

## APPENDIX II

### SAGICOR GROUP JAMAICA LIMITED ANNUAL GENERAL MEETING – May 26, 2023

#### QUESTIONS & ANSWERS

Question: **Mr. David Rose, Shareholder** - Question to the CEO of SBJ: The Bank made disclosure of the increase in mortgage interest rates in July 2023, after the increase in mortgage rates in 2022 [Please comment]. What is the happening to prepare for Basel III, how will you meet new STD?

Response: **Mrs. Chorvelle Johnson, CEO of Sagicor Bank Jamaica** – Yes, the rates will be increased in July. Once the BOJ increases its rates, all DTOs are automatically required to also increase its rates. Secondly, the implementation of Basle III is slated for January 2024, and we are currently putting things in place.

Question: **Mr. David Rose, Shareholder** - Will SBJ be launching its Digital Wallet and CBDC platforms this year. Will AGIC and Alliance Financial Services be included? What is going on with AGIC [in terms of premiums]?

Response: **Mrs. Chorvelle Johnson, CEO of SBJ** – Both programmes will be ran parallel to each other but we won't be doing it this year. The Digital Wallet is being developed in our Agile Labs as well as CBDC. Development is slated to end by the end of this year. Alliance Financial Services will also benefit from this development.

**Mr. Christopher Zacca, President & CEO of SGJ** – Costs going up on premiums are largely due to claims processing and the increasing costs for reinsurance. We are happy to note that AGIC was the best performer among general insurers for Q1 2023. The Company continues to stay away from high claims/high-risk portfolios

Question: **Mr. David Rose, Shareholder** - I noted that the balance sheet for Sagicor Investments Jamaica decreased last year and there was a \$1B loss for Q2. Explanation?

Response: **Ms. Tara Nunes, SVP and CEO of Sagicor Investments Jamaica** – The last year was difficult for all securities dealers. Global conditions have been affecting prices. We are looking at other avenues to grow fee income on Capital Markets for example while Treasury continues to rebalance. Our IPO platform is currently under review, and we are seeking to launch a new IPO in 2023.

Question: **Mr. David Rose, Shareholder** – How will Sagicor be enhancing the customer's digital experience.

Response: **Mr. Peter Melhado, Board Chairman, SGJ** – The Group has sought to review its internal processes and systems and strengthen the team.

Question: **Mr. David Rose, Shareholder** - What is the timeline for the launch of AFSL's Bill Payment Platform? What are the growth plans for 2023? Why black branding for Alliance?

Response: **Mr. Omar Brown, CEO, Alliance Financial Service Limited** - The Bill Payment Platform has been built as is should be rolled out soon. The Company plans to utilise technology to develop the business in other areas.

Response: **Mr. Christopher Zacca, President & CEO**, we have commenced the rebranding of agents ecetera and over time we will align the brand with the larger Group.

Mr. Orett Staple, Shareholder sought and was granted the permission of the Board Chairman to make some observations /comments prior to asking his questions as follows:

Mr. Staple made expressions of gratitude to to God generally and for guarding us throughout the pandemic; to the Board of Directors of SGJ for choosing to host a face-to-face meeting; the Group's hardworking Board of Directors and employees whose efforts allow Sagicor to remain the top group in Jamaica and to the Auditors for their detailed report.

Question: **Mr. Orrett Staple, Shareholder** - Referring to Page 137 of the 2022 Financial Report, what do you expect to achieve with the implementation of IFRS 17

Response: **Mr. Christopher Zacca, President & CEO, SGJ** – There has been a significant accounting change and we congratulate and thank the Actuarial and IT teams headed by Willard Brown and Howard Gordon in collaboration with Director Mousseau and the SFC's Finance team for their in-depth activity to implement the changes. The changes include new treatment of assets and CSM Saving Accounts. Internally we will continue to improve on our results under the new standard.

Question: **Mr. Orrett Staple, Shareholder** – Referring to Page 150 of the 2022 Financial Report In 2021, the Total Revenue earned was \$103 billion, which costed us \$85.5B. For every \$1 of revenue earned we spent 82 cents. In 2022 \$11.4 B cost \$97.5B. Net profit of 16.6B of every \$1 we spent \$85 and earned 15 cents.

Response: **Mr. Andre Holung, Group Chief Financial Officer, SGJ** – We were not able to recover securities sales which is a continuing trend throughout the industry. It affects the balance sheet, equity and earnings as is outline by the auditors in the notes. The Revenue is less because of exposures conditions in market that happened in 2021 v 2022

Question: **Mr. Orrett Staple, Shareholder** – Nothing will change in the economy in the next 10 years.

Response: **Mr. Peter Melhado, Chairman, SGJ** - No, if every income earned went back into profit

Response: **Mr. Christopher Zacca, President & CEO, SGJ** – This year will start to show improvement look to global economy and be cautious. There will be geographic and product type diversification to give shareholders dividend return. The BOJ has reduced inflation and posed on interest rate increases. We remain confident that we will continue to be resilient.

**Question: Mr. Orrett Staple, Shareholder:** I'm still Pessimistic as the United States and other countries are impacting [Jamaica] and we are in serious problems.

Response: **Mr. Peter Melhado, Chairman SGJ** – We will be proceeding conservatively but we aim to avoid risks and are hoping to see improvements

**Question: Mr. Orrett Staple, Shareholder** - Referring to page 156 of the 2022 Financial Report - With regards to Investment Banking, \$126B was made in 2002 to \$118B being made in 2022.

Response: **Mr. Andre Holung, Group Chief Financial Officer, SGJ** – We have Securities – if you don't have you will make losses

Response: **Mr. Peter Melhado, Chairman, SGJ** - Fee income for market and ..... turned down in the journal.

**Question: Mr. Orrett Staple, Shareholder** - Referring to Page 160 of the 2022 Financial Report – What accounted for the reduction of corporate debt instruments in Trinidad, US, Canada and others.

Response: **Mr. Andre Holung, Group Chief Financial Officer, SGJ** – Increased interest rates impact on the balance sheets and corporate debt. The price of securities fell and that is reflected here.

**Question: Mr. Orrett Staple, Shareholder** - Referring to Page 220 of the 2022 Financial Report. Why has group been cautious in deploying liquidity in client segment consolidation?

Response: **Mr. Andre Holung, Group Chief Financial Officer, SGJ** - Market conditions require us to be cautious, for prudent management.

Response: **Mr. Peter Melhado, Board Chairman, SGJ** – Liquidity is King.

**Question: Mr. Orrett Staple, Shareholder**- Referring to Pages 130 of the 2022 Financial Report – Net movement in ..... What was the need for it?

Response: **Mr. Andre Holung, Group Chief Financial Officer, SGJ** - Notes 40 and 32(b) of the Annual Report address this movement.

**Shareholder Everton McNaught sought, as was granted, permission to make some observations prior to asking his questions. These observations are outlined below:**

In recent times there has been nervousness in other financial institutions, with questions about key personnel and technology, the financial pillar got shaken up but he recommended a certain approach to adapt:

- Embrace what is trending
- Include more substance over form in disclosures
- Guard Sagicor

Without this, the most important asset, that is Sagicor itself, can become diluted.

Question: **Mr. Bloomfield, Shareholder** – Referring to Page 200 N.41 of the 2022 Financial Report Admin Expenses - Electronic Channel Charges 22.445. Please clarify what this line item is about.

Response: **Mr. Christopher Zacca, President and CEO, SGJ** – It is a sharing of a fee for the use of credit/debit cards, The more business is conducted through electronic channels is the more we earn and have to pay more to the provider.

Question: **Mr. Bloomfield, Shareholder** – What accounts for unearned commissions?

Response: **Mr. Christopher Zacca, President & CEO, SGJ** – Once an insurance policy is written, we reinsure with an overseas entity, and they give us a commission.

Question: **Mr. Bloomfield, Shareholder** – What is the Company’s position of the provision of immediate annuities to an investor and at what age can it be accessed?

Response: **Mr. Christopher Zacca, President & CEO, SGJ** - Sagicor Life Jamaica Limited sells immediate annuities. There is no age limit for purchase, and you can speak contact a Sagicor Life agent to learn more.

Question: **Mr. David Rose, Shareholder** - When will there be a connected platform with the ability for account opening services. Also, Unification of services; digitally – roadmap?

Response: **Mr. Howard Gordon, Senior Vice President Group Technology and Sagicor Life Operations** – The platform is being built now and we will soon roll out different sections. We have established a clear roadmap with milestones etc. and testing along the way. We look forward to seeing you in the lab.