains on securities designated as FVTOCI	7,159	7,629
	<u>(821,818)</u>	<u>3,339,905</u>
Currency translation -		
Currency translation of foreign subsidiaries	95,338	207,997
Currency translation of joint ventures	48,490	230,719
	<u>143,828</u>	<u>438,716</u>
Gains recycled to the income statement on sale and maturity of FVTOCI securities	(476,392)	(478,645)
Provision for expected credit losses on securities designated as FVTOCI	8 19,968	(81,846)
Expected credit losses recycled to the income statement on sale and maturity of FVTOCI securities	282	-
	<u>(456,142)</u>	<u>(560,491)</u>
<b>Items that will not be subsequently reclassified to profit or loss</b>		
Owner Occupied Property (OOP)		
Unrealised gains on OOP	399,380	474,599
	<u>399,380</u>	<u>474,599</u>
Re-measurements of retirement benefits obligations	38 (930,039)	(717,084)
Total other comprehensive income recognised directly in stockholders' equity, net of taxes	<u>(1,664,791)</u>	<u>2,975,645</u>
<b>Total Comprehensive Income</b>	<u>7,386,052</u>	<u>17,548,922</u>
<b>Attributable to:</b>		
Stockholders of the parent company	7,620,707	17,226,129
Non-controlling interests	<u>(234,655)</u>	<u>322,793</u>
	<u>7,386,052</u>	<u>17,548,922</u>

Items in the statement above are stated net of taxes. The income tax relating to each component of other

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## Consolidated Statement of Changes in Equity

Year ended 31 December 2024

(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
<b>Balance as at January 1, 2024</b>	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
Profit for the year	-	-	-	-	-	-	9,238,468	9,238,468	(187,625)	9,050,843
Other comprehensive income, net of taxation	-	(740,549)	-	-	-	-	(877,212)	(1,617,761)	(47,030)	(1,664,791)
Total comprehensive income for the year	-	(740,549)	-	-	-	-	8,361,256	7,620,707	(234,655)	7,386,052
Transactions with owners - Employee stock option plan										
- value of services provided	23	-	30,240	-	-	-	-	30,240	-	30,240
Dividend	25	-	-	-	-	-	(5,350,720)	(5,350,720)	(148,000)	(5,498,720)
Treasury shares	24	117,521	-	-	-	-	(30,092)	87,429	-	87,429
Total transactions with owners		117,521	30,240	-	-	-	(5,380,812)	(5,233,051)	(148,000)	(5,381,051)
Transfers between reserves -										
To special investment reserves	2(o)	-	-	-	69,422	-	(69,422)	-	-	-
From loan loss reserves	9	-	-	-	(317,851)	-	317,851	-	-	-
To retained earnings reserves		-	-	-	-	1,310,000	(1,310,000)	-	-	-
Total transfers between reserves		-	-	-	69,422	(317,851)	1,310,000	(1,061,571)	-	-
<b>Balance as at December 31, 2024</b>	<b>8,997,402</b>	<b>2,887,453</b>	<b>3,121,572</b>	<b>686,739</b>	<b>(908,701)</b>	<b>9,013,161</b>	<b>78,369,076</b>	<b>102,166,702</b>	<b>2,053,298</b>	<b>104,220,000</b>

The accompanying notes on pages 138-253 form an integral part of these financial statements

## Consolidated Statement of Changes in Equity

Year ended 31 December 2024

(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
	<b>Balance as at January 1, 2023</b>	8,998,808	(101,441)	3,121,572	567,381	(844,132)	6,602,098	69,075,290	87,419,576	2,241,080
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 as restated	-	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 reserves	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)	-	-	-
<b>Balance as at December 31, 2023</b>	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 138-253 form an integral part of these financial statements

## Consolidated Statement of Cash Flows

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024	2023
		\$ '000	\$ '000
<b>Cash Flows from Operating Activities</b>			
Net profit		9,050,843	14,573,277
Adjustments for:			
<b>Items not affecting cash</b>			
Adjustments to reconcile net profit to net cash provided by operating activities	40(a)	(36,003,494)	(34,895,507)
Interest and dividends received		36,677,623	33,264,323
Interest paid		(9,145,645)	(8,470,109)
Income and asset taxes paid		(4,731,141)	(6,906,958)
<b>Net cash used in operating activities</b>		<b>(4,151,814)</b>	<b>(2,434,974)</b>
<b>Cash Flows from Investing Activities</b>			
Investment in joint venture		(320,796)	-
Distribution received from joint venture		379,300	-
Proceeds from disposal of Investment Property, net	11	238,565	252,352
Acquisition of property, plant and equipment	40(a)	(723,917)	(503,205)
Purchase of intangible assets, net	15	(487,579)	(218,545)
<b>Net cash used in investing activities</b>		<b>(914,427)</b>	<b>(469,398)</b>
<b>Cash Flows from Financing Activities</b>			
Deposits and securities liabilities excluding structured products	40(c)	21,925,934	10,462,688
Loan payable	40(c)	(2,180,000)	-
Finance lease repayment	40(c)	(908,959)	(704,579)
Issue/(Purchase) of treasury stock, net		87,429	(115,550)
Dividend paid to minority interests		(148,000)	(127,920)
Dividends paid to stockholders	25	(5,350,720)	(4,784,403)
<b>Net cash generated from financing activities</b>		<b>13,425,684</b>	<b>4,730,236</b>
Effect of exchange rate on cash and cash equivalents		298,879	585,450
Increase in cash and cash equivalents		8,658,322	2,411,314
Cash and cash equivalents at beginning of year		45,353,420	42,942,106
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	6	<b>54,011,742</b>	<b>45,353,420</b>

The accompanying notes on pages 138-253 form an integral part of these financial statements

## Company Statement of Financial Position

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024	2023
		\$ '000	\$ '000
<b>ASSETS</b>			
Cash resources	6	435,076	402,592
Financial investments	8	1,249,643	1,038,154
Pledged assets	10	150,115	276,048
Investment in joint ventures	12	735,063	414,267
Investment in subsidiaries	14	71,826,639	71,826,639
Intangible assets	15	55,745	84,471
Property, plant and equipment	16	249,661	154,423
Deferred income taxes	18	204,094	214,875
Taxation recoverable	19	125,073	92,136
Other assets	20	1,079,465	1,635,862
<b>TOTAL ASSETS</b>		<b>76,110,574</b>	<b>76,139,467</b>
<b>STOCKHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Stockholders' Equity Attributable to:</b>			
<b>Stockholders' of the Company</b>			
Share capital		8,997,402	8,879,881
Equity reserves		28,496,337	28,466,097
Retained earnings		22,888,825	22,052,486
		60,382,564	59,398,464
<b>Liabilities</b>			
Promissory notes	27	9,726,934	10,937,404
Taxation payable		474,083	48,523
Other liabilities	29	5,526,993	5,755,076
<b>Total liabilities</b>		<b>15,728,010</b>	<b>16,741,003</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>76,110,574</b>	<b>76,139,467</b>

Approved for issue by the Board of Directors on the 28 February 2025 and signed on its behalf by:

	
Peter Melhado	Christopher Zacca
Chairman	Director

The accompanying notes on pages 138-253 form an integral part of these financial statements

## Company Statement of Comprehensive Income

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$ '000	2023 \$ '000
<b>Revenue:</b>			
Investment income	34	6,019,495	4,244,693
Interest and net investment expense	34	(209,396)	(218,699)
Net Investment Income	34	5,810,099	4,025,994
Management fees	35	6,812,187	6,492,018
Other income	35	15,415	16,500
<b>Total revenue, net of interest and other investment expense</b>		12,637,701	10,534,512
<b>Expenses:</b>			
Administration expenses	36	(5,865,969)	(5,221,818)
Depreciation	16	(66,344)	(46,033)
Amortisation of intangible assets	15	(43,045)	(57,606)
		(5,975,358)	(5,325,457)
<b>Profit before Taxation</b>		6,662,343	5,209,055
Taxation	37(a)	(475,284)	(306,880)
<b>Net Profit being Total Comprehensive Income</b>		6,187,059	4,902,175

The accompanying notes on pages 138-253 form an integral part of these financial statements

## Company Statement of Changes in Equity

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

Note	Equity			
	Share Capital	Reserves (Note 23)	Retained Earnings	Grand Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance as at January 1, 2023</b>	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	-	-	(4,784,403)	(4,784,403)
Treasury shares	(118,927)	-	-	(118,927)
Employee stock options	-	33,294	-	33,294
	(118,927)	33,294	117,772	32,139
<b>Balance as at December 31, 2023</b>	8,879,881	28,466,097	22,052,486	59,398,464
Profit for the year, being total comprehensive income	-	-	6,187,059	6,187,059
Dividends paid to owners of parent	-	-	(5,350,720)	(5,350,720)
Treasury shares	117,521	-	-	117,521
Employee stock options	-	30,240	-	30,240
	117,521	30,240	836,339	984,100
<b>Balance as at December 31, 2024</b>	8,997,402	28,496,337	22,888,825	60,382,564

The accompanying notes on pages 138-253 form an integral part of these financial statements

## Company Statement of Cash Flows

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

Note	2024	2023
	\$ '000	\$ '000
<b>Cash Flows from Operating Activities</b>		
<b>Net profit</b>	6,187,059	4,902,175
Adjustments for:		
<b>Items not affecting cash</b>		
Adjustments to reconcile net profit to net cash provided by operating activities	40(a) (4,776,651)	(2,815,214)
Interest and dividends received	5,643,390	4,376,338
Interest paid	(301,826)	-
Income tax paid	(39,027)	(572,736)
<b>Net cash generated from operating activities</b>	<b>6,712,945</b>	<b>5,890,563</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of Property, plant and equipment	16 (161,582)	(106,550)
Investment in joint venture	(320,796)	-
Distribution received from joint venture	379,300	-
Purchase of intangible assets, net	15 (14,319)	(48,082)
<b>Net cash used in investing activities</b>	<b>(117,397)</b>	<b>(154,632)</b>
<b>Cash Flows from Financing Activities</b>		
Securities liabilities	(1,118,300)	(380,000)
Issue/(Purchase) of treasury stock, net	117,521	(118,927)
Dividends paid to stockholders	25 (5,350,720)	(4,784,403)
<b>Net cash used in financing activities</b>	<b>(6,351,499)</b>	<b>(5,283,330)</b>
Increase in cash and cash equivalents	244,049	452,601
Cash and cash equivalents at beginning of year	1,440,670	988,069
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>6 1,684,719</b>	<b>1,440,670</b>

## Notes to the Financial Statements

31 December 2024

(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% (2023 – 32.45%) owned by LOJ Holdings Limited (LOJH) which is also incorporated and domiciled in Jamaica and 6.06% (2023 – 16.66%) owned by Sagicor Life Inc which is domiciled in Barbados. During the year, SLI sold 10.6% of its interest in SGJ to Sagicor Life Insurance Trinidad and Tobago Limited (SLITT), a wholly owned subsidiary.

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% (2023 – 49.11%) in the Company. The other significant shareholder in SGJ is Pan Jamaica Group Limited with a 30.21% (2023 – 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 ventures all have co-terminous year ends. The Company's subsidiaries and joint ventures, which together with the Company are referred to as "the Group", are as follows:

Subsidiaries, and Joint Ventures	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 Capital & Advice Spain S.L.	Holding Company	Spain	50%
• Sagicor Panama, S.A.	Life and Health insurance	Panama	100%
• 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 Limited	Pension fund management	Jamaica	100%
• Sagicor Insurance Brokers Limited	Insurance brokerage	Jamaica	100%
• Sagicor International Administrators Limited	Group insurance administration	Jamaica	100%
• Travel Cash Jamaica Limited	Microfinance	Jamaica	51%
• Sagicor Cayman Limited	Holding Company	Grand Cayman	100%
• Sagicor Investments (Cayman) Ltd.	Investment banking	Grand Cayman	100%
• Sagicor Life of the Cayman Islands	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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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 Accounting Standards and have been prepared under the historical cost convention as modified by the revaluation of fair value through other comprehensive income (FVTOCI) securities, investment property, certain property, plant and equipment and the determination of retirement benefit liabilities, using the projected united credit method and the determination of actuarial liabilities using methods described in note 2 (g).

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.

**Amendment to IAS 1 - Non-current liabilities with covenants** (effective for annual reporting periods beginning on or after 1 January 2024). These amendments clarify how conditions which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these amendments.

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

**Amendment to IFRS 16 - Leases on sale and leaseback** (effective for annual reporting periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. There was no impact to the Group on adoption of this amendment.

**Amendment to IAS 7 and IFRS 7 - Supplier finance** (effective for annual reporting periods beginning on or after 1 January 2024). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. There was no significant impact to the Group on adoption of this amendment.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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 is assessing their potential financial reporting and disclosure impact.

##### Amendments to IAS 21 - Lack of Exchangeability (effective for annual reporting periods beginning on or after 1 January 2025).

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

##### Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2026). These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

**Annual improvements to IFRS – Volume 11** (effective for annual reporting periods beginning on or after 1 January 2026). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

**IFRS 18, 'Presentation and Disclosure in Financial Statements'** (effective for annual reporting periods beginning on or after 1 January 2027). This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

**IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'** (effective for annual reporting periods beginning on or after 1 January 2027). This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material Accounting Policies (Continued)

#### (b) Basis of consolidation

##### Subsidiaries

Subsidiaries are entities over which the Group has control. The Group has control over an entity when the Group is exposed to the variable returns from its ownership interest in the entity and when the Group can affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group, and subsidiaries are de-consolidated from the date on which control ceases.

All material intra-group balances, transactions and gains are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group uses the acquisition method of accounting when control over entities and insurance businesses is obtained by the Group. The cost of an acquisition is measured as the fair value of the identifiable assets given, the equity instruments issued and the liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any non-controlling interest. Acquisition-related costs are expensed as incurred.

The excess of the cost of the acquisition, the non-controlling interest recognised and the fair value of any previously held equity interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill. If there is no excess and there is a shortfall, the Group reassesses the net identifiable assets acquired. If after reassessment, a shortfall remains, the acquisition is deemed to be a bargain purchase and the shortfall is recognised in income as a gain on acquisition (negative goodwill). Any non-controlling interest balances represent the equity in a subsidiary not attributable to the Group's interests.

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 as 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 and joint ventures where significant influence exists are included in these consolidated financial statements under the equity method of accounting and in the stand-alone financial statements of the Company at cost less impairment. 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 and joint ventures are eliminated to the extent of the Group's interest in the associates and joint venture. The Group recognises in other comprehensive income, its share of post acquisition other comprehensive income.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material Accounting Policies (Continued)

#### (b) Basis of consolidation (Continued)

##### (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 exists, 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.

##### (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. 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.

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#### 2. Material 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.

#### 2. Material 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. Movements 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) 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.

## Notes to the Financial Statements

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### 2. Material Accounting Policies (Continued)

#### (f) Financial assets (Continued)

##### (iii) Impairment of financial assets measured at amortised cost and FVTOCI

IFRS 9 requires the recognition of expected credit losses ("ECL") on financial assets measured at amortised cost and FVTOCI and off-statement of financial position loan commitments and financial guarantees.

At initial recognition, an allowance (or provision in the case of some loan commitments and financial guarantees) is required for ECL resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

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

To determine whether the life-time credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available including information from the past and forward-looking information. Factors such as whether payments of principal and interest are in delinquency, an adverse change in the credit rating of the borrower and adverse changes in the borrower's industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

##### (iv) Purchased or originated credit-impaired assets (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. These financial assets are credit-impaired on initial recognition. The Group calculates the credit-adjusted effective interest rate, which is calculated based on the fair value at origination of the financial asset instead of its gross carrying amount and incorporates the impact of ECLs in estimated future cash flows. This rate is used to calculate interest revenue and amortised cost. Their ECL is always measured on a lifetime basis, but they do not carry a day-1 loss.

##### (v) Definition of default

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

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

If such unlikelyness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

##### (vi) Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material Accounting Policies (Continued)

#### (f) Financial assets (Continued)

##### (vii) The general approach to recognising and measuring ECL

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

##### Measurement

ECLs are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. The Group has calculated these inputs based on the estimated forward looking economic and historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the life-time ECL on initial recognition. For ECL provisions modelled on a collective basis, provisioning is done based on groupings of exposures on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed periodically during the year. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, in particular to changes in economic and credit conditions across a large number of geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

One key difference between Stage 1 and Stage 2 ECL is the respective PD horizon. Stage 1 and Stage 2 ECLs also incorporate different exposures at default which is based on the 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.

## Notes to the Financial Statements 31 December 2024

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## Notes to the Financial Statements 31 December 2024

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### 2. Material Accounting Policies (Continued)

#### (f) Financial assets (Continued)

- (vii) 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
<b>December 31, 2023:</b>			
Sagicor Group Jamaica - investments portfolios	80%	10%	10%
Sagicor Group Jamaica – Other lending portfolios	65%	10%	25%

	Base	Upside	Downside
<b>December 31, 2024:</b>			
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.

- (viii) Interest income and interest earned on assets measured at FVTPL

Interest income is earned based on the interest rate before allowances. Interest earned on assets measured at FVTPL is recognised based on the effective interest rate. For assets that are credit-impaired when purchased or originated, the carrying amount after allowances for ECL is the basis for applying the interest rate.

- (ix) Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers and debt instruments. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flow to amounts the borrower is expected to be able to pay; or
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan; or
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate; or
- Change in the currency the loan is denominated in; or
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

### 2. Material Accounting Policies (Continued)

#### (f) Financial assets (Continued)

- (ix) 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 renegotiation 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 POCl.

- (x) 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.

- (xi) 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.

- (xii) 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 and FVTOCI 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 amortised cost and 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.

Rental income is recognised on an accrual basis.

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### 2. Material Accounting Policies (Continued)

#### (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 payments 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 interest expense. The interest charge 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. Material 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 contracts 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.

## Notes to the Financial Statements

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### 2. Material 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.

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:

Leasehold improvements	10%
Buildings	2.5%
Furniture	10%
Computer equipment	20 - 33⅓%
Other equipment	15%
Motor vehicles	20%
Land is not depreciated	

## Notes to the Financial Statements

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### 2. Material 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.

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### 2. Material 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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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 Sagior 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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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).

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 interest expense. Loan obligations undertaken for the purposes of providing funds for on-lending, leasing or portfolio investments are classified as deposit and security liabilities and the associated cost is included in interest expense.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

###### *Structured products*

Structured products are recognised initially at the nominal amount when funds are received. Derivatives are separately accounted for at FVTPL. The non-derivative elements are stated at amortised cost using the effective interest method.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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 and 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)).

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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:

- contracts that are onerous at initial recognition;
- 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 or in the group of remaining contracts. Expected profitability is determined at the sets of contract level, if the Group has reasonable and supportable information to access profitability at that level, otherwise profitability is assessed at the individual contract 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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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

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.

### 2. Material 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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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):

- 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;
- 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
- 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

##### Fulfillment 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:

- represent a probability-weighted mean of the full range of possible outcomes;
- are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
- 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:

	2024				
	1 Year	5 Years	10 Years	20 Years	30 Years
Jamaican Portfolio					
JMD	7.35%	8.23%	10.19%	10.39%	10.38%
USD	5.87%	6.33%	6.67%	6.78%	6.78%
Cayman Portfolio					
USD	4.55%	5.01%	5.33%	5.42%	5.42%
	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 Portfolio					
USD	5.89%	4.80%	5.29%	5.36%	5.36%

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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:

- 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
- 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.

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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.

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.

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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).

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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)-(v) 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 is 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.

## Notes to the Financial Statements

### 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

#### 2. Material 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:

- The effect of any new contracts added to the group.
- Interest accreted on the carrying amount of the CSM.
- 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.
- Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held.
- 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.
- 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:

- the quantity of benefits provided by contracts in the group;
- the expected coverage period of contracts in the group; and
- the likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

## Notes to the Financial Statements

### 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

#### 2. Material 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:

- expected incurred claims and other liability and other directly attributable expenses for the period;
- changes in the risk adjustment for non-financial risk for the risk expired; and
- 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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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.

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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;
- 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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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

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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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.

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 2. Material 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 to impairment for loan receivable. The difference between the regulatory and IFRS bases of interest recognition was assessed to be immaterial.

#### (iii) 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 (income)/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.

## Notes to the Financial Statements

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### 2. Material Accounting Policies (Continued)

#### (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.

##### (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
Costa Rica	None	None	30% of profit before tax	None
Panama	None	None	None	25% of profit before tax
Barbados	None	None	None	2% 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 0.25% 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.

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### 2. Material Accounting Policies (Continued)

#### (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.

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) 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 and Pool Investment Fund 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.

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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)

##### • 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 70% to 75% (2023 - between 80% to 90%).

- 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.

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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)

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.

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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)

- 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	Sagcor 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. Sagcor has assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial asset that is investment grade or Sagcor 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.

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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)

- 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 shares in two related companies namely Cornerstone Financial Holding Limited (CFHL), a company registered in Barbados and Cornerstone United Holdings Limited (CUHL), a company registered in Jamaica. In July 2020, there was a rights issue done by CUHL, in which the Group did not participate thus diluting its interest. 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. CFHL had a second rights issue further diluting the company's shareholding. The Group is contesting the rights issues in CFHL on the basis of their legality and therefore valued its shareholding at original ownership in these financial statements as at December 31, 2024. Should the courts rule against the Group then the value of its holding will need to be written down by an amount not considered to be material. See also Note 46.

##### (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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### 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, remittance and cambio 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 investment in joint ventures.

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 2024 or 2023.

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

## 5. Segmental Financial Information

	The Group					
	2024					
	Long Term Insurance \$'000	Short Term Insurance \$'000	Commercial Banking \$'000	Investment Banking \$'000	Other & consolidation adjustments \$'000	Group \$'000
Insurance revenue	19,768,151	34,765,688	-	-	-	54,533,839
Insurance service expenses	(15,329,459)	(30,148,757)	-	-	922,120	(44,556,096)
Net expense from reinsurance contracts held	(313,241)	(3,422,923)	-	-	-	(3,736,164)
<b>Insurance service result</b>	<b>4,125,451</b>	<b>1,194,008</b>	<b>-</b>	<b>-</b>	<b>922,120</b>	<b>6,241,579</b>
Interest income earned and capital net gain / (loss)	10,979,448	1,112,448	16,481,158	8,143,983	1,671,859	38,388,896
Interest expense	(617)	(25,023)	(3,416,148)	(5,079,606)	(558,634)	(9,080,028)
Credit impairment reversal / (losses)	(366)	(174)	(1,254,520)	(32,913)	(121,672)	(1,409,645)
Net investment income / (expenses)	10,978,465	1,087,251	11,810,490	3,031,464	991,553	27,899,223
Net insurance finance income / (expense)	(8,185,337)	(94,581)	-	-	-	(8,279,918)
<b>Net insurance and investment result</b>	<b>6,918,579</b>	<b>2,186,678</b>	<b>11,810,490</b>	<b>3,031,464</b>	<b>1,913,673</b>	<b>25,860,884</b>
Fees and other revenue	151,286	142,628	9,838,623	1,792,296	6,774,865	18,699,698
Share of results of joint ventures	-	226,379	-	-	-	226,379
Other operating expenses	-	(494,533)	(14,446,895)	(3,372,125)	(10,045,089)	(28,358,642)
Depreciation, amortisation and impairment	-	(151,060)	(834,379)	(148,335)	(1,258,378)	(2,392,152)
Asset and other taxes	(114,753)	(45,002)	(462,726)	(226,272)	(89,038)	(937,791)
<b>Profit / (Loss) before taxation</b>	<b>6,955,112</b>	<b>1,865,090</b>	<b>5,905,113</b>	<b>1,077,028</b>	<b>(2,703,967)</b>	<b>13,098,376</b>
Taxation	(881,378)	(431,213)	(2,090,455)	(182,861)	(461,626)	(4,047,533)
<b>Net Profit / (Loss)</b>	<b>6,073,734</b>	<b>1,433,877</b>	<b>3,814,658</b>	<b>894,167</b>	<b>(3,165,593)</b>	<b>9,050,843</b>
Attributable to:						
Stockholders of the parent Company						9,238,468
Non-controlling interests						(187,625)
						<u>9,050,843</u>
<b>Segment assets</b>	<b>170,557,652</b>	<b>27,257,109</b>	<b>215,462,425</b>	<b>134,611,008</b>	<b>47,372,953</b>	<b>595,261,147</b>
Unallocated assets						2,533,543
<b>Total assets</b>						<u>597,794,690</u>
<b>Segment liabilities</b>	<b>146,987,088</b>	<b>14,575,725</b>	<b>186,216,557</b>	<b>115,898,076</b>	<b>29,897,244</b>	<b>493,574,690</b>
<b>Total liabilities</b>						<u>493,574,690</u>
<b>Other segment items:</b>						
Capital expenditure: Computer software (Note 15)						(487,579)
Property, plant and equipment (Note 16)						(727,883)

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 5. Segmental Financial Information (Continued)

	The Group					Group \$'000
	2023					
	Long Term Insurance \$'000	Short Term Insurance \$'000	Commercial Banking \$'000	Investment Banking \$'000	Other & consolidation adjustments \$'000	
Insurance revenue	17,544,174	29,274,162	-	-	-	46,818,336
Insurance service expenses	(11,223,852)	(24,796,481)	-	-	886,624	(35,133,709)
Net expense from reinsurance contracts held	47,169	(3,663,794)	-	-	-	(3,616,625)
<b>Insurance service result</b>	<b>6,367,491</b>	<b>813,887</b>	<b>-</b>	<b>-</b>	<b>886,624.00</b>	<b>8,068,002</b>
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)	76,048	52,978	(451,322)
Net investment income / (expenses)	11,270,955	1,001,189	10,770,467	2,260,504	1,144,296	26,447,411
Net insurance finance income / (expense)	(5,461,150)	-	-	-	-	(5,461,150)
<b>Net insurance and investment result</b>	<b>12,177,296</b>	<b>1,815,076</b>	<b>10,770,467</b>	<b>2,260,504</b>	<b>2,030,920</b>	<b>29,054,263</b>
Fee and other revenue	(40,170)	97,095	9,079,615	1,854,612	6,637,161	17,628,313
Share of results of joint ventures	-	241,664	-	-	-	241,664
Other operating expenses	-	(477,746)	(13,087,187)	(2,976,830)	(8,846,608)	(25,388,371)
Depreciation, amortisation and impairment	-	(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)
<b>Profit / (Loss) before taxation</b>	<b>12,023,594</b>	<b>1,479,010</b>	<b>5,562,163</b>	<b>780,896</b>	<b>(783,933)</b>	<b>19,061,730</b>
Taxation	(2,148,191)	(349,119)	(1,978,675)	(17,573)	5,105	(4,488,453)
<b>Net Profit / (Loss)</b>	<b>9,875,403</b>	<b>1,129,891</b>	<b>3,583,488</b>	<b>763,323</b>	<b>(778,828)</b>	<b>14,573,277</b>
Attributable to:						
Stockholders of the parent Company						14,368,019
Non-controlling interests						205,258
						<u>14,573,277</u>
<b>Segment assets</b>	156,036,071	24,294,685	200,244,327	128,062,251	49,701,617	558,338,951
Unallocated assets						2,310,020
<b>Total assets</b>						<u>560,648,971</u>
<b>Segment liabilities</b>	134,215,832	12,287,452	173,194,819	109,128,579	29,607,290	458,433,972
<b>Total liabilities</b>						<u>458,433,972</u>
<b>Other segment items:</b>						
Capital expenditure: Computer software (Note15)						(218,545)
Property, plant and equipment (Note 16)						(591,966)

## Notes to the Financial Statements

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### 5. Segmental Financial Information (Continued)

The Group's geographic information:

	Jamaica	Cayman Islands	Other & Consolidation adjustments	Total
	<b>2024</b>			
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue	107,037,961	4,584,472	226,379	111,848,812
Total assets	548,581,723	46,679,424	2,533,543	597,794,690
	<b>2023</b>			
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue	94,299,161	5,663,540	241,664	100,204,365
Total assets	516,097,213	42,241,738	2,310,020	560,648,971

Geographically, the segments are Jamaica, Cayman Islands and Other (Costa Rica, Barbados and Panama).

Segment assets consist of investments that match insurance and banking liabilities, intangible assets and other operating assets such as receivables and cash. They exclude investments in joint ventures.

Segment liabilities comprise insurance liabilities, financial liabilities arising mainly from investment contracts and borrowing arrangements.

## Notes to the Financial Statements

31 December 2024

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### 6. Cash Resources

	The Group		The Company	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Balances with banks payable on demand	16,270,152	17,795,029	435,076	402,592
Cash in hand	6,316,350	5,043,289	-	-
Balances as per statement of financial position	22,586,502	22,838,318	435,076	402,592
Bank overdraft	(30,000)	-	-	-
Short term deposits	23,617,815	17,828,543	804,691	-
Securities purchased under resale agreement	3,607,156	734,451	444,952	1,038,078
USA Government Treasury Bills and bonds	4,230,269	3,952,108	-	-
Balances as per statement of cash flows	54,011,742	45,353,420	1,684,719	1,440,670

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% (increased from 5%) and 14% (increased from 13%) respectively, effective April 2023.

No interest is paid on cash reserves.

## Notes to the Financial Statements

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### 8. Financial Investments

	The Group		The Company	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
<b>Financial assets FVTPL -</b>				
Debt Securities				
Sovereign bonds	94,499,533	93,359,459	-	-
Corporate bonds	35,297,266	31,631,712	-	-
	129,796,799	124,991,171	-	-
Equities				
Quoted and unquoted equities	10,512,861	9,723,260	-	-
Unit trusts	31,121,288	29,073,648	-	-
	41,634,149	38,796,908	-	-
<b>Total FVTPL</b>	171,430,948	163,788,079	-	-
<b>Financial assets at FVTOCI -</b>				
Debt Securities				
Sovereign bonds	94,352,147	97,272,251	-	-
Corporate bonds	39,879,336	38,705,806	-	-
	134,231,483	135,978,057	-	-
Equities				
Quoted and unquoted equities	84,952	63,796	-	-
<b>Total FVTOCI</b>	134,316,435	136,041,853	-	-
<b>Investments at amortised cost, net of ECL -</b>				
Debt Securities				
Sovereign bonds	554,263	1,579,621	-	-
Corporate bonds	7,011,068	7,981,169	-	-
Securities purchased under resale agreement	3,919,983	2,061,129	444,952	1,038,078
Short term deposits	42,145,384	30,617,208	954,806	276,124
<b>Total investments at amortised cost, net of ECL</b>	53,630,698	42,239,127	1,399,758	1,314,202
<b>Less: Pledged assets (Note 10)</b>	(98,579,723)	(98,281,596)	(150,115)	(276,048)
<b>Total Financial Investments</b>	260,798,358	243,787,463	1,249,643	1,038,154

Current portion of Financial Instruments disclosed under Note 42(c) (ii).

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 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			The Group		
	2024			2023		
	Mandatory designation	Designated by election	Total	Mandatory designation	Designated by election	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Unit trust and equities	41,634,149	-	41,634,149	38,796,908	-	38,796,908
Debt securities	8,961,796	120,835,003	129,796,799	9,736,086	115,255,085	124,991,171
	<u>50,595,945</u>	<u>120,835,003</u>	<u>171,430,948</u>	<u>48,532,994</u>	<u>115,255,085</u>	<u>163,788,079</u>

#### 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	
	2024	2023
	\$ '000	\$ '000
<b>Debt securities</b>		
Sovereign debt instruments		
Jamaica	174,747,212	171,267,356
Trinidad & Tobago	2,705,319	3,221,322
Barbados	166,051	158,311
USA	8,573,931	14,871,570
Canada	-	289,771
Other	3,213,430	2,403,001
Corporate debt instruments		
Jamaica	38,224,938	38,779,242
Trinidad & Tobago	3,249,619	3,001,694
Barbados	1,885,333	1,498,529
USA	28,171,303	27,182,663
Canada	12,209	371,156
Other	10,644,268	7,485,403
	<u>271,593,613</u>	<u>270,530,018</u>

The table below is a summary sector concentration of corporate instruments.

	The Group	
	2024	2023
	\$ '000	\$ '000
Corporate debt instruments		
Communication Services	3,207,184	2,101,447
Consumer Discretionary	6,384,257	7,027,738
Consumer Staples	2,754,944	3,518,416
Energy	22,295,253	19,519,845
Financials	26,570,182	23,775,445
Health Care	3,769,364	3,869,346
Industrials	3,775,116	3,058,528
Information Technology	6,829,877	7,243,600
Materials	1,475,146	2,277,633
Real Estate	592,761	1,109,604
Tourism	311,538	194,649
Utilities	4,222,048	4,622,436
	<u>82,187,670</u>	<u>78,318,687</u>

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### 8. Financial Investments (Continued)

Provision for credit losses recognised in the Group's income statement are as follow:

	The Group	
	2024	2023
	\$ '000	\$ '000
Loans and Leases (Note 9)	(1,415,203)	(539,042)
Investments (Note 8)	5,558	87,720
Total per income statement	<u>(1,409,645)</u>	<u>(451,322)</u>

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 - 2024				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Purchased credit-impaired	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>FINANCIAL INVESTMENTS – AMORTISED COST</b>					
Credit grade:					
Investment	1,798,415	-	-	-	1,798,415
Non-investment	49,993,215	1,886,180	-	-	51,879,395
Gross carrying amount	51,791,630	1,886,180	-	-	53,677,810
Loss allowance	(14,994)	(32,118)	-	-	(47,112)
Carrying amount	<u>51,776,636</u>	<u>1,854,062</u>	<u>-</u>	<u>-</u>	<u>53,630,698</u>

	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
<b>FINANCIAL INVESTMENTS – AMORTISED COST</b>					
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	<u>40,031,369</u>	<u>2,207,758</u>	<u>-</u>	<u>-</u>	<u>42,239,127</u>

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### 8. Financial Investments (Continued)

#### Credit risk exposure - financial investments subject to impairment

	The Group - 2024				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL		
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
DEBT SECURITIES - FVTOCI					
Credit grade:					
Investment	32,337,404	-	-	-	32,337,404
Non-investment	105,583,804	1,398,645	-	170,118	107,152,567
Maximum credit exposure	137,921,208	1,398,645	-	170,118	139,489,971
Loss allowance	(103,620)	(43,097)	-	-	(146,717)
Maximum credit exposure less ECLs	137,817,588	1,355,548	-	170,118	139,343,254

	The Group - 2023				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL		
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
DEBT SECURITIES - FVTOCI					
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 Company - 2024				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL		
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
FINANCIAL INVESTMENTS - AMORTISED COST					
Credit grade:					
Non-investment	1,399,758	-	-	-	1,399,758
Gross carrying amount	1,399,758	-	-	-	1,399,758
Loss allowance	-	-	-	-	-
Carrying amount	1,399,758	-	-	-	1,399,758

### 8. Financial Investments (Continued)

#### Credit risk exposure- financial investments subject to impairment

	The Company - 2023				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL		
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
FINANCIAL INVESTMENTS - AMORTISED COST					
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

#### 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	
	2024	2023
	\$ '000	\$ '000
Financial assets designated at fair value		
Debt securities	8,961,796	9,736,086
Equity securities	33,072,952	30,233,173

#### 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 - 2024				
	ECL Staging				
	Stage 1 12-month ECL \$ '000	Stage 2 lifetime ECL \$ '000	Stage 3 lifetime ECL \$ '000	Purchased credit-impaired \$ '000	Total \$ '000
Loss Allowance as at January 1, 2024	18,610	38,506	-	-	57,116
Transfers:					
Transfer from Stage 1 to Stage 2	(18,488)	18,488	-	-	-
New financial assets originated or purchased	25,723	-	-	-	25,723
Financial assets fully derecognised during the period	(8,739)	(8,157)	-	-	(16,896)
Changes to inputs used in ECL calculation	(2,169)	(16,901)	-	-	(19,070)
Foreign exchange adjustment	57	182	-	-	239
Loss Allowance as at December 31, 2024	14,994	32,118	-	-	47,112
FINANCIAL INVESTMENTS – AMORTISED COST	The Group - 2023				
	ECL Staging				
	Stage 1 12-month ECL \$ '000	Stage 2 lifetime ECL \$ '000	Stage 3 lifetime ECL \$ '000	Purchased credit-impaired \$ '000	Total \$ '000
Loss Allowance as at January 1, 2023	44,134	-	-	-	44,134
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

## Notes to the Financial Statements

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## 8. Financial Investments (Continued)

## Loss allowances (Continued)

DEBT SECURITIES - FVTOCI	The Group - 2024				
	ECL Staging				
	Stage 1 12-month ECL \$ '000	Stage 2 lifetime ECL \$ '000	Stage 3 lifetime ECL \$ '000	Purchased credit-impaired \$ '000	Total \$ '000
Loss Allowance as at January 1, 2024	74,583	46,894	-	-	121,477
Transfers:					
New financial assets originated or purchased	27,688	-	-	-	27,688
Financial assets fully derecognised during the period	(13,054)	(135)	-	-	(13,189)
Changes to inputs used in ECL calculation	14,081	(3,990)	-	-	10,091
Foreign exchange adjustment	322	328	-	-	650
Loss Allowance as at December 31, 2024	103,620	43,097	-	-	146,717
DEBT SECURITIES - FVTOCI	The Group - 2023				
	ECL Staging				
	Stage 1 12-month ECL \$ '000	Stage 2 lifetime ECL \$ '000	Stage 3 lifetime ECL \$ '000	Purchased credit-impaired \$ '000	Total \$ '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

## Notes to the Financial Statements

### 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

#### 8. Financial Investments (Continued)

##### Loss allowances (Continued)

The most significant period-end assumptions used for the ECL were as follows:

##### Economic variable assumptions for exposure corporate securities

##### Outlook for the next three (3) years from December 2024:

		2025	2026	2027
S&P 500 Financial Index EPS	Base	45	47	52
	Upside	75	79	87
	Downside	24	25	28
World GDP growth rate	Base	3.2%	3.3%	3.2%
	Upside	4.8%	4.9%	4.8%
	Downside	2.3%	2.4%	2.3%
WTI Oil Prices/10	Base	6.90	6.60	6.44
	Upside	11.97	11.43	11.16
	Downside	2.57	2.45	2.39

##### 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	7.17	6.82	6.53
	Upside	13.11	12.47	11.94
	Downside	2.78	2.65	2.54

##### Outlook for the next three (3) years from December 2024:

		2025	2026	2027
Jamaica	Base	Positive	Positive	Positive
	Upside	Positive	Positive	Positive
	Downside	Stable	Stable	Stable

##### 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

## Notes to the Financial Statements

### 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

#### 8. Financial Investments (Continued)

##### Loss allowances (Continued)

##### Sensitivity analysis at December 2024

The tables below show the sensitivity of the ECL to its various components.

SICR criteria *	Actual threshold applied	Change in threshold	ECL impact Change in threshold
Investments	2-notch downgrade since origination	1-notch downgrade since origination	29,363

\* See note 2(f) (vii) for full criteria for staging. The staging for lending products is primarily based on days past due with 30-day used as backstop, thus sensitivity analysis is not performed.

Loss Given Default	Actual value applied	Change in value	ECL impact of	
			Increase in value	Decrease in value
Investments – Corporate Debts	53%	(- / + 5)%	11,419	(11,419)
Investments – Sovereign Debts (excluding Government of Barbados and Government of Jamaica)	35%	(- / + 5)%	5,775	(5,775)
Investments – Sovereign Debts (Government of Jamaica)	15%	(- / + 5)%	11,226	(11,226)

Weighting for downside scenario	Actual value applied	Change in value	ECL impact of	
			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	9,016	(9,016)

##### Sensitivity analysis at December 2023

SICR criteria *	Actual threshold applied	Change in threshold	ECL impact Change in threshold
Investments	2-notch downgrade since origination	1-notch downgrade since origination	32,563

\* See note 2 (f) (vii) for full criteria for staging. The staging for lending products is primarily based on days past due with 30-day used as backstop, thus sensitivity analysis is not performed.

Loss Given Default	Actual value applied	Change in value	ECL impact of	
			Increase in value	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)

## Notes to the Financial Statements

31 December 2024

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## 8. Financial Investments (Continued)

## Sensitivity analysis at December 2023 (Continued)

Weighting for downside scenario	Actual value applied	Change in value	ECL impact of	
			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)

## 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.

## Notes to the Financial Statements

31 December 2024

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## 8. Financial Investments (Continued)

## IFRS 9 maximum exposure to credit risk (Continued)

FINANCIAL INVESTMENTS – AMORTISED COST	The Group - 2024				
	ECL Staging				
	Stage 1 12-month ECL \$ '000	Stage 2 lifetime ECL \$ '000	Stage 3 lifetime ECL \$ '000	Purchased credit-impaired \$ '000	Total \$ '000
<b>Maximum exposure to credit risk as at January 1, 2024</b>	40,049,979	2,246,264	-	-	42,296,243
Transfers:					
Transfer from Stage 1 to Stage 2	(519,421)	519,421	-	-	-
New financial assets originated or purchased	123,392,023	-	-	-	123,392,023
Financial assets fully recognized during the period	(120,717,500)	(878,560)	-	-	(121,596,060)
Changes in principal and interest	9,559,151	-	-	-	9,559,151
Foreign exchange adjustment	27,398	(945)	-	-	26,453
<b>Maximum exposure to credit risk as at December 31, 2024</b>	<b>51,791,630</b>	<b>1,886,180</b>	<b>-</b>	<b>-</b>	<b>53,677,810</b>
FINANCIAL INVESTMENTS – AMORTISED COST	The Group - 2023				
	ECL Staging				
	Stage 1 12-month ECL \$ '000	Stage 2 lifetime ECL \$ '000	Stage 3 lifetime ECL \$ '000	Purchased credit-impaired \$ '000	Total \$ '000
<b>Maximum exposure to credit risk as at January 1, 2023</b>	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
<b>Maximum exposure to credit risk as at December 31, 2023</b>	<b>40,049,979</b>	<b>2,246,264</b>	<b>-</b>	<b>-</b>	<b>42,296,243</b>

## Notes to the Financial Statements

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## Notes to the Financial Statements

### 31 December 2024

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#### 8. Financial Investments (Continued)

##### IFRS 9 maximum exposure to credit risk (Continued)

DEBT SECURITIES - FVTOCI	The Group - 2024				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL		
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Maximum exposure to credit risk as at January 1, 2024</b>	137,214,528	1,396,069	-	168,659	138,779,256
Transfers:					
New financial assets originated or purchased	34,911,311	-	-	-	34,911,311
Financial assets fully recognized during the period	(33,147,198)	(5,048)	-	-	(33,152,246)
Changes in principal and interest	(1,622,594)	(861)	-	1,459	(1,621,996)
Foreign exchange adjustment	565,161	8,485	-	-	573,646
<b>Maximum exposure to credit risk as at December 31, 2024</b>	137,921,208	1,398,645	-	170,118	139,489,971

DEBT SECURITIES - FVTOCI	The Group - 2023				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL		
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Maximum exposure to credit risk as at January 1, 2023</b>	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
<b>Maximum exposure to credit risk as at December 31, 2023</b>	137,214,528	1,396,069	-	168,659	138,779,256

#### 8. Financial Investments (Continued)

##### IFRS 9 maximum exposure to credit risk (continued)

FINANCIAL INVESTMENTS - AMORTISED COST	The Company - 2024				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL		
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Maximum exposure to credit risk as at January 1, 2024</b>	1,314,202	-	-	-	1,314,202
New financial assets originated or purchased	5,152,557	-	-	-	5,152,557
Financial assets fully recognized during the period	(7,087,082)	-	-	-	(7,087,082)
Changes in principal and interest	2,020,081	-	-	-	2,020,081
<b>Maximum exposure to credit risk as at December 31, 2024</b>	1,399,758	-	-	-	1,399,758

FINANCIAL INVESTMENTS - AMORTISED COST	The Company - 2023				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL		
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Maximum exposure to credit risk as at January 1, 2023</b>	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
<b>Maximum exposure to credit risk as at December 31, 2023</b>	1,314,202	-	-	-	1,314,202

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### 31 December 2024

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#### 9. Loans and Leases, after Allowance for Credit Losses

	The Group	
	2024	2023
	\$ '000	\$ '000
Gross loans and advances	140,250,814	125,059,188
Less: Allowance for credit losses	(2,444,829)	(1,738,075)
	137,805,985	123,321,113
Loan interest receivable	770,529	709,955
	138,576,514	124,031,068
Lease receivables, net of allowance for credit losses	94,428	94,428
	<u>138,670,942</u>	<u>124,125,496</u>

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	
	2024	2023
	\$ '000	\$ '000
Specific provision	1,390,422	1,272,279
General provision	1,394,936	1,247,981
	2,785,358	2,520,260
Excess of regulatory provision over IFRS Accounting Standards provision recognized in the Bank reflected in non-distributable loan loss reserve Note 2(j)	317,851	(253,282)

Lease receivables:

	The Group	
	2024	2023
	\$ '000	\$ '000
Gross investment in finance leases - Later than one year and not later than five years	94,428	94,428
	94,428	94,428
Less: Unearned income	-	-
Net investment in finance leases	94,428	94,428
Net investment in finance leases - Later than one year and not later than five years	94,428	94,428
	94,428	94,428
Less: Provision for credit losses	-	-
	<u>94,428</u>	<u>94,428</u>

## Notes to the Financial Statements

### 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

#### 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.

LOANS AND LEASES – AMORTISED COST	The Group - 2024				
	ECL Staging				
	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	134,151,964	4,237,979	-	-	138,389,943
Default	-	-	2,725,828	-	2,725,828
Gross carrying amount	134,151,964	4,237,979	2,725,828	-	141,115,771
Loss allowance	(1,231,878)	(166,253)	(1,046,698)	-	(2,444,829)
Carrying amount	<u>132,920,086</u>	<u>4,071,726</u>	<u>1,679,130</u>	<u>-</u>	<u>138,670,942</u>

LOANS AND LEASES – 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
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	<u>120,049,121</u>	<u>2,987,737</u>	<u>1,088,638</u>	<u>-</u>	<u>124,125,496</u>

Mortgage loans are collateralised 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 \$410,650,000 (2023: \$139,000,000).

## Notes to the Financial Statements

31 December 2024

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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.

LOANS AND LEASES – AMORTISED COST	The Group - 2024				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Loss Allowance as at January 1, 2024</b>	718,703	112,877	906,495	-	1,738,075
Transfers:					
Transfer from Stage 1 to Stage 2	(27,963)	27,963	-	-	-
Transfer from Stage 1 to Stage 3	(98,782)	-	98,782	-	-
Transfer from Stage 2 to Stage 1	48,497	(48,497)	-	-	-
Transfer from Stage 2 to Stage 3	-	(17,405)	17,405	-	-
Transfer from Stage 3 to Stage 1	8,003	-	(8,003)	-	-
Transfer from Stage 3 to Stage 2	-	1,883	(1,883)	-	-
New financial assets originated or purchased	578,166	-	-	-	578,166
Financial assets fully derecognised during the period	(140,375)	(17,629)	(356,763)	-	(514,767)
Changes to inputs used in ECL calculation	144,923	107,061	388,563	-	640,547
Foreign exchange adjustment	706	-	2,102	-	2,808
<b>Loss Allowance as at December 31, 2024</b>	<b>1,231,878</b>	<b>166,253</b>	<b>1,046,698</b>	<b>-</b>	<b>2,444,829</b>

## Notes to the Financial Statements

31 December 2024

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### 9. Loans and Leases, after Allowance for Credit Losses (Continued)

#### Loss allowances (Continued)

LOANS AND LEASES – 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
<b>Loss Allowance as at January 1, 2023</b>	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
<b>Loss Allowance as at December 31, 2023</b>	<b>718,703</b>	<b>112,877</b>	<b>906,495</b>	<b>-</b>	<b>1,738,075</b>

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, 2024

#### Outlook for lending at December 2024

Jamaica	Expected state for the next 12 months	
Interest rate	Base	Stable
	Upside	Positive
	Downside	Negative
Unemployment rate	Base	Stable
	Upside	Positive
	Downside	Negative

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

## 9. Loans and Leases, after Allowance for Credit Losses (Continued)

## Loss allowances (Continued)

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	Stable
Unemployment rate	Base	Stable
	Upside	Stable
	Downside	Negative

The economic states assigned above are translated into numerical figures.

## Sensitivity analysis at December 2024

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	Decrease in value
Lending products	Entertainment and tourism industry: 25% (65% for base scenario and 10% for upside scenario)	( - /+ 5 ) % - keep the weighting for base scenario and adjust the weighting for upside scenario accordingly	10,937	(11,146)
	Other industries: 15% (75% for base scenario and 10% for upside scenario)			

## 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	Decrease in value
Lending products	Entertainment and tourism industry: 25% (65% 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)
	Other industries: 15% (75% for base scenario and 10% for upside scenario)			

## Notes to the Financial Statements

31 December 2024

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## 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.

LOANS AND LEASES – AMORTISED COST	The Group - 2024				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Maximum exposure to credit risk as at January 1, 2024</b>	120,767,824	3,100,614	1,995,133	-	125,863,571
Transfers:					
Transfer from Stage 1 to Stage 2	(3,506,352)	3,506,352	-	-	-
Transfer from Stage 1 to Stage 3	(1,137,922)	-	1,137,922	-	-
Transfer from Stage 2 to Stage 1	1,212,596	(1,212,596)	-	-	-
Transfer from Stage 2 to Stage 3	-	(493,414)	493,414	-	-
Transfer from Stage 3 to Stage 1	65,284	-	(65,284)	-	-
Transfer from Stage 3 to Stage 2	-	22,338	(22,338)	-	-
New financial assets originated or purchased	40,711,291	-	-	-	40,711,291
Financial assets fully derecognised during the period	(18,958,954)	(457,653)	(667,957)	-	(20,084,564)
Changes in principal and interest	(5,127,122)	(227,662)	(148,442)	-	(5,503,226)
Foreign exchange adjustment	125,319	-	3,380	-	128,699
<b>Maximum exposure to credit risk as at December 31, 2024</b>	134,151,964	4,237,979	2,725,828	-	141,115,771

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### 9. Loans and Leases, after Allowance for Credit Losses (Continued)

#### IFRS 9 Maximum exposure to credit risk (Continued)

LOANS AND LEASES – 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
<b>Maximum exposure to credit risk as at January 1, 2023</b>	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 in principal and interest	(9,763,541)	(180,338)	(661,105)	-	(10,604,984)
Foreign exchange adjustment	410,525	30,956	2,432	-	443,913
<b>Maximum exposure to credit risk as at December 31, 2023</b>	120,767,824	3,100,614	1,995,133	-	125,863,571

#### 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	
	2024 \$ '000	2023 \$ '000
<b>Loans and leases</b>		
Industry segments		
Agriculture, fishing and mining	2,988,479	1,647,749
Construction and real estate	17,912,813	18,315,139
Distribution	11,906,809	10,395,436
Manufacturing	4,679,064	3,557,331
Personal	54,286,666	55,377,167
Professional and other services	29,735,633	17,631,702
Tourism and entertainment	9,933,779	9,343,377
Transportation, storage and communication	507,033	989,606
Other	8,394,966	7,896,109
	140,345,242	125,153,616
Less: Provision for credit losses	(2,444,829)	(1,738,075)
	137,900,413	123,415,541
Interest receivable	770,529	709,955
	138,670,942	124,125,496

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 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	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Investment securities pledged as collateral:				
With regulators	200,924	140,710	-	-
Under repurchase agreements (Note 27)	97,718,906	95,860,867	-	-
With bank and other financial institutions	659,893	2,280,019	150,115	276,048
	98,579,723	98,281,596	150,115	276,048

### 11. Investment Properties

	The Group	
	2024 \$ '000	2023 \$ '000
At beginning of year	1,618,306	1,680,525
Disposal during the year	(248,666)	(247,219)
Fair value gains	244,800	185,000
At end of year	1,614,440	1,618,306

The investment properties as at December 31, 2024 were valued at current market value by Allison Pitter & Company and NIA Jamaica Langford & Brown qualified property appraisers and valuers.

- (i) Rental income and repairs and maintenance expenditure in relation to investment properties are disclosed in Note 34.
- (ii) 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 (2023: 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 Ventures

This relates to the group's investment in Grupo Sagicor GS, G.A. and Sagicor Capital & Advice Spain S.L

	The Group		The Company	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Balance at 1 January	2,310,020	1,830,001	414,267	414,267
Distribution received	(379,300)	-	-	-
Capital injection	320,796	-	320,796	-
Share of after tax earnings	226,379	241,664	-	-
Share of movement in other comprehensive income, net of taxation	55,648	238,355	-	-
Balance at 31 December	2,533,543	2,310,020	735,063	414,267

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 12. Investment in Joint Ventures(Continued)

The joint ventures have share capital consisting solely of common and nominative shares, which are held directly by the Group.

Grupo Sagicor GS, G.A. and Sagicor Capital & Advice Spain S.L are private companies and there is no quoted market price available for the shares.

There are no contingent liabilities relating to the Group's interest in the joint venture.

#### Summarised Financial Information of Joint Ventures

Set out below are the summarised financial information for Grupo Sagicor GS, G.A., Sagicor Capital & Advice Spain S.L and subsidiaries, which is accounted for using the equity method.

#### Summarised Statement of Financial Position

	The Group - 2024		
	Grupo Sagicor GS, G.A.	Sagicor Capital & Advice Spain S.L	Total
	\$ '000	\$ '000	\$ '000
Current assets			
Cash and cash equivalents	273,925	371,123	645,048
Reinsurance contracts assets	267,769	-	267,769
Other current assets	1,724,303	169,116	1,893,419
	<u>2,265,997</u>	<u>540,239</u>	<u>2,806,236</u>
Non-current assets			
Investments	2,957,584	483,128	3,440,712
Other non-current asset	61,939	116,548	178,487
	<u>3,019,523</u>	<u>599,676</u>	<u>3,619,199</u>
Total Assets	<u>5,285,520</u>	<u>1,139,915</u>	<u>6,425,435</u>
Current liabilities			
Insurance contract liabilities	586,111	176,071	762,182
Other liabilities	288,356	217,894	506,250
	<u>874,467</u>	<u>393,965</u>	<u>1,268,432</u>
Non Current liabilities			
Other liabilities	13,443	76,474	89,917
	<u>13,443</u>	<u>76,474</u>	<u>89,917</u>
Total Liabilities	<u>887,910</u>	<u>470,439</u>	<u>1,358,349</u>
Net Assets	<u>4,397,610</u>	<u>669,476</u>	<u>5,067,086</u>

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 12. Investment in Joint Ventures(Continued)

#### Summarised Statement of Financial Position

(Continued)

	The Group - 2023		
	Grupo Sagicor GS, G.A.	Sagicor Capital & Advice Spain S.L	Total
	\$ '000	\$ '000	\$ '000
Current assets			
Cash and cash equivalents	325,574	-	325,574
Reinsurance contracts assets	90,921	-	90,921
Other current assets	2,385,142	-	2,385,142
	<u>2,801,637</u>	<u>-</u>	<u>2,801,637</u>
Non-current assets			
Investments	2,325,031	-	2,325,031
Other non-current asset	65,252	-	65,252
	<u>2,390,283</u>	<u>-</u>	<u>2,390,283</u>
Total Assets	<u>5,191,920</u>	<u>-</u>	<u>5,191,920</u>
Current liabilities			
Insurance contract liabilities	54,092	-	54,092
Other liabilities	201,767	-	201,767
	<u>255,859</u>	<u>-</u>	<u>255,859</u>
Non Current liabilities			
Notes and loans payable	316,022	-	316,022
	<u>316,022</u>	<u>-</u>	<u>316,022</u>
Total Liabilities	<u>571,881</u>	<u>-</u>	<u>571,881</u>
Net Assets	<u>4,620,039</u>	<u>-</u>	<u>4,620,039</u>

## Notes to the Financial Statements 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 12. Investment in Joint Ventures(Continued)

Summarised statement of comprehensive income

	The Group - 2024		
	Grupo Sagicor GS, G.A.	Sagicor Capital & Advice Spain S.L	Total
	\$ '000	\$ '000	\$ '000
Insurance revenue	6,255,694	589,734	6,845,428
Insurance service expenses	(3,232,484)	(479,625)	(3,712,109)
Net expenses from reinsurance contracts held	(467,587)	(22,491)	(490,078)
Insurance service result	2,555,623	87,618	2,643,241
Net investment income/(expenses)	126,879	42,170	169,049
Net insurance and investment result	2,682,502	129,788	2,812,290
Fees and other income	-	293,354	293,354
Other operating expenses	(1,957,561)	(394,608)	(2,352,169)
Other interest and finance costs	(11,453)	(5,812)	(17,265)
Net profit before taxation	713,488	22,722	736,210
Taxation	(283,453)	-	(283,453)
Net profit after tax for the period	430,035	22,722	452,757
Other comprehensive income	62,160	8,260	70,420
Total comprehensive income	492,195	30,982	523,177
Reconciliation of summarized financial information			
Opening net assets at 1 January	4,620,039	-	4,620,039
Distribution received	(758,600)	-	(758,600)
Capital injection	-	641,592	641,592
Net profit after tax for the period	430,035	22,722	452,757
Other comprehensive income	62,160	8,260	70,420
Currency translation	43,976	(3,098)	40,878
Closing net assets	4,397,610	669,476	5,067,086

## Notes to the Financial Statements 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 12. Investment in Joint Ventures (Continued)

Summarised statement of comprehensive income

(Continued)

	The Group - 2023		
	Grupo Sagicor GS, G.A.	Sagicor Capital & Advice Spain S.L	Total
	\$ '000	\$ '000	\$ '000
Insurance revenue	5,040,353	-	5,040,353
Insurance service expenses	(2,504,115)	-	(2,504,115)
Net expenses from reinsurance contracts held	(431,481)	-	(431,481)
Insurance service result	2,104,757	-	2,104,757
Net investment income/(expenses)	(72,406)	-	(72,406)
Net insurance and investment result	2,032,351	-	2,032,351
Other operating expenses	(1,298,123)	-	(1,298,123)
Net profit before taxation	734,228	-	734,228
Taxation	(250,901)	-	(250,901)
Net profit after tax for the period	483,327	-	483,327
Other comprehensive income	393,500	-	393,500
Total comprehensive income	876,827	-	876,827
Reconciliation of summarized financial information			
Opening net assets at 1 January	3,660,002	-	3,660,002
Net profit after tax for the period	483,327	-	483,327
Other comprehensive income	393,500	-	393,500
Currency translation	83,210	-	83,210
Closing net assets	4,620,039	-	4,620,039

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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	
	2024 \$ '000	2023 \$ '000
Total assets of PIF	189,026,827	178,615,201
Maximum exposure to loss	27,799,227	22,457,645
Liability to the Unit Trust in relation to repurchase obligations (included in repurchase obligations on the consolidated statement of financial position)	11,683,146	9,293,065
Total income/(losses) from the Group's interests	1,661,268	760,569
Management Fees earned	2,295,505	1,977,700

The Group has not provided any non-contractual financial support during the period and does not anticipate providing non-contractual support to the fund 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.

## Notes to the Financial Statements

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### 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	
	2024 \$ '000	2023 \$ '000
Total assets of the Unit Trust	153,567,272	153,964,642
The Group's interest – Carrying value of equities held (included in fair value through profit and Loss – Note 8)	30,830,797	28,756,893
Maximum exposure to loss	(30,830,797)	(28,756,893)
Liability to the Unit Trust in relation to repurchase obligations (included in repurchase obligations on the consolidated statement of financial position)	15,779,535	12,907,990
Liability to the Unit Trust in relation to the purchase of shares in Advantage General Insurance Company Limited	-	800,000
Liability issued by the Unit Trust	4,010,418	3,546,064
Managed Funds -Real Estate (Receivables)/Payables	(856,003)	2,261,657
Total income from the Group's interests	2,849,833	2,885,726

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	
	2024 \$ '000	2023 \$ '000
Total assets of Funds	7,826,640	6,786,570
The Group's interest – Carrying value of equities held (included in fair value through profit and Loss – Note 8)	69,233	1,850
Maximum exposure to loss	(69,233)	(1,850)
Total income from the Group's interests	21,639	19,397

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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### 31 December 2024

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#### 14. Investment in subsidiaries

The investment in subsidiaries is represented as follows:

	The Company	
	2024 \$ '000	2023 \$ '000
Investment at January 1	71,826,639	71,826,639
Acquisitions	-	-
Disposal	-	-
Investment at December 31	<u>71,826,639</u>	<u>71,826,639</u>

#### 15. Intangible Assets

	The Group				
	Goodwill \$ '000	Contractual Customer Relationship \$ '000	Trade Names \$ '000	Computer Software \$ '000	Total \$ '000
<b>Cost -</b>					
At 1 January 2023	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	<u>5,155,207</u>	<u>5,801,499</u>	<u>940,433</u>	<u>5,243,015</u>	<u>17,140,154</u>
Additions	-	-	-	487,579	487,579
Impairment charge	(700,000)	-	-	-	(700,000)
Transfers in/(out)	-	(108,839)	(802,433)	129,935	(781,337)
Translation adjustment	6,656	-	-	(383)	6,273
At 31 December 2024	<u>4,461,863</u>	<u>5,692,660</u>	<u>138,000</u>	<u>5,860,146</u>	<u>16,152,669</u>
<b>Amortisation -</b>					
At 1 January 2023	-	4,137,707	535,692	3,893,237	8,566,636
Amortisation charge	-	287,105	843	418,989	706,937
At 31 December 2023	-	<u>4,424,812</u>	<u>536,535</u>	<u>4,312,226</u>	<u>9,273,573</u>
Translation adjustment	-	-	-	154	154
Transfers in/(out)	-	(377,535)	(533,723)	129,935	(781,323)
Amortisation charge	-	287,110	844	430,913	718,867
At 31 December 2024	-	<u>4,334,387</u>	<u>3,656</u>	<u>4,873,228</u>	<u>9,211,271</u>
<b>Net Book Value -</b>					
31 December 2023	<u>5,155,207</u>	<u>1,376,687</u>	<u>403,898</u>	<u>930,789</u>	<u>7,866,581</u>
31 December 2024	<u>4,461,863</u>	<u>1,358,273</u>	<u>134,344</u>	<u>986,918</u>	<u>6,941,398</u>

	The Company Computer Software \$ '000
	<b>Cost -</b>
At 1 January 2023	1,819,772
Additions	48,082
At 31 December 2023	<u>1,867,854</u>
Additions	14,319
At 31 December 2024	<u>1,882,173</u>
<b>Amortisation -</b>	
At 1 January 2023	1,725,777
Amortisation charge	57,606
At 31 December 2023	<u>1,783,383</u>
Amortisation charge	43,045
At 31 December 2024	<u>1,826,428</u>
<b>Net Book Value -</b>	
31 December 2023	<u>84,471</u>
31 December 2024	<u>55,745</u>

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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	
	2024	2023
	\$ '000	\$ '000
Sagicor Life Jamaica Long Term Insurance Division	855,191	855,191
Sagicor Life of the Cayman Islands Long Term Insurance Division	776,294	769,639
Sagicor Investments Jamaica Limited	186,066	186,066
Travel Cash Jamaica Limited	119,994	119,994
Advantage General Insurance Company	558,706	558,705
Alliance Financial Services Limited	1,965,612	2,665,612
	<u>4,461,863</u>	<u>5,155,207</u>

(i) At December 31, 2024, management tested goodwill and the unamortised balance of other purchased intangibles allocated to all the CGUs as listed in the table above.

The goodwill on acquisition of Alliance Financial Services Limited was written down by \$700,000,000 at year end due to decline in revenues from a sharp decline in remittances to Jamaica from the USA and declining foreign exchange margins.

(ii) Fair values less costs to sell is used to determine the recoverable amounts of:

- Sagicor Life Jamaica Long 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.

Management's approach and the key assumptions used to determine the CGU's FVLCS were as follows:

	The Group							
	2024				2023			
	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	10.20	5.0%	13.8%	4.5%	9.60	5.0%	15.8%	4.5%
Sagicor Life of the Cayman Islands Long Term Insurance Division	7.90	5.0%	14.2%	2%	8.10	5.0%	15.1%	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 incidental 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.

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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: (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:

	2024		2023	
	Earnings Growth Rate	Discount Rate	Earnings Growth Rate	Discount Rate
Sagicor Investments Jamaica Limited	5.00%	13.34%	5.00%	13.74%
Travel Cash	6.00%	14.72%	6.00%	15.64%
Advantage General Insurance Company Limited	4.50%	14.38%	4.50%	14.54%
Alliance Financial Services Limited	4.50%	12.44%	4.50%	12.30%

## Notes to the Financial Statements 31 December 2024

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### 16. Property, Plant and Equipment

	The Group				
	Leasehold Improvements	Land & Buildings	Furniture & Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost or Valuation -</b>					
At January 1, 2023	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
Additions	104,435	-	465,976	157,472	727,883
Revaluation adjustments	-	403,449	-	-	403,449
Disposals	-	-	(5,993)	(57,164)	(63,157)
Translation adjustment	1,134	7,732	528	-	9,394
<b>At December 31, 2024</b>	<b>2,220,115</b>	<b>4,966,451</b>	<b>6,430,109</b>	<b>500,906</b>	<b>14,117,581</b>
<b>Accumulated Depreciation -</b>					
At January 1, 2023	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
Charge for the year	152,920	48,115	504,206	58,870	764,111
Relieved on revalued assets	-	(29,987)	-	-	(29,987)
Relieved on disposals	-	-	(5,993)	(54,502)	(60,495)
Translation adjustment	638	170	934	-	1,742
<b>At December 31, 2024</b>	<b>1,416,654</b>	<b>199,004</b>	<b>5,123,659</b>	<b>280,713</b>	<b>7,020,030</b>
<b>Net Book Value -</b>					
At December 31, 2023	851,450	4,374,564	1,345,086	124,253	6,695,353
At December 31, 2024	803,461	4,767,447	1,306,450	220,193	7,097,551

The valuations of Freehold Land and Building have been classified as Level 3 of the fair value hierarchy under IFRS 13, 'Fair Value Measurement'

## Notes to the Financial Statements 31 December 2024

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### 16. Property, Plant and Equipment (Continued)

	The Company			
	Leasehold Improvements	Furniture & Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000
<b>Cost or Valuation -</b>				
At January 1, 2023	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
Additions	4,652	49,066	107,864	161,582
Disposals	-	-	(21,840)	(21,840)
At December 31, 2024	65,126	650,292	150,864	866,282
<b>Accumulated Depreciation -</b>				
At January 1, 2023	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
Charge for the year	6,435	40,485	19,424	66,344
Disposals	-	-	(21,840)	(21,840)
At December 31, 2024	28,929	557,030	30,662	616,621
<b>Net Book Value -</b>				
At December 31, 2023	37,980	84,681	31,762	154,423
At December 31, 2024	36,197	93,262	120,202	249,661

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 valuers. The excess of revalued amount over the carrying value of these property, plant and equipment, amounting to 2024 - \$433,436,000 (2023 - \$501,105,000), 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	
	2024 \$'000	2023 \$'000
Cost	1,608,626	1,602,736
Accumulated Depreciation	(216,846)	(197,221)
Net Book Value	1,391,780	1,405,515
Carrying value of revalued assets	4,767,447	4,374,564

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31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 17. Retirement Benefits

	The Group	
	2024	2023
	\$ '000	\$ '000
<b>Retirement benefit assets -</b>		
Pension scheme	324,679	635,539
<b>Retirement benefit obligations -</b>		
Pension scheme	1,197,962	-
Other post-retirement benefits	3,802,757	3,920,646
	<u>5,000,719</u>	<u>3,920,646</u>

Pension schemes comprised the following –

	2024	2023
	\$ '000	\$ '000
Retirement benefit assets	324,679	635,539
Retirement benefit obligations	1,197,962	-
	<u>(873,283)</u>	<u>635,539</u>

The Group operates the following pension plans:

- 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 (2023) was 108%.
- 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.
- 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.
- 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%.
- 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.

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 17. Retirement Benefits (Continued)

#### (a) Pension schemes

The amounts recognised in the statement of financial position are determined as follows:

	The Group	
	2024	2023
	\$ '000	\$ '000
Present value of funded obligations	32,185,844	28,055,210
Fair value of plan assets	(31,510,494)	(29,124,959)
	675,350	(1,069,749)
Impact of minimum funding requirement/asset ceiling	197,933	434,210
Surplus of funded plan	<u>873,283</u>	<u>(635,539)</u>
Liability / (Asset) in the balance sheet	<u>873,283</u>	<u>(635,539)</u>

Movement in the present value of the defined benefit obligations recognised in the statement of financial position:

	The Group	
	2024	2023
	\$ '000	\$ '000
Liability at start of year	28,055,210	24,570,993
Current service cost	666,214	607,204
Interest cost	2,893,382	3,021,820
Net expense recognised in income	3,559,596	3,629,024
Re-measurement:		
Losses from changes in financial assumptions	2,021,865	2,175,117
Gains from changes in experience	(835,496)	(1,735,310)
Net losses recognised in other comprehensive income	1,186,369	439,807
Contributions by the members	1,021,951	934,489
Value of purchased annuities	774,912	443,573
Benefits paid	(2,412,194)	(1,962,676)
Net liability, end of year	<u>32,185,844</u>	<u>28,055,210</u>

Movement in the fair value of plan assets recognised in the statement of financial position:

	The Group	
	2024	2023
	\$ '000	\$ '000
Balance at start of year	29,124,959	27,167,909
Contributions made by the Employer	736,556	670,877
Contributions by the members	1,021,951	934,489
Value of purchased annuities	774,912	443,573
Benefits paid	(2,412,194)	(1,962,676)
Interest income on plan assets	3,111,979	3,465,725
Re-measurement:		
Gains from changes in financial assumptions	427,587	760,233
Losses from changes in experience	(1,275,256)	(2,355,171)
Net gains / (losses) recognised in other comprehensive income	2,385,535	(1,594,938)
Balance, end of year	<u>31,510,494</u>	<u>29,124,959</u>

## Notes to the Financial Statements 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 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	
	2024	2023
	\$ '000	\$ '000
Balance at start of year	434,210	1,890,779
Interest income on assets	75,102	245,801
Re-measurement: Losses from changes in experience	(311,379)	(1,702,370)
Net gains from changes in experience	(236,277)	(1,456,569)
Balance, end of year	197,933	434,210

The amounts recognised in the income statements as follows:

	The Group	
	2024	2023
	\$ '000	\$ '000
Current service cost	666,214	607,204
Interest cost on plan obligations	2,968,484	3,267,621
Interest income on plan assets	(3,111,979)	(3,465,725)
Total, included in staff cost (Note 36(a))	522,719	409,100

The amounts recognised in other comprehensive income is as follows:

	The Group	
	2024	2023
	\$ '000	\$ '000
Change in financial assumptions	1,282,899	(287,486)
Experience adjustments:		
Pension assets and liabilities	439,760	619,861
	1,722,659	332,375
Deferred tax	(440,090)	(53,027)
	1,282,569	279,348

The principal actuarial assumptions used were as follows:

	The Group	
	2024	2023
	\$ '000	\$ '000
Discount rate J\$ Benefits	9.50%	11.00%
Discount rate - US\$ Indexed Benefits	7.00%	7.50%
Inflation	5.00%	6.00%
Expected return on plan assets	9.50%	11.00%
Future salary increases	8.00%	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 28 years (2023 – 31 years) to 35 years (2023 – 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.

## Notes to the Financial Statements 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 17. Retirement Benefits (Continued)

#### (a) Pension schemes (Continued)

Pension plan assets are comprised as follows:

	The Group	
	2024	2023
	\$ '000	\$ '000
Equities	6,753,376	6,801,792
GOJ Bonds	316,460	350,221
Inflation-linked(CPI) Fund	3,421,126	3,096,881
Real Estate	250,738	212,752
Mortgages and real estate fund	4,742,069	4,609,262
Money market fund	1,141,125	794,094
Fixed income fund	3,431,176	2,877,589
Foreign currency fund	3,206,184	3,233,770
Global market fund	737,050	700,269
Diversified investment fund	119,573	104,669
Leases	87,604	-
Receivables	-	132,789
	24,206,481	22,914,088
Value of purchased annuities	7,304,013	6,210,871
	31,510,494	29,124,959

The sensitivity of the defined benefit pension obligation to changes in the principal assumptions is as follows:

	Change in Assumption	The Group	
		Increase/(decrease) in defined benefit obligation	
		2024	2024
		\$ '000	\$ '000
Discount rate	1.0%	(269,002)	357,428
Future salary changes	1.0%	106,822	(94,537)
Future pension changes	1.0%	435,525	(299,124)
Life expectancy	1 year	29,712	(31,543)
		2023	2023
		\$ '000	\$ '000
Discount rate	1.0%	(123,931)	160,832
Future salary changes	1.0%	3,803	(3,305)
Future pension changes	1.0%	220,975	(206,885)
Life expectancy	1 year	2,722	(2,067)

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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 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	
	2024	2023
	\$ '000	\$ '000
Present value of unfunded obligations	4,132,982	4,216,812
Fair value of plan assets	(330,225)	(296,166)
Liability in the statement of financial position	<u>3,802,757</u>	<u>3,920,646</u>

Movement in the amounts recognised in the statement of financial position:

	The Group	
	2024	2023
	\$ '000	\$ '000
Liability at beginning of year	4,216,812	3,262,679
Current service cost	88,948	69,801
Interest cost	475,020	415,320
Net expense recognised in income	563,968	485,121
Re-measurement:		
Losses from changes in financial assumptions	950,698	641,145
Gains from changes in experience	(1,421,274)	(27,502)
Net (gains)/losses recognised in other comprehensive income	(470,576)	613,643
Benefits paid	(177,222)	(144,631)
Net Liability, end of year	<u>4,132,982</u>	<u>4,216,812</u>

The principal actuarial assumption used was as follows:

	The Group	
	2024	2023
	\$ '000	\$ '000
Rate of medical inflation	7.0%	9.0%

The amounts recognised in the income statement are as follows:

	The Group	
	2024	2023
	\$ '000	\$ '000
Current service cost	88,948	69,801
Interest cost on plan obligation	475,020	415,320
Interest income on plan assets	(34,059)	(34,072)
Total, included in staff cost (Note 36(a))	<u>529,909</u>	<u>451,049</u>

The amounts recognised in other comprehensive income are as follows:

	The Group	
	2024	2023
	\$ '000	\$ '000
Change in financial assumptions	950,698	641,145
Experience adjustments	(1,421,274)	(27,502)
	(470,576)	613,643
Deferred tax	118,046	(175,907)
	<u>(352,530)</u>	<u>437,736</u>

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 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	
	2024	2023
	\$ '000	\$ '000
Balance, as previously reported	296,166	262,094
Interest income on plan assets	34,059	34,072
Balance, end of year	<u>330,225</u>	<u>296,166</u>

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	Decrease in Assumption
		2024	2024
		\$ '000	\$ '000
Discount rate	1.0%	(182,540)	230,803
Future salary increases	1.0%	7,371	(6,321)
Medical cost inflation	1.0%	234,315	(190,374)
Life expectancy	1 year	39,454	(40,494)
		<u>2023</u>	<u>2023</u>
		\$ '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)

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.

## Notes to the Financial Statements

### 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

#### 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	
	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000
Deferred income tax assets, net	(8,151,039)	(7,276,368)	(204,094)	(214,875)
Deferred income tax liability, net	320,283	475,426	-	-

## Notes to the Financial Statements

### 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

#### 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	
	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000
Deferred tax assets/liabilities to be recovered after more than 12 months	(6,963,600)	551,641	-	-

	The Company			
	Deferred tax assets		Deferred tax liabilities	
	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000
Deferred tax assets/liabilities to be recovered after more than 12 months	(204,094)	(214,875)	-	-

Net deferred income tax assets and liabilities are attributable to the following items:

	The Group			
	Net deferred tax assets		Net deferred tax liabilities	
	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000
Deferred income tax assets				
Property, plant and equipment	(559,248)	(380,447)	-	(167,176)
Investment securities - FVTOC	(2,158,976)	(1,526,372)	-	(40,723)
Tax losses unused	(3,506,139)	(3,895,582)	-	-
Unrealised foreign exchange losses	(207,835)	(307,158)	-	-
Impairment losses on loans & investment securities (IFRS 9)	(126,144)	(154,042)	-	-
Pensions and other post-retirement benefits	(1,263,142)	(988,129)	-	-
Other	(329,555)	(24,638)	-	-
	(8,151,039)	(7,276,368)	-	(207,899)
Deferred income tax liabilities -				
Loan & investment securities	-	-	-	3,085
Unrealised foreign exchange losses	-	-	-	10,940
Customer Relationship and Brand	-	-	295,815	349,971
Pensions and other post-retirement benefits	-	-	-	87,029
Other	-	-	24,468	232,300
	-	-	320,283	683,325
Net deferred taxation (asset)/liability	(8,151,039)	(7,276,368)	320,283	475,426

	The Company	
	2024	2023
	\$ '000	\$ '000
Deferred income tax assets		
Property, plant and equipment	(204,094)	(214,875)
Net deferred tax asset	(204,094)	(214,875)

## Notes to the Financial Statements

31 December 2024

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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, 2023	(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 37(c))	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)
(Credited)/Charged to income statement (Note 37(a))	(206,045)	(202,529)	389,443	99,323	20,490	(19,010)	(304,917)	(223,245)
(Credited)/Charged to other comprehensive income (Note 37(c))	27,244	(430,075)	-	-	7,408	(256,003)	-	(651,426)
At December 31, 2024	(559,248)	(2,158,976)	(3,506,139)	(207,835)	(126,144)	(1,263,142)	(329,555)	(8,151,039)

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, 2023	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)
(Credited)/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
(Credited)/Charged to income statement (Note 37(a))	160,364	40,280	-	(10,940)	(3,085)	(20,988)	(54,156)	(57,183)	54,292
(Credited)/Charged to other comprehensive income (Note 37(c))	6,812	443	-	-	-	(66,041)	-	-	(58,786)
Transferred to taxation payable	-	-	-	-	-	-	-	(150,649)	(150,649)
At December 31, 2024	-	-	-	-	-	-	295,815	24,468	320,283



## Notes to the Financial Statements

31 December 2024

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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	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Directors, key management and other related parties-				
Securities sold under agreements to repurchase and other loans	(211,340)	(218,293)	-	-
Customer deposits	(18,285,124)	(11,004,823)	-	-
Loans and leases, after allowance for credit losses	1,207,364	1,435,263	-	-

(c) The income statement includes the following transactions with related parties and companies. Income earned from the PIF, attributed to the Group's pension schemes, as well as income earned from the Sagikor Sigma Global Unit Trust and the Sagikor Select Funds are disclosed in Note 13.

	The Group		The Company	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Ultimate parent company				
Interest income	523,588	392,100	-	-
Interest expense	2,542	3,641	-	-
Shared service fees	352,232	263,953	-	-
Sagikor Pooled Investment Funds -				
Interest expense	813,307	334,345	-	-
Capital appreciation/(depreciation)	1,661,268	760,569	-	-
Lease rental expense	123,406	119,812	-	-
Management fee income	2,295,505	1,977,700	-	-
Pension Schemes -				
Management Fees – Self Directed Funds	274,405	298,053	-	-
Management Fees – DA	4,425	11,657	-	-
Pan Jamaica Group Limited				
Interest expense	78,380	37,445	-	-
Interest Income	-	2,632	-	-
Directors and key management personnel -				
Interest expense	21,081	16,923	-	-
Interest Income	18,340	16,030	-	-

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31 December 2024

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## 21. Related Party Balances and Transactions (Continued)

	The Group		The Company	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Parent Company transactions with subsidiaries -				
Management fees Income	-	-	6,812,187	6,492,018
Interest expense	-	-	(209,396)	(218,699)
Dividend income	-	-	5,871,300	4,179,000
Interest Income	-	-	148,195	42,779
Transactions with Select and Sigma Fund				
Service fee income	2,871,472	2,905,123	-	-
Interest expense	(328,375)	(396,052)	-	-
Lease expense	(702,080)	(685,641)	-	-
Capital appreciation/(depreciation)	374,455	(388,879)	-	-
Key management compensation -				
Salaries and other short-term benefits	1,106,416	851,780	-	-
Share based payments	205,766	243,325	-	-
Contributions to pensions and insurance schemes	52,478	42,238	-	-
	1,364,660	1,137,343	-	-
Directors' emoluments -				
Fees	133,851	140,464	40,201	40,985
Other expenses	1,407	4,077	1,407	4,059
Management remuneration (included in key management compensation)	280,979	271,781	-	-
	416,237	416,322	41,608	45,044

## 22. Share Capital

	The Group and The Company	
	2024 \$ '000	2023 \$ '000
Authorised		
13,598,340,000 (2023 – 13,598,340,000)		
Ordinary shares		
Issued and fully paid:		
Ordinary stock – January 1	8,879,881	8,998,808
Issue / (Acquisition) of Treasury shares (Note 24)	117,521	(118,927)
	8,997,402	8,879,881

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(expressed in Jamaican dollars unless otherwise indicated)

#### 23. Equity Reserves

	The Group			
	Stock Options Reserve	Investment & Fair Value Reserves	Currency Translation Reserve	Equity Owners' Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance at December 31, 2023</b>	110,773	(3,268,218)	6,755,207	3,597,762
Net gains recycled to revenue on disposal and maturity of FVTOCI securities	-	(476,688)	-	(476,688)
Net unrealised gains on FVTOCI securities	-	(896,287)	-	(896,287)
Net unrealised gains on revaluation of owner-occupied properties	-	393,931	-	393,931
Deferred tax on unrealised capital gains and impairment	-	66,758	-	66,758
Provision for expected credit losses - IFRS 9 on FVTOCI securities	-	27,712	-	27,712
Currency translation	-	-	144,025	144,025
Total comprehensive income for the year	-	(884,574)	144,025	(740,549)
Transactions with owners -				
Employee share option scheme - value of services provided	30,240	-	-	30,240
Total transactions with owners	30,240	-	-	30,240
<b>Balance at December 31, 2024</b>	<b>141,013</b>	<b>(4,152,792)</b>	<b>6,899,232</b>	<b>2,887,453</b>

	The Group			
	Stock Options Reserve	Investment & Fair Value Reserves	Currency Translation Reserve	Equity Owners' Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance as at December 31, 2022</b>	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 losses 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
<b>Balance at December 31, 2023</b>	<b>110,773</b>	<b>(3,268,218)</b>	<b>6,755,207</b>	<b>3,597,762</b>

#### 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 Sagcor 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. This plan was discontinued effective 31 December 2023.

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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			
	2024		2023	
Options (thousands)	Weighted Average exercise price in \$ per share	Options (thousands)	Weighted Average exercise price in \$ per share	
At beginning of year	12,317	44.60	10,526	40.15
Granted	-	-	2,650	57.00
Exercised	(424)	23.65	(859)	28.40
At end of year	11,893	45.34	12,317	44.60
Exercisable at the end of the period	9,933	45.87	7,992	39.00

Stock options outstanding at the end of the year for the Company have the following expiry dates and exercise prices:

Expiry Date	2024		2023	
	Exercise Price	No. of Outstanding Options 000's	Exercise Price	No. of Outstanding Options 000's
March 2024	-	-	23.65	408
March 2025	34.10	887	34.10	887
March 2026	36.45	1,713	36.45	1,713
March 2027	39.99	2,186	39.99	2,202
March 2028	52.40	2,045	52.40	2,046
March 2029	51.88	2,503	51.88	2,503
March 2030	57.44	2,558	57.44	2,558
	45.38	11,892	39.75	12,317

For options outstanding at the end of the year, exercise prices range from \$34.1 to \$57.44 (2023 - \$23.65 to \$57.44). The remaining contractual terms range from 3 months to 6 years (2023 - 3 months to 7 years).

The weighted average share price for options exercised during the year was \$45.38 (2023 - \$39.75) and the cost of these options was \$ 7,085 (2023 - \$ 7,085).

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 prior year as determined using the Black-Scholes valuation model was 2023- \$46,136,500. The significant inputs into the model were:

	2023
Share Price	\$52.90
Dividend Yield	2.38%
Standard Deviation	28.00%
Risk free ratio	6.30%
Expected Volatility period	7 years

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 24. Stock Options and Grants (Continued)

#### Long-term incentive plan (Continued)

The Sagicor Group Jamaica Limited recognised cumulative expenses of \$141,098,000 in the Stock Option Reserves (2023 - \$110,770,000) and share options expense of \$31,610,000 (2023 - \$31,096,119) 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 2024, the Staff Share Purchase Plan Trust purchased 3,000,000 (2023: 3,000,000) shares. The Group recognizes an expense in respect of Staff Share Purchase Plan shares at the point at which the shares are transferred to staff, when the Subsidiary Companies recognize their share of the cost of those shares in the income statement.

The Sagicor Group Jamaica Limited has not been issuing new shares to fulfill its obligations under these plans but instead the LTI and the Staff Share Purchase Plan Trust bought SGJ's shares on the open market. The total number of treasury shares held by the Group at year end was 3,775,000 (2023 - 5,670,838) at a cost of \$163,661,000 (2023 - \$281,183,508).

### 25. Dividends

	The Group and Company	
	2024 \$ '000	2023 \$ '000
First interim dividend - \$0.96 per share (2023 - \$0.72 per share)	3,749,410	2,812,057
Second interim dividend - \$0.41 per share (2023 - \$0.51 per share)	1,601,310	1,972,346
	<u>5,350,720</u>	<u>4,784,403</u>

Dividends represented a dividend per stock unit of \$1.37 (2023 - \$1.23). There were no dividends declared subsequent to the year end.

### 26. Net Profit

(i) Net profit attributable to stockholders of Sagicor Group Jamaica Limited, dealt with in the financial statements of:	2024	2023
	\$ '000	\$ '000
The Company	6,187,059	4,902,175
Less dividends from subsidiaries and joint ventures	(5,871,300)	(4,179,000)
The subsidiaries and joint ventures	8,735,084	13,850,102
	<u>9,050,843</u>	<u>14,573,277</u>

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

#### 27. Deposit and Security Liabilities

	The Group		The Company	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Securities sold under repurchase agreements	93,640,790	90,821,213	-	-
Shareholders loan – Bailey Williams Limited	20,218	20,218	-	-
Due to banks and other financial institutions (i)	13,930,050	11,602,121	-	-
Customer deposits and other accounts	172,482,498	156,499,930	-	-
Promissory notes (ii)	5,138,512	3,546,064	9,726,934	10,937,404
Bank overdraft	30,000	-	-	-
	<u>285,242,068</u>	<u>262,489,546</u>	<u>9,726,934</u>	<u>10,937,404</u>

Current portion of Deposit and Security Liabilities disclosed under Note 42(c) (ii).

	Interest Rate (%)	Maturity Year	The Group		The Company	
			2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
<b>(i) Due to banks and other financial institutions:</b>						
Development Bank of Jamaica Limited (a)	various	various	836,370	1,038,081	-	-
National Housing Trust (NHT) (b)	various	various	1,036,591	1,072,567	-	-
Bank of Nova Scotia (BNS) (c)	8.5%	2024	-	1,000,698	-	-
Other Loans (d)	various	various	12,057,089	8,490,775	-	-
			<u>13,930,050</u>	<u>11,602,121</u>	<u>-</u>	<u>-</u>

**(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) Bank of Nova Scotia (BNS)**

This is a loan agreement between Sagicor Bank Jamaica and Bank of Nova Scotia (BNS) which attracted interest at 8.50%. The loan was settled in January 2024.

**(d) Other Loans**

These are loans issued by individuals and companies to Sagicor Investment Cayman Limited and Alliance Financial Services Limited with various maturity dates in 2025.

## Notes to the Financial Statements

### 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

#### 27. Deposit and Security Liabilities (Continued)

**(ii) Promissory notes**

	The Group		The Company	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Sagicor Life Jamaica Limited (i)	-	-	9,726,934	10,377,808
Sagicor Investment Jamaica Limited (ii)	-	-	-	559,596
Other managed funds (iii)	5,138,512	3,546,064	-	-
	<u>5,138,512</u>	<u>3,546,064</u>	<u>9,726,934</u>	<u>10,937,404</u>

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 2025.
- (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. It was repaid by year-end.
- (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 6.5% to 11.5% per annum and mature in 2025. 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.

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## 28. Loans Payable

	The Group		The Company	
	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000
(a) Jamaica Central Securities Depository	-	2,198,545	-	-
<b>Total loans payable</b>	<b>-</b>	<b>2,198,545</b>	<b>-</b>	<b>-</b>

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 SJL. Tranche A was issued on August 16, 2019 amounting to \$2.18 billion at an interest rate of 6.75%. The loan was settled in August 2024.

## 29. Other liabilities

	The Group		The Company	
	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000
Legal claim payable (Note 46)	-	53,686	-	-
Suspense and other amounts	4,320,344	3,485,947	-	-
Accounts payable and accruals	3,694,678	4,951,628	206,332	148,201
Staff related payable	1,151,209	956,296	-	-
Dividends payable	294,313	266,600	221,745	195,184
Due to related parties (Note 21)	459,838	921,263	5,098,916	5,411,691
Due to brokers and agents	1,696	1,397	-	-
Mortgage principal and real estate payables	845,453	3,072,614	-	-
Customer settlement accounts	2,230,532	1,737,518	-	-
Regulatory fees and Statutory payables	1,521,293	1,405,861	-	-
Items in course of payment	410,110	636,596	-	-
Cheques issued but uncashed	1,033,438	959,708	-	-
Miscellaneous	1,276,873	1,399,714	-	-
	<b>17,239,777</b>	<b>19,848,828</b>	<b>5,526,993</b>	<b>5,755,076</b>

Current portion of Other Liabilities disclosed under Note 42(c) (ii).

## Notes to the Financial Statements

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## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 30. Insurance and Reinsurance Contract Assets and Liabilities

The table below presents a summary of contract assets and liabilities held by the Group.

	2024	2023
	\$'000	Restated \$'000
Insurance contract assets (Note 30i.a)	627,410	174,931
Insurance contract liabilities (Note 30i.a)	160,351,946	144,988,028
Reinsurance contract assets (Note 30ii.a)	3,552,974	2,785,041
Reinsurance contract liabilities (Note 30ii.a)	620,373	595,741

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.

	2024	2023
	\$'000	\$'000
<b>Insurance contracts issued (includes direct participation contracts)</b>		
Contracts measured under PAA - net (asset) / liability, end of period (Note 30i.a)	13,290,322	10,919,049
Contracts not measured under PAA (VFA) - net (asset) / liability, end of period (Note 30i.a)	33,802,202	29,447,816
Contracts not measured under PAA (GMM) - net (asset) / liability, end of period (Note 30i.a)	112,632,012	104,446,232
<b>Total - Net (asset) / liability, end of period</b>	<b>159,724,536</b>	<b>144,813,097</b>
<b>Reinsurance contracts held</b>		
Contracts measured under PAA - net asset / (liability), end of period (Note 30ii.a)	2,537,186	1,775,631
Contracts not measured under PAA (GMM) - net asset / (liability), end of period (Note 30ii.a)	395,415	413,669
<b>Total - Net asset / (liability), end of period</b>	<b>2,932,601</b>	<b>2,189,300</b>

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

	2024				2023			
	LRC		LIC		LRC		LIC	
	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
<b>Insurance contracts issued</b>								
<b>Contracts measured under PAA</b>								
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Insurance contract liabilities, beginning 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, beginning of period	(211,526)	206,357	(2,612)	(7,781)	-	-	-	-
<b>Net balance – (asset) / liability, beginning of period</b>	<b>2,517,292</b>	<b>8,073,864</b>	<b>327,893</b>	<b>10,919,049</b>	<b>1,766,226</b>	<b>7,134,985</b>	<b>304,583</b>	<b>9,205,794</b>
<b>Insurance revenue</b>	<b>(34,765,688)</b>	<b>-</b>	<b>-</b>	<b>(34,765,688)</b>	<b>(29,274,162)</b>	<b>-</b>	<b>-</b>	<b>(29,274,162)</b>
<b>Insurance service expenses</b>								
Incurred claims and other directly attributable expenses	-	25,216,110	139,683	25,355,793	-	20,726,428	23,269	20,749,697
Insurance acquisition cash flows amortisation	4,333,401	-	-	4,333,401	3,622,719	-	-	3,622,719
<b>Total insurance service expenses</b>	<b>4,333,401</b>	<b>25,216,110</b>	<b>139,683</b>	<b>29,689,194</b>	<b>3,622,719</b>	<b>20,726,428</b>	<b>23,269</b>	<b>24,372,416</b>
<b>Total amounts recognised in the insurance services result</b>	<b>(30,432,287)</b>	<b>25,216,110</b>	<b>139,683</b>	<b>(5,076,494)</b>	<b>(25,651,443)</b>	<b>20,726,428</b>	<b>23,269</b>	<b>(4,901,746)</b>
Finance income / (expenses) from insurance contracts issued	-	133,580	-	133,580	-	-	-	-
Effect of exchange rate changes	2,529	1,008	18	3,555	802	3,277	41	4,120
<b>Total amounts recognised in total comprehensive income</b>	<b>(30,429,758)</b>	<b>25,350,698</b>	<b>139,701</b>	<b>(4,939,359)</b>	<b>(25,650,641)</b>	<b>20,729,705</b>	<b>23,310</b>	<b>(4,897,626)</b>
<b>Cash flows</b>								
Premiums received	34,409,977	-	-	34,409,977	30,093,906	-	-	30,093,906
Claims and other directly attributable expenses paid	-	(22,848,410)	-	(22,848,410)	-	(19,790,826)	-	(19,790,826)
Insurance acquisition cash flows	(4,250,935)	-	-	(4,250,935)	(3,692,199)	-	-	(3,692,199)
<b>Total cash flows</b>	<b>30,159,042</b>	<b>(22,848,410)</b>	<b>-</b>	<b>7,310,632</b>	<b>26,401,707</b>	<b>(19,790,826)</b>	<b>-</b>	<b>6,610,881</b>
<b>Net balance – (asset) / liability, end of period</b>	<b>2,246,576</b>	<b>10,576,152</b>	<b>467,594</b>	<b>13,290,322</b>	<b>2,517,292</b>	<b>8,073,864</b>	<b>327,893</b>	<b>10,919,049</b>
Insurance contract liabilities, end of period	2,246,576	10,576,152	467,594	13,290,322	2,728,818	7,867,507	330,505	10,926,830
Insurance contract assets, end of period	-	-	-	-	(211,526)	206,357	(2,612)	(7,781)
<b>Net balance – (asset) / liability, end of period</b>	<b>2,246,576</b>	<b>10,576,152</b>	<b>467,594</b>	<b>13,290,322</b>	<b>2,517,292</b>	<b>8,073,864</b>	<b>327,893</b>	<b>10,919,049</b>

## Notes to the Financial Statements

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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

	2024				2023			
	LRC		LIC		LRC		LIC	
	Excluding loss component	Loss component	LIC	Total	Excluding loss component	Loss component	LIC	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Insurance contracts issued								
Contracts not measured under PAA								
Insurance contract liabilities, beginning 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, beginning of period	69,750	-	(236,900)	(167,150)	-	-	-	-
<b>Net balance – (asset) / liability, beginning of period</b>	<b>116,540,491</b>	<b>14,179,888</b>	<b>3,173,669</b>	<b>133,894,048</b>	<b>108,932,582</b>	<b>13,783,801</b>	<b>2,893,115</b>	<b>125,609,498</b>
Insurance revenue	(19,768,151)	-	-	(19,768,151)	(17,544,174)	-	-	(17,544,174)
<b>Insurance service expenses</b>								
Incurrd claims and other directly attributable expenses	-	(739,842)	11,937,799	11,197,957	-	(450,137)	10,376,863	9,926,726
Losses on onerous contracts and reversal of those losses	-	2,177,317	-	2,177,317	-	167,333	-	167,333
Insurance acquisition cash flows amortisation	1,491,628	-	-	1,491,628	667,234	-	-	667,234
<b>Total insurance service expenses</b>	<b>1,491,628</b>	<b>1,437,475</b>	<b>11,937,799</b>	<b>14,866,902</b>	<b>667,234</b>	<b>(282,804)</b>	<b>10,376,863</b>	<b>10,761,293</b>
<b>Total amounts recognised in the insurance services result</b>	<b>(18,276,523)</b>	<b>1,437,475</b>	<b>11,937,799</b>	<b>(4,901,249)</b>	<b>(16,876,940)</b>	<b>(282,804)</b>	<b>10,376,863</b>	<b>(6,782,881)</b>
Finance income / (expenses) from insurance contracts issued	7,516,532	589,867	-	8,106,399	5,089,844	496,958	-	5,586,802
Effect of exchange rate changes	388,873	72,163	3,459	464,495	987,813	181,933	9,968	1,179,714
<b>Total amounts recognised in total comprehensive income</b>	<b>(10,371,118)</b>	<b>2,099,505</b>	<b>11,941,258</b>	<b>3,669,645</b>	<b>(10,799,283)</b>	<b>396,087</b>	<b>10,386,831</b>	<b>(16,365)</b>
Investment components	(13,212,960)	-	13,212,960	-	(11,901,796)	-	11,901,796	-
<b>Cash flows</b>								
Premiums received	39,672,868	-	-	39,672,868	34,617,747	-	-	34,617,747
Claims and other directly attributable expenses paid	-	-	(24,219,313)	(24,219,313)	-	-	(22,008,073)	(22,008,073)
Insurance acquisition cash flows	(6,583,034)	-	-	(6,583,034)	(4,308,759)	-	-	(4,308,759)
<b>Total cash flows</b>	<b>33,089,834</b>	<b>-</b>	<b>(24,219,313)</b>	<b>8,870,521</b>	<b>30,308,988</b>	<b>-</b>	<b>(22,008,073)</b>	<b>8,300,915</b>
<b>Net balance – (asset) / liability, end of period</b>	<b>126,046,247</b>	<b>16,279,393</b>	<b>4,108,574</b>	<b>146,434,214</b>	<b>116,540,491</b>	<b>14,179,888</b>	<b>3,173,669</b>	<b>133,894,048</b>
Insurance contract liabilities, end of period	125,996,595	16,278,595	4,786,434	147,061,624	116,470,741	14,179,888	3,410,569	134,061,198
Insurance contract assets, end of period	49,652	798	(677,860)	(627,410)	69,750	-	(236,900)	(167,150)
<b>Net balance – (asset) / liability, end of period</b>	<b>126,046,247</b>	<b>16,279,393</b>	<b>4,108,574</b>	<b>146,434,214</b>	<b>116,540,491</b>	<b>14,179,888</b>	<b>3,173,669</b>	<b>133,894,048</b>

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(expressed in Jamaican dollars unless otherwise indicated)

### 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

	2024				2023			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Insurance contract liabilities, beginning 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, beginning of period	(173,365)	(1,209)	7,424	(167,150)	-	-	-	-
<b>Net balance – (asset) / liability, beginning of period</b>	<b>77,928,395</b>	<b>11,705,230</b>	<b>44,260,423</b>	<b>133,894,048</b>	<b>81,025,377</b>	<b>8,803,937</b>	<b>35,780,184</b>	<b>125,609,498</b>
<b>Changes that relate to current service</b>								
CSM recognised in net income / (loss) for the services provided	-	-	(5,900,452)	(5,900,452)	-	-	(5,426,885)	(5,426,885)
Change in the risk adjustment for non-financial risk for risk expired	-	(1,243,678)	-	(1,243,678)	-	(1,121,265)	-	(1,121,265)
Experience adjustments	65,562	-	-	65,562	(402,064)	-	-	(402,064)
	65,562	(1,243,678)	(5,900,452)	(7,078,568)	(402,064)	(1,121,265)	(5,426,885)	(6,950,214)
<b>Changes that relate to future service</b>								
Changes in estimate that adjust the CSM	2,660,734	(168,801)	(2,491,933)	-	(8,749,284)	2,237,606	6,511,678	-
Changes in estimates that result in onerous contract losses or reversal of	2,072,909	(60,866)	-	2,012,043	(269,014)	124,358	-	(144,656)
Contracts initially recognised in the period	(7,529,500)	1,279,470	6,415,306	165,276	(6,325,555)	1,109,482	5,528,062	311,989
	(2,795,857)	1,049,803	3,923,373	2,177,319	(15,343,853)	3,471,446	12,039,740	167,333
<b>Total amounts recognised in the insurance service result</b>	<b>(2,730,295)</b>	<b>(193,875)</b>	<b>(1,977,079)</b>	<b>(4,901,249)</b>	<b>(15,745,917)</b>	<b>2,350,181</b>	<b>6,612,855</b>	<b>(6,782,881)</b>
Finance income / (expenses) from insurance contracts issued	4,747,488	1,019,806	2,339,105	8,106,399	3,388,059	497,590	1,701,153	5,586,802
Effect of exchange rate changes	373,343	7,866	83,286	464,495	959,961	53,522	166,231	1,179,714
<b>Total amounts recognised in total comprehensive income</b>	<b>2,390,536</b>	<b>833,797</b>	<b>445,312</b>	<b>3,669,645</b>	<b>(11,397,897)</b>	<b>2,901,293</b>	<b>8,480,239</b>	<b>(16,365)</b>
<b>Cash flows</b>								
Premiums received	39,672,868	-	-	39,672,868	34,617,747	-	-	34,617,747
Claims and other directly attributable expenses paid	(24,219,313)	-	-	(24,219,313)	(22,008,073)	-	-	(22,008,073)
Insurance acquisition cash flows	(6,583,034)	-	-	(6,583,034)	(4,308,759)	-	-	(4,308,759)
<b>Total cash flows</b>	<b>8,870,521</b>	<b>-</b>	<b>-</b>	<b>8,870,521</b>	<b>8,300,915</b>	<b>-</b>	<b>-</b>	<b>8,300,915</b>
<b>Net balance – (asset) / liability, end of period</b>	<b>89,189,452</b>	<b>12,539,027</b>	<b>44,705,735</b>	<b>146,434,214</b>	<b>77,928,395</b>	<b>11,705,230</b>	<b>44,260,423</b>	<b>133,894,048</b>
Insurance contract liabilities, end of period	89,815,726	12,541,117	44,704,781	147,061,624	78,101,760	11,706,439	44,252,999	134,061,198
Insurance contract assets, end of period	(626,274)	(2,090)	954	(627,410)	(173,365)	(1,209)	7,424	(167,150)
<b>Net balance – (asset) / liability, end of period</b>	<b>89,189,452</b>	<b>12,539,027</b>	<b>44,705,735</b>	<b>146,434,214</b>	<b>77,928,395</b>	<b>11,705,230</b>	<b>44,260,423</b>	<b>133,894,048</b>

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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

	2024			2023		
	Contract issued		Total	Contract issued		Total
	Non-onerous	Onerous		Non-onerous	Onerous	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Insurance contracts issued						
Estimates of present value of future cash outflows						
Insurance acquisition cash flows	(4,750,244)	(412,920)	(5,163,164)	(4,012,032)	(344,143)	(4,356,175)
Claims and other directly attributable expenses	(16,157,324)	(2,720,675)	(18,877,999)	(15,273,093)	(1,731,862)	(17,004,955)
Estimates of present value of future cash outflows	(20,907,568)	(3,133,595)	(24,041,163)	(19,285,125)	(2,076,005)	(21,361,130)
Estimates of present value of future cash inflows	28,455,591	3,115,072	31,570,663	25,813,755	1,872,930	27,686,685
Risk adjustment for non-financial risk	(1,132,717)	(146,753)	(1,279,470)	(1,000,568)	(108,914)	(1,109,482)
CSM	(6,415,306)	-	(6,415,306)	(5,528,062)	-	(5,528,062)
Increase / (decrease) in insurance contract liabilities from contracts	-	(165,276)	(165,276)	-	(311,989)	(311,989)

## i. d) Amounts determined on transition to IFRS 17 – The CSM by transition method

## Long Term Insurance

	2024			2023		
	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
Insurance contracts issued (Note 30i.b)						
CSM, beginning of period	32,511,518	11,748,905	44,260,423	27,532,698	8,247,486	35,780,184
Changes that relate to current service						
CSM recognised in net income / (loss) for the services provided	(5,016,172)	(884,280)	(5,900,452)	(4,366,728)	(1,060,157)	(5,426,885)
Changes that relate to future service						
Changes in estimates that adjust the CSM	3,056,423	(5,548,356)	(2,491,933)	2,233,638	4,278,040	6,511,678
Contracts initially recognised in the period	6,415,306	-	6,415,306	5,528,062	-	5,528,062
Finance income / (expenses) from insurance contracts issued	4,455,557	(6,432,636)	(1,977,079)	3,394,972	3,217,883	6,612,855
Effect of exchange rate changes	2,054,645	284,460	2,339,105	1,488,414	212,739	1,701,153
	12,442	70,844	83,286	95,434	70,797	166,231
Total amounts recognised in total comprehensive income	6,522,644	(6,077,332)	445,312	4,978,820	3,501,419	8,480,239
CSM, end of period	39,034,162	5,671,573	44,705,735	32,511,518	11,748,905	44,260,423

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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

	2024				2023			
	Remaining coverage		Incurred claims		Remaining coverage		Incurred claims	
	Excluding loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reinsurance contracts held								
Contracts measured under PAA								
Reinsurance contract liabilities, beginning of period	(90,925)	19,856	(100)	(71,169)	(34,790)	12,544	627	(21,619)
Reinsurance contract assets, beginning of period	1,029,952	750,696	66,152	1,846,800	673,524	892,514	38,363	1,604,401
<b>Net balance – (asset) / liability, beginning of period</b>	<b>939,027</b>	<b>770,552</b>	<b>66,052</b>	<b>1,775,631</b>	<b>638,734</b>	<b>905,058</b>	<b>38,990</b>	<b>1,582,782</b>
<b>Net income / (expenses) from reinsurance contracts held</b>								
Reinsurance expenses	(7,307,605)	-	-	(7,307,605)	(6,682,445)	-	-	(6,682,445)
Claims recovered	-	3,863,785	20,897	3,884,682	-	2,991,603	27,048	3,018,651
<b>Net income / (expenses) from reinsurance contracts held</b>	<b>(7,307,605)</b>	<b>3,863,785</b>	<b>20,897</b>	<b>(3,422,923)</b>	<b>(6,682,445)</b>	<b>2,991,603</b>	<b>27,048</b>	<b>(3,663,794)</b>
Finance income / (expenses) from reinsurance contracts held	-	38,999	-	38,999	-	-	-	-
Effect of exchange rate changes	2,423	106	6	2,535	415	3,875	14	4,304
<b>Total amounts recognised in total comprehensive income</b>	<b>(7,305,182)</b>	<b>3,902,890</b>	<b>20,903</b>	<b>(3,381,389)</b>	<b>(6,682,030)</b>	<b>2,995,478</b>	<b>27,062</b>	<b>(3,659,490)</b>
<b>Cash flows</b>								
Premiums paid net of ceding commissions and other directly attributable	7,141,941	-	-	7,141,941	6,982,323	(213,653)	-	6,768,670
Recoveries from reinsurance	-	(2,998,997)	-	(2,998,997)	-	(2,916,331)	-	(2,916,331)
<b>Total cash flows</b>	<b>7,141,941</b>	<b>(2,998,997)</b>	<b>-</b>	<b>4,142,944</b>	<b>6,982,323</b>	<b>(3,129,984)</b>	<b>-</b>	<b>3,852,339</b>
<b>Net balance – asset / (liability), end of period</b>	<b>775,786</b>	<b>1,674,445</b>	<b>86,955</b>	<b>2,537,186</b>	<b>939,027</b>	<b>770,552</b>	<b>66,052</b>	<b>1,775,631</b>
Reinsurance contract liabilities, end of period	(197,504)	(1,137)	787	(197,854)	(90,925)	19,856	(100)	(71,169)
Reinsurance contract assets, end of period	973,290	1,675,582	86,168	2,735,040	1,029,952	750,696	66,152	1,846,800
<b>Net balance – asset / (liability), end of period</b>	<b>775,786</b>	<b>1,674,445</b>	<b>86,955</b>	<b>2,537,186</b>	<b>939,027</b>	<b>770,552</b>	<b>66,052</b>	<b>1,775,631</b>

## Notes to the Financial Statements

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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

	2024				2023			
	Remaining coverage		Incurred claims		Remaining coverage		Incurred claims	
	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 contracts held								
Contracts not measured under PAA								
Reinsurance contract liabilities, beginning of period	(323,024)	29,868	(231,416)	(524,572)	(471,116)	7,453	(66,433)	(530,096)
Reinsurance contract assets, beginning of period	137,291	-	800,950	938,241	164,552	36,617	384,073	585,242
Net balance – asset / (liability), beginning of period	(185,733)	29,868	569,534	413,669	(306,564)	44,070	317,640	55,146
<b>Net income / (expenses) from reinsurance contracts held</b>								
Reinsurance expenses	(307,713)	-	-	(307,713)	(275,733)	(4,903)	-	(280,636)
Claims recovered	-	(13,381)	(20,123)	(33,504)	-	(6,522)	338,239	331,717
Changes that relate to future service – changes in the FCF do not adjust the CSM for the group of underlying insurance contracts	-	27,976	-	27,976	-	(3,912)	-	(3,912)
<b>Net income / (expenses) from reinsurance contracts held</b>	<b>(307,713)</b>	<b>14,595</b>	<b>(20,123)</b>	<b>(313,241)</b>	<b>(275,733)</b>	<b>(15,337)</b>	<b>338,239</b>	<b>47,169</b>
Finance income / (expenses) from reinsurance contracts held	(79,585)	647	-	(78,938)	125,265	386	-	125,651
Effect of exchange rate changes	204	205	2,026	2,435	227	749	4,821	5,797
<b>Total amounts recognised in total comprehensive income</b>	<b>(387,094)</b>	<b>15,447</b>	<b>(18,097)</b>	<b>(389,744)</b>	<b>(150,241)</b>	<b>(14,202)</b>	<b>343,060</b>	<b>178,617</b>
<b>Cash flows</b>								
Premiums paid net of ceding commissions and other directly attributable expenses paid	675,744	-	-	675,744	271,072	-	-	271,072
Recoveries from reinsurance	-	-	(304,254)	(304,254)	-	-	(91,166)	(91,166)
<b>Total cash flows</b>	<b>675,744</b>	<b>-</b>	<b>(304,254)</b>	<b>371,490</b>	<b>271,072</b>	<b>-</b>	<b>(91,166)</b>	<b>179,906</b>
<b>Net balance – asset / (liability), end of period</b>	<b>102,917</b>	<b>45,315</b>	<b>247,183</b>	<b>395,415</b>	<b>(185,733)</b>	<b>29,868</b>	<b>569,534</b>	<b>413,669</b>
Reinsurance contract liabilities, end of period	(196,991)	1,364	(226,892)	(422,519)	(323,024)	29,868	(231,416)	(524,572)
Reinsurance contract assets, end of period	299,908	43,951	474,075	817,934	137,291	-	800,950	938,241
<b>Net balance – asset / (liability), end of period</b>	<b>102,917</b>	<b>45,315</b>	<b>247,183</b>	<b>395,415</b>	<b>(185,733)</b>	<b>29,868</b>	<b>569,534</b>	<b>413,669</b>

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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	2024				2023			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	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	(970,449)	113,947	331,930	(524,572)	(754,576)	72,779	151,701	(530,096)
Reinsurance contract assets, beginning of period	253,910	240,843	443,488	938,241	68,034	203,948	313,260	585,242
<b>Net balance – asset / (liability), beginning of period</b>	<b>(716,539)</b>	<b>354,790</b>	<b>775,418</b>	<b>413,669</b>	<b>(686,542)</b>	<b>276,727</b>	<b>464,961</b>	<b>55,146</b>
<b>Changes that relate to current service</b>								
CSM recognised in net income / (loss) for the services received	-	-	(70,152)	(70,152)	-	-	(47,801)	(47,801)
Change in the risk adjustment for non-financial risk for risk expired	-	(34,497)	-	(34,497)	-	(31,735)	-	(31,735)
Experience adjustments	(236,568)	-	-	(236,568)	130,617	-	-	130,617
	(236,568)	(34,497)	(70,152)	(341,217)	130,617	(31,735)	(47,801)	51,081
<b>Changes that relate to future service</b>								
Changes in estimate that adjust the CSM	(8,198)	(36,538)	44,736	-	(494,633)	136,184	358,449	-
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	1,793	32,261	(6,078)	27,976	(27,476)	70,514	(46,950)	(3,912)
Contracts initially recognised in the period	(28,543)	6,920	21,623	-	(26,435)	5,861	20,574	-
	(34,948)	2,643	60,281	27,976	(548,544)	212,559	332,073	(3,912)
Net income / (expenses) from reinsurance contracts held	(271,516)	(31,854)	(9,871)	(313,241)	(417,927)	180,824	284,272	47,169
Finance income / (expenses) from reinsurance contracts held	(158,339)	51,227	28,174	(78,938)	217,741	(108,084)	15,994	125,651
Effect of exchange rate changes	(6,976)	3,469	5,942	2,435	(9,717)	5,323	10,191	5,797
<b>Total amounts recognised in total comprehensive income</b>	<b>(436,831)</b>	<b>22,842</b>	<b>24,245</b>	<b>(389,744)</b>	<b>(209,903)</b>	<b>78,063</b>	<b>310,457</b>	<b>178,617</b>
<b>Cash flows</b>								
Premiums paid net of ceding commissions and other directly attributable expenses paid	675,744	-	-	675,744	271,072	-	-	271,072
Recoveries from reinsurance	(304,254)	-	-	(304,254)	(91,166)	-	-	(91,166)
<b>Total cash flows</b>	<b>371,490</b>	<b>-</b>	<b>-</b>	<b>371,490</b>	<b>179,906</b>	<b>-</b>	<b>-</b>	<b>179,906</b>
<b>Net balance – asset / (liability), end of period</b>	<b>(781,880)</b>	<b>377,632</b>	<b>799,663</b>	<b>395,415</b>	<b>(716,539)</b>	<b>354,790</b>	<b>775,418</b>	<b>413,669</b>
Reinsurance contract liabilities, end of period	(844,753)	109,535	312,699	(422,519)	(970,449)	113,947	331,930	(524,572)
Reinsurance contract assets, end of period	62,873	268,097	486,964	817,934	253,910	240,843	443,488	938,241
<b>Net balance – asset / (liability), end of period</b>	<b>(781,880)</b>	<b>377,632</b>	<b>799,663</b>	<b>395,415</b>	<b>(716,539)</b>	<b>354,790</b>	<b>775,418</b>	<b>413,669</b>

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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)	2024			2023		
	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	124,268	651,150	775,418	44,549	420,412	464,961
Changes that relate to current service						
CSM recognised in net income / (loss) for the services provided	(21,760)	(48,392)	(70,152)	(10,519)	(37,282)	(47,801)
Changes that relate to future service						
Changes in estimates that adjust the CSM	153,498	(108,762)	44,736	53,281	305,168	358,449
Contracts initially recognised in the period	21,623	-	21,623	20,574	-	20,574
Reversal of loss-recovery component from onerous underlying contracts	10,355	(16,433)	(6,078)	-	(46,950)	(46,950)
	163,716	(173,587)	(9,871)	63,336	220,936	284,272
Finance income / (expenses) from insurance contracts issued	28,174	-	28,174	15,994	-	15,994
Effect of exchange rate changes	794	5,148	5,942	389	9,802	10,191
Total amounts recognised in total comprehensive income	192,684	(168,439)	24,245	79,719	230,738	310,457
CSM, end of period	316,952	482,711	799,663	124,268	651,150	775,418

## iii. Liability for Incurred Claims

## Summary of LIC by segment

## 31-Dec-2024

## Gross LIC:

Insurance contracts issued  
Direct participation contracts issued  
Total (Note 30i.a)

## Reinsurers' share of LIC:

Reinsurance contracts held (Note 30ii.a)

## 31-Dec-2023

## Gross LIC:

Insurance contracts issued  
Direct participation contracts issued  
Total (Note 30i.a)

## Reinsurers' share of LIC:

Reinsurance contracts held (Note 30ii.a)

	Long term insurance	Short term insurance	Total
	\$'000	\$'000	\$'000
31-Dec-2024			
Insurance contracts issued	4,108,574	11,043,746	15,152,320
Direct participation contracts issued	-	-	-
Total (Note 30i.a)	4,108,574	11,043,746	15,152,320
Reinsurers' share of LIC:			
Reinsurance contracts held (Note 30ii.a)	247,183	1,761,400	2,008,583
31-Dec-2023			
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

The net liability for incurred claims represented by insurance lines of business is as follows:

Life insurance and annuity benefits  
Property and casualty  
Health

	Gross LIC		Reinsurers' share	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Life insurance and annuity benefits	10,131,672	8,662,829	732,910	1,039,285
Property and casualty	4,409,898	2,708,852	1,272,029	347,099
Health	610,750	203,745	3,644	19,754
Total	15,152,320	11,575,426	2,008,583	1,406,138

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#### 31. Investment Contract Liabilities

	The Group	
	2024	2023
	\$ '000	\$ '000
Amortised cost -		
Amounts on deposit	20,059,147	18,965,347
Deposit administration fund	1,570,079	1,529,625
Other investment contracts	312,103	397,302
	<u>21,941,329</u>	<u>20,892,274</u>

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, 2024, the Group held \$4,000,466,000 (2023 – \$1,975,628,000) 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 replighted.

#### 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	
	2024	2023
	\$ '000	\$ '000
<b>Insurance revenue</b>		
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	11,132,393	10,328,790
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	1,243,678	1,121,265
CSM recognised in net income / (loss) for the services provided	5,900,452	5,426,885
Insurance acquisition cash flows recovery	<u>1,491,628</u>	<u>667,234</u>
Insurance revenue for contracts not measured under the PAA (Note 30i.a)	19,768,151	17,544,174
Insurance revenue from contracts measured under the PAA (Note 30i.a)	<u>34,765,688</u>	<u>29,274,162</u>
Total insurance revenue	<u>54,533,839</u>	<u>46,818,336</u>

For insurance contracts not measured under the PAA, an analysis of the related revenue by transition method is included below.

	The Group	
	2024	2023
	\$ '000	\$ '000
New contracts and contracts measured under the full retrospective approach	10,628,173	8,760,825
Contracts measured under the fair value approach	<u>9,139,978</u>	<u>8,783,349</u>
	<u>19,768,151</u>	<u>17,544,174</u>

#### 33. Insurance revenue and service expenses (Continued)

##### (a) Insurance service result (Continued)

	The Group	
	2024	2023
	\$ '000	\$ '000
<b>Insurance service expenses</b>		
<b>Contracts not measured under the PAA</b>		
Incurred claims and other directly attributable expenses (Note 30i.a)	(11,197,957)	(9,926,726)
Losses on onerous contracts and reversal of those losses (Note 30i.a)	(2,177,317)	(167,333)
Insurance acquisition cash flows amortisation (Note 30i.a)	<u>(1,491,628)</u>	<u>(667,234)</u>
	(14,866,902)	(10,761,293)
<b>Contracts measured under the PAA</b>		
Incurred claims and other directly attributable expenses (Note 30i.a)	(25,355,793)	(20,749,697)
Insurance acquisition cash flows amortisation (Note 30i.a)	<u>(4,333,401)</u>	<u>(3,622,719)</u>
	(29,689,194)	(24,372,416)
<b>Total insurance service expenses</b>	<u>(44,556,096)</u>	<u>(35,133,709)</u>
<b>Net income / (expenses) from reinsurance contracts held– contracts not measured under the PAA</b>		
<b>Amounts relating to the changes in the remaining coverage:</b>		
Expected claims and other directly attributable expenses recovery	33,504	(331,717)
Change in the risk adjustment recognised for the risk expired	(34,497)	(31,735)
Experience adjustments	(236,568)	130,617
CSM recognised in net income / (loss) for the services received	<u>(70,152)</u>	<u>(47,801)</u>
Reinsurance expenses	(307,713)	(280,636)
Other incurred directly attributable expenses	(33,504)	331,717
Changes that relate to past service – adjustments to incurred claims	<u>27,976</u>	<u>(3,912)</u>
Total -contracts not measured under PAA (Note 30ii.a)	(313,241)	47,169
<b>Net income / (expenses) from reinsurance contracts held– contracts measured under the PAA</b>		
Reinsurance expenses	(7,307,605)	(6,682,445)
Claims recovered	<u>3,884,682</u>	<u>3,018,651</u>
Total -contracts measured under PAA (Note 30ii.a)	(3,422,923)	(3,663,794)
<b>Total net income / (expenses) from reinsurance contracts held</b>	<u>(3,736,164)</u>	<u>(3,616,625)</u>
<b>Total insurance service result</b>	<u>6,241,579</u>	<u>8,068,002</u>

##### (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	
	2024	2023
	\$ '000	\$ '000
CSM, end of period (Note 30i.d)	39,034,162	32,511,518
New contracts and contracts measured under the full retrospective approach at transition		
Contracts measured under the fair value approach at transition	<u>5,671,573</u>	<u>11,748,905</u>
	<u>44,705,735</u>	<u>44,260,423</u>
<b>REINSURANCE CONTRACTS HELD</b>		
CSM, end of period (Note 30ii.d)	316,952	124,268
New contracts and contracts measured under the full retrospective approach at transition		
Contracts measured under the fair value approach at transition	<u>482,711</u>	<u>651,150</u>
	<u>799,663</u>	<u>775,418</u>

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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	
	2024	2023
	\$ '000	\$ '000
INSURANCE CONTRACTS ISSUED		
Contracts not measured under the PAA		
Number of years until expected to be recognised		
1	3,027,840	3,562,860
2	2,695,383	3,082,096
3	2,369,652	2,655,771
4	2,119,268	2,339,610
5	1,938,695	2,104,615
6-10	7,779,538	8,317,458
>10	24,775,359	22,198,013
Total	44,705,735	44,260,423

	The Group	
	2024	2023
	\$ '000	\$ '000
REINSURANCE CONTRACTS HELD		
Contracts not measured under the PAA		
Number of years until expected to be recognised		
1	68,322	46,522
2	66,920	45,188
3	60,541	40,699
4	56,358	36,992
5	51,591	34,389
6-10	203,182	139,710
>10	292,749	431,918
Total	799,663	775,418

## 34. Total Investment Income and Net Insurance Finance Result

	The Group		
	2024		Total
	Amortised cost assets	FVTOCI assets	
	\$ '000	\$ '000	\$ '000
Interest income -			
Debt securities	721,481	8,261,899	8,983,380
Mortgage loans	1,991,198	-	1,991,198
Loans and finance leases	11,924,422	-	11,924,422
Securities purchased for re-sale	143,278	-	143,278
Deposit	3,030,131	-	3,030,131
Total Interest Income	17,810,510	8,261,899	26,072,409
Net gain on de-recognition of financial assets measured at FVTOCI			496,812
Net gain on de-recognition of financial assets measured at amortised cost			1,123
			26,570,344
FVTPL investments			
Interest income			9,841,766
Dividend income			78,405
Unrealised gain on financial assets			1,713,649
Net losses on de-recognition of financial assets			(80,751)
			11,553,069
Investment properties:			
Unrealised gain			244,800
Realised losses			(10,101)
Rental Income			70,501
			305,200
Other investment income and expense:			
Other investment expense			(39,717)
			(39,717)
Income earned and capital gain from assets measured at FVTPL and other investment income			11,818,552
Total Investment Income			38,388,896
Interest expense -			
Investment contracts			(874,950)
Customer deposits			(3,091,630)
Repurchase liabilities			(4,392,964)
Due to banks and other financial institutions			(463,907)
Lease liabilities			(164,659)
Loans payable			(91,918)
			(9,080,028)
Credit impairment losses			(1,409,645)
Net investment income			27,899,223

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### 34. Total Investment Income and Net Insurance Finance Result (Continued)

	The Company		
	2024		
	Amortised cost assets	FVTOCI assets	Total
	\$ '000	\$ '000	\$ '000
<b>Interest income -</b>			
Securities purchased for re-sale	88,332	-	88,332
Deposits	59,863	-	59,863
Total interest income	148,195	-	148,195
Dividend income			5,871,300
			6,019,495
<b>Interest expense -</b>			
Promissory notes			(209,396)
<b>Net investment income</b>			<u>5,810,099</u>
	The Group		
	2023		
	Amortised cost assets	FVTOCI assets	Total
	\$ '000	\$ '000	\$ '000
<b>Interest income -</b>			
Debt securities	640,079	9,315,435	9,955,514
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	678,750	-	678,750
Total Interest Income	14,017,553	9,315,435	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)
			<u>23,862,493</u>
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
			<u>11,458,577</u>
Investment properties:			
Unrealised gain			185,000
Rental Income			69,419
			<u>254,419</u>
Other investment income and expense:			
Other direct investment expense			(59,437)
			<u>(59,437)</u>
Income earned and capital gain from assets measured at FVTPL and other investment income			11,653,559
Total Investment Income			<u>35,516,052</u>

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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
<b>Interest expense -</b>			
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)
			<u>(8,617,319)</u>
Credit impairment losses			(451,322)
<b>Net investment income</b>			<u>26,447,411</u>
	The Company		
	2023		
	Amortised cost assets	FVTOCI assets	Total
	\$ '000	\$ '000	\$ '000
<b>Interest income -</b>			
Debt securities	65,693	-	65,693
Total interest income	65,693	-	65,693
Dividend income			4,179,000
			<u>4,244,693</u>
<b>Interest expense -</b>			
Promissory notes			(218,699)
<b>Net investment income</b>			<u>4,025,994</u>

An analysis of net investment income and net insurance finance expenses is presented in the following tables:

	The Group	
	2024	2023
	\$ '000	\$ '000
Net investment income – Underlying assets		
Interest income earned from financial assets measured at amortised cost and FVTOCI	1,357,264	1,203,830
Net gain / (loss) on de-recognition of financial assets measured at amortised cost	1,292	(1,305)
Net (loss) / gain on de-recognition of financial assets measured at FVTOCI	(349)	95,067
Interest income earned and capital net gain from assets measured at FVTPL and other investment income	10,703,104	11,002,347
Net credit impairment (loss) / gain	(541)	125
Net investment income – Underlying assets	<u>12,060,770</u>	<u>12,300,064</u>
Net investment income – Other investments		
(Loss) / Gain on derecognition of amortised cost investments	(169)	-
Gain on derecognition of assets carried at FVTOCI	497,161	435,743
Interest income earned from financial assets measured at amortised cost and FVTOCI	24,715,145	22,129,158
Net gain on FVTPL investments	849,965	456,230
Net credit impairment loss	(1,409,104)	(451,447)
Net investment income – Other investments	<u>24,652,998</u>	<u>22,569,684</u>

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	
	2024	2023
	\$ '000	\$ '000
Investment property		
Rental income	70,501	69,419
Unrealised gain	244,800	185,000
Realised losses	(10,101)	-
Other investment income	(39,717)	(59,437)
Net investment income – Other	265,483	194,982
Total net investment income	36,979,251	35,064,730
<b>Finance expenses from insurance contracts issued</b>		
Changes in fair value of underlying assets of contracts measured under the VFA	(2,923,745)	(1,321,299)
Interest accreted	(4,474,551)	(3,509,302)
Effect of changes in interest rates and other financial assumptions	(841,683)	(756,200)
Finance expenses from insurance contracts issued	(8,239,979)	(5,586,801)
<b>Finance (expenses) / income from reinsurance contracts held</b>		
Interest accreted	7,659	6,663
Effect of changes in interest rates and other financial assumptions	(47,598)	135,184
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-	(16,196)
Finance (expenses) / income from reinsurance contracts held	(39,939)	125,651
<b>Net insurance finance expenses</b>	<b>(8,279,918)</b>	<b>(5,461,150)</b>
<b>Summary of the amounts recognised in the statement of income</b>		
Net investment income – Underlying assets	12,060,770	12,300,064
Net investment income – Other investments	24,652,998	22,569,684
Net investment income – Other	265,483	194,982
Net insurance finance expenses	(8,279,918)	(5,461,150)
	28,699,333	29,603,580

## 35. Fees and Other Income

	The Group		The Company	
	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Products and services transferred over time</b>				
Service contract revenue	7,939,556	7,384,949	-	-
Other fees and commission income	678	51,587	-	-
Management fees	-	-	6,812,187	6,492,018
	7,940,234	7,436,536	6,812,187	6,492,018
<b>Products transferred at a point in time</b>				
Service contract revenue	7,300,654	6,527,126	-	-
Other fees and commission income	2,998,944	3,052,768	-	-
	10,299,598	9,579,894	-	-
<b>Other Revenue</b>				
Foreign exchange gains	175,285	140,613	14,118	15,722
Other fees and commission income	175,389	331,855	-	-
Miscellaneous fees & other income	109,192	139,415	1,297	778
	459,866	611,883	15,415	16,500
	18,699,698	17,628,313	6,827,602	6,508,518

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## 36. Administration Expenses

	The Group			
	2024			
	Attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
\$ '000	\$ '000	\$ '000	\$ '000	
Advertising and branding	287,472	41,529	959,135	1,288,136
Auditors' remuneration	-	6,928	414,754	421,682
Automated banking machines cost	-	-	196,782	196,782
Commission and fees	16,038	65,985	478,956	560,979
Commission and Sales Expense (b)	3,824,274	3,895,492	195,791	7,915,557
Communication and technology	313,892	473,218	4,086,236	4,873,346
Depreciation, amortisation and impairment(Notes 15/16/38)	300,074	251,726	2,392,152	2,943,952
Electronic channels charges	-	-	2,984,726	2,984,726
Fraud and operational losses	-	-	180,740	180,740
Insurance expense	24,425	14,380	640,553	679,358
Legal and professional fees	79,621	91,047	848,865	1,019,533
Office accommodation	275,999	123,173	1,104,370	1,503,542
Policy stamp duties and reimbursements	100,582	2,159	19,280	122,021
Postage, printing and office supplies	28,852	33,279	184,202	246,333
Sales convention and incentives	379,453	-	177,021	556,474
Services outsourced	65,844	172,400	1,306,900	1,545,144
Other expenses	290,247	236,980	1,740,106	2,267,333
Staff costs (a)	2,556,360	2,135,171	12,840,225	17,531,756
	8,543,133	7,543,467	30,750,794	46,837,394

(a) Staff costs

	The Group			
	2024			
	Attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
\$ '000	\$ '000	\$ '000	\$ '000	
Salaries	1,865,307	1,567,923	9,273,361	12,706,591
Payroll taxes	237,790	186,784	1,085,961	1,510,535
Pension costs (Note 17)	141,586	114,627	266,506	522,719
Other post-retirement benefits (Note 17)	74,315	31,880	423,714	529,909
Share based compensation	50,278	66,343	430,888	547,509
Restructuring costs	-	-	70,206	70,206
Other	187,084	167,614	1,289,589	1,644,287
	2,556,360	2,135,171	12,840,225	17,531,756

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## 36. Administration Expenses (Continued)

	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 (b)	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, amortisation and impairment (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	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
	<u>9,637,167</u>	<u>5,255,705</u>	<u>26,950,586</u>	<u>41,843,458</u>

(a) Staff costs

	The Group			
	2023			
	Expenses 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
	<u>2,202,498</u>	<u>1,773,576</u>	<u>11,174,750</u>	<u>15,150,824</u>

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## 36. Administration Expenses (Continued)

	The Company	
	2024	2023
	\$ '000	\$ '000
Advertising and branding	226,446	234,930
Auditors' remuneration	36,053	43,471
Communication and technology	286,383	322,162
Depreciation, amortisation and impairment (Notes 15/16/38)	109,389	103,639
Insurance	11,910	-
Legal and professional fees	179,956	197,174
Office accommodation	42,309	29,150
Postage, printing and office supplies	3,831	3,581
Sales convention and incentives	52,270	13,918
Other expenses	281,678	246,642
Staff costs (a)	4,745,133	4,130,790
	<u>5,975,358</u>	<u>5,325,457</u>

(a) Staff costs

	The Company	
	2024	2023
	\$ '000	\$ '000
Salaries	3,367,406	3,101,061
Payroll taxes	407,099	354,550
Share based compensation	225,221	-
Other	745,407	675,179
	<u>4,745,133</u>	<u>4,130,790</u>

(b) Commission and Sales Expense

Amount represents commission and bonuses paid to sales representatives.

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(expressed in Jamaican dollars unless otherwise indicated)

## 37. Taxation

(a) Tax is computed as follows:

	The Group		The Company	
	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000
Current year taxation -				
Dividend income tax @ 15%	4,396	6,308	-	-
Income tax at 33 ⅓%	3,177,862	2,474,831	464,503	-
Income tax at 25%	1,034,228	2,451,715	-	296,084
	4,216,486	4,932,854	464,503	296,084
Deferred income tax (Note 18) -				
Deferred tax (credit)/charge relating to the origination and reversal of temporary differences	(168,953)	(444,401)	10,781	10,796
Taxation	4,047,533	4,488,453	475,284	306,880
Other taxes:				
Asset tax @ 0.25%	937,393	910,504	-	-
Withholding tax	398	1,420	-	-
Other taxes	937,791	911,924	-	-

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## 37. Taxation (Continued)

(b) Reconciliation of applicable tax charges to effective tax charge:

	The Group		The Company	
	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000
Investment income tax -				
Dividend income	28,256	42,052	-	-
Tax at 15%	4,238	6,308	-	-
Income tax -				
Profit before taxation	13,098,376	19,061,730	6,662,343	5,209,055
Tax at 2%, 25% & 33 ⅓%	4,426,980	5,362,830	2,220,781	1,302,264
Adjusted for:				
Income not subject to income tax (i)	(3,012,687)	(3,117,146)	(1,830,667)	(1,044,750)
Asset tax not deductible for tax purposes	241,237	318,780	-	-
Expenses not deductible for tax purposes (ii)	2,601,419	2,391,091	84,004	64,573
Subsidiaries taxed at zero rate	(53,072)	(281,577)	-	-
Prior year under/over provision	(13,915)	27,808	-	-
Net effect of other charges and allowances	(146,667)	(219,641)	1,166	(15,207)
	4,043,295	4,482,145	475,284	306,880
Taxation expense	4,047,533	4,488,453	475,284	306,880

(i) This includes dividend income in the stand-alone financials of the entity and income from Annuities and earnings from joint ventures at the Group level.

(ii) This includes expenses relating to annuities and interest charges

(c) The tax (charge)/credit relating to components of other comprehensive income is as follows

	The Group					
	2024			2023		
	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	(1,727,842)	429,632	(1,298,210)	3,979,620	(1,118,360)	2,861,260
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	27,658	(7,408)	20,250	(119,487)	37,641	(81,846)
Re-measurement of post-employment benefits	(1,252,083)	322,044	(930,039)	(946,018)	228,934	(717,084)
Unrealised gains on owner-occupied properties:	433,436	(34,056)	399,380	501,105	(26,506)	474,599
Retranslation of foreign operations	143,828	-	143,828	438,716	-	438,716
Other comprehensive income	(2,375,003)	710,212	(1,664,791)	3,853,936	(878,291)	2,975,645
Deferred income taxes (Note 18)						

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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:

	2024	2023
	\$ '000	\$ '000
Right-of-use assets		
Buildings	1,721,233	1,819,487
Land	52,568	53,764
	<u>1,773,801</u>	<u>1,873,251</u>
Lease liabilities		
Current	482,551	737,304
Non-current	1,413,424	1,406,298
	<u>1,895,975</u>	<u>2,143,602</u>

Additions to the right-of-use assets during the 2024 financial year were \$661,523,000 (2023- \$708,252,000).

- (b) Amounts recognised in the profit or loss statement

The income statement shows the following amounts relating to leases:

	2024	2023
	\$ '000	\$ '000
Amortisation charge of right-of-use assets	760,974	652,491
Interest expense (included in Interest and other interest expense – note 34)	164,659	163,151

- (c) The total cash outflow for leases in 2024 was \$1,127,496,000 (2023 - \$883,051,000).
- (d) As at December 31, 2024, potential future cash outflows of \$44,931,000 (2023- \$37,639,000) (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 \$389,855,000 (2023- \$310,210,000).

#### 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	
	2024	2023
	\$ '000	\$ '000
Net profit attributable to stockholders (\$'000)	9,238,468	14,368,019
Weighted average number of ordinary stock units in issue ('000)	3,901,547	3,903,960
Basic earnings per stock unit (\$)	<u>2.37</u>	<u>3.67</u>

- (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.

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 from the Jamaica Stock Exchange in the name of the Staff Share Purchase Trust or the Long-term Incentive Plan.

	The Group	
	2024	2023
	\$ '000	\$ '000
Net profit attributable to stockholders (\$'000)	9,238,468	14,368,019
Weighted average number of ordinary stock units in issue ('000)	3,902,091	3,914,770
Fully diluted earnings per stock unit (\$)	<u>2.37</u>	<u>3.67</u>

- (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	
	2024	2023
	\$ '000	\$ '000
Weighted average number of ordinary stock units for the purposes of the computation of basic earnings per stock unit	3,901,547	3,903,960
Effect of dilutive potential ordinary stock units – stock options	544	10,810
Weighted average number of ordinary stock units for the purposes of the computation of diluted earnings per stock unit	<u>3,902,091</u>	<u>3,914,770</u>

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## 40. Cash Flows

(a) Adjustments to reconcile net profit to net cash provided by operating activities

	Note	The Group		The Company	
		2024	2023	2024	2023
		\$ '000	\$ '000	\$ '000	\$ '000
Adjustments for non-cash items, interest and dividends:					
Depreciation and amortisation	15/16/38	2,243,952	2,086,040	109,389	103,639
Interest and dividend income	34	(35,992,580)	(32,434,782)	(6,019,495)	(4,244,693)
Interest expense and finance costs	34	9,080,028	8,617,319	209,396	218,699
Income tax	37	4,047,533	4,488,453	475,284	306,880
Other tax expense	37	937,791	911,924	-	-
Gains on disposal of investment securities	34	(417,184)	(1,288,984)	-	-
Fair value gains on trading securities	34	(1,713,649)	(1,597,304)	-	-
Credit impairment losses	34	1,409,645	451,322	-	-
Loss/(gain) on disposal on Investment property	34	10,101	(5,133)	-	-
Impairment charge on land developed for resale		150,000	-	-	-
Gains on revaluation of investment properties	11	(244,800)	(185,000)	-	-
(Gains)/Losses on disposal of property, plant and impairment of goodwill	15	(1,305)	15,781	-	-
Movement in Insurance contract liabilities		14,446,125	8,818,761	-	-
Movement in Reinsurance contract assets		(738,112)	(539,699)	-	-
Movement in Investment contract liabilities		986,733	579,303	-	-
Retirement benefit obligations		138,851	44,637	-	-
Effect of exchange gains on foreign		(175,285)	(140,613)	14,118	(3,454)
Share of profits from joint ventures	12	(226,379)	(241,664)	-	-
		<u>(5,358,535)</u>	<u>(10,419,639)</u>	<u>(5,211,308)</u>	<u>(3,618,929)</u>

	The Group		The Company	
	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000
Changes in other operating assets and liabilities:				
Statutory reserves at Bank of Jamaica and restricted cash	(562,766)	(2,375,264)	-	-
Structured products	-	(671,959)	-	-
Stock options and grants	30,240	33,294	30,240	33,294
Due from related parties	(379,379)	335,872	277,093	1,082,418
Other assets	(6,410,127)	(4,062,638)	(80,250)	(56,656)
Other liabilities	(5,149)	5,519,326	84,692	(255,339)
	<u>(7,327,181)</u>	<u>(1,221,369)</u>	<u>311,775</u>	<u>803,717</u>

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## 40. Cash Flows (Continued)

(a) Adjustments to reconcile net profit to net cash provided by operating activities (Continued)

	The Group		The Company	
	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000
Net investment purchases:				
Proceeds on sale of investment securities	163,281,506	154,030,759	122,882	(2)
Purchase of investment securities	(166,101,313)	(154,490,533)	-	-
Repurchase agreements and deposits	(4,768,588)	(10,886,124)	-	-
Loans and leases	(15,729,383)	(11,908,601)	-	-
	<u>(23,317,778)</u>	<u>(23,254,499)</u>	<u>122,882</u>	<u>(2)</u>
	<u>(36,003,494)</u>	<u>(34,895,507)</u>	<u>(4,776,651)</u>	<u>(2,815,214)</u>

(b) Net acquisition of property, plant and equipment

	The Group		The Company	
	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000
Purchases	(727,883)	(591,966)	(161,582)	(106,550)
Proceeds from disposal	3,966	88,761	-	-
	<u>(723,917)</u>	<u>(503,205)</u>	<u>(161,582)</u>	<u>(106,550)</u>

(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	
		2024	2023
		\$ '000	\$ '000
Deposit and security liabilities	27	285,242,068	262,489,546
Loans payable	28	-	2,198,545
Lease liabilities	38	1,895,975	2,143,602
		<u>287,138,043</u>	<u>266,831,693</u>

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## Notes to the Financial Statements 31 December 2024

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### 40. Cash Flows (Continued)

(c) Net debt reconciliation (Continued)

	The Group	
	2024	2023
	\$ '000	\$ '000
<b>At January 1</b>	266,831,693	255,179,407
Interest Payable	(1,308,014)	(1,161,195)
	265,523,679	254,018,212
<b>Drawdown, net of repayments:</b>		
Deposits and securities liabilities excluding structured products (i)	21,925,934	10,462,688
Loan payable	(2,180,000)	-
Lease repayments	(908,959)	(704,579)
Structured products	-	(671,959)
<b>Non-Cash Movements:</b>		
New leases	661,523	708,252
Foreign Exchange Impact	843,469	1,711,065
Bank overdraft	30,000	-
Interest payable	1,242,397	1,308,014
<b>At December 31</b>	287,138,043	266,831,693

	The Company	
	2024	2023
	\$ '000	\$ '000
<b>At January 1</b>	10,937,404	11,098,704
Interest Payable	(262,689)	(43,989)
	10,674,715	11,054,715
Loan repayments	(1,118,300)	(380,000)
Interest payable	170,519	262,689
<b>At December 31</b>	9,726,934	10,937,404

### 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:

- 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.
- 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)
- The fair value of the equity indexed options and the exchange traded funds that are shorted are based on quoted prices (level 1).
- 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).
- The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.
- 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.

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
	2024 \$ '000	2024 \$ '000	2023 \$ '000	2023 \$ '000
<b>Financial Assets</b>				
Investments at amortised cost (loans and receivables)	53,630,698	54,209,532	42,239,127	42,019,748
Loans & leases, after allowance for credit losses	138,670,942	134,163,501	124,125,496	121,950,383
	192,301,640	188,373,033	166,364,623	163,970,131
<b>Financial Liabilities (Note 27)</b>				
Securities sold under agreements to repurchase	93,640,790	93,640,790	90,821,213	90,821,213
Customer deposits and other accounts	172,482,498	172,767,227	156,499,930	156,847,334
Due to banks and other financial institutions	13,950,268	13,902,117	11,622,339	11,585,432
Loans Payable	-	-	2,198,545	2,205,923

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### 41. Fair Values of Financial Instruments (Continued)

	The Company			
	Carrying Value		Fair Value	
	2024	2024	2023	2023
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Financial Assets</b>				
Financial investments – loans and receivables	1,399,758	1,399,758	1,314,202	1,314,202

(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.

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### 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, 2024, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

	The Group			
	2024			
	Level 1	Level 2	Level 3	Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Financial Assets</b>				
Financial investments	66,656,867	238,670,962	419,554	305,747,383
<b>Non-Financial Assets</b>				
Property, plant & equipment	-	-	4,767,447	4,767,447
Investment properties	-	-	1,614,440	1,614,440
	66,656,867	238,670,962	6,801,441	312,129,270

	The Group			
	2023			
	Level 1	Level 2	Level 3	Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Financial Assets</b>				
Financial investments	66,458,837	232,762,635	608,460	299,829,932
<b>Non-Financial Assets</b>				
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

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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:

Description	The Group					Relationship of unobservable inputs to fair value
	Fair Value at		Unobservable inputs	Range of unobservable inputs		
	2024 \$ '000	2023 \$ '000		2024 \$ '000	2023 \$ '000	
Investment properties (Note 11)	1,614,440	1,618,306	Comparable sale	5%	5%	Increases in comparable sale prices will have direct correlation to the fair value.
Property, plant & equipment (Note 16)	4,767,447	4,374,564	Comparable sale	5%	5%	Increases in comparable sale prices will have a direct correlation to fair value.
Unquoted ordinary equity	419,554	608,460	Adjustments to net assets	10%	10%	Increases in adjusted net assets of the underlying entities will have a direct correlation to fair value.
	<u>6,801,441</u>	<u>6,601,330</u>				

Reconciliation of level 3 unquoted ordinary equity –

	The Group	
	2024 \$ '000	2023 \$ '000
Balance at beginning of year	608,460	773,602
Total gains/(losses) – income statement	(55,299)	(165,142)
Settlements	(133,607)	-
Balance at end of year	<u>419,554</u>	<u>608,460</u>

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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## Notes to the Financial Statements

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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.

## Notes to the Financial Statements

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### 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.

## Notes to the Financial Statements

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### 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).

Individual Life Benefits Assured per Life (\$'000)

0 – 200  
200 - 400  
400 - 800  
800 - 1000  
More than 1,000  
Total

The Group - 2024				
Total Benefits Insured				
Before Reinsurance \$ '000	%	After Reinsurance \$ '000	%	
160,423,004	6	136,871,212	6	
154,863,760	6	132,728,534	5	
191,133,152	7	171,871,427	7	
143,938,263	6	139,643,101	6	
1,934,924,741	75	1,888,562,478	76	
2,585,282,920	100	2,469,676,752	100	

Individual Life Benefits Assured per Life (\$'000)

0 – 200  
200 - 400  
400 - 800  
800 - 1000  
More than 1,000  
Total

The Group - 2023				
Total Benefits Insured				
Before Reinsurance \$ '000	%	After Reinsurance \$ '000	%	
157,670,437	7	134,401,669	6	
152,865,000	6	130,985,018	6	
184,673,674	8	166,909,404	7	
144,265,207	6	139,885,445	6	
1,746,697,129	73	1,706,379,108	75	
2,386,171,447	100	2,278,560,644	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)

0 – 200  
200 - 400  
400 - 800  
800 - 1000  
More than 1,000  
Total

The Group - 2024			
Total Benefits Insured			
Before Reinsurance	%	After Reinsurance	%
\$ '000		\$ '000	
36,641,627	3	25,008,678	3
5,219,992	-	3,548,749	-
1,313,869	-	524,455	-
13,490	-	13,490	-
1,098,733,842	97	1,010,041,782	97
1,141,922,820	100	1,039,137,154	100

Group Life Benefits Assured per Life (\$'000)

0 – 200  
200 - 400  
400 - 800  
800 - 1000  
More than 1,000  
Total

The Group - 2023			
Total Benefits Insured			
Before Reinsurance	%	After Reinsurance	%
\$ '000		\$ '000	
36,563,586	3	24,737,424	2
5,357,876	-	3,767,061	-
1,305,297	-	522,651	-
8,490	-	8,490	-
1,396,870,052	97	1,375,082,351	98
1,440,105,301	100	1,404,117,977	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)

0 – 20  
20 - 40  
40 - 80  
80 - 100  
More than 100  
Total

The Group			
Total Benefits Insured			
2024	%	2023	%
\$ '000		\$ '000	
129,430	2	124,712	2
150,109	2	137,050	2
96,909	1	98,234	2
46,682	1	47,037	1
6,200,871	94	5,777,591	93
<b>6,624,001</b>	<b>100</b>	<b>6,184,624</b>	<b>100</b>

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 life insurance and annuity contracts, 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.

## Notes to the Financial Statements

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### 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.

## Notes to the Financial Statements

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### 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.	<p>The risk on any policy varies according to many factors such as location, safety measures in place and the age of the property.</p> <p>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.</p> <p>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.</p>
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.	<p>The timing of claim reporting and settlement is a function of factors such as the nature of the coverage and the policy provisions.</p> <p>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.</p>

## Notes to the Financial Statements

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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							
	2024				2023			
	Motor insurance	Property insurance	Liability insurance	Total	Motor insurance	Property insurance	Liability insurance	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total insurance coverage								
Contracts issued	113,713,690	492,310,979	23,824,853	629,849,522	98,867,176	468,589,912	88,172,046	655,629,134
Reinsurance held	56,087,512	422,400,444	3,046,874	481,534,830	49,564,512	394,190,385	71,558,896	515,313,793
Total net insurance contracts	57,626,178	69,910,535	20,777,979	148,314,692	49,302,664	74,399,527	16,613,150	140,315,341

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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 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 2019 - 2024 has changed at successive year ends, up to 2024. 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

Accident year	The Group						Total
	2024						
	2019	2020	2021	2022	2023	2024	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
At the end of accident year	2,381,008	1,700,600	1,672,251	1,907,781	2,001,269	3,276,075	
One year later	2,423,211	1,786,758	1,811,728	2,008,642	2,339,311		
Two years later	2,530,613	1,840,956	1,860,515	2,200,280			
Three years later	2,596,148	1,866,374	1,994,962				
Four years later	2,676,085	1,957,223					
Five years later	2,793,089						
<b>Gross estimates of the undiscounted amount of the claims</b>	2,793,089	1,957,223	1,994,962	2,200,280	2,339,311	3,276,075	14,560,940
Cumulative payments to date	(1,828,101)	(1,791,918)	(1,796,380)	(1,936,976)	(1,859,275)	(983,345)	(10,195,995)
Liability recognised in the statement of financial position	964,988	165,305	198,582	263,304	480,036	2,292,730	4,364,945
<b>Liability in respect of prior years and ULAE</b>							44,953
<b>Total liability</b>							<b>4,409,898</b>
At the end of accident year	144,539	750,832	852,000	975,414	992,716	1,753,611	
One year later	256,792	801,057	906,487	1,006,133	1,165,431		
Two years later	265,100	814,495	931,893	1,100,650			
Three years later	267,872	827,417	1,000,234				
Four years later	270,441	867,105					
Five years later	278,615						
Current estimate of cumulative claims	278,615	867,105	1,000,234	1,100,650	1,165,431	1,753,611	6,165,646
Cumulative payments to date	(260,396)	(799,961)	(897,668)	(967,953)	(922,052)	(486,194)	(4,334,224)
Recoverable recognised in the statement of financial position	18,219	67,144	102,566	132,697	243,379	1,267,417	1,831,422
Recoverable in respect of prior years							(87,852)
Deferred Motor							(583,650)
Profit share							112,817
<b>Total recoverable from reinsurers</b>							<b>1,272,737</b>

## Notes to the Financial Statements

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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

Accident year	The Group						Total
	2023						
	2018	2019	2020	2021	2022	2023	
	\$ '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						
<b>Gross estimates of the undiscounted amount of the claims</b>	<b>2,934,225</b>	<b>2,676,145</b>	<b>1,866,374</b>	<b>1,860,515</b>	<b>2,008,642</b>	<b>2,026,848</b>	<b>13,372,749</b>
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
<b>Total liability</b>							<b>2,708,853</b>

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 of financial 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)
<b>Total recoverable from reinsurers</b>							<b>347,099</b>

	The Group					
	2024			2023		
	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	4,237,816	172,082	4,409,898	2,617,239	91,614	2,708,853
Amount recoverable from reinsurers	1,193,665	79,072	1,272,737	287,450	59,649	347,099
Total net LIC	3,044,151	93,010	3,137,161	2,329,789	31,965	2,361,754

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### 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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## Notes to the Financial Statements

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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 - 2024

Health insurance contracts with groups  
 Life insurance contracts with individuals  
 Life insurance contracts with groups  
 General Insurance - Property Q/S Treaty Commercial  
 General Insurance - Property Q/S Treaty -Homeowners and Condominium  
 General Insurance - Engineering & Construction Q/S Treaty  
 Catastrophe Excess of Loss  
 General Insurance – Motor Excess of Loss  
 General Insurance – Property Excess of Loss

##### Type of insurance contract - 2023

Health insurance contracts with groups  
 Life insurance contracts with individuals  
 Life insurance contracts with groups  
 General Insurance - Property Q/S Treaty Commercial  
 General Insurance - Property Q/S Treaty -Homeowners and Condominium  
 General Insurance - Engineering & Construction Q/S Treaty  
 Catastrophe Excess of Loss  
 General Insurance – Motor Excess of Loss  
 General Insurance – Property Excess of Loss

##### Retention by insurers

Retention per individual to a maximum J\$2,500,000.  
 Retention per individual to a maximum of J\$35,000,000 and US\$500,000  
 Retention per individual to a maximum of J\$35,000,000 and US\$100,000  
 Retention – 20% of the sum insured per risk or US\$2,000,000  
 Retention – 20% of the sum insured per risk or US\$1,600,000  
 Retention – 10% of the sum insured per risk or US\$500,000  
 Retention – US\$2,000,000.  
 Retention – US\$500,000.  
 Retention – US\$500,000.

##### Retention by insurers

Retention per individual to a maximum J\$2,500,000.  
 Retention per individual to a maximum of J\$35,000,000 and US\$500,000  
 Retention per individual to a maximum of J\$35,000,000 and US\$100,000  
 Retention – 15% of the sum insured per risk or US\$1,200,000  
 Retention – 25% of the sum insured per risk or US\$2,000,000  
 Retention – 10% of the sum insured per risk or US\$500,000  
 Retention – 10% of the sum insured per risk or US\$500,000  
 Retention – US\$500,000.  
 Retention – US\$500,000.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 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.

	<b>The Group</b>					<b>Total</b>
	<b>2024</b>					
	<b>Investment grade</b>	<b>Non-investment grade</b>	<b>Watch</b>	<b>Default</b>	<b>Unrated</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash resources	4,707,564	17,878,938	-	-	-	22,586,502
Cash reserve at Bank of Jamaica	-	15,029,842	-	-	-	15,029,842
Financial investments & pledged assets excluding equities	58,936,807	258,522,998	199,175	-	-	317,658,980
Unit trusts	-	31,121,288	-	-	-	31,121,288
Loans and leases, after allowance for credit losses	-	136,991,812	1,679,130	-	-	138,670,942
Reinsurance contract assets	3,552,974	-	-	-	-	3,552,974
Other assets	-	8,429,096	-	-	-	8,429,096
<b>Total credit risk exposure</b>	<b>67,197,345</b>	<b>467,973,974</b>	<b>1,878,305</b>	<b>-</b>	<b>-</b>	<b>537,049,624</b>

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 42. Insurance and Financial Risk Management (Continued)

#### (c) Financial risk (Continued)

##### (i) Credit risk (Continued)

	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

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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 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, 2024 and 2023.

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.

##### Undiscounted Financial Liabilities - December 31, 2024

Deposit and security liabilities

Other liabilities

Lease liabilities

Investment contracts liabilities

**Total undiscounted liabilities**

	The Group			Total
	Within 1 year	1-5 years	Over 5 years	
	\$000	\$000	\$000	\$000
Deposit and security liabilities	286,955,174	1,770,862	1,496,560	290,222,596
Other liabilities	17,170,671	41,427	-	17,212,098
Lease liabilities	584,517	1,466,771	86,702	2,137,990
Investment contracts liabilities	15,880,915	6,713,074	146,993	22,740,982
<b>Total undiscounted liabilities</b>	<b>320,591,277</b>	<b>9,992,134</b>	<b>1,730,255</b>	<b>332,313,666</b>

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 42. Insurance and Financial Risk Management (Continued)

#### (c) Financial risk (Continued)

##### (ii) Liquidity risk (Continued)

#### Undiscounted Financial Liabilities - December 31, 2023

Deposit and security liabilities
Loans Payable
Other liabilities
Lease liabilities
Investment contracts liabilities
<b>Total undiscounted liabilities</b>

The Group			
Within 1 year	1-5 years	Over 5 years	Total
\$000	\$000	\$000	\$000
265,869,442	2,102,107	1,692,251	269,663,800
2,291,270	-	-	2,291,270
18,368,931	53,686	720,439	19,143,056
861,473	1,486,951	162,262	2,510,686
15,691,624	5,822,821	-	21,514,445
<b>303,082,740</b>	<b>9,465,565</b>	<b>2,574,952</b>	<b>315,123,257</b>

#### Undiscounted Financial Liabilities

Promissory notes
Other Liabilities
<b>Total undiscounted liabilities</b>

The Company			
2024			
Within 1 year	1-5 years	Over 5 years	Total
\$000	\$000	\$000	\$000
9,743,167	-	-	9,743,167
5,526,993	-	-	5,526,993
<b>15,270,160</b>	<b>-</b>	<b>-</b>	<b>15,270,160</b>

#### Undiscounted Financial Liabilities

Promissory notes
Other Liabilities
<b>Total undiscounted liabilities</b>

The Company			
2023			
Within 1 year	1-5 years	Over 5 years	Total
\$000	\$000	\$000	\$000
-	10,965,309	-	10,965,309
5,755,076	-	-	5,755,076
<b>5,755,076</b>	<b>10,965,309</b>	<b>-</b>	<b>16,720,385</b>

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 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.

###### At December 31, 2024

Credit commitments  
Guarantees, acceptances and other financial facilities  
Operating lease commitments

###### At December 31, 2023

Credit commitments  
Guarantees, acceptances and other financial facilities  
Operating lease commitments

The amounts of insurance contract liabilities that are payable on demand are set out below:

Long term contracts

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

Reinsurance contract assets  
Insurance contract assets

Reinsurance contract liabilities  
Insurance contract liabilities

	The Group			
	No later than 1 year	1-5 years	Over 5 years	Total
	\$000	\$000	\$000	\$000
Credit commitments	12,469,504	312,171	527,381	13,309,056
Guarantees, acceptances and other financial facilities	5,259,470	55,259	1,556,653	6,871,382
Operating lease commitments	44,931	-	-	44,931
	<u>17,773,905</u>	<u>367,430</u>	<u>2,084,034</u>	<u>20,225,369</u>

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
	<u>15,977,772</u>	<u>1,949,917</u>	<u>2,414,317</u>	<u>20,342,006</u>

	The Group			
	2024		2023	
	Amounts payable on demand	Carrying amount	Amounts payable on demand	Carrying amount
	\$000	\$000	\$000	\$000
	69,850,448	112,632,012	63,603,844	104,446,232

	2024			2023		
	Long-term	Short-term	Total	Long-term	Short-term	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Reinsurance contract assets	62,873	1,675,582	1,738,455	253,910	750,696	1,004,606
Insurance contract assets	(626,274)	-	(626,274)	(173,365)	206,357	32,992
	<u>(563,401)</u>	<u>1,675,582</u>	<u>1,112,181</u>	<u>80,545</u>	<u>957,053</u>	<u>1,037,598</u>

Reinsurance contract liabilities	844,753	1,137	845,890	970,449	(19,856)	950,593
Insurance contract liabilities	89,815,726	10,576,152	100,391,878	78,101,760	7,867,507	85,969,267
	<u>90,660,479</u>	<u>10,577,289</u>	<u>101,237,768</u>	<u>79,072,209</u>	<u>7,847,651</u>	<u>86,919,860</u>

## Notes to the Financial Statements

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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						Total
	2024						
	Within 1 Year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
	\$000	\$000	\$000	\$000	\$000	\$000	
<b>Insurance and Reinsurance Contracts Assets</b>							
Reinsurance contract assets	938,215	266,568	109,798	83,968	59,079	280,827	1,738,455
Insurance contract assets	1,004	5,789	961	(3,408)	(6,447)	(624,173)	(626,274)
	939,219	272,357	110,759	80,560	52,632	(343,346)	1,112,181
<b>Insurance and Reinsurance Contracts Liabilities</b>							
Reinsurance contract liabilities	(212,311)	31,959	18,148	23,549	19,726	964,819	845,890
Insurance contract liabilities	2,868,808	(3,539,355)	(2,464,752)	(1,169,846)	(230,037)	104,927,060	100,391,878
	2,656,497	(3,507,396)	(2,446,604)	(1,146,297)	(210,311)	105,891,879	101,237,768
On statement of financial position liquidity gap	(1,717,278)	3,779,753	2,557,363	1,226,857	262,943	(106,235,225)	(100,125,587)
Cumulative liquidity gap	(1,717,278)	2,062,475	4,619,838	5,846,695	6,109,638	(100,125,587)	

	The Group						Total
	2023						
	Within 1 Year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
	\$000	\$000	\$000	\$000	\$000	\$000	
Insurance and Reinsurance Contract Assets	655,925	16,490.00	126,095	9,324.00	(3,247.00)	233,011	1,037,598
Insurance and Reinsurance Contract Liabilities	(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			Total
	2024			
	Within 1 Year	1-5 years	Over 5 years	
	\$000	\$000	\$000	\$000
<b>Assets</b>				
<b>Financial assets excluding Insurance and Reinsurance Contracts Assets</b>				
Cash resources	22,586,502.00	-	-	22,586,502
Cash reserve at Bank of Jamaica	15,029,842.00	-	-	15,029,842
Financial investments and pledged assets excluding equities	59,532,762	83,539,910	174,586,308	317,658,980
Unit trusts	31,121,288	-	-	31,121,288
Loans & leases, after allowance for credit losses	41,190,690.00	49,625,295	47,854,957	138,670,942
Other assets	8,380,396.00	48,700	-	8,429,096
<b>Total financial assets excluding Insurance and Reinsurance Contracts Assets</b>	<b>177,841,480</b>	<b>133,213,905</b>	<b>222,441,265</b>	<b>533,496,650</b>

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

## 42. Insurance and Financial Risk Management (Continued)

## (c) Financial risk (Continued)

## (ii) Liquidity risk (Continued)

**Liabilities****Financial liabilities excluding Insurance and Reinsurance Contracts Liabilities**

Deposit and security liabilities
Other liabilities
Lease liabilities
Investment contract liabilities

**Total liabilities**

On statement of financial position liquidity gap
Cumulative liquidity gap

Total financial assets excluding Insurance and Reinsurance Contracts Assets
Total financial liabilities excluding Insurance and Reinsurance Contracts Liabilities
<b>On statement of financial position liquidity gap</b>
<b>Cumulative liquidity gap</b>

**Assets****Financial assets**

Cash resources
Financial investments and pledged assets
Other assets

**Total assets****Liabilities****Financial liabilities**

Promissory notes
Other liabilities

**Total liabilities**

On statement of financial position liquidity gap
Cumulative liquidity gap

Financial assets

Financial liabilities

**On statement of financial position liquidity gap****Cumulative liquidity gap**

The Group			
2024			
Within 1	1-5	Over 5	Total
Year	years	years	
\$000	\$000	\$000	\$000
283,108,133	1,064,106	1,069,829	285,242,068
17,170,671	41,427	-	17,212,098
482,551	1,312,943	100,481	1,895,975
15,784,157	6,046,060	111,112	21,941,329
316,545,512	8,464,536	1,281,422	326,291,470
(138,704,032)	124,749,369	221,159,843	207,205,180
<u>(138,704,032)</u>	<u>(13,954,663)</u>	<u>207,205,180</u>	

The Group			
2023			
Within 1	1-5	Over 5	Total
Year	years	years	
\$000	\$000	\$000	\$000
171,754,131	95,187,136	231,552,680	498,493,947
297,789,641	7,650,504	1,426,878	306,867,023
(126,035,510)	87,536,632	230,125,802	191,626,924
<u>(126,035,510)</u>	<u>(38,498,878)</u>	<u>191,626,924</u>	

The Company			
2024			
Within 1	1-5	Over 5	Total
Year	years	years	
\$000	\$000	\$000	\$000
435,076	-	-	435,076
1,399,758	-	-	1,399,758
188,724	-	-	188,724
<u>2,023,558</u>	<u>-</u>	<u>-</u>	<u>2,023,558</u>

The Company			
2023			
Within 1	1-5	Over 5	Total
Year	years	years	
\$000	\$000	\$000	\$000
9,726,934	-	-	9,726,934
5,526,993	-	-	5,526,993
15,253,927	-	-	15,253,927
(13,230,369)	-	-	(13,230,369)
<u>(13,230,369)</u>	<u>(13,230,369)</u>	<u>(13,230,369)</u>	

2023			
1,878,889	-	-	1,878,889
5,755,076	10,937,404	-	16,692,480
(3,876,187)	(10,937,404)	-	(14,813,591)
<u>(3,876,187)</u>	<u>(14,813,591)</u>	<u>(14,813,591)</u>	

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(expressed in Jamaican dollars unless otherwise indicated)

### 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 Panama 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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(expressed in Jamaican dollars unless otherwise indicated)

### 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.

	<b>The Group</b>			
	<b>2024</b>			
	<b>Jamaican \$</b>	<b>US\$</b>	<b>Other</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Financial Assets</b>				
Cash resources	15,078,590	5,855,886	1,652,026	22,586,502
Cash reserve at Bank of Jamaica	6,672,264	8,057,716	299,862	15,029,842
Financial investments and pledged assets	199,742,997	157,948,546	1,686,538	359,378,081
Loans & leases, after allowance for credit losses	114,363,800	24,307,142	-	138,670,942
Insurance contract assets	(541)	(6,902)	634,853	627,410
Reinsurance contracts assets	2,415,281	507,712	629,981	3,552,974
Other assets	6,516,819	1,911,850	427	8,429,096
<b>Total financial and insurance assets</b>	<b>344,789,210</b>	<b>198,581,950</b>	<b>4,903,687</b>	<b>548,274,847</b>
<b>Financial Liabilities</b>				
Deposit and security liabilities	164,561,218	118,279,213	2,401,637	285,242,068
Other liabilities	14,569,386	2,597,805	44,907	17,212,098
Insurance contract liabilities	102,087,967	47,952,759	10,311,220	160,351,946
Lease liabilities	1,895,975	-	-	1,895,975
Investment contracts liabilities	14,818,997	7,122,332	-	21,941,329
Reinsurance contract liabilities	379,992	214,955	25,426	620,373
<b>Total financial and insurance liabilities</b>	<b>298,313,535</b>	<b>176,167,064</b>	<b>12,783,190</b>	<b>487,263,789</b>
<b>Net on statement of financial position foreign currency exposure</b>	<b>46,475,675</b>	<b>22,414,886</b>	<b>(7,879,503)</b>	<b>61,011,058</b>

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 42. Insurance and Financial Risk Management (Continued)

#### (c) Financial risk (Continued)

##### (iii) Market risk (Continued)

Currency risk (Continued)

Total assets

Total liabilities

**Net on statement of financial position foreign currency exposure**

<b>The Group</b>			
<b>2023</b>			
<b>Jamaican \$</b>	<b>US\$</b>	<b>Other</b>	<b>Total</b>
<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
307,072,460	199,883,866	4,284,649	511,240,975
265,000,563	175,559,581	11,890,648	452,450,792
<b>42,071,897</b>	<b>24,324,285</b>	<b>(7,605,999)</b>	<b>58,790,183</b>

As of December 31, 2024, the Company's maximum exposure to foreign currency exchange rate risk pertains to financial investments, pledged assets and cash resources amounting to J\$123,490,000 (2023: J\$143,160,000), 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 are 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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 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 \$330,730,000 (2023 - \$123,899,000) 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, 2024 and 2023.

	<b>The Group</b>				
	<b>2024</b>				
	<b>Within 1 year</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Non-Interest bearing</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Financial Assets</b>					
Cash resources	11,932,493	-	-	10,654,009	22,586,502
Cash reserve at Bank of Jamaica	-	-	-	15,029,842	15,029,842
Financial investments and pledged assets	54,944,819	83,535,417	174,586,331	46,311,514	359,378,081
Loans & leases, after allowance for credit losses	137,023,920	872,763	168,084	606,175	138,670,942
Reinsurance contract assets	1,155,310	494,270	688,163	1,215,231	3,552,974
Insurance contract assets	1,089	33,521	568,944	23,856	627,410
Other assets	143,698	-	-	8,285,398	8,429,096
<b>Total financial assets</b>	<b>205,201,329</b>	<b>84,935,971</b>	<b>176,011,522</b>	<b>82,126,025</b>	<b>548,274,847</b>

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 42. Insurance and Financial Risk Management (Continued)

#### (c) Financial risk (Continued)

##### (iii) Market risk (Continued)

Cash flow and fair value interest rate risk (Continued)

#### Financial Liabilities

Deposit and security liabilities

Other liabilities

Lease liabilities

Insurance contract liabilities

Reinsurance contract liabilities

Investment contracts liabilities

Total financial liabilities

**On statement of financial position interest sensitivity gap**

Cumulative interest sensitivity gap

The Group				
2024				
Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
\$000	\$000	\$000	\$000	\$000
262,530,014	21,061,055	833,313	817,686	285,242,068
-	-	-	17,212,098	17,212,098
482,552	1,312,942	100,481	-	1,895,975
(8,013,559)	(12,468,748)	173,794,753	7,039,500	160,351,946
290,932	(4,871)	243,292	91,020	620,373
15,784,157	6,046,060	111,112	-	21,941,329
271,074,096	15,946,438	175,082,951	25,160,304	487,263,789
(65,872,767)	68,989,533	928,571	56,965,721	61,011,058
(65,872,767)	3,116,766	4,045,337	61,011,058	

**Total financial assets**

**Total financial liabilities**

**On statement of financial position interest sensitivity gap**

Cumulative interest sensitivity gap

The Group				
2023				
Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
\$000	\$000	\$000	\$000	\$000
197,336,451	46,032,011	188,514,676	79,357,837	511,240,975
240,339,194	17,530,279	166,933,973	27,647,346	452,450,792
(43,002,743)	28,501,732	21,580,703	51,710,491	58,790,183
(43,002,743)	(14,501,011)	7,079,692	58,790,183	

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 42. Insurance and Financial Risk Management (Continued)

#### (c) Financial risk (Continued)

##### (iii) Market risk (Continued)

Cash flow and fair value interest rate risk (Continued)

#### Financial Assets

Cash resources

Financial investments and pledged assets

Other assets

**Total financial assets**

#### Financial Liabilities

Deposit and security liabilities

Other liabilities

Total financial liabilities

**On statement of financial position interest sensitivity gap**

**Cumulative interest sensitivity gap**

The Company				
2024				
Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
\$000	\$000	\$000	\$000	\$000
435,076	-	-	-	435,076
1,399,758	-	-	-	1,399,758
-	-	-	188,724	188,724
<b>1,834,834</b>	<b>-</b>	<b>-</b>	<b>188,724</b>	<b>2,023,558</b>
9,726,934	-	-	-	9,726,934
-	-	-	5,526,993	5,526,993
9,726,934	-	-	5,526,993	15,253,927
(7,892,100)	-	-	(5,338,269)	(13,230,369)
(7,892,100)	(7,892,100)	(7,892,100)	(13,230,369)	

**Total financial assets**

**Total financial liabilities**

**On statement of financial position interest sensitivity gap**

**Cumulative interest sensitivity gap**

The Company				
2023				
Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
\$000	\$000	\$000	\$000	\$000
1,716,794	-	-	162,095	1,878,889
-	10,937,404	-	5,755,076	16,692,480
1,716,794	(10,937,404)	-	(5,592,981)	(14,813,591)
1,716,794	(9,220,610)	(9,220,610)	(14,813,591)	

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 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					
	2024					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
	%	%	%	%	%	%
Investments (1)	3.5	2.5	5.4	6.5	6.1	5.7
Loans	10.8	9.3	8.5	8.8	3.5	10.3
Mortgages (2)	-	10.8	7.3	7.3	5.8	5.9
Bank overdraft	48.0	-	-	-	-	-
Deposits	1.9	5.2	4.4	6.7	8.3	2.6
	The Group					
	2023					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
	%	%	%	%	%	%
Investments (1)	5.6	5.5	6.6	6.4	5.7	6.8
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	0.5	-	-	-	-	-
Deposits	2.3	5.5	5.0	5.8	8.0	2.9
	The Company					
	2024					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
	%	%	%	%	%	%
Deposits	-	6.7	-	-	-	6.7

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 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					
	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

(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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 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 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
- Lapse and surrender rates
- Longevity
- Operating expense

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.

#### *Insurance contracts issued*

	<b>The Group</b>		
	<b>2024</b>		
	<b>Change in assumptions</b>	<b>Impact on profit before tax gross of reinsurance</b>	<b>Impact on profit before tax net of reinsurance</b>
	<b>\$'000</b>	<b>\$'000</b>	
Mortality/morbidity rate	+10%	(1,254,203)	(1,254,203)
Longevity	+10%	661,580	661,580
Expenses	+10%	(341,117)	(341,117)
Lapse and surrenders rate	+10%	(219,019)	(219,019)

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

## 43. Sensitivity Analysis (Continued)

## (i) Sensitivity arising from the valuation of life insurance and annuity contracts (Continued)

*Insurance contracts issued*

Mortality/morbidity rate  
 Longevity  
 Expenses  
 Lapse and surrenders rate

2024		
Change in assumptions	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance
	\$'000	\$'000
-10%	1,133,717	1,133,717
-10%	(738,248)	(738,248)
-10%	246,646	246,646
-10%	98,809	98,809

Mortality/morbidity rate  
 Longevity  
 Expenses  
 Lapse and surrenders rate

The Group 2023		
Change in assumptions	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance
	\$'000	\$'000
+10%	(526,688)	(526,688)
+10%	16,547	16,547
+10%	(193,674)	(193,674)
+10%	(103,864)	(103,864)

Mortality/morbidity rate  
 Longevity  
 Expenses  
 Lapse and surrenders rate

-10%	514,789	514,789
-10%	(18,205)	(18,205)
-10%	193,457	193,457
-10%	173,059	173,059

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 43. Sensitivity Analysis (Continued)

#### (i) Sensitivity arising from the valuation of life insurance and annuity contracts (Continued)

	The Group				
	2024		2023		
	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%	(6,117,561)	(5,787,795)	(4,132,240)	(3,860,904)
Longevity	+10%	181,038	181,038	43,157	43,157
Expenses	+10%	(1,252,211)	(1,252,218)	(1,155,867)	(1,155,836)
Lapse and surrenders rate	+10%	(2,437,222)	(2,391,176)	(2,586,331)	(2,541,480)
Mortality/morbidity rate	-10%	6,356,515	6,020,548	4,073,393	3,796,730
Longevity	-10%	(180,451)	(180,451)	(47,723)	(47,723)
Expenses	-10%	1,345,606	1,345,621	1,155,330	1,155,301
Lapse and surrenders rate	-10%	2,846,251	2,796,580	2,931,420	2,880,293

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 \$78,475,000 (2023 - \$51,719,000) while a 10% decrease, decreases the liabilities for incurred claims by \$81,384,000 (2023 - \$53,553,000).

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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 43. Sensitivity Analysis (Continued)

#### (ii) Sensitivity arising from the valuation of property and casualty contracts (Continued)

The following sensitivity analysis shows the impact on 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					
	2024					
	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%	(57,496)	(37,006)	(38,331)	(24,671)	
Expected loss	+10%	117,622	78,475	78,415	52,317	
Inflation rate	+1%	73,642	48,106	49,095	32,071	
Weighted average term to settlement	-10%	58,260	37,527	38,840	25,018	
Expected loss	-10%	(122,475)	(81,384)	(81,650)	(54,256)	
Inflation rate	-1%	(71,446)	(46,668)	(47,631)	(31,112)	
		<b>2023</b>				
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)	

## Notes to the Financial Statements

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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					
	2024			2023		
	Carrying Value	Effect of 10% decrease at December 31, 2024	Effect of 5% increase at December 31, 2024	Carrying Value	Effect of 10% decrease at December 31, 2023	Effect of 5% increase at December 31, 2023
\$000	\$000	\$000	\$000	\$000	\$000	
<b>Financial assets at fair value through profit or loss and other comprehensive income equity securities:</b>						
Listed on Jamaica Stock Exchange	5,737,163	(573,716)	286,858	5,672,593	(567,259)	283,630
Listed on US Stock Exchange	4,854,616	(485,462)	242,731	3,933,230	(393,323)	196,662
Other	31,127,322	(3,112,732)	1,556,366	29,254,881	(2,925,488)	1,462,744
	<u>41,719,101</u>	<u>(4,171,910)</u>	<u>2,085,955</u>	<u>38,860,704</u>	<u>(3,886,070)</u>	<u>1,943,036</u>

#### (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					
	2024			2023		
	USD Balances Denominated in other than JMD	Effect of 10% appreciation at December 31, 2024	Effect of 10% depreciation at December 31, 2024	USD Balances Denominated in other than JMD	Effect of 10% appreciation at December 31, 2023	Effect of 10% depreciation at December 31, 2023
\$000	\$000	\$000	\$000	\$000	\$000	
<b>Statement of financial position:</b>						
Assets	198,581,950	178,723,755	218,440,145	199,883,866	179,895,479	219,872,253
Liabilities	176,167,064	158,550,358	193,783,770	175,559,581	158,003,623	193,115,539
Net position	<u>22,414,886</u>	<u>20,173,397</u>	<u>24,656,375</u>	<u>24,324,285</u>	<u>21,891,856</u>	<u>26,756,714</u>
Impact on Net Profit						
Other comprehensive Income		<u>(2,241,489)</u>	<u>2,241,489</u>		<u>(2,432,429)</u>	<u>2,432,429</u>

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 43. Sensitivity Analysis (Continued)

(iv) Sensitivity arising from currency risk (Continued)

	The Company					
	2024			2023		
	Balances Denominated in other than JMD	Effect of 10% appreciation at December 31, 2024	Effect of 10% depreciation at December 31, 2024	Balances Denominated in other than JMD	Effect of 10% appreciation at December 31, 2023	Effect of 10% depreciation at December 31, 2023
	\$000	\$000	\$000	\$000	\$000	\$000
Statement of financial position:						
Assets	123,490	111,141	135,839	140,218	126,196	154,240
Net position	123,490	111,141	135,839	140,218	126,196	154,240
Impact on Net Profit -Other comprehensive Income		(12,349)	12,349		(14,022)	14,022

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.

	Change in exchange rate	The Group						
		2024			2023			
		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%	5,133,896	(279,144)	(187,573)	+10%	3,218,740	(136,026)	(156,587)
Insurance and reinsurance contracts	-10%	4,200,461	187,573	187,573	-10%	2,926,128	136,026	156,587

	Change in exchange rate	The Group					
		2024			2023		
		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%	(4,129,014)	(637,677)	+10%	(4,586,096)	(594,931)	
Underlying assets	+10%	4,552,994	1,504,694	+10%	8,541,143	3,259	
Insurance and reinsurance contracts, net	-10%	4,129,014	637,677	-10%	4,586,096	594,931	
Underlying assets	-10%	(4,552,994)	(1,504,694)	-10%	(8,541,143)	(3,259)	

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 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					
	2024			2023		
	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	6,481,690	-	+100 bps	6,175,237	-
Insurance and reinsurance contracts	-100 bps	(7,147,582)	-	-100 bps	(6,715,725)	-
Debt instruments						
Long Term Insurance	+100 bps	(8,498,352)	(236,319)	+100 bps	(9,882,428)	(345,172)
Short Term Insurance	+100 bps	(315,354)	(63,991)	+100 bps	(309,932)	(85,422)
Other investment securities	+100 bps	(6,604)	(5,243,948)	+100 bps	(7,195)	(6,500,586)
Debt instruments						
Long Term Insurance	-100 bps	10,926,066	513,814	-100 bps	11,050,715	392,162
Short Term Insurance	-100 bps	343,920	81,610	-100 bps	338,274	91,123
Other investment securities	-100 bps	8,217	7,916,483	-100 bps	8,263	6,988,188

The Company is not exposed to changes in interest rates.

## Notes to the Financial Statements

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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 quarterly basis and assessed by Management. These metrics are reported to Boards of Directors quarterly, and are filed with the Regulators in Jamaica quarterly, in Cayman annually, in Panama quarterly 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 quarterly 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. The minimum standard requirement for LICAT is 100%. 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, 2024 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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 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, 2024.

### 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.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 46. Litigation

#### 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) One of the Group's subsidiaries issued a mortgage to an individual to facilitate the purchase of a property valued at \$96,000,000. The sale was allegedly fraudulent and was allegedly conducted without the knowledge of the registered owners. The owners filed a claim in the Supreme Court seeking numerous declarations one of which was an order directing the subsidiary to deliver the duplicate Certificate of Title to the Registrar of Titles and that the Registrar of Titles immediately cancel the duplicate along with its original. The subsidiary has been added to the Claim as an interested party. The Acknowledgement of the Claim was filed on November 20, 2024. The subsidiary has retained an attorney to provide representation in this matter.
- (b) The Claimant alleges that a company that contracted one of the Group's subsidiaries to sell a property on their behalf breached an agreement to sell their lots for sale to the highest bidder claiming that his bids for the lots were higher than the other bids, yet they were still rejected. The Claimant claims damages in excess of \$100,000,000 for breach of contract in lieu of specific performance. The trial is now fixed for ten (10) days on November 3 to 6, November 10 to 13, and November 17 to 18, 2025. The Pre-Trial Review is fixed for May 21, 2025.
- (c) ***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.  
On October 11, 2024, the Government disbursed the final settlement amount.
- (d) ***Peter & Robert Chin et al v Sagicor Group Jamaica Ltd***  
The Claimants and their associated companies brought an action against SGJ alleging that the Company breached the Share Transfer Agreement in addition to breaching the reduction of share capital provisions of Section 71 of the Companies Act. The Claim surrounds a contractual dispute relating to the interpretation of a contractual clause concerning the post transaction earnout. The sum in dispute exceed \$1 billion. An Acknowledgment of Service was filed by the Company on June 28, 2024. The Company's Defence was filed on August 23, 2024, and an amended Defence was filed on November 11, 2024. The Company will now await a date for the Case Management Conference.

## Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

### 46. Litigation (Continued)

#### (e) ***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 and its directors, 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. 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 further reducing the company's shareholding. Based on legal opinion the company has a high probability of success in this matter.

The matter is set for trial on September 23, 24 and 30 2025.

## Notes to the Financial Statements

31 December 2024

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## 47. 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						
	2024						
	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	
<b>Assets</b>							
Cash resources	37,616,344	-	37,616,344	-	-	37,616,344	
Financial investments	498,049,023	-	498,049,023	(98,378,799)	(200,924)	399,469,300	
	535,665,367	-	535,665,367	(98,378,799)	(200,924)	437,085,644	
<b>Liabilities</b>							
Due to banks and other financial institutions	285,242,068	-	285,242,068	(93,640,790)	-	191,601,278	
	285,242,068	-	285,242,068	(93,640,790)	-	191,601,278	
	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	
<b>Assets</b>							
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	
<b>Liabilities</b>							
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	

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

## 47. Offsetting Financial Assets and Financial Liabilities (Continued)

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements.

	The Company						
	2024						
	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	
<b>Assets</b>							
Cash resources	435,076	-	435,076	-	-	435,076	
Financial investments	1,399,758	-	1,399,758	-	-	1,249,643	
	1,834,834	-	1,834,834	-	-	1,684,719	
<b>Liabilities</b>							
Due to banks and other financial institutions	9,726,934	-	9,726,934	-	-	9,726,934	
	9,726,934	-	9,726,934	-	-	9,726,934	
	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	
<b>Assets</b>							
Cash resources	402,592	-	402,592	-	-	402,592	
Financial investments	1,314,202	-	1,314,202	-	-	1,038,154	
	1,716,794	-	1,716,794	-	-	1,440,746	
<b>Liabilities</b>							
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	

## Notes to the Financial Statements

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### 48. Non-Controlling Interests

The non-controlling interests represent the share of net assets and net profit not attributed to Sagior Group. The amounts were calculated as follows:

	2024			
	Travel Cash \$000	AGI \$000	Bailey Williams \$000	Total \$000
Total assets	1,117,659	12,607,436		
Total liabilities	235,437	8,750,562		
<b>Net Assets</b>	<b>882,222</b>	<b>3,856,874</b>	-	
<b>Non-controlling interest</b>	<b>450,074</b>	<b>1,626,541</b>	<b>(23,317)</b>	<b>2,053,298</b>
Revenue	157,141	10,462,607	202	
Net profit/(loss) for the period	52,288	(213,133)	(974)	
Other comprehensive income				
<b>Total comprehensive income</b>	<b>52,288</b>	<b>(213,133)</b>	<b>(974)</b>	
<b>Non-controlling interest</b>	<b>(29,601)</b>	<b>(112,732)</b>	<b>(45,292)</b>	<b>(187,625)</b>
Cashflows from operating activities	89,691	(22,219)	(691,512)	
Cashflows from investing activities	(280)	(164,474)	-	
Cashflows from financing activities	-	-	656,000	
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>89,411</b>	<b>(186,693)</b>	<b>(35,512)</b>	
	<b>2023</b>			
	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	
<b>Net Assets</b>	<b>829,931</b>	<b>4,557,578</b>	<b>73,248</b>	
<b>Non-controlling interest</b>	<b>479,675</b>	<b>1,934,303</b>	<b>21,975</b>	<b>2,435,953</b>
Revenue (b)	216,871	1,088,932	15,035	
Net profit for the period	104,029	415,339	13,611	
Other comprehensive income	-	293,835	-	
<b>Total comprehensive income</b>	<b>104,029</b>	<b>709,174</b>	<b>13,611</b>	
<b>Non-controlling interest</b>	<b>50,973</b>	<b>150,202</b>	<b>4,083</b>	<b>205,258</b>
Cashflows from operating activities	(5,189)	(1,079,085)	(3,172,289)	
Cashflows from investing activities	(30,043)	196,362	-	
Cashflows from financing activities	-	-	3,005,639	
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(35,232)</b>	<b>(880,703)</b>	<b>(166,650)</b>	

(a) The information above represents amounts before intercompany eliminations.

(b) Revenue includes Net Insurance Results, Net Investment Income and Fees and Other Revenues.

## Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 49. Subsequent Events

The Group has evaluated subsequent events through to March 3, 2025, 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, 2024 that would require disclosure in the financial statements.

# Corporate Directory

## SAGICOR LIFE

### MAURICE MCDONALD

#### Branch Manager

SPANISH TOWN

25 – 27 Brunswick Street,  
Spanish Town,  
St. Catherine  
888-SAGICOR

### DALTON THOMPSON

#### Branch Manager

BELMONT DUKES

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888-SAGICOR  
Fax: 968-0762

### ERROL MOSS

#### Branch Manager

OCHO RIOS

2 Newlin Street,  
Ocho Rios Business Centre  
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### MEILA MCKITTY PLUMMER

#### Branch Manager

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### DERRICK LEWIS

#### Branch Manager

LIGUANEA

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### PHILBERT PERRY

#### Branch Manager

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### IAN BOURNE

#### Branch Manager

HOLBORN

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### SOPHIA MORRIS

#### Branch Manager

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### LESLIE FRANCIS

#### Branch Manager

KNUTSFORD

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### PATRICK SINCLAIR

#### Senior Branch Manager

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### ODINE DACOSTA

#### Branch Manager

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### MARK LINDSAY

#### Branch Manager

SENATORS

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### DAVE HILL

#### General Manager

SAGICOR INSURANCE

BROKERS LIMITED

Sigma Building  
63 Knutsford Boulevard  
Kingston 5  
888-SAGICOR  
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### TATIANA BROWN

#### Country Manager

SAGICOR LIFE OF THE  
CAYMAN ISLANDS LTD.  
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Grand Cayman KY1-1102  
Cayman Islands  
888-SAGICOR  
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## OTHER SAGICOR LOCATIONS:

### MAY PEN

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Fax: 754-1804

### TRENCH TOWN

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Kingston 12  
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Fax: 754-1804

### SAV-LA-MAR

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Savanna-la-Mar  
Westmoreland

## SAGICOR BANK

### CLEMENT ELLINGTON

#### Branch Manager

LIGUANEA & MANOR PARK  
106 Hope Road, Kingston 6  
888-SAGICOR  
Fax: 978-7404  
MANOR PARK  
Manor Park Extension Plaza

### LAUREL WEBSTER

#### Branch Manager

DUKE & TOWER STREET  
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### BRENT JOHNSON

#### Branch Manager

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### GLENROY MORGAN

#### Branch Manager

PORTMORE  
Shop #34 Portmore Pines Plaza  
Portmore, St. Catherine  
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### RICARDO MAHABEER

#### Branch Manager

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17 Dominica Drive, Kingston 5  
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## Corporate Directory (Cont'd)

### **NIKESHA BONNICK MAGNUS**

#### **Branch Manager**

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### **NURSITA GRAY BARRIFFE**

#### **Branch Manager**

TROPICAL PLAZA  
Shop #25,  
12 1/2 – 14 Constant Spring Road,  
Kingston 10  
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### **DOREEN PINDLING-WILLIAMS**

#### **Branch Manager**

OCHO RIOS  
Units 5 & 6 Eight Rivers  
Towne Center Buckfield  
Ocho Rios, St. Ann  
Tele: 974-8833

### **MARION EDWARDS**

#### **Branch Manager**

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### **KAVON WALKER**

#### **Branch Manager**

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### **VILMA BARRETT GUNTER**

#### **Branch Manager**

BLACK RIVER  
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Black River, St. Elizabeth  
888-SAGICOR  
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### **WENDY BERNARD**

#### **Branch Manager**

MONTEGO BAY  
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

### **KEMAR HANSON**

#### **Branch Manager**

MAY PEN  
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)  
5-7 Ward Avenue,  
Mandeville, Manchester  
888-SAGICOR  
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### **BIANCA NAM**

#### **Vice President**

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Management  
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### **SHELLY-ANN MORGAN**

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### **ANTHONY HOWARD**

#### **Manager**

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### **KAREN RICHARDS**

#### **Assistant Vice President**

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### **MISCHA MCLEOD-HINES**

#### **Vice President**

Capital Markets  
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### **JODIAN ARIS**

#### **Assistant Vice President**

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**KIMBERLEY GARBUTT**  
Regional Manager  
Investment Client Services  
(North)  
Units 5 & 6 Eight Rivers Town  
Centre  
Ocho Rios, St. Ann

### **MELICIA JONES**

#### **Regional Manager**

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### **GEOFFREY CHONG**

#### **Country Head**

Sagicor Investments Cayman  
198N Church St. George Town  
P.O. Box 1087, Grand Cayman  
KY1-1102, Cayman Islands

# Disclosure of Shareholdings

## SHAREHOLDINGS OF THE TEN LARGEST SHAREHOLDERS

AT 31 DECEMBER 2024

	LIST OF SHAREHOLDERS	TOTAL NO. OF SHARES	PERCENTAGE
1	LOJ Holdings Limited	1,267,474,056	32.45%
2	Pan Jamaica Group Limited	1,179,742,497	30.21%
	<i>(Cecil Boswell Facey Foundation - Connected Company)</i>	718,400	
	<i>(Orange Hall Estates - Connected Company)</i>	40,579	
3	Sagicor Life Insurance Trinidad & Tobago Limited	413,870,334	10.60%
4	Sagicor Life Inc	236,793,064	6.06%
5	<i>(Sagicor Pooled Equity Fund - connected company)</i>	100,724,711	2.72%
	<i>(Trustee Sagicor Long-Term Incentive Plan - connected company)</i>	5,078,136	
	<i>(Sagicor Life Jamaica Share Purchase Plan 2003)</i>	222,339	
	<i>(Trustee of the SLJ of Employee Share Purchase Plan)</i>	117,112	
	<i>(Trustee SIJL of Employee Share Inv Trust )</i>	-	
6	National Insurance Fund	73,974,697	1.89%
7	SJIML 3119	47,416,703	1.21%
8	Ideal Portfolio Services Ltd	33,722,658	1.00%
	<i>(Ideal Global/Ideal Group/Ideal Betting/Ideal Finance - Con. Co.)</i>	5,165,977	
9	ATL Group Pension Fund Trustee Nominee Limited	28,755,022	0.74%
10	JCSD Trustee Services Ltd - Sigma Equity	28,733,772	0.74%
11	GraceKennedy Pension Fund Custodian Ltd. for GraceKennedy Pension Scheme	27,682,689	0.71%
	<b>Total</b>	<b>3,450,232,746</b>	<b>88.34%</b>
	<b>Others</b>	<b>455,402,170</b>	<b>11.66%</b>
	<b>Total Issued Shares</b>	<b>3,905,634,916</b>	<b>100.00%</b>

## Disclosure of Shareholdings (Cont'd)

### SHAREHOLDINGS OF DIRECTORS

AT 31 DECEMBER 2024

	LIST OF DIRECTORS	NO OF SHARES	%	
1	Peter Melhado - Chairman	Nil	0.00%	
2	Christopher Zacca - President & CEO	2,987,412	2,987,472	0.08%
	<i>(Karen E. Zacca - connected person)</i>	Nil		
	<i>(Edward Zacca - connected person)</i>	60		
3	Dr. The Most Hon. 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%
	<i>(Wendy Facey - connected person)</i>			
	<i>(Alexander &amp; Matthew Facey - connected person)</i>	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)	54,518	0.00%	

### SHAREHOLDINGS OF LEADERSHIP TEAM

AT 31 DECEMBER 2024

	LIST OF LEADERSHIP TEAM	NO OF SHARES	%	
1	Christopher Zacca - President & CEO	2,987,412	2,987,472	0.08%
	<i>(Karen E. Zacca - connected person)</i>	Nil		
	<i>(Edward Zacca - connected person)</i>	60		
2	Andre Ho Lung	387,309	0.01%	
3	Mark Chisholm	3,579,391	0.09%	
	<i>(Te-Anne Chisholm - connected person)</i>			
	<i>(Sharo Anne Chisholm - connected person)</i>			
	<i>(Joneel Chisholm - connected person)</i>			
4	Willard Brown	979,246	0.03%	
5	Karl Williams	1,942,854	0.05%	
6	Chorvelle Johnson Cunningham	264,634	0.01%	
7	Tara Nunes	1,027,521	0.03%	
	<i>(Kelly A. Nunes - connected person)</i>			
	<i>(Brooke M. Nunes - connected person)</i>			
8	Donnette Scarlett	732,226	0.02%	
	<i>(Merrick Scarlett - connected person)</i>			
	<i>(Monique Scarlett - connected person)</i>			
9	Caren Scott-Dixon	10,649	0.00%	
10	Omar Brown	59,158	0.00%	
	<i>(Polliana M. Brown - connected person)</i>			
11	Howard Gordon	26,836	0.00%	
	<i>(Beverley Gordon - connected person)</i>			
	<i>(Michelle Gordon-Taylor - connected person)</i>			
12	Tracy-Ann Spence	24,063	0.00%	
	<i>(Carson Nicholas - connected person)</i>			
13	Joanna Banks	18,430	25,379	
	<i>(Pierre-John Holmes - connected person)</i>	6,949	0.00%	
	<i>(Ana Kay &amp; Brady A. Holmes - connected person)</i>			



# Form of Proxy

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 in "The Auditorium" at Sagicor Group Jamaica Limited, R. Danny Williams Building, 28 - 48 Barbados Avenue, Kingston 5, in the parish of St. Andrew on the **22nd day of May 2025 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, 2024		
2. To elect Directors. That the election of directors be made en-bloc.		
3. To elect Directors <b>a) In accordance with Articles 98</b> Dr. Marjorie Fyffe-Campbell Stephen Facey Mahmood Khimji Dr. Jacqueline Coke-Lloyd Peter Melhado <b>b) In accordance with Article 100</b> Cathleen McLaughlin		
4. To fix the remuneration of Directors		
5. To appoint and authorise 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 \_\_\_\_\_ 2025

Signature \_\_\_\_\_



**NOTE:** (1) If the appointer is a Corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorised.  
 (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	CLIENTS →	Connection Points
<p><b>Contact our Registrar for:</b></p> <ul style="list-style-type: none"><li>Share transfers and dividend queries</li><li>Enquiries and updates to your share account/shareholdings</li><li>Replacement of lost/missing share certificates</li></ul>	<p><b>Corporate Trust</b> Ground Floor R. Danny Williams Building 28-48 Barbados Avenue Kingston 5</p> <p> <a href="mailto:sbj_registrar@sagicor.com">sbj_registrar@sagicor.com</a></p> <p> 876-936-7382-7 876-936-7390 876-733-8573</p>	<p>Get general information on the company's activities, policies, products, and services</p> <p>View information on Sagicor Group Jamaica online</p> <p>Receive the latest company news or learn more about Sagicor Group Jamaica</p> <p>Call toll free</p>	<p><b>Client Relations</b>  <a href="mailto:infoja@sagicor.com">infoja@sagicor.com</a>  888-SAGICOR (724-4267)</p> <p><b>Website</b>  <a href="http://sagicor.com">sagicor.com</a></p> <p><b>Public Relations</b>  <a href="mailto:sgj_publicrelations@sagicor.com">sgj_publicrelations@sagicor.com</a></p> <p>Within Jamaica - 888-SAGICOR (724-4267) From Canada &amp; USA - 1-800-SAGICOR From Europe - +800-4-SAGICOR</p>
<p>Obtain additional printed copies of the Annual Report or make enquiries about company news and initiatives</p>	<p><b>Investor Relations</b>  <a href="mailto:sgj_investorrelations@sagicor.com">sgj_investorrelations@sagicor.com</a></p>		

Don't forget to follow us on:



Sagicor Group Jamaica 

Call us at

888-SAGICOR (724-4267) | [sagicor.com](http://sagicor.com)   