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Sagicor Investments

AUDITED FINANCIAL STATEMENTS



2024

Sagicor Investments Jamaica Limited

Financial Statements
31 December 2024

Sagicor Investments Jamaica Limited

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31 December 2024

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Independent auditor's report

To the Members of Sagicor Investments Jamaica Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Sagicor Investments Jamaica Limited (the Company) as at 31 December 2024, and of its financial performance and its 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 Company's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the income statement for the year then ended
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

Independence

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

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

Management is responsible for the preparation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.



Chartered Accountants
Kingston, Jamaica
7 March 2025

Sagicor Investments Jamaica Limited

Income Statement

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
Net Interest Income and Other Revenue			
Interest income earned from financial assets measured at amortised cost and FVOCI		6,387,600	5,913,242
Other interest income		2,578	3,337
Total interest income	5	6,390,178	5,916,579
Interest expense	6	(4,284,715)	(4,421,525)
Net interest income		2,105,463	1,495,054
Fees and commission income	7	1,764,514	1,791,672
Net trading income	8	399,215	9,895
		2,163,729	1,801,567
		4,269,192	3,296,621
Operating Expenses			
Team member costs	9	1,088,866	886,483
Credit impairment losses/(gains)	10	25,716	(62,841)
Depreciation and amortisation		85,637	80,114
Asset tax and levies		226,272	214,847
Other expenses	11	2,092,591	1,952,760
		3,519,082	3,071,363
Profit before Taxation		750,110	225,258
Taxation	12	(182,860)	(17,573)
Net Profit		567,250	207,685

The accompanying notes on pages 7 – 76 form an integral part of these financial statements.

Sagicor Investments Jamaica Limited

Statement of Comprehensive Income

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	2024 $'000	2023 $'000
Net profit for the year		
Other comprehensive income -	567,250	207,685
Item that will not be reclassified to profit or loss		
Re-measurements of post-employment benefits	(28,980)	(7,635)
Items that will be reclassified to profit or loss	(28,980)	(7,635)
Financial assets at FVOCI -		
Net (loss)/gain on investments in debt instruments measured at FVOCI	(476,029)	2,137,784
Provision for ECL	12,622	(58,062)
Net gain on financial assets measured at FVOCI reclassified to profit or loss on disposal	(236,131)	(442,409)
	(699,538)	1,637,313
Total other comprehensive income, net of taxes	(728,518)	1,629,678
Total Comprehensive Income	(161,268)	1,837,363

The accompanying notes on pages 7 – 76 form an integral part of these financial statements.

Sagicor Investments Jamaica Limited

Statement of Financial Position

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
ASSETS			
Cash and balances due from other financial institutions	13	786,745	741,009
Financial assets at fair value through profit or loss	14	1,665,945	1,792,072
Securities purchased under agreements to resell	15	2,270,740	820,539
Investment securities	16	2,270,613	6,800,458
Debt securities at amortised cost	16	197,015	306,908
Pledged assets	17	95,911,061	91,134,259
Due from related companies	18	197,751	95,789
Investment in subsidiary	19	7	7
Intangible assets	20	261,370	181,403
Property, plant and equipment	21	138,427	170,847
Post- employment benefit assets	22	54,106	111,243
Deferred income tax assets	25	1,686,376	1,335,043
Taxation recoverable		547,792	717,371
Other assets	23	2,627,288	2,181,214
		108,615,236	106,388,162
LIABILITIES			
Deposits and securities liabilities	24	91,339,774	89,298,285
Due to related companies	18	52,457	43,768
Post-employment benefit obligations	22	157,401	170,954
Other liabilities	26	2,417,027	2,013,387
		93,966,659	91,526,394
STOCKHOLDERS' EQUITY			
Share capital	27	3,195,565	3,195,565
Fair value reserve	29	(3,988,559)	(3,289,021)
Retained earnings		15,441,571	14,955,224
TOTAL EQUITY		14,648,577	14,861,768
TOTAL EQUITY AND LIABILITIES		108,615,236	106,388,162

Approved for issue by the Board of Directors on February 21, 2025 and signed on its behalf by:

Bruce James — Chairman

Christopher Zacca — Director

Sagicor Investments Jamaica Limited

Statement of Changes in Equity

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital	Equity Reserves Reserve	Retained Earnings	Total
		$'000	$'000	$'000	$'000
Balance at 31 December 2022		3,195,565	(4,926,334)	14,929,684	13,198,915
Net profit		-	-	207,685	207,685
Net gains recycled to revenue on disposal and maturity of FVOCI securities		-	(442,409)	-	(442,409)
IAS 19		-	-	(7,635)	(7,635)
Expected credit loss		-	(58,062)	-	(58,062)
Net unrealized gains on FVOCI securities		-	2,137,784	-	2,137,784
Total comprehensive income for 2023		3,195,565	1,637,313	200,050	1,837,363
Employee share option scheme		-	-	490	490
Transaction with owners -					
Dividends	30	-	-	(175,000)	(175,000)
Balance at 31 December 2023		3,195,565	(3,289,021)	14,955,224	14,861,768
Net profit		-	-	567,250	567,250
Net gains recycled to revenue on disposal and maturity of FVOCI securities		-	(236,131)	-	(236,131)
Expected credit loss		-	12,622	-	12,622
IAS 19		-	-	(28,980)	(28,980)
Net unrealized gains on FVOCI securities		-	(476,029)	-	(476,029)
Total comprehensive income for 2024		-	(699,538)	538,270	(161,268)
Employee share option scheme		-	-	(1,923)	(1,923)
Transaction with owners -					
Dividends	30	-	-	(50,000)	(50,000)
Balance at 31 December 2024		3,195,565	(3,988,559)	15,441,571	14,648,577

The accompanying notes on pages 7 – 76 form an integral part of these financial statements.

Sagicor Investments Jamaica Limited

Statement of Cash Flows

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
Cash Flows from Operating Activities			
Net profit		567 250	207,685
Adjustments for:			
Interest income		(6,390,178)	(5,916,577)
Interest expense		4,284,715	4,421,554
Dividend income		(2,631)	(13,733)
Income tax charge		182,860	17,573
Fair value (gains)/losses on financial assets at fair value through profit and loss		(65,474)	578,529
Impairment charges/(reversals)		18,496	(86,754)
Amortisation of intangible assets		26,882	24,374
Depreciation of property, plant and equipment		58,756	55,739
Loss on sale of property, plant and equipment		-	9
Changes in post-employment benefits		48,133	34,963
Stock options expense		5,807	(2,287)
Share grant expense		8,103	18,947
		(1,257,283)	(660,007)
Changes in operating assets and liabilities -			
Financial assets at fair value through profit or loss		194,233	55,655
Securities purchased under agreements to resell		(539)	(8,727)
Investment securities		8,012,713	647,322
Pledged assets		(4,776,802)	(5,637,469)
Securities sold under agreements to repurchase		5,162,119	7,903,627
Structured products		-	(656,103)
Customer accounts		(72,283)	(959,066)
Other assets		(492,450)	(114,435)
Other liabilities		385,821	346,024
		7,155,529	916,821
Interest received		6,694,508	5,613,2702
Interest paid		(4,445,899)	(4,236,392)
Tax paid		-	(79,776)
Net cash provided by operating activities		9,404,138	2,213,923

Sagicor Investments Jamaica Limited

Statement of Cash Flows (Continued)

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
Cash Flows from Operating Activities (from Page 5)		9,404, 138	2,213,923
Cash Flows from Investing Activities			
Purchase of intangible assets	20	(106,848)	(1,481)
Purchase of property, plant and equipment	21	(26,335)	(31,563)
Net cash used in investing activities		(133,183)	(33,044)
Cash Flows from Financing Activities			
Notes payable		(2,180,000)	-
Due to parent company and fellow subsidiaries		(93,273)	81,683
Borrowings from banks and other financial institutions – long term		-	2,310,033
Repayment of amounts due to banks and other financial institutions – long term		-	(2,310,033)
Dividends paid	30	(50,000)	(175,000)
Net cash used in financing activities		(2,323,273)	(93,317)
Effect of exchange rate changes on cash and cash equivalents		1,054	27,552
Net increase in cash and cash equivalents		6,948,736	2,115,114
Cash and cash equivalents at beginning of year		5,190,124	3,075,009
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	12,138,860	5,190,123

The accompanying notes on pages 7 – 76 form an integral part of these financial statements.

Sagicor Investments Jamaica Limited

Notes to the Financial Statements
31 December 2024
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification, Regulation and License

(a) Sagicor Investments Jamaica Limited (SIJL, the "Company") is incorporated and domiciled in Jamaica. The principal activities of the Company are the provision of investment, fund and unit trust management services and development banking. The Company is a licensed securities dealer and has primary dealer status from the Bank of Jamaica (BOJ) and is also a member of the Jamaica Stock Exchange. The registered office of the Company is located at 85 Hope Road, Kingston 6.

(b) The Company is a wholly owned subsidiary of Sagicor Group Jamaica Limited (SGJ), which is incorporated and domiciled in Jamaica. Sagicor Group Jamaica Limited (the parent) is listed on the Jamaica Stock Exchange. It is 32.45% (2023 – 32.45%) owned by LOJ Holdings Limited which is also incorporated and domiciled in Jamaica. Sagicor Life Inc, which is incorporated in Barbados, directly holds a 16.66% interest in SGJ. The ultimate parent Company is Sagicor Financial Corporation Limited (SFC), which is incorporated and domiciled in Bermuda. LOJ Holdings Limited and Sagicor Life Inc are both wholly owned by SFC, hence SFC has an overall interest of 49.11% (2023 – 49.11%) in SGJ. The other significant shareholder in SGJ is Pan Jamaica Group Limited with a 30.22% (2023 – 30.22%) holding.

(c) On 19th July 2019, Phoenix Equity Holding Limited (Phoenix) was incorporated in Barbados as wholly owned subsidiary of SIJL. On 30th September 2019, SIJL through its subsidiary, Phoenix, acquired a 60% stake in Advantage General Insurance Company Limited (AGI).

(d) These financial statements contain information about Sagicor Investments Jamaica Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption under IFRS 10 – 'Consolidated financial statements' from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statement of its parent, Sagicor Group Jamaica Limited. Sagicor Group Jamaica Limited is incorporated in Jamaica, and its financial statements are publicly available.

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 IFRS® Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS® Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at fair value through profit or loss.

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 Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Sagicor Investments Jamaica Limited

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, 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 Company has assessed the relevance of all such new interpretations and amendments, and has adopted the following, which are relevant to its operations.

Amendment to IAS 1 – Non-current liabilities with covenants (effective for annual periods beginning on or after 1 January 2024). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. There was no impact to the Company on adoption of this amendment.

Standards, interpretations and amendments to published standards not yet effective and have not been early adopted by the Company
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 Company has not early adopted. The Company has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments, (effective for annual 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).

The Company is currently assessing the impact of future adoption of the new amendment on its financial statements.

IFRS 18 Presentation and disclosures in financial statements, (effective for annual 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.

The Company is currently assessing the impact of future adoption of the new amendment on its financial statements.

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 Company.

Sagicor Investments Jamaica Limited

Notes to the Financial Statements
31 December 2024
(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(b) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is the Company's presentation currency.

(ii) Transactions and balances
Foreign currency transactions or 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 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 Company trades in foreign currency.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments.

All foreign exchange gains and losses recognised in the income statement are presented net in the income statement within the corresponding item. 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 fair value through other comprehensive income ("FVOCI") 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 carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial instruments, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as fair value through other comprehensive income ("FVOCI") financial assets, are included in the fair value reserve in other comprehensive income.

2. Material Accounting Policies (Continued)

(c) Revenue and income recognition

Interest income and expenses
Interest income and expense are recognised in the income statement for all interest-bearing instruments using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets have been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Fee and commission income
Fees and commission income are recognised on an accrual basis when the service has been provided. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportionate basis. Asset management fees related to investment funds are recognised rateably over the period in which the service is provided. Performance linked fees or fee components are recognised when the performance criteria are fulfilled.

Net trading income
Net trading income includes all gains and losses from changes in fair value and related income or expense and dividends for financial assets and liabilities for instruments held for trading. Net trading income also includes foreign exchange on translated assets and liabilities and net gains and loss on investment securities.

Dividend
Dividends are received from financial assets measured at fair value through other comprehensive income (FVOCI). Dividend income is recognised when the right to receive payment is established.

2. Material Accounting Policies (Continued)

(d) Current and deferred income tax

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 other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income 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 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 income tax assets are recognised only 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.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash and non-restricted balances with BOJ, balances due from other banks, investment securities, reverse repurchase agreements, repurchase agreements with financial institutions and short term amounts due to banks and other financial institutions.

(f) Sale and repurchase agreements

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.

Sagicor Investments Jamaica Limited

Notes to the Financial Statements
31 December 2024
(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(g) Financial assets – Policies under IFRS 9

(i) Classification of financial assets

IFRS 9 introduces 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 ("FVOCI") or amortized cost based on the nature of the cash flows of these assets and the Company's business model. These categories replace the existing IAS 39 classification of FVTPL, available for sale, loans and receivables and held-to-maturity. 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 FVOCI 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 FVOCI or at FVTPL. Financial assets and liabilities are recognised when the Company becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Financial assets measured at amortized cost

Financial assets 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, such as most loans and advances to banks and customers and some debt securities, are measured at amortised cost. In addition, most financial liabilities are measured at amortised cost. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs.

Financial assets measured at fair value through other comprehensive income

Financial assets held for a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. These comprise primarily debt securities.

Financial assets measured at fair value through profit and loss

Financial instruments, other than those held for trading, are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- when a group of financial assets and liabilities or a group of financial liabilities is managed, and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

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. Assets held for trading are measured at fair value through profit and loss.

2. Material Accounting Policies (Continued)

(g) Financial assets – Policies under IFRS 9 (continued)

(i) Classification of financial assets (continued)

Business model assessment

Business models are determined at the level which best reflects how the Company manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

- The nature of liabilities, if any, funding a portfolio of assets;
- The nature of the market of the assets in the country of origination of a portfolio of assets;
- How the Company intends to generate profits from holding a portfolio of assets;
- The historical and future expectations of asset sales within a portfolio.

Solely repayments of principle and interest ("SPPI")

Where the business model is hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principle and interest. In making this assessment, the Company 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 assets is classified and measured at FVTPL.

(ii) Embedded derivatives

The Company may hold debt securities and preferred equity securities which may contain embedded derivatives. The embedded derivative of a financial asset is classified in the same manner as the host contract.

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

IFRS 9 introduces an impairment model that requires the recognition of expected credit losses ("ECL") on financial assets measured at amortised cost and FVOCI and off-balance sheet loan commitments and financial guarantees which were previously provided for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

At initial recognition, 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').

2. Material Accounting Policies (Continued)

(g) Financial assets – Policies under IFRS 9 (continued)

(iii) Impairment of financial assets measured at amortized cost and FVTOCI (continued)

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 significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment so are 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 Company 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 default, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

(iv) Purchased or originated credit-impaired assets

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are POCI. This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower's financial difficulty that otherwise would not have been considered. The amount of change-in-lifetime ECL is recognised in profit or loss until the POCI is derecognised, even if the lifetime ECL is less than the amount of ECL included in the estimated cash flows on initial recognition.

(v) Definition of default

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

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

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

(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.

2. Material Accounting Policies (Continued)

(g) Financial assets – Policies under IFRS 9 (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;
- 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

Expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. 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 (i.e. Stage 3). For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience but given that IFRS 9 requirements have only just been applied, there has been little time available to make these comparisons. 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.

The main difference between Stage 1 and Stage 2 expected credit losses is the respective PD horizon. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates will continue to leverage existing processes for estimating losses on impaired loans, however, these processes will be updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An expected credit loss estimate will be produced for each individual exposure, including amounts which are subject to a more simplified model for estimating expected credit losses.

2. Material Accounting Policies (Continued)

(g) Financial assets – Policies under IFRS 9 (continued)

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

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

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions.

For a revolving commitment, the Company 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 expected life-time losses which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information
The estimation and application of forward-looking information will require significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in the expected credit loss calculation will have forecasts of the relevant macroeconomic variables – including, but not limited to, unemployment rates and gross domestic product, for a three-year period, subsequently reverting to long-run averages. Our estimation of expected credit losses in Stage 1 and Stage 2 will be a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Our base case scenario will be based on macroeconomic forecasts where available. Upside and downside scenarios will be set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios will occur on at least an annual basis and more frequently if conditions warrant. Scenarios will be probability-weighted according to our best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights will be updated on a quarterly basis.

The weightings assigned to each economic scenario as at December 31, 2024 and December 31, 2023 were as follows.

	December 31, 2024			December 31, 2023		
	Base	**Upside**	**Downside**	**Base**	**Upside**	**Downside**
Investment portfolios	80%	10%	10%	80%	10%	10%

2. Material Accounting Policies (Continued)

(g) Financial assets – Policies under IFRS 9 (continued)

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

Measurement (continued)
Financial assets measured at amortized cost and FVTOCI, recognize impairment gains and losses in the statement of profit and loss. Unrealised gains and losses arising from changes in fair value on FVTOCI assets are measured in other comprehensive income. When the asset is sold, the cumulative gain or loss is reclassified to investment income. Interest income, dividend income and gains and losses arising from changes in fair value are included in investment income.

(viii) Interest income and interest earned on assets measured at fair value through profit and loss

Interest income is earned based on the effective interest rate based on the carrying amount before allowances. Interest earned on assets measured at fair value through profit and loss 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 effective interest rate.

(h) Intangible assets

(i) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

(ii) Computer software
Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and that will probable generate economic benefits exceeding the cost beyond one year, are recognised as intangible assets.

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as capital improvement and added to the original cost of the software. Computer software costs are amortised using the straight-line method over their useful lives.

(iii) Contractual customer relationships
This asset represents the present value of the benefit to the Company from customer lists, contracts, or customers relationships that can be identified separately and measured reliably. Customer relationships include those of insurance customer relationships with an estimated useful life of 10 to 20 years.

2. Material Accounting Policies (Continued)

(h) Intangible assets (continued)

(iv) 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.

(i) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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. Estimated useful lives are as follows:

Leasehold improvements	10 years
Furniture and equipment	7-10 years
Motor vehicles	5 years
Computer equipment	2 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. 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 asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount. These are included in other expenses in the income statement.
Repairs and renewals are charged to the income statement when the expenditure is incurred.

(j) Impairment of long-lived assets

Long-lived assets are reviewed for impairment losses 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 carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2. Material Accounting Policies (Continued)

(k) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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 companied at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(l) Employee benefits

Employee benefits comprise all forms of consideration given by an enterprise in exchange for service rendered by employees.

These include current or short-term benefits such as salaries, NIS contributions paid, annual vacation and sick leave, and post-employments benefits, such as pensions and other long-term employee benefits, such as long service benefits.

Pension obligations
The Company participates in two retirement plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are funded by payments from employees and by the Company, considering the recommendations of qualified actuaries. The Company has a defined benefit and a defined contribution plan.

A defined benefit plan is a pension plan that defines 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. 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 corporate 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 credited or charged in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the income statement (team member costs).

For the defined contribution plan, the Company pays contributions to privately administered pension insurance plans on a contractual basis. The Company has no further payment obligations once the contributions have been paid. The contributions are charged to the income statement in the period to which they relate.

2. Material Accounting Policies (Continued)

(l) Employee benefits (continued)

Other post-retirement obligations
The Company provides post-employment health care benefits to its retirees. The entitlement to these benefits is usually conditional 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 an accounting methodology similar to that for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

Annual leave
Employee entitlements to annual leave are recognized when they accrue to employees. A provision is the yearend date.

Productivity bonus plan
The Company recognises a liability and an expense for productivity bonuses as profit-sharing, paid to employees based on a formula that takes into consideration the profit attributable to the Company's stockholders. The Company recognises a provision where contractually obliged or where past practice has created a constructive obligation.

Share-based payments
The Company operates a cash-settled share scheme. The equity-settled scheme was cancelled in 2013 and replaced with options in another Group entity (Note 29).

Share options
The Company participates in a Group share based arrangement plan, in which, its executives are awarded stock options over the shares of its immediate parent, Sagicor Group Jamaica Limited (SGJ) whose shares are listed on the Jamaica Stock Exchange. The stock option plan is a group plan, which is:

- The plan is designed and implemented by SGJ;
- All terms and conditions of the plan are set by and can only be changed by SGJ;
- The valuation of the options is done by SGJ;
- SGJ has the obligation to settle all share-based payment transactions;
- All calculation and awards of options are done by SGJ and;
- All options are on SGJ's shares.

Share-based payments
SGJ's shares are held in a Trust that is controlled and consolidated by SGJ for the stock option plan. The fair value of the options is done by the SGJ using the Black-Scholes model and amortise over the vesting period of the options, that is, four years, which is consistent with the stock option plan. At the group level, the share-based payments transactions are accounted as equity-settled award as the Group is obligated to settle the liability with its own shares. The transaction is treated at the subsidiaries' level also as equity-settled as SGJ awards its own shares to the subsidiaries' executives and request a cash recharge to the subsidiaries for the shares that its acquire in the open market. In substance, this transaction is a funding arrangement between SGJ and its subsidiaries. As SGJ awards stock options over its own equity to the executives of its subsidiaries (equity-settled share-based payment), the subsidiaries booked the debit to their income statement; and the credit to equity, as a capital contribution over the vesting period of the share-based plan.

2. Material Accounting Policies (Continued)

(l) Employee benefits (continued)

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the entity 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 over the remaining vesting period. The proceeds received net of any directly attributable transaction costs, plus the fair value of the options is credited to share capital when the options are exercised, and shares issued.

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

For cash-settled share awards, the services received from employees are measured at fair value and recognised in the income statement as an expense over the vesting period with recognition of a corresponding liability. The fair value of the liability is re-measured at each reporting date and at the date of settlement, with changes in fair value recognised in the income statement.

Share grants
The market value of the shares issued at grant date is recognised as an expense when granted.

Termination benefits
Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2. Material Accounting Policies (Continued)

(m) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation 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.

(n) Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently 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 borrowings using the effective interest method.

(o) Customer deposits and other accounts

Customer deposits and other accounts are recognised initially at the nominal amount when funds are received. They are subsequently stated at amortised cost using the effective interest method.

(p) Share capital, reserves and transfers

(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) Dividends on ordinary shares are recognised in stockholders' equity in the period in which they are approved by the Company's stockholders.

(q) Financial instruments

Financial instruments carried on the statement of financial position include cash resources, trading securities, securities purchased under agreements to resell, investment securities, loans, lease receivables, other assets excluding property, plant and equipment, deposits by customers and all other liabilities.

The fair values of the Company's financial instruments are discussed in Note 30.

2. Material Accounting Policies (Continued)

(r) Financial liabilities

(i) Classification of financial liabilities

Financial liabilities are measured at initial recognition at fair value and are classified as and subsequently measured either at amortised cost, or at fair value through income (FVTPL). Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The financial liabilities described under the unit linked fair value model (see section (a) above) are classified and measured at FVTPL as the Company is obligated to provide investment returns to the unit holder in direct proportion to the investment returns on a specific portfolio of assets, which are also carried at FVTPL. All other financial liabilities are carried at amortised cost. It is noted that the financial liabilities measured at FVTPL do not have a cumulative own credit adjustment gain or loss.

(ii) Re-classified balances

The Company reclassifies debt instruments when and only where its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

(s) Fiduciary activities

The Company 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 Company.

(t) Offsetting of financial instruments

Financial assets and liabilities are offset with the net amount presented in the statements of financial position, only if the Company 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 an asset and settle the liability simultaneously. The legal right to set off the recognized amounts must be enforceable in both the normal course of business, in the event of default, insolvency or bankruptcy of both the Company 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 statements, unless specifically prohibited by an applicable accounting standard.

Most of the offsetting applied by the Company relates to repurchase and reserve repurchase agreements.

Sagicor Investments Jamaica Limited

Notes to the Financial Statements
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3. Financial Risk Management

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Company's risk management framework. The Board has established working groups for managing and monitoring risks, as follows:

(i) Risk Management Committee

The Risk Management Committee is responsible for the development of credit and investment policies and standards that conform to applicable law, regulations and corporate policies; approving credit proposal requests; reviewing and approving exceptions to core credit and investment policies that may represent unusual risk; and ensuring that aggregate credit risk exposure are within the Company's risk taking capacity. All credit facilities require the approval of at least 2 members of this Committee. This Committee is also responsible for formulating and monitoring investment portfolios and investment strategies for the Company. In addition, this Committee is responsible for approval and monitoring of appropriate trading limits, reports and compliance controls to ensure that the mandate is properly followed. The Committee's decisions receive final ratification at Board Meetings.

(ii) Audit and Compliance Committee

The Audit and Compliance Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit and Compliance Committee is assisted in its oversight role by the Internal Audit Department and the Risk Management and Compliance Unit. Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Compliance Committee. The Risk Management and Compliance Unit ensures adherence to internal policies and procedures, and regulatory rules and guidelines.

(iii) The Treasury Division

The Treasury Division is responsible for managing the Company's financial assets and liabilities and the overall financial structure. It is also primarily responsible for managing and maintaining appropriate funding and liquidity of the Company.

The most important types of risks faced by the Company are credit risk, market risk and operational risk. Market risk includes currency risk, interest rate and other price risk.

Sagicor Investments Jamaica Limited

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3. Financial Risk Management (Continued)

(a) Credit risk

Refer to Note 15 (a) and 16 (a) for tables showing movement in credit risk exposure and loss allowance of financial investments subject to impairment

The most significant period-end assumptions used for the ECL were as follows:

Economic variable assumptions for exposure in corporate securities

		As at December 31, 2024			As at December 31, 2023		
		2024	**2025**	**2026**	**2023**	**2024**	**2025**
S&P 500 Financial	Base	$44.68	$47.41	$51.83	$47.06	$51.64	$51.64
	Upside	$74.64	$79.19	$86.57	$75.56	$82.91	$82.91
	Downside	$23.81	$25.26	$27.62	$30.74	$33.73	$33.73
World GDP	Base	3.2%	3.3%	3.2%	3.2%	3.4%	3.4%
	Upside	4.8%	4.9%	4.8%	4.8%	5.1%	5.1%
	Downside	2.3%	2.4%	2.3%	2.3%	2.4%	2.4%
WTI Oil Prices/10	Base	$6.90	$6.60	$6.44	$7.25	$6.86	$6.86
	Upside	$11.97	$11.43	$11.16	$9.35	$9.35	$9.35
	Downside	$2.57	$2.45	$2.39	$2.95	$2.79	$2.79

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.

Outlook for lending at December 2024

	2024		2023	
Jamaica	**Expected state for the next**		**Expected state for the**	
Interest rate	Base	Stable	Base	Stable
	Upside	Positive	Upside	Positive
	Downside	Negative	Downside	Negative
Unemployment rate	Base	Stable	Base	Stable
	Upside	Positive	Upside	Positive
	Downside	Negative	Downside	Negative

Sagicor Investments Jamaica Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowances (continued)

Sensitivity analysis at December 2024

SICR and IAS 1 critical estimated disclosure

SICR criteria *	Actual threshold applied	Change in threshold	ECL impact of Change in threshold
Investments	2-notch downgrade since origination	1-notch downgrade since origination	11,502

* See note 3.1 for full criteria for staging. The staging for lending products are primarily based on days past due with 30-day used as backstop, thus sensitivity analysis is not performed.

Loss Given Default	Actual value applied	Change in value	ECL impact of Increase in value	ECL impact of Decrease in value
Investments - Corporate Debts	52%	(- /+ 5) %	4,238	(4,238)
Investments - Sovereign Debts (excluding Government of Jamaica)	35%	(- /+ 5) %	4,875	(4,875)
Investments - Sovereign Debts (Government of Jamaica)	15%	(- /+ 5) %	7,421	(7,421)

Weighting for downside scenario	Actual value applied	Change in value	ECL impact of Increase in value	ECL impact of Decrease in value
Investments	10% (80% for base scenario and 10% for downside scenario)	(- /+ 5) % - keep the weighting for base scenario and adjust the weighting for upside scenario accordingly	3,166	(3,166)

Sagicor Investments Jamaica Limited

Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowances (continued)

Sensitivity analysis at December 2023

SICR and IAS 1 critical estimated disclosure

			ECL impact of
SICR criteria *	**Actual threshold applied**	**Change in threshold**	**Change in threshold**
Investments	2-notch downgrade since origination	1-notch downgrade since origination	12,113

* See note 3.1 for full criteria for staging. The staging for lending products are primarily based on days past due with 30-day used as backstop, thus sensitivity analysis is not performed.

			ECL impact of	
Loss Given Default	**Actual value applied**	**Change in value**	**Increase in value**	**Decrease in value**
Investments - Corporate Debts	52%	(- /+ 5) %	2,296	(2,296)
Investments - Sovereign Debts (excluding Government of Jamaica)	35%	(- /+ 5) %	4,853	(4,853)
Investments - Sovereign Debts (Government of Jamaica)	15%	(- /+ 5) %	8,170	(8,170)

			ECL impact of	
Weighting for downside scenario	**Actual value applied**	**Change in value**	**Increase in value**	**Decrease in value**
Investments	10% (80% for base scenario and 10% for downside scenario)	(- /+ 5) % - keep the weighting for base scenario and adjust the weighting for upside scenario accordingly	2,798	(2,798)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit review process

The Company has established a credit quality review process involving regular analysis of the ability of counterparties to meet interest and capital repayment obligations.

Investments

The Company limits its exposure to credit risk by investing in marketable securities, with counterparties that have acceptable credit quality and Government of Jamaica securities. As a result of the Central Securities Depository (CSD), all domestic Government of Jamaica securities have been dematerialised which has significantly reduced the settlement risk. The credit exposure is managed by establishing exposure limits after an internal analysis and approval. Actual exposures against limits are monitored frequently. It is also the Company's policy to obtain control or take possession of securities purchased under agreements to resell. Management assesses the market value of the underlying securities that collaterise the transactions and takes the appropriate margins required. Management actively seeks to transact with counterparties that demonstrate an ability to meet its obligations.

Collateral and other credit enhancements
The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are established regarding the acceptability of specific types of collateral.

The main types of collateral obtained are as follows:

Securities lending and reverse repurchase transactions – cash or Government of Jamaica securities.

The Company also seeks to obtain guarantees from parent companies for loans to their subsidiaries and personal guarantees for loans to private companies.

Management monitors the market value of collateral held and may request additional collateral in accordance with the underlying agreement.

Impairment
The main considerations for the impairment assessment include whether any payments of principal or interest are overdue by more than 90 days or there are any known difficulties in the cash flows of counterparties, credit rating downgrades or infringement of the original terms of the contract.

Individually assessed allowances are provided for financial assets based on a review conducted at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis and are applied to all accounts. The assessment normally encompasses collateral held and the anticipated receipts for that individual account.

Commitments and guarantees
To meet the financial needs of customers, the Company enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Company.

Sagicor Investments Jamaica Limited

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk before collateral held or other credit enhancements

	Maximum exposure	
	2024	**2023**
	$'000	**$'000**
Credit risk exposures relating to assets on the statement of financial position are as follows:		
Cash and bank balances due from other financial institutions (excluding cash on hand)	786,745	741,009
Financial assets at fair value through profit or loss	1,665,945	1,792,072
Securities purchased under agreements to resell	2,270,740	820,539
Investment securities	2,270,613	6,800,458
Debt securities at mortised cost	197,015	306,908
Pledged assets	95,911,061	91,134,259
Due from related parties	197,751	95,789
Other assets	2,627,288	2,181,214
	105,927,158	103,872,248

The above table represents a worst-case scenario of credit risk exposure to the Company at 31 December 2024 and 2023, without taking account of any collateral held or other credit enhancements.

The exposures set out above are based on net carrying amounts as reported in the statement of financial position.

Refer to Note 16 (a) for table summarizing the Company's credit exposure for investments at their carrying amounts, as categorised by issuer.

3. Financial Risk Management (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. It is a combination of Funding Liquidity Risk, the risk that Sagicor Investments will not be able to efficiently meet both expected and unexpected current and future cash flow and collateral needs, and Market Liquidity Risk, the risk that the Company cannot easily sell an asset quickly enough to avoid losing money or to make enough profit because of inadequate market depth or market disruption. The liquidity risk, for Sagicor Investments, is multidimensional and encompasses not only losing the capacity to adequately honour its obligations to clients and creditors, but also the capability to cover additional funding requirements for the investment portfolio.

The Company is exposed to daily calls on its cash resources from early encashments and maturing client and creditor funds. The Company does not maintain cash resources to meet 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 and marketable securities available to meet such calls.

Liquidity risk management process

The Company's liquidity management process, as carried out within the Company and monitored by the Risk Management Division, includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required;
(ii) Maintaining assets than can readily be liquidated (T-Bills, BoJ CDs and secured secondary market repos) as protection against any unforeseen interruption to cash flow;
(iii) Maintaining stand-by credit lines;
(iv) Optimising cash returns on investment;
(v) Short-term liabilities are segmented and analysed to monitor and reduce concentrations.
(vi) 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
(vii) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Company. 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 Company and its exposure to changes in interest rates and exchange rates.

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Liquidity risk management process (continued)

Certain investment portfolios within the Company contain securities which can only be disposed of over a period of time. In such instances, the Company 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 Company's and the Company's investment portfolio as at 31 December 2024 and 2023.

	2024					
	Within 1 Month	**2 to 3 Months**	**4 to 12 Months**	**2 to 5 Years**	**Over 5 Years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
As at 31 December 2024						
Financial Assets						
Cash and balances due from other financial institutions	786,745	-	-	-	-	786,745
Securities purchased under agreements to resell securities	2,389,725	-	-	-	-	2,389,725
Investment securities	150,157	27,332	53,947	248,609	792,613	1,272,658
Pledged assets	12,140,252	7,027,706	7,045,449	45,492,462	81,437,672	153,143,541
Related party and other	3,372,833	1,686,376	-	357,809	96,092	5,513,110
Financial assets (contractual maturity dates)	18,839,712	8,741,414	7,099,396	46,098,880	82,326,377	163,105,779
Financial Liabilities						
Securities sold under agreements to repurchase	52,494,980	30,475,945	8,729,346	-	-	91,700,271
Customer accounts	167,404	-	-	-	-	167,404
Due to banks and other financial institutions	13,866	-	-	-	-	13,866
Related party and other	2,469,485	-	-	-	-	2,469,485
Financial liabilities (contractual maturity dates)	55,145,735	30,475,945	8,729,346	-	-	94,351,026
Net Liquidity Gap	(36,306,023)	(21,734,531)	(1,629,950)	46,098,880	82,326,377	68,754,753
Cumulative Liquidity Gap	(36,306,023)	(58,040,554)	(59,670,504)	(13,571,624)	68,754,753	

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

The tables below reflect the expected maturities of the Company's discounted financial and non-financial assets and liabilities at the year-end date. (continued)

	2023					
	Within 1 Month	2 to 3 Months	4 to 12 Months	2 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2023						
Financial Assets						
Cash and balances due from other financial institutions	741,009	-	-	-	-	741,009
Securities purchased under agreements to resell securities	820,504	-	-	-	-	820,504
Investment securities	24,084	52,889	937,105	2,467,489	5,594,077	9,075,644
Pledged assets	7,941,606	1,098,299	12,951,909	44,700,786	71,151,040	137,843,640
Related party and other	3,174,940	1,335,043	-	307,737	155,754	4,973,474
Financial assets (contractual maturity dates)	12,702,143	2,486,231	13,889,014	47,476,012	76,900,871	153,454,271
Financial Liabilities						
Securities sold under agreements to repurchase	54,703,844	22,082,744	10,614,348	-	-	87,400,936
Customer accounts	239,687	-	-	-	-	239,687
Due to banks and other financial institutions	72,809	-	-	-	-	72,809
Notes payable	-	37,493	2,253,777	-	-	2,291,270
Related party and other	2,057,156	-	-	-	-	2,057,156
Financial liabilities (contractual maturity dates)	57,073,496	22,120,237	12,868,125	-	-	92,061,858
Net Liquidity Gap	(44,371,353)	(19,634,006)	1,020,889	47,476,012	76,900,871	61,392,413
Cumulative Liquidity Gap	(44,371,353)	(64,005,359)	(62,984,470)	(15,508,458)	61,392,413	

3. Financial Risk Management (Continued)

(c) Market risk

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate, credit spreads, foreign exchange rates and equity prices. Market risk is monitored and reviewed by the Risk Management Department and periodically by the Risk Management Committee. The Company monitors economic reports and local and international market conditions on an ongoing basis. Key market risk strategies include active monitoring of ~~the~~ changes in market risk factors like interest rates, foreign currency rates and equity prices, portfolio sensitivity analysis, implementing trading and position limits and liability management.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

(i) *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Company takes on open position in a currency. To control this exchange risk the Risk Management Committee 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 Risk Management Unit assessment of the volatility in exchange rates and with the approval of the Risk Management Committee.

The Company also has transactional currency exposure. This exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Company ensures that its net exposure is kept at approved levels.

Concentrations of currency risk
The Company is most sensitive to currency risk in its operating currencies which float against the United States dollar.

The following tables summarise the exposure of the Company to foreign currency exchange rate risk. Included in the tables are the Company's assets and liabilities at carrying amounts categorised by currency.

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3. Financial Risk Management (Continued)

(c) Market risk

(i) Currency risk (continued)

	Jamaican$	US$	GBP	CA$	EURO	Total
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
At 31 December 2024:						
Assets						
Cash and balances due from other financial institutions	497,074	224,814	53,979	9,369	1,509	786,745
Financial assets at fair value through profit or loss	1,665,945	-	-	-	-	1,665,945
Securities purchased under agreements to resell	2,270,740	-	-	-	-	2,270,740
Investment securities	1,388,607	876,728	5,278	-	-	2,270,613
Debt securities, amortised cost	197,015	-	-	-	-	197,015
Pledged assets	52,067,655	43,532,854	310,552	-	-	95,911,061
Investment in subsidiary	7	-	-	-	-	7
Related party and other	3,374,116	2,135,329	3,658	1	6	5,513,110
Total assets	61,461,159	46,769,725	373,467	9,370	1,515	108,615,236
Liabilities and Stockholders' Equity						
Securities sold under agreements to repurchase	45,697,126	45,118,233	343,145	-	-	91,158,504
Customer accounts	142,630	24,685	-	-	90	167,405
Due to banks and other financial institutions	1	13,866	-	-	-	13,867
Related party and other	1,255,808	1,345,797	25,264	15	-	2,626,884
Stockholders' equity	14,648,576	-	-	-	-	14,648,576
Total liabilities and stockholders' equity	61,744,141	46,502,581	368,409	15	90	108,615,236
Net statement of financial position	(282,982)	267,144	5,058	9,355	1,425	
Credit commitments	-	-	-	-	-	

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk (continued)

	Jamaican$	US$	GBP	CA$	EURO	Total
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
At 31 December 2023:						
Assets						
Cash and balances due from other financial institutions	424,242	261,918	44,321	8,888	1,640	741,009
Financial assets at fair value through profit or loss	1,792,072	-	-	-	-	1,792,072
Securities purchased under agreements to resell	820,539	-	-	-	-	820,539
Investment securities	6,069,871	726,117	4,470	-	-	6,800,458
Debt securities, amortised cost	306,908	-	-	-	-	306,908
Pledged assets	43,794,753	46,883,465	456,041	-	-	91,134,259
Investment in subsidiary	7	-	-	-	-	7
Related party and other	2,650,724	2,134,853	6,642	4	689	4,792,912
Total assets	55,859,116	50,006,353	511,474	8,892	2,329	106,388,162
Liabilities and Stockholders' Equity						
Securities sold under agreements to repurchase	40,793,485	45,579,897	413,861	-	-	86,787,243
Customer accounts	43,569	196,020	-	-	98	239,687
Due to banks and other financial institutions	72,808	-	-	-	-	72,808
Notes payable	2,198,545	-	-	-	-	2,198,545
Related party and other	763,722	1,432,572	31,778		41	2,228,113
Stockholders' equity	14,861,768	-	-	-	-	14,861,768
Total liabilities and stockholders' equity	58,733,897	47,208,489	445,639	-	139	106,388,164
Net statement of financial position	(2,874,781)	2,797,864	65,835	8,892	2,190	
Credit commitments	-	-	-	-	-	

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents Management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end based on a change in foreign currency rates as noted below. The sensitivity analysis on pre-tax profit is based on foreign currency denominated monetary items at the year end. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis.

	Change in Currency Rate 2024 %	Effect on Pre-tax Profit 2024 $'000	Change in Currency Rate 2023 %	Effect on Pre-tax Profit 2023 $'000
Currency				
USD	+4	3,509	+4	111,915
EUR	+4	56	+4	2,633
GBP	+4	57	+4	88
CDN	+4	374	+4	356
USD	-1	(877)	-1	(27,979)
EUR	-1	(14)	-1	(658)
GBP	-1	(14)	-1	(22)
CDN	-1	(94)	-1	(89)

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

The Company's interest rate risk resides primarily in its Jamaican dollar liability portfolio. Accordingly, the Company manages interest rate risk by holding a high proportion of variable rate Jamaican dollar securities linked to Treasury bill yields. The interest rate risk policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities. Macaulay and Effective Duration analysis is also conducted on the financial assets of the Company to determine the impact of changes in interest rates. Macaulay duration is the weighted average term to maturity of a bond's cash flows, while Effective duration is the change in the value of the portfolio in response to a change in interest rates. The Duration Gap is also assessed. This is the difference between the Macaulay duration of assets and the duration of liabilities. It measures how well the average timings of cash inflows are matched to cash outflows.

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

The following tables summarise the Company's exposure to interest rate risk. It includes the Company's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Within 1 Month	2 to 3 Months	4 to 12 Months	2 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2024:							
Assets:							
Cash and balances due from other financial institutions	786,745	-	-	-	-	-	786,745
Financial assets at fair value through profit or loss	-	-	-	-	-	1,665,945	1,665,945
Investment securities	149,904	52,219	-	736,758	-	1,331,732	2,270,613
Debt securities, amortised	-	-	-	-	-	197,015	197,015
Pledged assets	10,700,394	5,621,575	3,431,033	28,206,536	47,951,523	-	95,911,061
Securities purchased under agreements to	2,270,000	-	-	-	-	740	2,270,740
Related party and other	-	-	-	-	-	5,513,110	5,513,110
Total assets	13,907,043	5,673,794	3,431,033	28,943,294	47,951,523	8,708,542	108,615,229
Liabilities							
Securities sold under agreements to repurchase	58,408,741	12,511,344	19,639,695	-	-	598,724	91,158,504
Customer accounts	-	-	-	-	-	167,404	167,404
Due to banks and other financial institutions	13,866	-	-	-	-	-	13,866
Related party and other	-	-	-	-	-	2,626,886	2,626,886
Total liabilities	58,422,607	12,511,344	19,639,695	-	-	3,393,014	93,966,660
Total interest repricing	(44,515,564)	(6,837,550)	(16,208,662)	28,943,294	47,951,523	5,315,528	14,648,569
Cumulative repricing	(44,515,564)	(51,353,114)	(67,561,776)	(38,618,482)	9,333,041	14,648,569	

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	Within 1 Month	2 to 3 Months	4 to 12 Months	2 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2023:							
Assets:							
Cash and balances due from other financial institutions	741,009	-	-	-	-	-	741,009
Financial assets at fair value through profit	-	-	-	-	-	1,792,072	1,792,072
Investment securities	-	-	166,291	1,120,351	4,168,147	1,345,669	6,800,458
Debt securities, amortised cost	-	-	-	-	-	306,908	306,908
Pledged assets	6,558,620	462,804	9,443,130	28,362,237	46,307,468	-	91,134,259
Securities purchased under agreements to resell	820,000	-	-	-	-	539	820,539
Related party and other	-	-	-	-	-	4,792,910	4,792,910
Total assets	8,119,629	462,804	9,609,421	29,482,588	50,475,615	8,238,098	106,338,155
Liabilities							
Securities sold under agreements to repurchase	51,605,940	13,222,329	21,217,613	-	-	741,362	86,787,244
Customer accounts	-	-	-	-	-	239,687	239,687
Due to banks and other financial institutions	72,809	-	-	-	-	-	72,809
Notes payable	-	-	2,180,000	-	-	18,545	2,198,545
Related Party and Other	-	-	-	-	-	2,228,109	2,228,109
Total liabilities	51,678,749	13,222,329	23,397,613	-	-	3,227,703	91,526,394
Total interest repricing gap	(43,559,120)	(12,759,525)	(13,788,192)	29,482,588	50,475,615	5,010,395	14,861,761
Cumulative repricing	(43,559,120)	(56,318,645)	(70,106,837)	(40,624,249)	9,851,366	14,861,761	

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

The tables below summarise the effective interest rate by major currencies for financial instruments of the Company.

	J $	US $	CAN $	GBP £	EURO €
	%	%	%	%	%
			2024		
Assets:					
Cash and balances due from other financial institutions	0.83	-	0.01	-	-
Securities purchased under agreements to resell	5.25	-	-	-	-
Investment securities – debt securities	8.30	6.56	-	5.24	-
Liabilities:					
Securities sold under agreements to repurchase	1.95	2.39	-	0.75	-
			2023		
Assets:					
Cash and balances due from other financial institutions	1.89	-	0.01	-	-
Securities purchased under agreements to resell	8.00	-	-	-	-
Investment securities – debt securities	4.91	6.59	-	2.50	-
Liabilities:					
Securities sold under agreements to repurchase	6.81	4.53	-	0.49	-

Interest rate sensitivity

The following tables indicate the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Company's income statement and stockholders' equity.

The sensitivity of the income statement is the effect of the assumed changes in interest rates on pre-tax profit or loss based on floating rate debt securities and financial liabilities and revaluing fixed rate debt securities held-for-trading. The sensitivity of stockholders' equity is calculated by revaluing fixed rate available-for-sale financial assets for the effects of the assumed changes in interest rates. The correlation of a number of variables will have an impact on market risk. It should be noted that movements in these variables are non-linear and are assessed individually.

	The Company			
	2024		2023	
	Effect on Pre-tax Profit $'000	Effect on Other components of Equity $'000	Effect on Pre-tax Profit $'000	Effect on Other components of Equity $'000
Change in basis points				
J$ -25, US$ -25 (2023: J$ -25, US$ -25)	208,445	1,084,581	202,774	1,126,989
J$ +25, US$ +25 (2023: J$ +25, US$ +25)	(209,702)	(1,094,069)	(204,002)	(1,184,738)

3. Financial Risk Management (Continued)

(d) Capital Management

The Company is required to maintain adequate quantity and quality of capital to support its current and prospective risk exposures and meet regulatory requirements. The Company's capital is critical to its going concern and is therefore the cornerstone of its solvency. The quantity and quality of capital must be sound to absorb unexpected Company losses.

The Company's objectives when managing its capital are:

(i) To comply with the capital requirements set by the Regulators of the financial market in Jamaica.
(ii) To provide adequate returns to shareholders commensurate with the level of risk undertaken and adequate benefits to staff and other stakeholders.
(iii) To safeguard the Company's ability to meet its obligations to depositors, note-holders, and other stakeholders.
(iv) To safeguard the Company's ability to continue as a solvent going concern.

Capital adequacy and capital management ratios are monitored monthly and reported to the Financial Services Commission. Capital is managed based on prudent best practices and employing techniques and guidelines developed by the Financial Services Commission (FSC) and the Bank's Board Risk Management Committee.

The Financial Services Commission requires the Company to, at least:

(i) Hold the minimum level of capital.
(ii) Maintain the minimum ratio of capital base to risk-weighted assets

Section 3.2 of the Guidelines for Interim Capital Standards, 2004, defines capital base as the aggregate of all of Tier 1 and Tier 2 capital less prescribed deductions. As such the Company's capital base comprises:

(i) Tier 1 capital: Paid-up share capital, retained earnings and reserves created by appropriations of retained earnings; and
(ii) Tier 2 capital qualifying: Subordinated loan capital and collective impairment allowances.

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-statement of financial position exposure, with some adjustments to reflect the more contingent nature of the potential losses.

During 2024 and 2023, the Company complied with all of their externally imposed capital requirements to which it is subject.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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 Company's accounting policies

In the process of applying the Company's accounting policies, Management has made the following significant judgements:

Consolidation of Sagicor Sigma Global Funds

The Company is the Fund Manager for Sagicor Sigma Global Funds. In assessing whether to consolidate the Sagicor Sigma Funds, Management evaluates a range of factors, including:

- Scope of the Fund Manager's decision-making authority;
- Rights held by other parties;
- Exposure or rights to variable returns from the Fund Manager involvement with the investee; and
- The ability to use its power to affect the amount of return.

Management consider that the Company does not have control of Sagicor Sigma Global Funds. Although the Company contractual terms provide the Company with power over Sagicor Sigma Global Funds, the overall exposure of the Company to the variability of returns of Sagicor Sigma Global Funds is not sufficient to conclude that the Company has control. Therefore, the Sagicor Sigma Global Funds is not consolidated in these financial statements.

Consolidation of Sagicor Select Funds

Sagicor Select Funds Limited (the Company) was incorporated on the 11th of January 2019 as a public company. The principal activity of the Company is the operation of listed equity funds that track various indexes established by the Jamaica Stock Exchange. Each fund is close-ended and is represented by a separate class of share in the Company. The assets of the Company are specifically owned and segregated for each share class. The Company has five (5) classes of shares with 'Class A" being the "Management Share" and is issued to Sagicor Investments Jamaica Limited (SIJL), the investment manager of the funds. The other shares of the Company represent four (4) segregated classes being the "Class B", "Class C", "Class D" and "Class E" shares. During 2019 the Class B and C shares were issued to the general public as the Financial Select Fund and the Manufacturing and Distribution Fund.

These are ETFs managed by the Company, but which have independent directors. Determining whether the Company has control over the Funds requires judgement. This would include a consideration of whether the Company has power over the Funds as the investment manager and an assessment of the exposure to variability arising from the aggregate economic interests of the Company in the Funds as well as whether the group has the ability to use its power to affect the amount of its return.

The Financial Select Fund and Manufacturing and Distribution Fund tracks the JSE's Financial Index and Manufacturing and Distribution Index, which is weighted by the market capitalization of the stocks that comprise these indices. The Funds may be distinguished from some of the "typical" ETFs in that the typical ETFs tend to be actively managed and have many functionaries employed such as: an Administrator, Custodian, Sub-Custodian and a Distributor. The Funds have no such features. These funds simply track the respective JSE indices and therefore the Company cannot use its power to affect the amount of the return as its management fees earned are based on the performance of the respective stock exchange indices.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(a) Critical judgements in applying the Company's accounting policies (continued)

Consolidation of Sagicor Select Funds (continued)

SIJL as manager having the decision-making rights is only in the capacity of an agent as it is acting on behalf of the shareholders of the Funds of which it is not one and it is acting within investment parameters set by a Board of Directors through approval of the regulator. While it is subject to variability of returns its fees as a % of the returns is minimal and as such does not meet the threshold of control. Therefore, the Sagicor Select Funds have not been consolidated in these financial statements.

(b) Key sources of estimation uncertainty

The Company 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) 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 Company 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 originally recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(ii) Impairment of financial assets

In determining ECL, management is required to exercise judgement in defining what is considered a significant increase in credit risk 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 Company's internal credit rating model is a 10-point scale which allows for distinctions in risk characteristics and is referenced to the rating scale of international credit rating agencies. The scale is set out in the following table:

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

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(b) Key sources of estimation uncertainty (continued)

(ii) Impairment of financial assets

- Establishing staging for debt securities and deposits (continued)

  The Company uses its internal credit rating model to determine which of the three stages an asset is to be categorized for the purposes of ECL.

  Once the asset has experienced a significant increase in credit risk the investment will move from Stage 1 to Stage 2. Sagicor has assumed that the credit risk of a financial instruments has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial asset that is investment grade or Sagicor risk rating of 1-3 is considered low credit risk.

  Stage 1 investments are rated (i) investment grade, or (ii) below investment grade and have not been downgraded more than 2 notches since origination. Stage 2 investments are assets which (i) have been downgraded from investment grade to below investment grade, or (ii) are rated below investment grade and have been downgraded more than 2 notches since origination. Stage 3 investments are assets in default.

- Establishing staging for other assets measured at amortised cost, lease receivables, loan commitments and financial guarantee contracts

  days past due criteria is a backstop rather than a primary driver of moving exposures into stage 2 Exposures are considered to have resulted in a significant increase in credit risk and are moved to stage 2 when:

  Qualitative test
  Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

  Backstop Criteria
  Accounts that are 30 calendar days or more past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into stage 3.

- 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 local government, International Monetary Fund 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 expected performance is then used for the remaining life of the product. These projections are re-assessed on a quarterly basis.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(c) Key sources of estimation uncertainty (continued)

(iii) Fair value of securities not quoted in an active market

The fair value of such securities not quoted in an active market may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Company exercises judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Company may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily discounted cash flows. The models used to determine fair values are periodically reviewed by experienced personnel. The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

The company 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. There was a rights issue done by CUHL in which the company did not participate thus diluting its interest. Subsequent to the CUHL rights issue, CFHL issued shares to those shareholders who participated in the CUHL rights issue thus diluting the company's shareholding. CFHL had a second rights issue further diluting the company's shareholding. The company is contesting the rights issues in CFHL on the basis of their legality. See also Note 37.

(iv) Estimated impairment of goodwill

The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2 (l). The recoverable amounts of cash-generating units (CGUs) have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 26). No impairment charge on the CGUs arose during the course of the 2024 year. If the budgeted gross margin used in the value-in-use calculation for the CGUs had been 10% lower than Management's estimates at 31 December 2024, the Company would still not have recorded any impairment charge. If the estimated cost of capital used in determining the pre-tax discount rate for the CGUs had been 1% higher than Management's estimates, the Company would also not have recognised any impairment against goodwill.

(v) 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.

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5. Interest Income

	2024		
	Amortized cost assets	**FVOCI assets**	**Total**
	$'000	**$'000**	**$'000**
Interest income -			
Debt securities	1,330,206	4,930,323	6,260,529
Securities purchased for re-sale	127,071	-	127,071
	1,457,277	4,930,323	6,387,600
Interest income from FVTPL investments			
Other operating income			2,578
			6,390,178

	2023		
	Amortized cost assets	**FVOCI assets**	**Total**
	$'000	**$'000**	**$'000**
Interest income -			
Debt securities	177,511	5,587,635	5,765,146
Securities purchased for re-sale	148,096	-	148,096
	325,607	5,587,635	5,913,242
Interest income from FVTPL investments			
Other operating income			3,337
			5,916,579

6. Interest Expense

	2024	**2023**
	$'000	**$'000**
Customer deposits, repurchase liabilities and other accounts	4,284,715	4,420,754
Due to banks and other financial institutions	-	771
	4,284,715	4,421,525

7. Fees and Commission Income

	2024	**2023**
	$'000	**$'000**
Asset management fees	1,501,143	1,505,483
Corporate finance fees	134,507	159,208
Stock brokerage fees	90,782	88,598
Trust fees	2,417	-
Treasury fees	23,545	10,166
Other	12,120	28,217
	1,764,514	1,791,672

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8. Net Trading Income

	2024 $'000	2023 $'000
Net gains on de-recognition of financial assets measures at FVTOCI	205,538	466,321
Equities trading gains/(loss) and dividends	115,407	(563,390)
Foreign exchange trading and translation gains	42,511	56,108
Financial assets held for trading	35,759	50,856
	399,215	9,895

9. Team Member Costs

	2024 $'000	2023 $'000
Wages and salaries	824,864	686,321
Statutory contributions	90,382	75,199
Other team member benefits	109,654	74,295
Pension costs – Defined benefit scheme (Note 22)	22,759	15,280
Other post-employment benefits (Note 22)	25,374	19,683
Stock options	5,278	(2,777)
Share grant expense	10,555	18,482
	1,088,866	886,483

The number of persons employed at the end of the year:

	2024 No.	2023 No.
Full-time	123	121
Part-time	3	2
	126	123

10. Credit Impairment Losses/(Gains)

	2024 $'000	2023 $'000
Investments	25,716	(62,841)

11. Other Expenses

	2024 $'000	2023 $'000
Technology and communication	1,570,805	1,392,133
Legal and professional fees	89,540	53,929
Services outsourced	83,561	92,312
Promotion and advertising	110,462	141,325
Commissions and fees	65,360	97,765
Printing and stationery	3,013	6,176
Audit fees	26,400	35,465
Bank charges	8,906	10,082
Insurance	33,412	20,142
Other expenses	101,132	103,431
	2,092,591	1,952,760

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12. Taxation

(a) Income tax is computed on the profit for the years adjusted for tax purposes. The charge for taxation comprises income tax at 33⅓%:

	2024 $'000	2023 $'000
Current tax	168,580	181,583
Prior year under provision	1,354	8,502
Deferred tax (Note 25)	12,926	(172,512)
	182,860	17,573

(b) The tax on profit differs from the theoretical amount that would arise using the statutory rate of 33⅓% as follows:

	2024 $'000	2023 $'000
Profit before taxation	750,110	225,258
Tax calculated at 33⅓%	250,037	75,085
Adjusted for the effects of:		
Income not subject to tax	(144,416)	(147,931)
Asset tax not deductible for taxation purposes	75,424	71,616
Prior year under provision	1,354	8,502
Net effect of other charges and allowances	461	10,301
	182,860	17,573

(c) The deferred tax credited, relating to components of other comprehensive income, are as follows:

	2024 $'000	2023 $'000
Arising on gains recognised in other comprehensive income – FVOCI	(1,644,511)	(2,463,168)
Re-measurements of post-employment benefits	14,490	3,818
	(1,630,021)	(2,459,350)
Reclassifications from other comprehensive income to income statement - FVOCI	1,994,280	1,644,511
	364,259	(814,839)

13. Cash and Cash Equivalents

	2024 $'000	2023 $'000
Cash and balances due from other financial institutions	786,745	741,009
Securities purchased under agreements to resell (Note 15)	2,270,740	820,539
Short term deposit	10,528,192	5,782,555
Repurchase agreements with financial institutions	(1,432,951)	(2,081,171)
Short term loan (Note 24 (i))	(13,866)	(72,809)
	12,1388605	5,190,123

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13. Cash and Cash Equivalents (Continued)

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2024 $'000	2023 $'000
Cash and cash equivalents	12,138,860	5,190,123
Liquid investments (i)	1,665,945	1,792,072
Borrowings – repayable after one year	-	(2,198,545)
Net debt	13,804,805	4,783,650
Cash and liquid investments	13,804,805	6,982,195
Gross debt – fixed interest rates	-	(2,198,545)
Net debt	13,804,805	4,783,650

	Other assets		Liabilities from financing activities		
	Cash/ bank overdraft $'000	Liquid investments (i) $'000	Borrowings due within 1 year $'000	Borrowings due after 1 year $'000	Total $'000
Net debt as at 1 January 2023	3,075,008	2,412,523	-	(2,198,545)	3,288,986
Cash flows	2,087,563	42,472	-	-	2,130,035
Foreign exchange adjustments	27,552	574	-	-	28,126
Other non-cash movements	-	(663,497)	-	-	(663,497)
Net debt as at 31 December 2023	5,190,123	1,792,072	-	(2,198,545)	4,783,650
Cash flows	6,947,683	189,748	-	2,198,545	9,335,976
Foreign exchange adjustments	1,054	695	-	-	1,749
Other non-cash movements	-	(316,570)	-	-	(316,570)
Net debt as at 31 December 2024	12,138,860	1,665,945	-	-	13,804,805

Liquid investments comprise current investments that are traded in an active market, being the Company's financial assets held at fair value through profit or loss.

14. Financial Assets at Fair Value through Profit or Loss

	2024 $'000	2023 $'000
Financial assets held for trading -		
Equity securities -		
Unquoted at fair value	1,556,067	1,720,817
Quoted	109,878	71,255
	1,665,945	1,792,072

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15. Securities Purchased Under Agreements to Resell

	2024 $'000	2023 $'000
Principal	2,270,000	820,000
Interest receivable	740	539
	2,270,740	820,539

The Company entered into reverse repurchase agreements collateralised by Government of Jamaica securities. These agreements may result in credit exposure if the counterparty to the transaction is unable to fulfil its contractual obligation.

As at 31 December 2024 the Company held $2,405846,299 (2023 - $861,000,000) of securities, representing International Corporate Bonds and cash, as collateral for reverse repurchase agreements.

	2024 $'000	2023 $'000
Securities purchased under agreement to resell with an original maturity of less than 90 days (Note 13)	2,270,740	820,539

(b) **Credit risk**

Credit risk exposure- financial investments subject to impairment

The following tables contain analyses of the credit risk exposure of financial investments for which an ECL allowance is recognized. The gross carrying amounts of investments below represent the Company's maximum exposure to credit risk on these assets.

	ECL Staging				December 31, 2024
Securities purchased for resale – amortised cost	**Stage 1 12-month ECL**	**Stage 2 life-time ECL**	**Stage 3 life-time ECL**	**Purchased credit-impaired**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Credit grade:					
Non-investment carrying amount	2,270,740	-	-	-	2,270,740

	ECL Staging				December 31, 2023
Securities purchased for resale – amortised cost	**Stage 1 12-month ECL**	**Stage 2 life-time ECL**	**Stage 3 life-time ECL**	**Purchased credit-impaired**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Credit grade:					
Non-investment carrying amount	820,539	-	-	-	820,539

Sagicor Investments Jamaica Limited

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15. Securities Purchased Under Agreements to Resell (Continued)

The Company did not have any securities purchased for resale at amortised cost with credit grade of investment, watch, default or unrated for this year or prior year.

IFRS 9 carrying values

The following tables explain the changes in the carrying value between the beginning and the end of the period due to these factors. The gross carrying amounts of investments below represent the Company's maximum exposure to credit risk on these assets.

	ECL staging				
SECURITIES PURCHASED FOR RESALE - AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased credit-impaired**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Gross carrying amount as at January 01, 2024	820,539	-		-	820,539
Net new financial assets originated or purchased	1,450,201	-	-	-	1,450,201
Gross carrying amount as at December 31, 2024	2,270,740	-	-	-	2,270,740

	ECL staging				
SECURITIES PURCHASED FOR RESALE - AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased credit-impaired**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Gross carrying amount as at January 01, 2023	484,770	-	-	-	484,770
Net new financial assets originated or purchased	335,987	-	-	-	335,987
Foreign exchange adjustment	(218)	-	-	-	(218)
Gross carrying amount as at December 31, 2023	820,539	-	-	-	820,539

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16. Investment Securities

	2024 $'000	2023 $'000
Financial assets at FVOCI -		
Debt securities -		
Government of Jamaica	56,528,905	56,627,903
Corporate bonds	16,255,340	17,982,460
Bank of Jamaica Fixed Rate Indexed Bond	2,026,074	1,576,070
Other sovereign debt	5,208,821	5,522,558
	80,019,140	81,708,991
Less: Pledged assets (Note 17)	(79,080,207)	(76,254,202)
	938,933	5,454,789
Interest receivable	1,331,680	1,345,669
	2,270,613	6,800,458
Debt securities at amortized cost		
Bank of Jamaica Certificates of Deposit	12,688,017	10,218,921
Promissory notes	4,142,837	4,661,136
Less: Pledged assets (Note 17)	(16,830,854)	(14,880,057)
	-	-
Less: Impairment charges	(325)	(761)
Interest receivable	197,340	307,669
	197,015	306,908

Promissory notes are due from the Company's immediate parent, Sagicor Group Jamaica Limited and resulted from the reorganization of the Company, see Note 1 (b) for further details. The promissory notes are unsecured had matured for November 3, 2023 and was rolled over for January 3, 2025 and has a coupon rate of 2% per annum.

Sagicor Investments Jamaica Limited

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16. Investment Securities (Continued)

(a) Credit risk

Credit risk exposure- financial investments subject to impairment

The following tables contain analyses of the credit risk exposure of financial investments for which an ECL allowance is recognized. The gross carrying amounts of investments below represent the Company's maximum exposure to credit risk on these assets.

	ECL Staging				December 31, 2024
Debt securities – amortised cost	**Stage 1 12-month ECL**	**Stage 2 life-time ECL**	**Stage 3 life-time ECL**	**Purchased credit-impaired**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Credit grade:					
Investment	4,143,297	-	-	-	4,143,297
Non-investment	12,767,565	-	-	-	12,767,565
Loss allowance	(325)	-	-	-	(325)
Carrying amount	16,910,537	-	-	-	16,910,537

The Company did not have any debt securities at amortised cost investments with credit grade of investment, watch, default or unrated for this year.

	ECL Staging				December 31, 2023
Debt securities – amortised cost	**Stage 1 12-month ECL**	**Stage 2 life-time ECL**	**Stage 3 life-time ECL**	**Purchased credit-impaired**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Credit grade:	4,703,109				4,703,109
Non-investment	10,248,544	-	-	-	10,248,544
Loss allowance	(761)	-	-	-	(761)
Carrying amount	14,950,892	-	-	-	14,950,892

The Company did not have any debt securities at amortised cost investments with credit grade of investment, default or unrated for the prior year.

	ECL Staging				December 31, 2024
Debt securities – FVOCI	**Stage 1 12-month ECL**	**Stage 2 life-time ECL**	**Stage 3 life-time ECL**	**Purchased credit-impaired**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Credit grade:					
Investment	14,988,618	-	-	-	14,988,618
Non-investment	70,414,629	989,807	-	170,117	71,574,553
Gross carrying amount	85,403,247	989,807	-	170,117	86,563,171
Loss allowance	(65,107)	(35,878)	-	-	(100,985)
Carrying amount	85,338,140	953,929	-	170,117	86,462,186

Sagicor Investments Jamaica Limited

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16. Investment Securities (Continued)

(a) Credit risk (continued)

Credit risk exposure- financial investments subject to impairment (continued)

The Company did not have any securities purchased for resale at amortised cost with credit grade of investment, default or unrated for the prior year.

	ECL Staging				December 31, 2023
Debt securities – FVOCI	**Stage 1 12-month ECL**	**Stage 2 life-time ECL**	**Stage 3 life-time ECL**	**Purchased credit-impaired**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Credit grade:					
Investment	16,245,081	-	-	-	16,245,081
Non-investment	69,752,301	981,268	-	168,659	70,902,228
Gross carrying amount	85,997,382	981,268	-	168,659	87,147,309
Loss allowance	(44,107)	(37,947)	-	-	(82,054)
Carrying amount	85,953,275	943,321	-	168,659	87,065,255

The Company did not have any debt securities at FVOCI investments with credit grade of watch, default or unrated for the prior year.

For financial investments measured at FVTPL under the unit-linked funds fair value model, the unit holders bear the credit risk and the Company has no direct credit exposure.

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 the credit risk exposure of financial investments for which an ECL allowance is recognised. The gross carrying amount of financial assets below represents the Company's maximum exposure to credit risk on these assets.

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16. Investment Securities (Continued)

(a) Credit risk (continued)

Loss allowances (continued)

	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES - FVOCI	**$000**	**$000**	**$000**	**$000**	**$000**
Loss Allowance as at January 1, 2024	44,107	37,947	-	-	82,054
New financial assets originated or purchased	13,376	-	-	-	13,376
Financial assets fully derecognised during the period	(6,869)	-	-	-	(6,869)
Changes to inputs used in ECL calculation	14,347	(2,397)	-	-	11,950
Foreign exchange adjustment	146	328	-	-	474
Loss Allowance as at December 31, 2024	65,107	35,878	-	-	100,985

	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES - FVOCI	**$000**	**$000**	**$000**	**$000**	**$000**
Loss Allowance as at January 1, 2023	117,991	51,156	-	-	169,147
Transfer from Stage 1 to Stage 2	8,234	(8,234)	-	-	-
New financial assets originated or purchased	5,379	-	-	-	5,379
Financial assets fully derecognised during the period	(9,537)	(2,212)	-	-	(11,749)
Changes to inputs used in ECL calculation	(79,137)	(3,820)	-	-	(82,957)
Foreign exchange adjustment	1,177	1,057	-	-	2,234
Loss Allowance as at December 31, 2023	44,107	37,947	-	-	82,054

The Company did not have any debt securities at FVOCI investments loss allowance transfers between stages in the prior year.

	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES – AMORTISED COST	**$000**	**$000**	**$000**	**$000**	**$000**
Loss Allowance as at January 1, 2024	761	-	-	-	761
Financial assets fully derecognised during the period	1,369	-	-	-	1,369
Financial assets fully derecognised during the period	(2,060)	-	-	-	(2,060)
Changes to inputs used in ECL calculation	255	-	-	-	255
Loss Allowance as at December 31, 2024	325	-	-	-	325

The Company did not have any debt securities at amortised cost investments loss allowance transfers between stages during the year.

	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES – AMORTISED COST	**$000**	**$000**	**$000**	**$000**	**$000**
Loss Allowance as at January 1, 2023	421	-	-	-	421
New financial assets originated or purchased	237	-	-	-	237
Financial assets fully derecognised during the period	(70)	-	-	-	(70)
Changes to inputs used in ECL calculation	173	-	-	-	173
Loss Allowance as at December 31, 2023	761	-	-	-	761

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16. Investment Securities (Continued)

(a) Credit risk (continued)

IFRS 9 carrying values

The Company did not have any debt securities at amortised cost investments loss allowance transfers between stages in the prior year.

The following tables explain the changes in the carrying value between the beginning and the end of the period due to these factors. The gross carrying amounts of investments below represent the Company's maximum exposure to credit risk on these assets.

	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES – FVOCI	**$000**	**$000**	**$000**	**$000**	**$000**
Gross carrying amount as at January 1, 2024	85,997,382	981,268	-	168,658	87,147,309
New financial assets originated or purchased	14,191,870	-	-	-	14,191,870
Financial assets fully derecognised during the period	(13,790,791)	-	-	-	(13,790,791)
Changes in principle and interest	(1,365,382)	53	-	-	(1,365,329)
Foreign exchange adjustment	370,168	8,486	-	1,459	380,113
Gross carrying amount as at December 31, 2024	85,403,247	989,807	-	170,117	86,563,172

	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES - FVOCI	**$000**	**$000**	**$000**	**$000**	**$000**
Gross carrying amount as at January 1, 2023	87,846,943	1,454,975	-	165,095	89,467,013
Transfer: From Stage 1 to Stage 2	257,165	(257,165)	-	-	-
New financial assets originated or purchased	10,300,200	-	-	-	10,300,200
Financial assets fully derecognised during the period	(12,659,872)	(237,362)	-	-	(12,897,234)
Changes in principal and interest	(718,410)	(5,465)	-	-	(723,875)
Foreign exchange adjustment	971,356	26,285	-	3,564	1,001,205
Gross carrying amount as at December 31, 2023	85,997,382	981,268	-	168,659	87,147,309

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16. Investment Securities (Continued)

(a) Credit risk (continued)

IFRS 9 carrying values (continued)

	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES - AMORTISED COST	$000	$000	$000	$000	$000
Gross carrying amount as at January 1, 2024	14,951,653	-	-	-	14,951,653
New financial assets originated or purchased	12,259,464	-	-	-	12,259,464
Financial assets fully derecognised during the period	(10,306,594)	-	-	-	(10,306,594)
Changes in principle and interest	6,339	-	-	-	6,339
Gross carrying amount as at December 31, 2024	16,910,862	-	-	-	16,910,862

The Company did not have any debt securities at amortised cost investments transfers between stages during the year.

	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES - AMORTISED COST	$000	$000	$000	$000	$000
Gross carrying amount as at January 1, 2023	7,329,626	-	-	-	7,329,626
New financial assets originated or purchased	10,200,488	-	-	-	10,200,488
Financial assets fully derecognised during the period	(1,223,601)	-	-	-	(1,223,601)
Changes in principle and interest	(1,354,860)	-	-	-	(1,354,860)
Gross carrying amount as at December 31, 2023	14,951,653	-	-	-	14,951,653

The Company did not have any debt securities at amortised cost investments transfers between stages during the prior year.

Investments

The following table summarises the Company's credit exposure for investments at their carrying amounts, as categorised by issuer:

	2024 $'000	2023 $'000
Government of Jamaica	57,533,925	57,629,839
Bank of Jamaica - Certificate of Deposit	12,767,565	10,313,457
Bank of Jamaica – Fixed Rate Indexed Bonds	2,037,966	1,584,447
Corporate	16,449,665	18,191,438
Financial institutions	6,531,046	5,694,046
Other sovereign debt	5,329,262	5,648,937
	100,649,429	99,062,164

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17. Pledged Assets

Assets are pledged as collateral under repurchase agreements with customers and other financial institutions and for security relating to overdraft and other facilities with other financial institutions and with the Bank of Jamaica.

	Asset		Related liability	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Investment securities (Note 16)	95,911,061	91,134,259	91,158,504	86,787,244

Of the assets pledged as security, $64,650,017,337 (2023 -$63,557,900,935) represents the total for those assets pledged for which the transferee has the right by contract or custom to sell or re-pledge the collateral.

18. Related Party Transactions and Balances

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

Related companies include ultimate parent Company, parent Company, fellow subsidiaries and associated Company. Related parties include directors, key management and companies for which the Company and its parent Company provide management services. Pan Jamaica Group Limited is a related party by virtue of being a shareholder with significant influence over sister Company, Sagicor Group Jamaica Limited.

(i) The following transactions were carried out with related parties and companies:

	2024 $'000	2023 $'000
With ultimate parent company:		
Interest and other income earned	-	50,549
With parent company:		
Interest and other income earned	4,359	18,937
Interest and other expenses paid	(101,935)	(42,081)
Dividend expense paid	(50,000)	(175,000)
With fellow subsidiaries:		
Management fees earned	21,956	17,158
Interest income earned	121,126	169,047
Interest expense paid	(374,238)	(367,984)
With directors and key management:		
Interest expense paid	(13,409)	(9,683)
Interest and other income earned	868	1,157
Party with significant influence over company:		
Interest and other income earned	-	2,632
Interest expense paid	(45,042)	(21,142)
With managed funds:		
Management fees earned	1,414,416	1,431,131
Interest and other income earned	2,314	386
Interest expense paid	(1,116,071)	(874,596)
Directors' emoluments		
Fees	30,949	41,180

Sagicor Investments Jamaica Limited

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18. Related Party Transactions and Balances (Continued)

(ii) Year-end balances with related companies and parties are as follows:

	2024 $'000	2023 $'000
Due from:		
Fellow subsidiaries	195,755	75,497
Other related parties	1,996	20,292
	197,751	95,789
Due to:		
With ultimate parent company	(3,390)	(143)
Parent company	(8,332)	(26,806)
Fellow subsidiaries	(40,735)	(16,819)
	(52,457)	(43,768)
With parent company:		
Investment securities	-	559,812
Securities sold under agreements to repurchase	(444,945)	(1,038,142)
With fellow subsidiaries:		
Cash and bank balances	630,423	574,974
Loan receivable	4,260,629	4,314,915
Securities sold under agreement to repurchase – managed funds	(4,435,405)	(3,156,400)
Party with significant influence over company:	(12,648,639)	(10,125,158)
With significant influence		
Investment securities	-	504,377
Securities sold under agreements to repurchase	(1,265,843)	(563,830)
With directors and key management personnel:		
Securities sold under agreements to repurchase	(211,340)	(198,498)
With managed funds:		
Investment securities	2,300	1,850
Securities sold under agreements to repurchase	(16,070,680)	(12,907,991)
Notes payable	-	(800,000)

Sagicor Investments Jamaica Limited

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19. Investment in Subsidiary

	2024 $'000	2023 $'000
Investment in subsidiary (i)	7	7
Loan to Phoenix Equity Holdings Limited (ii)	4,142,836	4,142,836
	4,421,843	4,142,843
Less: Pledge assets	(4,142,836)	(4,142,836)
	7	7

(i) This represents the cost of 100 common shares (BDS$100) in Phoenix Equity Holdings Limited (Phoenix).

(ii) This represents a long term 12-year loan, maturing in 2031 with varying interest rates over the life of the loan, from 0% in the first 18 months gradually increasing to 5%. The loan was utilised by Phoenix to acquire a 60% interest in Advantage General Insurance Company Limited in 2019.

(iii) During the year, the Company received dividend from Phoenix Equity Holdings Limited of $Nil (2023: $ Nil)

20. Intangible Assets

	Computer Software $'000	Goodwill $'000	Total $'000
Cost -			
At 1 January 2023	308,023	143,263	451,286
Additions	1,481	-	1,481
At 31 December 2023	309,504	143,263	452,767
Additions	106,848	-	106,848
At 31 December 2024	416,352	143,263	559,615
Accumulated Amortisation -			
At 1 January 2023	246,989	-	246,989
Charge for the year	24,375	-	24,375
At 31 December 2023	271,364	-	271,364
Charge for the year	26,881	-	26,881
At 31 December 2024	298,245	-	298,245
Net Book Value -			
At 31 December 2024	118,107	143,263	261,370
At 31 December 2023	38,140	143,263	181,403

Goodwill - Impairment test for goodwill.

Goodwill arose as a result of a series of acquisitions in prior years. These acquisitions were amalgamated into the Company's operations and as such the goodwill is not allocated to the Company's individual cash generating units (CGUs) identified according to the lines of business. The impairment test is carried out by comparing the value in use of the Company to its net assets.

At 31 December 2024, management tested goodwill.

(i) The recoverable amounts are determined based on value in use calculations. 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.

(ii) Key assumptions used for the impairment calculations are earnings growth of 5% (2023 –5%) and discount rate of 12.8% (2023 – 12.8%).

There was no impairment.

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21. Property, Plant and Equipment

	Leasehold	Furniture	Motor	Computer	Total
	$'000	$'000	$'000	$'000	$'000
Cost -					
At 1 January 2023	88,118	111,531	23,981	362,032	585,662
Additions	-	122	15,000	16,441	31,563
Disposal	-	-	(8,000)	(156)	(8,156)
At 31 December 2023	88,118	111,653	30,981	378,317	609,069
Additions	1,213	4,505	12,000	8,617	26,335
At 31 December 2024	89,331	116,158	42,981	386,934	635,404
Accumulated Depreciation -					
At 1 January 2023	53,492	92,512	16,298	228,329	390,631
Charge for the year	5,134	2,986	3,983	43,635	55,738
Disposal	-	-	(8,000)	(147)	(8,147)
At 31 December 2023	58,626	95,498	12,281	271,817	438,222
Charge for the year	5,236	3,006	6,600	43,913	58,755
At 31 December 2024	63,862	98,504	18,881	315,730	496,977
Net Book Value -					
At 31 December 2024	25,469	17,654	24,100	71,204	138,427
At 31 December 2023	29,492	16,155	18,700	106,500	170,847

22. Post-employment Benefits

		2024 $'000	2023 $'000
(a)	Pension benefits	(54,106)	(111,243)
(b)	Other post-employment benefit obligations	157,401	170,954
		103,295	59,711

(a) Pension schemes

The Company has established a number of pension schemes covering all permanent employees, a defined benefit plan and a defined contribution plan. The assets of the funded plans are held independently of the Company's assets in separate trustee administered funds.

Defined contribution plan
The Defined contribution plan received regulatory approval in 2013 and all new employees subsequently are included in this plan.

Defined benefit plan
The defined benefit plan was established by the banking subsidiary that was disposed during 2014. Employees of the company who participated in the banking subsidiary's defined benefit plan continue to be a part of this plan. The plan is valued by independent actuaries annually using the Projected Unit Credit Method. The last actuarial valuation for the Company was carried out as at 31 December 2019.

The plan provides pensionable salary to members based on the average member's earnings over the 5 years immediately prior to exit.

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.

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22. Post-employment Benefits (Continued)

(a) Pension schemes (continued)

Defined benefit plan (continued)

The Trustees of the pension scheme ensure benefits are funded, benefits are paid, assets invested to maximise returns subject to acceptable investment risks while considering the liability profile. The next triennial valuation is due to be completed as at 31 December 2025. Any plan surplus or funding deficiency was absorbed by the Company.

The amounts recognised in the statement of financial position are determined as follows:

	2024 $'000	2023 $'000
Present value of funded obligations	1,361,883	1,037,408
Fair value of plan assets	(1,415,989)	(1,259,739)
Unrecognised asset due to asset ceiling	-	111,088
Surplus of funded plan	(54,106)	(111,243)

The movement in the defined benefit obligation over the year is as follows:

	2024 $'000	2023 $'000
Balance at beginning of year	1,037,408	747,603
Current service cost	40,323	28,971
Interest cost	112,357	96,814
	152,680	125,785
Re-measurements -		
Annuities purchased	25,721	15,708
Financial assumptions	156,027	134,855
Experience adjustments	(13,147)	(5,176)
	168,601	145,387
Members' contributions	53,419	45,677
Benefits paid	(50,225)	(27,044)
Balance at end of year	1,361,883	1,037,408

The movement in the defined benefit asset during the year is as follows:

	2024 $'000	2023 $'000
Balance at beginning of year	1,259,739	1,091,138
Return on plan assets	142,141	146,805
Annuities purchased	25,721	15,708
Re-measurements – Financial assumptions	1,005	1,552
Experience adjustment	(61,843)	(53,015)
Members' contributions	53,419	45,677
Employer's contributions	46,032	38,918
Benefits paid	(50,225)	(27,044)
Balance at end of year	1,415,989	1,259,739

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22. Post-employment Benefits (Continued)

(a) Pension schemes (continued)

Defined benefit plan (continued)

The amounts recognised in the income statement are as follows:

	2024 $'000	2023 $'000
Current service cost	40,323	28,971
Interest cost on plan obligation	112,357	96,814
Interest income on plan assets	(142,141)	(146,805)
Interest of effect of the asset ceiling	12,220	36,300
Total included in team member costs (Note 9)	22,759	15,280

The amount recognised in other comprehensive income is as follows:

	2024 $'000	2023 $'000
Change in financial assumptions	155,022	133,303
Experience adjustments	48,696	47,839
Change in effect of asset ceiling	(123,308)	(204,443)
	80,410	(23,301)
Deferred tax	(26,803)	7,767
	53,607	(15,534)

Plan assets are comprised as follows:

	2024					2023				
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000	%	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000	%
Equities Fund	300,198	-		300,198	21	294,795	-	-	294,795	23
Mortgage & Real Estate Fund	232,460	-	-	232,460	16	223,398	-	-	223,398	18
Fixed income fund	198,577	-	-	198,577	14	135,798	-	-	135,798	11
Money market fund	109,902	-	-	109,902	8	115,383	-	-	115,383	9
International equity fund	41,278	-	-	41,278	3	171,048	-	-	171,048	14
CPI Indexed Fund	206,680	-	-	206,680	15	35,871	-	-	35,871	3
Foreign Currency Fund	215,057	-	-	215,057	15	209,398	-	-	209,398	17
Global market fund	55,193	-	-	55,193	4	53,764	-	-	53,764	4
Purchased annuities	-	43,965	-	43,965	3	-	17,161	-	17,161	1
Adjustments	12,679	-	-	12,679	1	3,123	-	-	3,123	-
	1,372,024	43,965	-	1,415,989	100	1,242,578	17,161	-	1,259,739	100

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22. Post-employment Benefits (Continued)

(a) Pension schemes (continued)

Movements in the amounts recognised in the statement of financial position:

	2024 $'000	2023 $'000
Asset at beginning of year	(111,243)	(64,304)
Amounts recognised in the income statement	22,759	15,280
Re-measurements recognised in other comprehensive income	80,410	(23,301)
Contributions paid	(46,032)	(38,918)
Asset at end of year	(54,106)	(111,243)

Movement in the asset ceiling:

	2024 $'000	2023 $'000
Effect of asset ceiling at beginning of year	111,088	279,231
Interest on assets	12,220	36,300
Re-measurements recognised in other comprehensive income	(123,308)	279,231
Asset at end of year	-	111,088

The significant actuarial assumptions used were as follows:

	2024	2023
Discount rate	9.5%	11.0%
Future salary increases	8.0%	9.5%

The sensitivity of post-employment benefits to changes in the weighted principal assumptions is:

	2024			2023		
	Impact on post-employment benefits			Impact on post-employment benefits		
	Change in Assumption	Increase in Assumption	Decrease in Assumption	Change in Assumption	Increase in Assumption	Decrease in Assumption
		$'000	$'000		$'000	$'000
Discount rate – pension	1.0%	(111,000)	138,000	1.0%	(77,000)	94,000
Discount rate – medical	1.0%	(22,000)	27,000	1.0%	(24,000)	31,000
Future salary increases - pension	1.0%	32,000	(29,000)	1.0%	25,000	(23,000)
Future salary increases - medical	1.0%	2,000	(1,000)	1.0%	1,000	(1,000)
Future Pension increases	0.5%	53,000	(50,000)	0.5%	36,000	(34,000)
Health cost	1.0%	24,000	(20,000)	1.0%	29,000	(23,000)
Life Expectancy - pension	1 year	9,000		1 year	6,000	(6,000)
Life Expectancy - medical	1 year	3,000		1 year	4,000	(4,000)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

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22. Post-employment Benefits (Continued)

(b) Other post-employment benefits

In addition to pension benefits, the Company offered retirees medical and life insurance benefits that contribute to the health care and life insurance coverage of employees and beneficiaries after retirement. The method of accounting and frequency of valuations are similar to those used for defined benefit pension schemes.

In addition to the assumptions used for the pension scheme, the main actuarial assumption is the long-term increase in health cost of 7% (2023 – 9%) per annum in 2024.

The amounts recognised in the statement of financial position are determined as follows:

	2024 $'000	2023 $'000
Present value of unfunded obligations	157,401	170,954

The movement in the defined benefit obligation over the year is as follows:

	2024 $'000	2023 $'000
Balance at beginning of year	170,954	118,034
Current service cost	5,825	4,434
Interest expense	19,549	15,249
	25,374	19,683
Re-measurements -		
Gain from change in financial assumptions	48,746	30,869
Experience adjustments	(85,687)	3,885
	(36,941)	34,754
Benefits paid	(1,986)	(1,517)
Balance at end of year	157,401	170,954

The amounts recognised in the income statement are as follows:

	2024 $'000	2023 $'000
Current service cost	5,825	4,434
Interest cost	19,549	15,249
Total, included in team member costs (Note 9)	25,374	19,683

The amount recognised in other comprehensive income is as follows:

	2024 $'000	2023 $'000
Change in financial assumptions	48,746	30,869
Experience adjustments	(85,687)	3,885
	(36,941)	34,754
Deferred tax	12,314	(11,585)
	(24,627)	23,169

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22. Post-employment Benefits (Continued)

(b) Other post-employment benefits (continued)

Movement in the amounts recognised in the statement of financial position:

	2024 $'000	2023 $'000
Liability at beginning of year	170,954	118,034
Amount recognised in the income statements (note 9)	25,374	19,683
Amount recognised in other comprehensive income	(36,941)	34,754
Benefits paid	(1,986)	(1,517)
Liability at end of year	157,401	170,954

Plan risks

Through its defined benefit pension plans and post-employment medical plans, the Company is exposed to several 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:

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 Company 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 Company'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 Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations.

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.

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.

Life expectancy
Most 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.

The weighted average duration of liability of the defined benefit obligation is as follows:

	2024 Years	2023 Years
Active members and deferred pensioners	36	37

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23. Other Assets

	2024 $'000	2023 $'000
Withholding tax recoverable from Government of Jamaica	1,523,830	1,045,725
Customer settlement accounts	469,413	306,198
Prepayments	157,661	85,981
Staff receivables	30,432	35,494
Other	445,952	707,816
	2,627,288	2,181,214

Taxes are withheld at 25% from interest payments on Government of Jamaica securities and other local bonds. The Company makes monthly filings to Tax Administration of Jamaica (TAJ) for recovery. Amounts approved by TAJ are refunded as cash or off-set against liabilities. The amounts are expected to be recovered within one year of the financial statements date.

24. Deposit and Security Liabilities

	2024 $'000	2023 $'000
Securities sold under repurchase agreements	91,158,504	86,787,244
Due to banks and other financial institutions (i)	13,866	72,809
Customer deposits and other accounts	167,404	239,687
Notes payable (ii)	-	2,198,545
	91,339,774	89,298,285

(i) Due to Banks and Other Financial Institutions

	2024 $'000	2023 $'000
Short Term Loans – Bank overdraft (Note 13)	13,866	72,809

Included in securities sold under repurchase agreements are amounts due to banks and other financial institutions of $1,432,951 (2023 - $2,081,171) which are regarded as cash equivalents for purposes of the statement of cash flows (Note 13).

The Company has not had any defaults of principal, interest or other breaches with respect to its liabilities during the year.

(ii) Notes payable

	Currency	Rate %	2024 $'000	2023 $'000
Long Term Loans -				
Fixed rate unsecured bond due 2024	J$	6.75	-	2,180,000
Interest payable			-	18,545
			-	2,198,545

Bonds issued by Jamaica Central Securities Depository (Trustee) -
Tranche B issued 16 August 2020 amounting to $2.18 billion at an interest rate of 6.75% repayable 16 August 2024.

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25. Deferred Income Taxes

Deferred income taxes are calculated on all temporary differences under the liability method using a tax rate of 33⅓% for the Company. The movement in the deferred income tax balance is as follows:

	2024 $'000	2023 $'000
Balance at beginning of year	1,335,043	1,977,370
(Charged)/credited to the income statement (Note 12)	(12,926)	172,512
Tax credited/(charged) relating to components in other comprehensive income (Note 12)	364,259	(814,839)
Balance at end of year	1,686,376	1,335,043

The amounts shown in the statement of financial position included the following:

	2024 $'000	2023 $'000
Deferred tax assets to be recovered after more than 12 months	2,151,871	1,935,176
Deferred tax liabilities to be recovered after more than 12 months	(494,513)	(631,081)

Deferred income tax assets and liabilities are due to the following items:

	2024 $'000	2023 $'000
Deferred income tax assets -		
Property, plant & equipment	34,170	28,501
Investment securities	2,027,942	1,671,862
Financial instrument through profit and loss	108	254
Provision on investment securities	10,381	185,341
Post-employment benefit obligations	79,270	49,218
	29,018	30,948
	2,180,889	1,966,124
Deferred income tax liabilities -		
Financial instrument through profit and loss	449,674	601,767
Post-employment benefit obligations	44,839	29,314
	494,513	631,081
Net deferred tax asset	1,686,376	1,335,043

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current assets against current liabilities and when the deferred income taxes relate to the same fiscal authority.

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25. Deferred Income Taxes (continued)

The movement in deferred tax assets and liabilities is as follows:

	Accelerated tax depreciated	Fair value gains	Loan loss provision	Post-employment benefits	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2023	25,001	1,910,415	-	17,910	24,044	1,977,370
Credited/(charged) to income statement (Note 12)	3,500	7,621	156,310	(1,824)	6,905	172,512
(Charged)/credited to other comprehensive income (Note 12)	-	(847,688)	29,031	3,818	-	(814,839)
At 31 December 2023	28,501	1,070,348	185,341	19,904	30,949	1,335,043
Credited/(charged) to income statement (Note 12)	5,669	151,948	(168,649)	38	(1,932)	(12,926)
(Charged)/credited to other comprehensive income (Note 12)	-	356,080	(6,311)	14,490	-	364,259
At 31 December 2024	34,170	1,578,376	10,381	34,432	29,017	1,686,376

26. Other Liabilities

	2024 $'000	2023 $'000
Customer settlement accounts	1,400,515	1,596,327
Accruals	198,618	230,393
Staff related payables	36,562	40,690
Stale dated cheques	46,721	46,330
Unsettled trades	549,345	-
Other	185,266	99,647
	2,417,027	2,013,387

27. Share Capital

The total authorised number of ordinary stock units is 675,613,376 (2023: 675,613,376), of which 552,145,844 (2023: 552,145,844) was issued and fully paid. The stock units in 2024 and 2023 are stated in these financial statements without a nominal or par value.

28. Stock Options and Grants

Details of the stock options outstanding are as follows:

	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
	2024 '000	2024 $	2023 '000	2023 $
Balance at beginning of year	966	53.05	926	42.42
Granted	-	-	246	57.44
Exercised	(74)	23.65	(206)	10.49
Options outstanding	892	76.70	966	110.35
Exercisable at the end of the year	710	47.58	583	38.30

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28. Stock Options and Grants (Continued)

Stock options outstanding at the end of the year for the company have the following expiry date and exercise price.

Expiry date	Exercise price	Exercise price	No. of stock options	
	2024	2023	2024	2023
31 March 2024	23.65	23.65	-	74,000
31 March 2025	34.10	34.10	54,000	54,000
31 March 2026	36.45	36.45	89,000	89,000
31 March 2027	39.99	39.99	125,000	125,000
31 March 2028	52.40	52.40	145,000	145,000
31 March 2029	51.88	51.88	233,000	233,000
31 March 2030	57.44	57.44	246,000	246,000

For the options outstanding at the end of the year, the remaining contractual term to expiry range from 3 months to 7 years (2023: 3 months – 7 years).

Options for stock units were exercised during the current year $74,000 (2023 – $206,000). The weighted average stock unit price at the date of exercise for options exercised during the year was $23.65 (2023 - $10.49).

With effect from 31 December 2013, stock options are equity–settled by Sagicor Group Jamaica Limited and the provision made represents the fair value of services provided by employees in consideration for shares, as measured by reference to the fair value of the shares for outstanding options.

The Company provides share grants to executives based on the performance of the Company. The number of shares granted during the current year were 349,545 (2023 – 181,183). The prices are based on the trading price on the Jamaica Stock Exchange.

29. Fair Value Reserve

This represents the unrealised deficit on the revaluation of FVOCI investments.

	2024	2023
	$'000	$'000
FVOCI investments	(3,988,559)	(3,289,021)

30. Dividends

	2024	2023
	$'000	$'000
First interim dividend – $0.09 (2023 – $0.32)	50,000	175,000

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31. Fair Value 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 (such as a recognised stock exchange) 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 Company. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the statement of financial position dates.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(i) Investment securities at fair value through profit or loss are measured at fair value by reference to quoted market prices or dealer quotes when available. If quoted market prices are not available, then fair values are estimated on the basis discounted cash flows. Fair value is equal to the carrying amount of these items;
(ii) Investment securities classified as FVTOCI are measured at fair value by reference to quoted market prices or dealer quotes when available. If quoted market prices are not available, then fair values are based on pricing models or other recognised valuation techniques. Investments in unit trusts are based on prices quoted by the fund managers.
(iii) The fair value of the interest rate swap is calculated as the present value of the estimated future cash flows. The fair value of currency forward contracts is determined using quoted forward exchange rates. The fair value of the equity indexed options and the exchange traded funds that are shorted are based on quoted prices. The fair value of the cross-currency swap is based on the present value of the net future cash payments and receipts, which fluctuate based on changes in market interest rates and the euro/U.S. dollar exchange rate.
(iv) The fair value of demand deposits and customer accounts with no specific maturity is assumed to be the amount payable on demand at the statement of financial position date. The estimated fair value of fixed interest-bearing deposits, disclosed below, is based on discounted cash flows using interest rates for new deposits.
(v) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;
(vi) Loans are net of provision for impairment. The estimated fair value of loans, disclosed below, represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value; and

The table below summaries the carrying amount and fair value of financial assets and financial liabilities not presented on the Company's statement of financial position at their fair value:

	Carrying Value 2024 $'000	Fair Value 2024 $'000	Carrying Value 2023 $'000	Fair Value 2023 $'000
Financial Assets				
Investments at amortized cost	197,015	197,015	306,908	306,908
Financial Liabilities				
Securities sold under agreements to repurchase	91,158,504	91,158,504	86,787,244	86,787,244
Customer accounts	167,404	167,404	239,687	239,687
Due to banks and other financial institutions	13,866	13,866	72,809	72,809

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30. Fair Value of Financial Instruments (Continued)

The following table provides an analysis of financial instruments that are measured in the statement of financial position at fair value at 31 December 2024, into Levels 1 to 3 based on the degree to which the fair value is observable:

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Fund is the current bid price;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2024			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial Assets				
Fair value through profit or loss securities	109,878	1,435,060	121,007	1,665,945
Investment securities	-	2,270,613	-	2,270,613
Pledged assets	-	79,080,207	-	79,080,207
	109,878	82,785,880	121,007	83,016,765

	2023			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial Assets				
Fair value through profit or loss securities	71,255	1,435,059	285,758	1,792,072
Investment securities	-	6,800,458	-	6,800,458
Pledged assets	-	76,254,202	-	76,254,202
	71,255	84,489,719	285,758	84,846,732

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30. Fair Value of Financial Instruments (Continued)

There were no transfers between Level 1 and 2 in the year.

Reconciliation of level 3 items –

	2024 $'000	2023 $'000
Balance at beginning of year	285,758	292,732
Total loss– income statement	(164,751)	(6,974)
Balance at end of year	121,007	285,758

Valuation inputs and relationships to fair values

Increases in adjusted net assets of the underlying entities will have a direct correlation to fair value.

Description	Fair value at 31 December $'000	Valuation Technique	Unobservable Inputs	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in Valuation +/- $'000
2024						
Unquoted Equity Securities	121,007	Adjustments to net assets	-	-	10%	12,100
2023						
Unquoted Equity Securities	285,758	Adjustments to net assets	-	-	10%	28,576

The gains or losses recorded in the profit or loss are included in Note 8.

The transfer from level 3 to 2 is attributable to changes in the observability of market data.

There was no material impact from changes in the assumptions for level 3 securities.

31. Fiduciary Risk

The Company provides custody, trustee, corporate administration, investment management or advisory services to third parties which involve the Company making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets are not included in these financial statements.

Management and custodial fees in relation to the above amounted to $1,414,416,000 (2023 - $1,431,131,000).

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32. Unconsolidated Structured Entities

Sagicor Sigma Unit Trust was established by Sagicor Group Jamaica to provide customers with investment opportunities. The Unit Trust comprises twenty one portfolios. Sagicor Select Funds was established by Sagicor Group Jamaica to provide customers with investment opportunities to track particular indices on the Jamaica Stock Exchange. The Select Funds currently has two publicly traded funds the Financial Index and Manufacturing and Distribution Funds.

The Unit Trust has an independent trustee and the Select Funds has an independent Board of Directors. Sagicor Investments Jamaica Limited is the investment manager of the Unit Trust and the Select Funds and is entitled to receive management fees based on the assets under management. The Group also holds units in the Unit Trust as well as the Select Funds.

The table below shows the total assets of the Unit Trust and the Select Funds, the Company's interest in and income arising from involvement with the Unit Trust and Select Funds as well as the maximum exposure to loss. The maximum exposure to loss from the Company's interests represents the maximum loss that the Company could incur as a result of its involvement with the Unit Trust and Select Funds regardless of the probability of the loss being incurred. The income from the Company's interest includes recurring and non-recurring fees and any mark-to-market gains/losses on a net basis.

	2024 $'000	2023 $'000
Total assets		
Unit Trusts	153,567,272	153,964,642
Sagicor Select Funds	7,826,640	6,786,570
Liability in relation to investment in repurchase obligations (included in repurchase obligations on the consolidated statement of financial position)		
Unit Trust	15,779,535	12,907,991
Notes Payable	-	800,000
Total income from the Company's interests	1,414,416	1,431,131

The Company 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.

33. Contingent Liabilities and Commitments

Legal proceedings
The Company is subject to various claims, disputes and legal proceedings, in the normal course of business. Provision is made for such matters when, in the opinion of Management and its legal counsel, it is probable that a payment will be made by the Company, and the amount can be reasonably estimated.

In respect of claims asserted against the Company in 2006 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 Company which is immaterial to both the financial position and results of operations.

Suit has been filed by a customer against the Company for breach of contract, and breach of trust in the amount of US$8,928,500, being loss allegedly suffered as a result of what the claimants say is the unlawful withholding of insurance proceeds by the Company. No provision was made in these financial statements for this claim as the probability of success against the Company is considered low prior to the matter being heard.

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34. Maturity Analysis of Assets and Liabilities

The tables below show an analysis of assets and liabilities according to when they are expected to be recovered or settled. The financial statement areas shown below only reflect assets and liabilities that combine current and non-current balances.

	2024			2023		
ASSETS	**Current**	**Non-Current**	**Total**	**Current**	**Non-Current**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets at fair value through profit or loss	1,665,945	-	1,665,945	1,792,072	-	1,792,072
Investment securities	1,533,855	736,758	2,270,613	1,606,496	5,288,498	6,894,994
Pledged assets	19,753,002	76,158,059	95,911,061	16,464,554	74,669,705	91,134,259
Investment in subsidiary	-	7	7	-	7	7
Deferred income tax assets	29,018	1,657,358	1,686,376	30,948	1,304,095	1,335,043
LIABILITIES						
Securities sold under agreements to repurchase	91,158,504	-	91,158,504	86,787,244	-	86,787,244
Customer deposits and other accounts	167,404	-	167,404	239,687	-	239,687
Due to banks and other financial institutions	13,866	-	13,866	72,809	-	72,809
Notes payable	-	-	-	18,545	2,180,000	2,198,545

35. Offsetting Financial Assets and Financial Liabilities

(a) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements.

	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 Amount $'000**
ASSETS							
Cash and balances due from other financial institutions	786,745	-	786,745	-	-	-	786,745
Financial assets at fair value through profit or loss	1,665,945	-	1,665,945	-	-	-	1,665,945
Financial assets at fair value through OCI	2,270,613	-	2,270,613	-	-	-	2,270,613
Financial assets at amortised cost	197,015	-	197,015	-	-	-	197,015
Pledged assets	95,911,061	-	95,911,061	-	-	95,911,061	-
Securities purchased under agreements to resell	2,270,740	-	2,270,740	-	-	2,270,740	-
Due from related companies	197,751	-	197,751	-	-	-	197,751
Other assets	2,627,288	-	2,627,288	-	-	-	2,627,288
	105,927,158	-	105,927,158	-	-	98,181,801	7,745,357

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35. Offsetting Financial Assets and Financial Liabilities (Continued)

(a) Financial assets (continued)

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements.

	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 amount $'000
ASSETS							
Cash and balances due from other financial institutions	741,009	-	741,009	-	-	-	741,009
Financial assets at fair value through profit or loss	1,792,072	-	1,792,072	-	-	-	1,792,072
Financial assets at fair value through OCI	6,894,994	-	6,894,994	-	-	-	6,894,994
Financial assets at amortised cost	212,372	-	212,372	-	-	-	212,372
Pledged assets	91,134,259	-	91,134,259	-	-	91,134,259	-
Securities purchased under agreements to resell	820,539	-	820,539	-	-	820,539	-
Due from related companies	95,789	-	95,789	-	-	-	95,789
Other assets	2,181,214	-	2,181,214		-	-	2,181,214
	103,872,248	-	103,872,248	-	-	91,954,798	11,917,450

(c) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

	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 Amount $'000
LIABILITIES							
Securities sold under agreement to repurchase	91,158,504	-	91,158,504	91,158,504	-	-	-
Customer deposits and other accounts	167,404	-	167,404	-	-	167,404	-
Due to banks and other financial institutions	13,866	-	13,866	-	-	13,866	-
Notes payable	-	-	-	-	-	-	-
Due to related companies	52,457	-	52,457	-	-	-	52,457
Other liabilities	1,400,515	-	1,400,515	-	-	-	1,400,515
	92,792,746	-	92,792,746	91,158,504	-	181,270	1,452,972

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35. Offsetting Financial Assets and Financial Liabilities (Continued)

(b) Financial liabilities (continued)

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

	2023						
					Related amounts not set off in the statement of financial position		
	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts of financial assets presented on the balance sheet	Impact of master Netting Agreements	Cash Collateral	Financial instruments collateral	Net Amount
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
LIABILITIES							
Securities sold under agreement to repurchase	86,787,244	-	86,787,244	86,787,244	-	-	-
Customer deposits and other accounts	239,687	-	239,687	-	-	239,687	-
Due to banks and other financial institutions	72,809	-	72,809	-	-	72,809	-
Notes payable	2,198,545	-	2,198,545	-	-	-	2,198,545
Due to related companies	43,768	-	43,768	-	-	-	43,768
Other liabilities	1,596,327	-	1,596,327	-	-	-	1,596,327
	90,938,380	-	90,938,380	86,787,244	-	312,496	3,838,640

36. Litigation

A suit has been filed by Sagicor Investments Jamaica (SIJL) against Cornerstone Financial Holdings Limited (CFHL), a company registered in Barbados, for damages suffered as a result of a rights issue being offered to only those shareholders that had participated in the rights issue of an affiliated company. In July 2020, Cornerstone United Holdings Limited (CUHL), a company registered in Jamaica, implemented 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, 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 done on a similar basis thus reducing the company's shareholding. Based on legal opinion the company has a high probability of success in this matter. No amounts have been recorded in the financial statements in respect of this suit as at 31 December 2024.

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