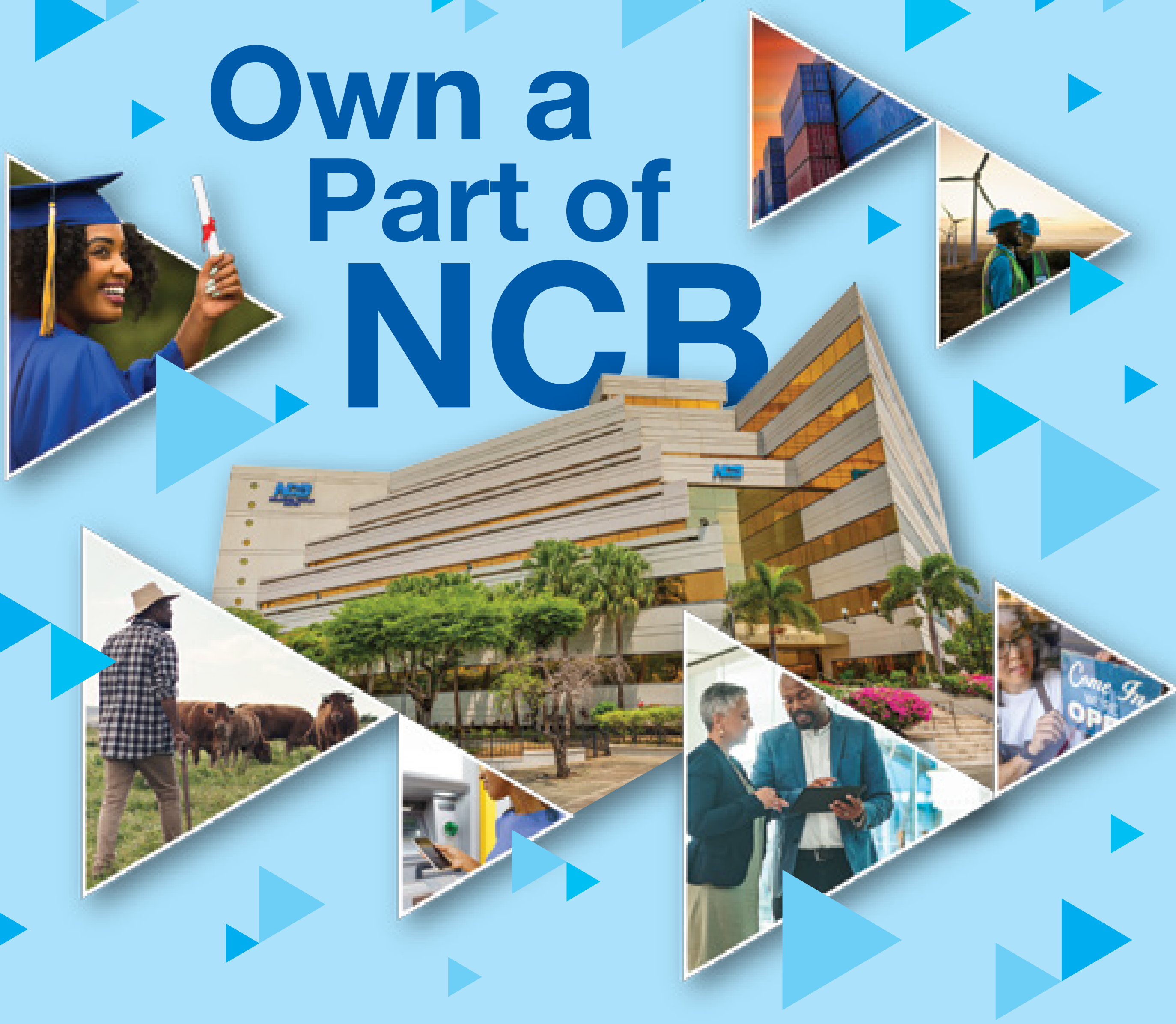
Own a Part of NCB



PROSPECTUS

Inviting offers for the purchase of ordinary shares via our **Additional Public Offering (APO)**

NCB FINANCIAL GROUP LIMITED

Invitation by Prospectus by
NCB Financial Group Limited

a company incorporated under the laws of Jamaica

inviting Offers for the subscription of 78,500,000 New Ordinary Shares

(with the ability to upsize to a maximum of 117,750,000 New Ordinary Shares)

in the capital of

NCB Financial Group Limited
(the "Company")

at the price of J$65.00 per New Ordinary Share

Up to 785,000 New Ordinary Shares are initially reserved for priority application by the Reserved Share Applicants falling within the Employee Reserve Pool at the price of J$58.50 per New Ordinary Share

Dated the 17th day of April, 2024

The total amount to be raised if the Invitation is successful is Five Billion Ninety-Seven Million Three Hundred and Ninety-Seven Thousand Five Hundred Jamaican Dollars (J$5,097,397,500.00).

A copy of this Prospectus was delivered to the Registrar of Companies for registration pursuant to section 40(2) of the Companies Act (the **"Jamaica Companies Act"**) and was so registered on the 23rd day of April, 2024. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus.

A copy of this Prospectus was delivered to the Financial Services Commission on the 24th day of April, 2024 pursuant to section 26 of the Securities Act. The Financial Services Commission has neither approved the issue of this Prospectus nor has the Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

This Prospectus is intended for use in Jamaica only and is not to be construed as an invitation to any person outside Jamaica to subscribe or apply for any of the Shares.

The Directors of NCB Financial Group Limited ("the Company"), whose names appear in this Prospectus, are the persons responsible for the information contained in this document. To the best of the knowledge and belief of such Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of such persons accepts responsibility accordingly.

No person is authorized to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained herein.

Arranged by:

NCB Capital Markets Limited
The Atrium
32 Trafalgar Road
Kingston 10

Table of Contents

Important Notice

Unless stated otherwise, terms used in this Prospectus shall have the meanings attributed to them in **Section 5 - Definitions of this Prospectus.**

Ordinary Shares of the Company are listed on the Jamaica Stock Exchange ("JSE") and prospective investors are invited and encouraged to view all TRADE INFORMATION relating to the Company published on the JSE website at www.jamstockex.com.

Investors are also invited to view the 2023 Annual Report for the Company at www.myncb.com.

Copies of the audited Financial Statements for the Company for Financial Year ended September 30, 2023 AND Interim Unaudited Financial Statements for the Company for the quarter ended December 31, 2023 appear in this Prospectus as APPENDIX 2.

The signatures of the **Directors of the Company** appear in Section 19 – **Signatures of Directors of the Company** of this Prospectus. The Directors of the Company are individually and collectively responsible for the contents of this Prospectus. To the best of the knowledge and belief of such Directors, the information contained in this Prospectus is factually correct and true and no information has been omitted that would make any statement in this Prospectus misleading or that is likely to otherwise materially affect its interpretation.

The Directors of the Company do not warrant or make any representation as to the accuracy of the information in this Prospectus as of any date other than the date on which it is dated.

This Prospectus is issued by the Company to the public in Jamaica only and is not to be construed as making an invitation or offer to persons outside of Jamaica to subscribe for any Shares or other securities.

Key Dates

Applications may be made online by visiting the link https://goipo.jncb.com/ and following the instructions provided in Appendix 3 at the end of this Prospectus.

The Invitation will open at 9.00 a.m. on the Opening Date and will close at 4:00 p.m. on the Closing Date, in each case in Jamaica subject to the right of the Company to: (a) close the Invitation at any time after 9:00 a.m. on the Opening Date once the Invitation is fully subscribed, or (b) extend the period during which the Invitation shall remain open for any reason, provided that such period does not extend beyond the timeframes specified in the Companies Act of Jamaica. In the case of the extension of such period or an early closing, notice will be posted on the website of the JSE at www.jamstockex.com.

The below timetable is indicative and will be implemented on a "best efforts" basis, with the Directors of the Company however reserving the right to change the dates that the Invitation opens and closes based on market conditions and other relevant factors as determined by the Company subject always to statutory and regulatory obligations.

Registration Date	April 23, 2024
Publication Date of Prospectus	April 25, 2024
Opening Date	May 6, 2024
Closing Date	May 27, 2024 subject to the right of the Company to designate an earlier or later date in the circumstances set out in this Prospectus
Expected dispatch of investor statements and any refund if applicable	Within 10 business days of the Announcement of basis of allotment

SECTION 3

Summary of Key Information

The following summary information is derived from and should be read in conjunction with, and is qualified in its entirety by, the full text of this Prospectus, including the Appendices and the Trade Information published on the JSE and TTSE websites.

Potential investors are advised to read carefully, this entire Prospectus and the Trade Information published on the JSE and TTSE websites, before making an investment decision about the transactions herein. Each recipient's attention is specifically drawn to the **Disclaimer and Advisory on Forward Looking Statements** in Section 6 and the **Risk Exposures** in Section 9 of this Prospectus for purposes of determining whether or not to apply/subscribe for Shares.

If you have any questions arising out of this document or if you require any explanations, you should consult your stock broker, licensed investment advisor, attorney-at-law, accountant or other professional advisor.

Company:	NCB Financial Group Limited (sometimes "NCBFG")
Lead Broker:	NCB Capital Markets Limited
Shares the subject of the Invitation:	78,500,000 New Ordinary Shares inclusive of 785,000 Reserved Shares, subject to the Directors of the Company (in consultation with the Arranger) increasing the number of New Ordinary Shares to be made the subject of the Invitation, provided that the Directors shall have no obligation to make any such increase and in no event shall any increase in New Ordinary Shares be greater than 39,250,000 in number, for a maximum total offering size of 117,750,000 New Ordinary Shares. Up to 785,000 Shares are initially reserved for priority applications from Applicants falling within the Employee Reserve Pool, priced at J$58.50 per Share. If any of the Reserved Shares are not purchased by the Reserved Share Applicants, they may become available for purchase by the Non-Reserved Share Applicants.
Shares to be Issued	New Ordinary Shares of no par value in the capital of the Company and ranking pari passu with the existing Ordinary Shares in issue. The Company intends to apply to have the New Ordinary Shares issued pursuant to the invitation herein listed on the Jamaica Stock Exchange.

Invitation Price:	J$65.00 per New Ordinary Share, or J$58.50 in the case of New Ordinary Shares which fall in the Employee Reserve Pool.
Minimum Subscription Amount:	Applicants must request a minimum of 100 New Ordinary Shares in their application. Applications for New Ordinary Shares for any greater amount shall be in multiples of 10 New Ordinary Shares.
Use of Proceeds:	NCBFG expects to receive net proceeds from the Invitation (inviting subscriptions for New Ordinary Shares) of J$5,030,679,045.70 after J$66,718,454.30 approximately is used to pay transaction costs. We intend to use the net proceeds from this Invitation to support a part of our deliberate plan to reallocate capital with a focus on reducing debt and bolstering the capital in the NCB Financial Group. This APO is one of multiple strategies that the NCB Financial Group is pursuing to reallocate capital.
Timetable:	The below timetable is indicative and will be implemented on a "best efforts" basis, with the Directors of the Company however reserving the right to change the dates that the Invitation remains open based on market conditions and other relevant factors. **i.** Distribution of Prospectus - April 25, 2024 **ii.** The Opening Date - 9:00am on May 6, 2024 **iii.** The Closing Date (completed and signed Application Forms to be received by) - 4:00pm on May 27, 2024 **iv.** Announcement of basis of allotment - June 3, 2024 **v.** Allotment of New Ordinary Shares - June 3, 2024 **vi.** Where applicable, it is expected that refunds will be returned by the Lead Broker (as applicable) within 10 business days of the Announcement of basis of allotment. **vii.** Listing of New Ordinary Shares - The Company intends to apply to have the New Ordinary Shares issued as a result of this invitation listed on the J$ Main Market of the Jamaica Stock Exchange. The Company intends to make such application to the JSE in accordance with the Rules of the JSE as soon as conveniently possible following the Closing Date and the allocation of the New Ordinary Shares. However, the foregoing is a statement of intent and not a guarantee that the Shares will be so listed. The Company offers no guarantee that any of the Shares will be admitted to listing.

Message from the Chairman to Prospective Investors

DEAR PROSPECTIVE INVESTORS:

NCB Financial Group Limited ("NCBFG") is pleased to invite you to apply to purchase up to 78,500,000 New Ordinary Shares in the capital of the Company on the terms set out in this Prospectus. We are grateful to all our shareholders and team members for your continued support, and we are excited for you to take part in this opportunity.

On September 8, 2023 the Board of NCBFG approved the Directors having the authority to issue up to 300,000,000 additional shares of the Company via an additional public offering. This Invitation to purchase these additional shares creates a unique opportunity for investors to share in the continued growth of the Group.

NCBFG has placed considerable and deliberate focus on "future-proofing" its businesses and in most instances, the enabling strategies require some degree of patient capital. The future-proofing agenda includes, but may not necessarily be limited to the following:

- Preparation for the adoption of Basel 3 and IFRS 17;
- Increasing resilience to risks, including market and interest rate risks, credit risk and insurance loss absorption capabilities;
- A deliberate agenda focused on strategies that enhance the NCBFG's Licensees':
  - Lending abilities; and
  - Loss absorption capabilities;
- The continued scaling of our unique regional financial services platform;
- Engaging with external consultants and investing in related infrastructure to enable the pursuit of transformative initiatives; and
- Developing and enhancing the NCBFG's fintech agenda via TFOB – Lynk is focused on financial inclusion, creating a path to wealth creation for the underbanked and to serve the Group's fintech agenda.

Over the last few years, NCBFG prioritized its resources towards funding the strategies mentioned above and in so doing has foregone the payment of dividends to NCBFG shareholders and increased debt at NCBFG. In recent times, the NCBFG Executive decided that there is an opportunity to recalibrate this future-proofing agenda:

- The preparation of the adoption of Basel 3 and IFRS 17 is quite advanced and the Group has absorbed the adverse impacts of the pandemic and the rising interest rate environment;
- Elevated expenditures can be reduced;
- The focus on resilience and accretive growth is to be maintained; and
- It is time to accelerate the reduction of NCBFG debt and resumption of payment of regular dividends to shareholders.

As such the NCBFG Executive identified and initiated the following recalibration strategies:

i. Substantially reduce the cost to income ratio, kick-started with initial decisions and actions that will reduce expenditures by JMD 6 billion to JMD 8 billion annually.

ii. Realize on the extensive and unrealized expense and revenue synergies created by the acquisition of Guardian Holdings Limited.

iii. Pursue opportunities for the divestment of non-core assets; and

iv. Raise new equity in the NCBFG via an additional public offering of up to J$5,097,397,500.00 or as may be upsized.

This recalibration is expected to have the effect of:

- Further strengthening the resilience of the Group;
- Reducing the levels of debt at NCBFG;
- Accelerating the growth of distributable net profit through the multiplier-effect of top-line revenue growth combined with increased operating and capital efficiency and lower debt-service requirements.

We intend to use the net proceeds from this Invitation to support a part of our deliberate capital recalibration with a focus on deleveraging and bolstering capital bases. This APO is one of multiple capital recalibration strategies that the NCB Financial Group is pursuing. One of the specific purposes for which the proceeds will be used as a part of our capital recalibration strategy is deleveraging.

NCBFG is proud of its unique regional financial services platform. The Group is present across the Caribbean region. It enjoys market leading positions in highly regulated sectors including insurance, banking, capital markets, payments and wealth management. It benefits from market leading scale and the advantages of the related potential economies of scale. The operating companies have strong and trusted brands. Capital levels exceed regulatory requirements and profitability, whilst somewhat volatile, has been strong.

The Group has a long history overcoming challenges, including those posed by the most recent global pandemic. Going forward, the Group's focus will be on enhancing efficiency, governance and customer experience (EGCe) in order to continue creating value for our shareholders.

In addition, of the amount of 78,500,000 New Ordinary Shares being made available for subscription by prospective investors pursuant to this Invitation, 785,000 Reserved Shares are being reserved for the Employee Reserve Pool.

The transaction will open on May 6, 2024, and close on May 27, 2024.

Prospective investors are invited and encouraged to view all TRADE INFORMATION relating to the Group published on the JSE website at www.jamstockex.com.

How To Make An Application For Shares

Those investors who are interested in purchasing Shares should read this Prospectus in its entirety inclusive of the Risk Exposures detailed at Section 9, the Trade Information relating to the Company published on the JSE website, and then follow the How to Apply Guide set out in the Appendix 3 or visit goipo.jncb.com to apply.

Best regards,

Michael Lee-Chin, O.J.
Chairman

Definitions

Word or Phrase	Definition
Applicant	A person (being an individual or a body corporate) whether a Reserved Share Applicant or a member of the general public, who submits an Application.
Application	Means the application to be made by all Applicants who wish to make an offer to subscribe for Shares in the Invitation, based on instructions set forth in Appendix 3.
Application List	The application list in respect of the Invitation.
Articles	The Articles of Incorporation of the Company.
Board of Directors of the Company OR the Directors of the Company	The Board of Directors of the Company whose signatures appear in Section 19.
Company	NCB Financial Group Limited
Closing Date	The date on which the Invitation closes, being 4:00 pm on May 27, 2024, subject to the right of the Company to shorten or extend the period during which the Invitation will remain open, in the circumstances set out in this Prospectus.

Word or Phrase	Definition
Employee Reserve Pool	Employees of NCBFG and/or its direct or indirect subsidiaries residing in Jamaica that are permitted by the Directors of the Company in their sole discretion to make a priority application on their own behalf for Employee Reserve Shares.
Employee Reserve Shares	The 785,000 Shares in the Invitation that are initially reserved for priority application from the Employee Reserve Pool, at a price of J$58.50.
The Group	NCB Financial Group Limited and its subsidiaries.
Group company or Group companies	A company or companies within the Group.
Invitation	The invitation to subscribe for New Ordinary Shares in the Company on the terms and conditions set out in this Prospectus.
Invitation Price or Price	J$65.00 per New Ordinary Share in Jamaican currency, or J$58.50 in the case of New Ordinary Shares which fall in the Employee Reserve Pool.
J$	Jamaican Dollars

Word or Phrase	Definition
JCSD	Jamaica Central Securities Depository Limited, a wholly owned subsidiary of the JSE, incorporated under the laws of Jamaica to provide depository and settlement services for securities traded electronically on the floor of the Jamaica Stock Exchange using a book entry system.
JSE	The Jamaica Stock Exchange
JSE website	The website of the Jamaica Stock Exchange at www.jamstockex.com
Latest Audited Accounts	the Audited Accounts of the Company for the year 2023 posted on the JSE website.
Lead Broker	NCB Capital Markets Limited, the Broker engaged by the Company in Jamaica to assist with implementation of the Invitation.
NCBJ	National Commercial Bank Jamaica Limited, a wholly owned subsidiary of NCB Financial Group Limited
New Ordinary Shares	Ordinary Shares the subject of this Invitation
Opening Date	The date on which the Invitation opens, being May 6, 2024

Word or Phrase	Definition
Reserved Shares	Up to 785,000 Shares in the Invitation which are specifically reserved for application from, and subscription by the Reserved Share Applicants at the same price
Reserved Share Applicants	The persons who are entitled to subscribe for Reserved Shares are as follows: Employees of NCBFG and its direct and indirect subsidiaries residing in Jamaica
Selling Agent	A stockbroker approved by the Lead Broker to assist with the implementation of the Invitation
Shares or Ordinary Shares	The ordinary shares in the capital of the Company (inclusive of the Reserved Shares) where the context permits.
TTSE	Trinidad and Tobago Stock Exchange
TTSE website	The website of the TTSE at www.stockex.co.tt
US$	United States currency

SECTION 6

Disclaimer and Advisory on Forward Looking Statements

If you are in doubt about the contents of this Prospectus, or have any queries about any information contained herein, you should consult your stockbroker, securities dealer, investment adviser, attorney-at-law, professional accountant or other professional adviser.

You should not subscribe for any of the Shares unless you have received and read or had the opportunity to read this Prospectus in full. **Specific attention of the Investors is invited to the Risk Factors in Section 9 of this Prospectus.** Any decision to invest in the Shares should be based on consideration of this Prospectus, as a whole, including any document incorporated therein by reference. No one has been authorized by the Company to provide you with different or additional information. The Shares are available for subscription or sale only in Jamaica. No action has been taken to register or qualify the Shares for subscription or sale outside Jamaica. The Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. **The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted by law and, accordingly, persons into whose possession this Prospectus may come are required to inform themselves about, and to observe, such restrictions.**

Save for the historical financial information relating to the Company presented by Latest Audited Accounts certain material in this Prospectus or referred to herein may contain forward-looking statements including but not limited to statements of expectations, future plans or future prospects, and financial projections. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made. Although the Board of Directors of the Company believes that in making any such statements its expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be different or materially different from those projected. Prospective investors in the Company are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ or differ materially from historical or anticipated results.

Forward-looking statements are subject to numerous risks and uncertainties. Once this Prospectus has been signed by or on behalf of the Company, the Company undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new information or future events, including changes in the Company's financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosure to be made). There are important factors that could cause actual results to differ or differ materially from those in the forward-looking statements, certain of which are beyond the Company's control. These factors include, without limitation, economic, social and other conditions prevailing both within and outside of Jamaica.

All phases of our business are subject to important uncertainties, risks and other influences, certain of which factors are beyond the Company's control. Any one of these factors, or a combination of them, could cause actual results to differ materially from those in forward-looking statements. These factors include, without limitation, the following:

- economic, social and other conditions in any jurisdiction in which the Company may invest or operate, including actual rates of economic growth in such economies, local, regional or global instability, interest rate or exchange rate volatility;
- adverse climatic events and natural disasters;
- the Company's ability to gain access to capital financing at an acceptable cost, or business opportunities that meet the Company's investment criteria;
- changes in regulatory policy adversely affecting the business model expected to be employed by the Company;
- any other factor(s) negatively impacting on the realization of the assumptions on which the Company's financial projections are based; and
- other factors identified in this Prospectus.

We caution that the foregoing list of risk factors is not exhaustive and other factors not set out above could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to the Company, Applicants and others should carefully consider the foregoing factors and other uncertainties and potential events. Once this Prospectus has been signed by or on behalf of the Company, the Company undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new information or future events, including changes in the Company's anticipated financial or actual or anticipated regulatory position, or to reflect the occurrence of unanticipated events.

Professional Advisors

Company

NCB Financial Group Limited
"The Atrium"
32 Trafalgar Road
Kingston 10
Jamaica

ncbfginvestorqueries@jncb.com
Attention: Jacqueline De Lisser

Arranger

NCB Capital Markets Limited
"The Atrium"
32 Trafalgar Road
Kingston 10
Jamaica

Tel: (876) 960-7108
NCBCapInfo@jncb.com
Attention: Rockeisha Codling Redondo

Jamaica Broker

NCB Capital Markets Limited
"The Atrium"
32 Trafalgar Road
Kingston 10
Jamaica

Tel: (876) 960.7108
NCBCapInfo@jncb.com
Attention: Rockeisha Codling Redondo

Registrar and Transfer Agent

Jamaica Central Securities Depository Limited
40 Harbour Street
Kingston
Jamaica

Tel: (876) 967-3271

Stock Exchange

Jamaica Stock Exchange
40 Harbour Street
P.O. Box 1084
Kingston
Jamaica

Tel: (876) 967-3271
Fax: (876) 924-9090

Legal Advisors to the Company (Jamaica)

Patterson Mair Hamilton
Attorneys-at-Law
Temple Court
85 Hope Road
Kingston 6
Jamaica

Tel: (876) 920-4000
Attention: Arthur Hamilton/Kimberly HoSue

Auditor

PricewaterhouseCoopers
Scotiabank Centre
Duke Street
Box 372
Kingston
Jamaica

Tel: (876) 922-6230
Fax: (876) 922-7581
www.management.com/jm
Attention: Mr. Paul Williams

The Invitation

The Company invites the public to subscribe for 78,500,000 Shares (with the ability to upsize to a maximum of 117,750,000 Shares) in the capital of the Company, subject to the terms and conditions of this Prospectus.

Issued Ordinary Shares at the date of this Prospectus

Issued and fully paid Ordinary Shares	2,545,325,512
Issued Preference Shares	0
Total	2,545,325,512

Total Issued Ordinary Shares in the event that the Invitation is fully subscribed

Issued and fully paid Ordinary Shares	2,545,325,512
Issued Preference Shares	0
Total before subscription of shares in the Invitation	2,545,325,512
Non-Reserved Shares	77,715,000
Reserved Shares for Employee Reserve Pool	785,000
Total after subscription of shares in the Invitation	2,623,825,512

The Non-Reserved Shares are priced at the Invitation Price being J$65.00 per New Ordinary Share payable in full on Application. Reserved Share Applicants are the **persons (referred to herein) who are entitled to subscribe for Reserved Shares**.

The Reserved Shares are initially reserved for priority application from and subscription by Reserved Share Applicants at the price of J$58.50 per Share.

If any of the Reserved Shares are not subscribed for by the Reserved Share Applicants comprised within the respective pool (hereinbefore described), such Reserved Shares will be made available initially for subscription by Reserved Share Applicants in the other pools before the same are made available for subscription by the general public.

Subject to the provisions in this Prospectus, the Company reserves the right to make available additional New Ordinary Shares for purposes of this Invitation. In such event the Company may allot the New Ordinary Shares on a first come, first served basis, However, if the Invitation is oversubscribed, the Company reserves the right to allot the New Ordinary Shares to Applicants on a basis to be determined by the Company, in its sole discretion, including on a pro rata basis and/or to ensure a fair and equitable allocation with an emphasis on a wide distribution of New Ordinary Shares. In this case, Applicants may be allotted fewer New Ordinary Shares than they applied for.

The Application List will open at 9.00 a.m. on May 6, 2024 (the “Opening Date”) and will close on May 27, 2024 (the “Closing Date”) at 4.00 p.m. subject to the Company’s right to close the Application List at any time without notice, if Applications have been received for the full amount of the Shares the subject of the Invitation. Applications are due within the period commencing with Opening Date and ending on the Closing Date.

Subject to the provisions in this Prospectus, the Company reserves the right to extend the period during which the Invitation will remain open. Allocations may be on a prorated basis, up to 21 days after the Invitation is closed, and an announcement will be made informing of the allocation of Shares to successful Applicants.

Applications may be made online by visiting the link https://goipo.jncb.com/ and following the instructions provided in Appendix 3 at the end of this Prospectus.

The Invitation will close at 4.00 p.m. on the Closing Date subject to the right of the Company to: (a) close the Invitation at any time after it opens at 9:00 a.m. on the Opening Date once the Invitation is fully subscribed; or (b) extend the period during which the Invitation will remain open for any reason, provided that such period does not extend beyond the statutory restrictions contained in the Jamaica Companies Act. In the case of the extension of such period or an early closing, notice will be posted on the website of the JSE at www.jamstockex.com.

The Company intends to apply to have the New Ordinary Shares issued as a result of this invitation listed on the J$ Main Market of the Jamaica Stock Exchange. The Company intends to make such application to the JSE in accordance with the Rules of the JSE as soon as conveniently possible following the Closing Date and the allocation of the New Ordinary Shares. However, the foregoing is a statement of intent and not a guarantee that the Shares will be so listed. The Company offers no guarantee that any of the Shares will be admitted to listing.

Use of proceeds

The gross proceeds from the Invitation, assuming that it is fully subscribed at the Invitation Price of J$65.00 per share, will be J$5,097,397,500.00 of which approximately J$66,718,454.30 is expected to be used to pay transaction costs. The net proceeds from the Invitation is expected to be in an amount of J$5,030,679,045.70.

The Company intends to use the net proceeds from this Invitation to support a part of our deliberate plan to reallocate capital with a focus on reducing debt and bolstering the capital in the NCB Financial Group. This APO is one of multiple strategies that the NCB Financial Group is pursuing to reallocate capital.

Details on expenses related to this Invitation, which will be paid from the proceeds of the Invitation, are contained in Section 17 - **Statutory and General Information**.

Risk Exposures

The Company's activities expose it to a variety of risks and uncertainties that may affect the Group, individual entities within the Group, the business and future financial performance, including, among others, the following: economic, social and political conditions in the main operating territories; downgrades of country specific credit ratings; vulnerability of each of the operating economies to external shocks; governmental and regulatory actions and developments affecting the Group or the financial industry in the respective country ; natural disasters; crime and civil unrest; declines in the quality of relevant loan portfolios and other assets; declines in the value of debt securities held by the Group; credit and counterparty risk; changes in interest and exchange rates and other market risks; liquidity risk and increases in funding costs; adequacy of risk management procedures and systems; inability to realize collateral, including real estate collateral; prepayment of relevant loan portfolios; declines in the value of securities managed by entities within the Group; downgrades in credit ratings; failure to comply with regulatory requirements; changes in banking laws and regulations; increased capital requirements; changes in the cost of providing pension benefits to relevant employees; material tax exposure(s); inability to manage growth successfully; failures of information technology and other systems; failure to detect money laundering and other illegal or improper activities; competition; and loss of key executive officers, in each case affecting one or more entities within the Group. One or more of these matters could negatively affect the business, results of operations and financial condition as well as the ability of the Company (and/or entities within the Group) to successfully implement strategic decisions.

In addition to other information set forth in this Prospectus, Prospective Investors should, before subscribing for Shares carefully consider the risks described below. These risks are not the only ones facing Prospective Investors. Additional risks not presently known to the Directors or that the Directors may presently consider to be immaterial may also impair the Company's operations.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated as a result of certain factors, including the risks faced by the Company described below and elsewhere in this Prospectus.

9.1 PRIMARY RISK FACTORS

By its nature, the Group's activities are financial services, including commercial banking; general, life and health insurance; and wealth and investment management activities. The Group's businesses, financial condition and results of operations could be materially and adversely affected if any of the risks described below occurs.

The Group's risk management policies are designed to identify and analyze 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 Group's risk governance framework is intended to provide a comprehensive set of controls and ongoing management of the major risks assumed in the Group's business activities.

The NCBFG's Board of Directors ("Board") assumes ultimate responsibility for the establishment and oversight of the risk management framework and the Group's risk-taking activities. The Board delegates that responsibility to the Group Risk Committee and the Group's Audit Committee. These Committees are supported, where necessary, by the Board committees, Board risk committees, and the Audit committees of the subsidiaries. There are also a number of management committees across the Group which support risk management oversight with respect to strategic risk, operational risk, information technology security and fraud risks, capital adequacy, market and liquidity risk and legal and regulatory risk.

The Group Risk Committee established by the Board assists in fulfilling its responsibility with respect to the oversight of the Group's risk management framework including:

- risk appetite;
- policies;
- major procedures related to managing credit, market, liquidity, capital, operational and certain other risks; and
- decision-making process around significant risks that are to be undertaken.

In addition to this, the Audit Committee (established by the Board) is responsible for assisting the Board in fulfilling its oversight responsibilities for:

- the financial and operational reporting processes;
- risk management;
- the system of internal controls;
- the audit process;
- the Group's processes for monitoring compliance with laws and regulations, the code of conduct, policies and other relevant standards and best practices;
- the integrity of the Company's financial statements;
- the Group's efforts to comply with legal obligations arising from material agreements and undertakings;
- the qualifications and independence of the Group's external auditors; and
- the performance of the Group's internal audit function and its external auditors.

The key risks to which the Group is exposed and the manner in which it manages them are as follows:

Risks relating to main operating territories

Economic, social and political conditions in the Group's main operating territories and downgrades of each country's credit rating may have an adverse effect on the Group's business, results of operations and financial condition.

NCBFG and its subsidiaries operate in 21 territories across the Caribbean; the main operating territories are Jamaica, Trinidad & Tobago, Dutch Antilles, and Bermuda. The Group's business, results of operations and financial condition are materially affected by the economic, social and political conditions of these countries.

Each country may be subject to significant economic, political and other uncertainties, including changes in fiscal, monetary and trade policies that could affect the overall business environment. Economic and political developments in Jamaica may negatively affect the Group's businesses, results of operations and financial condition.

Each economy remains vulnerable to external shocks, which could adversely affect the Group's businesses, results of operations and financial condition.

A significant decline in economic growth of any of the main operating territories' major trading partners, in particular the United States, the United Kingdom and Canada, could have a material adverse effect on each individual country's balance of trade and economic growth. Slow or negligible economic growth in the Caribbean may result in asset quality deterioration and a decrease in market prices and liquidity.

Government policies and actions and judicial decisions could negatively affect the economies within the Group's main operating territories and, as a result, the Group's businesses, results of operations and financial condition. These actions or decisions may impact a broad range of matters, including interest rates, exchange rates, inflation rates, taxation, banking, pension fund regulations, insurance regulations and other political or economic developments affecting each country.

Risk Exposures

Continued

Natural disasters in the Caribbean could disrupt the Group's businesses and adversely affect the results of operations and financial condition. The Caribbean is exposed to natural disasters, such as hurricanes, tropical storms and earthquakes. In the event of a natural disaster, relevant customers and the demand for financial products and services along with insurance business lines could be adversely affected. In addition, disaster recovery plans may prove ineffective, which could have a material adverse impact on the Group's ability to conduct businesses, particularly if such an occurrence affects computer-based data processing, transmission, storage and retrieval systems or destroys customer or other data. In addition, if a significant number of relevant employees and executive officers are unavailable because of natural disaster(s), the ability of any affected company within the Group to conduct business may be compromised. Accordingly, natural disasters or similar events could have a material adverse effect on the Group's businesses, results of operations and financial condition.

Risks relating to the Group's businesses

A decline in the quality of the loan portfolio(s) of relevant companies within the Group and other assets may have an adverse impact on the businesses, results of operations and financial condition of such companies.

Changes in the financial condition or credit profiles of banking customers and increases in inflation or interest rates could have a negative effect on the quality of the loan portfolio, causing increases in expected credit losses (ECLs) resulting in reduced profitability. In particular, the level of non-performing loans and/or impaired loans may increase in the future as a result of factors beyond the Company's control, such as economic conditions and political events affecting Jamaica or Bermuda generally or specific sectors of the economies, being important countries for purposes of portfolios.

A substantial number of customers of Group companies are low- to middle-income individuals and Small & Medium-sized Enterprises (SMEs), and these customers are more likely to be adversely affected by downturns in relevant economies than large corporations and high-income individuals. Consequently, Group companies may experience higher than typical levels of non-performing loans, which could result in increased expected credit losses due to defaults by, or deterioration in the credit profiles of, individual borrowers. Non-performing loans and provision for credit losses may increase materially in the future and adversely affect the Group's businesses, results of operations and financial condition.

Existing provision for credit losses may not be adequate to cover any increases in non-performing or impaired loans or deterioration in the credit quality of loan portfolio(s) held by Group companies. As a result, the Group may be required to increase expected credit losses, which may adversely affect the Group's business, results of operations and financial condition.

Declines in the value of government debt securities portfolio or the Issuer's inability to service those securities, or declines in the value of other securities in the Group's investment portfolio(s), could have an adverse effect on the Group's businesses, results of operations and financial condition.

A significant decline in the ratings or value of relevant government debt securities, on any inability of the government to service debt securities, could require Group companies to record impairment losses and to experience increased expected credit losses. Any significant decline in the value of relevant government debt securities portfolio could materially and adversely affect the Group's businesses, results of operations and financial condition.

Sustained or material declines in the market price for other debt securities or quoted equity positions held could similarly result in impairment or losses as well as realized and unrealized losses on those securities. In addition, losses in the equity markets could result in losses from impairment or sale of the equity securities held. Market and other factors could affect the value of the equity interests held by the Group's companies and the amounts realized upon disposal of those equity interests. Any significant decline in the market prices or values of the instruments held could materially adversely affect the Group's businesses, results of operations and financial condition.

Group companies are subject to credit and counterparty risks.

The Group's commercial banking, insurance and wealth management operations are exposed to credit and counterparty risks arising through the extension of loans, letters of credit and financial guarantees and the entry into reverse repurchase agreements pursuant to which short-term loans collateralized by eligible securities are made. Group companies also face the risk of securities trades or current transactions which have been executed failing to be settled at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. Any inability or failure of a customer or counterparty to honour their contractual obligations to any Group company could materially and adversely affect the Group's businesses, results of operations and financial condition.

Default by one or more of the largest borrowers from any Group company could adversely affect the Group's businesses, results of operations and financial condition.

Significant part(s) of the Group's loan portfolio(s) are established by NCBJ, the Group's Jamaican commercial banking subsidiary. As a consequence, in accordance with the Bank of Jamaica's guidelines, NCBJ is prohibited from recognizing any interest on these loans in the income statement from the date on which the loans are to be regarded as non-performing and for so long as the loans remain in non-performing status. The effect of loans becoming non-performing increases the ratio of non-performing loans to gross loans. Collateral supporting loans are also considered in determining the net value of non-performing loan provisions.

The Group may suffer significant losses from this or other defaults on large credit positions, particularly if the respective Group company is unable to recover sufficient amounts with respect to any collateral or guarantees supporting the credit. Increases in non-performing loans, impaired loans and/or impairment losses on securities and deterioration in the level of loan losses, the ratio of non-performing loans to gross loans and the ratio of provision for credit losses to gross loans could have an adverse impact on Group companies' income, funding arrangements and credit rating which could adversely affect the Group's businesses, results of operations and financial condition.

Group companies are subject to fluctuations in interest rates and foreign exchange rates, which may materially and adversely affect the Group's businesses, results of operations and financial condition.

Changes in short-term interest rates may affect interest margins and, therefore, net interest income, which comprises a significant portion of a relevant Group company's income. Increases in interest rates may reduce the volume of loans originated by the Group's banking operations. Sustained high interest rates may discourage customers from borrowing and may also result in increased delinquencies in outstanding loans and deterioration in the quality of assets. Increases in interest rates may also reduce the value of Group company assets, including the financial assets of the Group's banking operations, the assets managed by the Group's asset management operations and the investments of the Group's proprietary trading operations. Group companies hold substantial portfolios of loans and debt securities that have both fixed and floating interest rates. In addition, Group companies may incur costs (which, in turn, will impact the results of Group companies' operations) if relevant companies implement strategies to reduce future interest rate exposure. Increases in interest rates may reduce gains or require Group companies to record losses on sales of loans or securities.

Group companies face exposure to fluctuations in foreign exchange rates arising from holding financial assets in currencies other than those in which financial liabilities are expected to be settled. The types of instruments exposed to foreign exchange rate risk include, for example, foreign currency denominated loans and investment securities and foreign currency-denominated debt. The Group is also exposed to financial liabilities in currencies other than each entity's functional currency.

Risk Exposures

Continued

The Group's operations are subject to liquidity risk, which may result in increases to funding costs or a lack of liquidity.

The Group's principal sources of funding for the operations of Group companies are customer deposits, liabilities under annuity and insurance contracts, repurchase agreements and other borrowed funds. The Group's banking operations rely primarily on short-term deposits and repurchase agreements for funding, a sudden or unexpected shortage of funds in the Jamaican or Bermudian banking system or a decrease in deposit levels may prevent Group companies from meeting some of its/their obligations or obtaining necessary funding without incurring higher costs or selling assets at prices below prevailing market values. The Group's wealth management operations rely primarily on repurchase agreements and other borrowed funds for funding and the Group's insurance operations rely primarily on liabilities under insurance contracts. Interest rate changes or disruptions in the capital markets may make the terms of borrowings and deposits less favourable which could materially and adversely affect the Group's businesses, results of operations and financial condition.

Group company risk management procedures may not be effective, which may, in turn, expose the Group to material losses that adversely affect the Group's businesses, results of operations and financial condition.

The Group companies review the creditworthiness of individual borrowers or counterparties using an internal credit rating system. As this review process involves detailed analyses of the borrower's or counterparty's credit risk, taking into account quantitative and qualitative factors, it necessarily is subject to human error and may fail to predict future risk exposures. These risk exposures could, for example, arise from factors that Group companies did not anticipate or correctly evaluate in the models and analyses. In addition, personnel may fail to detect risks before they occur, or may not effectively implement the Group's risk management procedures, which may increase exposure to credit risk. Furthermore, Group companies often rely on information furnished by borrowers and counterparties, including financial statements and other financial information. While the companies of the Group take all actions deemed necessary to ensure the accuracy of the information provided to the Group companies, it may not be accurate or the Group companies may not successfully identify all of the information needed to fully assess the risk which may expose the Group companies to increased credit and counterparty risk.

The Group seeks to control financial risk by, among other things, establishing limits relating to credit, market and liquidity exposures, including, for example, limits on credit exposure to any one borrower or counterparty. However, such limits may not adequately limit our risk exposures because they are not adequately designed or because of error in their administration. Any failure by the Group companies to effectively implement and consistently follow risk management procedures may result in higher risk exposures for the Group companies' operations, which could materially and adversely affect businesses, results of operations and financial condition.

Group Companies may be unable to realise collateral or collect on guarantees securing loans, which may adversely affect the Group's businesses, results of operations and financial condition.

The Group's banking operations grant loans that are secured by collateral, including real estate, plant and equipment, marketable securities and other assets that are generally located in Jamaica and Bermuda. Certain of those loans are required to be secured in accordance with the specific requirements of Bank of Jamaica and Bermuda Monetary Authority regulations. The value of such collateral may significantly fluctuate or decline due to factors beyond the respective Group company's control, including economic and political conditions in Jamaica and Bermuda. An economic slowdown may lead to a downturn in the Jamaican and Bermudian real estate market and other asset markets, which may, in turn, result in declines in the value of real estate or other assets securing loans made to levels below the principal balances of those loans. Typically, a loan would become non-performing before it will be regarded as exhibiting signs of impairment. Once collateral for a non-performing loan is to be disposed of, a valuation of the collateral is usually sought from independent appraisers in preparation for disposal of the collateral. That valuation is used to assess the extent of any impairment. If it is necessary to assess impairment before an updated valuation is received, an earlier valuation would be used in that assessment. While the loan remains non-performing, the valuation is updated periodically, as steps to dispose of the collateral continue. For corporate loans that are determined in management's judgment, on a case-by-case basis, to be material, a more frequent appraisal may be sought. The respective Group company does not apply any in-house adjustments to the valuations received by independent appraisers, including for purposes of determining allowances for loan losses. A decline in the value of the collateral securing loans made may result in reduced recoveries from collateral realization which, in turn, may have an adverse impact on the Group's businesses, results of operations and financial condition.

Group companies also make loans on the basis of guarantees from persons affiliated or associated with borrowers. To the extent that guarantors encounter financial difficulties due to economic conditions, personal or business circumstances or otherwise, the relevant Group company's ability to enforce those guarantees may be impaired.

Group companies may face difficulties in enforcing their rights as secured creditors against borrowers and guarantors, and may face difficulties in realizing the value of collateral. In particular, timing delays and procedural problems, as well as debtor-protective judicial interpretations of the law, may make it difficult to realize on collateral or against guarantees or enforce judgments in favour of the secured creditor, which could materially and adversely affect the Group's businesses, results of operations and financial condition.

Group companies may be unable to realise value from real estate collateral securing non-performing loans or impaired loans, which may have an adverse effect on the Group's businesses, financial condition and results of operations.

A significant portion of Group companies' loan portfolio(s) is secured by real estate property. During the ordinary course of business, the Group company may seek to realize value from real estate collateral securing those loans. The amount that the Group company, as a mortgagee, may be able to realize from the real estate collateral after a default depends upon factors outside of the Group company's control, including the following:

- general or local economic conditions;
- demand for the property;
- timing of the sale;
- values of real estate in comparable locations;
- interest rates;
- operating and other expenses of the mortgaged properties, such as outstanding property taxes, repair and maintenance costs, insurance and security;
- zoning, planning and other governmental regulations affecting the use of property; and
- hurricanes or other natural disasters.

If the Group company is unable to realize value from the real estate collateral securing non-performing or impaired loans, the Group company may be required to recognize additional provision for credit losses and the Group's businesses, results of operations and financial condition may be adversely affected.

Risk Exposures

Continued

Loans made by Group companies and certain investment securities held may be prepaid, which may result in reinvestment of assets on less profitable terms.

Group company loans and certain investment securities held, are subject to prepayment risk, which results from the ability of a borrower or issuer to pay a loan or redeem a security prior to maturity. Generally, in a declining interest rate environment, prepayment activity increases with the effect of reducing weighted average lives of interest earning assets and adversely affecting results. Prepayment risk also has an adverse impact on credit card obligations, since prepayments could shorten the weighted average life of credit portfolios, which may result in a mismatch in funding or in reinvestment at lower yields. Significant prepayments in loan, credit card and investment portfolios in the future could have an adverse effect on Group company income since proceeds from the repayment of loans may be reinvested in instruments with lower interest rates.

The Group may be required to increase reserves for future insurance policyholder benefits and claims, which could adversely affect the Group's businesses, results of operations and financial condition.

The Group holds amounts as reserves for future insurance contract holder benefits and claims. The amount of the reserves is based on certain assumptions regarding yields, expense levels, mortality of the contract holders and duration of the insurance policies. If any assumptions turn out to be incorrect and the Group concludes that those reserves, together with future premiums and financial surplus, are insufficient to cover future insurance policyholder benefits and claims, the Group may be required to increase reserves and incur income statement charges for the period in which the determination is made, which could adversely affect the Group's businesses, results of operations and financial condition.

The profitability of Group company insurance operations may decline if mortality, morbidity or persistency rates differ significantly from pricing expectations.

The respective Group companies set prices for many of its/their insurance and annuity products based upon expected claims and payment patterns, using assumptions for mortality rates, or likelihood of death, morbidity (illness) and persistency rates (a measure of the percentage of the insurance contracts that remain in force during a specified period without lapsing or being replaced by policies of other insurers). In addition to the potential effect of natural or man-made disasters, significant changes in mortality, morbidity or persistency could emerge gradually over time, due to changes in the natural environment, the health habits of the insured population, treatment patterns for disease or disability or other factors. The pricing of insurance and annuity products is also based in part upon expected persistency of these products. Strong deviations in actual experience from pricing assumptions could have an adverse effect on the profitability of insurance and annuity products. Some of Group company's insurance products do not permit increases in premiums or adjustment of other charges and credits or limit those adjustments during the life of the policy or contract.

Downgrades in Group company credit ratings could increase the cost of, or impair access to, funding.

Group company credit ratings are an important component of the Group company's ability to obtain funding. The ability to compete successfully for deposits depends on various factors, including financial stability as reflected by credit ratings. A downgrade in a Group Company's credit ratings may adversely affect the perception of the financial stability of the Group company and its ability to raise deposits and the cost of existing funding. Adverse changes in credit ratings would also increase the cost of raising funds in the capital markets or borrowing funds. In addition, lenders and counterparties in derivative transactions are sensitive to ratings downgrades and, accordingly, if any Group company credit ratings are downgraded, such Group company may have difficulty in entering into transactions with lenders and counterparties that it depends on to operate its business. Any downgrade of a Group Company's credit ratings could materially and adversely affect the Group's businesses, results of operations and financial condition.

Noncompliance with regulatory requirements may result in penalties and restrictions that could materially and adversely affect the Group's businesses, results of operations and financial condition.

Group company operations are subject to extensive regulation and supervision by banking, insurance and securities authorities. Group companies are also required to comply with the requirements of the JSE, the Trinidad and Tobago Securities and Exchange Commission, or "TTSEC," and the TTSE. Failure to comply with applicable regulations, including regulations relating to the maintenance of capital reserves and liquidity positions, could subject the respective Group company to penalty interest rates on borrowings or other sanctions, the imposition of directions to prevent further violations, the suspension or revocation of license(s) to operate the various business lines, or the delisting or suspension of listing(s) with the JSE or TTSE. In the event any Group company encounters significant financial problems, are in danger of insolvency or become insolvent, or are otherwise not deemed to be viable, the authorities would have broad powers to intervene in the Group company's management and operations, including the suspension or removal of management and, in extreme circumstances, putting all or a portion of the businesses under temporary management or the taking of control of the Group company's business operations, which could adversely affect the Group's businesses, results of operations and financial condition.

Acquisitions and strategic investments and/or partnerships may not perform in accordance with expectations, may fail to receive required regulatory approvals or may disrupt the Group's operations and adversely affect the Group's financial performance.

The Group may from time to time pursue strategic investments, strategic acquisitions and alliances, which could expose the Group to risks with which the Group has limited or no experience. In addition, potential acquisitions may be subject to regulatory approval. The Group may be unsuccessful in obtaining any such approval.

The Group must base any assessment of potential acquisitions and alliances on assumptions with respect to operations, profitability and other matters that may subsequently prove to be incorrect. Future acquisitions and alliances, as well as other investments, may not produce anticipated synergies or perform in accordance with expectations and could adversely affect the Group's operations and profitability. In addition, new demands on our existing organisation and personnel resulting from the integration of new acquisitions could disrupt the Group's operations and adversely affect financial performance.

The Group may not be able to manage growth successfully.

The Group has been expanding the scope of its operations in recent years, and it is expected that this expansion will continue. As the Group continues to grow the existing business and expand product offerings and move into new businesses, it must improve its operational, technical and managerial knowledge and compliance systems in order to effectively manage its larger operations and new products and businesses. The Group's future growth will also depend on access to financing, which it may be unable to access on commercially acceptable terms or at all. The failure to integrate, monitor and manage expanded operations could have a material and adverse effect on the Group's reputation and financial results.

Group companies subject to reputational and general operational risks.

The Group's business is dependent on maintaining a reputation for prudent financial management and ethical conduct. Negative publicity, whether accurate or not, regarding Group company business practices, actions or inactions, may cause a decline in deposits or deterioration in customer base. Credit, market, operational, insurance, regulatory and legal risks must be managed effectively in order to safeguard the Group's reputation. The Board

Risk Exposures

Continued

of Directors and executive officers seek to maintain high standards of ethical practice and to ensure that the Group complies with applicable policies, legislation and regulations. Nevertheless, it is possible that negative publicity or other reputational damage will occur, which in turn could adversely impact the Group's brand, operations and profitability.

The Group's businesses depend on the ability of Group companies to process large numbers of transactions efficiently and accurately. Operational risks and losses can result from fraud, employee error, failure to properly document transactions or to obtain proper internal authorization, failure to comply with regulatory requirements, breaches of conduct of business rules, equipment failures, natural disasters or the failure of external systems, among others. The Group's procedures may not be effective in guarding against each of the operational risks faced by the Group companies.

Failure of Group company information technology systems could materially and adversely affect its operations, including the effectiveness of risk management and internal control processes and, consequently, adversely affect the Group's businesses, results of operations and financial condition.

The Group is highly dependent on the effectiveness of information technology systems to accurately process a high volume of transactions; collect and process accurately, on a timely basis, a large amount of financial and other information; operate the Group companies' websites; respond to customer inquiries on a timely basis; and maintain cost-efficient operations. Any material disruption or slowdown affecting the Group's information technology systems, including as a result of system failures, viruses or computer "hackers" could cause critical data to be lost or to be delivered with delays or errors, or could cause Group company customers to have difficulty completing transactions. Such incidents could reduce demand for Group company services and products and could materially and adversely affect the Group businesses, results of operations and financial condition.

In addition, the Group's ability to remain competitive will depend in part on its ability to upgrade information technology applications and infrastructure and to address any deficiencies on a timely and cost-effective basis. As the Group continues to expand its businesses, the Group needs to improve its information technology infrastructure, including maintaining and upgrading software and hardware systems and back-office operations as well as enabling and enhancing digital capabilities. Furthermore, a partial or complete failure of any of the Group's information technology systems or of information technology upgrades could materially and adversely affect decision-making processes, risk management and internal control systems as well as the Group's ability to respond on a timely basis to changing market conditions. Any failure to effectively maintain or upgrade information technology infrastructure in a timely manner could materially and adversely affect the Group's businesses, results of operations and financial condition.

9.2 OTHER RISK FACTORS

Pandemic risk

The Company may be subject to operating risks which include disruptions to its business and the wider economy due to a pandemic. This risk might include novel/re-emerging viruses that are contagious and stand to impede business activities. Notably, this risk is not unique to the Company, as domestic and global businesses alike are subject to this risk factor.

Cybersecurity & Data Protection Risk.

The Company collects and stores certain personal data provided by its clients. Although measures are put in place to ensure the integrity of any server/platform/ equipment, these may be susceptible to malicious cyber-attacks which result in interruptions in the Company's service or loss of confidence in the Company's ability to protect its clients' personal data.

Furthermore, the Data Protection Act ("DPA") completed its transition period. The laws relating to data protection including the DPA are relatively new and are still being tested in the courts. As a result, these laws could be interpreted in ways which the Company and its subsidiaries may not have anticipated, which could also adversely affect its business.

Regulatory uncertainties - Changes in laws and regulations could adversely affect the Group's businesses, results of operations and financial performance.

Changes in approach by regulators of companies in the Group in relation to existing regulatory requirements or the introduction of new regulations, may affect the Company's operations and affect its profitability. Laws and regulations governing banking, insurance and financial services are subject to ongoing review and revision, including changes in response to global regulatory trends and impacts by the global economic and financial downturn. The relevant governments may implement additional reforms impacting the financial system, such as measures intended to achieve greater stability of or more effective supervision over financial institutions, although the nature or timing of such future measures, if any cannot be predicted. The adoption of new laws or regulations, or changes in the interpretations or enforcement of existing laws or regulations may have an adverse impact on the Group's businesses, results of operations and financial condition.

Taxation uncertainties - Changes in tax laws and regulations and claims by tax authorities may have an adverse effect on the Group's results of operations and financial condition.

Group companies are subject to income taxes in main operating territories. Group companies tax expenses and tax liabilities in the future could be adversely affected by numerous factors, including, without limitation, changes in tax laws, regulations or interpretations or the potential adverse outcome of tax examinations or tax-related proceedings. Group companies may face tax assessments in the future due to, among other things, changes in the interpretation of tax laws or regulations by tax authorities.

Share Price volatility – Changes in the share price could adversely affect Group company business.

The Shares, if listed on the JSE and TTSE as intended, may experience significant volatility in price, which may extend beyond the short term and which may be dependent on the Group's performance, investors' confidence and other factors over which the Company has no control. The risk factors detailed in this Prospectus, along with other factors and uncertainties not currently known to the Directors of the Company, could cause the market price to decline, and could cause investors to lose part of their investment. The capital markets may experience price and volume fluctuations as a result of volatility in economic conditions which may affect market prices of equity securities. These fluctuations may be unrelated or disproportionate to the operating performance or results of operations of the Group. These broad market fluctuations, as well as general economic, political and market conditions, such as recessions, interest rate changes or currency fluctuations, as well as volatility in capital markets, may cause the share price to decline.

Issue of additional shares

The Directors of the Company may hereafter authorize the issue of additional Ordinary Shares in the Company. Such shares, once issued, may rank pari passu with the existing Ordinary Shares and may be listed on the JSE, TTSE or on any other stock exchange(s). Additional shares so issued could affect the market price of the New Ordinary Shares currently being offered.

Payment of dividends

The payment of dividends on the Shares will be primarily dependent on the Company's future profitability and will be at the discretion of the Board of Directors. The Board of Directors intends to declare, at its discretion and subject to applicable Jamaican law, dividends to holders of Ordinary Shares. Under current dividend policy, the Board of Directors may declare dividends subject to a maximum of 50% of the ordinary realized net profit of the Group after taking into consideration any regulatory or other requirements.

Risk Exposures

Continued

Macro-economic policies

Changes in fiscal and monetary policies by the Government in any of Group company operating territories may create opportunities as well as challenges for the Group and/or its individual subsidiaries.

New accounting rules or standards – changes in International Financial Reporting Standards could materially impact the Group's businesses, results of operations and financial condition.

Each of the Group companies may become subject to new accounting rules or standards that differ from those that are presently applicable. Such new accounting rules or standards could require changes in the way any affected Group company reports its financial position, operating results or cash flows. Such changes could be applied retrospectively.

Risks associated with international conditions

The Group's financial results may be adversely affected by international risks, such as:

- international political and economic conditions;
- changes in Government regulations in various countries;
- trade barriers; and
- adverse tax consequences.

The list of risks mentioned in this Section are not to be taken as being exhaustive of all the possible risks that may affect the Company and its business.

RISK MANAGEMENT

The primary market risks to which the Group is exposed are interest rate risk, foreign exchange risk, and liquidity risk. The Group is also exposed to credit risk and insurance risk.

Risk Management Structure

The Group's risk management structure guides its risk-taking activities and ensures that it is in conformity with regulatory requirements, applicable laws, the Board of Directors' risk parameters, shareholders' expectations and best practices. The framework incorporates a comprehensive risk governance structure and appropriate policies and procedures.

The risk management framework is supported by the following main components:

- Business units, which operate within risk parameters established by the risk management framework.
- The Group Risk Management Division, which provides an independent risk management function.
- Internal Audit, which audits compliance with the risk management processes.
- Compliance, which monitors and oversees anti-money laundering and counter-terrorist financing measures, as well as compliance with legislative requirements.
- Risk committees, which include subsidiary risk management committees composed of executive officers supporting the Board's Group Risk Committee in effectively carrying out its oversight.

The resources and processes used to enforce the risk management strategy are designed to enable all business lines to understand the risks they are exposed to and develop the strategies they need to manage them appropriately. The Group segregates duties so that the risk-taking functions are separated from the settlement, monitoring, measurement and recording functions.

Market risk is regulated and controlled through documented policies and procedures, which are established through the governance structure described above.

Methodologies for measuring and managing market risk

To mitigate credit risk exposure, the Group:

Has in place a robust risk management framework comprised of the following key structures:

- Group Credit Risk policy, approved by the Board of Directors.
- Hierarchy of credit approval authorities, which includes the Board Group Risk Committee and the Board of Directors.
- Limits, which include maximum secured and unsecured exposures to any one borrower in addition to concentration limits.
- An oversight committee of the Board of Directors (The Board Group Risk Committee), which has responsibility for overseeing the credit portfolio review and the integrity of credit system controls.

Liquidity Risk Management Methodologies

The Group's liquidity management and measurement processes include:

- Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure funding if required. This also incorporates cash flow forecasting;
- Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Measurement of net funding gaps. Cumulative surplus or deficits of funds at selective maturity dates are calculated. Cash flows are placed in different time bands based on the contractual terms and the projected behavior of liabilities, including off-balance sheet items. The difference between cash inflows and outflows in each time band is used as a determination of the companies' liquidity profiles and limits are then established on net cumulative liability cash flow gap positions that are held for 15 and 30 days;
- Minimum core liquid assets. Group companies maintain minimum levels of liquid assets, measured as a percentage of its net cumulative liability gap, in an effort to ensure that sufficient levels of liquid assets are held to meet any unexpected cash outflows;
- Key liquidity ratios. NCBFG monitors a variety of liquidity ratios, including liquidity coverage ratio, liquid assets to total assets; loans to core deposits; gap to total liabilities and gap to total deposits;
- Funding diversification. NCBFG seeks to diversify its funding sources to avoid reliance on any one depositor or counterparty. Accordingly, benchmarks are established to monitor the amount taken from any single depositor. The Group implements strategies to attract new deposits and minimize large withdrawals;
    - Stress testing. NCBFG undertakes liquidity stress testing/liquidity crisis scenario testing, which seeks to quantify the potential impact of certain events on the balance sheet, the net potential liquidity gap and liquidity. Liquidity crisis scenario testing involves an examination of Group's liquidity under the following three scenarios: a base case, a moderate case and an extreme case;
- Optimizing cash returns on investment;
- Monitoring statement of financial position liquidity ratios against internal requirements; and
- Managing the concentration and profile of debt maturities. Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for these projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

Risk Exposures

Continued

Market Risk Limits

A key component of the Group's market risk management structure involves establishing limits. NCBFG's market risk limit structure serves the following purposes:

- Identify and define the main types of risks incurred in a manner consistent with the Group's business strategy.
- Quantify appropriate risk levels and an appropriate risk structure.
- Provide flexibility to the business segments to timely and efficiently establish risk positions responsive to market changes and business strategies.
- Allow the individuals and teams originating new business to take prudent risks that will help attain budgeted results.
- Define the range of products and underlying assets within each business unit.

In establishing market risk limits, a major consideration is the risk/return criterion associated with the transaction or instrument. Market risk limits are reviewed annually, or as required and changes are reviewed prior to implementation to ensure they remain within the Board of Directors' appetite for risk and comply with the Group's desired risk/return criterion.

Variances from previously established limits are subject to a hierarchy of approvals through a pre-established approval processes that ultimately may involve executive officers and the Group Risk Management Division or, if sufficiently significant, the Board of Directors of the relevant company within the Group.

Market risk limits are designed based on the risk profile of a specific product determined through sensitivity analyses. The Group establishes an expected outcome based on risk characteristics and its assumptions and analyses concerning them and calculate market risk limits that represent a number of standard deviations from the expected outcome. The Group seeks to operate within a range of acceptable outcomes at a specified confidence level. In establishing market risk limits, the Group considers its risk/return ratio, market volatility, capital allocation and micro- and macro-economic indicators.

Interest Rate Structural Risk Management Methodologies

The Group uses the following methodologies to measure and manage its structural interest rate exposure:

- **Gap measurement.** The Group uses gap measurements to assess interest rate structural risk. Interest rate sensitive assets and liabilities are grouped into buckets on the basis of their re-pricing date or maturity (if there is no re-pricing date), including off-statement of financial position positions in the analysis. The gap is the difference between rate sensitive financial assets and rate sensitive financial liabilities. A positive gap arises where the Group company has more rate sensitive financial assets than financial liabilities. On the contrary, a negative gap arises where there are more rate sensitive financial liabilities than financial assets. Gap measurements are used to carry out sensitivity analyses and establish limits in addition to performing worst case analysis testing.
- **Annual earnings test.** In order to assess the interest rate structural exposure, the Group measures the potential impact on its net interest income over a 12-month period of a specified, statistically derived, parallel movement in market rates of interest. The Group calculates this impact by currency, in the cases of Jamaican dollar and United States dollar exposures.

- **Economic value test.** This test captures the impact of changes in market rates of interest on the net expected cash flows arising from assets and liabilities, including off-statement of financial position items. This measure takes a longer term view of the potential impact of interest rate changes on the Group's net worth.
- **Interest rate spreads.** The Group calculates the weighted average yields of its assets and liabilities and reports the net spread and net interest margins on a monthly basis.
- **Stress testing.** The Group examines the effect of abnormally large movements in interest rates on its annual earnings and on the value of various portfolios using gap analyses.
- **Sensitivity analysis.** Sensitivity analysis is also used to examine the impact of small to moderate movements in interest rates on the annual earnings and economic value of various portfolios using the gap analyses. The Group is not able to readily access hedging instruments such as forwards, futures, caps and collars on the local market to manage its interest rate structural risk.

Foreign Exchange Risk Management Methodologies

The principal methodologies that the Group uses to measure and manage foreign exchange rate risk are market risk limits, stress testing and sensitivity analyses.

Operational Risk

Operational Risk is the risk arising from execution of an enterprise's business functions and in particular the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events such as:

- **Internal Fraud** - misappropriation of assets, tax evasion, intentional mismarking of positions, bribery;
- **External Fraud** - theft of information, hacking damage, third-party theft and forgery;
- **Employment Practices and Workplace Safety** - discrimination, workers' compensation, employee health and safety;
- **Clients, Products, & Business Practice** - market manipulation, antitrust, improper trade, product defects, fiduciary breaches, account churning;
- **Damage to Physical Assets** - natural disasters, terrorism, vandalism;
- **Business Disruption & Systems Failures** - utility disruptions, software failures, hardware failures; and
- **Execution, Delivery, & Process Management** - data entry errors, accounting errors, failed mandatory reporting, negligent loss of client assets.

The Group's robust corporate governance structure ensures tight and frequent monitoring of operational practices and processes to ensure efficiency, effectiveness and accuracy of the systems and procedures that are in place. It also allows for swift remedial action if and when necessary.

Information About The Company

NCB Financial Group Limited is the financial holding company, currently for four direct subsidiaries: National Commercial Bank Jamaica Limited ("NCBJ"), NCB Global Holdings Limited ("NCBGH") - the majority shareholder for Guardian Holdings Limited ("GHL"), Clarien Group Limited ("CGL") and TFOB (2021) Limited ("TFOB") .

The Group is one of the largest banking and financial services group in Jamaica and also one of the largest financial conglomerates in the Caribbean measured by total assets. Group companies operate in the financial services industry, providing products and services in banking, insurance and investment management through 21 territories across the Caribbean. Group companies provide individual consumers, small- and medium-sized enterprises (SMEs), large corporations and government institutions with banking, wealth management, insurance and pension fund management products and services. A wide range of financial products and services is provided to customers, including loan and investment products, deposits, remittance services, electronic banking, payment services, credit cards, structured finance, trade finance, foreign exchange, wealth management, insurance, pension fund management, annuities, and trust and registrar services. For the fiscal year 2023, the Group registered a decline in financial performance compared to fiscal years 2022 and 2021 due in part to strategic restructuring activities.

The Group presently operates business through seven segments and by direct and indirect subsidiaries:

OPERATING GROUPS	Banking & Investment Activities					Insurance Activities	
Operating Segments	Consumer & SME Banking	Corporate & Commercial Banking	Payment Services	Treasury & Correspondent Banking	Wealth, Asset Management & Investment Banking	Life & Health Insurance and Pension Fund Management	General Insurance
Lines of Business	PERSONAL BANKING PRIVATE BANKING COMMERCIAL BANKING LENDING/CREDIT DEPOSITS		CREDIT CARD ISSUING CARD ACQUIRING MOBILE WALLET (ELECTRONIC PAYMENTS)	LIQUIDITY MANAGEMENT CORRESPONDENT BANKING WHOLESALE FUNDING FOREIGN EXCHANGE MANAGEMENT	REGIONAL ASSET MANAGEMENT INVESTMENTS CORPORATE FINANCING INVESTMENT BANKING BROKERAGE SERVICES	INDIVIDUAL AND GROUP LIFE INSURANCE HEALTH INSURANCE PROPERTY INSURANCE CASUALTY INSURANCE ANNUITY PRODUCTS PENSION FUND MANAGEMENT	

Through these segments, NCBFG is able to serve its customers with a wide range of specialised and customised financial products and services.

[1] As per comparison of audit financial statements of financial institutions in Jamaica based on total assets and net profit.

NCB MILESTONES

The Group has its genesis over 175 years ago as the Colonial Bank of London. Today, it is the largest FI group in the country trading on both the Jamaica and T&T stock exchanges

1837
Colonial Bank of London opened its doors in Kingston, Jamaica

1925
Barclays Bank acquired Colonial Bank of London

1977
Government of Jamaica acquires Barclays Bank and changes the name to National Commercial Bank Jamaica Limited

1983
NCB Group Ltd. (holding company acquired NCB and all its subsidiaries

1986
NCB Group was listed on the Jamaica Stock Exchange

1993
Acquired Mutual Security Bank Ltd. (a subsidiary of Mutual Life)

1997
FINSAC intervened and restructured the Bank acquiring 75% of its shares

2002
AIC Ltd. acquired 75% of the Bank's shares from FINSAC and Mr. Lee Chin became NCBJ's Chairman

2003
"NCBJ" is listed on the T&T Stock Exchange

2004
NCB SME product launched and SME unit established

2007
NCB is awarded Latin Finance's Best Bank of the Year

2008
Awarded several awards for excellence, social responsibility, FX provider, among others

2013
Acquired 100% of Advantage General Insurance Company Ltd.

2014
Acquisition of NCB Global Finance Ltd.

2015
NCBCM incorporated and launched NCBCM Barbados

2016
NCB Financial Group Ltd., an affiliate of the Bank acquired 29.99% of Guardian Holdings Ltd.

2017
NC Financial Group Ltd. becomes the holding company for NCB and its subsidiaries "NCBJ" shares delisted; "NCBFG" shares listed

2018
NCBFG acquires 50.1% majority stake in Clarien Group Limited, owner of Clarien Bank Limited based in Hamilton, Bermuda.

2019
NCBFG acquires additional shareholding to get a 61.967% majority stake in Guardian Holdings Limited.

Information About The Company

Continued

NCBFG is known for its robust governance structure, strategic focus and strong financial performance. NCBFG is now pursuing a bold set of goals and aspirations to transform the Group. Our current strategy is focused on:

Efficiency

Governance

Customer Experience

Details as to the subsidiaries of the Company are disclosed in the Latest Financial Statements for the Company appearing in Appendix 2 to this Prospectus.

At the time of publication of this Prospectus, the Company is/may be engaged in negotiations with third parties as may lead to disposal(s) of certain assets held by the Company (either directly or through its subsidiaries). The Company does not anticipate that any sale(s) of such assets (if the same shall be undertaken) will have any notable impact on its net earnings or its capital position, but would instead drive the efforts of the Company aimed at achieving greater capital efficiency and promoting continued strong financial performance.

GENERAL BACKGROUND

NCB Financial Group Limited was incorporated in April 2016, with a view to it becoming the holding company for NCBJ. NCBJ, first known as the Colonial Bank, commenced operations in Jamaica in 1837 and became part of the overseas network of Barclays Bank in 1925. In 1977, the Government of Jamaica acquired the shares of the Bank and changed its name from Barclays Jamaica Limited to National Commercial Bank Jamaica Limited. The Bank was subsequently returned to the private sector via a public offering in 1986. For most of its history NCBJ has served as the dominant commercial banking institution in Jamaica.

In March 2017 under a Scheme of Arrangement, the pre-existing shares in NCBJ were transferred en-bloc to NCBFG, which in turn issued, on a one for one basis, shares in NCBFG to the previous shareholders of NCBJ. This resulted in NCBJ becoming a wholly owned subsidiary of NCBFG.

In December 2017, NCBFG acquired a 50.1% stake in Clarien Group Limited incorporated in Bermuda, owner of Clarien Bank Limited ("CBL"). The remaining shareholding is held by funds managed by Portland Private Equity (17.92%) and Edmund Gibbons Limited (31.98%). CBL is licensed by the Bermuda Monetary Authority to conduct banking, investment and trust business and is one of the largest independent, private-owned financial services organisations in Bermuda.

NCBFG acquired 29.99% of the issued shares of Guardian Holdings Limited ("GHL") in Trinidad & Tobago in May 2016. An additional investment was made in May 2019 combining for a majority stake of 61.967% in GHL. The Guardian Group is one of the largest indigenous financial services and insurance group in the Caribbean ; serving markets in 21 countries, primarily in the English and Dutch Caribbean. GHL provides services in life and health insurance, asset management, trust services and general insurance.

[2] As per comparison of audit financial statements of insurance companies across the Caribbean.

SHAREHOLDERS' HISTORY

2017
In March 2017 a Scheme of Arrangement was completed, resulting in reorganization of NCB Group and NCBJ becoming a wholly owned subsidiary of NCBFG.*

2016
NCBFG incorporated in April 2016, with a view to it becoming the holding company for NCBJ

2002
AIC (Bardados) Limited acquired all the ordinary shares held by FINSAC

2000
Finsac converted its preferred shares into ordinary shares, owning 75% of the ordinary shares

1997
GOJ (through FINSAC) purchased 68% of NCBJ's ordinary shares

1992
- GOJ disposed all its shares
- Jamaica N&N Investments acquired 39% of NCBJ

1986
NCBJ was listed on the JSE

1977
GOJ acquired 100% of the shares of Barclays Bank Jamaica and changed its name to NCBJ

1925
Barclays Bank acquired 100% of the shares of Colonial Bank

1837
Colonial Bank commenced operations in Jamaica

* Under the Scheme, all existing NCBJ ordinary shares were cancelled and new NCBJ ordinary shares credited as fully paid to NCBFG and the holders of the cancelled NCBJ ordinary shares received an allotment of a new NCBFG ordinary share credited as fully paid for every cancelled share. Resulting from the finalization of the Scheme, NCBFG's shares were listed on the Jamaica Stock Exchange and the Trinidad & Tobago Stock Exchange. Ahead of the listing of NCBFG's shares, NCBJ's shares were delisted from both Exchanges.

Share Capital Structure

The share capital of the Company is divided as follows:

Class	Authorised
Ordinary Shares	Unlimited
Preference Shares	Unlimited

The issued share capital of the Company is as follows.

Issued and fully paid Ordinary Shares	2,544,844,612 stock units of no par value
Issued Preference Shares	nil

SHAREHOLDINGS IN THE COMPANY AS AT THE DATE OF THIS PROSPECTUS ARE AS FOLLOWS:

Current 10 Largest Shareholders (as of December 31, 2023)

Name of Shareholder	No. of Shares	Ownership
AIC (Barbados) Limited	1,261.7 MM	49.57%
MF&G Asset Management Limited - NCB Share Scheme	101.4 MM	3.98%
Sagicor PIF Equity Fund	73.7 MM	2.90%
Patrick Hylton	60.8 MM	2.39%
NCBIA WT 109	54.7 MM	2.15%
Harprop Limited	46.4 MM	1.82%
AIC Global Holdings Inc	45.4 MM	1.79%
National Insurance Fund	33.1 MM	1.30%
Ideal Portfolio Services Company Ltd.	32.5 MM	1.28%
SJIML A/C 3119	31.0 MM	1.22%
Total	**1,741.0 MM**	**68.40%**

Current Shareholders profile (as of September 30, 2023)

# of Shareholders	Ownership of each shareholder	No. of Shares	Ownership
1	49.58%	1,261.7 MM	49.58%
12	1-5%	563.5 MM	22.14%
44,794	Less than 1%	719.6 MM	28.28%
44,094		**2,544.8MM**	**100.00%**

SHAREHOLDINGS OF ORDINARY SHARES IN THE EVENT THE INVITATION IS FULLY SUBSCRIBED BY APPLICANTS WILL BE AS FOLLOWS.

Name of Shareholder	No. of Shares	Ownership
AIC (Barbados) Limited	1,261.7 MM	48.09%
MF&G Asset Management Limited - NCB Share Scheme	101.4 MM	3.86%
Sagicor PIF Equity Fund	73.7 MM	2.81%
Patrick Hylton	60.8 MM	2.32%
NCBIA WT 109	54.7 MM	2.15%
Harprop Limited	46.4 MM	1.77%
AIC Global Holdings Inc	45.4 MM	1.73%
National Insurance Fund	33.1 MM	1.26%
Ideal Portfolio Services Company Ltd.	32.5 MM	1.24%
SJIML A/C 3119	31.0 MM	1.18%
Total	**1,741.0 MM**	**66.35%**

# of Shareholders	Ownership of each shareholder	No. of Shares	Ownership
1	48.09%	1,261.7 MM	48.09%
12	1-5%	563.5 MM	21.48%
44,794	Less than 1%	798.6 MM	30.44%
44,807		**2,623.8 MM**	**100.00%**

Dividend Policy

The Board of Directors of the Company recognises the importance of capital in meeting the needs of shareholders, investors and the business. To this extent, a dividend pay-out rate has been determined.

The maintenance of adequate capital is important in ensuring the strategic objections of the Group are met while complying with all regulatory requirements. The Board of Directors is also aware of the influence dividends has on shareholders' and potential investors' perceptions of the Company's financial strength which can ultimately impact share price.

DIVIDEND PAY-OUT RATE

The Board of Directors will declare, at its discretion, dividends to shareholders. These dividends will be paid from the realised earnings of the Company. The dividends will be subject to a maximum of 50% of the net profits earned each year after taking into consideration any regulatory or other requirements. In the event that the payout is less than 50% in any one year, the Board of Directors reserves the right to increase future distributions proportionately.

Further, the Board, at its discretion, may distribute to its shareholders the full amount of dividends received from subsidiaries and realised gains arising from non-recurring or extraordinary transactions.

The Dividend Policy is reviewed annually or more frequently as determined by the Board of Directors.

The Board of Directors/ Management of the Company

THE BOARD OF DIRECTORS

HON. MICHAEL LEE-CHIN
OJ, HON. LL.D., B.ENG

Michael is the President and Chairman of Portland Holdings Inc., a privately held investment company that manages public and private equity, and has an ownership interest in a collection of diversified businesses operating in sectors that include financial services, tourism, agriculture, insurance, energy and targeted radio nuclide therapy, with origins dating back to 1987.

Michael is known as a bold and visionary entrepreneur who lives by the philosophy, "Do well by doing good."

His noteworthy achievements include being bestowed with the Order of Jamaica, for his significant contribution to business and philanthropy. He was also appointed to the Order of Ontario (Canada), the province's highest civilian order.

Michael has been honoured with Doctor of Laws degrees from McMaster University, the University of Toronto, Northern Caribbean University, Wilfrid Laurier University, the University of the West Indies, and York University.

Michael sits on various boards in Canada and the Caribbean, including the boards of National Commercial Bank Jamaica Limited and Guardian Holdings Limited.

Board skills & expertise:
Corporate governance; strategy; global perspective; financial expertise; financial literacy; listed company experience; human resources and compensation; stakeholder engagement; leadership; risk management and financial services.

ROBERT ALMEIDA
B.COMM., CPA, CA

Robert was formally appointed as group Chief Executive Offer of NCBFG in February 2024.

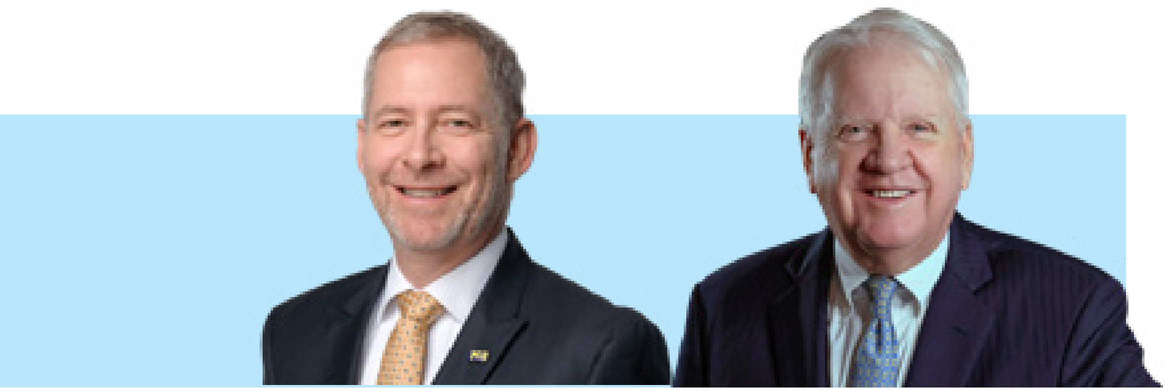
Robert is a founding partner of Portland Private Equity and managing partner of the AIC Caribbean Fund and the Portland Caribbean Fund II. He is a director, senior vice president and portfolio manager at Portland Investment Counsel Inc. (Canada), and sits on the boards of several Portland Group portfolio companies.

Robert has over 30 years' experience as an investor and business executive. In addition to his chartered accountant (CA) designation, Robert holds a Bachelor of Commerce Degree with High Distinction from the University of Toronto. He currently serves on the boards of National Commercial Bank Jamaica Limited, Guardian Holdings Limited, Clarien Group Limited, Clarien Bank Limited, and Clarien Investments Limited as well as the Canadian Council for the Americas.

Board skills & expertise:
Corporate governance; strategy; global perspective; financial expertise; financial literacy; listed company experience; human resources and compensation; stakeholder engagement; risk management; leadership and financial services.

CHAIRMAN OF THE BOARD	DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER
NON-EXECUTIVE DIRECTOR	**NON-EXECUTIVE DIRECTOR**
Appointment Date - NCBFG: February 23, 2017	**Appointment Date - NCBFG:** February 23, 2017
Length of Directorship - NCBJ: 21 years	**Length of Directorship - NCBJ:** 15 years

The principal role of the Board of Directors is to oversee the implementation of the Group's strategic initiatives and its functioning within the agreed framework, in accordance with relevant statutory and regulatory structures.



BRUCE BOWEN

Bruce is the Chief Executive Officer of National Commercial Bank Jamaica Limited (NCBJ). He has a proven track record in leading large, complex financial services businesses across diverse international markets with over 25 years with a major international financial institution in Senior Management positions. He was responsible for directing operations across 20 different countries covering retail and commercial banking, insurance and wealth management.

Mr. Bowen is the holder of a Bachelor of Business Administration (Hons) and has completed Executive Training Programmes in Canada and USA.

He currently serves on the Boards of NCBJ and Clarien Bank Limited as well as Chairman of the Boards of NCB Capital Markets Limited and NCB Insurance Agency & Fund Managers Limited. He has served as a director on various publicly listed companies and is currently on the board of Jamaica Broilers Group Limited.

He is the Founder & Managing Director of Rock Capital Partners, a boutique financial advisory practice, Chairman of Rock Mobile, a licenced telecommunications operator in Jamaica, and Founder and Chairman of ADVANTAQ, a RegTech business supporting regional financial institutions.

Board skills & expertise:
Corporate governance; strategy; global perspective; financial expertise; financial literacy; listed company experience; human resources and compensation; stakeholder engagement; risk management; leadership and financial services.

NON-EXECUTIVE INDEPENDENT DIRECTOR

Appointment Date - NCBFG:

Length of Directorship - NCBJ: 3 months

GARY BROWN

Gary, a seasoned director in the financial services industry, brings over four decades of experience to his role. He retired in 2018 after a distinguished 42-year career, culminating in his position as Chief Executive Officer and Director of FirstCaribbean International Bank Limited, a publicly-traded bank headquartered in Barbados and majority-owned by CIBC. In addition to his distinguished service within the financial sector, since 2006 he has served Mercy Ships International, where he is currently Chairman of the Board of Directors, and previously Chaired the Audit, Finance and Compliance Committees.

For nine years during his tenure at CIBC, Gary was President and CEO of CIBC World Markets Corp., the bank's U.S. broker-dealer, overseeing their U.S. business and governance functions. He also held key leadership roles within the parent bank CIBC, contributing to its strategic direction as a member of the Operating Committee.

Prior to his time at CIBC, Gary served as Director and President of K2 Digital, Inc., an Internet professional services company. His extensive experience also includes nearly two decades with UBS AG, where he held various senior positions, including New York Branch Manager, Head of Structured Finance and Chief Credit Officer for the Americas. He began his career with The Chase Manhattan Bank in 1976.

Throughout his career, Gary has been actively involved in industry organizations and served in leadership roles, including President of the Risk Management Association – New York Chapter and Trustee of the Institute of International Bankers. He currently chairs the Audit Committee at Oral Roberts University and serves on the Board of Trustees.

Gary holds a Bachelor of Science in Business Administration from Oral Roberts University and has completed executive programs at the Salzburg Institute and Harvard Business School. He is passionate about leveraging his leadership abilities and expertise to drive positive change and contribute to the success of organizations with whom he is affiliated.

Board skills & expertise:
Financial expertise; global perspective; corporate governance; strategy; financial literacy; listed company experience; human resources and compensation; stakeholder engagement; risk management; leadership and financial services.

LEAD INDEPENDENT DIRECTOR

NON-EXECUTIVE DIRECTOR

Appointment Date - NCBFG:

Length of Directorship - NCBJ: 2 months

The Board of Directors/ Management of the Company

THE BOARD OF DIRECTORS

SANYA M. GOFFE
LL.B (HONS.)

Sanya is a partner at the law firm Hart Muirhead Fatta, and was a 2020 Eisenhower Fellow. She serves as Chairperson of Stratus Alternative Funds SCC and chairs the Corporate Governance and Nominations Committee of NCBFG. She is also a director on the boards of Jamaica Producers Group Limited, the National Insurance Board and RevUp Caribbean Limited.

Sanya is the President of the Pension Industry Association of Jamaica. In addition, she serves as a member of the Jamaican Bar Association's commercial law and intellectual property law committees. She is a member of the UK Association of Pension Lawyers, and the International Pension and Employee Benefits Lawyers Association. She is also co-founder of the Adult Learning Centres of Jamaica, a charity geared towards the promotion and advancement of adult literacy.

Board skills & expertise: Corporate governance; strategy; financial literacy; listed company experience; legal skills & expertise; human resources and compensation; stakeholder engagement; leadership; risk management and financial services.
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NON-EXECUTIVE INDEPENDENT DIRECTOR

Appointment Date - NCBFG: April 26, 2016

Length of Directorship - NCBJ: 12 years

THALIA LYN
OD, J.P., HON. LL.D., B.A., (HONS.)

Thalia, one of Jamaica's most successful entrepreneurs, sits at the helm of Island Grill – a multi-billion-dollar fast food chain with stores throughout Jamaica and Barbados. She is also a philanthropist, and one of the country's most passionate advocates for gender equality and persons with disabilities.

Thalia chairs the N.C.B. Foundation's Board of Directors. She is also a trustee of the NCB Pension Funds, CEO of both Island Catering and Island Grill Holdings, patron of the CB Group's UWI 5K fundraiser, and ambassador for the Jamaica Social Stock Exchange. She serves as director of Mustard Seed Communities, Port Royal Patties (UK), and Devon House Development. Additionally, she is the Honorary Consul General of Thailand, the second woman inducted into the Private Sector of Jamaica (PSOJ) Hall of Fame, and was awarded an Honorary Doctor of Laws degree (LLD) from the University of the West Indies.

Thalia has been conferred with national honours by both Jamaica and the Kingdom of Thailand.

Board skills & expertise: Corporate governance; strategy; financial literacy; listed company experience; human resources and compensation; stakeholder engagement; leadership; financial services; and risk management.

NON-EXECUTIVE INDEPENDENT DIRECTOR

Appointment Date - NCBFG: February 23, 2017

Length of Directorship - NCBJ: 21 years

The principal role of the Board of Directors is to oversee the implementation of the Group's strategic initiatives and its functioning within the agreed framework, in accordance with relevant statutory and regulatory structures.

HOWARD L. SHEARER

B.ENG, LLM, FCAE

Howard L. Shearer stands as a vanguard in the technology and nuclear sectors, currently leading as the Chief Executive of Hitachi Canada. His extensive background is marked by significant contributions to regulatory compliance and corporate governance across various domains, including Finance, Energy, Healthcare, and Cybersecurity.

With a storied career prior to Hitachi that placed him in key roles within major technology firms, Howard now channels his expertise into strategic leadership positions. He is the Chair of the Board of Directors for the Energy Council of Canada and a pivotal member of the Canadian Nuclear Laboratories Board, engaging with both the Audit and Strategy Committees. His academic involvement is reflected in his position as Executive in Residence at McMaster University.

In addition to his professional achievements, Howard has shared his knowledge on Governance through authorship, notably contributing Chapter 7 in 'Smart Villages – Bridging the Global Urban-Rural Divide' (2022).

Dedicated to mentorship and community service, Howard is an active member of the McMaster University Engineering Advisory Board, the York Region Police Integrated Strategic Community Advisory Committee, and B'Nai Brith Canada's League for Human Rights Special Advisory Council. Howard's leadership is defined by a blend of integrity, civility, and an unyielding pursuit of excellence, making him a distinguished figure in fostering innovation and accountability in governance.

Board skills & expertise:
Information Technology/ Cybersecurity; corporate governance; global perspective; strategy; financial expertise; financial literacy; listed company experience; human resources and compensation; stakeholder engagement; risk management; leadership and financial services.

INDEPENDENT DIRECTOR

NON-EXECUTIVE DIRECTOR

Appointment Date - NCBFG:

Length of Directorship - NCBJ: 1 month

The Board of Directors/ Management of the Company

Continued

THE MANAGEMENT TEAM

Allison Wynter
Group Chief Risk Officer

Allison is responsible for the identification, assessment, measurement, monitoring and management of the principal risks faced by the Group, with particular emphasis on credit, market, liquidity and operational risks.

Dave Garcia
Group General Counsel and Corporate Secretary

Dave provides the Group with general advice, leadership and direction on legal, regulatory governance and corporate secretarial matters while maintaining effective relationships with relevant stakeholders. He is charged with guiding the Group's legal strategy and the ongoing development and monitoring of its governance framework while ensuring the appropriate oversight and management of legal risk.

Malcolm Sadler
Chief Financial Officer

Malcolm provides leadership and oversight for the Group's financial planning and reporting. He is also responsible for monitoring the Group's performance against strategy and budget, in addition to overseeing the Investor Relations function and several other key business segments.

The leaders of the NCB Financial Group work together towards a common goal of creating stakeholder value and building a world-class Caribbean financial ecosystem.

Misheca Seymour Senior
Group Chief Compliance Officer

Misheca leads the Group Compliance Unit, and is responsible for the development, implementation and effectiveness of the Group's compliance programmes. She focusses on ensuring that appropriate measures are maintained to combat money laundering, financing of terrorism and proliferation financing, while monitoring and ensuring overall compliance with regulations relevant to the Group.

Mukisa Ricketts
Group Chief Audit Executive

Mukisa provides strategic direction and oversight of the internal audit activities for the Group. In this role, she facilitates transparency of the Group's operations through independent and objective assurance on the effectiveness of the risk management and governance processes and the internal control environment.

Robert Almeida
Group Chief Executive Officer

Robert provides strategic leadership to all entities within the Group. He is responsible for its strategic development, ensuring that its sales, service and risk management goals are appropriately set and achieved.

The Board of Directors/ Management of the Company

Continued

CORPORATE GOVERNANCE

The Board of Directors is committed to maintaining and promoting high standards of corporate governance, which is critical to the resilience and sustainability of the Group thereby contributing to the long-term value creation for shareholders and other stakeholders. In this regard, the Group's corporate governance framework is designed to ensure the appropriate oversight and monitoring required in order to maintain the trust of customers, shareholders and employees.

The Group is subject to an extensive regulatory framework as a licensed financial holding company with subsidiaries in multiple jurisdictions and with shares listed on stock exchanges in Jamaica and Trinidad and Tobago. Its internal governance structure incorporates guidelines and standards provided by regulators, the Company's Articles of Incorporation, as well as policies and charters adopted by the Board of Directors. These guidelines are updated from time to time in keeping with a commitment to maintain and promote high standards of corporate governance to maintain the trust of all stakeholders.

Role, Structure and Composition of the Board

The Board ensures the adequacy of financial and operational systems and internal control, as well as the implementation of corporate ethics and the code of conduct.

Composition of the Board

The Board's composition is guided by the Articles of Incorporation ("Articles") of NCBFG and reflects a mix of diversity, independence, skills and expertise, to facilitate objectivity in decision making, with high levels of professional skills and appropriate personal qualities being prerequisites for directorships. The Company's Articles require that the number of Directors be no less than five and no more than 16. Currently, the Board comprises seven directors. This includes six non-executive directors (four of whom are considered to be independent) and one executive director, being the Group CEO. The roles of the Chairman and Chief Executive Officer are carried out by separate individuals.

'Executive directors', 'non-executive directors' and 'independent directors' have been defined as (save where otherwise defined from time to time by the Group's regulators):

- **Executive Director** – employed to the company and is normally responsible for aspects of the entity's day-to-day operations.
- **Non-Executive Director** – A director who is not an executive director.
- **Independent Director** – A director who:
  - **a.** is free of any interest, position, association or relationship that might influence or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interest of the entity and its shareholders generally;
  - **b.** does not represent a substantial shareholding of NCBFG;
  - **c.** is not a close relative of a significant shareholder of NCBFG; and
  - **d.** does not have an employment relationship with NCBFG or its parent companies.

Board skills and expertise matrix	Strategy	Financial Expertise	Global Perspective	Financial Literacy	Legal skills & Expertise	Listed Company Experience	Human Resources & Compensation	Information Technology/ Cybersecurity	Stakeholder Engagement	Corporate Governance	Leadership	Risk Management	Financial Services Industry
Hon. Michael Lee-Chin	●	●	●	●	○	●	●	○	●	●	●	●	●
Robert Almeida	●	●	●	●	○	●	●	○	●	●	●	●	●
Bruce Bowen	●	●	●	●	○	●	●	○	●	●	●	●	●
Gary Brown	●	●	○	●	○	●	●	○	●	●	●	●	●
Sanya Goffe	●	○	○	●	●	●	●	○	●	●	●	●	●
Thalia Lyn	●	○	○	●	○	●	●	○	●	●	●	●	●
Howard L. Shearer	●	●	●	●	○	●	●	●	●	●	●	●	●
TOTAL	7	5	4	7	1	7	7	1	7	7	7	7	7
%GE	100%	71%	57%	100%	14%	100%	100%	14%	100%	100%	100%	100%	100%

// **Strategy:** Demonstrated experience in developing, implementing and delivering strategic objectives. // **Global perspective:** Having a global perspective through exposure or responsibility for international operations. // **Information Technology/Cybersecurity:** Experience in IT Governance/technology strategies and innovation &/or cybersecurity. // **Financial Expertise:** Experience in financial accounting and reporting, capital management and/or actuarial expertise. // **Financial literacy:** Ability to analyse and interpret financial statements. // **Listed Company Experience:** Minimum of 1 year's experience as a nonexecutive director with a listed company. // **Legal Skills & Expertise:** Proven ability and understanding in the application of legal principles. // **Stakeholder Engagement:** Demonstrated ability to build and maintain key relationships with industry, government and regulators. // **Leadership:** C-level experience (with a large company). // Financial Services: Local or international experience in banking, insurance and/or securities industries. // **Risk Management:** Proven ability in identifying, assessing and managing macro, strategic, operational and financial risks.| // **Corporate Governance:** Knowledge and understanding of governance structures and the application of the principles of corporate governance. // **Human Resources and Compensation:** Knowledge and understanding of human resource management, talent development and compensation issues and models
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Role of the Chairman

The Group's Chairman, Hon. Michael Lee-Chin, O.J., is responsible for the leadership and effectiveness of the Board. He has the requisite skills and experience in a broad portfolio of industries and organisations, including financial services, hospitality, real estate, and health care to lead this expanding Group. The Chairman also represents NCBFG to shareholders and the wider community and although, as the controlling shareholder of NCBFG, he is not an independent director in accordance with our defined criteria, the Board believes that neither his significant interest in NCBFG nor his positions held outside NCBFG impair his ability to fulfil his duties to the Board and Group.

The Board of Directors/ Management of the Company

Continued

Role of the Lead Independent Director

The Jamaica Corporate Governance Code 2021 and the Trinidad and Tobago Corporate Governance Code 2013 recommend that where a Chairman is not an Independent Non-Executive Director, the Board should appoint a lead Independent Director.

The responsibilities of Gary Brown, as Lead Independent Director, include providing a sounding board for the Chairman and chairing meetings of the Board where the Board Chairman is absent; chairing meetings of the Independent Directors, guided by the framework set out in the Board Charter and being available, as needed, for consultation with shareholders and other stakeholders.

Role of the Corporate Secretary

The Board has appointed Mr. Dave Garcia as the Group Corporate Secretary. The appointment and removal of a Corporate Secretary is subject to the approval of the Board. The Board requires that the Corporate Secretary is suitably qualified and capable of performing the duties of the position. The Corporate Secretary ensures that appropriate and timely information is provided to the Board and its committees and is responsible for advising and supporting the Chairman and Board on all governance matters. All Directors have access to the Corporate Secretary.

Board Committees

To assist in exercising its responsibilities, the Board has established four committees, three of which are chaired by Independent Non-Executive Directors:

- **Audit Committee** (chaired by Gary Brown)
- **Talent Management & Compensation Committee** (chaired by Hon. Michael Lee-Chin, O.J., Board Chairman)
- **Corporate Governance & Nominations Committee** (chaired by Sanya Goffe)
- **Group Risk Committee**

Each committee has a board approved charter, which sets out the purpose, authority and responsibilities of the committee. Each charter is available on the NCBFG website under https://www.myncb.com/corporategovernance.

Talent Management & Compensation Committee

The purpose of the Talent Management & Compensation Committee is to support Board oversight of:

- The Group's compensation principles and practices.
- The review of the relationship among risk, risk management, and compensation in the light of the Group's objectives, including its safety and soundness and the avoidance of practices that would encourage excessive or unnecessary risk-taking.
- Succession management for the senior officers in the Group and general human resource issues.
- Recruitment and retention of talent.

Corporate Governance & Nominations Committee

The purpose of the Corporate Governance & Nominations Committee is to assist the Board of NCBFG in ensuring that its composition, structure, policies and processes meet all relevant legal and regulatory requirements, to strive to achieve global corporate governance best practice standards and to facilitate the Board and management's objective of increasing the long-term value of the Group.

Group Risk Committee

The purpose of the Group Risk Committee is to assist the Board in fulfilling its responsibility with respect to oversight of the Group's risk management framework including the risk appetite, and the policies and major procedures related to managing credit, market, liquidity, capital, operational and certain other risks as determined from time to time. The Committee also plays a role in the decision-making process around significant risks that are to be undertaken by the Group.

In the 2020 financial year, the responsibility to obtain updates regarding fraud, legal and compliance matters, except those affecting financial statements, shifted from the Audit Committee to the Risk Committee and the Committee Charters were updated accordingly.

Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial and operational reporting processes, risk management, the system of internal controls, the audit process, and the Group's processes for monitoring compliance with laws and regulations and the code of conduct.

Representatives of the External Auditors, PricewaterhouseCoopers, are invitees for all Audit Committee meetings within the Group.

The Audit Committee comprises solely, Independent Directors:

- Gary Brown [Chair]
- Sanya Goffe
- Howard Shearer

Board Performance

The Board recognizes that it needs to continually monitor and improve its performance. This is achieved through the annual performance evaluation, full induction of new Board members and ongoing Board development.

The Board evaluation process comprises two major activities:

- Director Self/Peer Evaluation in which Directors evaluate themselves and each other.
- Board effectiveness surveys administered by external parties.

Exposure to Environmental, Social and Governance (ESG) Risks

The Group is committed to conducting business in an environmentally and socially responsible manner.

This is consistent with the Group's good corporate governance and good citizenship principles aimed at assisting in the achievement of prosperous economies in the countries in which the Group operates. Accordingly, when consideration is given within the NCB Sub-Group to financing development projects from a risk perspective, evidence of approval/ non-objection from the relevant environmental agency is a pre- requisite. In addition, emerging risks are considered at Group Risk Committee meetings. The Group is in the process of defining the its ESG framework.

Auditor's Report

Prospective Investors are invited to view the Latest Audited Accounts for the Company, for the Auditor's Report concerning the Company which appears in this Prospectus as APPENDIX 2.

Financial Statements

Prospective Investors are invited to view the Latest Audited Accounts and/ or latest Financial Statements concerning the Company on the Company's website - www.myncb.com and the website of the Jamaica Stock Exchange at www.jamstockex.com. At the date of this Prospectus, the latest Financial Statements are included in this Prospectus at APPENDIX 2.

Management Discussion & Analysis

FINANCIAL PERFORMANCE SUMMARY – Unaudited Interim Financial Statements for the Nine Months Ended June 30, 2023

KEY RESULTS - QUARTER ENDED DECEMBER 31, 2023

$5.97B
Net Profit

$3.08B
Net Profit Attributable to stockholders of the parent

$196B
Equity

$159B
Equity Attributable to stockholders of the parent

$2.22T
Total Assets

$1.32
Earnings per Share

1.08%
Return on Assets

7.96%
Return on Equity

KEY RESULTS - RESTATED QUARTER ENDED DECEMBER 31, 2022

$2.21B
Net Profit

$1.38B
Net Profit Attributable to stockholders of the parent

$157B
Equity

$132B
Equity Attributable to stockholders of the parent

$2.08T
Total Assets

$1.60
Earnings per Share

1.43%
Return on Assets

4.56%
Return on Equity

The Group, for the first quarter following the adoption of IFRS 17 reports unaudited consolidated net profit of $5.97 billion for the quarter ended December 31, 2023, a $3.76 billion or 170% increase over the prior year. Consolidated net profit attributable to stockholders of the parent totalled $3.08 billion, a 123% or $1.70 billion increase over the prior year. The net profit of $5.97 billion for the quarter is a $7.54 billion improvement compared to the net loss of $1.57 billion reported in fourth quarter of the last financial year. The net profit attributable to stockholders of the parent of $3.08 billion is an improvement of $7.28 billion compared to the net loss in the fourth quarter of the last financial year. Consolidated equity increased by 25% or $38.91 billion and consolidated equity attributable to stockholders of the parent increased by 20% or $27.11 billion compared to the prior year. The performance in the quarter includes the full year's asset tax charge of $2.5 billion, which was expensed in the current quarter. Having made a number of transformational changes at the end of the last financial year and with the adoption of IFRS 17, performance in this first quarter of the new fiscal year was in line with our expectations and we look forward to sequential improvement going forward.

The Group remains well capitalised and resilient to respond to the highly dynamic environment. We continue our emphasis on efficiency, governance and customer satisfaction as we seek to leverage the opportunities and synergies inherent in the leading scale and scope of our platform. We have more work to do and we are confident that the dedication of our talented team will enable us to successfully execute our strategic initiatives so that we can meet and exceed the key objectives of our critical stakeholders.

Adoption of IFRS 17 - Insurance Contracts

Effective October 1, 2023, the Group adopted IFRS 17 – Insurance Contracts, which replaces IFRS 4. This materially changes the recognition and measurement of insurance contracts mainly in the Life, Health and Pension (LHP) segment and the corresponding presentation and disclosures in the Group's financial statements. In accordance with the transition requirements of IFRS 17, the Group has restated its financial statements for the prior year's comparative results and recognised the total impact on initial application of IFRS 17 in the opening consolidated statement of financial position as at October 1, 2022 (see note 4 to the financial statements for further details). The various new measurement criteria under IFRS 17 had a significant impact on the Group's performance. The restatement positively impacted the net profit for the December 2022 quarter of the prior year.

Group Performance

For the quarter, the Group's performance improved for its main revenue lines, recording higher operating income of $34.5 billion, an increase of $7.6 billion or 28%, primarily as a result of increased net revenues from insurance service results. On the adoption of IFRS 17, the Group's life insurance segment utilised an option in the standard to redesign certain financial assets based on a change in its business model. This redesignation of those financial assets to fair value through profit or loss resulted in a one off gain of approximately $3 billion.

The increased revenues resulted in improvement in some of our key performance indicators when measured against the prior year. Return on assets (ROA) and return on equity (ROE) (annualised) improved to 1.08% up from 0.43% and 7.96% up from 4.56%, respectively. The rolling twelve-month ROA and ROE were 0.74% and 5.30%, respectively. The cost to income ratio declined from 82.01% in the prior year to 73.93%, which includes a full year's asset tax in the quarter. We are committed to implementing strategic measures to bring these key performance indicators in line with leading global benchmarks.

Management Discussion & Analysis

Continued

Banking and Investment Activities

Net revenues from banking and investment activities of $19.5 billion, increased by 4% or $719 million over the prior year's first quarter results. Net interest income and net fee and commission income increased by $262 million and $510 million, respectively. Growth in the interest-earning asset portfolio and higher transaction volumes resulted in the increased interest and fee and commission income, respectively. Gain on foreign currency and investment activities declined by $607 million, mainly as a result of unrealised fair losses in the current quarter, which were partially offset by increased foreign exchange income.

Insurance Activities

Net revenues from insurance activities was $15.0 billion, 85% or $6.9 billion higher than the prior year. Insurance service result totalled $6.2 billion, an increase of 86% or $2.9 billion over the prior year. The improvement was mainly from our property & casualty general insurance segment, with the property business line contributing most of the increase due to the growth in those insurance revenue lines. The increased insurance service results were tempered by net insurance finance expenses of $6.1 billion that increased by 30% or $1.4 billion. This increase was due to higher finance expenses from insurance contracts mainly due to fair value movements, changes in interest rate assumptions and interest accretion. Investment and other income earned from the insurance segment increased by $5.4 billion or 57%, primarily due to a non-recurring adjustment of $3.0 billion and net gains from Trinidadian and Jamaican equities.

Operating Expenses

Operating expenses totalled $26.2 billion, increasing by $3.2 billion or 14% over the prior year. One of the main reasons for the higher reported operating expenses in the current period was due to a downward adjustment in the prior year for depreciation and amortisation expenses due to policy changes that extended the useful life of certain asset categories. Staff costs increased by 7% primarily due to annual negotiated salary increases, partially offset by the significant reductions following the restructuring at the executive level at the end of the previous financial year. Credit card loyalty expenses, insurance related operating expenses, operational losses, auditor's remuneration, management fees and Jamaican asset tax were the main contributors to the rise in other operating expenses.

We are focussed on cost optimisation and building a foundation for future enhancements in our cost-to-income ratio. We have been working on the implementation of rigorous cost-control measures and constantly exploring and executing initiatives to lower our cost structure. Shareholders can rest assured in our steadfast efforts and commitment to prudently manage costs for future positive trajectory in the Group's financial performance.

Consolidated Statement of Financial Position

Total assets rose to $2.22 trillion, an increase of 7% or $138.4 billion over the prior year. The growth in the asset base was mainly due to increased investment securities and net loans and advances, which was mainly funded by repurchase agreements, deposits and other borrowed funds.

Investment Securities and Reverse Repurchase Agreements

Investment securities, including pledged assets and reverse repurchase agreements, exceeded $1.1 trillion, an increase of 12% or $117.6 billion. This continues to be the Group's largest interest-bearing asset portfolio.

Loans and Advances

The Group's loans and advances, net of credit impairment losses, totalled $621.2 billion, an increase of 5% or $29.2 billion over the prior year, primarily driven by growth in our CSME and Payment Services portfolios. Non-performing loans declined by $349 million or 1% from the prior year to $25.6 billion as at December 31, 2023, representing 4.0% of the gross loans, an improvement from the 4.3% in the prior year.

Deposits

Deposits, our largest source of funding, increased by a 6% or $39.7 billion to $756.6 billion at December 2023, demonstrating the continued confidence that customers have in the Group.

Policyholders' Liabilities

Liabilities under annuity and insurance contracts increased to $465.3 billion, up 5% or $21.3 billion over the prior year.

Insurance Contracts Liabilities

Insurance contracts total $517.9 billion, a 4% or $22.2 billion increase over the prior year.

Capital and Liquidity

Equity attributable to stockholders of the parent totalled $159.7 billion, an increase of $27.1 billion or 20% over the prior year. The growth in equity was mainly attributable to increased retained earnings and a reduction in unrealised fair value losses. During the quarter, additional NCBFG shares were issued and allotted to executives and former executives resulting in a $4.9 billion increase in share capital to $158.7 billion. Issued and fully paid-up ordinary stock units increased by 78,081,784 shares to total 2,544,844,612 at December 31, 2023. Subsequently, 480,900 new shares were issued in January 2024 to a former executive of the Group increasing total issued ordinary shares to 2,545,325,512.

Management Discussion & Analysis

Continued

Five-year Summary of Selected Financial Data

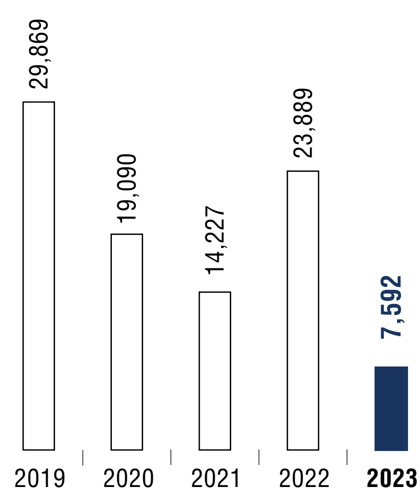
(in millions, except per stock unit amounts)	2019	2020	2021	Restated 2022	2023	% Change Financial Year 2023 vs. Financial Year 2022	Five-year compounded annual growth rate (CAGR)
	For the year ended September 30						
Consolidated Income Statement Extract							
Banking & Investment Activities							
Net interest income	44,595	52,490	48,627	59,199	**62,801**	6%	9%
Credit impairment losses	(4,825)	(10,285)	(3,385)	(2,724)	**(5,303)**	95%	2%
Net interest income, net of impairments	39,770	42,205	45,242	56,475	**57,498**	2%	10%
Net fee & commission	19,180	21,369	22,489	26,133	**28,078**	7%	10%
Gain on foreign currency and investment activities	15,412	8,793	22,830	16,576	**21,504**	30%	9%
Net revenues from banking & investment activities	**76,749**	**76,371**	**98,154**	**107,293**	**113,026**	**5%**	**10%**
Insurance Activities							
Net underwriting income	48,155	101,669	110,234	123,909	**120,971**	(2%)	26%
Policyholders' & annuitants' benefits & reserves and other insurance related expenses	(33,723)	(69,213)	(87,282)	(85,893)	**(96,738)**	13%	30%
Net revenues from insurance operations	**14,432**	**32,456**	**22,952**	**38,016**	**24,232**	**(36%)**	**14%**
Operating income	91,181	108,827	121,105	145,308	**137,259**	(6%)	11%
Staff costs	32,121	40,527	44,501	50,337	**60,617**	20%	17%
Other operating expenses, including depreciation & amortisation and finance cost	32,616	41,039	50,350	55,354	**57,057**	3%	15%
Net profit	31,165	26,883	20,076	35,132	**15,336**	(56%)	(16%)
Net profit attributable to stockholders of the parent	29,869	19,090	14,227	23,889	**7,592**	(68%)	(29%)
Earnings per stock unit ($)	12.30	8.01	6.25	10.39	**3.30**	(68%)	(28%)
Dividends paid per stock unit ($)	3.40	1.90	0.50	0.00	**0.00**	-	(100%)
Consolidated Statement of Financial Position Extract (at year end)							
Investment securities	759,496	853,086	900,512	959,487	**1,102,642**	15%	10%
Net loans	423,103	452,955	523,489	580,988	**613,788**	6%	10%
Total assets	1,616,300	1,800,260	1,917,128	2,078,186	**2,222,802**	7%	8%
Customer deposits	504,679	573,969	647,085	715,277	**747,872**	5%	10%
Repurchase agreements	174,620	211,436	224,805	247,677	**279,754**	13%	13%
Liabilities under annuity and insurance contracts	394,615	405,015	433,057	441,464	**459,549**	4%	4%
Other borrowed funds	124,953	125,066	136,972	153,272	**179,672**	17%	10%
Equity	183,871	200,205	206,665	193,209	**223,397**	16%	5%
Equity attributable to stockholders of the parent	147,590	156,115	161,456	146,098	**170,022**	16%	5%

Key Ratios and Per Stock Unit Data

	Year ended September 30				
	2019	2020	2021	2022	2023
Profitability ratios					
Return on average total assets	2.40%	1.57%	1.08%	1.76%	**0.71%**
Return on average equity	21.52%	12.57%	8.96%	15.53%	**4.80%**
Net revenues from banking activities to operating income	84.17%	70.18%	81.05%	73.84%	**82.35%**
Net insurance revenues to operating income	15.83%	29.82%	18.95%	26.16%	**17.65%**
Cost to income ratio	67.43%	68.48%	76.19%	71.40%	**82.54%**
Insurance loss ratio	61.28%	60.31%	69.56%	60.63%	**71.62%**
Per stock unit data					
Dividend payout ratio (based on payment date)	27.64%	23.72%	8.00%	0.00%	**0.00%**
Dividend yield	1.63%	1.45%	0.39%	0.00%	**0.00%**
Book value (J$)	61.60	65.82	70.36	63.57	**73.98**
Market Price - Jamaica Stock Exchange (JSE)					
High	J$249.00	J$215.00	J$150.00	J$132.28	**J$90.00**
Low	J$110.11	J$130.00	J$121.03	J$88.92	**J$64.60**
Year end - close	J$208.79	J$130.90	J$127.52	J$89.89	**J$68.49**
Market Price - Trinidad and Tobago (TTSE)					
High	TT$10.71	TT$11.50	TT$9.00	TT$8.25	**TT$5.02**
Low	TT$5.73	TT$7.15	TT$7.80	TT$4.50	**TT$2.70**
Year end - close	TT$10.44	TT$7.75	TT$8.25	TT$4.50	**TT$2.77**

NCB Financial Group Limited reported consolidated net profit of $15.3 billion for the financial year (FY) ended September 30, 2023 (FY2023), a 56% or $19.8 billion decline from prior financial year ended September 30, 2022 (FY2022). Consolidated net profit attributable to stockholders of the parent for FY2023 totalled $7.6 billion, a reduction of $16.3 billion or 68% from FY2022. The Group's asset base increased to $2.22 trillion as at September 30, 2023, up 7% or $144.6 billion over September 30, 2022 primarily due to increased investment securities and net loans. The growth in the asset base along with lower net profits resulted in return on average assets of 0.71% for FY2023 compared to 1.76% in 2022 financial year. Equity attributable to stockholders of the parent increased by 16% or $23.9 billion to $170.0 billion as at September 30, 2023 with return on average equity of 4.80%, down from 15.53% in 2022 financial year. The Group continues to uphold a strong capital position and adhere to sound capital management practices, reflecting NCBFG's commitment to robust governance.

Net Profit Attributable to Stockholders of the Parent ($'M)



Management Discussion & Analysis

Continued

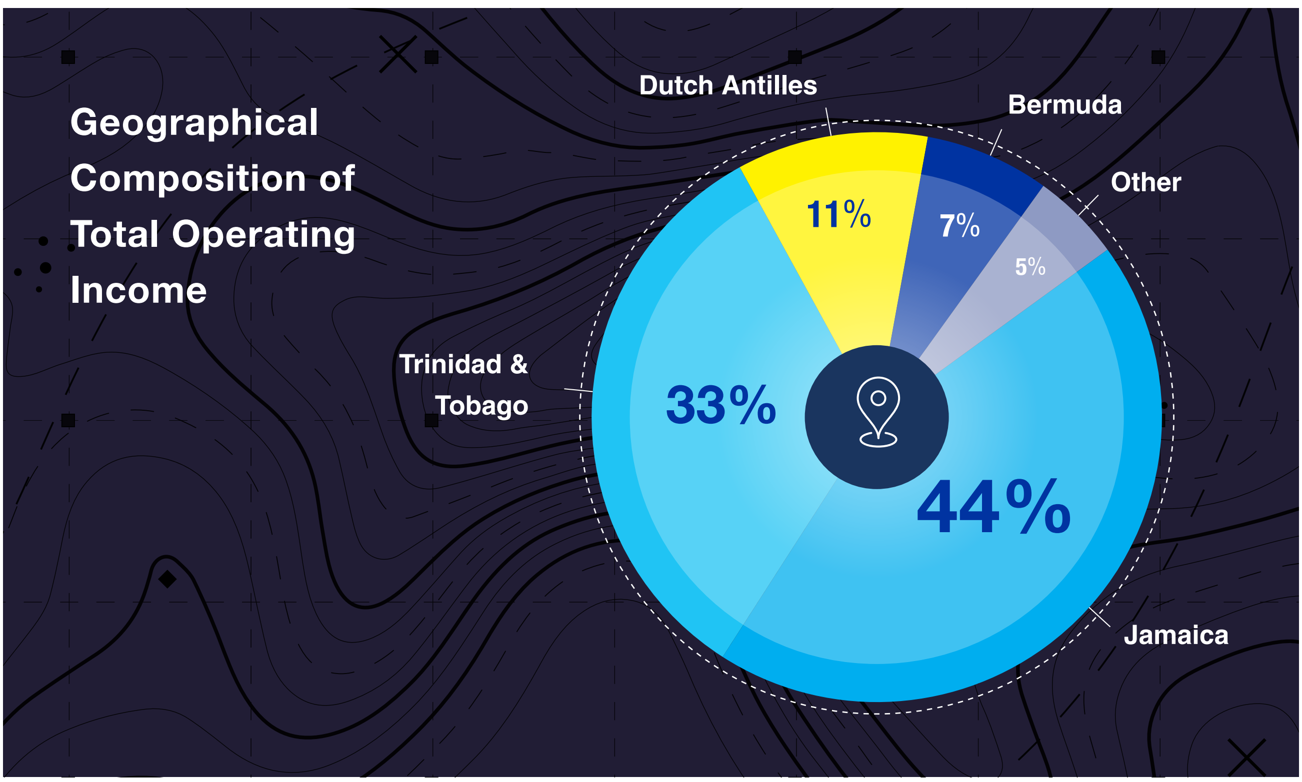
There was a restatement of the 2022 financial results, which impacted the Life and Health Insurance and Pension Fund Management (LHP) segment and the Holding Company – NCBFG. The restatement in the LHP segment was due to a non-recurring actuarial adjustment of $4.3 billion in relation to the 2022 financial year. The restatement in the Holding Company related to certain staff benefits.

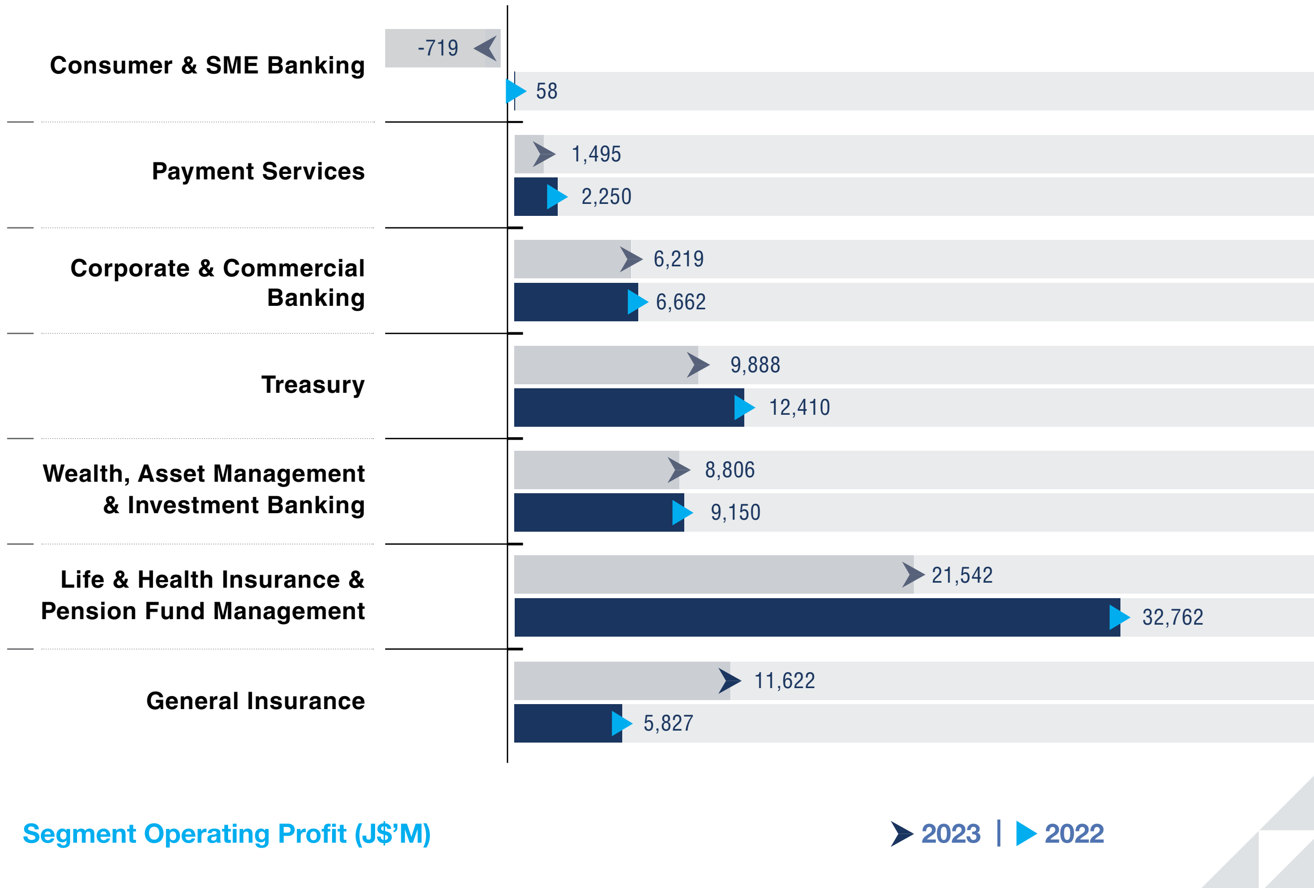
NCBFG's performance demonstrates the strength of the strategies implemented by the Group and resilience of Group's diversified business model. This was reflected in the geographic diversification of the Group's operating income. Jamaica and Trinidad and Tobago were the top contributors by territory with 44% and 33%, respectively.

Segment Performance – 2023 Financial Year

The Group's performance is managed and reported through two main types of business activities – banking & investment management and insurance services, which comprises a total of seven operating segments.

Six of our seven operating segments recorded a reduction in performance relative to the prior year. Despite facing challenges which affected the core performance across business segments, the Group continues to demonstrate resilience and adaptability to the evolving business landscape. The Group remains focussed on providing improved customer experience, delivering exceptional financial services and digitally enabling service to foster operational efficiency.





Segment Operating Profit (J$'M)

- The **Consumer and SME Banking segment**, serves mass and small and medium business customers in Jamaica, Bermuda, the Cayman Islands and the United Kingdom. The consumer and SME banking segment recorded net operating loss of $719 million, a decline of $777 million when compared to an operating profit of $58 million recorded in the prior year. The decline in performance was primarily driven by a $2.6 billion decline in other operating income due to one-off gains reported in the prior year from the implementation of the branch optimisation strategy, which resulted in the sale of a few locations housing branch operations. There was also a $1.6 billion or 77% increase in credit impairment losses primarily due to the prior year including credit impairment reversals booked to reflect the improved economic outlook following the COVID-19 pandemic. The adverse performance was partially offset by an increase in external revenues of $3.2 billion or 9%, to end the year at $38.3 billion. The improvement in external revenue was due primarily to a 12% growth in the net loans portfolio, which resulted in a $3.9 billion or 15% improvement in net interest income and a $716 million or 15% improvement in net fee and commission income over prior year.

  This segment remains dedicated to meeting the changing demands of its customers, emphasising resilience and adaptability, by transitioning various services to digital platforms, upgrading ABMs and the online banking, and enhancing convenience for customers.

- The **Payment Services segment**, consists of Card Issuing (supplying physical and virtual payment instruments - credit cards) and Card Acquiring (various services to merchants where the instruments are used, including payment processes and execution), as well as TFOB, the newest direct subsidiary of NCBFG, which provides

Management Discussion & Analysis

Continued

a digital wallet Lynk. This segment recorded an operating income of $1.5 billion, a $755 million or 34% decline when compared to the prior year. The underperformance relative to prior year was due primarily increased expenses to support digital enhancements made within the Payment Services segment coupled with an increase in credit impairment provisions. Notwithstanding these increases in cost, the operating segment continued to experience an uptick in revenues given increased transaction volumes and values. A rise in business and consumer activities led to improved net interest income increasing by $2.1 billion or 38% and net fees and commission income increasing by $1.1 billion or 13% (see note 5 segment report – operating profit schedule).

The Group is committed to consistently providing world-class digital payment solutions to our customers, including digital wallet, card and various payment options. The Group's strategy also involves making a wide range of e-commerce products available while investing in platform upgrades, fostering business expansion and enhancing performance. Effective October 1, 2023 NCBJ and TFOB entered into an agreement for NCBJ to take over the management of the Lynk platform. This is congruent with the strategy to create synergies within the Group by forming an ecosystem to deepen interactions between individuals and businesses which will in effect broaden our customer base. This partnership allows the Group to provide services to the underserved segments through a digital-centric model offering superior user experience for acquisition, onboarding, servicing and operations that expands access and lowers the cost to serve for key demographics.

- The **Corporate and Commercial Banking segment** offers banking services, including loans and other credit products, to commercial and large corporate clients. The segment recorded net operating profit of $6.2 billion, a decline of $443 million or 7% from the prior year. The prior year included reversals in credit provisioning of $236 million compared to expected credit losses of $418 million in the current year. The decline in performance was heightened by increased operating expenses and allocated costs from support services. The increased expenses were partially offset by a $885 million or 10% increase in net interest income.

  The segment recorded net operating profit of $6.2 billion, a decline of $443 million or 7% from the prior year. The prior year included reversals in credit provisioning of $236 million compared to expected credit losses of $418 million in the current year. The decline in performance was heightened by increased operating expenses and allocated costs from support services. The increased expenses were partially offset by a $885 million or 10% increase in net interest income.

- The **Treasury and Correspondent Banking segment** incorporates liquidity and investment management functions for banking activities in Jamaica and Bermuda, foreign currency dealing activities, management of correspondent banking relationships as well as relationships with other financial institutions. The segment reported net operating profit of $9.9 billion, a $2.5 billion or 20% decline when compared to the prior financial year. This was driven by a $1.7 billion or 36% decline in net interest income, coupled with increased operating expenses. The performance in net interest income was influenced by the high interest rate environment which led to margin compression within the segment due to higher cost of funding experienced during the financial year.

- The **Wealth, Asset Management and Investment Banking segment** primarily operates in Jamaica, the Cayman Islands, Trinidad & Tobago, Barbados and Bermuda, providing stock brokerage services, securities trading, investment management and other financial services. The segment registered an operating profit of $8.8 billion, representing a $344 million or 4% decline from the prior year's results. The performance was adversely impacted by a $298 million or 2% decline in operating income coupled with a marginal increase of $46 million or 1% in operating expenses. Net interest income and net fees and commissions income both registered reduced performances of $1.4 billion or 19% and $752 million or 18% when compared to the prior year, respectively. The fall-off in the aforementioned income lines were influenced by reduced investment activities amid tight market conditions. Expected credit reversals stood at $90 million, a $486 million or 84% decline when compared to reversals recorded in the prior year. The underperformance was partially offset by an increase in other operating income owing to property disposals, coupled with a $731 million or 27% increase in gain on foreign currency and investment activities driven by unrealised fair value gains on equity investments designated as fair value through profit and loss.

Throughout the financial year, the segment remained resolute in delivering distinctive products and wealth management and corporate finance services to our customers. Simultaneously, the Group is actively striving for increased operational efficiency, aimed to enhance the quality and convenience of services offered to our clients.

- The **Life, Health Insurance & Pension Fund Management and General Insurance segments** incorporates the results of the life, health insurance and pension fund management (LHP) services and general insurance, which includes property and casualty insurance (P&C), of the Group across 21 countries within the region, primarily through the Guardian Group.

LHP generated an operating profit of $21.5 billion, representing a decline of $11.2 billion or 34% when compared to the prior year. This segment experienced a rise in net insurance costs attributed to an increase net claims. The prior year also included an increase in reinsurance claim benefits stemming from a large insurance claim, which was reinsured resulting in a higher reinsurer's share of the claim (claim recovery). Consequently, net results from insurance activities declined by $17.3 billion or 72% when compared to the prior year. The underperformance was further exacerbated by a $1.7 billion or 9% rise in operating expenses, due to investments in the team, sales-related expenses, investment in IFRS 17 implementation related costs and technological expenses.

The LHP segment remains focussed on deriving synergies and effecting long-term cost savings to support its growth trajectory. It is anticipated that the implementation of several initiatives across the segment will gradually provide returns on various customer-centric investments to optimise performance.

P&C reported operating profit of $11.6 billion which represents a $5.8 billion or 99% increase when compared to the prior year. The performance was largely influenced by a $5.0 billion or 26% increase in operating income coupled with a $828 million or 6% decline in operating expenses. The increase in operating income was primarily driven by a $3.2 billion or 23% increase in net results from insurance activities. The improved performance was driven by the maintenance of policies coupled with new business, principally from operations in the Dutch Caribbean and Bermuda.

Operating Income

Net operating income declined to $137.3 billion, down 6% or $8.0 billion compared to the prior year. The decline was driven by net revenues from insurance activities, which reported a $13.8 billion or 36% reduction relative to the prior year. This was, however, partially offset by a $5.7 billion or 5% increase in net revenues from banking and investment activities.

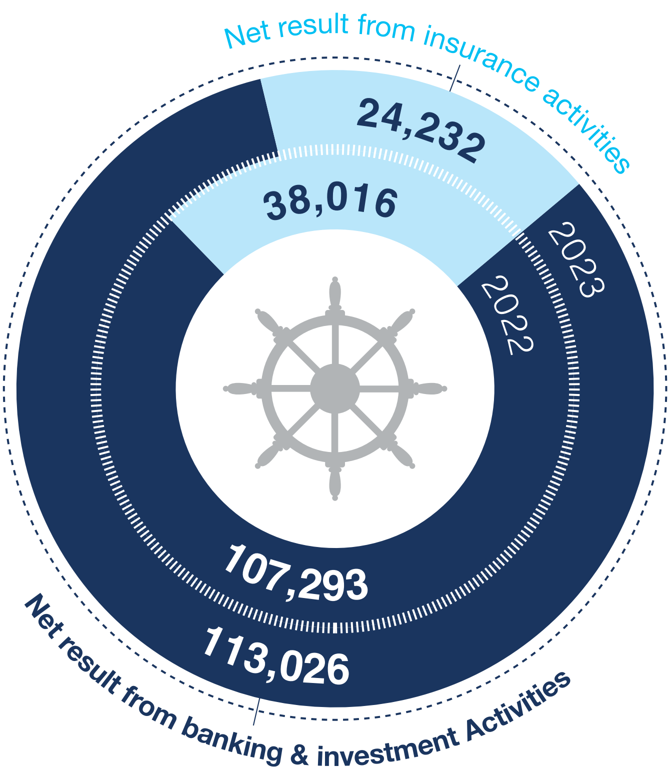
Gross revenues of $348.2 billion grew by $28.8 billion or 9% over the prior year mainly due to increased business activity and associated revenues from the banking and wealth segments, partially offset by the decline in net revenues from the LHP segment. This resulted in the proportion of net operating income derived from banking and investment activities increasing from 74% of consolidated net operating income in 2022 to 82% for 2023.

Net interest income, net of credit impairment losses, contributed 42% of the total, reflecting a three percentage point increase relative to 2022; this continues to be a significant source of operating income for the Group. Net fee and commission income contributed 20% of net operating income, up from 18% in the prior year. The growth in the contribution of fee and commission income reflected improved net fees from payment services and brokerage transactions. Net revenues from insurance activities and gain on foreign currency and investment activities accounted for 18% and 15% of net operating income, respectively. The Group's resilience and adaptability are highlighted by its diverse revenue structure, underscoring the importance of each segment and the crucial role played in the overall financial performance.

Management Discussion & Analysis

Continued

Income Mix FY 2022 & 2023 (J$'M)

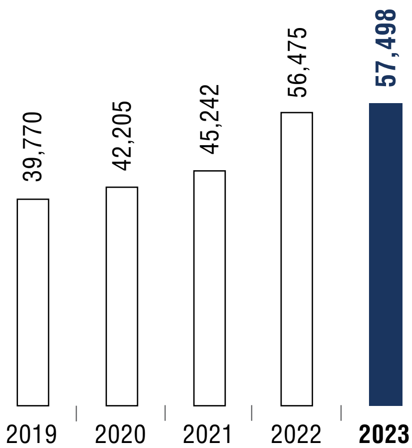


- **Net Interest Income, net of credit impairment losses -** The Group generated net interest income, net of credit impairment losses, of $57.5 billion, an increase of $1.0 billion, or 2%.
  - Interest income from loans increased by $6.8 billion or 14% to $55.0 billion due to the combination of portfolio growth and rising interest rates.
  - Interest income from investment securities, reverse repurchase agreements and deposits totalled $46.3 billion, which reflected a $9.6 billion or 26% increase over the $36.8 billion booked in the prior year.
  - Interest expense grew by $12.8 million, or 50%, to $38.5 billion for the year. The increase in interest expenses was representative of the general market conditions, largely characterised by rising market rates.
  - Credit impairment losses were $5.3 billion, reflecting a $2.6 billion or 95% increase over the $2.7 billion booked in the prior year. The reversal of previously booked provisions in the prior year was the main contributing factor to this increase. These reversals booked in the 2022 financial year were effected as a result of the improvement in the macroeconomic outlook that was associated with the gradual reopening of the economy. The Group's delinquency management teams continue to effectively and proactively manage and monitor our exposures to ensure that losses are minimised and portfolio quality is maximised.

- **Other Revenue Items –** other non-interest related income fell by $9.1 billion or 10%, down to $79.8 billion, compared to the prior year.
  - Net result from insurance activities totalled $24.2 billion, a decline of $13.8 billion or 36% from the prior year. The reduction was mainly due to a decline in net underwriting income and an increase in net insurance costs primarily resulting from higher claims.
    - Net underwriting income declined by 2% or $2.9 billion to $121.0 billion, mainly driven by an increase in reinsurance costs which grew by $8.5 billion or 17%. This increase reflected the general trend of rising reinsurance costs observed across the industry.
    - Net policyholders' and annuitants' benefits and reserves increased by $8.8 billion or 13% to $78.0 billion.
    - Commission and other selling expenses incurred in providing insurance services reflected a $2.0 billion or 12% increase to close the year at $18.7 billion.

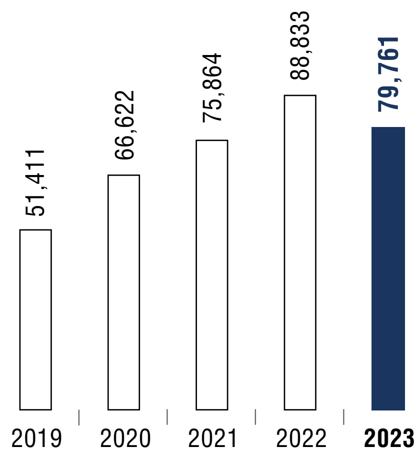
Net Interest Income,
net of impairment losses ($'M)

4 YR CAGR*: 9.65%



Non-Interest Income
($'M)

4 YR CAGR*: 11.61%



- Net fee and commission income totalled $28.1 billion, up $1.9 billion or 7% over 2022. The growth of this income stream was due to increased lending activities together with the continued growth of card and investment banking transaction in terms of both value and volumes.

- Gains on foreign currency and investment activities grew by $3.7 billion or 22% over the prior year's result of $16.6 billion. This growth was comprised of an $888 million improvement in exchange income together with a $2.8 billion increase in gains on investment activities. The investment gains were mainly due to growth in trading activity during the period under review.

- **Operating Expenses -** Operating expenses $117.7 billion, up $12.0 billion or 11% over the prior year, driven primarily by higher staff costs.

  - Staff costs of $60.6 billion, increased by $10.3 billion, or 20%, primarily due to the restructuring activities and annual negotiated increases in salaries, wages and allowances.

  - Depreciation and amortisation charges totalled $7.4 billion, reflecting a $1.5 billion or 17% reduction compared to the prior year. The decrease was as a result of a change in the property, plant and equipment and intangible assets policy, adjusting the useful life estimates of specific asset categories. Finance costs grew by 5% or $98 million to close the year at $2.1 billion.

  - Other operating expenses totalled $47.5 billion, up $3.1 billion or 7% over the prior year. The main contributors to the increase were:

    - Operational losses reflecting an increase of $2.1 billion related the provision for the write-off certain amounts deemed irrecoverable.

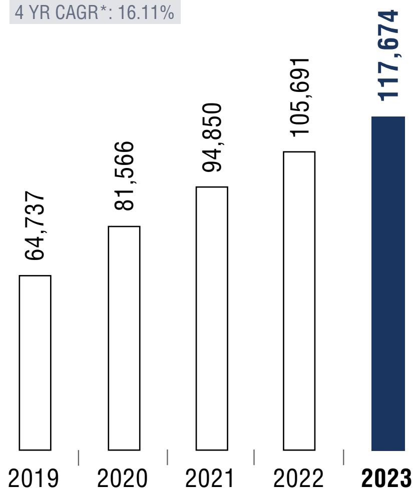
    - There was also a $700 million or 7% increase in costs related to property, vehicle and ABM maintenance and utilities, which was mainly attributable to support costs associated with the various technological systems and applications.

Management Discussion & Analysis

Continued

Operating Expenses ($'M)

4 YR CAGR*: 16.11%



- These increases were tempered by technical, consultancy and professional fees, which declined by $1.6 billion due to a decline in external support services given the completion of certain strategic initiatives.

With the Group's renewed focus on efficiency, governance and customer experience, it is making the necessary adjustments to the operating framework to ensure that a solid foundation is created to facilitate future growth and improvements.

Consolidated Statement of Financial Position Performance Summary

Total Assets Overview

The Group's asset base totalled J$2.22 trillion, an increase of 7% or $144.6 billion when compared to September 2022. The growth in our asset base was primarily driven by a 15% or $143.2 billion increase in our investment portfolio and a 6% or $32.8 billion increase in our loan portfolio. Return on assets (ROA) declined to 0.71% compared to 1.76% in the prior year, stemming primarily from the lower net profit coupled with the increased asset base.

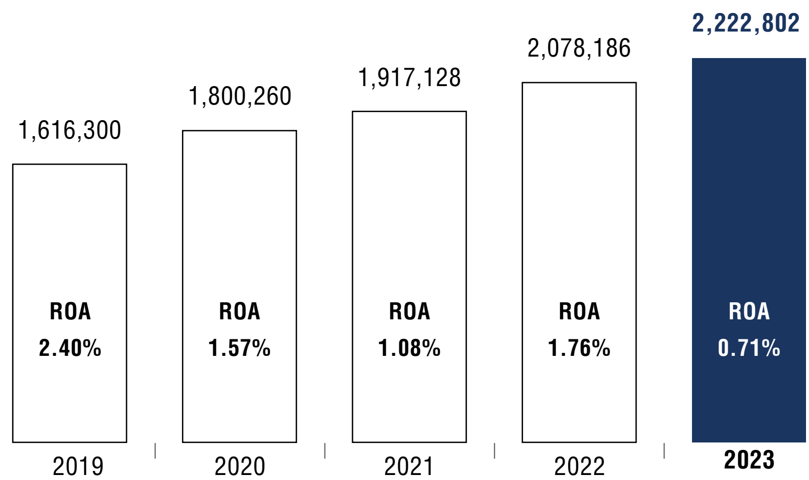
Cash in Hand and Balances at Central Banks

Cash in hand and balances held at Central Banks increased by 14% or $10.1 billion to $81.0 billion. This comprises cash held by our banks, statutory reserves, operational balances and short-term investments with Central Banks. Statutory reserves with the Central Banks represent the required ratio of prescribed functional and foreign currency liabilities, which are not available for investment, lending or other use by the Group.

Due from Banks

Balances due from banks decreased by 25% or $46.3 billion to $139.5 billion when compared to the prior year. These balances comprise of placements with banks, short-term deposits and other balances held with correspondent banks. These amounts are held to facilitate the payment of wire transfers, bank drafts, treasury related activities and to satisfy liquidity requirements.

Total Assets
($'M)
4 YR CAGR*: 8.29%



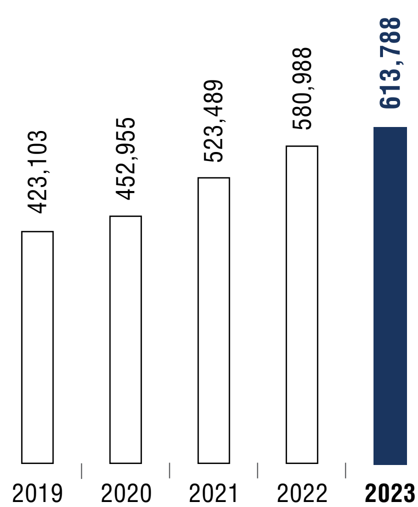
Investment Securities and Pledged Assets

Total investment securities and pledged assets totalled $1.1 trillion, marking a 15% increase of $143.1 billion compared to the previous year. Our investment portfolio remains the largest interest-bearing asset portfolio for the Group, constituting 50% of total assets (compared to 47% in September 2022). This portfolio encompasses various instruments, including debt securities (government securities and corporate bonds), equity securities (both quoted and unquoted) and collective investment schemes. These instruments are categorized as fair value through profit and loss, fair value through other comprehensive income, and carried at amortized cost.

Net Loans

Loans and advances, net of credit impairment losses, totalled $613.8 billion up from $581.0 billion, representing an 6% or $32.8 billion increase compared to the prior year. This asset category represents the second largest asset on our balance sheet, accounting for 28% of total assets (September 2022 – 28%). Non-performing loans amounted to $25.7 billion, a decline of 15% or $4.7 billion when compared to the prior year. Non-performing loan ratio improved to 4.1% at September 2023 down from 5.1% in the prior year. The currency profile of the portfolio remained relatively stable during the financial year, as at September 30, 2023, 56% of our loan portfolio was denominated in Jamaican dollar currency (September 30, 2023 – 55%) and 25% denominated in United States dollar currency (September 30, 2022 – 25%).

Net Loans
($'M)
4 YR CAGR*: 9.75%



Management Discussion & Analysis

Continued

Total Liabilities Overview

Funding

The Group's funding portfolio is made up of short and long-term borrowing arrangements under the following funding lines: customer deposits, obligations under repurchase agreements, obligations under securitisation arrangements, amounts due to banks, other borrowed funds, mutual funds, segregated fund liabilities, investment contract liabilities and liabilities under annuity and insurance contracts.

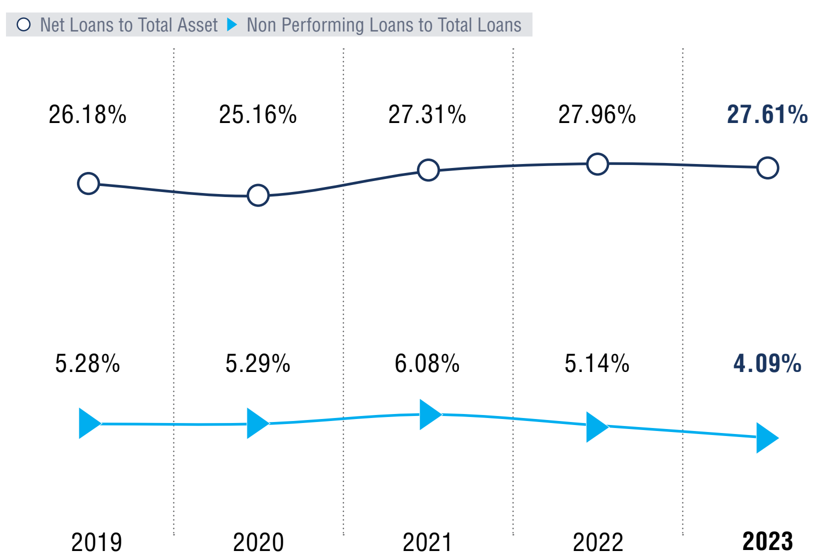
Customer Deposits

Customer deposits continues to be our largest source of funding, representing 37% of total liabilities (September 2022 – 38%). Customer deposits amounted to $747.9 billion, reflecting a 5% or $32.6 billion increase when compared to the prior year. Of our total customer deposits, 45% is denominated in Jamaica dollar currency and 36% is denominated in United States dollar currency.

Liabilities under Annuity & Insurance Contracts and Investment Contract Liabilities

Liabilities under annuity & insurance contracts increased to $459.5 billion from $441.5 billion, representing an increase of 4% or $18.1 billion over the prior year. Our life insurance subsidiaries issue life and health insurance and annuity contracts that insure human life against death, survival or critical illness over the life of the contract. Our general insurance subsidiaries issue property and casualty insurance contracts that protects our customers against the risk of causing harm to third parties while undergoing legitimate activities. Both contractual and non-contractual events are covered if harm or damage has been done. As per our property insurance contracts, customers are compensated for the value of damage suffered or for the value of the property lost. Liabilities under life and health insurance and annuity contracts accounted for 87% of the balance at the end of the year (September 2022 – 88%). Investment contracts are those contracts that transfer financial risk with no significant insurance risk. The Group issues investment contracts including

Loans to Assets



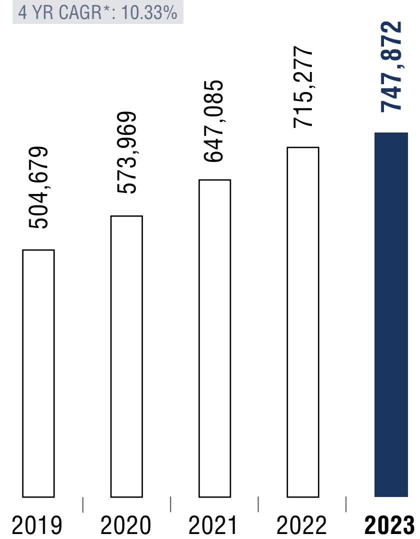
deposit administration contracts. Premiums under these contracts are recognised directly as liabilities. At the end of the financial year, investment contract liabilities totalled $47.1 billion up from $46.2 billion in the prior year. Investment contract liabilities carry floating rates of interest and therefore the carrying amounts approximate their fair values.

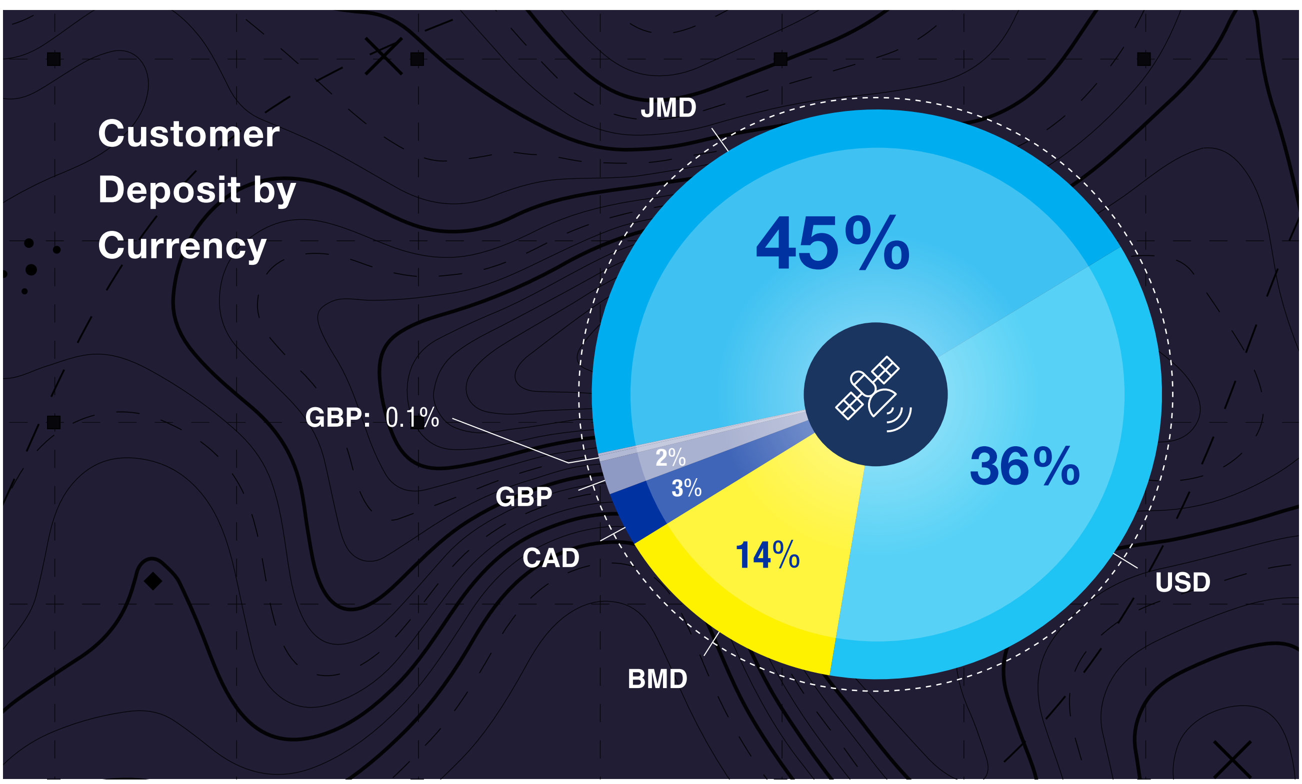
Repurchase Agreements

Repurchase agreements involve the sale of securities with a subsequent agreement for repurchase. Recognized as collateralized financing transactions, these agreements serve as a means of short-term funding and are offered as a product for both corporate and individual wealth clients by the Group. Repurchase agreements funding rose by 13%, amounting to a $32.1 billion increase over the prior year, totalling $279.8 billion. This category constituted 14% of total liabilities compared to 13% in September 2022.

Customer Deposits ($'M)

4 YR CAGR*: 10.33%





Management Discussion & Analysis

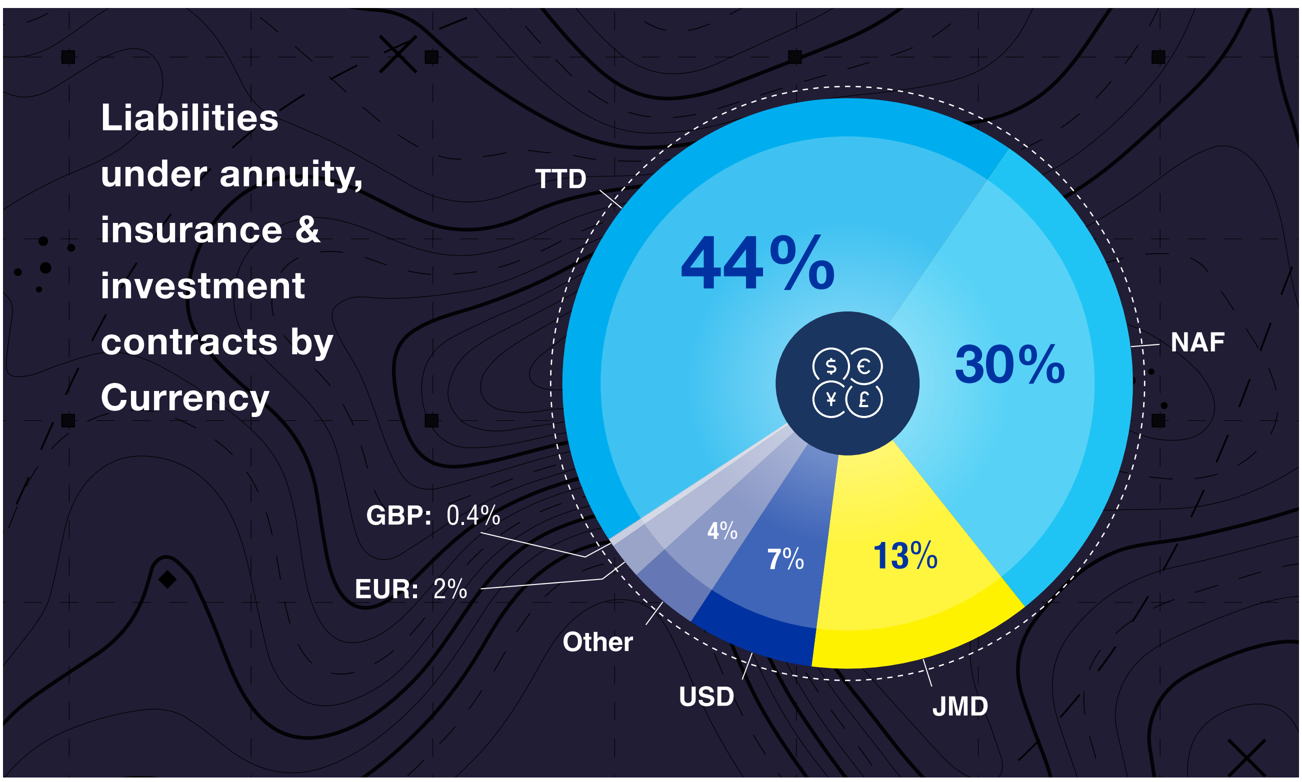
Continued

Obligations Under Securitisation Arrangements

Obligations under securitisation arrangements decreased by 1% or $891 million to $98.2 billion when compared to the prior year. These arrangements include Diversified Payments Rights (DPR) arrangement with an outstanding principal balance of US$250 million (September 2022: US$250 million) and the Merchant Voucher Receivables (MVR) arrangement with an outstanding principal balance of US$384.8 million (September 2022: US$406.1 million). Under the DPR arrangement, NCBJ assigns its rights to all present and future DPRs (NCBJ's right to receive payments from correspondent banks based overseas) to an offshore special purpose vehicle. This transaction was rated by Fitch Ratings at BB+ with stable outlook. Under the MVR arrangement, NCBJ entered into a structured financing transaction involving the sale of future flows due from Visa International Service Association (Visa) and MasterCard International Incorporated (MasterCard) related to international merchant vouchers acquired by NCBJ in Jamaica. This transaction was rated by Fitch ratings at BBB- with a stable outlook.

Shareholders' Equity

Total stockholders' equity was $223.4 billion, reflecting an increase of 16% or $30.2 billion when compared to the prior year. Equity attributable to stockholders of the parent increased to $170.0 billion, an increase of $23.9 billion, or 16% over the prior year. Return on average equity declined to 4.80% from 15.53% in the previous financial year.



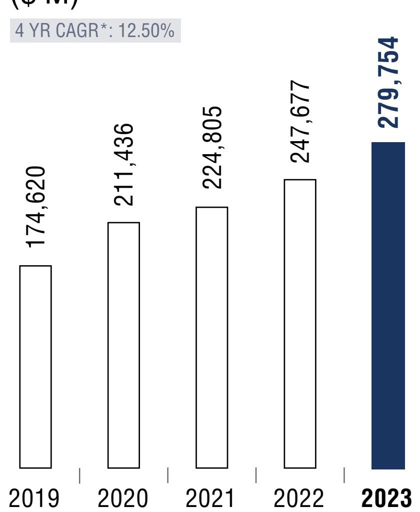
Liabilities under Annuity, Insurance and Investment Contracts	2022 $'M	% of Total %	2022 $'M	% of Total %
Liabilities under life and health insurance and annuity contracts	400,153	87%	389,369	88%
Liabilities under general insurance contracts	52,397	13%	52,094	12%
Total	**459,549**	**100%**	**441,464**	**100%**

Management of Capital

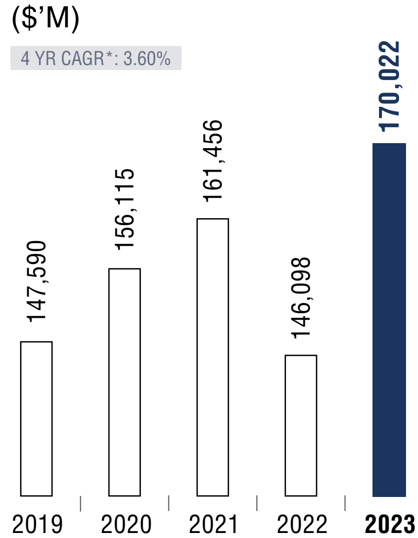
The Group's objectives when managing capital are broader than the equity presented in the statement of financial position. Our capital management processes are in place to ensure compliance with capital requirements set by the relevant regulators; safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders; maintain a strong capital base to support the development of our business and optimise capital allocation within the Group to maximise value.

Our management team recognises that the maintenance of adequate capital and the management thereof are critical to ensuring that regulatory requirements, strategic objectives, and shareholder expectations are met each financial year. Each regulated entity within the Group is required to hold a minimum amount of capital as required by each relevant regulator in the specific jurisdiction and a capital management plan, guided by the Group Capital Management Policy, is developed to meet these requirements. The Group's capital management plans are focussed on maintaining adequate levels of capital, optimising the Group's portfolio in accordance with balancing shareholder risk-return objectives, and maintaining flexibility in responding to changing market conditions. Capital adequacy aims to ensure sufficient capital is held in excess of the risk-based internal assessments and regulatory requirements with an overall objective of maintaining financial strength. During the 2023 financial year, the key regulated entities met or exceeded the minimum regulatory requirements.

Repurchase Agreements ($'M)



Equity attributable to stockholders' of the parent ($'M)



Statutory & General Information

Statutory Information required to be set out in this Prospectus by section 41 and the Third Schedule to the Companies Act and other general information follow.

1. The Company was incorporated on April 27, 2016 under the laws of Jamaica and its registered office is located at 32 Trafalgar Road, Kingston 10, in the parish of St. Andrew, Jamaica.

2. The Company has no founders, management or deferred shares.

3. The Articles fix no shareholding qualification for the directors.

4. The Articles contain the following provisions with respect to the remuneration of the Directors.

   The remuneration of the Directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board or any committee of the Board or general meetings of the Company or in connection with the business of the Company. The Board may award special remuneration out of the funds of the Company to any Director going or residing abroad in the interests of the Company, or undertaking any work additional to that usually required of Directors of a company similar to this Company.

5. The Opening Date: May 6, 2024

6. The Closing Date: May 27, 2024

7. 78,500,000 New Ordinary Shares (with the ability to upsize to a maximum of 117,750,000 New Ordinary Shares) are being made available for subscription by prospective investors.

8. The names and descriptions of the Directors of the Company are indicated in the Latest Audited Accounts.

9. The minimum amount required to be raised out of the proceeds of the Invitation to provide for the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Companies Act (the "minimum subscription" required to satisfy the purpose of the distribution) is J$775,000,000.00.

10. No previous invitations/offers with respect to shares in the Company have been made by the Company to the public other than the details published in this Prospectus in relation to the Invitation herein.

11. The price for each Share is J$65.00 (and in the case of Shares as may be subscribed by Reserved Share Applicants, J$58.50 per Share).

12. All Applicants will be required to pay in full the price per Share (as applicable) along with the JCSD processing fees as specified in this Prospectus. No further sum will be payable by any Applicant with respect to Shares under any Application.

13. Details as to investments, bank loans and any other indebtedness of the Company (if any) are indicated by the Latest Audited Accounts.

14. The proceeds from the Invitation will be paid to the Company. The Company expect to pay the expenses of the Invitation out of the proceeds of the Invitation, and the Company estimates that such expenses will not exceed J$66,718,454.30 (inclusive of brokerage fees, legal fees, marketing expenses, Companies Registrars' fees, initial fees and GCT).

15. By virtue of the Latest Audited Accounts the name and addresses of the auditors to the Company are as set out in such Audited Accounts.

16. Details of litigation and contingent liabilities are outlined in the latest audited financial statements. As far as the Company is aware, the Company is not engaged in any additional material litigation, nor is it aware of any pending litigation.

17. The amount for goodwill, trade name, or intangible assets related to core deposits & other customer relationships shown in the Audited Accounts is J$29.6 billion.

18. No amount is currently recommended for distribution by way of dividend. The Company's dividend policy, is described in Section 12 of this Prospectus.

19. No real property is currently proposed to be purchased or acquired by the Company and paid for wholly or partly out of the proceeds of this Invitation for the purposes of paragraphs 6 to 9 (inclusive) of Part 1 of the Third Schedule of the Companies Act.

20. Save as set out in paragraph 14 above, within the 2 preceding years, no commissions have been paid, nor will any be payable to anyone for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures of the Company.

21. The issue is not underwritten.

22. The material contracts of the Company are set out in Appendix 1.

23. The name and address of the auditors to the Company is: PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica.

24. PricewaterhouseCoopers has given and have not withdrawn their consent to the issue of this Prospectus with the inclusion of the Financial Information, and their name in the form and context in which it is included (a copy of which Consent is attached as Appendix 4).

SECTION 18

Documents Available for Inspection

Copies of the following documents may be inspected at the offices of the Lead Broker at NCB Capital Markets Limited, 3rd floor, 32 Trafalgar Road, Kingston 10 between the hours of 9:00 a.m. to 4:00 p.m. on Mondays to Fridays, up to and including the Closing Date (or the extended Closing Date as the case may be):

1. This Prospectus
2. The Articles of Incorporation of the Company;
3. Copy of the Latest Audited Accounts for the Company for the year ending September 30, 2023;
4. Copy of the unaudited financial results for three months ended December 31, 2023 with respect to the Company;
5. Copies of the Material Contracts.

Signatures of Directors of Company

The Directors of the Company whose signatures appear below are individually and collectively responsible for the contents of the Prospectus and each has signed same pursuant to a resolution of the Directors of the Company authorizing the issue of this Prospectus as at the date first hereinbefore stated. The Directors hereby certify full, true and plain disclosure of all material facts relating to the Company and the Shares issued pursuant to this Prospectus as required by the Jamaica Securities Act.

Directors	Signatures
Robert Almeida	
Bruce Bowen	
Gary W. Brown	
Howard Shearer	
Sanya Goffe	
Hon. Michael Lee-Chin, OJ (Chairman)	
Thalia Lyn, OD	Thalia Lyn

By their signatures above, the Directors hereby confirm that, after due inquiry by them, in their opinion and to the best of their knowledge and belief, in the period between February 23, 2024 to the date of this Prospectus:

(a) The business of the Company has been satisfactorily maintained;

(b) There have not been any circumstances arising which have adversely affected the trading or the value of the assets of the Company;

(c) The current assets of the Company appear in the books at values which are realizable in the ordinary course of business;

(d) There are no contingent liabilities, which have arisen by reason of guarantees or indemnities given by the Company; and

(e) There have been no significant changes affecting the financial position of the Company.

Appendix 1
Material Contracts

The following are the material contracts of the Company, other than contracts entered into in the ordinary course of business:

> **Consultancy Services Agreement between AIC Global Holdings Inc. and NCB Financial Group Limited dated December 1, 2017 (inclusive of amendments, thereto).**

Appendix 2
Financial Statements

Interim Unaudited Financial Statements for NCB Financial Group Limited for Quarter ended December 31, 2023.

Appendix 2 (Continued)

NCB Financial Group Limited Audited Financial Statements

Year ended September 30, 2022

Independent auditor's report

To the Members of NCB Financial Group Limited

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

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of NCB Financial Group Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at September 30, 2023, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited

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

- the consolidated statement of financial position as at September 30, 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at September 30, 2023;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

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

B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore T.N. Smith DaSilva K.D. Powell.

Our audit approach

Audit scope

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

How we tailored our group audit scope

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

We determined the scope of our audit by first considering the internal organisation of the Group and then identifying the components of the audit that have the most significant impact on the consolidated financial statements. The Group comprised 53 reporting components of which we selected 25, which mainly represent the principal business units within the Group and are located in Jamaica, Bermuda, Trinidad and Tobago and the Dutch Antilles. Full scope audits were performed for 15 components, while audits of one or more financial statement line items were performed for 10 components. The audit work performed covered 94% of the Group's total assets and 98% of total revenue. For in-scope business units located in the Dutch Antilles, we used component auditors from a non-PwC firm who are familiar with the local laws and regulations to perform this audit work.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
IFRS 9 'Financial Instruments' – ***Probabilities of Default, Forward Looking Information and Significant Increase in Credit Risk (Group)*** *See notes 2(i), 21 and 22 to the financial statements for disclosures of related accounting policies, judgements, estimates and balances.*	
As at September 30, 2023, the Group's loans and advances totalled $629 billion. The Group's investment securities measured at amortised cost and fair value through other comprehensive income (FVOCI) totalled $864 billion. The resultant impairment recorded under the expected credit loss (ECL) impairment model amounted to $16 billion for loans and advances and $705 million for debt securities. In aggregate, the above exposures represent 67% of total assets at the reporting date. In assessing impairment, IFRS 9 prescribes a forward looking ECL impairment model which takes into account reasonable and supportable forward looking information as well as probabilities of default (PD). PDs represent the likelihood of a borrower defaulting on its obligation over the next twelve months or over the remaining lifetime of the obligation. The twelve month and lifetime PDs are determined differently for loans and investments. For investment securities, which include debt securities comprising sovereign and corporate securities, PDs are developed by reference to external data collated by Standard & Poor's (S&P) with adjustments for industry and country specific risks, where appropriate. For loans and advances, management developed PDs based on the Group's specific historical default rates for each industry classification. In performing historical analyses, management identified economic variables impacting credit risk and ECLs for each portfolio.	Our approach to addressing the matter, with the assistance of our valuation specialist, involved the following procedures, amongst others: • Updated our understanding of management's ECL model including any changes to source data and assumptions. • Tested the completeness of all loans and advances and debt securities to determine whether all items were included in the ECL models by agreeing the models to detailed loans and securities listings. • Evaluated the reasonableness of management's judgements pertaining to PD, SICR and forward looking information, including macroeconomic factors, impacting the weighting of the scenarios as follows: **Debt securities** PD: • Tested the critical data fields used in the ECL model, such as the maturity date, amortised cost, accrued interest, credit rating and interest rate by tracing data back to relevant source documents. • Agreed the credit ratings and historical default rates used to calculate the PDs, on a sample basis, to external sources such as external rating agencies. SICR: • Tested, on a sample basis, the accuracy of the initial credit risk and the credit risk at the reporting date using rating agency definitions of 'investment grade' and evaluated the appropriateness of the group classification of debt securities as Stage 2.

Key audit matter	How our audit addressed the key audit matter
The estimation and application of forward looking information requires significant judgement. Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) which most closely correlate with credit losses in the relevant portfolio. Each macroeconomic scenario used in the ECL calculation incorporates forecasts of the relevant macroeconomic variables. 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). The consideration of days past due as well as adverse changes in a borrower's credit rating, industry or the economic environment are factors considered in determining whether there has been a SICR. The estimation of ECL in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. The base case scenario is derived from macroeconomic forecasts which are publicly available. Upside and downside scenarios are set relative to the base case scenario adjusted for reasonably possible alternative macroeconomic conditions. We focused on this area due to the complexity of the techniques used to determine PDs and the number of significant judgements made by management regarding SICR and possible future economic scenarios as it pertains to debt securities and loans and advances.	• Performed an independent qualitative assessment for a sample of borrowers to determine if there was any adverse public information affecting the criteria used to perform the staging. **Loans and advances** PD: • Tested the critical data fields used in the ECL model for the PD determination, such as default date, effective interest rate, write-off data, and loan type by tracing data back to source documents. • Reperformed the calculation of days past due, a key data input into the PD parameter, in the Group's banking system on a sample basis. SICR: • Evaluated, on a sample basis, the staging of loans and advances and compared our results to those identified and classified by management. **Forward Looking Information (Debt Securities & Loans and advances)**: • Assessed the reasonableness of the Group's methodology for determining economic scenarios considering industry and component specific facts and circumstances within each of the jurisdictions that the Group operates. • Evaluated the reasonableness of the increase in the weighting used for the worst case scenario by agreeing the forward looking economic information to external sources published or pronounced by reputable third parties. • Sensitized the probability weightings used in the ECL calculation. The results of our procedures indicated that the assumptions used by management for determining the probability of default, significant increase in credit risk and forward looking information were not unreasonable.

Key audit matter	How our audit addressed the key audit matter
Methodologies and assumptions used for determining insurance contract liabilities for life and health insurance and annuity contracts (Group) *See notes 2(w) and 39 to the financial statements for disclosures of related accounting policies, judgements, estimates and balances.*	
As at September 30, 2023, reserves for life and health insurance and annuity contracts account for $400 billion or 20% of the total liabilities of the Group. Economic assumptions such as investment return, associated discount rates and borrowing rates, policy expenses and assumptions such as mortality and persistency are key inputs used to estimate these long-term liabilities. Management used internal and external actuarial experts to assist in determining these assumptions and in valuing these actuarial liabilities. We focused on this area because the valuation of the provisions for the settlement of future claims involves complex and subjective judgements about future events, both internal and external to the business, for which small changes in assumptions may significantly impact the valuation of these liabilities.	Our approach to addressing the matter, with the assistance of our internal actuarial experts , involved the following procedures, amongst others: • Tested the completeness, accuracy and reliability of the underlying data utilised by management to support the actuarial valuation. Tested a sample of contracts to assess whether contract features and demographic data corresponded to the data file used by management's actuarial experts. • Evaluated the methodologies and assumptions utilised by management's actuarial experts considering industry and component specific facts and circumstances. Tested the key inputs and assumptions including investment return, associated discount rates and borrowing rates, policy expenses and mortality and persistency by reference to entity experience and relevant public information. The results of our procedures indicated that the assumptions used by management for determining insurance contract liabilities for life and health insurance and annuity contracts were not unreasonable and that the methodologies used were actuarially established, accepted and appropriate in the circumstances.

Key audit matter	How our audit addressed the key audit matter
Goodwill *impairment (Group)* *See notes 2(o)(i) and 28 to the financial statements for disclosures of related accounting policies, judgements, estimates and balances.* The total carrying value of goodwill is $20 billion or 1% of total assets as at September 30, 2023. In accordance with IAS 36, 'Impairment of Assets', management performed an annual goodwill impairment assessment to determine whether the carrying value exceeded the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated and is therefore impaired at the reporting date. Goodwill relating to the recoverable amount of a CGU is calculated as the higher of the value-in-use and fair value less costs of disposal. Management determined the recoverable amount by reference to value-in-use which is based on discounted cash flow projections over which management makes significant judgements on key inputs. As a result of the assessment, management determined there was no impairment as at September 30, 2023. We focused on this area as the goodwill impairment assessment requires significant management judgement and estimation, is sensitive to changes in key assumptions and due to the potential impact of the increased volatility of prices in various markets on those key assumptions. The key assumptions were assessed by management as being: • revenue growth rate; • reinsurance rate; • claims ratio; • expenses ratio; • policy acquisition expenses ratio; and • discount rate.	Our approach to addressing the matter, with the assistance of our internal valuation expert, involved the following procedures, amongst others: • Updated our understanding of management's approach to performing their annual impairment assessment. This included updating our understanding of the process by which management's key assumptions and methodologies were developed and assessing their appropriateness. • Compared previous forecasts to actual results in order to assess the performance of the business and the extent to which reliance could be placed on management's ability to forecast. • Assessed whether the four-year forecast used in the valuation model was consistent with the Board approved business plan, and that the key assumptions were subject to oversight from the Board of Directors. • Evaluated the revenue growth rate and the discount rate against valuations of similar companies. • Compared the key assumptions, revenue growth rate, reinsurance rate, claims ratio, expense ratio, policy acquisition expense ratio and discount rate to externally derived data where available. • Agreed the claims, acquisition expenses and expenses ratios and reinsurance rate to audited financial information and assessed for reasonableness in light of the current economic climate and market outlook. • Tested the calculations for mathematical accuracy and assessed the sensitivity of the calculations by varying the key assumptions and adjustments within management's cash flow forecast. The results of our procedures indicated management's determination that goodwill was not impaired at the reporting date was not unreasonable.

Key audit matter	How our audit addressed the key audit matter
Valuation of unquoted corporate debt and government securities classified as fair value through profit or loss, fair value through other comprehensive income and pledged assets (Group). *See notes 3(a), 23 and 50 to the financial statements for disclosures of related accounting policies, judgements, estimates and balances.*	
As at September 30, 2023, unquoted corporate debt and government securities classified as investment securities at fair value through profit or loss, fair value through other comprehensive income, and pledged assets together account for $14 billion or 1% of total assets of the Group. These securities are classified and disclosed as Level 3 within the fair value hierarchy as one or more of the significant inputs is not based on observable market data. For unquoted corporate debt and government securities, management uses valuation techniques which utilise the application of a market yield curve adjusted by a risk premium to discount the contractual cash flows of the instruments. We focused on this area as the yield curve is an unobservable input requiring management's judgement and estimation, which is subject to high estimation uncertainty.	Our approach to addressing the matter, with the assistance of our internal valuation expert, involved the following procedures, amongst others: ● Updated our understanding of management's approach to performing the fair value assessment. This included updating our understanding of the process by which management's key assumptions and methodologies were developed and assessing their appropriateness. ● Tested the source data inputs used in the valuation model by performing confirmation procedures on a sample basis, and agreed the issuance date, maturity date, coupon rate and risk premium at issuance to source documentation. ● Developed independent territory specific yield curves using industry data and experience and compared to management's yield curves. ● Tested, on a sample basis, the contractual cash flows of the underlying securities by comparing to source documentation and evaluated the impact of any variations. The results of our procedures indicated that the assumptions used by management for determining the fair value of unquoted corporate debt and government securities and pledged assets were not unreasonable.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand-alone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements

Management is responsible for the preparation of the consolidated and stand-alone financial statements that give a true and fair view in accordance with IFRS and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Paul Williams.

PricewaterhouseCoopers

Chartered Accountants
6 December 2023
Kingston, Jamaica

Consolidated
Income Statement

Year ended September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	Restated (Note 59) 2022 $'000
Operating Income			
Banking and investment activities			
Interest income		101,296,273	84,923,549
Interest expense		(38,495,233)	(25,724,687)
Net interest income	6	62,801,040	59,198,862
Fee and commission income		39,329,099	35,302,748
Fee and commission expense		(11,251,530)	(9,169,997)
Net fee and commission income	7	28,077,569	26,132,751
Gain on foreign currency and investment activities	8	21,503,653	16,576,264
Credit impairment losses	13	(5,303,309)	(2,723,555)
Dividend income	11	2,830,951	2,498,263
Other operating income		3,116,540	5,610,038
		22,147,835	21,961,010
Net revenues from banking and investment activities		113,026,444	107,292,623
Insurance activities			
Premium income	9	168,071,055	164,690,753
Insurance premium ceded to reinsurers	9	(59,130,877)	(50,583,005)
Reinsurance commission income		12,030,503	9,801,164
Net underwriting income		120,970,681	123,908,912
Gross policyholders' and annuitants' benefits and reserves	10	(89,940,266)	(117,857,141)
Reinsurance on policyholders' and annuitants' benefits and reserves	10	11,913,924	48,670,360
Commission and other selling expenses		(18,711,910)	(16,706,258)
Net result from insurance activities		24,232,429	38,015,873
Net operating income		137,258,873	145,308,496
Operating Expenses			
Staff costs	12	60,617,081	50,337,084
Depreciation and amortisation		7,394,097	8,892,804
Finance cost		2,146,374	2,048,822
Other operating expenses	14	47,516,054	44,412,709
		117,673,606	105,691,419
Operating Profit		19,585,267	39,617,077
Share of profit of associates	24	376,617	732,513
Profit before Taxation		19,961,884	40,349,590
Taxation	15	(4,625,957)	(5,217,209)
NET PROFIT		15,335,927	35,132,381
Attributable to:			
Stockholders of the parent		7,592,226	23,889,103
Non-controlling interest	53	7,743,701	11,243,278
		15,335,927	35,132,381
Earnings per stock unit			
Restated - basic and diluted (expressed in $)	16	3.30	10.39
As previously stated – basic and diluted (expressed in $)		-	11.89

Consolidated Statement of Comprehensive Income

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	Restated (Note 59) 2022 $'000
Net Profit		15,335,927	35,132,381
Other Comprehensive Income, net of tax -			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		(2,065,100)	4,596,111
Other		249,278	-
		(1,815,822)	4,596,111
Items that may be reclassified subsequently to profit or loss			
Currency translation losses		(784,190)	(3,191,404)
Expected credit reversals/(losses) on debt instruments at fair value through other comprehensive income (FVOCI)		609,235	(366,683)
Unrealised gains/(losses) on securities designated as FVOCI		16,756,260	(52,250,534)
Realised fair value losses on sale and maturity of securities designated as FVOCI		966,553	3,649,163
		17,547,858	(52,159,458)
Total other comprehensive income/(loss)		15,732,036	(47,563,347)
TOTAL COMPREHENSIVE INCOME/(LOSS)		31,067,963	(12,430,966)
Total comprehensive income/(loss) attributable to:			
Stockholders of parent		23,280,953	(15,821,276)
Non-controlling interest	53	7,787,010	3,390,310
		31,067,963	(12,430,966)

Consolidated Statement of Financial Position

Year ended September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

	Note	2023	Restated (Note 59) 2022
		$'000	$'000
ASSETS			
Cash in hand and balances at Central Banks	17	80,955,771	70,856,440
Due from banks	18	139,474,690	185,806,679
Derivative financial instruments	19	826,738	874,471
Reverse repurchase agreements	20	8,765,450	8,300,133
Loans and advances, net of provision for credit losses	21	613,788,134	580,987,814
Investment securities	22	827,118,517	711,734,420
Pledged assets	23	284,366,064	256,614,981
Investment in associates	24	7,330,319	7,051,463
Investment properties	25	36,593,390	38,713,587
Intangible assets	28	56,501,199	54,690,029
Property, plant and equipment	29	29,143,058	29,077,875
Right-of-use assets	55	4,979,316	5,111,594
Properties for development and sale	26	4,152,048	2,008,010
Reinsurance assets	27	34,576,550	30,312,857
Deferred income tax assets	30	21,891,961	26,198,921
Income tax recoverable		7,838,875	2,558,641
Letters of credit and undertaking		5,179,547	6,451,165
Other assets	31	59,319,885	60,837,179
Total Assets		2,222,801,512	2,078,186,259

Consolidated Statement of Financial Position (Continued)

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

	Note	2023	Restated (Note 59) 2022
		$'000	$'000
LIABILITIES			
Due to banks	32	31,908,336	37,501,992
Customer deposits		747,872,120	715,276,682
Repurchase agreements		279,754,087	247,676,853
Obligations under securitisation arrangements	33	98,195,007	99,085,658
Derivative financial instruments	19	9,192	-
Other borrowed funds	34	179,671,743	153,272,229
Deferred income tax liabilities	30	9,080,065	9,126,008
Third party interest in mutual funds	36	38,910,757	33,587,741
Segregated fund liabilities	38	14,848,093	14,436,764
Investment contract liabilities	37	47,062,613	46,176,282
Liabilities under annuity and insurance contracts	39	459,549,252	441,463,531
Post-employment benefit obligations	40	7,811,461	4,091,822
Letters of credit and undertaking		5,179,547	6,451,165
Lease liabilities	55	5,002,345	5,173,159
Other liabilities	41	74,549,922	71,657,388
Total Liabilities		1,999,404,540	1,884,977,274
STOCKHOLDERS' EQUITY			
Share capital	42	153,827,330	153,827,330
Treasury shares	42	(25,674,883)	(26,652,675)
Reserves from scheme of arrangement	43	(147,034,858)	(147,034,858)
Fair value and capital reserves	43	(9,775,379)	(26,945,082)
Loan loss reserve	44	5,753,840	6,349,934
Banking reserve fund	45	6,933,385	6,897,231
Retained earnings reserve	46	75,270,000	67,170,000
Retained earnings		110,722,655	112,486,311
Equity attributable to stockholders of the parent		170,022,090	146,098,191
Non-controlling interest	53	53,374,882	47,110,794
Total stockholders' equity		223,396,972	193,208,985
Total stockholders' equity and liabilities		2,222,801,512	2,078,186,259

Approved for issue by the Board of Directors on December 4, 2023 and signed on its behalf by:

Robert Almeida	Interim Group Chief Executive Officer	Malcolm Sadler	Chief Financial Officer
Professor, the Hon. Alvin Wint OJ, CD	Lead Independent Director	Dave Garcia	Corporate Secretary

Consolidated Statement of Changes in Equity

Year ended September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital	Treasury Shares	Reserves from the Scheme of Arrangement	Fair Value and Capital Reserves	Loan Loss Reserve	Banking Reserve Fund	Retained Earnings Reserve	Retained Earnings	Non-controlling interest	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at September 30, 2021		153,827,330	(27,198,690)	(147,034,858)	17,361,407	2,269,374	6,795,733	65,320,000	90,115,895	45,208,835	206,665,026
Total comprehensive income :											
Net profit – Restated (Note 59)		-	-	-	-	-	-	-	23,889,103	11,243,278	35,132,381
Other comprehensive income / (loss)		-	-	-	(44,306,489)	-	-	-	4,596,111	(7,852,969)	(47,563,347)
Transfer to Loan Loss Reserve		-	-	-	-	4,080,560	-	-	(4,080,560)	-	-
Transfer to Banking Reserve Fund		-	-	-	-	-	101,498	-	(101,498)	-	-
Transfer to Retained Earnings Reserve		-	-	-	-	-	-	1,850,000	(1,850,000)	-	-
Disposal of treasury shares	42	-	546,015	-	-	-	-	-	(82,740)	-	463,275
Dividends paid to non-controlling interest		-	-	-	-	-	-	-	-	(1,488,350)	(1,488,350)
Balance at September 30, 2022 - Restated		153,827,330	(26,652,675)	(147,034,858)	(26,945,082)	6,349,934	6,897,231	67,170,000	112,486,311	47,110,794	193,208,985
Total comprehensive income:											
Net profit		-	-	-	-	-	-	-	7,592,226	7,743,701	15,335,927
Other comprehensive income		-	-	-	17,169,703	-	-	-	(1,815,822)	43,309	15,397,190
Transfer to Loan Loss Reserve		-	-	-	-	(596,094)	-	-	596,094	-	-
Transfer to Banking Reserve Fund			-	-	-	-	36,154	-	(36,154)	-	-
Transfer to Retained Earnings Reserve		-	-	-	-	-	-	8,100,000	(8,100,000)	-	-
Disposal of treasury shares	42	-	977,792	-	-	-	-	-	-	-	977,792
Dividends paid to non-controlling interest		-	-	-	-	-	-	-	-	(1,522,922)	(1,522,922)
Balance at September 30, 2023		153,827,330	(25,674,883)	(147,034,858)	(9,775,379)	5,753,840	6,933,385	75,270,000	110,722,655	53,374,882	223,396,972

Consolidated Statement of Cash Flows

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	Restated (Note 59) 2022 $'000
Cash Flows from Operating Activities			
Net profit		15,335,927	35,132,381
Adjustments to reconcile net profit to net cash provided by operating activities		60,385,853	14,356,450
Net cash provided by operating activities	47	75,721,780	49,488,831
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	29	(3,153,249)	(3,093,060)
Acquisition of intangible assets – computer software	28	(5,620,030)	(8,640,526)
Proceeds from disposal of property, plant and equipment		1,396,972	3,459,229
Purchase of investment property	25	(666,198)	(1,209,841)
Proceeds from disposal of investment property		417,705	952,088
Purchase of investment securities		(709,734,489)	(533,056,538)
Sales / maturities of investment securities		584,115,583	438,687,607
Net cash used in investing activities		(133,243,706)	(102,901,041)
Cash Flows from Financing Activities			
Proceeds from securitisation arrangements		-	45,187,455
Repayment of securitisation arrangements		(2,745,242)	(9,089,479)
Proceeds from other borrowed funds		43,074,294	64,458,635
Repayments of other borrowed funds		(17,858,116)	(49,767,061)
Due to banks		(9,808,195)	8,654,988
Proceeds from disposal of treasury shares	42	-	463,275
Lease liabilities		(1,729,837)	(1,633,705)
Dividends paid		(1,522,922)	(1,488,350)
Net cash provided by financing activities		9,409,982	56,785,758
Net increase in exchange rate changes on cash and cash equivalents		782,376	3,375,153
Net (decrease)/increase in cash and cash equivalents		(47,329,568)	6,748,701
Cash and cash equivalents at beginning of period		202,491,841	195,743,140
Cash and Cash Equivalents at End of Period		155,162,273	202,491,841
Comprising:			
Cash in hand and balances at Central Banks	17	32,053,927	25,364,556
Due from banks	18	136,588,502	183,381,829
Reverse repurchase agreements	20	4,303,162	1,870,664
Investment securities	22	6,386,437	11,894,607
Due to banks	32	(24,169,755)	(20,019,815)
		155,162,273	202,491,841

Consolidated Statement of Comprehensive Income

Year ended September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	Restated (Note 59) 2022 $'000
Income			
Management fees	7	5,500,000	3,500,000
Dividend income	11	15,506,267	1,229,820
Credit impairment losses /(recovered)	13	6,597	(9,699)
Losses on foreign currency activities	8	(742,429)	(2,529,690)
		20,270,435	2,190,431
Expenses			
Staff costs	12	9,396,196	5,603,916
Depreciation		176	-
Finance cost		269,976	125,084
Other operating expenses	14	1,493,636	1,936,300
		11,159,984	7,665,300
Operating profit/(loss)		9,110,451	(5,474,869)
Interest income	6	2,507,319	2,219,338
Interest expense	6	(8,086,709)	(6,224,453)
Profit/(loss) before Taxation		3,531,061	(9,479,984)
Taxation	15	-	2,182,620
NET PROFIT/(LOSS)		3,531,061	(7,297,364)
Other comprehensive income/(loss)			
Changes in unrealised gains/(losses) on securities designated as FVOCI		223	(361)
TOTAL COMPREHENSIVE INCOME/(LOSS)		3,531,284	(7,297,725)

Company Statement of Financial Position

Year ended September 30, 2022 - (expressed in Jamaican dollars unless otherwise indicated)

	Note	2023	Restated (Note 59) 2022
		$'000	$'000
ASSETS			
Due from banks	18	3,016,047	280,630
Loan to related party	21	52,052,907	50,395,070
Investment securities	22	7,126,192	7,126,192
Investment in subsidiaries		177,583,096	167,811,096
Property, plant & equipment		880	-
Right-of-use assets		109,312	176,987
Deferred income tax assets	30	10,746,562	10,746,669
Income tax recoverable		578,416	618,345
Other assets	31	16,132,074	7,015,876
Total Assets		267,345,486	244,170,865
LIABILITIES			
Due to banks	32	19,234,934	18,639,756
Other borrowed funds	34	93,511,913	80,816,324
Derivative financial liability		-	402,695
Lease liabilities		63,637	121,489
Other liabilities	41	12,903,302	6,090,185
Total Liabilities		125,713,786	106,070,449
EQUITY			
Share capital	42	153,827,330	153,827,330
Treasury shares		(11,232,294)	(11,232,294)
Fair value reserves		1,266	1,043
Accumulated deficit		(964,602)	(4,495,663)
Total Equity		141,631,700	138,100,416
Total Equity and Liabilities		267,345,486	244,170,865

Approved for issue by the Board of Directors on December 4, 2023 and signed on its behalf by:

Robert Almeida	Interim Group Chief Executive Officer	Malcolm Sadler	Chief Financial Officer
Professor, the Hon. Alvin Wint OJ, CD	Lead Independent Director	Dave Garcia	Corporate Secretary

Consolidated Statement of Changes in Equity

Year ended September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital	Treasury Shares	Fair Value Reserves	Retained Earnings / Accumulated Deficit	Total
		$'000	$'000	$'000	$'000	$'000
Balance at September 30, 2021		153,827,330	(11,778,309)	1,404	2,884,440	144,934,865
Total comprehensive income						
Net loss – restated (Note 59)		-	-	-	(7,297,364)	(7,297,364)
Other comprehensive income		-	-	(361)	-	(361)
Disposal of treasury shares	42	-	546,015	-	(82,739)	463,276
Balance at September 30, 2022 - restated		153,827,330	(11,232,294)	1,043	(4,495,663)	138,100,416
Total comprehensive income						
Net profit		-	-	-	3,531,061	3,531,061
Other comprehensive income		-	-	223	-	223
Balance at September 30, 2023		153,827,330	(11,232,294)	1,266	(964,602)	141,631,700

Company Statement of Cash Flows

Year ended September 30, 2022 - (expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	Restated (Note 59) 2022 $'000
Cash Flows from Operating Activities			
Net profit/(loss)		3,531,061	(7,297,364)
Adjustments to reconcile net profit to cash used in operating activities			
Finance cost		269,976	125,084
Interest income	6	(2,507,319)	(2,219,338)
Interest expense	6	8,086,709	6,224,453
Income tax expense	15	-	(2,182,620)
Foreign exchange losses	8	742,429	2,529,690
Amortisation of upfront borrowing fees		393,328	128,704
Non-cash dividend received		(9,772,000)	-
Provision for credit losses		(6,597)	9,699
Changes in operating assets and liabilities:			
Loans and advances		(1,651,240)	(2,110,457)
Other		(1,579,260)	(215,504)
		(6,023,974)	2,289,711
Interest received		2,507,319	2,219,338
Interest paid		(7,827,060)	(6,462,866)
Income tax paid		40,036	(124,441)
		(11,303,679)	(2,078,258)
Net cash used in operating activities		(7,772,618)	(9,375,622)
Cash Flows from Investing Activities			
Outflow of cash to inject capital in subsidiary		-	(18,965)
Acquisition of property, plant & equipment		(1,056)	-
Net cash used in investing activities		(1,056)	(18,965)
Cash Flows from Financing Activities			
Proceeds from disposal of treasury shares			463,276
Proceeds from other borrowed funds		17,018,780	39,312,323
Repayment of other borrowed funds		(5,718,076)	(44,840,559)
Repayment of lease liabilities		(199,952)	(177,840)
Due to banks		406,468	2,225,452
Net cash provided by/(used in) financing activities		11,507,220	(3,017,348)
Net decrease of exchange rate changes on cash and cash equivalents		(998,129)	(3,104,567)
Net increase/(decrease) in cash and cash equivalents		2,735,417	(15,516,502)
Cash and cash equivalents at beginning of period		280,630	15,797,132
Cash and Cash Equivalents at End of Period	18	3,016,047	280,630

Notes to the Financial Statements

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

NCB Financial Group Limited ("the Company") is a financial holding company, incorporated and domiciled in Jamaica. The Company is 51.15% (2022 – 52.68%) owned by AIC (Barbados) Limited. The ultimate parent company is Portland Holdings Inc., incorporated in Canada. Portland Holdings Inc. is controlled by Hon. Michael A. Lee-Chin, OJ, Chairman of the Company.

The Company's registered office is located at 32 Trafalgar Road, Kingston 10, Jamaica.

The Company's ordinary stock units are listed on the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange.

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities (Continued)

The Company's subsidiaries and other consolidated entities, listed below, which together with the Company are referred to as "the Group", engage in the following principal activities:

	Country of Incorporation	Principal Activities	Percentage Ownership by the Company and its Subsidiaries	
			Company	Subsidiary
National Commercial Bank Jamaica Limited	Jamaica	Commercial Banking	100	
Data-Cap Processing Limited	Jamaica	Security Services		100
MSIB Limited	Jamaica	Dormant		100
NCB Capital Markets Limited	Jamaica	Securities Dealing and Stock Brokerage Services		100
NCB Capital Markets (Cayman) Ltd.	Cayman	Securities Dealing		100
NCB Merchant Bank (Trinidad and Tobago) Limited	Trinidad & Tobago	Merchant Banking		100
NCB Capital Markets (Barbados) Limited	Barbados	Brokerage Services		100
NCB Capital Markets SA	Dominican Republic	Inactive		100
NCB Capital Markets (Guyana) Inc	Guyana	Inactive		100
NCB (Cayman) Limited	Cayman	Commercial Banking		100
NCB Trust Company (Cayman) Limited	Cayman	Dormant		100
NCB Employee Share Scheme	Jamaica	Dormant		100
NCB Insurance Agency & Fund Managers Limited	Jamaica	Insurance Agency and Pension Fund Management Services		100
N.C.B. (Investments) Limited	Jamaica	Dormant		100
N.C.B. Jamaica (Nominees) Limited	Jamaica	Dormant		100
NCB Remittance Services (Jamaica) Limited	Jamaica	Dormant		100
NCB Financial Services UK Limited	United Kingdom	Dormant		100
West Indies Trust Company Limited	Jamaica	Trust and Estate Management Services		100
NCB Global Holdings Limited	Trinidad & Tobago	Holding Company	100	
Guardian Holdings Limited	Trinidad & Tobago	Holding Company		61.77
Guardian Life of the Caribbean Limited	Trinidad & Tobago	Life and Health Insurance and Pensions Services		100
Guardian Life Limited	Jamaica	Life and Health Insurance and Pensions Services		100
Fatum Life Insurance N.V.	Curacao	Life and Health Insurance and Pensions Services		100
Fatum Life Aruba N.V.	Aruba	Life and Health Insurance and Pensions Services		100
Fatum Health N.V.	Curacao	Life and Health Insurance and Pensions Services		100
Guardian Life (OECS) Limited	Grenada	Life and Health Insurance and Pensions Services		100
Guardian General Insurance	T&T	Property and Casualty Insurance Services		100

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities (Continued)

	Country of Incorporation	Principal Activities	Percentage Ownership by the Company and its Subsidiaries	
			Company	Subsidiary
Guardian Holdings Limited (Continued)				
Guardian General Insurance Jamaica Limited	Jamaica	Property and Casualty Insurance Services		100
Fatum General Insurance N.V.	Curacao	Property and Casualty Insurance Services		100
Guardian Group Nederland N.V	Netherlands	Property and Casualty Insurance Services		100
Fatum General Insurance Aruba N.V.	Aruba	Property and Casualty Insurance Services		100
Fatum Brokers Holding B.V.	Curacao	Property and Casualty Insurance Services		100
Thoma Exploitatie B.V.	Netherlands	Property and Casualty Insurance Services		100
Guardian Re (S.A.C) Limited	Bermuda	Property and Casualty Insurance Services		100
Guardian General (OECS) Limited	Grenada	Property and Casualty Insurance Services		100
Guardian Group Trust Limited	Trinidad & Tobago	Asset Management		100
Guardian Asset Management and Investment Services Limited	Trinidad & Tobago	Asset Management		100
Laevulose Inc. Limited	Trinidad & Tobago	Strategic Alternative Investments		100
Clarien Group Limited	Bermuda	Holding Company	50.10	
Clarien Bank Limited	Bermuda	Commercial Banking		100
First Bermuda Group Limited	Bermuda	Holding Company		100
Onshore Nominees Limited	Bermuda	Nominee Entity of First Bermuda Group Limited		100
Offshore Nominees Limited	Bermuda	Nominee Entity of First Bermuda Group Limited		100
Clarien Investments Limited (“CIL”)	Bermuda	Investment Management		100
Clarien Brokerage Limited	Bermuda	Brokerage Services		100
Clarien Nominees Limited	Bermuda	Nominee Entity of CIL		100
Clarien Trust Limited	Bermuda	Trust administration		100
Clarien UK Limited	Bermuda	Inactive		100
Clarien BSX Services Limited	Bermuda	Trading member of Bermuda Stock Exchange		100
TFOB (2021) Limited	Jamaica	Digital/Electronic Payments		100

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities (Continued)

The shareholdings for all subsidiaries are the same as they were in the prior year.

The Group's associates are as follows:

	Principal Activities	Percentage ownership
RGM Limited	Property investment	33.33
Royal Star Holdings	Insurance	26.32
Elite Diagnostic Limited	Medical Imaging Services	18.69
Mundo Finance Limited	Micro Financing	50.00

The Group's associates are incorporated either in Jamaica or Trinidad & Tobago.

2. Significant Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and have been prepared under the historical cost convention as modified by the revaluation of FVOCI securities, derivatives, investment property, certain property, plant and equipment, defined benefit pension plans where plan assets are measured at fair value and financial assets and liabilities at fair value through profit or loss.

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

The Group and the Company restated the 2022 financial statements. See Note 59 for further details.

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

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

Amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on, IFRS 9 and IFRS 16, (effective for annual periods beginning on or after 1 January 2022). Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to, IFRS 9, 'Financial instruments' and the Illustrative examples accompanying IFRS 16, 'Leases'.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities, (effective for annual periods beginning on or after 1 January 2024). Amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The Group is currently assessing the impact of this amendment.

Amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The Group is currently assessing the impact of this amendment.

Amendment to IAS 12 – deferred tax relates to assets and liabilities arising from a single transaction. (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. The Group is currently assessing the impact of this amendment.

Amendment to IAS 16- Leases on sales and leaseback (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

IFRS 17, 'Insurance contracts', (effective for annual periods beginning on or after 1 January 2023). This standard will replace IFRS 4 Insurance Contracts and will materially change the recognition and measurement of insurance contracts and the corresponding presentation and disclosures in the Group's financial statements. In June 2020, the IASB released amendments which, among other things, addressed concerns raised on the initial release of the standard, dealt with some implementation challenges and confirmed the deferral of the standard's effective date as 1 January 2023. The Group will implement IFRS 17 effective 1 October 2023. Refer to further details in Note 58.

2. Significant Accounting Policies (Continued)

(b) Basis of consolidation

Subsidiaries

Subsidiaries are those entities which the Group controls because the Group (i) has power to direct relevant activities of the entities that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the entities, and (iii) has the ability to use its power over the entities to affect the amount of the entities' returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the entities need to be made. The Group may have power over an entity even when it holds no ownership interests in the entity, or when it holds less than a majority of voting power in an entity. In such cases, the Group exercises judgment and assesses its power to direct the relevant activities of the entity, as well as its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the entity. Protective rights of other investors, such as those that relate to fundamental changes in the entity's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

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

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the Group. In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The Group's investments in associates include goodwill identified on acquisition.

2. Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

Associates (continued)
The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group determines at each reporting date whether there is any objective evidence that investments in associates are impaired. If this is the case, the Group recognises an impairment charge in the income statement for the difference between the recoverable amount of the associate and its carrying value.

The results of associates with financial reporting year-ends that are different from the Group are determined by using the results for the most recent audited period as well as the period covered by management accounts to ensure that a year's result is accounted for where applicable.

Investments in associates are accounted for using the equity method of accounting (as described above), and are initially recognised at cost.

In the Company's separate financial statements, investments in associates are accounted for at cost less impairment.

(c) Segment reporting
An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses and whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment. Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker. The chief operating decision maker is the President and Group Chief Executive Officer.

2. Significant Accounting Policies (Continued)

(d) Foreign currency translation

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

Transactions and balances
Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the date of the statement of financial position, monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the income statement.

Exchange differences on non-monetary financial assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognised in the income statement (applicable for trading securities), or within other comprehensive income if non-monetary financial assets are classified as FVOCI. In the case of changes in the fair value of monetary assets denominated in foreign currency classified as FVOCI, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in the income statement, and other changes in the carrying amount, except impairment, are recognised in other comprehensive income.

Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and,
- All resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

2. Significant Accounting Policies (Continued)

(e) Revenue recognition

Interest income
Interest income are recognised in the income statement for all interest-bearing instruments on an accrual basis using the effective interest method based on the actual purchase price. Interest income includes coupons earned on fixed income investments and accrued discounts on treasury bills and other discounted instruments.

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 expenses over the relevant period. The effective interest rate is the rate that exactly discounts the 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 Group estimates cash flows considering the contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees 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.

The Group accounts for interest income on loans in accordance with the regulations in the various territories. These regulations stipulate that, where collection of interest is considered doubtful or where the loan is in non-performing status (payment of principal or interest is outstanding for 90 days or more), interest should be taken into account on the cash basis and all previously accrued but uncollected interest be reversed in the period that collection is doubtful or the loan becomes non-performing. IFRS require that when loans are impaired, they are written down to their recoverable amounts and interest income is thereafter recognised by applying the original effective interest rate to the recoverable amount. The difference between the regulatory and IFRS bases of interest recognition was assessed to be immaterial.

Fee and commission income
Fee and commission income is generally 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.

Premium income
Premium income is recognised on the accrual basis in accordance with the terms of the underlying contracts as outlined in Note 2(v).

Dividend income
Dividend income is recognised when the right to receive payment is established.

Rental income
Rental income is recognised on an accrual basis.

Realised and unrealised investment gains and losses
Realised and unrealised gains and losses on investments measured at amortised cost or fair value through profit or loss are recognised in the consolidated income statement in the period in which they arise.

Dividend distributions
Dividend distributions to the company's shareholders are recognised as an appropriation in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's Board of Directors.

2. Significant Accounting Policies (Continued)

(f) Assets under management

The Group provides custody and trustee discretionary investment management services to third parties. Such assets under management represent the managed funds administered by the trust company.

Subscriptions, distributions and redemptions on mutual funds portfolio

Subscriptions - Units relating to the various pools of mutual funds consolidated in the Group's financial statements could be subscribed based on the net asset value per unit of the underlying funds determined on each business day.

Distributions - The net income and net realised capital gains of the various pools of mutual funds are calculated and accrued to the investor daily and distributed monthly. Investors have the option either to receive a cash distribution or to reinvest income distributions into units at the prevailing subscription price as at the date of distribution.

Redemptions - Units relating to the various pools of mutual funds consolidated in the Group's financial statements are redeemed at a price per unit based on the net asset value of the underlying funds published on the date that the request is made.

(g) Income taxes

Taxation expense in the income statement comprises current and deferred income tax charges.

Current income tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group’s liability for current tax is calculated at tax rates that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted or substantively enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited to other comprehensive income or equity, in which case, deferred tax is also dealt with in other comprehensive income or equity.

(h) Cash and cash equivalents

Cash and cash equivalent are carried on the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise balances with less than 90 days’ maturity from the date of acquisition including cash and balances at Central Banks (excluding statutory reserves), due from banks, investment securities, reverse repurchase agreements and due to banks.

2. Significant Accounting Policies (Continued)

(i) Financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

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

- How the performance and risks of a portfolio of assets are managed, evaluated and reported to key management and how the managers of the portfolio are compensated;
- How the Group intends to generate profits from holding the portfolio of assets;
- The past experience on how the cash flows of the portfolio of assets were collected; and
- The historical and future expectations of asset sales within a portfolio.

The Group reclassifies debt instruments only when 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 infrequent.

Solely payments of principal and interest ("SPPI")
Where the business model is to collect or, to collect and sell a financial instrument's contractual cash flows, the Group assesses whether those cash flows represent SPPI. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL. The cash flows of financial assets which contain an embedded derivative are not disaggregated when determining whether their cash flows are solely payments of principal and interest but are considered in their entirety. Principal amounts include par repayments from lending and financing arrangements, and interest primarily relates to basic lending returns, including compensation for credit risk and the time value of money associated with the principal amount outstanding over a period of time. Interest can also include other basic lending risks and costs (for example, liquidity risk, servicing or administrative costs) associated with holding the financial asset for a period of time, and a profit margin.

Equity instruments
The Group has elected to measure equity holdings that fall under IFRS 9 at FVPL, unless they form part of a strategic acquisition that is not held for trading purposes.

Debt instruments
The Group classifies portfolios of debt instruments, including hybrid contracts, based on:

(i) the Group's business model for managing the asset; and,
(ii) the cash flow characteristics of the asset.

2. Significant Accounting Policies (Continued)

(i) Financial assets (continued)

Initial recognition
Financial assets and liabilities are recognised when the Group becomes party to a contractual provision of the instrument. At initial recognition, regular way purchase of financial assets are recorded at fair value. The carrying value of financial assets at initial recognition includes any directly attributable transaction costs. Purchases of financial assets are recognised on the date on which the Group becomes the beneficial owner of the security. Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

De-recognition
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Group is recognised as a separate asset or liability in the consolidated statement of financial position. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income ("OCI") is recognised in profit or loss.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Classification of financial assets
Financial assets are measured based on the business model and the resulting classification. As required by IFRS 9, the Group applies a principles-based approach to the classification of financial assets on its business model and the nature of the cash flows of the asset. Financial instruments are classified as either:

- FVPL
- FVOCI or
- amortised cost

Financial assets measured at fair value through profit and loss (FVPL)
Financial instruments are classified in this category if they meet one of the criteria set out below and are so designated irrevocably at inception:

- this designation removes or significantly reduces an accounting mismatch; or
- 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, or
- the financial instrument is held for trading purposes.
- the financial instrument is a derivative that is not designated as a hedge.

2. Significant Accounting Policies (Continued)

(i) Financial assets (continued)

Financial assets measured at fair value through other comprehensive income (FVOCI)
Financial assets held for a business model that is achieved by both collecting and selling contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that SPPI are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in net gains / (losses) on investment securities. Foreign exchange gains or losses are presented in gain on foreign currency and investment activities and impairment losses are presented as a separate line item in the income statement, as credit impairment losses.

Financial assets measured at amortised 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 SPPI are measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss together with foreign exchange gains or losses in gain on foreign currency and investment activities. Impairment losses are presented as a separate line item in the income statement, as credit impairment losses.

Impairment of financial assets
Under IFRS 9 the Group applies an impairment model that recognises 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.

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

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

To determine whether the life-time credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available, including information from the past as well as forward-looking information. Factors such as whether payments of principal and interest are in delinquency, 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.

Purchased or originated credit-impaired assets (POCI)
Financial assets that are purchased or originated at a deep discount that reflects their incurred credit losses, are considered to be already credit-impaired on initial recognition. The Group calculates the credit adjusted effective interest rate, which is based on the originated fair value instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. The ECL of these financial assets is always measured on a life time basis and changes in the ECL are recorded in the Income Statement.

2. Significant Accounting Policies (Continued)

(i) Financial assets (continued)

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

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

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

Write-offs
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, write offs generally occur 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.

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

Expected credit losses are calculated by multiplying the following three main components:
- The probability of default ("PD");
- The 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 estimated forward looking economic and historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the life-time ECL on initial recognition. For ECL provisions modelled on a collective basis, 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 periodically. 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, and for the incorporation of scenarios which have not generally been subject to experience gained through stress testing. The exercise of judgment in making estimations requires the use of assumptions which are subjective and sensitive to risk factors, in particular to changes in economic and credit conditions across geographical areas. Many of the risk factors have a high degree of interdependency and there is no single factor to which 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 these results are not extrapolated to the wider population of financial assets.

2. Significant Accounting Policies (Continued)

(i) Financial assets (continued)

The measurement of ECL for each stage and the assessment of significant increases in credit risk 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 Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

For credit impaired financial assets, based on management's assessment of the borrower, a specific provision of expected life-time losses which incorporates collateral and recoveries from other credit-enhancements recoveries is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information
The estimation and application of forward-looking information requires significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in the ECL calculation has forecasts of the relevant macroeconomic variables. The estimation of ECL in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. The base case scenario is based on macroeconomic forecasts that are publicly available. Upside and downside scenarios are set relative to the base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios occurs on at least an annual basis and more frequently if conditions warrant. Scenarios are probability-weighted according to the best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights are updated on an annual basis or more frequently as warranted. The base scenario reflects the most likely outcome and is assigned the highest weighting.

The weightings assigned to each economic scenario as at October 1, 2022 and September 30, 2023 vary by jurisdiction and were as follows:

	Base	Best Case	Worst Case
Scenarios	85%	5%	10%

ECL on financial assets measured at amortised cost and FVOCI, are recognised in the income statement. For FVOCI financial assets, there is a corresponding adjustment to OCI, while for financial assets measured at amortised cost, the ECL is adjusted against the carrying amount of the asset. Unrealised gains and losses arising from changes in fair value on FVOCI assets are measured in other comprehensive income. For FVOCI assets, when the asset is sold, the cumulative gain or loss in OCI (including ECL there recognised) is reclassified to investment income in determining the gain or loss on disposal.

2. Significant Accounting Policies (Continued)

(i) Financial assets (continued)

Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers and debt instruments. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flow to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency in which the loan is denominated.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a new asset at fair value and recalculates the new effective interest rate for the asset. The date of negotiation is consequently considered to be the date of initial recognition for impairment calculation purposes and the purpose of determining if there has been a significant increase in credit risk. At this point the Group will assess if the asset is POCI.

Acceptance, guarantees, indemnities, letters of credit and undertakings

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and,
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount net of loss allowance for the portfolio. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the excepted credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the ECL is recognised as a provision.

2. Significant Accounting Policies (Continued)

(j) Derivative financial instruments

Derivatives are financial instruments that derive their value from the price of underlying items such as equities, bonds, interest rates, foreign exchange, credit spreads, commodities or other indices. Derivatives enable users to increase, reduce or alter exposure to credit or market risk. The Group transacts derivatives to manage its own exposure to interest rate and foreign exchange risk.

Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into, and subsequently are re-measured at their fair value at the date of each statement of financial position. Fair values are obtained from quoted market prices and discounted cash flow models as appropriate. Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Assets and liabilities are set off where the contracts are with the same counterparty, a legal right of set off exists and the cash flows are intended to be settled on a net basis.

Gains and losses from changes in the fair value of derivatives are included in the income statement.

(k) Repurchase and reverse repurchase transactions

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (reverse repurchase agreements) are treated as collateralised financing transactions. The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the life of the agreements using the effective yield method.

(l) Loans and advances and provisions for credit losses

Loans and advances are recognised when cash is advanced to borrowers. They are initially recorded at fair value and subsequently measured at amortised cost using the effective interest rate method.

Provision for credit losses determined under the Bank of Jamaica (BOJ) regulatory requirements

The effect of the provision for credit losses determined under the BOJ regulatory requirements is to preserve capital. No amounts are booked to the income statement in respect of regulatory provisions. Provisions calculated based on regulatory requirements that exceed the amounts required under IFRS are transferred from retained earnings to a non-distributable loan loss reserve in stockholders' equity.

The provision for credit losses determined under the BOJ regulatory requirements comprises a "specific provision" and a "general provision". The specific is determined based on each specific loan for which problems have been identified. The general provision is considered to be prudential in nature and is established to absorb portfolio losses.

2. Significant Accounting Policies (Continued)

(l) Loans and advances and provisions for credit losses (continued)

Provision for credit losses determined under the Bank of Jamaica (BOJ) regulatory requirements (continued)

The specific provision is established for the estimated net loss for all non-performing loans and performing loans that meet specified criteria. Loans are considered to be non-performing where a principal or interest payment is contractually 90 days or more in arrears. At the time of classification as non-performing, any interest that is contractually due but in arrears is reversed from the income statement and interest is thereafter recognised in the income statement on the cash basis only. The estimated net loss is defined as the net exposure remaining after deducting the estimated net realisable value of the collateral (as defined by and determined by the regulations) from the outstanding principal balance of the loan. The regulations quantify the specific provision at ranges from 20% to 100% of each non-performing loan depending on the length of time the loan has been in arrears. In addition, where a non-performing loan is fully secured but the collateral is unrealised for a period of 12 months, a provision of 50% of the amounts outstanding should be made. Where the collateral is unrealised for a further 6 months (with limited exceptions which allow for up to a further 15 months) a full provision is made. The regulations further require that the specific provision for each loan should not be less than 1% of the amounts outstanding.

A general provision is established for all loans (other than loans for which specific provisions were established) at 1% of the amounts outstanding.

(m) Investment properties

Investment property is held for long-term rental yields and is, therefore, treated as a long-term investment. Investment property is measured initially at cost, including transaction costs, and is subsequently carried at fair value, representing open market value determined annually by the directors or by independent valuators. Changes in fair values are recorded in the income statement.

If investment properties become owner-occupied, they are reclassified as property, plant and equipment, and their fair value at the date of reclassification becomes its cost for subsequent accounting periods. Alternatively, where properties classified as held for use become investment properties because of a change in use, these properties are accounted for as investment properties and any differences arising between the carrying amount and the fair value of these items at the date of transfer are recognised in the consolidated statement of comprehensive income. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the consolidated statement of income.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Upon disposal, any surplus previously recorded in the property revaluation reserve in equity is transferred to retained earnings.

2. Significant Accounting Policies (Continued)

(n) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries or associates and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, negative goodwill, in the case of a bargain purchase, the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Unit (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Contractual customer and distribution relationships, trade name, mutual fund and renewal rights

These assets are associated with the acquisition of a subsidiary and are measured at fair value as at the date of acquisition. These assets are amortised using the straight line method over their useful lives, not exceeding a period of twenty years.

(iii) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their expected useful life of three years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overheads. All other costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Intangible assets with indefinite useful lives are assessed for impairment annually, or more frequently if events changed in circumstances indicate a potential impairment.

2. Significant Accounting Policies (Continued)

(o) Property, plant and equipment

Land and buildings are shown at deemed cost less impairment losses, and less subsequent depreciation for buildings. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated on the straight-line basis, unless otherwise stated, at annual rates that will write off the carrying value of each asset over the period of its expected useful life. Annual depreciation rates or periods over which depreciation is charged are as follows:

Freehold Buildings & Leasehold improvements	2% & Period of lease
Motor Vehicles, Furniture & Equipment	5% - 33 1/3%
Leased assets	Shorter of period of lease or useful life of asset

Gains or losses on disposals are determined by comparing proceeds with carrying amount. These are included in other operating income in the income statement.

(p) Properties for development and re-sale

Properties for sale or under construction that are intended for sale, are classified as properties for development and sale. These balances are carried at the lower of cost and net realisable values. These properties include offices, retail shops and residential units. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated selling expenses. An external valuation specialist was engaged in determining the net realisable value for the office and retail shops, and a discounted cash flow model was used as there is a lack of comparable data because of the nature of the properties. For the residential units, data from binding sales transactions are used to assess the net realisable value. Impairment losses on properties for development and sale are recognised in the consolidated statement of income when the net realisable value is lower than cost. Subsequently, where cost is less than the net realisable value, a reversal of any prior impairment losses is recognised in the consolidated income statement.

(q) Impairment of long lived assets

Property, plant and equipment and intangibles 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 assets 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. Significant Accounting Policies (Continued)

(r) Financial liabilities

The Group's financial liabilities comprise primarily amounts due to banks, customer deposits, repurchase agreements, obligations under securitisation arrangements, other borrowed funds, liabilities under annuity and insurance contracts, liabilities under letters of credit and undertaking and other liabilities.

The recognition and measurement of liabilities under annuity and insurance contracts is detailed in Note 2(v); short term liabilities FVTPL are measured at fair value and other financial liabilities are measured at amortised cost.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

(s) Borrowings

Borrowings, including those arising under securitisation arrangements, are recognised initially at fair value, being their issue proceeds, net of transaction costs incurred. Subsequently, borrowings are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective yield method.

(t) Structured products

Structured products are recognised initially at the nominal amount when funds are received. Derivatives are separately accounted for at FVPL (Note 19) and subsequently measured at fair value. The non-derivative elements are stated at amortised cost using the effective interest method.

2. Significant Accounting Policies (Continued)

(u) Leases

The Group has changed its accounting policy for leases where the Group is the lessee.

As lessee

The Group leases various buildings and equipment. Rental contracts are typically made for fixed periods of 1-10 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and,
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The right-of-use assets are presented within property, plant and equipment. Right-of-use assets are measured initially at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentive received;
- any initial direct costs; and,
- restoration costs.

Subsequently the right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses are adjusted for remeasurement of the lease liability due to reassessment or lease modifications.

The right of use assets are depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. The amortisation period for the right-of-use assets is 1 to 10 years.

2. Significant Accounting Policies (Continued)

(u) Leases (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rates, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Short-term leases are leases with a lease term of 12 months or less.

The Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review; there were no onerous contracts;
- accounting for operating leases with a remaining lease term of less than 12 months is classified as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use assets at the date of initial application; and,
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and Interpretation in determining whether an Arrangement contains a Lease.

2. Significant Accounting Policies (Continued)

(v) Insurance and investment contracts – classification, recognition and measurement

Classification

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. As a general guideline, the Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk.

Recognition and measurement

Insurance contracts are classified depending on the duration of risk and whether or not the terms and conditions are fixed.

Short duration insurance contracts

These contracts are principally property, motor, casualty (employers' liability, public liability), and group life and health insurance contracts.

Property insurance contracts indemnify the Group's customers in the event of a loss from a specified insured peril such as fire, windstorm or earthquake (not limited to these perils) up to the insured amount and within the terms of the policy conditions. These contracts are issued for both private and commercial risks. Customers who undertake commercial activities on their premises could also receive compensation for consequential loss/business interruption caused by the insured perils.

Motor insurance contracts indemnify the Group's customers for their legal requirement under the road traffic legislation in the countries where the Group has issued these contracts. These contracts may be extended for additional coverage such as physical damage, theft and personal accident.

Casualty insurance contracts provide coverage for liability exposures that indemnify the Group's customers against actions from third parties which are subject to the policy limits and conditions. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and employers who become liable to pay compensation to third parties for bodily harm or property damage (public liability).

Marine insurance contracts indemnify the Group's customers for loss or damage to their insured cargo, commercial hull and pleasure craft vessels. Third party coverage is also provided.

Group life contracts protect the Group's customers from the consequences of events (such as death or critical illness) that would affect the ability of the customer or his/her dependents to maintain his/her current level of income.

Health insurance contracts provide for both unexpected and preventative medical treatment and drugs. On these contracts, the benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder. There are no maturity or surrender benefits.

For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premiums received on contracts in force that relate to unexpired risks at the date of the statement of financial position is reported as an unearned premium liability. Premiums are shown before deduction of commissions payable to agents and brokers and exclude any taxes or duties levied on such premiums. Premium income includes premiums collected by agents and brokers not yet received by the Group.

2. Significant Accounting Policies (Continued)

(v) Insurance and investment contracts – classification, recognition and measurement (continued)

Recognition and measurement (continued)

Short duration insurance contracts (continued)
Unearned premiums represent the portion of premiums written in the current year which relate to periods of insurance subsequent to the date of the statement of financial position calculated principally using the twenty-fourths method. Unearned premiums relating to marine cargo are calculated using 180 days after the first date of sailing. Unearned premiums relating to group life are calculated based on 25% of net premiums written.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders. They arise from events that have occurred up to the date of the statement of financial position even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using techniques such as the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported (IBNR), and to estimate the expected ultimate cost of more complex claims that may be affected by external factors such as court decisions. Estimates are continually revised as more information becomes available and for the effects of anticipated inflation. Adjustments arising from these revisions are recognised within claims expense in the current year.

Long-term duration insurance contracts
These contracts are traditional participating and non-participating policies that insure events associated with human life (death, longevity, critical illnesses etc.) over a long duration and include annuity contracts. The contracts issued by the Group are organised by broad categories according to the features they contain. There are three main categories:

(1) Long-term insurance contracts with fixed and guaranteed terms and with discretionary participation features (DPF);
(2) Long-term insurance contracts with fixed and guaranteed terms and without DPF; and,
(3) Long-term insurance contracts without fixed terms.

These categories can be further segregated into “Unit-linked contracts” and “Interest-sensitive contracts”. The premiums paid for long duration insurance contracts either cover only the insured event, or they may comprise a portion that covers the insured event, and another portion to accumulate cash values available for withdrawal at the option of the policyholder. These cash values are increased by credited interest and decreased by policy administration fees, surrender charges and any withdrawals.

Revenue consists of fees deducted for policy administration, mortality and surrenders and interest credited is treated as an expense. Some of these contracts contain guarantees that entitle the holders to a minimum guaranteed crediting rate over the life of the policy. These guarantees are allowed for in the liability calculations. The interest credited to Unit-linked contracts are determined by reference to specific and separately identifiable pools of assets.

2. Significant Accounting Policies (Continued)

(v) Insurance and investment contracts – classification, recognition and measurement (continued)

Recognition and measurement (continued)

Long-term duration insurance contracts (continued)

Long-term insurance contracts with fixed and guaranteed terms and with DPF
Insurance contracts may or may not contain DPF, which entitles the policyholder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

a) That are likely to be a significant portion of the total contractual benefits;
b) Whose amount or timing is contractually at the discretion of the Group; and
c) That are contractually based on:
   (i) The performance of a specified pool of contracts or a specified type of contract;
   (ii) realised and/or unrealised investment returns on a specified pool of assets held by the Group; or
   (iii) the profit or loss of the Group, fund or other entity that issues the contract.

The terms and conditions of these contracts set out the basis for the determination of discretionary benefits and within which the Group may exercise its discretion as to the quantum and timing of their payments to contract holders, which will be subject to actuarial advice.

Long-term insurance contracts with fixed and guaranteed terms and without DPF
These contracts do not contain features that provide additional benefits outside of those guaranteed at inception.

Long-term insurance contracts without fixed terms
These contracts prescribe no fixed terms or contain variable terms that have a material effect on the amount, timing, and uncertainty of the insurer's future cash flows.

Insurance liabilities
A liability for policyholders' benefits that is expected to be incurred in the future is recorded when the premiums are recognised. Typically, the liability is determined as the sum of the expected discounted value of the benefit payments less the expected discounted value of the theoretical premiums that would be required to meet the benefits based on the valuation assumptions used (the valuation premiums). In particular, the liability is based on assumptions as to mortality and investment income. A margin for adverse deviations is included in the assumptions.

2. Significant Accounting Policies (Continued)

(v) Insurance and investment contracts – classification, recognition and measurement (continued)

Recognition and measurement (continued)

Long-term duration insurance contracts (continued)

Insurance liabilities (continued)
Long duration insurance contract liabilities are calculated by independent actuaries at each statement of financial position date using the varying methods, each prescribed by the regulators in the respective jurisdictions. The change in these liabilities are recognised in the income statement.

For the Trinidad and Tobago life insurance subsidiary, actuarial liabilities are calculated using the Caribbean Policyholder Premium Method (CPPM) outlined in draft regulations issued by the Central Bank of Trinidad and Tobago. The Jamaican life insurance subsidiary use a very similar Policyholder Premium Method (PPM) as required under the Insurance Act 2001 of Jamaica. For the Dutch Caribbean life insurance subsidiaries, reserves are calculated on a Modified Net Premium Method in accordance with the requirements of the Central Bank of Curacao and St. Maarten and the Central Bank of Aruba.

Premiums
Premiums are shown before deduction of commission and are recognised as revenue when they become payable by the policyholder except for the following:

(a) The Jamaican life insurance subsidiary issues policies classified as Unit-linked long-term contracts with fixed and guaranteed terms without DPF, for which the investment component of the premiums is recognised as liabilities. The insurance component of the premiums is recognised as income.
(b) The Jamaican life insurance subsidiary issues policies classified as Interest sensitive long-term contracts without fixed terms, for which the investment component of premiums is recognised as liabilities. The insurance component of the premiums is recognised as income.

Investment contracts
The Group issues investment contracts including deposit administration contracts. Premiums under these contracts are recognised directly as liabilities. These liabilities are increased by credited interest or change in the unit prices and are decreased by policy administration fees, mortality and surrender charges and any withdrawals. Revenue consists of investment income and interest credited is treated as an expense.

Unit-linked contracts
Unit-Linked funds represent funds maintained to meet specific investment objectives of policyholders who bear investment risk. The returns earned by investment of the funds, inclusive of realised and unrealised gains and losses accrue directly to the policyholders.

For the unit-linked contracts, the portion of the premium covering the insured risk is recorded as premium income. The portion of the premium which accumulates to cash value for the policyholder is unbundled and recorded as a liability and credited to the account of the policyholder in the respective unit-linked fund to which the contract is linked.

The liabilities arising from the unit-linked contracts comprise the liability for the insured risk and the accumulated cash value. The liability for the insurance risk is determined in a manner identical to the liability for contracts with fixed and guaranteed terms and is included in the policyholders' liability balance while the liability for the accumulated cash value is carried at fair value and is determined by reference to the fair value of the assets which fund the liabilities.

2. Significant Accounting Policies (Continued)

(v) Insurance and investment contracts – classification, recognition and measurement (continued)

Recognition and measurement (continued)

Unit-linked contracts (continued)
The assets and liabilities of the segregated funds are carried at fair values. Deposits and withdrawals are charged or are credited to the segregated fund liabilities. Unit values are determined by dividing the value of the assets in the funds on a valuation date by the number of units in the funds on the valuation date. The Group earns fees for the management of the funds' assets, policy administration, as well as for effecting the encashment of units.

Outstanding claims
Provision for outstanding claims and the related costs of settlement are based on incidents reported before the end of the financial year and include appropriate provisions for claims incurred but not yet reported. Estimates are continually revised as more information becomes available and for the effects of anticipated inflation. Adjustments arising on these revisions are included with claims expense in the current year. Benefits and claims payable represent the gross cost of all claims notified but not settled on the date of the statement of financial position. Any reinsurance recoverable is shown separately as a receivable.

Policyholders' benefits
Maturities and annuities are accounted for when due. Death and disability claims and surrenders are recognised in the financial statements in the year in which they have been notified. Differences between the estimated claims and subsequent settlements are recognised in the income statement in the year of settlement.

Liability adequacy test
At the date of the statement of financial position, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate, the deficiency is recognised in the income statement and the amount of the relevant insurance liabilities is increased.

Reinsurance contracts held
Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

The Group periodically assesses its reinsurance assets for impairment. If there is objective evidence that a reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the consolidated income statement.

2. Significant Accounting Policies (Continued)

(v) Insurance and investment contracts – classification, recognition and measurement (continued)

Receivables and payables related to insurance contracts and investment contracts
Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the consolidated income statement.

Salvage and subrogation reimbursements
Some insurance contracts permit the Group to sell (usually damaged) property acquired in settling a claim (salvage). The Group may also have the right to pursue third parties for payment of some or all costs (subrogation). The estimated cost of claims includes a deduction for the expected value of salvage and other recoveries.

(w) 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.

(x) Post-employment benefits
The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

Pension benefits
The Group and its subsidiaries operate a number of 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 relevant companies, taking into account the recommendations of independent qualified actuaries. The Group has both defined benefit and defined contribution plans.

Defined benefit pension plans
A defined benefit pension plan is a 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 amount recognised in the statement of financial position in respect of defined benefit pension plans 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 on sovereign and corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, included in staff costs in the income statement, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in staff costs in the income statement.

Past-service costs are recognised immediately in expenses.

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.

2. Significant Accounting Policies (Continued)

(x) Post-employment benefits (continued)

Pension benefits (continued)

Defined contribution pension plans
A defined contribution pension plan is a plan under which the Group pays fixed contributions into a separate fund. The Group has no legal or constructive obligations to pay further contributions. The contributions are charged to the income statement in the period to which they relate.

Other post-employment benefit obligations
The Group 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 in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

Termination benefits
Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the statement of financial position date are discounted to present value.

Annual leave
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the year end date.

Other employee benefits
The Group makes loans to employees at interest rates below the comparable market rate. The loans revert to market rate if the employee leaves either the Group or the related party company. Reduced rate employee loans are financial assets and under IFRS 9, they are initially recognised at fair value and thereafter at amortised cost. For the Group's employees, the difference between fair value and the amount of the loan is recorded as a prepaid benefit with a corresponding decrease in the carrying value of loans and advances. The benefit is recognised as an expense over the expected service life of the employee, with a corresponding increase in interest income.

2. Significant Accounting Policies (Continued)

(y) Acceptances, guarantees, indemnities, letters of credit and undertakings

Acceptances, guarantees, indemnities and letters of credit and undertakings are various forms of contractual commitments to advance funds to or on behalf of customers and include:

(i) Obligations on the part of the Group to make payments (directly or indirectly) to a designated third party contingent upon a default by the Group's customer in the performance of an obligation under the terms of that customer's contract with the third party; and
(ii) Obligations to guarantee or stand as surety for the benefit of a third party.

Where obligations under acceptances, guarantees, indemnities and letters of credit and undertakings are not considered to be contingent, the amounts are reported as a liability in the statement of financial position. There are equal and offsetting claims against customers in the event of a call on these commitments, which are reported as an asset.

Where obligations are considered to be contingent, the amounts are disclosed in Note 56.

2. **Significant Accounting Policies (Continued)**

(z) Share capital

Share issue costs
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, for the proceeds.

Dividends on ordinary shares
Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Treasury shares
Subject to the applicable laws of the relevant jurisdictions in which the Company, its subsidiaries or consolidated entities operate, where the Company, its subsidiaries or consolidated entities acquire the shares of the Company, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity attributable to the Company's stockholders until the shares are cancelled, reissued or disposed. Where the shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, are included in equity attributable to the Company's stockholders.

(aa) Offsetting of financial instruments
Financial assets and liabilities are offset with the net amount presented in the statements of financial position, only if the Group holds a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis or to realise assets and settle the liability simultaneously. The legal right to set off the recognised amounts must be enforceable in both the normal course of business, and in the event of default, insolvency or bankruptcy of both the Group and its counterparty. In all other situations they are presented gross. When financial assets and financial liabilities are offset in the statement of financial position, the associated income and expense items will also be offset in the income statements, unless specifically prohibited by an applicable accounting standard.

(ab) Fiduciary activities
The Group acts as trustee and in other fiduciary capacities that result in holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other third parties. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

(ac) Interest expense
Interest expense is computed by applying the effective interest rate based to the gross carrying amount of a financial asset (liability), except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (i.e. after deduction of the loss allowance). Interest includes coupon interest and accrued discount and premium on financial instruments.

3. Critical Accounting Estimates and Judgments in Applying Accounting Policies

The Group's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgment, which necessarily have to be made in the course of preparation of the financial statements.

The Group makes estimates and assumptions that may affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard.

Estimates and judgments are continuously evaluated and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgments for certain items are especially critical for the Group's results and financial position due to their materiality.

(a) ***Fair value of investment securities***
Management uses its judgment in selecting appropriate valuation techniques to determine fair value of investment securities. These techniques are described in Note 50.

(b) ***Income taxes***
There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for actual and anticipated tax audit issues based on estimates of whether additional taxes will be due. In determining these estimates, management considers the merit of any tax audit issues raised, based on their interpretation of the taxation laws, and their knowledge of any precedents established by the taxation authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences could materially impact the current tax and deferred tax provisions in the period in which such determination is made.

3. Critical Accounting Estimates and Judgments in Applying Accounting Policies (Continued)

(c) Impairment of financial assets

In determining ECL, management is required to exercise judgment 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 judgments involved is included in the sections 'Measurement of ECL' and 'Forward-looking information'.

Establishing staging
The Group establishes staging for different categories of financial assets according to the following criteria:

Debt securities and Deposits
The Group uses its internal credit rating model to determine which of the three stages an asset is to be categorised for the purposes of ECL. The Group's internal credit rating model is a scale which allows for distinctions in risk characteristics and is referenced to the rating scale of international credit rating agencies. The scale is summarised in the following table:

Internal Rating	Classification	External rating – S&P or equivalent
Low Risk	Investment Grade	AAA – BBB
Medium Risk	Non-Investment Grade	BB – B
High Risk	Non-Investment Grade	CCC - C
Default	Default	D

For investment securities, once the asset has experienced a significant increase in credit risk the investment will move from Stage 1 to Stage 2. The Group has assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial asset that is investment grade is considered low credit risk. Stage 1 instruments are classified as follows:

- investment grade, or
- below investment grade at origination, and have not been downgraded more than 2 notches since origination.

Stage 2 instruments are assets which:

- have been downgraded from investment grade to below investment grade, or
- are rated below investment grade at origination and have been downgraded more than 2 notches since origination.

3. Critical Accounting Estimates and Judgments in Applying Accounting Policies (Continued)

(c) Impairment of financial assets (continued)

Debt securities and deposits (continued)

Stage 3 instruments are assets in default where estimated future cash flows have been impacted negatively.

Other assets measured at amortised cost include, lease receivables, loan commitments and financial guarantee contracts. The assessment of significant increase in credit risk for these assets requires significant judgment. Movements between Stage 1 and Stage 2 are based on whether an instrument's credit risk at the reporting date has increased significantly relative to the date it was initially recognised. For the purposes of this assessment, credit risk is based on an instrument's lifetime PD, not the losses the Bank expects to incur.

All loans receive an initial risk rating at origination. The Group has established a credit quality review process involving analysis of the ability of borrowers and other counterparties to meet interest and capital repayment obligations based on factors that include days past due ("DPD"), performance and other known material changes. Ratings of individual loans are based on the following criteria:

- Credit structure and cash flow stability;
- Specific loan and collateral characteristics;
- Guarantees and other credit support;
- Macro-economic factors; and,
- Financial and management information for commercial loans.

This assessment results in each facility being classified as "low risk", "medium risk" or "high risk". The Group considers loans that have missed a full payment cycle, to have experienced a significant increase in credit risk. The Bank assesses loans as having experienced a significant increase in credit risk if any other qualitative indicator is triggered such as, known financial difficulty, credit issue with another account, expected forbearance or restructuring. If any of these factors indicates that a significant increase in credit risk has occurred, the instrument is moved from Stage 1 to Stage 2.

The thresholds for movement between Stage 1 and Stage 2 are symmetrical. After a financial asset has migrated to Stage 2, if its credit risk is no longer considered to have significantly increased relative to its initial recognition, the financial asset will move back to Stage 1.

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 Caribbean markets. Management assesses data sources from local governments, 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 forecast up to three years and subsequently the long term average performance is then used for the remaining life of the product. These projections are reassessed on an annual basis.

3. Critical Accounting Estimates and Judgments in Applying Accounting Policies (Continued)

(d) ***Estimates of future benefit payments and premiums arising from long duration insurance contracts***

The determination of the liabilities under insurance contracts represents the liability for future benefits payable by the Group based on contracts for the life assurance business in force at the date of the statement of financial position. These liabilities represent the amount which, together with future premiums and investment returns will, in the opinion of the actuary, be sufficient to pay future benefits relating to contracts of insurance in force, as well as meet the expenses incurred in connection with such contracts. For the Trinidad and Tobago life insurance subsidiary, actuarial liabilities are calculated using the CPPM. The Jamaican life insurance subsidiary use PPM. Both the CPPM and PPM valuations are based on assumptions of mortality, persistency, investment income, renewal expenses and other assumptions considered appropriate to be included in the basis for the determination of the liabilities of the Group under the terms of its life insurance policy contracts in force. A margin for risk or uncertainty (adverse deviations) in these assumptions is added to the liability. The assumptions are examined each year in order to determine their validity in light of current best estimates or to reflect emerging trends in the Group's experience.

For the Dutch Caribbean life insurance subsidiary, reserves are calculated on a Modified Net Premium Method. The Net Premium Method values liabilities as the present value of future benefits minus the present value of future net premiums.

The main source of uncertainty is that epidemics and wide-ranging lifestyle changes, such as in eating, smoking and exercise habits, could result in future mortality being significantly worse than in the past for the age groups in which the Group has significant exposure to mortality risk. However, continuing improvements in medical care and social conditions could result in improvements in longevity in excess of those allowed for in the estimates used to determine the liability for contracts where the Group is exposed for longevity risk.

Sensitivity analyses for key estimates used in determining the actuarial liabilities are included in Notes 39 and 49 (e).

3. Critical Accounting Estimates and Judgments in Applying Accounting Policies (Continued)

(e) ***The ultimate liability arising from claims made under short duration insurance contracts***

For the property and casualty insurance business, outstanding claims comprise estimates of the amount of reported losses and loss expenses and a provision for losses incurred but not reported (IBNR) based on the historical experience of the Group and industry data. These claims are analysed separately between those arising from damage to insured property and consequential losses. Claims arising from damage to insured property can be estimated with greater reliability, and the Group's estimation processes reflect all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allow the Group to achieve a higher degree of certainty about the estimated cost of claims, and relatively little IBNR is held at year-end. However, the longer time needed to assess the emergence of claims arising from consequential losses makes the estimation process more uncertain for these claims. Significant delays may occur in the notification of claims and a substantial measure of experience and judgment is involved in assessing outstanding liabilities, the ultimate cost of which cannot be known with certainty as at the reporting date. The reserve for claims outstanding is determined on the basis of information currently available; however, it is inherent in the nature of the business written that the ultimate liabilities may vary as a result of subsequent developments.

Sensitivity analyses for key estimates used in determining the actuarial liabilities are included in Note 49.

(f) ***Future obligations for post-employment benefits***

The cost of these benefits and the present value of the future obligations depend on a number of factors that are determined by actuaries using a number of assumptions. The assumptions used in determining the net periodic cost or income for retirement benefits include the expected long-term rate of return on the relevant plan assets, the discount rate and, in the case of health benefits, the expected rate of increase in health costs. Any changes in these assumptions will impact the net periodic cost or income recorded for 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 investment returns. The Group determines the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligations. In determining the appropriate discount rate, the Group considered interest rate on government bonds that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating the terms of the related obligations. The expected rate of increase of health costs has been determined by comparing the historical relationship of the actual health cost increases with the rate of inflation. Other key assumptions for the retirement benefits are based on current market conditions.

(g) **Interests in structured entities**

Unit Trust Scheme

A subsidiary of the Group manages a Unit Trust Scheme comprising seven portfolios – the JMD Money Market Portfolio, the JMD High Yield Portfolio, the High Yield Asset and Loans Portfolio, the Caribbean Equity Portfolio, the USD Money Market Portfolio, the USD Indexed Bond Portfolio and the USD Bond Portfolio. The Unit Trust has an independent trustee. A subsidiary of the Group is the investment manager of the Unit Trust. Determining whether the Group controls the Unit Trust requires judgment. This would include a consideration of the investors' rights to remove the investment manager and an assessment of the exposure to variability arising from the aggregate economic interests of the Group in the Trust.

One of the Group's subsidiaries, as investment manager, earns income from preliminary charges ranging from 0-4% and management fees ranging from 1.5-1.75% on these Unit Trust portfolios. The Group owns 0.47% (2022 – 0.45%) of the units in the Unit Trust at September 30, 2023.

3. Critical Accounting Estimates and Judgments in Applying Accounting Policies (Continued)

(g) Interests in structured entities (continued)

Unit Trust Scheme (continued)
In addition, pending the availability of investments consistent with the investment objective of each portfolio, a significant portion of the Unit Trust funds are invested in cash equivalent instruments issued by the Group. These are short-term fixed rate instruments with maturities of 90 days or less, collateralised by Government of Jamaica securities, that face an insignificant risk of changes in fair value. The interest margin earned by the Group on these instruments is immaterial to the results of its operations.

Management has concluded that, although the contractual terms provide the Group with power over the Unit Trust, the Group is acting as an agent for the investors in the Unit Trust as management does not consider the Group's aggregate economic exposure and interest in the Unit Trust to be significant. Management does not believe that the investment of Unit Trust funds in cash equivalent instruments issued by the Group changes this conclusion as (i) this investment is intended to be temporary and not representative of the Unit Trust's purpose or investment objective (ii) the investment is in cash equivalent instruments subject to an insignificant risk of changes in fair value that bear interest at market rates and (iii) the investment does not expose the Group to any additional variability of returns from the Unit Trust beyond its insignificant aggregate interest through fees and unit holdings. The Unit Trust has therefore not been consolidated.

Mutual Funds
The Group manages a series of mutual funds through its trust and asset management subsidiaries, Guardian Group Trust Limited and Guardian Asset Management and Investment Services Limited. These funds invest mainly in equity securities, debt securities and cash and cash equivalents. As at the consolidated statement of financial position date, the Group has determined that it controls specific funds by virtue of an entrenched management contract. Similar to the Group's consolidation of its subsidiaries, the assets and liabilities of these funds have been consolidated in the financial statements on a line-by-line basis. The carrying value of the total investments and cash held by the funds are recorded as investment securities of mutual fund unit holders and cash and cash equivalents of mutual fund unit holders respectively on the consolidated statement of financial position. Interests held by external parties in the funds that are consolidated are recorded as third party interest in mutual funds measured at net assets value on the consolidated statement of financial position.

4. Responsibilities of the Appointed Actuaries and External Auditors

The Boards of Directors of the insurance subsidiaries, pursuant to the legislation in the various jurisdictions where the Group operates, appoint the Actuaries. Their responsibility is to carry out an annual valuation of the Group's policyholders' liabilities in accordance with accepted actuarial practice and regulatory requirements and report thereon to the policyholders and shareholders. In performing the valuations for life insurance policies and annuities, the Actuaries make assumptions as to the future rates of interest, asset defaults, mortality, morbidity, claims experience, policy termination, inflation, reinsurance recoveries, expenses and other contingencies, taking into consideration the circumstances of the Group and the insurance policies in force. In performing valuations for the general insurance company's assumptions are also made in relation to loss ratios, earned income ratios, loss development factors etc.

The shareholders pursuant to the legislation in the various jurisdictions where the Group operates appoint the external auditors. Their responsibility is to conduct an independent and objective audit of the financial statements in accordance with International Standards on Auditing and report thereon to the shareholders. In carrying out their audit, the auditors also make use of the work of the Appointed Actuaries and their reports on the policyholders' liabilities.

5. Segment Reporting

The Group is organised into the following business segments:

(a) Consumer & SME banking – This incorporates the provision of banking services to individual and small and medium business clients.

(b) Payment services – This incorporates the provision of card related and digital/electronic payment services.

(c) Corporate & commercial banking – This incorporates the provision of banking services to large corporate clients.

(d) Treasury & correspondent banking – This incorporates the Group's liquidity and investment management function, management of correspondent bank relationships, and relationships with other financial institutions as well as foreign currency dealing activities.

(e) Wealth, asset management & investment banking – This incorporates stock brokerage, securities trading, investment management and other financial services provided by certain overseas subsidiaries.

(f) Life and health insurance & pension fund management – This incorporates life insurance, health insurance, pension and investment management services.

(g) General insurance – This incorporates property and casualty insurance services.

The Group's trustee services and the outstanding transactions and balances of certain inactive subsidiaries are classified as unallocated for segment reporting.

Unallocated assets and liabilities
Unallocated assets and liabilities comprise current income tax payable and recoverable, deferred income tax assets and liabilities and assets and liabilities of support units of the Group that are not allocated to the banking segments.

Direct allocated costs and unallocated corporate expenses
Costs incurred by the support units of National Commercial Bank Jamaica Limited ("NCBJ") are allocated to the business segments based on certain criteria determined by management. These criteria include staff complement, square footage and time spent providing the service to the business segment. The expenses that are allocated are mainly staff costs, depreciation and amortisation and other operating expenses and are treated as direct allocated costs.

Costs allocated to the banking segments are reported directly by those segments to the President & Group Chief Executive Officer and Board of Directors. Costs allocated to the non-banking segments are not included in the individual internal reports presented by those segments and are treated as unallocated corporate expenses.

Eliminations
Eliminations comprise inter-segment transactions.

Notes to the Financial Statements

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

5. Segment Reporting (Continued)

Year ended September 30, 2023	Consumer & SME Banking $'000	Payment Services $'000	Corporate & Commercial Banking $'000	Treasury & Correspondent Banking $'000	Wealth, Asset Management & Investment Banking $'000	Life &Health Insurance & Pension Fund Management $'000	General Insurance $'000	Other & Consolidation Adjustments $'000	Total $'000
External revenue	38,311,614	30,246,812	15,205,650	22,456,491	23,448,286	129,884,272	91,596,909	(2,971,960)	348,178,074
Revenue from other segments	5,009,751	15,902	4,187,952	10,381,632	5,868,712	946,705	322,877	(26,733,531)	-
Total revenue	43,321,365	30,262,714	19,393,602	32,838,123	29,316,998	130,830,977	91,919,786	(29,705,491)	348,178,074
Net interest income	29,310,802	7,722,957	9,630,633	3,034,358	6,262,955	17,507,370	1,327,753	(12,095,435)	62,701,393
Net fee and commission income	5,529,968	9,724,148	1,164,308	619,700	3,519,850	4,061,110	4,307,894	(2,726,593)	26,200,385
Gain/(loss) on foreign currency and investment activities	32,086	327,055	(3,955)	9,094,156	3,392,185	10,851,178	(127,103)	(2,061,949)	21,503,653
Net result from insurance activities	-	-	-	-	-	6,593,393	17,182,978	456,058	24,232,429
Credit impairment (losses)/reversals	(3,757,322)	(1,138,745)	(418,064)	495,948	89,819	(844,772)	117,253	152,574	(5,303,309)
Other operating income and dividend income	71,907	3,048	(7,540)	14,209	2,446,004	1,455,429	1,408,637	2,658,447	8,050,141
Total operating income/(loss)	31,187,441	16,638,463	10,365,382	13,258,371	15,710,813	39,623,708	24,217,412	(13,616,898)	137,384,692
Staff costs	10,072,604	1,792,877	732,674	337,011	3,707,944	8,459,209	6,420,401	11,287,266	42,809,986
Depreciation and amortisation	1,227,907	522,181	208	11,615	145,329	1,155,608	494,316	2,245,704	5,802,868
Finance cost	490,447	11,112	16,863	6,489	55,836	55,939	432,711	292,886	1,362,283
Other operating expenses	7,580,813	6,728,763	1,452,754	1,946,331	2,995,391	8,411,024	5,247,945	(4,096,407)	30,266,614
Total operating expenses	19,371,771	9,054,933	2,202,499	2,301,446	6,904,500	18,081,780	12,595,373	9,729,449	80,241,751
Operating profit/(loss) before allocated costs	11,815,670	7,583,530	8,162,883	10,956,925	8,806,313	21,541,928	11,622,039	(23,346,347)	57,142,941
Allocated costs	(12,534,722)	(6,088,122)	(1,944,078)	(1,068,850)	-	-	-	-	(21,635,772)
Operating (loss)/profit c/fwd	(719,052)	1,495,408	6,218,805	9,888,075	8,806,313	21,541,928	11,622,039	(23,346,347)	35,507,169

Notes to the Financial Statements

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

5. Segment Reporting (Continued)

Year ended September 30, 2023	Consumer & SME Banking $'000	Payment Services $'000	Corporate & Commercial Banking $'000	Treasury & Correspondent Banking $'000	Wealth, Asset Management & Investment Banking $'000	Life & Health Insurance & Pension Fund Management $'000	General Insurance $'000	Other & Consolidation Adjustments $'000	Total $'000
Operating (loss)/ profit b/fwd	(719,052)	1,495,408	6,218,805	9,888,075	8,806,313	21,541,928	11,622,039	(23,346,347)	35,507,169
Unallocated corporate expenses									(15,921,902)
Share of profit of associates									376,617
Profit before Taxation									19,961,884
Taxation									(4,625,957)
Net Profit									15,335,927
Segment assets	572,506,912	47,175,056	195,370,365	395,857,316	451,568,890	654,427,906	130,401,224	(261,567,312)	2,185,740,357
Associates									7,330,319
Unallocated assets									29,730,836
Total assets									2,222,801,512
Segment liabilities	498,846,315	20,004,426	184,901,331	416,147,633	401,921,713	488,201,912	84,361,447	(104,060,302)	1,990,324,475
Unallocated liabilities									9,080,065
Total liabilities									1,999,404,540
Capital expenditure	3,413,205	2,275,712	225,386	445,110	593,188	791,487	290,135	739,056	8,773,279

5. Segment Reporting (Continued)

Year ended September 30, 2023	**Total per segment report $'000**	**Allocated expenses $'000**	**Unallocated corporate expenses $'000**	**Total per income statement $'000**
Reconciliation to income statement				
Net interest income	62,701,392	79,511	20,137	62,801,040
Net fee and commission income	26,200,386	495,898	1,381,285	28,077,569
Gain on foreign currency and investment activities	21,503,653	-	-	21,503,653
Net result from insurance activities	24,232,429	-	-	24,232,429
Other operating income and dividend income	8,050,140	205,076	(2,307,725)	5,947,491
Credit impairment losses	(5,303,309)	-	-	(5,303,309)
Staff costs	(42,809,983)	(13,739,957)	(4,067,141)	(60,617,081)
Depreciation and amortisation	(5,802,867)	(1,227,794)	(363,436)	(7,394,097)
Finance cost	(1,362,280)	(605,007)	(179,087)	(2,146,374)
Other operating expenses	(30,266,620)	(6,843,499)	(10,405,935)	(47,516,054)
Operating profit	57,142,941	(21,635,772)	(15,921,902)	19,585,267

Notes to the Financial Statements

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

5. Segment Reporting (Continued)

Year ended September 30, 2022	Consumer & SME Banking $'000	Payment Services $'000	Corporate & Commercial Banking $'000	Treasury & Correspondent Banking $'000	Wealth, Asset Management & Investment Banking $'000	Life &Health Insurance & Pension Fund Management $'000	General Insurance $'000	Other & Consolidation adjustments $'000	Total $'000
External revenue	35,110,907	25,311,620	14,187,839	18,812,960	20,319,067	125,563,983	84,252,249	(4,155,846)	319,402,779
Revenue from other segments	3,016,992	3,240	939,631	6,799,649	4,104,917	844,009	399,986	(16,108,424)	-
Total revenue	38,127,899	25,314,860	15,127,470	25,612,609	24,423,984	126,407,992	84,652,235	(20,264,270)	319,402,779
Net interest income	25,428,512	5,613,374	8,746,029	4,767,546	7,697,635	16,941,929	1,019,295	(10,950,912)	59,263,408
Net fee and commission income	4,814,277	8,609,725	1,225,185	535,219	4,271,601	3,805,385	3,859,244	(2,531,389)	24,589,247
Gain/(loss) on foreign currency and investment activities	41,459	56,131	56	9,530,478	2,661,435	5,835,059	394,528	(1,942,882)	16,576,264
Net result from insurance activities	-	-	-	-	-	23,892,395	14,021,234	102,244	38,015,873
Credit impairment (losses)/reversals	(2,124,246)	(64,358)	235,580	85,364	575,985	(1,144,037)	(142,554)	(145,289)	(2,723,555)
Other operating income and dividend income	2,625,017	4,301	(447)	16	801,866	3,249,652	98,337	1,638,533	8,417,275
Total operating income	30,785,019	14,219,173	10,206,403	14,918,623	16,008,522	52,580,383	19,250,084	(13,829,695)	144,138,512
Staff costs	9,538,785	1,518,248	649,039	293,460	3,197,537	8,834,068	6,298,156	7,229,248	37,558,541
Depreciation and amortisation	1,317,336	718,548	52	29,295	111,514	997,830	755,062	2,301,636	6,231,273
Finance cost	527,010	11,223	24,590	7,202	64,192	190,145	130,785	374,599	1,329,746
Other operating expenses	7,057,635	5,853,000	1,323,305	1,469,975	3,484,781	9,795,897	6,239,515	(4,024,933)	31,199,175
Total operating expenses	18,440,766	8,101,019	1,996,986	1,799,932	6,858,024	19,817,940	13,423,518	5,880,550	76,318,735
Operating profit/(loss) before allocated costs	12,344,253	6,118,154	8,209,417	13,118,691	9,150,498	32,762,443	5,826,566	(19,710,245)	67,819,777
Allocated costs	(12,286,723)	(3,867,886)	(1,547,565)	(708,533)	-	-	-	-	(18,410,707)
Operating profit/(loss) c/fwd	57,530	2,250,268	6,661,852	12,410,158	9,150,498	32,762,443	5,826,566	(19,710,245)	49,409,070

5. Segment Reporting (Continued)

Year ended September 30, 2022	Consumer & SME Banking $'000	Payment Services $'000	Corporate & Commercial Banking $'000	Treasury & Correspondent Banking $'000	Wealth, Asset Management & Investment Banking $'000	Life & Health Insurance & Pension Fund Management $'000	General Insurance $'000	Other & Consolidation Adjustments $'000	Total $'000
Operating (loss)/profit b/fwd	57,530	2,250,268	6,661,852	12,410,158	9,150,498	32,762,443	5,826,566	(19,710,245)	49,409,070
Unallocated corporate expenses									(9,791,993)
Share of profit of associates									732,513
Profit before Taxation									40,349,590
Taxation									(5,217,209)
Net Profit									35,132,381
Segment assets	479,573,398	44,280,064	182,202,778	437,530,022	417,792,263	620,211,568	118,597,422	(257,810,281)	2,042,377,234
Associates									7,051,463
Unallocated assets									28,757,562
Total assets									2,078,186,259
Segment liabilities	455,122,313	26,684,561	167,154,220	412,216,949	375,163,174	466,160,855	77,902,010	(104,552,816)	1,875,851,266
Unallocated liabilities									9,126,008
Total liabilities									1,884,977,274
Capital expenditure	4,030,621	3,749,372	143,438	338,097	600,457	1,197,029	1,240,268	434,305	11,733,586

5. Segment Reporting (Continued)

Year ended September 30, 2022	**Total per segment report $'000**	**Allocated expenses $'000**	**Unallocated corporate expenses $'000**	**Total per income statement $'000**
Reconciliation to income statement				
Net interest income	59,263,408	(49,806)	(14,740)	59,198,862
Net fee and commission income	24,589,247	376,410	1,167,094	26,132,751
Gain on foreign currency and investment activities	16,576,264	-	-	16,576,264
Net result from insurance activities	38,015,873	-	-	38,015,873
Other operating income and dividend income	8,417,275	185,773	(494,747)	8,108,301
Credit impairment losses	(2,723,555)	-	-	(2,723,555)
Staff costs	(37,558,541)	(9,859,926)	(2,918,617)	(50,337,084)
Depreciation and amortisation	(6,231,273)	(2,053,636)	(607,895)	(8,892,804)
Finance cost	(1,329,746)	(334,839)	(384,237)	(2,048,822)
Other operating expenses	(31,199,175)	(6,674,683)	(6,538,851)	(44,412,709)
Operating profit	67,819,777	(18,410,707)	(9,791,993)	39,617,077

Geographical
The Group operates mainly via four geographical segments; Jamaica, Trinidad & Tobago, Dutch Antilles & Bermuda. It operates in life and health insurance & pension fund management and general insurance segments within all four geographical segments and primarily in Jamaica within the commercial & consumer, payment services, corporate banking, treasury & correspondent banking and wealth, asset management & investment banking segments. Jamaica represents 44.09% (2022 – 56.93%), Trinidad & Tobago represents 32.93% (2022 – 15.89%), Bermuda represents 7.06% (2022 – 6.72%) and Dutch Antilles represents 10.85% (2022 – 10.22%) of total operating income.

The Group's geographic information:

	Jamaica	**Trinidad &Tobago**	**Dutch Antilles**	**Bermuda**	**Other**	**Total**
			2023			
	$'000	**$'000**	**$'000**	**$'000**	**$000**	**$'000**
Revenue	150,035,379	85,491,810	50,577,483	14,897,279	47,176,123	348,178,074
Total assets	1,130,189,089	392,064,420	202,016,174	215,610,928	282,920,901	2,222,801,512
			2022			
Revenue	130,052,971	84,818,336	50,450,121	12,111,227	41,970,124	319,402,779
Total assets	1,048,310,704	364,913,475	194,713,926	214,757,574	255,490,580	2,078,186,259

Segment assets consist of investments that match insurance and banking liabilities, intangible assets and other operating assets such as receivables and cash. They exclude deferred income taxes, retirement benefit assets, investment in associates and investment in subsidiaries.

Segment liabilities comprise insurance liabilities, financial liabilities arising mainly from investment contracts and borrowing arrangements. They exclude items such as taxation, retirement benefit liabilities and business development loans.

Notes to the Financial Statements

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

6. Net Interest Income

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Interest income				
Loans and advances	54,962,465	48,164,902	1,955,010	1,714,115
Investment securities –				
Fair value through other comprehensive income	24,766,532	26,509,689	550,208	501,920
Amortised cost	19,824,886	9,234,075	-	-
Reverse repurchase agreements	442,639	378,849	-	-
Deposits and other	1,299,751	636,034	2,101	3,303
	101,296,273	84,923,549	2,507,319	2,219,338
Interest expense				
Customer deposits	6,178,144	3,832,068	-	-
Repurchase agreements	12,353,710	7,982,564	-	-
Policyholders' benefits	1,357,850	697,152	-	-
Securitisation arrangements	5,865,349	3,589,540	-	-
Other borrowed funds and amounts due to banks	12,740,180	9,623,363	8,086,709	6,224,453
	38,495,233	25,724,687	8,086,709	6,224,453
Net interest income/(expense)	62,801,040	59,198,862	(5,579,390)	(4,005,115)

7. Net Fee and Commission Income

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Fee and commission income				
Consumer & SME Banking	5,017,309	4,437,249	-	-
Payment services	19,080,051	16,226,604	-	-
Corporate & commercial banking	3,456,896	3,451,749	-	-
Management fees	-	-	5,500,000	3,500,000
Treasury and correspondent banking	619,931	535,564	-	-
Wealth, asset management & investment banking	3,544,122	3,450,800	-	-
Life and health insurance & pension fund management	3,265,919	3,622,355	-	-
Brokerage fees	3,651,822	3,143,747	-	-
General insurance	-	174,955	-	-
Other	693,049	259,725	-	-
	39,329,099	35,302,748	5,500,000	3,500,000
Fee and commission expense				
Payment services	(11,251,530)	(9,169,997)	-	-
	28,077,569	26,132,751	5,500,000	3,500,000

8. Gain on Foreign Currency and Investment Activities

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Net foreign exchange gains/(losses)	6,810,460	5,989,054	(742,429)	(2,529,690)
Gain on sale of debt securities held for trading	119,352	443,678	-	-
Gain on sale of debt securities at FVOCI	3,209,737	5,230,918	-	-
Unrealised gains/(losses) on FVPL instruments	2,849,790	(2,857,896)	-	-
Interest income on FVPL instruments	6,995,128	6,658,069	-	-
(Loss)/gain on sale of equity securities	(701,261)	154,882	-	-
Gain on sale of investment properties	1,262,279	279,853	-	-
Fair value gain on revaluation of investment property (Note 25)	1,653,758	1,050,588	-	-
Other	(695,590)	(372,882)	-	-
	21,503,653	16,576,264	(742,429)	(2,529,690)

Net foreign exchange (losses)/gains include gains and losses arising from translation of assets and liabilities denominated in foreign currencies as well as those arising from foreign currency dealing activities.

9. Premium Income

	The Group 2023 $'000	The Group 2022 $'000
Annuity contracts	34,522,913	39,981,281
Life and Health insurance contracts	60,042,604	57,774,798
General insurance contracts	73,505,538	66,934,674
	168,071,055	164,690,753
Insurance premium income		
Short term insurance contracts	100,933,361	91,440,414
Long term insurance contracts	67,137,694	73,250,339
	168,071,055	164,690,753
Insurance premium ceded to reinsurers		
Short term insurance contracts	56,682,926	48,040,321
Long term insurance contracts	2,447,951	2,542,684
	59,130,877	50,583,005
Net insurance premium	108,940,178	114,107,748

10. Net Policyholders' and Annuitants' Benefits and Reserves

	The Group 2023 $'000	The Group Restated 2022 $'000
Gross:		
Benefits and reserves under Life and Health insurance and Annuity contracts:	73,210,583	62,844,547
Claims and loss adjustment reserves under General insurance contracts	16,729,683	55,012,594
	89,940,266	117,857,141
Reinsurance:		
Benefits and reserves under Life and Health insurance and Annuity contracts:	(2,990,406)	(2,471,718)
Claims and loss adjustment reserves under General insurance contracts	(8,923,518)	(46,198,642)
:	(11,913,924)	(48,670,360)
Net	78,026,342	69,186,781

10. Net Policyholders' and Annuitants' Benefits and Reserves (Continued)

	The Group	
		Restated
	2023	2022
	$'000	$'000
Annuity contracts	39,503,526	34,441,243
Life and Health insurance contracts	30,716,651	25,931,606
General insurance contracts	7,806,165	8,813,932
	78,026,342	69,186,781

	The Group		
	2023		
	Gross	Reinsurance	Net
Benefits and reserves for life and annuity contracts	$'000	$'000	$'000
Long-term insurance contracts with fixed and guaranteed terms and without DPF:			
Death, maturity and surrender benefits	19,429,110	(233,575)	19,195,535
Increase in liabilities	2,697,977	-	2,697,977
Long-term insurance contracts without fixed terms:			
Death, maturity and surrender benefits	22,425,773	(933,868)	21,491,905
Increase in liabilities	8,674,103	-	8,674,103
Long-term insurance contracts with fixed and guaranteed terms and with DPF:			
Death, maturity and surrender benefits	137,297	-	137,297
Increase in liabilities	27,710	-	27,710
Short-term insurance contracts - life	19,818,613	(1,822,963)	17,995,650
	73,210,583	(2,990,406)	70,220,177

	2022		
	Restated		
	Gross	Reinsurance	Net
Benefits and reserves for life and annuity contracts	$'000	$'000	$'000
Long-term insurance contracts with fixed and guaranteed terms and without DPF:			
Death, maturity and surrender benefits	25,172,391	(101,785)	25,070,606
Decrease in liabilities	(1,809,239)	-	(1,809,239)
Long-term insurance contracts without fixed terms:			
Death, maturity and surrender benefits	23,886,208	(962,253)	22,923,955
Decrease in liabilities	(2,660,712)	-	(2,660,712)
Long-term insurance contracts with fixed and guaranteed terms and with DPF:			
Death, maturity and surrender benefits	82,699	-	82,699
Increase in liabilities	18,608	-	18,608
Short-term insurance contracts - life	18,154,592	(1,407,680)	16,746,912
	62,844,547	(2,471,718)	60,372,829

11. Dividend Income

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Subsidiaries	-	-	15,506,267	1,229,820
Other equity securities	2,830,951	2,498,263	-	-
	2,830,951	2,498,263	15,506,267	1,229,820

In June 2023, National Commercial Bank Jamaica Limited paid a special interim dividend of $4.514 per share, totaling $11,135,000,000, from retained earnings. NCB Financial Group Limited re-invested an amount of $9,772,000,000 to purchase 149,796,888 ordinary shares in National Commercial Bank Jamaica Limited. These shares were allotted to NCB Financial Group Limited at $65.235 per share.

12. Staff Costs

	The Group		The Company	
		Restated		Restated
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Wages, salaries, allowances and benefits	44,893,763	40,152,406	3,469,996	5,321,463
Payroll taxes	3,822,730	3,680,669	1,069,954	250,493
Pension costs – defined contribution plans	1,280,342	1,233,167	29,886	31,960
Pension costs – defined benefit plans (Note 40 (a))	592,631	499,309	-	-
Staff profit share	1,926,473	2,965,397	-	-
Separation/termination benefits	7,451,761	863,661	4,826,360	-
Other post-employment benefits (Note 40 (b))	649,381	942,475	-	-
	60,617,081	50,337,084	9,396,196	5,603,916

Wages, salaries, allowances and benefits
Included in wages, salaries, allowances and benefits are base salaries for employees. Amounts also include annual incentive and merit awards based on performance, annual and non-annual lump-sum fringe benefits, including those that have been agreed based on collective bargaining with the trade unions representing staff.

Employees are categorised as permanent pensionable, contract, part-time and temporary.

13. Credit Impairment Losses / (recovered)

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Investment securities	(1,518,044)	(297,871)	(6,597)	(537)
Loans and advances (Note 21)	5,742,647	1,914,114	-	10,236
Premium	1,078,706	1,107,312	-	-
	5,303,309	2,723,555	(6,597)	9,699

14. Other Operating Expenses

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Auditors' remuneration - current year	631,000	609,579	11,977	9,993
Credit card rebates	2,167,978	1,892,830	-	-
Insurance and premiums	1,368,180	1,246,668	5,132	2,597
Irrecoverable general consumption tax and asset tax	5,803,267	5,858,191	75,575	72,944
License and transaction processing fees	2,306,512	2,294,709	75,887	352,488
Marketing, customer care, advertising and donations	5,228,449	5,016,429	6,930	9,253
Operating lease rentals	287,326	381,489	1,310	-
Property, vehicle and ABM maintenance and utilities	11,092,279	10,392,614	112,873	133,543
Stationery	721,304	521,548	-	96
Technical, consultancy and professional fees	8,964,762	10,605,621	298,637	400,197
Travelling, courier and telecommunication	4,033,097	3,831,968	82,117	82,084
Management and royalty fees	849,374	854,782	386,975	553,870
Operational losses	2,724,872	636,414	-	-
Other	1,337,654	269,867	436,223	319,235
	47,516,054	44,412,709	1,493,636	1,936,300

15. Taxation

	The Group		The Company	
	2023 $'000	Restated 2022 $'000	2023 $'000	Restated 2022 $'000
Current:				
Income tax	8,523,843	9,142,965	-	-
Prior year over provision	(1,617,239)	(113,435)	-	-
Business levy and green funds levy	107,900	199,956	-	-
Deferred income tax (Note 30)	(2,388,547)	(4,012,277)	-	(2,182,620)
	4,625,957	5,217,209	-	(2,182,620)

Income tax is calculated at rates of 25% for the Jamaican life insurance subsidiary, 33⅓% for the Company and other Jamaican regulated companies. Taxation for subsidiaries in other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction. The theoretical charge for the year can be reconciled as follows:

	The Group		The Company	
	2023 $'000	Restated 2022 $'000	2023 $'000	Restated 2022 $'000
Profit / (loss) before tax	19,961,884	40,349,590	3,531,061	(9,479,984)
Tax calculated at actual tax rates	6,041,359	13,453,110	1,177,095	(2,432,454)
Income not subject to tax	(19,142,676)	(19,341,051)	-	-
Expenses not deductible for tax purposes	17,106,816	11,809,596	3,991,735	552,302
Effect of share of profit of associates included net of tax	7,085	(8,024)	-	-
Effect of change in tax rate applicable to life insurance subsidiary	(475,802)	(1,145,024)	-	-
Effect of different tax rates applicable to dividend income	783,328	391,080	(5,168,830)	(482,581)
Deferred tax not recognised	(83,279)	17,839	-	-
Prior year over provision	(1,617,239)	(113,435)	-	-
Business Levy	233,887	61,183	-	-
Other	1,772,478	91,935	-	180,113
Taxation	4,625,957	5,217,209	-	(2,182,620)

15. Taxation (Continued)

Tax (charge)/credit relating to components of other comprehensive income are as follows:

	The Group		
	2023		
At the year end	**Before Tax $'000**	**Tax $'000**	**After Tax $'000**
Currency translation gains	(784,190)	-	(784,190)
ECL and fair value gains on FVOCI investments, net of gains recycled to profit or loss	26,005,106	(8,007,905)	17,997,201
Remeasurement of post-employment benefit obligation	(3,423,441)	1,358,341	(2,065,100)
Other comprehensive income	21,797,475	(6,649,564)	15,147,912
Recyclable			(8,007,904)
Non-recyclable			1,358,340
Deferred income tax (Note 30)		(6,649,564)	

	The Group		
	2022		
At the year end	**Before Tax $'000**	**Tax $'000**	**After Tax $'000**
Currency translation gains	(3,191,404)	-	(3,191,404)
ECL and fair value gains on FVOCI investments, net of gains recycled to profit or loss	(62,482,434)	13,514,384	(48,968,050)
Remeasurement of post-employment benefit obligation	5,977,021	(1,380,910)	4,596,111
Other comprehensive income	(59,696,817)	12,133,474	(47,563,343)
Recyclable			13,514,384
Non-recyclable			(1,380,909)
Deferred income tax (Note 30)		12,133,475	

16. Earnings per Stock Unit

Basic earnings per stock unit is calculated by dividing the net profit attributable to stockholders of the parent by the weighted average number of ordinary stock units in issue during the year. Diluted earnings per stock unit equals basic earnings per stock unit as there are no potential dilutive ordinary stock units.

		Restated
	2023	**2022**
Net profit attributable to stockholders of the parent ($'000)	7,592,226	23,889,103
Weighted average number of ordinary stock units in issue ('000)	2,299,327	2,298,277
Restated - Basic and diluted earnings per stock unit ($)	3.30	10.39
As previously stated - Basic and diluted earnings per stock unit ($)	-	11.89

17. Cash in Hand and Balances at Central Banks

	The Group	
	2023	**2022**
	$'000	**$'000**
Cash in hand	29,672,432	21,597,939
Balances with central banks other than statutory reserves	2,381,495	3,766,617
Included in cash and cash equivalents	32,053,927	25,364,556
Statutory reserves with central banks – non-interest-bearing	48,901,844	45,491,884
	80,955,771	70,856,440

Statutory reserves with central banks represent the required ratio of prescribed functional and foreign currency liabilities. They are not available for investment, lending or other use by the Group.

18. Due from Banks

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Placements with NCBJ	-	-	654,864	280,630
Items in course of collection from banks	(361,666)	(612,147)	-	-
Placements with banks	146,305,275	193,421,257	2,358,754	-
	145,943,609	192,809,110	3,013,618	280,630
Expected credit losses	(487,372)	(564,615)	(51)	-
Interest receivable	2,861,211	2,424,850	2,480	-
	148,317,448	194,669,345	3,016,047	280,630
Less: Placements pledged as collateral for letters of credit (Note 23)	(8,842,758)	(8,862,666)	-	-
	139,474,690	185,806,679	3,016,047	280,630

Placements with banks include short term fixed deposits and other balances held with correspondent banks. These bank balances are held to facilitate the payment of wire transfers, bank drafts, treasury related activities and to satisfy liquidity requirements.

The amounts included as cash equivalents in the statement of cash flows are as follows:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Placements with NCBJ	-	-	654,864	280,630
Placements with other banks	138,904,136	185,266,378	2,358,754	-
Less: amounts restricted to the settlement of obligations under securitisation arrangements	(2,315,634)	(1,884,549)	-	-
	136,588,502	183,381,829	3,013,618	280,630

19. Derivative Financial Instruments

The carrying values of derivatives for the Group are as follows:

	The Group	
	2023	**2022**
	$'000	**$'000**
Assets		
Equity indexed options	826,738	874,471
Liabilities		
Equity indexed options	9,192	-

19. Derivative Financial Instruments (Continued)

The carrying values of derivatives for the Company are as follows:

	The Company	
	2023	2022
	$'000	$'000
Liabilities		
Equity indexed options	-	402,695

Derivatives are carried at fair value and carried in the statement of financial position as separate assets and liabilities. Asset values represent the cost to the Group of replacing all transactions with a fair value in the Group's favour assuming that all relevant counterparties default at the same time, and that transactions can be replaced instantaneously. Liability values represent the cost to the Group counterparties of replacing all their transactions with the Group with a fair value in their favour if the Group was to default. Derivative assets and liabilities on different transactions are only set off if the transactions are with the same counterparty, a legal right of set-off exists and the cash flows are intended to be settled on a net basis.

Equity indexed options
The derivative liability represents the equity index option element of principal protected notes issued by the Group and is carried at fair value.

The embedded derivative asset represents equity index options purchased by the Group to match the liability. The terms of the purchased options are identical to those included in the principal protected notes issued by the Group. The Group is exposed to credit risk on purchased options to the extent of the carrying amount, which is their fair value.

20. Reverse Repurchase Agreements

The Group entered into collateralised reverse repurchase agreements which may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. Included within reverse repurchase agreements is related accrued interest receivable of $63,512,000 (2022 – $19,799,000) for the Group.

At September 30, 2023, the Group held $8,592,132,000 (2022 – $9,017,130,000) of securities, mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements. Of amounts received as collateral for reverse repurchase agreements, the Group has pledged $Nil (2022 – $Nil) as collateral for some of their own repurchase agreements.

Included in reverse repurchase agreements for the Group are securities with an original maturity of less than 90 days amounting to $4,303,162,000 (2022 – $1,870,664,000) which are regarded as cash equivalents for purposes of the statement of cash flows.

21. Loans and Advances

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Gross loans and advances, includes mortgage loans	625,899,052	591,262,070	51,074,760	50,166,303
Provision for credit losses	(15,628,131)	(13,713,686)	(3,150)	(10,007)
	610,270,921	577,548,384	51,071,610	50,156,296
Interest receivable	3,517,213	3,439,430	981,297	238,774
	613,788,134	580,987,814	52,052,907	50,395,070

The current portion of loans and advances amounted to $171,244,496,000 (2022 – $38,343,743,000) for the Group.

The movement in the provision for credit losses determined under the requirements of IFRS is as follows:

	The Group	
	2023	2022
	$'000	$'000
Balance at beginning of year	13,713,686	15,493,835
Provided during the year	6,740,480	3,304,321
Recoveries	(997,833)	(1,390,207)
Net charge to the income statement (Note 13)	5,742,647	1,914,114
Write-offs	(3,828,202)	(3,694,263)
Balance at end of year	15,628,131	13,713,686

The provision for credit losses at the end of the year includes $5,442,247,000 (2022 - $4,784,056,000) relating to non-BOJ regulated entities within the Group, which are not considered in calculating the excess reserves required to meet the BOJ's loan loss provision.

The aggregate amount of non-performing loans on which interest was not being accrued (consistent with the requirements of the BOJ) as at September 30, 2023 was $25,666,004,000 (2022 – $25,930,464,000) for the Group.

The provision for credit losses determined under BOJ regulatory requirements is as follows:

	The Group	
	2023	2022
	$'000	$'000
Specific provision	16,198,792	16,192,007
General provision	5,183,179	3,868,613
	21,381,971	20,060,620
Excess of regulatory provision over IFRS provision recognised in NCBJ reflected in non-distributable loan loss reserve (Note 44)	5,753,840	6,349,934

22. Investment Securities

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Investment Securities Classified as FVPL:				
Government of Jamaica debt securities	18,304,905	18,961,569	-	-
Other Government securities	106,251,838	79,296,930	-	-
Corporate debt securities	14,794,432	15,291,000	-	-
Quoted and unquoted equities	95,925,872	91,738,953	-	-
Collective Investment Schemes	2,600,940	2,073,047	-	-
Interest receivable	1,930,960	1,588,345	-	-
	239,808,947	208,949,844	-	-
Investment securities at FVOCI:				
Government of Jamaica debt securities	182,640,589	281,896,741	-	-
Other Government securities	156,001,667	107,988,174	-	-
Corporate debt securities	137,528,641	133,029,443	7,000,000	7,000,000
Interest receivable	6,544,404	7,600,774	126,192	126,192
	482,715,301	530,515,132	7,126,192	7,126,192
Investment securities at Amortised Cost:				
Government of Jamaica debt securities	201,375,294	38,009,311	-	-
Other Government Securities	149,734,094	161,524,295	-	-
Corporate Debt Securities	23,913,624	18,434,348	-	-
Interest receivable	5,799,627	3,087,021	-	-
	380,822,639	221,054,975	-	-
Expected credit losses	(705,064)	(1,033,216)		-
	1,102,641,823	959,486,735	7,126,192	7,126,192
Total investment securities, as above	1,102,641,823	959,486,735	7,126,192	7,126,192
Less: Pledged securities (Note 23)	(275,523,306)	(247,752,315)	-	-
Amount reported on the statement of financial position	827,118,517	711,734,420	7,126,192	7,126,192

The current portion of total investment securities amounted to $149,932,101,000 (2022 - $146,350,664,000) for the Group. Included in investment securities are debt securities with an original maturity of less than 90 days amounting to $6,386,437,000 (2022 - $11,894,607,000) for the Group which are regarded as cash equivalents for purposes of the statement of cash flows.

23. Pledged Assets

	The Group	
	2023	2022
	$'000	$'000
Investment securities classified as FVOCI and amortised cost pledged as collateral for:		
Repurchase agreements	266,938,697	235,432,156
Clearing services	1,308,563	1,769,198
Investment securities held as security in respect of life insurance subsidiary	7,276,046	10,550,961
	275,523,306	247,752,315
Placements with banks pledged as collateral for letters of credit (Note 18)	8,842,758	8,862,666
	284,366,064	256,614,981

The regulators hold investment assets for certain insurance subsidiaries in accordance with the legal requirements of the respective countries or territories.

24. Investment in Associates

	The Group	
	2023	2022
	$'000	$'000
At the beginning of the year	7,051,463	5,950,188
Share of profits	376,617	732,513
Dividends received:		
Other	(212,762)	(100,235)
Movement in other reserves and exchange rate adjustments	115,001	468,997
At end of year	7,330,319	7,051,463

24. Investment in Associates (Continued)

The following tables present summarised financial information in respect of the Group's associates.

	RGM Limited $'000	Royal Star Holdings $'000	Other individually immaterial associates $'000	Total $'000
2023				
Current assets	2,409,332	11,118,458	281,283	13,809,073
Non-current assets	17,915,958	9,548,050	1,247,924	28,711,932
Current liabilities	878,763	5,062,430	235,643	6,176,836
Non-current liabilities	6,264,754	4,428,490	771,424	11,464,668
Revenue	4,119,051	5,106,036	884,294	10,109,381
Profit from continuing operations	317,406	1,240,280	(114,013)	1,443,673
Other comprehensive income	(6,544)	-	-	(6,544)
Total comprehensive income	310,862	1,240,280	(114,013)	1,437,129
Percentage ownership	33%	26%		
Net assets of the associate - 100%	13,181,773	11,175,588		
Group share of net assets	4,393,924	2,930,239		

	RGM Limited $'000	Royal Star Holdings $'000	Other individually immaterial associates $'000	Total $'000
2022				
Current assets	2,297,533	9,051,681	376,791	11,726,005
Non-current assets	17,800,743	8,719,868	1,007,274	27,527,885
Current liabilities	584,035	3,907,689	144,552	4,636,276
Non-current liabilities	6,567,131	3,783,033	593,145	10,943,309
Revenue	3,476,893	6,867,424	695,742	11,040,059
Profit / (loss) from continuing operations	492,638	2,140,794	(50,025)	2,583,407
Other comprehensive income	9,347	-	-	9,347
Total comprehensive income	501,985	2,140,794	(50,025)	2,592,754
Percentage ownership	33.33%	26.32%		
Net assets of the associate - 100%	12,947,110	10,080,827		
Group share of net assets	4,315,272	2,653,274		

25. Investment Properties

	The Group	
	2023	**2022**
	$'000	**$'000**
Balance at beginning of year	38,713,587	38,218,322
Additions	666,198	1,209,841
Disposals	(417,705)	(952,088)
Fair value gains (Note 8)	1,653,758	1,050,588
Foreign exchange adjustments	1,150,384	(814,246)
Re-classification to / from properties for development and sale (Note 26)	(5,278,206)	308,214
Unit-linked adjustments	105,374	(307,044)
Balance at end of year	36,593,390	38,713,587
Income earned from the properties	1,817,091	1,554,929
Expenses incurred by the properties	(1,133,070)	(1,388,594)

The Group did not classify any properties held under operating leases as investment properties. The properties held are stated at fair market value, as appraised by professional, independent valuators. The value for the property was determined using the direct capitalisation approach, comparable sales approach and income and sales comparison approach.

The valuations of investment property have been classified as Level 3 of the fair value hierarchy under IFRS 13, 'Fair Value Measurement'.

Several valuations have been performed using a comparable sales approach but, as there have been a limited number of similar sales in the respective markets, these valuations incorporate unobservable inputs determined based on the valuators' judgment regarding size, age, condition and state of the local economy. Similarly, the valuations that are performed using the direct capitalisation and income approaches rely on unobservable inputs based on the valuator's judgment given the varying levels of income between properties within a relatively small geographic area as well as the unavailability of risk-adjusted discount rates for properties. These valuations are sensitive to the aforementioned adjustments for the unobservable inputs, which inputs may result in the values realised, either through use or sale, being different from the amounts recognised in these financial statements.

26. Properties for Development and Sale

	The Group	
	2023	2022
	$'000	$'000
At the beginning of the year	2,008,010	2,794,053
Additions	628,292	2,761
Reclassification from investment properties (Note 25)	5,278,206	(459,104)
Foreign exchange adjustments	248,990	(329,700)
Disposals	(4,011,450)	-
At the end of the year	4,152,048	2,008,010

27. Reinsurance Assets

	The Group	
	2023	2022
	$'000	$'000
This represents the Group's net contractual rights under reinsurance contracts:		
Long-term insurance contracts:		
With fixed and guaranteed terms	575,479	576,359
Short-term insurance contracts:		
Claims reported and loss adjustment expenses	11,480,182	9,946,575
Claims incurred but not reported	2,902,675	3,208,758
Short-term claims(Note 39)	14,382,857	13,155,333
Group life	23	378
Unearned premiums (Note 39)	19,618,191	16,580,787
	34,001,071	29,736,498
Total reinsurers' share of insurance liabilities	34,576,550	30,312,857
Current	29,163,120	25,501,693
Non-current	5,413,430	4,811,164
Total reinsurers' share of insurance liabilities	34,576,550	30,312,857

28. Intangible Assets

	The Group					
	Trade name	Core deposit & other customer relationships	Computer software	Goodwill	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000
			2023			
Net book value, at beginning of year	3,365,382	8,889,260	21,938,927	20,350,796	145,664	54,690,029
Additions	-	-	5,620,030	-	-	5,620,030
Disposals	-	-	(108,596)	-	-	(108,596)
Translation adjustments	-	28,443	487,508	-	293,514	809,465
Reclassification & adjustments	(55,936)	(1,048,075)	(1,325,559)	-	2,790,904	361,333
Amortisation charge	(55,691)	(1,850,297)	(2,552,804)	-	(412,270)	(4,871,062)
Net book value, at end of year	3,253,753	6,019,331	24,059,506	20,350,796	2,817,812	56,501,199
Cost	3,627,504	19,849,792	50,035,000	20,350,796	3,952,309	97,815,402
Accumulated amortisation	(373,751)	(13,830,461)	(25,975,494)	-	(1,134,497)	(41,314,203)
Closing net book value	3,253,753	6,019,331	24,059,506	20,350,796	2,817,812	56,501,199

28. Intangible Assets (Continued)

	The Group					
	Trade name $'000	Core deposit & other customer relationships $'000	Computer software $'000	Goodwill $'000	Other $'000	Total $'000
			2022			
Net book value, at beginning of year	3,423,224	10,502,982	17,652,488	20,350,796	617,382	52,546,872
Additions	-	65,943	8,574,583	-	-	8,640,526
Disposals	-	-	(229,693)	-	-	(229,693)
Translation adjustments	-	(77,708)	296,138	-	(33,024)	185,406
Reclassification & adjustments	-	359,777	327,468	-	(20,340)	666,905
Amortisation charge	(57,842)	(1,961,734)	(4,682,057)	-	(418,354)	(7,119,987)
Net book value, at end of year	3,365,382	8,889,260	21,938,927	20,350,796	145,664	54,690,029
Cost	3,627,504	18,763,754	41,199,685	20,350,796	546,572	84,488,311
Accumulated amortisation	(262,122)	(9,874,494)	(19,260,758)	-	(400,908)	(29,798,282)
Closing net book value	3,365,382	8,889,260	21,938,927	20,350,796	145,664	54,690,029

Computer software for the Group at year end include items with a cost of $4,618,216,000 (2022 - $5,461,945,000) on which no amortisation has yet been charged as these software applications are in the process of implementation.

Impairment tests for goodwill

The Group determines whether goodwill is impaired at least on an annual basis or when events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated. The recoverable amount is usually determined by reference to the value in use. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows.

28. Intangible Assets (Continued)

The allocation of goodwill to the Group's cash generating units (CGUs) allocated fully to Guardian Holding Limited.

	The Group	
	2023	2022
	$'000	$'000
Guardian Holdings Limited:	20,350,796	20,350,796

The Group determines whether goodwill is impaired at least on an annual basis or when events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated. The recoverable amount is usually determined by reference to the value in use. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows. No impairment was identified.

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-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 industry in which the CGU operates. Key assumptions used for value in use calculations:

Expenses ratio	31.7%
Claims ratio	69.9%
Policy acquisition expenses ratio	17.4%
Reinsurance rate	29.6%
Revenue growth rate	5.0%
Discount rate	11.3%

29. Property, Plant and Equipment

	Freehold Land and Buildings and Leasehold Improvements $'000	Motor Vehicles, Furniture & Equipment $'000	Work-in-Progress $'000	Total $'000
Cost -				
At September 30, 2021	25,088,017	31,966,036	2,434,516	59,488,569
Reclassification and adjustments	-	837,457	-	837,457
Additions	1,502,221	1,718,368	756,532	3,977,121
Disposals	(1,517,739)	(467,658)	44,914	(1,940,483)
Transfers	(2,435,323)	2,994,651	(559,328)	-
Reclassifications and adjustments	-	27	(9,195)	(9,168)
Exchange rate adjustments	492,986	(560,331)	(58,707)	(126,052)
At September 30, 2022	23,130,162	36,488,550	2,608,732	62,227,444
Reclassification and adjustments	-	(387,441)	-	(387,441)
Additions	258,013	2,054,505	840,731	3,153,249
Disposals	(1,423,439)	(1,964,449)	(147,808)	(3,535,696)
Transfers	296,417	371,170	(667,587)	-
Reclassification and adjustments	13,786	(27,568)	-	(13,782)
Exchange rate adjustments	(61,893)	702,214	17,259	657,580
At September 20, 2023	22,213,046	37,236,981	2,651,327	62,101,354
Accumulated Depreciation -				
At September 30, 2021	7,110,002	25,659,340	-	32,769,342
Charge for the year	329,543	1,443,274	-	1,772,817
Disposals	(649,412)	(341,474)	-	(990,886)
Exchange rate adjustments	(414,553)	12,993	-	(401,560)
Reclassifications and adjustments	-	(144)	-	(144)
At September 30, 2022	6,375,580	26,773,989	-	33,149,569
Charge for the year	668,621	1,854,414	-	2,523,035
Disposals	(1,404,509)	(1,131,025)	-	(2,535,534)
Reclassifications and adjustments	(40,208)	(138,566)	-	(178,774)
At September 30, 2023	5,599,484	27,358,812	-	32,958,296
Net Book Value -				
September 30, 2023	16,613,562	9,878,169	2,651,327	29,143,058
September 30, 2022	16,754,582	9,714,561	2,608,732	29,077,875

30. Deferred Income Taxes

Deferred income taxes are calculated on all temporary differences under the liability method using a tax rate of 25% for the Jamaican life insurance subsidiary, 33⅓% for the Company and other Jamaican regulated companies, 21% for the subsidiary incorporated in the United Kingdom, 30% for subsidiaries incorporated in Montserrat, St Lucia and Trinidad (non-life), 22% for subsidiaries incorporated in Curacao, 32.5% for the subsidiary incorporated in St Vincent, 28% for the subsidiary incorporated in Grenada, and 25%, for all other subsidiaries with the exception of the subsidiaries incorporated in Cayman Islands and Bermuda which are not subject to income tax.

The net assets recognised in the statement of financial position are as follows:

	The Group		The Company	
		Restated		
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Deferred tax assets	(21,891,961)	(26,198,921)	(10,746,562)	(10,746,669)
Deferred tax liabilities	9,080,065	9,126,008	-	-
Net asset at end of year	(12,811,896)	(17,072,913)	(10,746,562)	(10,746,669)

The movement in the net deferred income tax balance is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Net asset at beginning of year	(17,072,913)	(927,161)	(10,746,669)	(8,563,874)
Deferred tax credited in the income statement (Note 15)	(2,388,547)	(4,012,277)	-	(2,182,620)
Deferred tax charge / (credited) to other comprehensive income (Note 15)	6,649,564	(12,133,475)	107	(175)
Net asset at end of year	(12,811,896)	(17,072,913)	(10,746,562)	(10,746,669)

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

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Deferred tax assets to be recovered after more than 12 months	(6,947,112)	(2,468,356)	-	-
Deferred tax liabilities to be settled after more than 12 months	6,688,498	6,929,340	-	-

30. Deferred Income Taxes (Continued)

Deferred income tax assets and liabilities, prior to offsetting of balances, are due to the following items:

	The Group		The Company	
		Restated		
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Deferred income tax assets:				
Property, plant and equipment	2,744,615	2,468,356	-	-
Investment securities classified as FVOCI	2,158,291	9,947,516	-	-
Credit impairment losses	270,373	184,691	-	-
Pensions and other post-retirement benefits	2,536,151	1,141,002	-	-
Interest payable	829,113	603,578	193,547	193,547
Unrealised foreign exchange losses	3,018,623	2,319,181	134,231	134,231
Unutilised tax losses	11,279,061	11,359,787	10,392,469	10,392,469
Other temporary differences	4,348,993	2,414,267	106,535	106,535
	27,185,220	30,438,378	10,826,782	10,826,782
Deferred income tax liabilities:				
Future distribution	214,329	-	-	-
Property, plant and equipment	5,308,112	5,912,656	-	-
Intangible assets	132,239	162,452	-	-
Investment securities at FVPL	2,620,242	2,647,185	-	-
Investment securities classified as FVOCI	131,663	130,232	-	-
Interest receivable	426,444	321,172	79,591	79,591
Unrealised foreign exchange gains	1,726,621	1,145,154	-	-
Credit Impairment Losses	491,948	86,434	-	-
Other temporary differences	3,321,726	2,960,180	629	522
	14,373,324	13,365,465	80,220	80,113
Net deferred tax asset	(12,811,896)	(17,072,913)	(10,746,562)	(10,746,669)

30. Deferred Income Taxes (Continued)

The amounts recognised in the income statement are due to the following items:

	The Group		The Company	
		Restated		
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Property, plant and equipment	(773,868)	(325,447)	-	-
Intangible assets	(73,825)	(54,177)	-	-
Investment securities	(524,490)	159,629	-	-
Credit impairment losses	(455,245)	1,244,101	-	-
Pensions and other post-retirement benefits	393,456	(403,504)	-	-
Future distributions	26,111	-	-	-
Interest receivable	98,478	120,702	-	79,591
Interest payable	(225,501)	9,014	-	190,866
Accrued profit share	67,327	(17,280)	-	-
Accrued vacation leave	(26,991)	(27,891)	-	-
Unrealised foreign exchange gains and losses	(102,200)	(1,791,128)	-	(134,231)
Unutilised tax losses	(367,403)	(2,160,552)	-	(2,287,164)
Other temporary differences	(424,396)	(765,744)	-	(31,682)
	(2,388,547)	(4,012,277)	-	(2,182,620)

The amounts recognised in other comprehensive income are due to the following items:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Unrealised gains / (losses) on FVOCI	7,447,669	(11,596,696)	106	(175)
Realised fair value gains on sale and maturity of investments	560,236	1,004,700	-	-
Remeasurement of the post-employment benefit obligation	(1,358,341)	(1,541,478)	-	-
	6,649,564	(12,133,474)	106	(175)

31. Other Assets

	The Group		The Company	
		Restated		Restated
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Due from merchants, financial institutions, clients and payment systems providers	25,862,249	14,226,718	11,162,375	1,570,841
Prepayments	5,927,058	5,614,539	171,821	352,679
Shares held for incentive	4,236,471	4,236,471	-	-
Due from Related Parties	-	-	4,797,878	4,518,066
Due from policyholders	19,328,567	27,314,468	-	-
Deferred acquisition costs	3,740,593	3,388,611	-	-
Reinsurance recoverable	4,121,176	3,185,383	-	-
Repossessed assets	680,532	1,027,586	-	-
Other	87,666	6,040,592	-	574,290
	63,984,312	65,034,368	16,132,074	7,015,876
Less ECL on receivables	(4,664,427)	(4,197,189)	-	-
	59,319,885	60,837,179	16,132,074	7,015,876

The fair values of other assets approximate carrying values. The current portion of other assets for the Group is $59,922,724,000 (2022 - $61,001,634,000).

32. Due to Banks

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Items in course of payment	3,733,828	4,019,801	-	-
Borrowings from other banks	27,348,270	32,985,643	18,607,900	17,901,432
Deposits from banks	160,070	139,591	-	-
	31,242,168	37,145,035	18,607,900	17,901,432
Interest payable	666,168	356,957	627,034	738,324
	31,908,336	37,501,992	19,234,934	18,639,756

The current portion of due to banks is $29,689,326,000 (2022 - $23,032,674,000)

Items in the course of payment primarily represent cheques drawn by the Group which have been accounted for as a deduction from its bank balances but which have not been presented on its bank accounts. These relate to accounts held with banks outside of Jamaica and at central banks. Borrowings from banks are denominated in United States dollars and have various maturity dates. These attract interest at 2.77% – 5.96% per annum.

The amounts included as cash equivalents in the statement of cash flows are as follows:

	The Group	
	2023	2022
	$'000	$'000
Total due to banks	31,908,336	37,501,992
Less: amounts with original maturities of greater than 90 days	(7,738,581)	(17,482,177)
	24,169,755	20,019,815

33. Obligations Under Securitisation Arrangements

	The Group	
	2023	**2022**
	$'000	**$'000**
Diversified payment rights		
Principal outstanding – US$250,000,000 (2022 – US$250,000,000)	38,693,000	38,004,775
Merchant voucher receivables		
Principal outstanding – US$384,800,000 (2022 – US$406,136,000)	59,556,337	61,740,497
	98,249,337	99,745,272
Unamortised transaction fees	(962,281)	(1,182,065)
	97,287,056	98,563,207
Interest payable	907,951	522,451
Net liability	98,195,007	99,085,658

The current portion of obligations under securitisation arrangements amounted to $12,640,593,000 (2022 – $3,243,477,000).

Diversified Payment Rights

NCBJ has entered into a structured financing transaction involving securitisation of its Diversified Payment Rights. A Diversified Payment Right ("DPR") is a right of NCBJ to receive payments from correspondent banks based overseas whenever a payment order is initiated by a person or entity situated overseas in favour of a person or entity situated in Jamaica. Under these securitisation transactions, NCBJ assigns its rights to all present and future DPRs to an offshore special purpose vehicle, Jamaica Diversified Payment Rights Company Limited ("JDPR") (Note 35), which then issues notes which are secured by the DPR flows. The cash flows generated by the DPRs are used by JDPR to make scheduled principal and interest payments to the note holders and any excess cash is transferred to NCBJ, provided no early amortisation event or default has occurred under the terms of the notes.

On September 30, 2020, NCBJ raised US$250 million through the DPR Securitisation (Series 2020-1 Notes). The transaction was structured on a mortgage-style amortisation basis with an interest-only period of 3.25-year (13 quarters) and thereafter quarterly principal amortisation, beginning March 15, 2024 to final maturity on September 15, 2030. Interest is due and payable on a quarterly basis calculated at a rate of 5.25% beginning December 15, 2020.

33. Obligations Under Securitisation Arrangements (Continued)

Merchant Voucher Receivables

NCBJ has entered into a structured financing transaction involving securitisation of its Merchant Voucher Receivables (MVR). This arrangement involves the sale of future flows due from Visa International Service Association (Visa) and MasterCard International Incorporated (MasterCard) related to international merchant vouchers acquired by NCBJ in Jamaica.

A merchant voucher is created when an international Visa or MasterCard cardholder pays for goods or services at a NCB merchant. NCB approves the charge, pays the merchant under contractual terms, and submits the merchant voucher information to Visa or MasterCard for settlement. Upon approval and receipt of the charge information, Visa or MasterCard is obligated to pay the amounts due, and this represents a receivable under the transaction.

Arising from this arrangement, NCBJ transferred its rights to all future receivables to an off-shore special purpose company (SPC), Jamaica Merchant Voucher Receivables Limited (“JMVR”), which then issues notes which are secured by the MVR flows. The cash flows generated by the MVR are used by JMVR to make scheduled principal and interest payments to the note holders and any excess cash is transferred to NCBJ, provided no early amortisation event or default has occurred under the terms of the notes.

On November 21, 2016, NCBJ raised an additional US$150 million through the MVR securitisation transaction (Series 2016-1 Notes). The transaction was structured on a mortgage-style amortisation basis with an interest-only period of forty-one months and thereafter quarterly principal amortisation, beginning July 7, 2022 to final maturity on January 8, 2027. Interest is due and payable on a quarterly basis calculated at a rate of 5.625% beginning January 9, 2021.

On August 30, 2022, NCBJ raised an additional US$300 million through the MVR securitisation transaction (Series 2023-1 Notes). The transaction was structured on a mortgage-style amortisation basis with an interest-only period of thirty-nine months and thereafter quarterly principal amortisation, beginning April 7, 2026 to final maturity on October 7, 2032. Interest is due and payable on a quarterly basis calculated at a rate of 6.12% beginning October 7, 2022.

34. Other Borrowed Funds

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
(a) Development Bank of Jamaica	6,421,132	5,787,155	-	-
(b) Corporate notes	152,461,493	131,390,449	78,519,655	69,653,005
(c) National Housing Trust	5,346,511	3,857,865	-	-
(d) Other	-	-	14,703,340	11,401,431
(e) Other	14,568,383	11,862,700	-	-
	178,797,519	152,898,169	93,222,995	81,054,436
Unamortised transaction fees	(652,233)	(749,722)	(390,854)	(546,945)
Interest payable	1,526,457	1,123,782	679,772	308,833
	179,671,743	153,272,229	93,511,913	80,816,324

The current portion of other borrowed funds amounted to $66,242,157,000 (2022 – $30,228,604,000) for the Group and $36,837,000,000 (2022- 7,344,574,000) for the Company.

(a) The loans from Development Bank of Jamaica are granted in both Jamaican and US dollars and are utilised by the Group to finance customers with viable ventures in agricultural, agro-industrial, construction, manufacturing, mining and tourism sectors of the economy. These loans are for terms up to 12 years and at rates ranging from 3.5% - 7%.

(b) Corporate notes are both unsecured and secured variable and fixed rate notes issued in a combination of Jamaican dollars and United States dollars. The notes are repayable between 2022 and 2025. The fixed rate notes attract interest between 4.25% and 9.75% and the variable rate notes attract interest based on weighted average treasury bill yield plus 2.25% - 2.5% per annum.

(c) The loans from National Housing Trust (NHT) are granted as part of the Joint Financing Mortgage Programme. Under the partnership agreement, NHT contributors are able to access their NHT loans directly from NCBJ at the prevailing interest rate offered by NHT. These loans are for the terms up to 40 years at rates ranging from 0% - 4%.

(d) On March 31, 2022, NCB Global Holdings Limited extended an unsecured loan of US$55 million to NCB Financial Group Limited. Interest is due and payable on a semi-annual basis calculated at a rate of 7.35% per annum beginning December 31, 2022. Principal is due and payable at maturity on March 31, 2025

On March 31, 2023, NCB Global Holdings Limited extended an unsecured loan of US$10 million to NCB Financial Group Limited. Interest is due and payable on a semi-annual basis calculated at a rate of 8.24% per annum beginning December 31, 2023. Principal is due and payable at maturity on March 31, 2024.

On March 27, 2023, NCB Global Holdings Limited extended an unsecured loan of US$25.47 million to NCB Financial Group Limited. Interest is due and payable on a semi-annual basis calculated at a rate of 8.24% per annum beginning December 27, 2023. Principal is due and payable at maturity on March 27, 2024.

On March 27, 2023, NCB Global Holdings Limited extended an unsecured loan of US$4.5 million to NCB Financial Group Limited. Interest is due and payable on a semi-annual basis calculated at a rate of 9.12% per annum beginning December 27, 2023. Principal is due and payable at maturity on March 27, 2025.

34. Other Borrowed Funds (Continued)

(e) On May 8, 2023, NCB Financial Group Limited accessed a secured non-revolving 3-year term loan of US$75 million from FirstCaribbean International Bank (Trinidad & Tobago) Limited, and a group of lenders. Interest is due and payable on a semi-annual basis calculated at a rate of 8.50% per annum beginning November 8, 2023. Principal is due and payable in two equal balloon payments of US$12.5 million at the end of months twelve (12) and twenty-four (24) respectively, the remaining US$50 million is to be repaid at the of end of year three on May 8, 2026.

35. Interests in Structured Entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their on-going activities. An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Group. Such interests include holdings of debt or equity securities and investment management agreements. Structured entities are assessed for consolidation in accordance with the accounting policy set out in Note 2(f).

Consolidated Structured Entities

Securitisation Vehicles
NCBJ uses securitisation as a source of financing and a means of risk transfer. Securitisation of its DPR and MVR (Note 33) is conducted through structured entities, JDPR and JMVR, exempted limited liability companies incorporated under the laws of the Cayman Islands. The relationship between the transferred rights and the associated liabilities is that holders of Notes may only look to cash flows from the securitised assets for payments of principal and interest due to them under the terms of their Notes.

Mutual Funds
The Group manages a series of mutual funds through its trust and asset management subsidiaries, Guardian Group Trust Limited and Guardian Asset Management and Investment Services Limited. The funds comprise four Caribbean investment based funds and six International investment based funds. These funds invest mainly in equity securities, debt securities and cash and cash equivalents. Guardian Asset Management is the Trustee, Income and Paying Agent, Registrar and Fund Administrator of these Mutual Funds. Guardian Life of the Caribbean acts in the capacity of Portfolio Manager.

As at the consolidated statement of financial position date, the Group has determined that it controls these mutual funds, as defined in note 3, specific funds. Management has concluded that the contractual terms provide the Group with power over the Mutual Funds and the Group's aggregate interest in the Mutual Funds is significant.

Unconsolidated Structured Entity

(i) Unit Trust

The Group manages a Unit Trust Scheme comprising seven portfolios – the JMD Money Market Portfolio, the JMD High Yield Portfolio, the High Yield Asset and Loans Portfolio, the Caribbean Equity Portfolio, the USD Money Market Portfolio, the USD Indexed Bond Portfolio and the USD Bond Portfolio.

The Unit Trust has an independent trustee. The Group is the investment manager of the Unit Trust and is entitled to receive management fees based on the assets under management. The Group also holds units in the Unit Trust.

35. Interests in Structured Entities (Continued)

***Unconsolidated Structured Entity* (continued)**

(i) Unit Trust (continued)

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

	The Group	
	2023	**2022**
	$'000	**$'000**
Total assets of the Unit Trust	34,852,298	34,840,666
The Group's interest – Carrying value of units held	162,695	165,601
Maximum exposure to loss	162,685	165,601
Liability to the Unit Trust in relation to investment in repurchase obligations (included in repurchase obligations on the consolidated statement of financial position)	494,844	190,000
Total income from the Group's interests	790,091	750,258

The Group has not provided any non-contractual financial support during the period and does not anticipate providing non-contractual support to the Unit Trust in the future.

(ii) Stratus Alternative Funds SCC

Stratus Alternative Funds SCC ("the Company") is a segregated cell company duly incorporated under the laws of Barbados. The Company was incorporated to provide a superstructure to facilitate the creation of a variety of alternative funds for investments.

The company operates five funds. NCB Capital Markets Limited, a wholly owned subsidiary of the Group manages all the funds, except for one fund that is jointly managed by Paynter (Jamaica) Limited, a wholly owned subsidiary of Eppley Limited.

The fund managers are entitled to management fees based on a fixed fee above set hurdle rates as well as the performance of the assets under management. The powers of appointment and removal of the investment manager are also vested in the directors of the alternative investment company. Subsidiaries in the Group hold investments in some of the portfolio funds established and operated by company.

35. Interests in Structured Entities (Continued)

Unconsolidated Structured Entity **(continued)**

(ii) Stratus Alternative Funds (continued)

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

	The Group	
	2023	**2022**
	$'000	**$'000**
Total assets of the company	11,004,579	9,871,208
Maximum exposure to loss	773,619	1,931,996
Investments by the Group:		
Preference shares	697,251	1,267,061
Management fees earned by the Group	164,702	141,979

The Group has not provided any non-contractual financial support during the period and does not anticipate providing non-contractual financial support to the alternative investment segregated cell company in the future.

36. Third Party Interests in Mutual Funds

	The Group	
	2023	**2022**
	$'000	**$'000**
Opening balance	33,587,741	33,699,975
Share of net income	817,684	370,150
Unrealised losses	(436,603)	(1,712,639)
Net change in mutual fund holder balances	4,936,529	388,281
Distributions	(565,536)	(535,108)
Exchange rate adjustment	570,942	1,377,082
Balance at end of year	38,910,757	33,587,741

37. Investment Contract Liabilities

Investment contract liabilities carry floating rates of interest and therefore the carrying amounts approximate their fair values

	The Group	
	2023	**2022**
	$'000	**$'000**
The movements in the liabilities arising from investment contracts are summarised below:		
Opening balance	46,176,282	43,772,829
Premiums received	3,982,633	3,873,279
Fees deducted from account balances	(90,058)	(341,227)
Account balances paid on surrender and other terminations in the year	(3,780,221)	(3,703,535)
Interest credited through income	1,481,843	1,342,692
Other movements	(1,167,880)	(169,722)
Exchange rate adjustments	460,014	1,401,966
Balance at end of year	47,062,613	46,176,282

38. Segregated Fund Liabilities

The assets listed below, included in the financial statements in aggregate, are managed by a subsidiary of the Group on behalf of certain life insurance policyholders under the Blue Chip Fund, the MChip Fund, Eagle Growth Fund, Mutual Growth Fund, Shelter Plus Fund, Guardian Universal Life Fund, Horizon Equity Fund, Guardian Equity Fund, Guardian Money Market Fund, Guardian Long-term Growth Fund, Guardian Stabilisation Fund and Guardian Foreign Currency Indexed Fund. The policyholders share all the rewards and risks of the performance of the funds and the assets have been segregated for determining the policyholders' interest in the funds.

	The Group	
	2023	**2022**
	$'000	**$'000**
Instruments:		
Government of Jamaica securities	6,407,694	6,980,925
Equity securities and unit trust	5,209,434	5,695,176
Short term securities	708,659	13,705
Investment property	489,508	380,830
	12,815,295	13,070,636
Other assets	2,032,798	1,366,128
Balance at end of year	14,848,093	14,436,764

39. Liabilities under Annuity and Insurance Contracts

The Group's liabilities under annuity and insurance contracts arise from the operations of its life insurance subsidiaries and its general insurance subsidiaries.

The life insurance subsidiaries issue life and health insurance and annuity contracts. These contracts insure human life events (for example, death or survival) over a long duration.

The general insurance subsidiaries issue property and casualty insurance contracts. Casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to third parties for bodily harm or property damage (public liability). Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

39. Liabilities under Annuity and Insurance Contracts (Continued)

Liabilities under Annuity and Insurance Contracts comprise the following:

	The Group	
		Restated
	2023	2022
	$'000	$'000
Liabilities under life and health insurance and annuity contracts	400,152,608	389,369,211
Liabilities under general insurance contracts	59,396,644	52,094,320
	459,549,252	441,463,531

Insurance Contracts

Liabilities under insurance contracts comprise the following:

	The Group	
		Restated
	2023	2022
	$'000	$'000
Long-term insurance contracts:		
With fixed and guaranteed terms and without DPF (Note 39 (a))	242,454,693	242,378,791
With fixed and guaranteed terms and with DPF (Note 39 (b))	1,412,152	1,498,190
Without fixed terms (Note 39 (c))	138,813,709	129,158,201
	382,680,554	373,035,182
Participating policyholders' share of the surplus from long-term insurance business (Note 39 (d))	12,466,959	11,798,659
Group health insurance	2,547,198	2,421,714
Group life (Note 39 (f))	2,457,943	2,113,656
	400,152,608	389,369,211
Short-term insurance contracts:		
Property and casualty claims reported and loss adjustment expenses (Note 39(e)	22,030,440	21,502,607
Property and casualty claims incurred but not reported (Note 39 (e))	6,448,245	6,395,580
Property and casualty unearned premiums (Note 39 (g))	30,917,959	24,196,133
	59,396,644	52,094,320
Total insurance liabilities	459,549,252	441,463,531

39. Liabilities under Annuity and Insurance Contracts (Continued)

	The Group	
		Restated
	2023	2022
	$'000	$'000
Current	54,495,386	48,896,936
Non-current	405,053,866	392,566,595
Total gross insurance liabilities	459,549,252	441,463,531

Movements in long term insurance contracts

	The Group	
		Restated
	2023	2022
	$'000	$'000
(a) Long-term insurance contracts with fixed and guaranteed terms and without DPF		
At beginning of year	242,378,791	235,016,961
Exchange rate adjustments	3,062,801	7,928,666
Premiums received (net)	2,106,185	2,450,885
Claims and benefits settled in the year	(30,972,012)	(21,791,227)
Accretion of interest	878,075	885,118
Increase in liabilities	28,277,169	17,503,363
Changes in assumptions	(11,340,754)	(13,883,788)
Other movement	8,064,438	14,268,813
At end of year	242,454,693	242,378,791

39. Liabilities under Annuity and Insurance Contracts (Continued)

Liabilities under Life Insurance and Annuity Contracts (continued)
Insurance Contracts

	The Group	
	2023	2022
	$'000	$'000
(b) Long-term insurance contracts with fixed and guaranteed terms and with DPF		
At beginning of year	1,498,190	1,587,637
Exchange rate adjustments	20,529	43,832
Changes in assumptions	(47,692)	(64,642)
Normal changes	(58,875)	(68,637)
At end of year	1,412,152	1,498,190

	The Group	
	2023	2022
	$'000	$'000
(c) Long-term insurance contracts without fixed terms		
At beginning of year	126,673,652	130,330,085
Exchange rate adjustments	(5,213,172)	(17,485,024)
Premiums received	5,967,784	18,857,126
Claims and benefits settled in the year	219,303	(7,281,131)
Increase in liabilities	9,156,122	(2,395,794)
Changes in assumptions	2,119,072	5,283,801
Other changes	(111,053)	(634,411)
At end of year	138,813,709	129,158,201

	The Group	
	2023	2022
	$'000	$'000
(d) Participating policyholders' share of the surplus from long-term insurance business		
At beginning of year	11,798,659	10,945,522
Exchange rate adjustments	200,560	447,267
Surplus/Deficit arising from operations	495,616	458,703
Other movements	(27,876)	(52,833)
At end of year	12,466,959	11,798,659

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

39. Liabilities under Annuity and Insurance Contracts (Continued)

Liabilities under Life Insurance and Annuity Contracts (continued)
Policy assumptions

For insurance contracts, the assumptions used to determine the liabilities are updated at each reporting date to reflect the latest best estimates. The assumptions used for valuing the insurance contracts disclosed in this note are as follows:

Mortality and morbidity
Mortality estimates are made as to the expected number of deaths for each of the years in which the Group's life insurance subsidiaries are exposed to risk. These assumptions are based on North American standard industry mortality tables adjusted to reflect recent local historical experience. Assumptions vary by sex, underwriting class and type of insurance contract. The main source of uncertainty is that epidemics and wide ranging lifestyle changes, such as eating, smoking and exercise habits could result in future mortality being significantly worse than in the past for age groups in which the Group's life insurance subsidiaries have significant exposure to mortality risk. Conversely, improvements in longevity in excess of those allowed for in determining the liabilities, could result in a lessening of future liabilities.

Morbidity relates to the frequency of illness, sickness and diseases contracted. The rate of recovery from such afflictions is derived from industry experience studies, adjusted where appropriate from the Group's life insurance subsidiaries own experience.

Investment yields
The computation of policyholders' liabilities takes into account projected net investment income on assets supporting policyholders' liabilities and income expected to be earned or foregone on reinvestment or financing of mismatched cash flows. In the absence of robust market information, long-term yields are determined using recent asset returns, current market expectations and relevant regulatory guidelines. Other information, such as macro-economic data and projections, is considered where available.

The following table summarises the rates of return used for the valuation of policyholders' liabilities:

	2023	2022
Trinidad & Tobago	3.80% - 6.9%	3.3% - 7.0%
Jamaica	8% - 12.6%	8% - 12.6%
Dutch Caribbean	4.96% - 5.68%	4.37% - 5.34%

The main source of uncertainty is the fluctuation in the economy. Lower yields would result in higher reserves and reduced income.

39. Liabilities under Annuity and Insurance Contracts (Continued)

Liabilities under Life Insurance and Annuity Contracts (continued)
Policy assumptions (continued)

Voluntary terminations and persistency
Persistency assumptions are made in relation to the time since inception that a policy exists before it lapses or is surrendered. Lapses relate to termination of policies due to non-payment of premiums. Surrenders relate to voluntary termination of policies by the policyholders. Policy terminations are based on the Group's life insurance subsidiaries own experience adjusted for expected future conditions. Statistical studies are performed in order to determine an appropriate persistency rate and best estimates of future rates are determined by examining any trends in the data. The main source of uncertainty derives from changes in policyholder behaviour as these relate to changes in economic conditions.

Policy maintenance expense and inflation
Amounts are included in policyholders' liabilities to provide for the future costs of administering policies in force. The expense base is determined from a review of current, recent and expected Group expense levels and allowance is made for future expense inflation.

The inflation rates assumed are summarised in the following table.

	2023	**2022**
Trinidad & Tobago	2.0%	2.0%
Jamaica	4% - 4.5%	4% - 4.5%
Dutch Caribbean	1%	1%

Taxation
It is assumed that current tax legislation and rates continue unaltered.

Provisions for adverse deviations
The basic assumptions made in establishing policy liabilities are best estimates for a range of possible outcomes. To recognise the uncertainty in establishing these best estimates, to allow for possible deterioration in experience and to provide greater comfort that the reserves are adequate to pay future benefits, the appointed actuaries include a margin in each assumption.

The impact of these margins is to increase reserves and so decrease the income that would be recognised on inception of the policy. The Appointed Actuaries use assumptions which are considered conservative, taking into account the risk profiles of the policies written.

39. Liabilities under Annuity and Insurance Contracts (Continued)

Changes in assumptions
Changes have been made to the assumptions used to determine the value of long term insurance liabilities of the life insurance subsidiaries. The following tables present the impact of changes in assumptions:

Long-term insurance contracts with fixed and guaranteed terms and without DPF

	The Group	
	2023	**2022**
	$'000	**$'000**
For the Trinidadian life insurance subsidiary:		
Changes in expense assumptions	201,822	(2,211,340)
Changes in lapse assumptions	(171,173)	77,717
Changes in investment returns	(1,319,454)	(267,063)
Other assumptions	627,783	(254,366)
Decrease in liabilities	(661,022)	(2,655,052)
For the Jamaican life insurance subsidiary:		
Changes in expense assumptions	166,377	(842,938)
Changes in lapse assumptions	(94,437)	(36,662)
Changes in investment returns	(764,811)	(4,893,519)
Other assumptions	(1,065,236)	(2,177,869)
Decrease in liabilities	(1,758,107)	(7,950,988)
For the Dutch Caribbean life insurance subsidiary:		
Changes in expense assumptions	(157,846)	12,510,353
Changes in lapse assumptions	(1,372,285)	(2,602,420)
Changes in investment returns	(2,623,421)	(22,533,634)
Other assumptions	(479,941)	5,059,831
Decrease in liabilities	(4,633,493)	(7,565,870)

39. Liabilities under Annuity and Insurance Contracts (Continued)

Changes in assumptions (continued)
Changes have been made to the assumptions used to determine the value of long term insurance liabilities of the life insurance subsidiaries. The following tables present the impact of changes in assumptions:

Long-term insurance contracts with fixed and guaranteed terms and with DPF

	The Group	
	2023	2022
	$'000	$'000
For the Trinidadian life insurance subsidiary:		
Changes in expense assumptions	(2,304)	(36,567)
Changes in lapse assumptions	1,160	(1,997)
Changes in investment returns	(31,476)	(8,329)
Decrease in liabilities	(32,620)	(46,893)
For the Jamaican life insurance subsidiary:		
Changes in expense assumptions	329	(4,423)
Changes in lapse assumptions	-	(13,381)
Changes in investment returns	(2,499)	(17,687)
Other assumptions	(2,886)	8,458
Decrease in liabilities	(5,056)	(27,033

Long-term insurance contracts without fixed terms

For the Jamaican life insurance subsidiary:		
Changes in expense assumptions	1,081,521	(5,386,607)
Changes in lapse assumptions	(352,581)	444,181
Changes in investment returns	(203,326)	(1,443,790)
Other assumptions	(243,311)	(894,915)
Decrease in liabilities	219,303	(7,281,131)

39. Liabilities under Annuity and Insurance Contracts (Continued)

Liabilities under Life Insurance and Annuity Contracts (continued)

Sensitivity analysis
The following tables present the sensitivity of the value of insurance liabilities disclosed in this note to movements in the assumptions used in the estimation of insurance liabilities. The sensitivities have been performed on the assumption that all assumptions remain constant.

	The Group			
	Change in variable	Change in liability	Change in variable	Change in liability
	2023		2022	
	%	$'000	%	$'000
Long-term insurance contracts with fixed and guaranteed terms and without DPF:				
For the Trinidadian life insurance subsidiary:				
Worsening of mortality	+10.0%	1,193,506	+10.0%	930,817
Improvement of annuitant mortality	+0.5%	997,547	+0.5%	872,294
Lowering of investment returns	-1.0%	5,877,749	-1.0%	4,867,745
Worsening of base renewal expense level	+5.0%	232,056	+5.0%	185,640
Worsening of expense inflation rate	+1.0%	450,289	+1.0%	349,152
For the Jamaican life insurance subsidiary:				
Worsening of mortality	+10.0%	1,066,273	+10.0%	1,076,854
Lowering of investment returns	-2.0%	7,839,042	-2.0%	7,338,274
Worsening of base renewal expense level	+5.0%	430,243	+5.0%	401,015
Worsening of expense inflation rate	+1.0%	791,300	+1.0%	655,338
For the Dutch Caribbean life insurance subsidiary:				
Worsening of mortality	+10.0%	(5,626)	+10.0%	(7,902)
Improvement of annuitant mortality	+10.0%	383,997	+10.0%	395,167
Lowering of investment returns	-10.0%	(186,155)	-10.0%	(174,328)
Worsening of base renewal expense level	+10.0%	(394,537)	+10.0%	(372,002)

39. Liabilities under Annuity and Insurance Contracts (Continued)

Liabilities under Life Insurance and Annuity Contracts (continued)

Sensitivity analysis (continued)

	The Group			
	Change in variable	Change in liability	Change in variable	Change in liability
	2023		2022	
	%	$'000	%	$'000
Long-term insurance contracts with fixed and guaranteed terms and with DPF:				
For the Trinidadian life insurance subsidiary:				
Worsening of mortality	+10.0%	7,715	+10.0%	7,677
Lowering of investment returns	-1.0%	116,510	-1.0%	125,265
Worsening of base renewal expense level	+5.0%	1,286	+5.0%	1,422
Worsening of expense inflation rate	+1.0%	1,883	+1.0%	2,077
For the Jamaican life insurance subsidiary:				
Worsening of mortality	+10.0%	6,361	+10.0%	6,141
Lowering of investment returns	-2.0%	42,756	-2.0%	43,080
Worsening of base renewal expense level	+5.0%	2,710	+5.0%	2,935
Worsening of expense inflation rate	+1.0%	3,995	+1.0%	3,793

39. Liabilities under Annuity and Insurance Contracts (Continued)

Liabilities under Life Insurance and Annuity Contracts (continued)

Sensitivity analysis (continued)

	The Group			
	Change in variable	Change in liability	Change in variable	Change in liability
	2023		2022	
	%	$'000	%	$'000
Long-term insurance contracts without fixed terms:				
For the Trinidadian life insurance subsidiary:				
Worsening of mortality	+ 10.0%	1,526,229	+ 10.0%	1,581,346
Improvement of annuitant mortality	+5.0%	466,385	+5.0%	520,658
Lowering of investment returns	-1.0%	4,829,043	-1.0%	5,210,169
Worsening of base renewal expense level	+5.0%	755,273	+5.0%	680,378
Worsening of expense inflation rate	+1.0%	1,212,772	+1.0%	1,096,046
For the Dutch Caribbean life insurance subsidiary:				
Worsening of mortality	+10.0%	9,506	+10.0%	7,902
Improvement of annuitant mortality	+10.0%	383,997	+10.0%	395,167
Lowering of investment returns	-10.0%	41,860	-10.0%	174,328
Worsening of base renewal expense level	+10.0%	21,355	+10.0%	372,002

39. Liabilities under Annuity and Insurance Contracts (Continued)

Liabilities under Short Term Contracts

	The Group	
	2023 **$'000**	**2022** **$'000**
Gross:		
Claims outstanding	30,936,628	30,011,841
Unearned premiums	33,465,110	29,271,405
	64,401,738	59,283,246
Reinsurance ceded		
Claims outstanding (Note 27)	(14,382,857)	(13,155,733)
Unearned premiums (Note 27)	(19,618,191)	(16,580,787)
	(34,001,048)	(29,736,520)
Net:		
Claims outstanding	16,553,772	16,856,108
Unearned premiums	13,846,918	12,690,618
	30,400,690	29,546,726

39. Liabilities under Annuity and Insurance Contracts (Continued)

Liabilities under Short term contracts (continued)

(e) The movement in and composition of claims outstanding are as follows:

	The Group			The Group		
	2023			2022		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	$'000	$'000	$'000	$'000	$'000	$'000
Notified claims	21,502,607	(9,946,575)	11,556,032	20,480,112	(9,844,480)	10,635,632
Claims incurred but not reported	6,395,580	(3,209,091)	3,186,489	4,922,088	(1,529,265)	3,392,823
Balance at beginning of year	27,898,187	(13,155,666)	14,742,521	25,402,200	(11,373,745)	14,028,455
Exchange rate adjustment	1,326,127	(833,296)	492,831	(1,112,583)	846,814	(265,769)
Claims incurred	(36,998,074)	10,372,141	(26,625,933)	(67,548,770)	44,628,804	(22,919,966)
Claims paid	36,252,446	(10,766,034)	25,486,412	71,157,340	(47,257,539)	23,899,801
Balance at end of year	28,478,686	(14,382,855)	14,095,831	27,898,187	(13,155,666)	14,742,521
Comprising:						
Notified claims	22,030,440	(11,480,180)	10,550,261	21,502,607	(9,946,575)	11,556,032
Claims incurred but not reported	6,448,245	(2,902,675)	3,545,570	6,395,580	(3,209,091)	3,186,489
	28,478,686	(14,382,855)	14,095,831	27,898,187	(13,155,666)	14,742,521

(f) The movement in and composition of Group Life contracts are as follows:

	The Group			The Group		
	2023			2022		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at beginning of year	2,113,654	(67)	2,113,587	2,226,402	(43)	2,226,359
Claims settled during the year	(279,427)	73,571	(205,856)	(1,616,726)	28,878	(1,587,848)
Exchange rate adjustment	(5,793)	2	(5,791)	35,549	(2)	35,547
Increase in liabilities	629,509	(73,505)	555,984	1,468,431	(28,900)	1,439,531
Balance at end of year	2,457,943	1	2,457,944	2,113,656	(67)	2,113,589
	30,936,629	(14,382,853)	16,553,776	30,011,843	(13,155,733)	16,856,110

39. Liabilities under Insurance and Annuity Contracts (Continued)

Liabilities under Short Term Contracts (continued)

The policy and claims liabilities were determined in accordance with accepted actuarial principles and as directed by the respective regulator.

In determining the valuation, the actuary employed the Paid Loss Development method, the Incurred Loss Development method, the Bornhuetter-Ferguson Paid Loss method, the Bornhuetter-Ferguson Incurred Loss method and the Frequency-Severity method. In using the Paid/Incurred Loss Development method, ultimate losses are estimated by calculating past paid/incurred loss development factors and applying them to exposure periods with further expected paid/incurred loss development. The Bornhuetter-Ferguson Paid/Incurred Loss method is a combination of the Paid/Incurred Loss Development method and a loss ratio method; however, these expected losses are modified to the extent paid/incurred losses to date differ from what would have been expected based on the selected paid/incurred loss development pattern. Finally, the Frequency-Severity method is calculated by multiplying an estimate of ultimate claims with an estimate of the ultimate severity per reported claim.

(g) The movement in and composition of unearned premiums are as follows:

	The Group			The Group		
	2023			2022		
	Gross $'000	Reinsurance $'000	Net $'000	Gross $'000	Reinsurance $'000	Net $'000
Balance at beginning of year	29,271,405	(16,580,787)	12,690,618	27,547,994	(14,697,632)	12,850,362
Exchange rate adjustments	272,519	(161,529)	110,990	691,375	(293,929)	397,446
Net increase/(release) in the period	3,921,186	(2,875,876)	1,045,310	1,032,036	(1,589,226)	(557,190)
Balance at end of year	33,465,110	(19,618,192)	13,846,918	29,271,405	(16,580,787)	12,690,618
Comprising, by type of business:						
Liability insurance contracts	1,933,221	(931,921)	1,001,300	1,666,737	(828,537)	838,200
Motor insurance contracts	4,991,867	(390,197)	4,601,670	4,781,360	(366,267)	4,415,093
Pecuniary loss insurance contracts	90,976	(41,240)	49,736	95,461	(42,289)	53,172
Property insurance contracts	22,041,324	(17,134,623)	4,906,701	18,575,250	(14,403,281)	4,171,969
Health insurance contracts	2,547,174	(132,630)	2,414,544	2,421,714	(133,032)	2,288,682
Marine insurance contracts	1,639,226	(947,535)	691,691	1,526,955	(772,317)	754,638
Personal accident insurance contracts	221,322	(40,046)	181,276	203,928	(35,064)	168,864
	33,465,110	(19,618,192)	13,846,918	29,271,405	(16,580,787)	12,690,618

40. Post-employment Benefits

Liabilities recognised in the statement of financial position are as follows:

	The Group	
	2023	2022
	$'000	$'000
Pension schemes	(2,264,877)	(1,712,592)
Other post-employment benefits	10,076,338	5,804,414
	7,811,461	4,091,822

The amounts recognised in the income statement are as follows:

	The Group	
	2023	2022
	$'000	$'000
Pension schemes (Note 12)	592,631	499,309
Other post-employment benefits	649,381	942,475
	1,242,012	1,441,784

The amounts recognised in the statement of comprehensive income are as follows:

	The Group	
	2023	2022
	$'000	$'000
Pension schemes	414,215	1,275,544
Other post-employment benefits	3,847,033	4,450,876
	4,261,248	5,726,420

40. Post-employment Benefits (Continued)

(a) Pension schemes

The Group's subsidiaries have established the following pension schemes covering all permanent employees. The assets of funded plans are held independently of the Group's assets in separate trustee administered funds. The Group's pension schemes are regulated by the respective regulators in the jurisdictions where they operate.

National Commercial Bank Staff Pension Fund 1986

This is a defined benefit scheme, which comprises the following pension funds which were merged on September 30, 1999:

- National Commercial Bank Staff Pension Fund 1975 (NCB 1975 Fund)
- National Commercial Bank Staff Pension Fund 1986 (NCB 1986 Fund)
- Mutual Security Bank Superannuation Scheme (MSB Fund)
- Computer Service and Programming Limited Pension Fund (CSP Fund).

Members' rights under each of the funds as at the date of merger were fully preserved in the NCB 1986 Fund and members of the merged funds receive pension benefits from the NCB 1986 Fund in respect of service up to the date of merger. The scheme was closed to new members effective October 1, 1999.

No asset has been recognised in relation to the NCBJ defined benefit scheme as, under the rules of the scheme, the employer would not benefit from any surplus on the winding up of the scheme. No additional current service cost has been incurred since closure of the scheme and the employer only makes a nominal contribution in order to retain the tax exempt status of the fund.

National Commercial Bank Staff Pension Fund 1999

This is a defined contribution scheme which is funded by payments from employees and by the employers of the relevant companies. Participating Group companies contribute an amount equivalent to 5% of employees' salary to the scheme each pay cycle and employees must contribute at least 5% and up to a maximum of 15%. Contribution to the scheme for the year was $585,876,000 (2022 – $498,922,000).

GHL

GHL operates a number of defined benefit and defined contribution plans, the assets of which are held in separate trustee-administered funds. The plans are generally funded by payments from employees and by the relevant Group companies after taking account of the recommendations of the external qualified actuaries. The plans are governed by trust and/or fund deeds and rules and are administered in accordance with the laws of the jurisdiction in which the plan is established. Responsibility for the governance of the plans, including investment strategies, lies with the Board of Trustees/Foundation. Contribution to the plans for the year was $586,751,000 (2022 - $508,350,000)

40. Post-employment Benefits (Continued)

(a) Pension schemes (continued)

The amounts recognised in the statement of financial position in respect of defined benefit pension schemes are as follows:

	2023		2022	
	NCBJ $'000	GHL $'000	NCBJ $'000	GHL $'000
Present value of funded obligations	21,558,089	20,486,117	25,504,708	19,866,885
Fair value of plan assets	(25,477,003)	(22,750,994)	(29,896,611)	(21,579,477)
(Over)/under – funded obligations	(3,918,914)	(2,264,877)	(4,391,903)	(1,712,592)
Limitation on pension assets	3,918,914	-	4,391,903	-
	-	(2,264,877)	-	(1,712,592)

The schemes are valued by independent actuaries annually using the projected unit credit method; the latest such valuation being carried out as at September 30, 2023 for the Bank and GHL schemes.

The movement in the defined benefit obligation is as follows:

	2023		2022	
	NCBJ $'000	GHL $'000	NCBJ $'000	GHL $'000
At beginning of year	25,504,708	19,866,885	31,904,868	21,127,639
Foregin exchange	-	317,968	-	839,402
Employee's contributions	-	45,534	-	35,307
Service cost	-	570,037	-	505,608
Interest cost	2,805,298	1,183,908	2,777,937	1,130,456
Remeasurements:				
Experience losses/(gains)	66,963	(40,712)	(345,690)	(464,860)
Gains from changes in financial assumptions	(4,373,345)	(496,512)	(6,754,576)	(2,425,459)
Demographic assumptions	(223,916)	85,511	-	26,592
Benefits paid	(2,221,619)	(1,046,502)	(2,077,831)	(907,800)
At end of year	21,558,089	20,486,117	25,504,708	19,866,885

40. Post-employment Benefits (Continued)

(a) Pension schemes (continued)

The movement in the fair value of plan assets is as follows:

	2023		2022	
	NCBJ	GHL	NCBJ	GHL
	$'000	$'000	$'000	$'000
At beginning of year	29,896,611	21,579,477	35,159,398	21,369,700
Exchange	-	342,593	-	828,010
Interest on plan assets	3,310,367	1,191,256	3,070,844	1,171,542
Remeasurement – return on plan assets, excluding amounts included in interest on plan assets.	(5,508,357)	(123,009)	(6,255,800)	(1,588,182)
Contributions	-	741,702	-	741,018
Administration fees	-	(29,942)	-	(34,787)
Benefits paid	(2,221,618)	(960,991)	(2,077,831)	(907,823)
At end of year	25,477,003	22,741,085	29,896,611	21,579,477

The amounts recognised in the income statement are as follows:

	2023	2022
	GHL	GHL
	$'000	$'000
Current service cost	570,037	505,608
Administration fees	29,942	34,787
Net interest expense	(7,348)	(41,086)
Total, included in staff costs	592,631	499,309

40. Post-employment Benefits (Continued)

(a) Pension schemes (continued)

The amounts recognised in other comprehensive income are as follows:

	2023		2022	
	NCBJ	GHL	NCBJ	GHL
	$'000	$'000	$'000	$'000
(Gain)/loss on present value of funded obligations	(4,530,298)	537,224	(7,100,266)	2,863,726
Loss/(gain) on fair value of plan assets	5,508,357	(123,009)	6,255,800	(1,588,182)
Change in effect of asset ceiling	(978,059)	-	844,466	-
Net loss	-	414,215	-	1,275,544

Plan assets for the NCBJ defined benefit pension scheme are comprised as follows:

	2023		2022	
	$'000	%	$'000	%
Debt securities	8,920,016	35.01	16,556,118	55.38
Equity securities	13,060,088	51.26	10,085,254	33.73
Real estate	3,496,902	13.73	2,711,402	9.07
Other	-	-	543,837	1.82
	25,477,006	100.00	29,896,611	100.00

These plan assets included:

- Ordinary stock units of the Company with a fair value of $4,455,087,000(2022 – $7,298,705,000).
- Repurchase obligations, promissory notes and lease obligations of the Group aggregating $75,916,000 (2022 – $82,831,000).
- Properties occupied by the Group with a fair value of $905,000,000 (2022 - $677,900,000).

40. Post-employment Benefits (Continued)

(a) Pension schemes (continued)

Plan assets for the GHL defined benefit pension scheme are comprised as follows:

	2023		2022	
	$'000	**%**	**$'000**	**%**
Debt securities	10,880,616	47.82%	10,376,033	48.08%
Equity securities	4,115,607	18.09%	4,161,055	19.28%
Real estate and other	7,754,771	34.09%	7,042,389	32.64%
	22,750,994	100.00%	21,579,477	100.00%

Expected contributions to NCBJ's and GHL's defined benefit pension schemes for the year ending September 30, 2024 are nil and $379,175,000 respectively.

The principal actuarial assumptions used are as follows:

	2023		2022	
	NCBJ	**GHL**	**NCBJ**	**GHL**
Discount rate	11.50%	5.6% - 8%	11.50%	5.38% -10.0%
Future salary increases	9.50%	5.3%	6.00%	4.9%
Future pension increases	2.50%	3.5%	5.00%	3.5%

Post-employment mortality for active members and mortality for pensioners is based on the 1994 Group Annuity Mortality tables (GAM (94) (U.S. mortality tables) with no age setback.

The average duration of the defined benefit pension obligation at September 30, 2023 is 8.1 years (2022 – 9.5 years) for NCBJ's defined benefit scheme and 15 years for the GHL scheme.

40. Post-employment Benefits (Continued)

(a) Pension schemes (continued)

The sensitivity of the defined benefit pension obligation to changes in the principal assumptions is as follows:

NCBJ

	2023		
	Increase/(decrease) in defined benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
		$'000	$'000
Discount rate	1%	(1,456,220)	1,667,224
Future salary increases	1%	33,977	(32,969)
Future pension increases	1%	1,632,499	(1,443,082)
Life expectancy	1 year	396,000	(389,000)

GHL

	Increase/(decrease) in defined benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
		$'000	$'000
Discount rate	1%	(1,928,641)	2,360,193
Future salary increases	1%	414,674	(365,329)
Life expectancy	1 year	429,049	(833,115)

40. Post-employment Benefits (Continued)

(a) Pension schemes (continued)

NCBJ

	2022		
	Increase/(decrease) in defined benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
		$'000	$'000
Discount rate	1%	(2,021,077)	2,357,440
Future salary increases	1%	48,372	(46,754)
Future pension increases	1%	2,276,226	(1,980,487)
Life expectancy	1 year	682,000	(696,000)

GHL

	Increase/(decrease) in defined benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
		$'000	$'000
Discount rate	1%	(1,978,365)	2,441,442
Future salary increases	1%	463,303	(408,288)
Life expectancy	1 year	437,093	(452,805)

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.

40. Post-employment Benefits (Continued)

(b) Other post-employment benefits

In addition to pension benefits, the Group offers 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 pension schemes, the main actuarial assumption is a long-term increase in health costs of 2.0 percentage points above CPI per year (2022 – 2.0 percentage points above CPI).

The average duration of the other post-employment benefits obligation at September 30, 2023 is 20.7 years for the NCBJ, and between 14.8 & 22.7 years for GHL.

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

	The Group	
	2023	2022
	$'000	$'000
Present value of unfunded obligations	10,076,338	5,804,414

The movement in the defined benefit obligation is as follows:

	The Group	
	2023	2022
	$'000	$'000
At beginning of the year	5,804,414	9,726,626
Curtailment	-	35,864
Employer contributions	(138,416)	(129,241)
Service costs	127,293	208,550
Interest cost	522,088	733,925
Remeasurements:		
Experience gains	49,833	(600,635)
Demographic assumptions (loss) / gain	450,651	(1,494,245)
Loss / (Gain) from changes in financial assumptions	3,337,029	(2,749,092)
Exchange movement	38,668	164,152
Benefits paid	(115,222)	(91,490)
At end of year	10,076,338	5,804,414

The amounts recognised in the income statement are as follows:

	The Group	
	2023	2022
	$'000	$'000
Service cost	127,293	208,550
Net interest expense	522,088	733,925
Total, included in staff costs (Note 12)	649,381	942,475

40. Post-employment Benefits (Continued)

(b) Other post-employment benefits (continued)

The sensitivity of the other post-employment benefit obligation to changes in the principal assumptions is as follows:

NCBJ	**2023**		
	Increase/(decrease) in obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
		$'000	**$'000**
Discount rate	1%	(1,244,181)	1,623,797
Medical cost inflation	1%	1,602,497	(1,250,438)
Life expectancy	1 year	236,520	(236,520)

GHL	**Increase/(decrease) in obligation**		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
		$'000	**$'000**
Discount rate	1%	(301,241)	378,371
Medical cost inflation	1%	380,116	(307,556)
Life expectancy	1 year	1,010	(1,240)

NCBJ	**2022**		
	Increase/(decrease) in obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
		$'000	**$'000**
Discount rate	1%	(444,917)	558,576
Medical cost inflation	1%	570,680	(459,768)
Life expectancy	1 year	83,920	(83,920)

GHL	**Increase/(decrease) in obligation**		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
		$'000	**$'000**
Discount rate	1%	(334,513)	420,817
Medical cost inflation	1%	424,497	(342,708)
Life expectancy	1 year	(4,944)	4,344

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.

40. Post-employment Benefits (Continued)

(c) Risks associated with pension plans and post-employment schemes

Through its defined benefit pension and other post-employment benefit schemes, the Group is exposed to a number of risks, the most significant of which are detailed below. The Group does not use derivatives to manage its plan risk. Investments are well diversified, such that failure of any single investment would not have a material impact on the overall level of assets.

Asset volatility risk

The schemes' liabilities are calculated using a discount rate set with reference to sovereign bond yields; if the schemes' assets underperform this yield, this will create a deficit.

Interest rate risk

The schemes' liabilities are calculated using a discount rate set with reference to sovereign bond yields. A decrease in sovereign bond yields will increase the schemes' liabilities, although this will be partially offset by an increase in the value of the schemes' fixed-rate bond holdings.

Salary risk

The present values of the defined benefit schemes' liabilities are calculated by reference to the future salaries of participants. As such, an increase in the salaries of participants will increase the schemes' liabilities.

Longevity risk

The majority of the schemes' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the schemes' liabilities.

41. Other Liabilities

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Accrued staff benefits	13,515,778	6,251,473	5,988,842	693,957
Due to customers, merchants and clients	14,455,725	17,026,815	-	-
Accrued other operating expenses	15,948,658	12,593,023	1,200,500	1,985,823
Due to reinsurers	15,687,234	15,840,544	-	-
Due to Governments	1,759,318	1,502,607	2,304	-
Due to related party	-	-	5,711,656	3,410,405
Other	13,183,209	18,442,925	-	-
	74,549,922	71,657,387	12,903,302	6,090,185

42. Share Capital

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Authorised – unlimited				
Issued and fully paid up –				
2,466,762,828 ordinary stock units of				
no par value	153,827,330	153,827,330	153,827,330	153,827,330
Treasury shares	(25,674,883)	(26,652,675)	(11,232,294)	(11,232,294)
	128,152,447	127,174,655	142,595,036	142,595,036

As at September 30, 2023 entities within the Group and the Company held NCBFG ordinary stock units totalling 168,435,437 (2022: 168,435,437) and 75,339,470 (2022: 75,339,470), respectively. These shares are held by the NCB Employee Share Scheme, a custodian appointed by NCB Financial Group Limited and entities controlled by Guardian Holdings Limited and the Company reports them as Treasury Shares.

The NCB Employee Share Scheme was established in 1986 to acquire certain shares of NCB Group Limited, the then holding company for the Group, for the beneficial interest of eligible employees. As at September 30, 2023, the scheme held 1,255,751 (2022: 1,255,751) stock units of the Company's ordinary stock.

As at September 30, 2023 a total of 26,066,735 (2022: 26,066,735) stock units of the Company's ordinary stock were held by a custodian on behalf of the Company and one of its subsidiaries. The stock units are held for distribution as incentives.

43. Fair Value and Capital Reserves

	The Group	
	2023	2022
	$'000	$'000
Fair value reserve	(38,262,033)	(55,458,993)
Capital reserve (excluding scheme of arrangement)	28,486,654	28,513,911
	(9,775,379)	(26,945,082)
Reserves from the scheme of arrangement	(147,034,858)	(147,034,858)
	(156,810,237)	(173,979,940)
Capital reserve comprises:		
Realised –		
Surplus on revaluation of property, plant and equipment	92,991	92,991
Retained earnings capitalised	98,167	98,167
Share redemption reserve	1,095,381	1,095,381
Unrealised –		
Translation reserve	6,692,475	7,476,720
Surplus on revaluation of property, plant and equipment	292,755	448,821
Contributed surplus	18,711,658	18,378,837
Other	1,503,227	922,994
	28,486,654	28,513,911
Reserve from the scheme of arrangement	(147,034,858)	(147,034,858)
	(118,548,204)	(118,520,947)

44. Loan Loss Reserve

This is a non-distributable reserve for NCBJ representing the excess of the provision for credit losses determined using the Bank of Jamaica's regulatory requirements over the amount determined under IFRS (Note 21).

45. Banking Reserve Fund

This fund is maintained in accordance with the Banking Services Act, 2014, enacted in Jamaica, which requires that a minimum of 15% of the net profits, as defined by the Act, of NCBJ be transferred to the reserve fund until the amount of the fund is equal to 50% of the paid-up capital of the Bank and thereafter 10% of the net profits until the amount of the fund is equal to the paid-up capital of the Bank. The amount of the fund has surpassed the paid-up capital of the Bank and therefore no further mandatory transfers were required.

The Financial Institutions Act, 2008, enacted in Trinidad and Tobago, which is applicable for the Group's regulated subsidiary in that country, requires that a minimum of 10% of the profit for the year in each period be transferred to a statutory reserve account until the balance on this reserve is not less than the paid-up capital.

46. Retained Earnings Reserve

The Banking Services Act 2014 permits the transfer of any portion of NCBJ's net profit to a retained earnings reserve. This reserve constitutes a part of the capital base and regulatory capital of NCBJ.

47. Cash Flows from Operating Activities

	Note	The Group	
		2023 $'000	Restated 2022 $'000
Net profit		15,335,927	35,132,381
Adjustments to reconcile net profit to net cash flow provided by operating activities:			
Depreciation	29	2,523,035	1,772,817
Amortisation of intangible assets	28	4,871,062	7,119,987
Credit impairment losses	13	5,303,309	2,723,555
Share of after tax profits of associates	24	(376,617)	(732,513)
Interest income	6	(101,296,273)	(84,923,549)
Interest expense	6	38,495,233	25,724,687
Income tax expense	15	4,625,957	5,946,340
Unrealised exchange gains on securitisation arrangements		1,249,307	380,473
Amortisation of upfront fees on securitisation arrangements		219,783	153,252
Amortisation of upfront fees on other borrowed funds		393,328	128,704
Unrealised exchange losses on other borrowed funds		668,081	1,816,625
Change in post-employment benefit obligations	40	621,987	(13,750,849)
Foreign exchange gains	8	(6,810,460)	(5,983,712)
Gain on disposal of property, plant and equipment and intangible assets		(1,329,712)	(2,509,631)
Fair value and foreign exchange gains on investment property	25	1,627,921	(1,050,588)
Fair value losses on derivative financial instruments		56,925	(152,258)
Changes in operating assets and liabilities:			
Statutory reserves at Central Bank		(3,409,960)	(4,244,223)
Pledged assets included in due from banks		1,799,539	(2,218,527)
Restricted cash included in due from banks		(431,085)	1,702,870
Reverse repurchase agreements		2,010,894	(1,434,277)
Loans and advances		(38,035,589)	(60,843,806)
Customer deposits		31,519,287	68,352,496
Repurchase agreements		31,085,258	22,161,245
Liabilities under annuity and insurance contracts		18,085,721	8,406,733
Other		7,852,896	1,642,606
Cash generated from / (used in) operations		1,319,827	(31,269,845)
Interest received		99,172,461	84,425,920
Interest paid		(35,849,422)	(25,181,601)
Income tax paid		(4,257,013)	(13,618,024)
		60,385,853	14,356,450
Net cash provided by operating activities		75,721,780	49,488,831

48. 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 party transactions are in the ordinary course of business. The volumes of related party transactions, outstanding balances at the year end and related expenses and income for the year are as follows:

	The Group							
	Parent and companies controlled by major shareholder		Associated companies of the Group		Directors and key management personnel (and their families)		Companies controlled by directors and related by virtue of common directorship	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Loans and advances								
Balance at September 30	3,154	5,194	1,799,706	1,510,949	1,554,333	1,536,707	1,297,567	1,864,162
Interest income earned	514	514	45,729	25,867	77,509	71,969	71,132	74,344
Investment securities								
Balance at September 30	-	-	6,876,108	7,071,735	-	-	2,781,114	3,519,422
Interest income earned	-	-	82,249	293,197	-	-	38,302	50,440
Reverse repurchase agreements								
Balance at September 30	-	-	-	-	-	-	-	-
Interest income earned	-	-	-	-	-	-	-	-
Other assets								
Balance at September 30	-	488	-	-	-	225,174	208,555	-
Fee and commission income	104	1,268	49	63	82	-	397,670	397,181
Other operating income	-	-	-	-	3,989	-	975,501	86,499
Dividend income	-	-	68,170	42,949	-	-	66,234	20,420

48. Related Party Transactions and Balances (Continued)

	The Group (Continued)							
	Parent and companies controlled by major shareholder		Associated companies of the Group		Directors and key management personnel (and their families)		Companies controlled by directors and related by virtue of common directorship	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Customer deposits								
Balance at September 30	650,816	1,005,067	109,277	58,613	1,581,783	3,088,658	5,328,144	6,455,983
Interest expense	95	989	74	116	12,846	5,126	17,278	4,333
Repurchase agreements								
Balance at September 30	568,333	-	-	-	4,288,000	4,580,675	474,913	1,900,102
Interest expense	7,977	-	-	-	261,523	105,482	20,429	87,633
Borrowed Funds								
Balance at September 30	-	-	-	-	564,035	-	80,823	3,387
Interest expense	-	-	-	-	32,258	-	6,698	169
Other liabilities								
Balance at September 30	-	-	-	-	10,944	11,553	8.640	14,898
Operating expenses	457,043	596,217	-	-	653,187	628,454	940,318	1,151,031

Notes to the Financial Statements

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

48. Related Party Transactions and Balances (Continued)

	The Company					
	Parent, subsidiaries and companies controlled by major shareholder		Directors and key management personnel (and their families)		Companies controlled by directors and related by virtue of common directorship	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Loans and advances						
Balance at September 30	52,056,057	50,405,077	-	-	-	-
Interest income earned	1,955,050	1,714,115	-	-	-	-
Investment securities						
Balance at September 30	7,126,192	7,126,192	-	-	-	-
Interest income earned	490,000	490,000	-	-	-	-
Deposits with related party						
Balance at September 30	2,978,915	244,116	-	-	-	-
Interest income earned	62,309	15,223	-	-	-	-
Other assets						
Balance at September 30	14,310,732	5,076,973	-	-	-	-
Fee and commission income	5,500,000	3,500,000	-	-	-	-
Dividend income	15,506,267	1,229,820	-	-	-	-
Borrowed funds						
Balance at September 30	33,066,513	30,378,873	564,035	632,039	80,823	3,387
Interest expense	2,085,769	1,842,999	32,258	21,901	6,698	169
Other liabilities						
Balance at September 30	6,120,199	4,561,771	-	-		-
Operating Expenses	468,910	850,197	72,305	5,796	34,077	12,549

48. Related Party Transactions and Balances (Continued)

	The Group		The Company	
	2023	Restated 2022	2023	Restated 2022
	$'000	$'000	$'000	$'000
Key management compensation:				
Salaries and other short-term benefits	17,922,217	9,124,401	9,904,067	5,174,862
Post-employment benefits	439,668	513,876	57,342	29,332
	18,361,886	9,638,277	9,961,409	5,204,194
Directors' emoluments:				
Fees	25,025	17,996	17,925	12,152
Management remuneration:				
Share benefits – cash settlement	2,011,180	2,579,622	2,168,586	2,551,088
Salaries and other benefits	4,730,227	2,466,539	2,700,137	2,328,425
Separation cost:				
Share benefits – allotment	4,826,360	-	4,826,360	-
Cash settlement	1,025,000	-	-	-
	12,592,767	5,046,161	9,605,083	4,879,513

49. Financial Risk Management

The Group takes an enterprise-wide approach to the identification, measurement, monitoring, reporting and management of all its risks. The principal financial risks faced by the organisation are identified as: credit, market, interest rate and liquidity risks.

The Group's risk management framework guides its risk-taking activity and ensures that it is in conformity with regulatory requirements, applicable laws, the Group's risk appetite, shareholder expectations and standards of best practice. The framework incorporates a comprehensive risk governance structure and appropriate policies and procedures.

Risk Governance Structure

The Group's risk governance structure seeks to manage risk/reward by ensuring that revenue-generation activities are compliant with the Group's standards and risk tolerance, while maximising long term shareholder value. The Group's comprehensive risk governance structure incorporates: (a) oversight effected through the Board, Board committees and relevant management committees, (b) administrative controls effected through the establishment of policies, and (c) organisational controls effected through segregation of duties. These controls are reviewed on an ongoing basis to ensure that they provide effective governance of the Group's risk-taking activities.

49. Financial Risk Management (Continued)

Risk limits and benchmarks are integral to the risk management process, as they characterise the Group's risk tolerance and conform to regulatory requirements. Limits are established for:

(i) Credit and Counterparty risk - exposures to individuals, groups, counterparty, country;
(ii) Market risk - rate gap exposure, currency exposure, market value exposure; and
(iii) Liquidity risk - liquidity gaps, funding exposures/liability diversification and liquid assets levels.

Limits and benchmarks are monitored on an ongoing basis and reported to the relevant governance committees.

Policies & Procedures
Rigorous policies and operational procedures are established throughout the organisation and are approved by the relevant management personnel and/or governance committees.

These policies and procedures incorporate requirements for compliance monitoring, maintenance of contingency plans and the provision of reports to management and the relevant governance committees and/ or the Board of Directors.

(a) Credit risk
This is defined as potential for loss to the organisation arising from failure of a borrower, guarantor or counterparty to honour their contractual obligations to the Group.

The Group incurs credit and counterparty risk primarily in its loan business, reverse repurchase arrangements, and certain investment activities. There is also credit risk in off-statement of financial position financial instruments, such as loan commitments. Credit risk management is facilitated by a cadre of loans officers and credit risk personnel, who together operate within a control framework which employs a hierarchical level of authorisations for transactions that expose the organisation to credit risk. Operating practices include the establishment of limits, ongoing monitoring of credit risk exposures, a disciplined approach to provisioning and loan loss evaluation in addition to ongoing reporting of portfolio exposures to the relevant governance committees and the regulators.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the statement of financial position.

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit-related commitment risks arise from guarantees which may require payment on behalf of customers. Such payments are collected from customers based on the terms of the letters of credit. They expose the Group to risks similar to loans and these are mitigated by the same control policies and processes.

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

The Group employs the following classifications in assessing its exposures to its borrowing customers. The classifications are in line with the Jamaican Central Bank regulations.

Standard
Special Mention
Sub-Standard
Doubtful
Loss

Exposure to credit risk is mitigated by the taking of financial or physical assets.

Collateral and other credit enhancements
The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

The main types of collateral obtained are as follows:

(i) Loans - mortgages over residential properties, charges over business assets such as
(ii) premises, inventory and accounts receivable and charges over financial instruments such as debt securities.

(ii) Securities lending and reverse repurchase transactions – cash or securities.

The Group may also obtain guarantees from parent companies for loans to their subsidiaries.

Collateral values are monitored with a view to requesting additional collateral where market values are compromised or the terms in the loan agreements dictate.

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below.

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

	The Group 2023			
	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
Credit-impaired assets	**$000**	**$000**	**$000**	**$000**
Loans and advances	26,416,157	(11,753,479)	14,662,678	150,707,583
Debt securities	6,334,375	(186,155)	6,148,220	294,789
Total credit-impaired assets	32,750,532	(11,939,634)	20,810,898	151,002,372

	The Group 2022			
	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
Credit-impaired assets	**$000**	**$000**	**$000**	**$000**
Loans and advances	25,930,464	(10,407,464)	15,523,000	170,479,657
Debt securities	5,885,137	(157,324)	5,727,813	-
Total credit-impaired assets	31,815,601	(10,564,788)	21,250,813	170,479,657

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment loss provision methodology
Provisions for impairment losses are assessed under three categories as described below:

Sub-standard, Doubtful or Loss rated loans
The Group identifies substandard, doubtful or loss rated loans as determined by Bank of Jamaica Regulations. The calculated provision is adjusted by the future cash flow from the realisation of the related collateral.

Individually Significant, Standard and Special Mention loans
Individually significant loans are reviewed to determine whether the loans show objective evidence of impairment and to determine the extent of provision required. Impairment may be determined through assessment of a number of factors, which include:

(i) Any significant financial difficulty being experienced by the borrower.
(ii) Breach of contract, such as default term, delinquency in principal and interest.
(iii) High probability of bankruptcy or other financial reorganisation by the borrower.

Collectively assessed provisions
All loans, excluding those that are impaired, are assessed on a portfolio basis where possible, in order to reflect the homogenous nature of the loans. The provision is determined by a quantitative review of the respective portfolios.

The tables below show the loans and the associated impairment provision for each internal rating class:

	The Group			
	2023		2022	
	Loans $'000	Impairment provision $'000	Loans $'000	Impairment provision $'000
Standard	583,998,499	3,797,037	536,461,105	2,746,041
Special Mention	15,065,884	199,623	19,456,146	430,260
Sub-Standard	3,773,847	199,422	12,522,327	138,478
Doubtful	9,252,061	3,550,759	9,695,448	3,223,224
Loss	13,808,761	7,881,290	13,127,044	7,175,683
	625,899,052	15,628,131	591,262,070	13,713,686

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

The credit quality of loans is summarised as follows:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Unimpaired	601,453,977	565,331,605	51,074,760	50,166,303
Impaired	24,445,075	25,930,465	-	-
Gross	625,899,052	591,262,070	51,074,760	50,166,303
Less: provision for credit losses	(15,628,131)	(13,713,686)	(3,150)	(10,007)
Net	610,270,921	577,548,384	51,071,610	50,156,296

The ageing analysis of past due but not impaired loans is as follows:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Less than 30 days	115,276,920	76,035,726	-	-
31 to 60 days	6,491,789	4,562,079	-	-
61 to 90 days	3,475,489	9,669,182	-	-
Greater than 90 days	47,832	76,471	-	-
	125,292,030	90,343,458	-	-

Of the aggregate amount of gross past due but not impaired loans $79,280,845,000 was secured as at September 30, 2023 (2022 – $72,135,940,000).

Restructured loans

Restructuring activities include extended payment arrangements, approved external management plans, and modification and deferral of payments. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Restructured loans (continued)

The determination of whether a loan would qualify for renegotiation is made only if all factors indicate that the borrower is able to repay in full (including interest). In making this assessment, the Group takes its historic experience with the borrowers, their expected future cash flows, collateral valuations and any guarantees into consideration. Therefore, at the time of modification, all renegotiated loans are interest bearing with interest being calculated using the terms of the modified loan.

All renegotiated loans are individually assessed for impairment as the active renegotiation of a loan as a result of borrower difficulty, is considered a trigger for determining whether the loan should be tested for impairment. In carrying out its assessment, the Group uses the same methodology as with any other loan in the portfolio that exhibits other objective evidence of impairment. These loans are, however, actively monitored for at least 12 months from the time of renegotiation to determine whether circumstances have changed that would result in the loan being impaired or whether there should be an increase in the current level of impairment.

Credit risk exposure

The table below represents a worst case scenario of credit risk exposure of the Group and the Company at the date of the statement of financial position, without taking account of any collateral held or other credit enhancements. For on-statement of financial position assets, the exposures set out below are based on net carrying amounts as reported in the statement of financial position.

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Credit risk exposures relating to on- statement of financial position assets:				
Balances with Central Banks	80,955,771	70,856,440	-	-
Due from banks	148,317,448	194,669,345	3,016,047	280,630
Derivative financial instruments	826,738	874,471	-	-
Reverse repurchase agreements	8,765,450	8,300,133	-	-
Loans and advances, net of credit impairment losses	613,788,134	580,987,814	-	-
Investment securities	1,102,641,823	959,486,735	7,126,192	7,126,192
Customers' liability – letters of credit and undertaking	5,179,547	6,451,165	-	-
Reinsurance assets	34,576,550	30,312,857	-	-
Other assets	51,232,462	50,806,443	11,334,196	7,994,832
	2,046,283,923	1,902,745,402	21,476,435	15,401,654
Credit risk exposures relating to off- statement of financial position items:				
Credit commitments	84,090,053	88,572,516	-	-
Acceptances, guarantees and indemnities	17,921,277	15,229,253	-	-
	102,011,330	103,801,769	-	-

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit exposures

(i) Loans

The majority of loans are made to customers in Jamaica and Bermuda. The following table summarises the credit exposure for loans at their carrying amounts, as categorised by the industry sectors:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Agriculture	6,145,978	7,559,371	-	-
Public Sector	34,634,517	34,349,897	-	-
Construction and land development	22,057,848	20,994,220	-	-
Other financial institutions	15,861,604	16,205,622	51,074,760	50,166,303
Distribution	62,613,610	59,015,491	-	-
Electricity, water and gas	9,449,522	11,151,648	-	-
Entertainment	550,456	873,525	-	-
Manufacturing	8,373,425	8,745,699	-	-
Mining and processing	70,185	133,787	-	-
Personal	309,517,377	288,730,151	-	-
Professional and other services	43,043,224	39,079,518	-	-
Tourism	71,458,157	59,739,897	-	-
Transportation storage and communication	2,608,082	5,374,078	-	-
Overseas residents	39,515,067	39,309,166	-	-
Total	625,899,052	591,262,070	51,074,760	50,166,303
Expected credit losses	(15,628,131)	(13,713,686)	(3,150)	(10,007)
	610,270,921	577,548,384	51,071,610	50,156,296
Interest receivable	3,517,213	3,439,430	981,297	238,774
Net	613,788,134	580,987,814	52,052,907	50,395,070

(ii) Debt securities

The following table summarises the credit exposure for debt securities at their carrying amounts, as categorised by issuer:

	The Group	
	2023 $'000	2022 $'000
Government of Jamaica and Bank of Jamaica	402,320,788	338,867,621
Other corporate bonds	176,236,697	166,754,791
Foreign governments	411,987,599	348,809,399
	990,545,084	854,431,811
Expected credit losses	(705,064)	(1,033,216)
Interest receivable	14,274,992	12,276,140
	1,004,115,012	865,674,735

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk

The following tables contain an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised at September 30, 2023.

	The Group				
	ECL staging				
	2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES	**$000**	**$000**	**$000**	**$000**	**$000**
Risk rating					
Low	407,961,943	-	-	-	407,961,943
Medium	436,596,005	6,721,483	1,630	642,620	443,961,738
High	3,704,112	2,084,958	227,601	-	6,016,671
Default	-	232,263	109,438	5,255,587	5,597,588
Gross carrying amount	848,262,060	9,038,704	338,669	5,898,207	863,537,940
Loss allowance on amortised cost	(382,005)	(263,174)	(59,885)	-	(705,064)
Carrying amount	847,880,055	8,775,530	278,784	5,898,207	863,832,876

	The Group				
	ECL staging				
	2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES	**$000**	**$000**	**$000**	**$000**	**$000**
Risk rating					
Low	338,926,848	49,130	-	-	338,975,978
Medium	395,410,237	6,074,991	35,651	601,376	402,122,255
High	2,608,795	2,248,811	217,091	-	5,074,697
Default	-	12,554	110,070	4,823,085	4,945,709
Gross carrying amount	736,945,880	8,385,486	362,812	5,424,461	751,118,639
Loss allowance on amortised cost	(670,512)	(304,154)	(58,546)	-	(1,033,212)
Carrying amount	736,275,368	8,081,332	304,266	5,424,461	750,085,427

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk(continued)

	The Group				
	ECL staging				
	2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND ADVANCES	$000	$000	$000	$000	$000
Risk rating					
Low	485,694,465	11,727,657	244,559	-	497,666,681
Medium	94,151,367	4,620,779	614,462	-	99,386,608
High	1,015,572	2,407,747	10,361,831	-	13,785,150
Default	-	-	15,060,613	-	15,060,613
Gross carrying amount	580,861,404	18,756,183	26,281,465	-	625,899,052
Loss allowance	(3,114,351)	(760,301)	(11,753,479)	-	(15,628,131)
Carrying amount	577,747,053	17,995,882	14,527,986	-	610,270,921

	The Group				
	ECL staging				
	2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND ADVANCES	$000	$000	$000	$000	$000
Risk rating					
Low	467,743,374	14,280,467	1,129	-	482,024,970
Medium	67,010,391	12,042,547	515,327	-	79,568,265
High	1,342,913	2,302,476	11,271,304	-	14,916,693
Default	-	-	14,752,142	-	14,752,142
Gross carrying amount	536,096,678	28,625,490	26,539,902	-	591,262,070
Loss allowance	(2,303,450)	(719,399)	(10,690,837)	-	(13,713,686)
Carrying amount	533,793,228	27,906,091	15,849,065	-	577,548,384

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk(continued)

	The Group				
	ECL staging				
	2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DUE FROM BANKS, REINSURANCE and OTHER ASSETS	**$000**	**$000**	**$000**	**$000**	**$000**
Risk rating					
Low	116,421,757	8,759,505	-	-	125,181,262
Medium	48,904,802	13,797,986	-	-	62,702,788
High	464,273	6,561,380	24,684	-	7,050,337
Default	-	-	1,218,099	-	1,218,099
Gross carrying amount	165,790,832	29,118,871	1,242,783	-	196,152,486
Loss allowance	(435,159)	(3,530,025)	(1,242,760)	-	(5,207,944)
Carrying amount	165,355,673	25,588,846	23	-	190,944,542

	The Group				
	ECL staging				
	2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DUE FROM BANKS, REINSURANCE and OTHER ASSETS	**$000**	**$000**	**$000**	**$000**	**$000**
Risk rating					
Low	196,728,551	7,349,924	-	-	204,078,475
Medium	50,769,384	14,282,509	-	-	65,051,893
High	527,228	12,030,946	24,723	-	12,582,897
Default	-	-	1,236,529	-	1,236,529
Gross carrying amount	248,025,163	33,663,379	1,261,252	-	282,949,794
Loss allowance	(511,620)	(3,009,227)	(1,240,909)	-	(4,761,756)
Carrying amount	247,513,543	30,654,152	20,343	-	278,188,038

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk(continued)

	The Company				
	ECL staging				
	2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES	$000	$000	$000	$000	$000
Risk rating					
Low	7,126,192	-	-	-	7,126,192
Gross carrying amount	7,126,192	-	-	-	7,126,192

	The Company				
	ECL staging				
	2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES	$000	$000	$000	$000	$000
Risk rating					
Low	7,126,192	-	-	-	7,126,192
Gross carrying amount	7,126,192	-	-	-	7,126,192

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk(continued)

	The Company				
	ECL staging				
	2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND ADVANCES	$000	$000	$000	$000	$000
Risk rating					
Low	51,074,760	-	-	-	51,074,760
Gross carrying amount	51,074,760	-	-	-	51,074,760
Loss allowance	(3,150)	-	-	-	(3,150)
Carrying amount	51,071,610	-	-	-	51,071,610

	The Company				
	ECL staging				
	2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND ADVANCES	$000	$000	$000	$000	$000
Risk rating					
Low	50,166,303	-	-	-	50,166,303
Gross carrying amount	50,166,303	-	-	-	50,166,303
Loss allowance	(10,007)	-	-	-	(10,007)
Carrying amount	50,156,296	-	-	-	50,156,296

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk(continued)

	The Company				
	ECL staging				
	2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DUE FROM BANKS, REINSURANCE and OTHER ASSETS	$000	$000	$000	$000	$000
Risk rating					
Low	19,148,123	-	-	-	19,148,123
Gross carrying amount	19,148,123	-	-	-	19,148,123
Loss allowance	-	-	-	-	-
Carrying amount	19,148,123	-	-	-	19,148,123

	The Company				
	ECL staging				
	2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DUE FROM BANKS, REINSURANCE and OTHER ASSETS	$000	$000	$000	$000	$000
Risk rating					
Low	6,943,927	-	-	-	6,943,927
Gross carrying amount	6,943,927	-	-	-	6,943,927
Loss allowance	-	-	-	-	-
Carrying amount	6,943,927	-	-	-	6,943,927

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

The following tables contain an analysis of the expected credit losses. For debt securities, the amounts disclosed include instruments at amortised cost (ECL disclosed in maximum exposure to credit risk) and FVOCI:

	The Group				
	ECL staging				
	2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES	$000	$000	$000	$000	$000
Risk rating					
Low	148,951	-	-	-	148,951
Medium	498,646	244,332	23	-	743,001
High	266,349	162,117	9,552	-	438,018
Default	-	23,651	50,310	-	73,961
Loss allowance	913,946	430,100	59,885	-	1,403,931

	The Group				
	ECL staging				
	2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES	$000	$000	$000	$000	$000
Risk rating					
Low	225,226	-	-	-	225,226
Medium	2,038,308	377,755	316	-	2,416,379
High	200,663	292,242	9,822	-	502,727
Default	-	12,554	48,408	-	60,962
Loss allowance	2,464,197	682,551	58,546	-	3,205,294

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

	The Group				
	ECL staging				
	2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND ADVANCES	$000	$000	$000	$000	$000
Risk rating					
Low	2,566,542	298,215	42,953	-	2,907,710
Medium	522,554	324,646	8,909	-	856,109
High	25,254	137,441	3,663,763	-	3,826,458
Default	-	-	8,037,854	-	8,037,854
Loss allowance	3,114,350	760,302	11,753,479	-	15,628,131

	The Group				
	ECL staging				
	2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND ADVANCES	$000	$000	$000	$000	$000
Risk rating					
Low	1,736,266	255,392	3,603	-	1,995,261
Medium	544,969	329,684	15,106	-	889,759
High	22,215	134,323	3,529,123	-	3,685,661
Default	-	-	7,143,005	-	7,143,005
Loss allowance	2,303,450	719,399	10,690,837	-	13,713,686

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

	The Group				
	ECL staging				
	2023				
	Stage 1	Stage 2	Stage 3	Purchased credit-	
	12-month ECL	Lifetime ECL	Lifetime ECL	impaired	Total
DUE FROM BANKS, REINSURANCE and OTHER ASSETS	**$000**	**$000**	**$000**	**$000**	**$000**
Risk rating					
Low	120,209	121,172	-	-	241,381
Medium	293,618	2,320,813	-	-	2,614,431
High	21,332	1,088,040	24,684	-	1,134,056
Default	-	-	1,218,076	-	1,218,076
Loss allowance	435,159	3,530,025	1,242,760	-	5,207,944

	The Group				
	ECL staging				
	2022				
	Stage 1	Stage 2	Stage 3	Purchased credit-	
	12-month ECL	Lifetime ECL	Lifetime ECL	impaired	Total
DUE FROM BANKS, REINSURANCE and OTHER ASSETS	**$000**	**$000**	**$000**	**$000**	**$000**
Risk rating					
Low	127,967	39,061	-	-	167,028
Medium	353,691	2,094,237	-	-	2,447,928
High	29,962	875,929	24,723	-	930,614
Default	-	-	1,216,186	-	1,216,186
Loss allowance	511,620	3,009,227	1,240,909	-	4,761,756

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

	The Company				
	ECL staging				
	2023				
	Stage 1	Stage 2	Stage 3	Purchased	
	12-month ECL	Lifetime ECL	Lifetime ECL	credit-impaired	Total
DEBT SECURITIES	$000	$000	$000	$000	$000
Risk rating					
Low	1,266	-	-	-	1,266
Loss allowance	1,266	-	-	-	1,266

	The Company				
	ECL staging				
	2022				
	Stage 1	Stage 2	Stage 3	Purchased	
	12-month ECL	Lifetime ECL	Lifetime ECL	credit-impaired	Total
DEBT SECURITIES	$000	$000	$000	$000	$000
Risk rating					
Low	1,568	-	-	-	1,568
Loss allowance	1,568	-	-	-	1,568

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

	ECL staging				
	2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND ADVANCES	**$000**	**$000**	**$000**	**$000**	**$000**
Risk rating					
Low	3,150	-	-	-	3,150
Loss allowance	3,150	-	-	-	3,150

	ECL staging				
	2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND ADVANCES	**$000**	**$000**	**$000**	**$000**	**$000**
Risk rating					
Low	10,007	-	-	-	10,007
Loss allowance	10,007	-	-	-	10,007

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowance

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

	The Group				
	ECL staging				
	2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES	**$000**	**$000**	**$000**	**$000**	**$000**
Loss allowance as at October 1, 2022	2,464,197	682,551	58,546	-	3,205,294
Transfers:					
Transfer from Stage 1 to Stage 2	(91,264)	91,264	-	-	-
Transfer from Stage 1 to Stage 3	(37,635)	-	37,635	-	-
Transfer from Stage 2 to Stage 1	67,922	(67,922)	-	-	-
New financial assets originated or purchased	271,731	4,771	-	-	276,502
Financial assets derecognised during the period	(99,758)	(20,253)	-	-	(120,011)
Changes to principal	(49,129)	-	-	-	(49,129)
Changes to input to ECL model	(1,402,347)	(216,990)	(964)	-	(1,620,301)
Foreign exchange movement	(209,771)	(43,321)	(35,332)	-	(288,424)
Loss allowance as at September 30, 2023	913,946	430,100	59,885	-	1,403,931

	The Group				
	ECL staging				
	2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES	**$000**	**$000**	**$000**	**$000**	**$000**
Loss allowance as at October 1, 2021	2,517,449	942,930	12,061	-	3,472,440
Transfers:					
Transfer from Stage 1 to Stage 2	(59,900)	59,900	-	-	-
Transfer from Stage 2 to Stage 3	(154,820)	139,173	15,647	-	-
Transfer from Stage 2 to Stage 1	32,423	(32,423)	-	-	-
New financial assets originated or purchased	480,911	723	-	-	481,634
Financial assets derecognised during the period	(351,433)	(610)	-	-	(352,043)
Changes to principal	(105,277)	-	-	-	(105,277)
Changes to input to ECL model	80,116	(426,957)	30,838	-	(316,003)
Foreign exchange movement	24,728	(185)	-	-	24,543
Loss allowance as at September 30, 2022	2,464,197	682,551	58,546	-	3,205,294

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowance (continued)

	The Group ECL staging 2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND ADVANCES	**$000**	**$000**	**$000**	**$000**	**$000**
Loss allowance as at October 1, 2022	2,303,450	719,399	10,690,837	-	13,713,686
Transfers:					
Transfer from Stage 1 to Stage 2	(41,938)	41,938	-	-	-
Transfer from Stage 1 to Stage 3	(36,186)	-	36,186	-	-
Transfer from Stage 2 to Stage 3	-	(32,684)	32,684	-	-
Transfer from Stage 2 to Stage 1	120,194	(120,194)	-	-	-
Transfer from Stage 3 to Stage 1	4,898	-	(4,898)	-	-
Transfer from Stage 3 to Stage 2	-	1,182	(1,182)	-	-
New financial assets originated or purchased	796,821	45,298	4,726,384	-	5,568,503
Financial assets derecognised during the period	(215,453)	(60,930)	(227,657)	-	(504,040)
Write offs	(13,525)	-	(5,009,821)	-	(5,023,346)
Changes to principal	80,331	50,378	278,390	-	409,099
Changes to input to ECL model	99,032	106,765	1,173,569	-	1,379,366
Changes to interest accrual					
Foreign exchange movement	16,726	9,150	58,987	-	84,863
Loss allowance as at September 30, 2023	3,114,350	760,302	11,753,479	-	15,628,131

	The Group ECL staging 2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND ADVANCES	**$000**	**$000**	**$000**	**$000**	**$000**
Loss allowance as at October 1, 2021	1,186,840	2,830,379	11,476,616	-	15,493,835
Transfers:					
Transfer from Stage 1 to Stage 2	(68,632)	68,632	-	-	-
Transfer from Stage 1 to Stage 3	(475,772)	-	475,772	-	-
Transfer from Stage 2 to Stage 3	-	(652,233)	652,233	-	-
Transfer from Stage 2 to Stage 1	1,149,103	(1,149,103)	-	-	-
Transfer from Stage 3 to Stage 1	132,541	-	(132,541)	-	-
Transfer from Stage 3 to Stage 2	-	765,508	(765,508)	-	-
New financial assets originated or purchased	560,510	23,881	2,804,430	-	3,388,821
Financial assets derecognised during the period	(55,988)	(210,409)	(866,425)	-	(1,132,822)
Write offs	-	-	(4,182,195)	-	(4,182,195)
Changes to principal	(364,798)	23,157	507,135	-	165,494
Changes to input to ECL model	367,668	(278,707)	(983)	-	87,978
Changes to interest accrual	(137,273)	(712,666)	528,114		(321,825)
Foreign exchange movement	9,251	10,960	194,189	-	214,400
Loss allowance as at September 30, 2022	2,303,450	719,399	10,690,837	-	**13,713,686**

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowance (continued)

	The Group				
	ECL staging				
	2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DUE FROM BANKS, REINSURANCE ASSET and OTHER ASSETS	**$000**	**$000**	**$000**	**$000**	**$000**
Loss allowance as at October 1, 2022	511,620	3,009,227	1,240,909		4,761,756
Stage 2 to 3					
New financial assets originated or purchased	117,544	53,226	-	-	170,770
Financial assets derecognised during the period	40,971	24,340	97,635	-	162,946
Write offs	(2,916)	(867,167)	(144,846)	-	(1,014,929)
Changes to principal	(40,161)	321	-	-	(39,840)
Changes to inputs to ECL model	(200,230)	1,246,503	(75,339)	-	970,934
Foreign exchange changes	8,331	63,575	124,401		196,307
Loss allowance as at September 30, 2023	435,159	3,530,025	1,242,760	-	5,207,944

	The Group				
	ECL staging				
	2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DUE FROM BANKS, REINSURANCE ASSET and OTHER ASSETS	**$000**	**$000**	**$000**	**$000**	**$000**
Loss allowance as at October 1, 2021	428,082	4,931,958	454,469	-	5,814,509
Stage 2 to 3	-	(568,366)	568,366	-	-
New financial assets originated or purchased	82,497	4,425	-	-	86,922
Financial assets derecognised during the period	(3,336)	(30,029)	(21,201)	-	(54,566)
Write offs	-	(394,964)	331,790	-	(63,174)
Changes to principal	-	(316)	(89,501)		(89,817)
Changes to input to ECL model	17,724	(1,059,717)	146,918	-	(895,075)
Foreign exchange changes	(13,347)	126,236	(149,932)	-	(37,043)
Loss allowance as at September 30, 2022	511,620	3,009,227	1,240,909	-	4,761,756

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowance (continued)

	The Company ECL staging 2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES	**$000**	**$000**	**$000**	**$000**	**$000**
Loss allowance as at October 1, 2022	1,568	-	-	-	1,568
Transfers:					
Changes to input to the ECL model	330	-	-	-	330
Loss allowance as at September 30, 2023	1,898	-	-	-	1.898

	The Company ECL staging 2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES	**$000**	**$000**	**$000**	**$000**	**$000**
Loss allowance as at October 1, 2021	2,106	-	-	-	2,106
Transfers:					
Changes to input to the ECL model	(538)	-	-	-	(538)
Loss allowance as at September 30, 2022	1,568	-	-	-	1,568

	The Company ECL staging 2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND ADVANCES	**$000**	**$000**	**$000**	**$000**	**$000**
Loss allowance as at October 1, 2022	10,007	-	-	-	10,007
Transfers:					
Changes to input to the ECL model	(6,857)	-	-	-	(6,857)
Loss allowance as at September 30, 2023	3,150	-	-	-	3,150

	The Company ECL staging 2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND ADVANCES	**$000**	**$000**	**$000**	**$000**	**$000**
Loss allowance as at October 1, 2021					
Transfers:					
Changes to input to the ECL model	10,007	-	-	-	10,007
Loss allowance as at September 30, 2022	10,007	-	-	-	10,007

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

The most significant period-end assumptions used for the ECL estimate are set out in the tables below

At October 1, 2022 and September 30, 2023

Economic variable assumptions for exposure – securities

Macroeconomic variables used in the Group's ECL models for securities include, but are not limited to, Global Gross Domestic Product growth, Global Consumer Price Index and interest rates. The impact of these economic variables has been determined by performing statistical analysis to understand that a correlation exists between certain variables. The PDs and LGDs are impacted by long-term changes in the various data sets gathered from external rating agencies (Standard & Poor, Moody's) and the International Monetary Fund. Macroeconomic variable assumptions in the expected credit loss models include Global Gross Domestic Product growth of 2.8 (2022: - 3.59) and Global Consumer Price Index 7 (2022: 7.4).

Economic variable assumptions for exposure – loans and advances

For lending operations in Jamaica and Trinidad and Tobago, management has examined the information within the market and selected economic metrics that have a significant correlation to credit losses.

Expected state for the next 12 months		**Jamaica**	**Trinidad**
GDP growth	Base	Stable	Stable
	Upside	Stable	Positive
	Downside	Stable	Negative
Inflation	Base	Stable	Stable
	Upside	Stable	Positive
	Downside	Stable	Negative

In the Bermuda subsidiaries macroeconomic variables include, but are not limited to, unemployment rates, collateral normalisation rates and interest rates. The impact of these economic variables has been determined by performing statistical analyses to confirm that a correlation exists between certain variables, mainly default rates. The PD is impacted by changes in unemployment rate data gathered from an external rating agency. Collateral normalisation rate changes impact the LGD and interest rates estimations will impact future year balances in the calculation of ECL. The impact of any reasonably possible fluctuations in these variables is considered by management to be immaterial.

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Sensitivity analysis
Set out below are the changes in ECL as at 30 September 2023 that would result from a reasonably possible change in the PDs and LGDs used by the Group:

PD Sensitivity

	The Group		
	2023		
			Impact on ECL
Financial Assets	**Actual PD ranges applied**	**% Change in PD**	**Impact**
			$'000
Debt securities	0.001% – 0.019%	+/- 30%	436,181
Loans and advances	0% - 10.2526%	+/- 30%	708,276
Repurchase agreements	0.001% - 0.0159%	+/- 30%	9,796
Cash and cash equivalents	0.0% - 0.01%	+/- 30%	89,982
Commitments, guarantees & LCs	0.003% – 2.522%	+/- 30%	10,312
Total			1,254,547

	The Group		
	2022		
			Impact on ECL
Financial Assets	**Actual PD ranges applied**	**% Change in PD**	**Impact**
			$'000
Debt securities	0.003% – 2.522%	+/- 30%	757,360
Loans and advances	0% - 0.13%	+/- 30%	599,635
Repurchase agreements	0.003% - 0.01%	+/- 30%	11,028
Cash and cash equivalents	0.0% - 0.01%	+/- 30%	84,441
Commitments, guarantees & LCs			5,845
Total			1,458,309

49. Financial Risk Management (Continued)

(b) Liquidity risk

The Group's liquidity risk policy is designed to ensure that it can meet cash obligations when they fall due and take advantage of unanticipated earnings enhancement opportunities.

Liquidity management within the Group, which incorporates funding risk management, ensures that there is a sufficient level of liquid assets available in addition to stable funding lines to meet on-going cash commitments even during periods of stress. The management of liquidity risk is executed within a framework which comprises:

(i) Oversight by relevant governance committees;

(ii) Daily management of liquidity by the relevant treasury/investment units within each Group company;

(iii) Use of tools to measure the Group's exposures;

(iv) Establishment and monitoring of limits/benchmarks for maturity mismatches and funding concentrations;

(v) Diversification of funding sources;

(vi) Maintenance of committed lines of credits; and

(vii) Monitoring of adherence to regulatory ratios.

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 of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group's liquidity exposure. It is unusual for companies to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of loss.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

49. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Cash flows of financial liabilities

The tables below present the contractual maturities of undiscounted cash flows (both interest and principal cash flows) of the financial assets (expected) and liabilities (contractual and expected) based on the remaining period.

	The Group					
	Within 1 Month $'000	**2 to 3 Months $'000**	**4 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Total $'000**
As at September 30, 2023:						
Due to Banks	13,053,385	7,905,571	15,730,370	13,593,242	-	50,282,568
Customer deposits	648,157,677	54,365,493	47,926,340	23,262,550	532,289	776,208,612
Repurchase agreements	89,483,572	97,018,428	134,246,673	38,597,057	21,490,323	380,836,053
Obligations under securitisation arrangements	1,749,749	507,846	10,382,998	63,158,037	49,597,667	125,396,297
Other borrowed funds	65,839,509	6,248,586	59,357,848	173,575,151	36,087,662	341,108,756
Derivative financial instruments	9,192	-	-	-	-	9,192
Third party interests in mutual funds	38,910,757	-	-	-	-	38,910,757
Lease liabilities	130,046	372,874	1,091,057	3,748,667	1,091,325	6,433,968
Liabilities under annuity , insurance and investment contracts	956,889	8,204,302	32,623,729	155,662,407	886,894,516	1,084,341,843
Segregated fund liabilities	11,343	50,058	360,323	11,275,910	69,346,028	81,043,662
Other	61,395,932	-	-	-	-	61,395,932
Total financial liabilities (contractual maturity dates)	919,716,051	174,673,158	301,719,338	482,873,021	1,065,040,362	2,944,021,930
Total financial liabilities (expected maturity dates)	464,458,757	180,557,301	391,525,804	663,687,193	1,542,784,518	3,243,013,572
Total financial assets (expected maturity dates)	322,345,601	91,619,369	251,568,387	783,183,508	1,409,306,659	2,858,023,524

49. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Cash flows of financial liabilities (continued)

	The Group					
	Within 1 Month $'000	2 to 3 Months $'000	4 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
As at September 30, 2022:						
Due to Banks	11,014,374	4,760,796	15,133,394	7,956,070	-	38,864,634
Customer deposits	623,464,337	35,695,873	57,549,829	18,346,201	-	735,056,240
Repurchase agreements	64,266,413	73,620,548	70,659,437	42,244,702	21,691,969	272,483,069
Obligations under securitisation arrangements	1,307,719	498,813	6,652,319	59,428,581	63,737,317	131,624,749
Other borrowed funds	1,359,938	3,017,313	32,987,695	117,413,795	10,501,496	165,280,237
Third party interests in mutual funds	33,587,741	-	-	-	-	33,587,741
Lease liabilities	30,839	105,443	1,703,529	2,805,122	909,541	5,554,474
Liabilities under annuity , insurance and investment contracts	2,619,182	3,240,494	45,443,504	132,956,852	839,044,665	1,023,304,697
Segregated fund liabilities	5,193	20,004	112,553	1,301,169	12,997,831	14,436,750
Other	63,903,306	-	-	-	-	63,903,306
Total financial liabilities (contractual maturity dates)	801,559,042	120,959,284	230,242,260	382,452,492	948,882,819	2,484,095,897
Total financial liabilities (expected maturity dates)	337,480,498	112,979,073	249,877,736	539,621,421	1,270,786,093	2,510,744,821
Total financial assets (expected maturity dates)	275,258,559	81,275,744	201,507,911	637,696,797	1,383,827,732	2,579,566,743

49. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Cash flows of financial liabilities (continued)

	The Company					
	Within 1 Month $'000	2 to 3 Months $'000	4 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
As at September 30, 2023:						
Due to banks	-	7,825,665	497,371	13,575,837	-	21,898,873
Other borrowed funds	317,118	3,795,693	39,386,331	61,155,064	-	104,654,206
Lease Liabilities	-	-	63,637	-	-	63,637
Other	6,912,156	-	-	-	-	6,912,156
Total financial liabilities (contractual maturity dates)	7,229,274	11,621,358	39,947,339	74,730,901	-	133,528,872
Total financial liabilities (expected maturity dates)	7,229,274	11,621,358	39,947,339	74,730,901	-	133,528,872
Total financial assets (expected maturity dates)	54,094,909	245,671	14,419,585	1,965,370	7,975,973	78,701,508

	The Company					
	Within 1 Month $'000	2 to 3 Months $'000	4 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
As at September 30, 2022:						
Due to banks	275,753	7,119,759	11,743,988	-	-	19,139,500
Other borrowed funds	16,684	469,985	15,458,819	78,141,206	-	94,086,694
Derivative financial instruments	-	-	402,695	-	-	402,695
Lease Liabilities	10,390	20,781	93,514	-	-	124,685
Other	5,398,303	-	-	-	-	5,398,303
Total financial liabilities (contractual maturity dates)	5,701,130	7,610,525	27,699,016	78,141,206	-	119,151,877
Total financial liabilities (expected maturity dates)	2,817,042	(7,364,854)	(12,801,161)	(38,959,562)	8,465,972	(47,842,563)
Total financial assets (expected maturity dates)	8,518,172	245,671	14,897,855	39,181,644	8,465,972	71,309,314

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, central bank balances, items in the course of collection, investment securities and other eligible bills, loans and advances to banks, and loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt securities and treasury and other bills have been pledged to secure liabilities. The Group is also able to meet unexpected net cash outflows by selling securities and accessing additional funding sources from other financial institutions.

49. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Cash flows of financial liabilities (continued)

Off-statement of financial position items

The tables below show the contractual expiry by maturity of commitments.

	The Group			
	No later than 1 year $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
At September 30, 2023				
Credit commitments	81,416,693	2,262,400	410,920	84,090,013
Guarantees, acceptances and other financial facilities	14,435,362	636,578	2,849,337	17,921,277
Capital commitments	9,792,235	112,951	-	9,905,186
	105,644,290	3,011,929	3,260,257	111,916,476
At September 30, 2022				
Credit commitments	85,012,264	2,618,797	941,454	88,572,515
Guarantees, acceptances and other financial facilities	11,433,298	970,349	2,825,606	15,229,253
Capital commitments	6,747,384	36,080	-	6,783,464
	103,192,946	3,625,226	3,767,060	110,585,232

Capital commitments are in relation to approved expenditures for property, plant, equipment and computer software that were unused as at the end of the respective financial years either because they relate to work in progress or are awaiting the start of the project. Of the total capital commitments, planned expenditure valuing $ 3,455,195,000 (2022 – $3,710,747,000) for the Group has already been contracted.

49. Financial Risk Management (Continued)

(c) Market risk

The Group takes on exposure to market risk, which is defined as the potential for loss arising from changes in the market value of the organisation's financial instruments due to changes in certain market variables, such as interest rates, foreign exchange rates, equity prices, market liquidity and credit spreads.

The Group incurs market risk primarily in treasury, trading and banking activities. The Group takes a comprehensive governance approach in accordance with the enterprise-wide risk management framework. This includes:

- Oversight provided by the relevant governance committees.
- An independent market risk oversight function.
- The utilisation of tools and models to measure market risk exposure.
- Limit setting mechanisms and a monitoring process.
- The utilisation of scenario analysis and of stress testing for worst case events.

(i) Currency risk

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

Foreign exchange risk occurs when the Group takes an open position in a currency. To control this exchange risk, the Group has approved limits for net open positions in each currency for both intra-day and overnight.

The Group also has transactional currency exposure. Such exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to be settled. The Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign assets to address short term imbalances.

49. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk – on- and off-statement of financial position financial instruments

The tables below summarise the Group's and the Company's exposure to foreign currency exchange rate risk as at the date of the statement of financial position

	J$	US$	BMD
September 30, 2023	**$'000**	**$'000**	**$'000**
Assets			
Cash in hand and balances at Central Banks	42,243,030	28,335,573	5,427,552
Due from banks	7,486,814	51,490,816	2,367,547
Reverse repurchase agreements	5,311,593	3,441,251	-
Loans and advances net of provision for credit losses	344,780,427	147,635,669	82,889,664
Investment securities	268,672,414	502,844,570	-
Derivative financial instruments	144,577		-
Reinsurance assets	1,870,524	15,227,222	-
Other	16,506,346	24,896,802	813,791
Total financial assets	687,015,725	773,871,903	91,498,554
Liabilities			
Due to banks	7,926,717	23,440,980	-
Customer deposits	334,010,898	271,644,817	101,394,078
Repurchase agreements	94,771,102	162,408,301	-
Obligations under securitisation arrangements	-	99,157,288	-
Other borrowed funds	25,408,628	94,777,990	-
Liabilities under annuity , insurance and investment contracts	64,378,975	36,694,973	-
Lease liabilities	1,701,182	577,813	1,127,978
Derivative financial instruments	9,192	-	-
Segregated fund liabilities	14,848,093	-	-
Third party interest in mutual funds	-	14,022,993	-
Other	13,208,151	16,969,043	1,116,680
Total financial liabilities	556,262,938	719,694,198	103,638,736
Net on-statement of financial position	130,752,787	54,177,705	(12,140,182)
Guarantees, acceptances and other financial facilities	6,614,742	6,396,282	-
Credit commitments	56,751,438	24,877,740	2,460,875

		The Group				
GBP	EURO	TT	CAD	NAF	Other	Total
$'000	$'000	$'000	$'000	$'000	$'000	$'000
1,891,762	34,248	1,093	1,932,235	-	1,090,278	80,955,771
8,812,356	7,430,143	10,690,818	6,350,025	39,090,137	14,598,792	148,317,448
-	-	-	12,606	-	-	8,765,450
-	1,660,741	3,538,337	8,681,756	24,601,540	-	613,788,134
4,647,453	4,559,397	214,926,963	32,248,089	47,512,764	27,230,173	1,102,641,823
-	-	682,161	-	-	-	826,738
2,214,498	6,121,447	1,221,681	-	2,411,077	5,510,101	34,576,550
13,053	981,221	5,245,013	653,103	2,719,299	4,351,717	56,180,345
17,579,122	20,787,197	236,306,066	49,877,814	116,334,817	52,781,061	2,046,052,259
341,025	94,039	2,249	5,631	-	97,695	31,908,336
14,222,130	2,503,936	-	23,147,288	-	948,973	747,872,120
-	-	1,719,950	14,363,794	-	6,490,940	279,754,087
-	-	-	-	-	-	99,157,288
-	-	58,098,982	-	-	2,275,578	180,561,178
2,210,135	10,514,828	221,756,987	-	150,747,647	20,308,320	506,611,865
-	620,508	603,492	23,848	347,524	-	5,002,345
-	-	-	-	-	-	9,192
-	-	-	-	-	-	14,848,093
-	-	24,887,764	-	-	-	38,910,757
993,853	3,602,614	7,113,821	696,190	8,681,985	9,013,596	61,395,933
17,767,143	17,335,925	314,183,245	38,236,751	159,777,156	39,135,102	1,966,031,194
(188,021)	3,451,272	(77,877,179)	11,641,063	(43,442,339)	13,645,959	80,021,065
-	70,120	-	-	4,556,435	283,697	17,923,976
-	-	-	-	-	-	84,090,053

49. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk – on- and off-statement of financial position financial instruments (continued)

	J$	US$	BMD
September 30, 2022 - Restated	**$'000**	**$'000**	**$'000**
Assets			
Cash in hand and balances at Central Banks	31,954,722	29,454,522	4,170,796
Due from banks	2,749,357	77,167,966	1,104,723
Reverse repurchase agreements	1,915,203	5,594,664	-
Loans and advances net of provision for credit losses	319,861,121	147,891,651	84,854,021
Investment securities	236,124,310	456,534,447	-
Derivative financial instruments	284,204	590,267	-
Reinsurance assets	1,415,511	12,873,966	-
Other	8,900,380	12,842,755	6,660,929
Total financial assets	603,204,808	742,950,238	96,790,469
Liabilities			
Due to banks	2,961,936	34,349,456	-
Customer deposits	305,044,929	268,052,043	101,094,678
Repurchase agreements	68,195,194	161,418,543	-
Obligations under securitisation arrangements	-	100,267,723	-
Other borrowed funds	51,341,106	46,025,119	-
Liabilities under annuity , insurance and investment contracts	65,294,798	33,158,924	-
Lease liabilities	2,037,146	700,027	1,127,390
Derivative financial instruments			
Segregated fund liabilities	14,436,764	-	-
Third party interest in mutual funds	-	7,841,818	-
Other	15,551,991	13,307,928	973,039
Total financial liabilities	524,863,864	665,121,581	103,195,107
Net on-statement of financial position	78,340,944	77,828,657	(6,404,638)
Guarantees, acceptances and other financial facilities	8,820,644	3,418,436	-
Credit commitments	59,231,856	24,944,876	4,395,784

The Group						
GBP	EURO	TT	CAD	NAF	Other	Total
$'000	$'000	$'000	$'000	$'000	$'000	$'000
1,685,059	14,137	1,479,666	426,536	-	1,671,002	70,856,440
6,700,274	9,250,688	43,652,474	2,404,738	41,503,193	10,135,932	194,669,345
-	-	790,266	-	-	-	8,300,133
-	1,580,712	10,113,036	-	16,687,273	-	580,987,814
4,254,983	2,934,661	198,701,777	3,433,743	40,399,133	17,103,681	959,486,735
-	-	-	-	-	-	874,471
2,508,548	5,181,083	1,191,416	-	2,388,229	4,754,104	30,312,857
5,217	4,831,076	3,037,582	98	9,574,678	4,953,728	50,806,443
15,154,081	23,792,357	258,966,217	6,265,115	110,552,506	38,618,447	1,896,294,238
100,985	11,948	2,189	63,496	-	11,982	37,501,992
12,394,113	4,195,490	21,557,003	2,787,974	-	150,452	715,276,682
-	-	14,006,897	-	-	4,056,219	247,676,853
-	-	-	-	-	-	100,267,723
-	-	56,655,724	-	-	-	154,021,949
2,758,559	9,822,521	211,644,097	-	147,268,473	17,692,441	487,639,813
-	-	1,307,815	-	-	781	5,173,159
-	-	-	-	-	-	14,436,764
-	-	25,745,923	-	-	-	33,587,741
664,693	6,830,501	8,731,437	275,188	7,793,447	9,775,082	63,903,306
15,918,350	20,860,460	339,651,085	3,126,658	155,061,920	31,686,957	1,859,485,982
(764,269)	2,931,897	(80,684,868)	3,138,457	(44,509,414)	6,931,490	36,808,256
-	2,990,173	-	-	-	-	15,229,253
-	-	-	-	-	-	88,572,516

49. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk–on- and off-balance sheet financial instruments (continued)

	The Company			
	J$	**US$**	**TT$**	**Total**
September 30, 2023	**$'000**	**$'000**	**$'000**	**$'000**
Assets				
Due from banks	592,786	2,423,261	-	3,016,047
Loan to related party	-	52,052,907	-	52,052,907
Investment securities	7,126,192	-	-	7,126,192
Other	7,211,179	8,749,075	-	15,960,254
Total financial assets	14,930,157	63,225,243	-	78,155,400
Liabilities				
Due to banks	7,235,068	11,999,865	-	19,234,933
Other borrowed funds	46,170,987	47,731,780	-	93,902,767
Derivative financial instruments	-	-	-	
Lease liabilities	63,637	-	-	63,637
Other	824,102	6,088,054	-	6,912,156
Total financial liabilities	54,293,794	65,819,699	-	120,113,493
Net on-statement of financial position	(39,363,637)	(2,594,456)	-	(41,958,093)

	The Company			
	J$	**US$**	**TT$**	**Total**
September 30, 2022	**$'000**	**$'000**	**$'000**	**$'000**
Assets				
Due from banks	155,112	125,518	-	280,630
Loan to related party	-	50,395,070	-	50,395,070
Investment securities	7,126,192	-	-	7,126,192
Other	1,577,428	5,085,769	-	6,663,197
Total financial assets	8,858,732	55,606,357	-	64,465,089
Liabilities				
Due to banks	6,966,513	11,673,243	-	18,639,756
Other borrowed funds	38,778,390	42,584,880	-	81,363,270
Derivative financial instruments	402,695	-	-	402,695
Lease liabilities	121,489	-	-	121,489
Other	1,891,880	3,506,424	-	5,398,304
Total financial liabilities	48,160,967	57,764,547	-	105,925,514
Net on-statement of financial position	(39,302,235)	(2,158,190)	-	(41,460,425)

49. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk – on- and off-statement of financial position financial instruments (continued)

Foreign currency sensitivity

The following table indicates the currencies to which the Group and the Company have significant exposures on its monetary assets and liabilities and its forecast cash flows. The change in currency rates below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents the outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for changes in foreign currency rates. The sensitivity analysis includes loans and advances to customers, investment securities and deposits. 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 each variable, variables had to be considered on an individual basis. It should be noted that movements in these variables are non-linear. There was no effect on other comprehensive income.

	2023			2022		
	% Change in Currency Rate	Effect on Profit before Taxation		% Change in Currency Rate	Effect on Profit before Taxation	
		The Group	The Company		The Group	The Company
		$'000	$'000		$'000	$'000
Currency:						
USD	Appreciation 2%	(1,257,790)	51,889	Appreciation 2%	(1,556,573)	43,164
	Depreciation 8%	5,031,160	(207,556)	Depreciation 8%	6,226,293	(172,655)
GBP	Appreciation 2%	21,607	-	Appreciation 2%	15,285	-
	Depreciation 8%	(86430)	-	Depreciation 8%	(61,142)	-
TTD	Appreciation 2%	1,566,903	-	Appreciation 2%	1,527,935	-
	Depreciation 8%	(6,267,613)	-	Depreciation 8%	(6,111,740)	-
EUR	Appreciation 2%	(66,438)	-	Appreciation 2%	(58,638)	-
	Depreciation 8%	265,754	-	Depreciation 8%	234,552	-
CAN	Appreciation 2%	(140,137)	-	Appreciation 2%	(62,769)	-
	Depreciation 8%	560,549	-	Depreciation 8%	251,077	-
NAF	Appreciation 2%	868,848	-	Appreciation 2%	890,188	-
	Depreciation 8%	(3,475,391)	-	Depreciation 8%	(3,560,753)	-
BMD	Appreciation 2%	244,804	-	Appreciation 2%	128,093	-
	Depreciation 8%	(971,215)	-	Depreciation 8%	(512,371)	-

49. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk

Interest rate risk arises when the Group's principal and interest cash flows from on- and off-statement of financial position items have mismatched repricing dates. The short term impact is experienced on the Group's net interest income and long term impact is felt on its equity.

The Group incurs interest rate mismatches from its interest bearing assets and liabilities with the size of such exposure being heavily dependent on the direction and degree of interest rate movements in addition to the size and maturity structure of the mismatched position. The Group's policy requires that such mismatches are managed. Accordingly, the Board requires that a comprehensive system of limits, gap analysis and stress testing be used to manage the Group's exposure.

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

The Group's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. Limits are established and monitored with respect to the level of mismatch of interest rate repricing that may be undertaken.

49. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

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

	The Group						
	Within 1 Month	2 to 3 Months	4 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
September 30, 2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Assets							
Cash in hand and balances at Central Banks	1,203,141	-	-	-	1,075,963	78,676,667	80,955,771
Due from banks	44,090,264	14,258,472	18,340,070	23,902,548	777,133	46,948,961	148,317,448
Reverse repurchase agreements	6,235,145	2,036,009	-	434,657	-	59,639	8,765,450
Loans and advances net of provision for credit impairment losses	110,708,736	33,101,363	39,282,364	179,386,569	247,791,888	3,517,214	613,788,134
Investment securities classified as FVOCI	16,298,873	44,289,549	82,282,452	292,579,232	554,389,911	112,801,804	1,102,641,823
Reinsurance asset	-	-	-	-	-	34,576,550	34,576,550
Derivative financial instruments	-	-	-	-	-	826,738	826,738
Other	-	-	-	-	-	56,180,345	56,180,345
Total financial assets	178,536,161	93,685,395	139,904,886	496,303,006	804,034,895	333,587,918	2,046,052,259
Liabilities							
Due to banks	6,681,889	1,125	7,743,656	11,625,305	-	5,856,361	31,908,336
Customer deposits	703,159,830	22,391,395	14,056,194	4,407,619	-	3,857,082	747,872,120
Repurchase agreements	69,082,794	70,978,213	87,464,893	28,781,628	18,450,091	4,996,468	279,754,087
Obligations under securitisation arrangements	854,779	-	6,294,943	46,776,164	44,323,450	907,952	99,157,288
Other borrowed funds	548,751	4,392,155	44,298,094	111,100,441	18,694,436	1,527,301	180,561,178
Derivative financial instruments	-	-	-	-	-	9,192	9,192
Lease liabilities	99,992	186,043	881,279	2,088,906	635,263	1,110,862	5,002,345
Liabilities under annuity, insurance and investment contracts	55,425,232	2,151,650	8,203,866	80,589,676	270,093,337	90,148,104	506,611,865
Third party interest in mutual funds	38,910,757	-	-	-	-	-	38,910,757
Segregated fund liabilities	2,090	9,162	66,016	2,065,863	12,704,962	-	14,848,093
Other	-	-	-	-	-	61,395,933	61,395,933
Total financial liabilities	874,766,114	100,109,743	169,008,941	287,435,602	364,901,539	169,809,255	1,966,031,194
On-statement of financial position interest sensitivity gap	(696,229,954)	(6,424,349)	(29,104,055)	208,867,404	439,133,356	163,779,663	80,021,065
Cumulative interest sensitivity gap	(696,229,954)	(702,654,303)	(731,758,358)	(522,890,954)	(83,757,598)	80,021,065	

Notes to the Financial Statements

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

49. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group						
	Within 1 Month	**2 to 3 Months**	**4 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Non-Interest Bearing**	**Total**
September 30, 2022 -Restated	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Assets							
Cash in hand and balances at Central Banks	3,683,604	-	-	-	1,661,566	65,511,270	70,856,440
Due from banks	94,327,650	14,011,140	22,292,808	26,196,497	1,896,877	35,944,373	194,669,345
Reverse repurchase agreements	4,076,016	2,311,756	375,723	1,510,742	-	25,896	8,300,133
Loans and advances net of provision for credit impairment losses	91,895,569	35,880,816	24,093,807	169,662,895	256,015,298	3,439,429	580,987,814
Investment securities classified as FVOCI	42,452,778	69,574,398	53,868,350	252,723,011	434,768,909	106,099,289	959,486,735
Reinsurance asset	-	-	-	-	-	30,312,857	30,312,857
Derivative financial instruments	-	-	-	-	-	874,471	874,471
Other	-	-	-	-	-	50,806,443	50,806,443
Total financial assets	236,435,617	121,778,110	100,630,688	450,093,145	694,342,650	293,014,028	1,896,294,238
Liabilities							
Due to banks	4,790,382	3,800,478	14,441,815	7,624,147	-	6,845,170	37,501,992
Customer deposits	601,651,890	35,876,748	56,753,513	19,401,763	-	1,592,768	715,276,682
Repurchase agreements	58,571,872	69,885,701	62,053,568	37,389,931	17,934,705	1,841,076	247,676,853
Obligations under securitisation arrangements	793,964	-	2,449,513	40,930,415	55,571,379	522,452	100,267,723
Other borrowed funds	1,780,236	2,273,294	18,298,777	120,688,577	9,857,284	1,123,781	154,021,949
Derivative financial instruments							
Lease liabilities	23,099	46,262	335,972	2,172,409	89,015	2,506,402	5,173,159
Liabilities under annuity, insurance and investment contracts	3,668,693	3,029,477	13,556,669	88,900,111	293,357,917	85,126,946	487,639,813
Third party interest in mutual funds	33,587,741	-	-	-	-	-	33,587,741
Segregated fund liabilities	5,193	20,004	112,553	1,301,160	12,997,854	-	14,436,764
Other	-	-	-	-	-	63,903,306	63,903,306
Total financial liabilities	704,873,070	114,931,964	168,002,380	318,408,513	389,808,154	163,461,901	1,859,485,982
On-statement of financial position interest sensitivity gap	(468,437,453)	6,846,146	(67,371,692)	131,684,632	304,534,496	129,552,127	36,808,256
Cumulative interest sensitivity gap	(468,437,453)	(461,591,307)	(528,962,999)	(397,278,367)	(92,743,871)	36,808,256	

49. Financial Risk Management (Continued)

(c) Market risk (continued)
(ii) Interest rate risk (continued)

	The Company						
	Within 1 Month	2 to 3 Months	4 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
September 30, 2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Assets							
Due from banks	3,016,047	-	-	-	-	-	3,016,047
Loan to related party	37,145,280	-	13,929,480	-	-	978,147	52,052,907
Investment securities classified as FVOCI	-	-	-	7,000,000	-	126,192	7,126,192
Other	-	-	-	-	-	15,960,254	15,960,254
Total financial assets	40,161,327	-	13,929,480	7,000,000	-	17,064,593	78,155,400
Liabilities							
Due to banks	-	7,000,000	-	11,607,900	-	627,034	19,234,934
Other borrowed funds	-	3,206,538	33,631,092	56,385,171	-	679,966	93,902,767
Derivative financial instruments	-	-	-	-	-	-	-
Lease liabilities	10,032	20,064	33,541	-	-	-	63,637
Other	-	-	-	-	-	6,912,156	6,912,156
Total financial liabilities	10,032	10,226,602	33,664,633	67,993,071	-	8,219,156	120,113,494
On-statement of financial position interest sensitivity gap	40,151,295	(10,226,602)	(19,735,153)	(60,993,071)	-	8,845,437	(41,958,094)
Cumulative interest sensitivity gap	40,151,295	29,924,693	10,189,540	(50,803,531)	(50,803,531)	(41,958,094)	
September 30, 2022							
Assets							
Due from banks	280,630	-	-	-	-	-	280,630
Loan to related party	-	-	13,681,719	36,484,584	-	228,767	50,395,070
Investment securities classified as FVOCI	-	-	-	7,000,000	-	126,192	7,126,192
Other	-	-	-	-	-	6,663,197	6,663,197
Total financial assets	280,630	-	13,681,719	43,484,584	-	7,018,156	64,465,089
Liabilities							
Due to banks	-	6,500,000	11,401,433	-	-	738,323	18,639,756
Other borrowed funds	-	-	18,746,007	62,308,430	-	308,833	81,363,270
Derivative financial instruments	-	-	-	-	-	402,695	402,695
Lease liabilities	10,124	20,248	91,117	-	-	-	121,489
Other	-	-		-	-	5,398,304	5,398,304
Total financial liabilities	10,124	6,520,248	30,238,557	62,308,430	-	6,848,155	105,925,514
On-statement of financial position interest sensitivity gap	270,506	(6,520,248)	(16,556,838)	(18,832,846)	-	170,001	(41,460,425)
	270,506	(6,249,742)	(22,806,580)	(41,630,426)	(41,630,426)	(41,460,425)	

September 30, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

49. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

The tables below summarise the effective interest rates for financial instruments by major currencies.

	The Group							The Company				
	J$	US$	CAN$	GBP	BMD	TTD	EURO	J$	US$		TT$	GBP
	%	%	%	%	%	%	%	%	%		%	%
September 30, 2023												
Assets												
Balances at Central Banks	6.50	-	-	-	-	-	-	-	-		-	-
Due from banks	-	1.00	-	-	-	-	-	-	6.5		-	-
Reverse repurchase agreements	7.23	4.15	-	-	-	3.10	-					
Loans and advances	9.20	7.20	-		6.78	-	1.50	-	3.86		-	-
Investment securities	7.94	5.05	3.92	5.48	-	4.92	6.68	7.00	-		-	-
Liabilities												
Due to banks	7.14	8.26	-	-	-	-	-	6.0	8.5		-	-
Customer deposits	1.26	0.71	0.17	0.04	-	-	0.03	-	-		-	-
Lease liabilities	5.02	-	-	-	-	-	-	-		-	-	-
Repurchase agreements	9.02	3.65	-	-	0.25	3.10	-	-	-		-	-
Obligations under securitisation arrangements	-	5.71	-	-	-	-		-	-		-	-
Other borrowed funds	6,81	4.56	-	-	-	5.40	-	7.57	7.63		-	-
	The Group							**The Company**				
	J$	**US$**	**CAN$**	**GBP**	**BMD**	**TTD**	**EURO**	**J$**	**US$**		**TT$**	**GBP**
	%	%	%	%	%	%	%	%	%		%	%
September 30, 2022												
Assets												
Balances at Central Banks	6.50	-	-	-	-	-	-	-	-		-	-
Due from banks	-	1.00	-	-	-	-	-	-	-		-	-
Reverse repurchase agreements	7.51	3.94	-	-	-	-	-					
Loans and advances	9.66	5.46	-		5.92	1.50	-	-	3.83		-	-
Investment securities	7.45	4.64	-	0.38	-	6.70	-	7.00	-		-	-
Liabilities												
Due to banks	7.29	4.84	-	-	-	-	-	6.00	5.96		-	-
Customer deposits	0.08	0.06	0.75	2.41	-	-	1.07	-	-		-	-
Lease liabilities	5.02	-	-	-	-	-	-	-		-	-	-
Repurchase agreements	7.62	1.42	-	-	0.25	0.64	-	-	-		-	-
Obligations under securitisation arrangements	-	4.80	-	-	-	-		-	-		-	-
Other borrowed funds	5.74	6.54	-	-	-	6.10	-	6.57	7.61		-	-

49. Financial Risk Management (Continued)

(c) Market risk (continued)
(ii) Interest rate risk (continued)

Interest rate sensitivity

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

The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net income based on the floating rate of non-trading financial assets and financial liabilities. The sensitivity of other comprehensive income is calculated by revaluing fixed rate FVOCI financial assets for the effects of the assumed changes in interest rates.

	The Group	
	Effect on Net Profit Before Tax	Effect on Other Comprehensive Income
	2023 $'000	2023 $'000
Change in basis points:		
Decrease - JMD -100 and USD -100	349,907	7,131,872
Increase - JMD +100 and USD +100	(665,958)	(12,386,314)

	Effect on Net Profit Before Tax	Effect on Other Comprehensive Income
	2022 $'000	2022 $'000
Change in basis points:		
Decrease - JMD -100 and USD -100	(457,943)	13,680,181
Increase - JMD +100 and USD +100	(711,436)	(39,152,516)

The financial instruments of the Company attract a fixed rate of interest and are not subject to fair value interest rate risk.

49. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) Other price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified either as at fair value through profit or loss or available-for-sale. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's investments in quoted equity securities are of entities that are publicly traded on the relevant stock exchanges.

Sensitivity to changes in price of equity securities

The following table indicates the sensitivity to a reasonable possible change in prices of equity securities, with all other variables held constant, on the income statement and stockholders' equity.

The sensitivity of the profit or loss is the effect of the assumed fair value changes of investment securities classified at fair value through profit or loss. The sensitivity of other comprehensive income is the effect of the assumed fair value changes of investment securities classified as FVOCI.

	The Group			
	Effect on Net Profit Before Tax	Effect on Other Comprehensive Income	Effect on Net Profit Before Tax	Effect on Other Comprehensive Income
	2023	2023	2022	2022
	$'000	$'000	$'000	$'000
Percentage change in share price				
10% decrease	(9,592,587)	-	(9,173,895)	-
10% increase	9,592,587	-	9,173,895	-

(d) Derivative financial instruments

The Group's derivative transactions are primarily directed at hedging its risk exposures which arise during the normal course of its treasury and investment activities. When entering into derivative transactions, the Group employs the same credit risk management procedures to assess and approve potential credit exposures that are used for traditional lending.

49. Financial Risk Management (Continued)

(e) Insurance risk

The Group issues contracts that transfer insurance risk or financial risk or both.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract this risk is random and therefore unpredictable. Experience shows that the larger the portfolio of similar insurance contracts, the smaller will be the relative variability about the expected outcome. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency of or severity of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Life insurance risk

The Group issues contracts that have a maximum period determined by the remaining life of the insured. In addition to the estimated benefits which may be payable under the contract, the Group has to assess the cash flows which may be attributable to the contract. The process of underwriting may also be undertaken and may include specific medical tests and other enquiries which affect the Group's assessment of the risk.

Frequency and severity of claims

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency and severity of claims are epidemics and wide-ranging lifestyle changes, such as in eating, smoking and exercise habits, resulting in earlier or more claims than expected. For contracts where survival is the insured risk, the most significant factor is continued improvement in medical science and social conditions that would increase longevity.

At present, these risks do not vary significantly in relation to the location of the risk insured by the Group. However, undue concentration could have an impact on the severity of benefit payments on a portfolio basis.

For contracts with fixed and guaranteed terms, there are no mitigating terms and conditions that reduce the insurance risk accepted. For contracts without fixed terms, a significant portion of the insurance risk is shared with the insured party. The Group charges for mortality risk on a monthly basis for most life and critical insurance contracts without fixed terms. It has the right to alter these charges based on its mortality experience and hence minimise its exposure to mortality risk.

The Group charges for mortality risks on a monthly basis for insurance contracts with investment options and has the right to alter these charges based on mortality experience and hence to minimise its exposure to mortality risk on these contracts. Delays in implementing increases in mortality charges, and contractual, market or regulatory restraints over the extent of any increases, may reduce this mitigating effect.

The Group also manages mortality risks on its contracts through its underwriting strategy and reinsurance arrangements. The underwriting strategy is intended to minimise the risk of anti-selection. The Group's underwriting strategy has a twofold approach:

a) products that are subject to traditional methods of application and assessment are controlled by traditional underwriting methods including medical and financial selection with benefits being limited to reflect the health and/or financial condition of applicants and by the application of retention limits on any single life insured.

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Life insurance risk (continued)
Frequency and severity of claims (continued)

b) products which are not subject to traditional methods of application and assessment contain pre-existing conditions and exclusionary clauses for certain types of high-risk medical and financial events, with claims on these types of policies examined for breaches to those clauses and denied or settled accordingly.

The tables below indicate the concentration of insured benefits across bands of insured benefits per individual life assured. The Group uses catastrophe re-insurance cover against its Individual contracts as the main risks faced by these contracts are interest rate and liquidity:

For the Trinidadian life insurance subsidiary:

	Total Benefits Assured - Individual			
	2023		2022	
	Before Re-insurance	After Re-insurance	Before Re-insurance	After Re-insurance
Benefits assured per life assured ($'000)				
TT$0 - 250	483,586,045	473,513,056	480,112,968	469,320,628
TT$251 - 500	611,760,035	540,203,551	583,977,853	510,557,683
TT$501 - 1,000	540,657,697	416,951,830	502,788,839	377,002,021
TT$1,001 - 3,000	300,773,431	190,658,155	262,123,483	153,844,115
More than TT$3,000	129,019,114	24,025,855	110,625,151	17,458,816
Total	2,065,796,322	1,645,352,447	1,939,628,294	1,528,183,263

For the Jamaican life insurance subsidiary:

	Total Benefits Assured - Individual			
	2023		2022	
	Before Re-insurance	After Re-insurance	Before Re-insurance	After Re-insurance
Benefits assured per life assured ($'000)				
0 – 1,000	369,642,189	367,569,116	347,891,509	345,273,883
1,000 – 2,000	72,020,114	68,196,425	60,206,320	56,031,144
2,000 – 5,000	17,577,702	15,353,285	14,794,971	12,285,630
5,000 – 10,000	14,728,506	12,437,705	12,058,649	9,684,102
Over 10,000	34,528,145	26,712,662	28,311,552	20,427,401
	508,496,656	490,269,193	463,263,001	443,702,160

For the Dutch Caribbean life insurance subsidiary:

	Total Benefits Insured			
	2023		2022	
Benefits assured per life assured ($'000)	Before Re-insurance	After Re-insurance	Before Re-insurance	After Re-insurance
NAF$10,001 - 20,000	218,881,155	214,426,144	212,429,780	206,992,223
NAF$20,001 - 30,000	22,667,641	8,701,663	18,139,193	8,765,612
NAF$30,001 - 40,000	6,919,360	2,884,466	5,284,316	2,353,934
NAF$40,001 - 50,000	2,961,848	1,234,448	3,249,009	1,099,387
More than NAF$50,000	2,329,286	295,707	2,665,719	720,635
Total	253,759,290	227,542,428	241,768,017	219,931,791

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

(f) Life insurance risk (continued)

The Group uses catastrophe re-insurance cover against its Ordinary Life, Group Life and Creditor Life contracts as the main risks faced by these contracts are interest rate and liquidity.

- The premium ceded during the year in respect of catastrophe re-insurance cover amounted to $20,538,000 (2022 – $39,453,000).
- At September 30, 2023, premiums payable under re-insurance contracts amounted to $9,077,000 (2022 – $ 7,609,000).

The following tables for annuity insurance contracts illustrate the concentration of risk based on bands that group these contracts in relation to the amount payable per annum, as if the annuity were in payment at the year end.

For the Trinidadian life insurance subsidiary

	Total Annuities Payable	
	2023	**2022**
Annuity payable per annum per annuitant ($'000)		
TT$0-5,000	169,369	157,055
TT$5,001-10,000	646,202	597,583
TT$10,001-20,000	1,119,591	1,025,511
More than TT$20,000	2,841,182	2,586,085
Total	4,776,344	4,366,234

For the Jamaican life insurance subsidiary

	Total Annuities Payable	
	2023	**2022**
Annuity payable per annum per annuitant ($'000)		
0 -100	486,408	483,020
100 – 300	239,725	226,303
300 – 500	229,989	212,192
500 – 1,000	175,179	167,238
Over 1,000	2,470,687	2,304,126
Total	3,601,988	3,392,879

For the Dutch Caribbean life insurance subsidiary

	Total Annuities Payable	
	2023	**2022**
Annuity payable per annum per life		
NAF$0 - 10,000	910,130	870,081
NAF$10,001 - 20,000	640,186	619,642
NAF$20,001 - 30,000	400,943	372,905
NAF$30,001 - 40,000	229,140	228,403
NAF$40,001 - 50,000	186,683	176,450
More than NAF$50,000	518,785	506,885
Total	2,885,867	2,774,366

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Life insurance risk (continued)

Apart from the catastrophe cover, the Group does not hold any re-insurance against the liabilities in these contracts.

Insurance risk for contracts disclosed in this note is also affected by the contract holders' right to pay reduced or no future premiums, or to terminate the contract completely. As a result, the amount of insurance risk is also subject to contract holders' behaviour. The Group has factored the impact of contract holders' behaviour into the assumptions used to measure these liabilities.

Sources of uncertainty in the estimation of future benefit payments and premium payments
Uncertainty in the estimation of future benefit payments and premium receipts for long term insurance contracts arises from the unpredictability of long term changes in overall levels of mortality and morbidity and the variability in policyholder behaviour.

The Group uses appropriate base tables of standard mortality and morbidity according to the type of contract being written. An investigation as to the actual experience of the Group is carried out by the Appointed Actuaries, and a comparison of the actual rates with expected rates is performed. Where data are insufficient to be statistically credible, the best estimates of future mortality and morbidity are based on standard industry tables adjusted for the Group's overall experience. For contracts that insure survival, an adjustment is made for future mortality and morbidity improvements based on trends identified in the continuous mortality and morbidity investigations performed by independent actuarial bodies. The Group maintains voluntary termination statistics to investigate the deviation of actual termination experience against assumptions. Statistical methods are used to determine appropriate termination rates to be used for the best estimate assumption.

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Life insurance risk (continued)

Process used in deriving assumptions
The assumptions for insurance contracts and the process used in deriving these assumptions have remained substantially unchanged since the previous year.

Estimates are made in two stages:

(i) At inception of the contract, the Group determines assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. These assumptions are used as the base assumptions for calculating the liabilities; and
(ii) Subsequently, new estimates are developed at each reporting date and the assumptions are altered to reflect the latest current estimates or experience.

Assumptions are considered to be 'best estimate' if, on average, the results are expected to be worse than the assumptions in 50% of possible scenarios and better in the other 50%. In the case of Jamaica and Trinidad and Tobago, the assumptions are best estimate assumptions with appropriate provisions for adverse deviations, consistent with the use of a Policy Premium Method valuation. For other territories, the assumptions used are those appropriate for traditional net premium valuation methods. See Note 39 for details on policy assumptions.

Reinsurance risk
Reinsurance risk is the risk that a reinsurer will default and not honour obligations arising from claims. The Group limits the probable loss in the event of individual deaths and any single catastrophic accident occurrence by reinsuring its insurance risk above certain limits with other insurers. Reinsurance ceded does not discharge the Group's liability as the primary insurer. The Group manages reinsurance risk by selecting reinsurers with high credit ratings and monitoring these on an ongoing basis. The Group arranges its reinsurance by type of insurance coverage:

- Individual life – This business is covered by excess of loss and quota share reinsurance arrangements. The method of reinsurance varies for different products with the majority being reinsured on a Yearly Renewable Term (YRT) basis and others being co-insured.
- Group life – The group life portfolio is reinsured on an excess reinsurance arrangement with Swiss Re. Separate treaties exist for group life (including critical illness and accidental death and dismemberment) and group mortgage.
- Catastrophe cover – This cover has been secured for individual life and group life portfolio. It is renewable annually and is held with Sirius International, RGA and Swiss Re.

Retention limits represent the level of risk retained by the insurer. Coverage in excess of these limits is ceded to reinsurers up to the treaty limit.

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Property and casualty insurance risk

The Group manages its property and casualty insurance risk through its underwriting policy that includes *inter alia*, authority limits, approval procedures for transactions that exceed set limits, pricing guidelines and the centralised management of reinsurance. The Group actively monitors insurance risk exposures both for individual and portfolio types of risks. These methods include internal risk measurement, portfolio modelling and scenario analyses.

Underwriting strategy

The Group manages the risks arising from its underwriting of property and casualty insurance contracts through policies which provide guidance on how to determine the insurability of risks and exposure to large claims. The Group follows detailed, uniform underwriting practices and procedures designed to properly assess and quantify risks before issuing coverage. The Group's underwriting guidelines also outline acceptance limits and the appropriate levels of authority for acceptance of risks.

Reinsurance strategy

A detailed analysis of the Group's exposures, reinsurance needs and quality of reinsurance securities is conducted by the Board and Senior Management. The Group's exposures are continually evaluated by Management to ensure that its reinsurance arrangements remain adequate and mechanisms are in place to continually monitor the reinsurance counterparties to ensure that they maintain ratings in keeping with the Board approved Reinsurance Risk Management Policy.

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Property and casualty insurance risk (continued)

Motor insurance

Motor insurance contracts provide cover in respect of policyholders' motor vehicles and their liability to third parties in respect of damage to property and injury. The exposure on motor insurance contracts is normally limited to the replacement value of the vehicle and a policy limit in respect of third party damage. In general, claims reporting lags are minor and claims complexity is relatively low.

The risks relating to motor contracts are managed primarily through the pricing and selection process. The Group monitors and reacts to changes in trends of injury awards, litigation and the frequency of claims appeals.

Property insurance

Property insurance indemnifies, subject to any limits or excesses, the policyholder against the loss or damage to their own material property and business interruption arising from this damage. The risk on any policy varies according to many factors such as location, safety measures in place and the age of the property. The event giving rise to a claim for damage to buildings or contents usually occurs suddenly (as for fire and burglary) and the cause is easily determinable. Therefore, claims are generally notified promptly and can be settled without delay. Property business is therefore classified as "short-tailed" and expense deterioration and investment return is of less importance in estimating provisions. The cost of repairing or rebuilding assets, of replacement or indemnity for contents and the time taken to restart or resume operations to original levels for business interruption losses are the key factors influencing the level of claims under these policies.

The risks relating to property contracts are managed primarily through the pricing and selection process. The Group uses strict underwriting criteria to ensure that the risk of losses is acceptable. Furthermore, the Group accepts property insurance risks for one year so that each contract can be re-priced on renewal to reflect the continually evolving risk profile.

Liability insurance

Under these contracts, compensation is paid for injury suffered by individuals, including employees or members of the public. The main liability exposure is in relation to bodily injury. The timing of claim reporting and settlement is a function of factors such as the nature of the coverage and the policy provisions. Although bodily injury claims have a relatively long tail, the majority of bodily injury claims are settled in full within three to four years. In general, these contracts involve higher estimation uncertainty.

Risks arising from liability insurance are managed primarily through pricing, product design, risk selection, adopting an appropriate investment strategy, rating and reinsurance. The Group monitors and reacts to changes in the general economic and commercial environment in which it operates to ensure that only liability risks which meet its criteria for profitability are underwritten. In pricing contracts, the Group makes assumptions that costs will increase in line with the latest available research.

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Property and casualty insurance risk (continued)

Risk exposure and concentrations of risk

The following table shows the Group's exposure to property and casualty insurance risk (based on the carrying value of insurance provisions at the reporting date) per major category of business:

	2023				
	Liability	**Property**	**Motor**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Gross	4,416,067	8,678,127	9,874,550	2,679,528	25,648,272
Net of proportional reinsurance	2,162,695	2,622,972	6,019,679	753,733	11,559,079
	2022				
Gross	4,111,640	9,182,680	10,226,864	1,892,453	25,413,637
Net of proportional reinsurance	2,312,818	3,199,924	6,274,131	774,236	12,561,109

Claims development

Claims development information is disclosed in order to illustrate the property and casualty insurance risk inherent in the Group. The upper section of the table shows how the estimates of total claims for each accident year develop over time. The estimates are increased or decreased as losses are paid and more information becomes known about the severity of unpaid claims. The lower section of the table provides a reconciliation of the total provision included in the statement of financial position and the estimate of cumulative claims.

The top half of each table below illustrates how the Group's estimate of total claims outstanding for each accident year/underwriting year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing on the consolidated statement of financial position as per summary below.

	Total
	$'000
Insurance claims – gross	
By accident year	21,804,078
By underwriting year	3,844,194
Total liability	25,648,272
Insurance claims – net	
By accident year	9,929,383
By underwriting year	1,629,696
Total liability	11,559,079

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Property and casualty insurance risk (continued)

Risk exposure and concentrations of risk(continued)

	2016	2017	2018	2019	2020	2021	2022	2023	Total
Insurance claims – gross	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Accident year									
Estimate of cumulative claims costs:									
Claims at end of accident year	15,042,698	60,675,845	15,184,857	29,236,323	11,516,232	9,816,042	15,537,510	15,907,317	
One year later	13,774,748	65,668,976	12,065,029	24,595,685	14,012,476	47,455,565	14,302,443	-	
Two years later	13,999,319	58,128,465	11,486,358	24,032,836	13,876,700	49,614,311	-	-	
Three years later	13,817,159	57,967,661	11,286,404	24,780,944	13,934,588	-	-	-	
Four years later	13,726,757	57,970,577	11,349,894	24,927,856	-	-	-	-	
Five years later	13,374,379	57,461,528	11,356,691	-	-	-	-	-	
Six years later	14,367,563	57,313,307	-	-	-	-	-		
Seven years later	14,244,739	-	-	-	-	-	-	-	
Current estimate of cumulative claims	14,244,739	57,313,307	11,356,691	24,927,856	13,934,588	49,614,311	14,302,443	15,907,317	201,601,252
Cumulative payments to date	13,991,626	56,453,303	10,673,083	23,230,146	12,622,275	48,520,369	11,064,152	4,788,353	181,343,307
Liability recognised in the consolidated statement of financial position	253,113	860,004	683,608	1,697,710	1,312,313	1,093,942	3,238,291	11,118,964	20,257,945
Liability in respect of prior years	-	-	-	-	-	-	-	1,546,137	1,546,133
Total liability	-	-	-	-	-	-	-	-	21,804,078

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Property and casualty insurance risk (continued)

Risk exposure and concentrations of risk(continued)

	2016	2017	2018	2019	2020	2021	2022	2023	Total
Insurance claims – gross	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Underwriting year									
Estimate of cumulative claims costs:									
Claims at end of accident year	507,488	524,480	403,147	214,168	445,076	2,198,493	-	-	
One year later	578,831	642,092	457,086	336,947	586,248	2,532,363	-	-	
Two years later	544,135	617,706	429,003	312,194	513,366	2,863,249	-	-	
Three years later	531,230	606,569	422,045	287,510	491,024	-	-	-	
Four years later	519,038	598,119	420,713	267,188	-	-	-	-	
Five years later	514,537	589,830	418,808	-	-	-	-	-	
Six years later	513,527	588,980	-	-	-	-	-	-	
Seven years later	512,447	-	-	-	-	-	-	-	
Current estimate of cumulative claims	512,447	588,980	418,808	267,188	491,024	2,863,249	-	-	5,141,696
Cumulative payments to date	495,318	540,025	354,743	209,277	253,824	1,819,594	-	-	3,672,781
Liability recognised in the consolidated statement of financial position	17,129	48,955	64,065	57,911	237,200	1,043,655	-	-	1,468,915
Liability in respect of prior years	-	-	-	-	-	-	-	-	2,375,279
Total liability	-	-	-	-	-	-	-	-	3,844,194

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Property and casualty insurance risk (continued)

Risk exposure and concentrations of risk(continued)

	2016	2017	2018	2019	2020	2021	2022	2023	Total
Insurance claims – net	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Accident year									
Estimate of cumulative claims costs:									
Claims at end of accident year	8,689,516	22,900,799	8,738,403	9,207,750	5,697,680	6,706,386	7,116,376	7,528,823	
One year later	7,611,900	21,815,376	7,452,474	13,318,443	6,793,183	6,642,230	7,428,409	-	
Two years later	7,282,324	21,492,344	7,099,315	13,161,795	6,854,974	6,886,938	-	-	
Three years later	7,645,930	21,349,060	6,964,206	13,149,694	6,684,939	-	-	-	
Four years later	7,249,718	21,266,212	6,927,007	12,879,682	-	-	-	-	
Five years later	7,160,509	21,491,035	6,839,429	-	-	-	-	-	
Six years later	7,045,905	21,434,709	-	-	-	-	-	-	
Seven years later	6,968,247	-	-	-	-	-	-	-	
Current estimate of cumulative claims	6,968,247	21,434,709	6,839,429	12,879,682	6,684,939	6,886,938	7,428,409	7,528,823	76,651,176
Cumulative payments to date	6,673,688	21,131,079	6,426,798	12,333,595	6,017,199	5,900,619	5,938,025	3,055,258	67,476,261
Liability recognised in the consolidated statement of financial position	294,559	303,630	412,631	546,087	667,740	986,319	1,490,384	4,473,565	9,174,915
Liability in respect of prior years	-	-	-	-	-	-	-	-	754,469
Total liability	-	-	-	-	-	-	-	-	9,929,384

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Property and casualty insurance risk (continued)

Risk exposure and concentrations of risk(continued)

	2016	2017	2018	2019	2020	2021	2022	2023	Total
Insurance claims – net	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Underwriting year									
Estimate of cumulative claims costs:									
Claims at end of accident year	507,488	524,480	403,147	214,168	445,076	2,428,735	-	-	
One year later	578,831	642,092	457,086	336,947	586,248	2,847,542	-	-	
Two years later	544,135	617,706	429,003	312,194	513,366	2,863,249	-	-	
Three years later	531,230	606,569	422,045	287,510	491,024	-	-	-	
Four years later	519,038	598,119	420,713	267,188	-	-	-	-	
Five years later	514,537	589,830	418,808	-	-	-	-	-	
Six years later	513,527	588,980	-	-	-	-	-	-	
Seven years later	512,447	-	-	-	-	-	-	-	
Current estimate of cumulative claims	512,447	588,980	418,808	267,188	491,024	2,863,249	-	-	5,141,696
Cumulative payments to date	495,318	540,025	354,743	209,277	253,824	1,819,594	-	-	3,672,781
Liability recognised in the consolidated statement of financial position	17,129	48,955	64,065	57,911	237,200	1,043,655	-	-	1,468,915
Liability in respect of prior years	-	-	-	-	-	-	-	-	160,781
Total liability	-	-	-	-	-	-	-	-	1,629,696

49. Financial Risk Management (Continued)

(f) Capital management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the regulators of the financial markets where the entities within the Group operate;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for stockholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

All of the Group's significant subsidiaries and associates are individually regulated by the relevant regulator in their jurisdiction or other regulators. The regulatory requirements to which the subsidiaries are subject, include minimum capital and liquidity requirements which may limit their ability to extract capital or funds for other uses. The Group's subsidiaries and associates are also subject to statutory requirements to restrict distributions of capital and generally to maintain solvency. In most cases, the regulatory restrictions are more onerous than the statutory restrictions. Certain Group subsidiaries also raise finance using their financial assets as collateral. Encumbered assets are not available for transfer around the Group. The assets typically affected are disclosed in Note 23.

(i) National Commercial Bank Jamaica Limited

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Bank of Jamaica (BOJ/Central Bank), and the relevant management committees. The required information is filed with the regulator at the stipulated intervals.

The Central Bank requires the Bank to:

- Hold a specified level of the regulatory capital, and
- Maintain a ratio of total regulatory capital to the risk-weighted assets.

The Bank's regulatory capital is divided into two tiers:

Tier 1 capital: ordinary share capital, non-redeemable non-cumulative preference shares, statutory reserve fund and retained earnings reserves. Goodwill, other intangibles and any net loss arising from the aggregate of: current year profit or loss, undistributed profits or accumulated losses for prior financial years any loss positions on revaluation reserves arising from fair value accounting, are deducted in arriving at Tier 1 capital; and

Tier 2 capital: non-redeemable cumulative preference shares, redeemable preference shares having an original term to maturity of five years or more, qualifying subordinated debt and general provisions for loss.

Equity investments in unconsolidated subsidiaries, substantial investment in any other unconsolidated entities or companies and share of accumulated losses of any unconsolidated entities are deducted from Tier 1 and Tier 2 capital to arrive at the regulatory capital. The risk-weighted assets are measured by means of a hierarchy of four risk weights classified according to the nature of and reflecting an estimate of credit, market and other risks associated with 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.

The Bank met all the regulatory capital requirements as at September 30, 2023.

49. Financial Risk Management (Continued)

(f) Capital management (continued)

(ii) NCB Insurance Agency & Fund Management Limited (NCBIA)

NCBIA maintains a capital structure consisting mainly of shareholders' funds consistent with its profile and the regulatory and market requirements. The company is subject to a number of regulatory capital tests and also employs scenario testing on an annual basis to assess the adequacy of capital. The company has met all of these requirements during the year. Capital adequacy is managed at the operational level.

In reporting financial strength, capital and solvency is measured using the regulations prescribed by the Financial Services Commission (FSC) in Jamaica. These regulatory capital tests are based upon required levels of solvency capital and a series of prudent assumptions in respect of the type of business written by the company.

The relevant capital requirement is the Minimum Continuing Capital Surplus Ratio (MCCSR) determined in accordance with the FSC regulations. This ratio is calculated by the Appointed Actuary and reviewed by executive management, the Audit Committee and the Board of Directors. This measure is a risk-based formula that compares available capital and surplus to a minimum requirement set by the FSC in regard to the asset and liability profile of the company. The company met all FSC regulatory capital requirements as at September 30, 2023.

The company's capital position is sensitive to changes in market conditions, due to both changes in the value of assets and the effect that changes in investment conditions may have on the value of the liabilities. The most significant sensitivities arise from changes in interest rates and expenses. The company's capital position is also sensitive to assumptions and experience relating to mortality and persistency.

49. Financial Risk Management (Continued)

(f) Capital management (continued)

(iii) NCB Capital Markets Limited (NCBCM)
The company is regulated by the FSC and is subject to regulatory capital tests employed by the regulator. Under the FSC regulations, the level of capital adequacy determines the maximum amount of liabilities including repurchase agreements NCBCM is able to offer to clients. In addition to the requirements of the FSC, NCBCM also engages in periodic internal testing which is reviewed by the Risk Management Committee. Capital adequacy is managed at the operational level of NCBCM.

The regulatory capital of the company is divided into two tiers:
(i) Tier 1 capital: share capital, retained earnings and reserves created from appropriations of retained earnings.
(ii) Tier 2 capital: qualifying subordinated debt or loan capital, qualifying capital reserves and unrealised gains derived from the fair valuation of equity instruments classified as FVOCI.

The FSC requires that the company maintains a capital base comprising at least 50% of Tier 1 capital.

In addition, the FSC employs certain ratios to test capital adequacy and solvency. The results of these ratios are included in a mandatory quarterly report submitted to the FSC. Two of the critical early warning ratios relating to the test for capital adequacy are ‘Capital over Total Assets’ and the ‘Capital Base over Risk Weighted Assets (RWA)’.

There was no change in relation to how the company manages its capital during the financial year.

NCBCM met all the FSC regulatory capital requirements as at September 30, 2023.

(iv) Clarien Bank Limited
Capital is held to provide a cushion for unexpected losses. The Board sets the internal level of capital with the aim of ensuring minimum regulatory capital levels are always exceeded whilst allowing for growth in the business.

Basel III superseded Basel II and took effect on January 1, 2015 with transitional arrangements until full implementation in 2023. The three pillar framework of Basel II is unchanged but there have been changes to the detailed requirements within each pillar. Pillar 3 has more detailed disclosure requirements and will adopt generic templates over the course of the transition to allow improved comparability and transparency between institutions covered by Basel accords.

49. Financial Risk Management (Continued)

(f) Capital management (continued)

(iv) Clarien Bank Limited (continued)

The key elements of the Basel III capital requirements as set by the Bermuda regulatory, the BMA are as follows:

- Common equity Tier 1 (CET1) being the highest form of regulatory capital, comprising of common shares, accumulated reserves after regulatory deductions. Minimum Basel III capital ratios will be CET1 at least 4.5% of Risk Weighted Assets (RWAs), Tier 1 of at least 6.0% of RWAs and Total Capital of at least 8.0% of RWAs.
- A capital conservation buffer set 2.5% and is comprise of CET 1 capital.
- A capital surcharge for Domestic Systemically Important Banks ranging between 0.5% and 3.0% for all Bermuda Banks has also been implemented.
- Introduction of a non-risk based Leverage Ratio, being a measure of Tier 1 capital held against total assets, including certain off-statement of financial position financial commitments.

Clarien has complied with all externally imposed minimum capital requirements throughout the current year.

49. Financial Risk Management (Continued)

(f) Capital management (continued)

(v) Guardian Holdings Limited

In each country in which the Group operates, the local insurance regulator indicates the required minimum amount and type of capital that must be held by each of the subsidiaries in addition to their insurance liabilities. The Group is also subject to insurance solvency regulations in all the territories in which it issues insurance and investment contracts. The minimum required capital must be maintained at all times throughout the year. The Group monitors these requirements throughout the year to ensure compliance. The Group has complied with these minimum capital requirements.

The Trinidadian trust services subsidiary holds a license under the Financial Institutions Act 2008 and the Securities Industries Act 2012. Under the Financial Institutions Act, the subsidiary is required to have a minimum paid up share capital of $15 million and to transfer a minimum of 10% of its profit after tax to a Statutory Reserve Fund until the balance in the Fund is not less than the paid up capital of the subsidiary as well as the subsidiary 's regulatory capital shall be no less than 10% of its risk weighted assets. Under the Securities Industries Act 2012, the subsidiary is required to have minimum capital of $6 million, of which at least $3 million shall be regulatory capital. The subsidiary has complied with these requirements.

The Trinidadian asset management subsidiary holds a license under the Securities Industries Act 2012, and as such, the subsidiary is required to have a minimum capital of $6 million, of which at least $3 million shall be regulatory capital. The subsidiary has complied with this requirement.

50. Fair Values of Financial Instruments

The Group measures fair values using the following fair value hierarchy which reflects the significance of the inputs used in making the measurements:

- Level 1 – inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2 – inputs other than quoted market prices included within level 1 that are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – inputs that are unobservable.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. These instruments are grouped in Level 1 and comprise most equity securities that are quoted on the Jamaica Stock Exchange.

The fair value of financial instruments not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. This category includes government bonds, certificates of deposit, commercial paper and most liquid corporate bonds. Indicative prices or yields of these instruments are obtained from regular, publicly available quotes by reputable pricing services, dealers and brokers, such as Bloomberg and Oppenheimer. The Group's derivatives are also included in Level 2. The embedded put option is valued using a discounted cash flow model representing the difference between the present values of future cash flows with and without exercise of the put option using observable market yields for government bonds of similar tenure. Equity-linked options are valued using standard option pricing models using observable market data from Bloomberg.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Unquoted equities are carried at cost as the fair value cannot be reliably determined. These securities are classified at level 3.

50. Fair Values of Financial Instruments (Continued)

The following tables provide an analysis of financial instruments held as at the date of the statement of financial position that, subsequent to initial recognition, are measured at fair value. The financial instruments are classified in the fair value hierarchy into which the fair value measurement is categorised:

	The Group			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At September 30, 2023				
Financial assets				
Investment securities classified as FVOCI				
Government of Jamaica debt securities	-	182,024,230	616,359	182,640,589
Other Government Securities	51,271,319	102,348,755	2,381,593	156,001,667
Corporate Debt Securities	6,114,258	92,777,483	38,636,900	137,528,641
	57,385,577	377,150,468	41,634,852	476,170,897
Investment securities at fair value through profit or loss				
Government of Jamaica debt securities	-	18,304,905	-	18,304,905
Other Government Securities	12,760,875	93,490,963	-	106,251,838
Corporate Debt Securities	2,782,360	11,417,023	595,049	14,794,432
Quoted & Unquoted equity securities	75,249,701	6,311,062	14,365,109	95,925,872
Other securities	18,140	2,418,069	164,731	2,600,940
	90,811,076	131,942,022	15,124,889	237,877,987
Derivative financial instruments	-	826,738	-	826,738
	148,196,653	509,919,228	56,759,741	714,875,622
Financial liabilities				
Derivative financial instruments	-	9,192	-	9,192
Liabilities under annuity and insurance contracts	-	-	455,170,276	455,170,276
	-	9,192	455,170,276	455,179,468

50. Fair Values of Financial Instruments (Continued)

	The Group			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
At September 30, 2022				
Financial assets				
Investment securities classified as FVOCI				
Government of Jamaica debt securities	-	279,838,373	2,058,368	281,896,741
Other Government Securities	41,080,863	64,256,430	2,650,881	107,988,174
Corporate Debt Securities	5,524,435	88,670,613	38,834,395	133,029,443
	46,605,298	432,765,416	43,543,644	522,914,358
Investment securities at fair value through profit or loss				
Government of Jamaica guaranteed corporate bonds	-	18,961,569	-	18,961,569
Other Government Securities	8,705,531	70,591,399	-	79,296,930
Corporate Debt Securities	1,989,694	11,833,434	1,467,872	15,291,000
Quoted & Unquoted equity securities	77,806,032	1,931,247	12,001,674	91,738,953
Other securities	247,731	1,659,907	165,409	2,073,047
	88,748,988	104,977,556	13,634,955	207,361,499
Derivative financial instruments	-	874,471	-	874,471
	135,354,286	538,617,443	57,178,599	731,150,328
Financial liabilities				
Derivative financial instruments				
Liabilities under annuity and insurance contracts	-	-	437,175,410	437,175,410
	-	-	437,175,410	437,175,410

The movement in the Group's financial assets classified as Level 3 during the year is as follows:

	The Group	
	2023 $'000	**2022 $'000**
At start of year	57,178,599	51,962,087
Transfer between levels based on adoption of IFRS 9	(125,121)	799,612
Acquisitions	5,564,275	15,584,812
Disposals	(8,000,172)	(9,621,119)
Fair value gains	2,142,160	(1,546,793)
At end of year	56,759,741	57,178,599

The movement in liabilities under annuity and insurance contracts is disclosed in Note 39.

50. Fair Values of Financial Instruments (Continued)

Sensitivity analysis

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

	2023			
Description	**Unobservable input**	**Range of input**	**Change in basis points**	**Change in fair value $'000**
Other corporate bonds	Risk premium		JMD -50 and USD -50	449,915
			JMD +200 and USD +200	(112,263)

	2022			
Description	**Unobservable input**	**Range of input**	**Change in basis points**	**Change in fair value $'000**
Other corporate bonds	Risk premium		JMD -50 and USD -50	819,433
			JMD +200 and USD +200	(1,515,500)

The Group's level 3 unquoted equity securities would decrease in value by $179,685,000 should there be a 3% decrease and an increase in value by $359,370,000 should there be a 6% increase (2022 - $190,228,000) assuming a 5% decrease/increase.

The carrying value (excluding accrued interest) (Note 22) and fair value of investment securities classified as amortised cost are as follows:

	The Group	
	Carrying Value $'000	**Fair Value $'000**
At September 30, 2023	375,292,829	406,758,793
At September 30, 2022	220,603,508	213,232,332

Similar to debt securities classified as FVOCI the above fair value measurements fall within Level 2 of the fair value hierarchy as indicative prices or yields of these instruments are obtained from regular, publicly available quotes by reputable pricing services, dealers and brokers, such as Bloomberg and Oppenheimer.

50. Fair Values of Financial Instruments (Continued)

The fair values for all other financial instruments approximate their carrying values and also fall within Level 2 based on the following:

- The fair value of liquid assets and other assets maturing within one year (such as cash and balances at Central Banks and amounts due from banks) is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;
- The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the date of the statement of financial position;
- The fair value of variable rate loans is assumed to approximate their carrying amounts and management does not believe that, after deduction of provision for credit losses, there is any significant difference between the fair value of fixed rate loans and their carrying values as interest rates approximate current market rates offered on similar loans.

51. Fiduciary Activities

The Group provides custody, trustee, corporate administration, investment management and advisory services to third parties which involve the Group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these financial statements. At September 30, 2023, the Group had financial assets under administration of approximately $178,100,872,000 (2022 –$207,579,988,000).

52. Dividends

No dividends were paid by NCB Financial Group Limited during the year.

53. Non-Controlling Interest

The table below shows the summarised financial information for Clarien Group Limited that has non-controlling interest:

	Guardian Holdings Limited		Clarien Group Limited	
		Restated		
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Beginning of year	36,678,313	34,355,200	10,431,981	10,853,635
Share of net profit of subsidiaries	7,137,108	11,099,700	606,593	143,078
Revaluation surplus / (deficit)	1,008,834	(8,000,037)	(1,644,631)	267,123
Remeasurement of post-employment benefits obligations	158,717	515,244	-	-
Other	(62,172)	196,556	583,061	(831,855)
Dividends paid	(1,522,922)	(1,488,350)	-	-
End of year	43,397,878	36,678,313	9,977,004	10,431,981

53. Non-Controlling Interest (Continued)

The table below shows the summarised financial information for Guardian Holdings Limited that has non-controlling interest:

	Guardian Holdings Limited		Clarien Group Limited	
		Restated		
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Statement of financial positions				
Current assets	131,350,259	163,320,585	20,570,314	25,230,199
Current liabilities	38,993,443	114,589,015	98,626,353	112,480,417
Total current net assets	92,356,816	48,731,570	(78,056,039)	(87,250,218)
Non-Current assets	680,085,873	608,239,224	183,274,087	179,406,753
Noncurrent liabilities	637,828,859	534,977,509	88,244,347	77,297,386
Total non-current net assets	42,257,014	73,261,715	95,029,740	102,109,367
Net assets	134,613,830	121,993,285	16,973,701	14,859,149
Statement of comprehensive income				
Revenue	220,893,776	208,576,415	13,785,541	11,204,190
Direct profit for the period	18,355,870	28,191,545	1,723,951	867,589
Consolidation adjustments	358,132	1,794,353	(510,523)	(581,377)
Other comprehensive income	2,890,085	(19,064,181)	(2,129,395)	(1,131,728)
Total comprehensive income	21,604,087	10,921,717	(915,967)	(845,516)
Profit allocated to NCI	7,137,108	11,099,700	606,593	143,078
OCI allocated to NCI	1,104,879	(7,288,237)	(1,061,570)	(564,732)
Accumulated non-controlling interest	8,241,987	3,811,463	(454,977)	(421,654)

53. Non-Controlling Interest (Continued)

Summarised cash flows

The information below represents amounts before intercompany eliminations

	Guardian Holdings Limited		Clarien Group Limited	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash flows from operating activities				
Cash generated from operations	33,847,568	30,419,856	1,023,507	1,609,882
Interest paid	(4,601,992)	(4,979,666)	(1,050,592)	(814,822)
Income tax paid	(5,335,841)	(3,896,129)	-	-
Net cash generated from operating activities	23,909,735	21,544,061	(27,085)	795,060
Net cash used in investing activities	(38,521,984)	(20,109,881)	(10,211,857)	(12,017,870)
Net cash used in financing activities	582,413	(2,523,272)	(194,239)	(244,599)
Net increase in cash and cash equivalents				
Cash and cash equivalents at beginning of year	83,556,449	81,842,940	29,905,045	39,826,612
Exchange gains on cash and cash equivalents	1,376,367	2,802,601	541,549	1,545,842
Other movements	(14,029,836)	(1,089,092)	(10,433,181)	(11,467,409)
Cash and cash equivalents at end of year	70,902,980	83,556,449	20,013,413	29,905,045

54. Reconciliation of Liabilities arising from Financial Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash. Financing activities represent bank and other loans, excluding bank overdrafts and amounts included as cash and cash equivalents:

	The Group			
Liabilities	**Other borrowed funds $'000**	**Obligation under securitisation arrangements $'000**	**Lease liabilities $'000**	**Total $'000**
At 01 October 2021	136,972,443	63,087,217	5,377,512	205,437,172
Cash movements -				
Drawdowns	64,458,635	45,187,455	-	109,646,090
Repayment – principal	(49,767,061)	(9,089,479)	(1,633,705)	(60,490,245)
Non-cash movements -				
Additions	-	-	1,854,919	1,854,919
Amortisation of upfront fees	128,704	(575,919)	-	(447,215)
Foreign exchange adjustments	1,816,625	380,473	(425,567)	1,771,531
Interest payable	(337,117)	95,911	-	(241,206)
At 30 September 2022	153,272,229	99,085,658	5,173,159	257,531,046
Cash movements -				
Drawdowns	43,074,294	-	-	43,074,294
Repayment – principal	(17,858,116)	(2,745,242)	(1,729,837)	(22,333,195)
Non-cash movements -				
Additions	-	-	1,574,243	1,574,243
Amortisation of upfront fees	393,328	219,783	-	613,111
Foreign exchange adjustments	668,081	1,249,307	(15,220)	1,902,168
Interest payable	121,927	385,501	-	507,428
At 30 September 2023	179,671,743	98,195,007	5,002,345	282,869,095

54. Reconciliation of Liabilities arising from Financial Activities (Continued)

	The Company		
Liabilities	Other borrowed funds $'000	Lease liabilities $'000	Total $'000
At 01 October 2021	84,933,195	76,438	85,009,633
Cash movements -			
Drawdowns	39,312,323	-	39,312,323
Repayment	(44,840,559)	(177,840)	(45,018,399)
Non-cash movements -			
Additions	-	222,891	222,891
Foreign exchange adjustments	1,804,694	-	1,804,694
Amortisation of upfront fees	128,704	-	128,704
Interest payable	(522,033)	-	(522,033)
At 01 October 2022	80,816,324	121,489	80,937,813
Cash movements -			
Drawdowns	17,018,780	-	17,018,780
Repayment	(5,718,076)	(199,952)	(5,918,028)
Non-cash movements -			
Additions	-	142,100	142,100
Foreign exchange adjustments	510,463	-	510,463
Amortisation of upfront fees	393,328	-	393,328
Interest payable	491,094	-	491,094
At 30 September 2023	93,511,913	63,637	93,575,550

55. Leases

The statement of financial position shows the following amounts relating to leases:

	2023 $'000	2022 $'000
Right-of-use assets		
Buildings	3,896,000	4,395,183
Motor vehicles	717,646	582,919
Equipment	365,669	133,492
	4,979,316	5,111,594
Lease liabilities		
Current	1,388,563	856,204
Non-current	3,613,782	4,316,955
	5,002,345	5,173,159

Right-of-use assets

(i) Amounts recognised in the balance sheet

a) The statement of financial position shows the following amounts relating to leases:

Right-of-use assets	**30 September 2023 $'000**	**30 September 2022 $'000**
Buildings	3,896,001	4,395,183
Motor vehicles	717,646	582,919
Equipment	365,669	133,492
	4,979,316	5,111,594

b) As at 30 September 2023, leasehold Improvements and furniture, fittings and equipment where the Group is a lessee under a finance lease are as follows:

	Leasehold Improvements $'000	**Equipment $'000**	**Motor Vehicles $'000**
Cost	1,723,402	683,099	1,900,736
Accumulated depreciation	(1,205,697)	(249,160)	(1,183,090)
Net book values	517,705	433,939	717,646

55. Leases (Continued)

Leased assets previously classified as operating leases are presented as in the property, plant and equipment disclosure note.

During the financial year additions through new leases and acquisitions amounted to $1,771,843,000 (2022-$1,854,919,000).

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2023 $'000	2022 $'000
Depreciation charge on right-of-use assets		
Buildings	1,247,784	1,442,542
Equipment	80,301	98,124
Motor Vehicles	472,492	356,505
	1,800,577	1,897,171

Amounts recognised in the statement of comprehensive income relating to leases:

	2023 $'000	2022 $'000
Depreciation charge of right-of-use assets	1,800,577	1,897,171
Interest expense on lease liabilities	345,797	151,651
Total expenses related to leases	2,146,374	2,048,822

The Group's leasing activities

The Group leases various buildings to facilitate: execution of banking services at branches and ABMs, general business operations and housing for employees. Rental contracts are typically made for fixed periods of 1 to 10 years. Leases are negotiated on an individual basis and contain a wide range of different terms and conditions (including termination and renewal rights). Extension and termination options are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held are exercisable by both the Group and the respective lessor.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which do not have recent third party financing; and,
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

55. Leases (Continued)

The Group's leasing activities (continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise IT equipment and small items of office furniture.

Extension and termination options are included in a number of property and equipment leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of land and buildings, management has included various extension options in the lease liability, as relocating would from existing locations would be onerous.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and,
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of $98,039,000.

56. Litigation and Contingent Liabilities

The Group is subject to various claims, disputes and legal proceedings, as part of the normal course of business. Provision is made for such matters when, in the opinion of management and its professional advisors, it is probable that a payment will be made by the Group, and the amount can be reasonably estimated.

In respect of claims asserted against the Group for which, according to the principles outlined above, no provision has been made, management is of the opinion that such claims are without merit and can be successfully defended. Significant matters are as follows, all relating to National Commercial Bank Jamaica Limited:

(a) Suit has been filed by the NCB Staff Association against the Bank seeking various declarations regarding the Bank's profit sharing scheme, in particular as it relates to the financial year ended September 30, 2002. The Association did not quantify the claim. In 2017, the Supreme Court decided in favor of the NCB Staff Association. The Bank filed an appeal against the judgment. The appeal was heard for 3 days in June 2020 at the end of which the Court of Appeal reserved its judgment. In July, 2020 the Court of Appeal handed down its Judgment dismissing the Bank's Appeal and affirming the decision of the Supreme Court. The Bank subsequently commenced the process of having an appeal heard by the Judicial Committee of the Privy Council. Provision for the claim has been made in the financial statements

(b) Suit has been filed by a customer against the Bank for damages suffered as a result of the Bank's alleged negligence in relation to the sale of property. The proper value of the property, which had been owned by the customer, is in issue, along with the amount properly to be applied to the customer's loan balance. Based on the advice of the Bank's attorneys, no provision has been made in the financial statements in respect of this claim.

(c) Suit has been filed by a customer against the Bank for unlawful, wrongful and/or improper use of power in the appointment of a Receiver and manager of the customer's business property and assets. Damages, interest and costs have been claimed against the Bank. No provision has been made in the financial statements for this claim as the Bank's attorneys are of the opinion that the claim is unlikely to succeed

(d) Suit was filed by a claimant seeking specific performance, damages for breach of contract, interest and costs. At the time of trial, the claim against the Bank was quantified by the Claimant at approximately $31.4 billion plus interest and costs. The Supreme Court issued judgment in the Bank's favour, with the Court ordering a company (placed by the Bank into receivership) to pay the Claimant $5 million plus interest. However, the claim had to be re-tried due to the retirement of the trial judge. Following the re-trial, in January 2023, the Supreme Court handed down its decision in which the company the Bank had placed into receivership was ordered to pay the Claimant $2.5 million plus interest, while no adverse orders were made against the Bank. The Claimants have, however, appealed.

    No provision has been made for this claim as the Bank's attorneys are of the opinion that given the lack of adverse orders against the Bank, the Bank ought to succeed in defending the judgment on appeal.

A number of other suits have been filed by stakeholders of the Group. In some instances, counter- claims have been filed by the Group. Provision of $772,379,740 has been made in the financial statements for certain of these claims. No provision has been made where the Group's attorneys are of the view that the Group has a good defence against these claims.

57. Offsetting Financial Assets and Financial Liabilities

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

	The Group						
	2023						
				Related amounts not set off in the statement of financial position			
	Gross amounts of financial assets $'000	Gross amounts set off on the balance sheet $'000	Net amounts of financial assets presented on the balance sheet $'000	Impact of master netting agreements $'000	Cash collateral $'000	Financial instruments collateral $'000	Net amounts $'000
	2023						
Assets							
Cash resources	227,493,758	-	227,493,758	-	(2,315,634)	(7,063,127)	218,114,997
Financial investments	1,102,641,823	-	1,102,641,823	(266,938,697)	-	(8,584,609)	827,118,517
	1,330,135,581	-	1,330,135,581	(266,938,697)	(2,315,634)	(15,647,736)	1,045,233,514
	2022						
Assets							
Cash resources	265,525,785	-	265,525,785	-	(4,751,010)	(8,862,666)	251,912,109
Financial investments	959,486,735	-	959,486,735	(235,432,156)	-	(12,320,159)	711,734,420
	1,225,012,520	-	1,225,012,520	(235,432,156)	(4,751,010)	(21,182,825)	963,646,529

57. Offsetting Financial Assets and Financial Liabilities (Continued)

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

	The Group						
	2023						
				Related amounts not set off in the statement of financial position			
	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts of financial assets presented on the balance sheet	Impact of master netting agreements	Cash collateral	Financial instruments collateral	Net amounts
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Liabilities							
Repurchase agreements	279,754,087	-	279,754,087	(266,938,697)	-	-	12,815,390
Obligations under securitisation agreements	98,195,007	-	98,195,007	-	(2,315,634)	-	95,879,373
	377,949,094	-	377,949,094	(266,938,697)	(2,315,634)	-	108,694,763
	2022						
Liabilities							
Repurchase agreements	247,676,853	-	247,676,853	(235,432,156)	(2,866,461)	-	9,378,236
Obligations under securitisation agreements	99,085,658	-	99,085,658	-	(1,884,549)	-	97,201,109
	346,762,511	-	346,762,511	(235,432,156)	(4,751,010)	-	106,579,345

58. IFRS 17 – Insurance Contracts

Transition approach

IFRS 17 must be applied retrospectively. However, if full retrospective application to a group of contracts is impractical, the modified retrospective or fair value methods may be used. The drivers for impracticability for retrospective application relate to a lack of required data and the use of hindsight, consistent with the principles of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The transition approach can have a significant impact on the contractual service margin ("CSM"), and relatedly, on both shareholders' equity and profits on in-force business in future reporting periods. On transition, the Group will apply the full retrospective approach to all contracts issued or held at 1 October 2022 and onwards, and the fair value approach will be applied those contracts issued or held prior to that date.

The fair value approach will be applied only to portfolios within the Life, Health, and Pensions businesses. Within this approach, the CSM is determined to be the difference between the fair value of a group of insurance contracts measured in accordance with IFRS 13 with exceptions to IFRS 13.46, relating to demand features and its fulfillment cash flows at the transition date. Judgements will be made in estimating the fair value of groups of insurance contracts. IFRS 13 requires fair values to be determined using recent market transactions, however since this is not available, a valuation approach under IFRS 13 will be applied, with consideration to information from a market participant's perspective. For the P&C portfolios, the fully retrospective approach will be used. Accounting policies and disclosures are srill being finalised by management.

Implementation Project Structure and Status

There is a Group-wide IFRS 17 implementation programme, led by an Executive Project Sponsor, which involves significant enhancements to the Group's IT, actuarial, and finance systems. These three (3) elements were organised into three (3) separate but highly collaborative project streams to ensure attention to detail while achieving the cohesiveness required of the programme. Key tasks within the programme included:

- Identifying data requirements
  This is one of the most significant aspects of the IFRS 17 implementation. This new standard requires a higher level of granularity in cash flow and other data to appropriately measure insurance contracts and make the necessary disclosures for reporting purposes.
- Identifying and implementing changes to systems and processes
  As a result of the IFRS 17 implementation, new systems were acquired, and functionality of existing systems were expanded. The new systems centre around the appropriate calculation and allocation of CSM and directly attributable expenses. Functionality was expanded for accounting and reporting systems.
- Modifying actuarial models
  Changes to actuarial models centered around discount rates and how policies were grouped.
- Determining the appropriate accounting policies and formulating disclosures
  There are many accounting policy options with IFRS 17, but also many ways in which a required policy or disclosure can be formulated. Various approaches were carefully considered before the Group arrived at its final result.

An IFRS 17 Executive and Technical Committee, which includes the Group's CEOs, provides oversight and strategic direction to the implementation programme. A Finance sub-committee was also in place to provide governance over the technical interpretation and accounting policies selected, design and delivery of the programme. During 2022, the Group finalised the build and testing of new actuarial and finance systems and transitioned the new elements of the financial statement close process into its day-to-day operations. IFRS 17 will be implemented effective 1 October 2023, with further refinement and consideration of estimates and areas of judgement ongoing.

58. IFRS 17 – Insurance Contracts (Continued)

Redesignation of Financial Assets

The Group, having previously applied IFRS 9, is permitted to change its classification and designation of financial assets and is required to de-designate financial assets which were previously designated at FVTPL if criteria for such designation is no longer met due to adoption of IFRS 17. Any redesignation will be based on facts and circumstances that exist at the date of initial application of IFRS 17 and will be applied on that date. Some financial assets will be reclassified upon implementation of IFRS 17.

Level of Aggregation

For measurement purposes, IFRS 17 requires contracts to be grouped together into contracts that are managed together and have similar risk and profitability profiles, all within the same issue year. The resulting portfolios are roughly similar to that which existed under IFRS 4 for internal management reporting purposes, although the profitability and cohort grouping requirements are new. With respect to cohort grouping, the Group decided to apply annual cohorts to all portfolios where the Premium Allocation Approach (“PAA”) is applied, and quarterly cohorts to all other portfolios.

Scope, Definition, and Classification

All contracts classified as insurance products under IFRS 4 will continue to be defined as such under IFRS 17, and similarly, all contracts that meet the definition of an insurance contract under IFRS 17 also had done so under IFRS 4. The definition of insurance risk will also be maintained, except to add that benefits payable is determined on a present value basis. Further, there was no significant impact on the recognition and derecognition of insurance contracts under IFRS 4 as compared with IFRS 17. As the impact of any onerous contracts has been assessed as insignificant.

Measurement Models

The standard requires that insurance liabilities be measured using the General Measurement Model (“GMM”), with modifications to this approach available for certain types of contracts. For contracts with participating features (where a substantial share of the fair value of the related investments and other underlying items is paid to policyholders), the CSM reflects the variable fee to shareholders, and therefore the Variable Fee Approach (“VFA”) will be utilised. The Premium Allocation Approach (“PAA”) will be automatically applied to short-term contracts where the profit is realised within twelve months, but also to contracts with durations of up to 2 years, where the PAA eligibility criteria were successfully met. For all other contracts where the GMM will be applied.

Onerous contracts

IFRS 17 requires the identification of groups of onerous contracts. When these groups are identified, the Group is required to recognise a loss immediately in profit or loss along with an increase in the insurance contract liability known as a loss component. Where the Group has reasonable and supportable information to conclude that a set of contracts will all be in the same profitability group for IFRS 17, these contracts are evaluated together based on aggregate expected profitability to determine if the insurance contracts are onerous in the reporting period in which they are first effective.

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58. IFRS 17 – Insurance Contracts (Continued)

Contractual Service Margin
CSM is a new concept in IFRS 17. The contractual service margin is a component of the asset or liability for a group of insurance contracts that represents the unearned profit the entity will recognise as it provides services in the future. An entity is required to determine the contractual service margin on initial recognition of a group of insurance contracts as net cash inflow adjusted for risk adjustment for non financial risks.

The CSM represents a liability for unearned profit measured at inception and recognised in the income statement over the life of the contract as insurance and investment related services are provided to the customer. The amount of CSM amortisation recognised in profit or loss each year is determined by considering, for each group of contracts, coverage units that reflect the quantity of the benefits provided in each period and the expected coverage period.

Reinsurance contracts held
Reinsurance contracts held will apply GMM or PAA, adapted to reflect the characteristics of a reinsurance contract held. For contracts applying the GMM model, the CSM reflects the expected net cost or net gain rather than unearned profit. If certain criteria are met, a loss recovery component can be recognised to offset a portion of the losses recognised on the underlying insurance contracts

Major Accounting Policies

Discount Rates
As allowed by IFRS 17.B80, the Group developed discount rates using the bottom-up approach.
For PAA business, no discounting will be applied to the Liability for Remaining Coverage ("LRC") or to claims and other cash flows that are expected to occur within 1 year of the reporting period.

Risk Adjustment
The Group will use a risk margin approach for the risk adjustment within the Life, Health, and Pensions business units, and will apply a cost of capital approach for the risk adjustment within the Property & Casualty business units.

For the Life companies, the risk adjustment is based on the Margins for Adverse Deviation (MfADs) already used within IFRS 4, except with the financial assumption margins excluded. MfADs meet the criteria within IFRS 17 B.91 which requires a confidence interval to be attached to the level of each margin. In Curacao and Trinidad and Tobago, guidance provided by the insurance regulators, and in Jamaica, best practice, as outlined by the Canadian Institute of Actuaries, define the MfAD range to which the Group must adhere.

Insurance acquisition costs
Costs related to the starting, selling or underwriting of insurance contracts which are directly attributable to a portfolio are eligible to be capitalised on the statement of financial position within insurance acquisition cost as insurance acquisition cash flows and amortised over the life of the related group of insurance contracts to which they are allocated. The Group expects that this will result in additional cost being eligible to be capitalised and amortised as compared to IFRS 4. The Group has elected not to apply the option allowed under IFRS 17.59(a) for contracts measured under the PAA to recognise insurance acquisition cash flows as an expense when incurred.

Presentation and Disclosure
The Group has made the following presentation and disclosure decisions:

- As allowed by IFRS 17.81, the entire change in the risk adjustment for non-financial risk will be included as part of the insurance service result.
- As allowed by IFRS 17.86, income and expenses from reinsurance contracts held will be presented on a net basis in the consolidated statement of income

58. IFRS 17 – Insurance Contracts (Continued)

Impact on Insurance Contract Balances and Profitability

IFRS 17 introduces many new measurement criteria that will have an impact on the Group's results, including the following:

- Insurance Revenue
  IFRS 17 measures revenue based on the delivery of services to policyholders and, importantly, excludes any premiums related to the investment elements of policies. The determination of what constitutes an investment component is an area of judgement significantly affecting amounts of recognised insurance revenue and insurance service expenses as investment components should be excluded from those. An investment component exists where the contract requires the Group to pay the policyholder even if the insured event does not occur either upon the surrender of the policy or at the request of the policyholder. The impact of this is a reduction of insurance revenue.

- Insurance Service Expenses
  IFRS 17 requires the identification of all fulfilment cash flows including operating expenses and overheads that are directly attributable to the acquisition and management of insurance contracts. Such expenses have been classified within operating expenses under IFRS 4. A systematic and rational method to identify and allocate such overheads to insurance and reinsurance contracts has been implemented. Such expenses will be presented within insurance service expenses under IFRS 17.

- Insurance Contract Liability
  The establishment of a CSM on in-force business is expected to lead to an increase in insurance contract liabilities and a corresponding decrease in equity upon transition. The CSM represents unearned profits that are expected to amortise into income as services are provided. Under IFRS 17, all componets of insurance liability will be grouped in one line on the face of statement of financial position.

59. Restatement

The result for the 2022 consolidated and the company stand alone financial year were restated as a result of the following errors.:

i) During the year, management identified a system issue that resulted in the non processing of certain unit-linked policies in the actuarial software. This issue resulted in the understatement of the policyholders' and annuitants benefits and reserves, as the respective guarantees were not measured.
ii) During the year, management identified an error in relation to compensation that were incorrectly amortised over two years instead of being fully expensed.

These errors had no impact on the 2021 consolidated financial statements. The impacted category and the amount is detailed in the tables below:

Consolidated Income Statement	**As previously reported**	**Restatement**	**Restated**
	$'000	**$'000**	**$'000**
Net result from banking and investment activities	107,292,623	-	107,292,623
Net underwriting income	123,908,912	-	123,908,912
Policyholders' and annuitants' benefits and reserves	(113,569,020)	(4,288,121)	(117,857,141)
Reinsurance on policyholders' and annuitants benefits and reserves	48,670,360	-	48,670,360
Commission and other selling expenses	(16,706,258)	-	(16,706,258)
Net result from insurance activities	42,303,994	(4,288,121)	38,015,873
Net Operating Income	149,596,617	(4,288,121)	145,308,496
Staff costs	49,105,761	1,231,323	50,337,084
Other operating expenses	55,354,335	-	55,354,335
	104,460,096	1,231,323	105,691,419
Operating profit	45,136,521	(5,519,444)	39,617,077
Share of profit of associates	732,513	-	732,513
Profit before taxation	45,869,034	(5,519,444)	40,349,590
Taxation	(5,946,189)	728,980	(5,217,209)
Profit after taxation	39,922,845	(4,790,464)	35,132,381

Consolidated Statement of Comprehensive Income

	As previously reported	**Restatement**	**Restated**
	$'000	**$'000**	**$'000**
Net profit	39,922,845	(4,790,464)	35,132,381
Other comprehensive income, net of tax	4,596,111	-	4,596,111
Items that may be reclassified subsequently to profit or loss	(52,159,458)	-	(52,159,458)
	(47,563,347)		(47,563,347)
	(7,640,502)	(4,790,464)	(12,430,966)

59. Restatement (Continued)

Consolidated Statement of Financial Position	As previously reported $'000	Restatement $'000	Restated $'000
Cash in hand and due from banks	244,628,686	-	244,628,686
Investment securities	968,349,401	-	968,349,401
Loans and advances, net of credit impairment losses	580,987,814	-	580,987,814
Property, plant, equipment & software and reserves	83,767,904	-	83,767,904
Deferred and income taxes	28,028,581	728,981	28,757,562
Other assets	172,926,215	(1,231,323)	171,694,892
	2,078,688,601	(502,342)	2,078,186,259
Customer deposits	715,276,682	-	715,276,682
Repurchase agreements	247,676,853	-	247,676,853
Borrowed funds	252,357,887	-	252,357,887
Liabilities under annuity and insurance contracts	437,175,410	4,288,121	441,463,531
Other liabilities	228,202,320	-	228,202,320
	1,880,689,152	4,288,121	1,884,977,273
Share capital and other equity	33,611,880	-	33,611,880
Retained earnings	115,916,115	(3,429,803)	112,486,312
Equity attributable to stockholders of the parent	149,527,995	(3,429,803)	146,098,192
Non-controlling interest	48,471,454	(1,360,660)	47,110,794
Total stockholders' equity	197,999,449	(4,790,463)	193,208,986
Total stockholders' equity and liabilities	2,078,688,601	(502,342)	2,078,186,259

Consolidated Statement of Cash Flows	As previously reported $'000	Restatement $'000	Restated $'000
Net profit	39,922,845	4,790,464	35,132,381
Adjustments to reconcile net profit to net cash provided by operating activities	9,565,986	4,790,464	14,356,450
Net cash provided by operating activities	49,488,831	-	49,488,831
Cash flow from investing activities	(102,901,041)	-	(102,901,041)
Cash flow from financing activities	56,785,758	-	56,785,758
Net increase in exchange rate changes on cash and cash equivalents	3,375,153	-	3,375,153
Net increase in cash and cash equivalents	6,748,701	-	6,748,701
Cash and cash equivalents at beginning of period	195,743,140	-	195,743,140
Cash and cash equivalents at end of period	202,491,841	-	202,491,841

59. Restatement (Continued)

Company Statement of comprehensive income	As previously reported $'000	Restatement $'000	Restated $'000
Income			
Management fees	3,500,000	-	3,500,000
Dividend income	1,229,820	-	1,229,820
Credit impairment losses	(9,699)	-	(9,699)
	4,720,121	-	4,720,121
Expenses			
Losses on foreign currency activities	2,529,690	-	2,529,690
Staff costs	4,372,593	1,231,323	5,603,916
Finance costs	125,084	-	125,084
Other operating expenses	1,936,300	-	1,936,300
	8,963,667	1,231,323	10,194,990
Operating losses	(4,243,546)	(1,231,323)	(5,474,869)
Interest income	2,219,338	-	2,219,338
Interest expense	(6,224,453)	-	(6,224,453)
Loss before taxation	(8,248,661)	(1,231,323)	(9,479,984)
Taxation	2,182,620	-	2,182,620
NET LOSS	(6,066,041)	(1,231,323)	(7,297,364)
Other comprehensive income			
Changes in unrealised losses on securities designated as FVOCI	(361)	-	(361)
TOTAL COMPREHENSIVE INCOME / (LOSS)	(6,066,402)	(1,231,323)	(7,297,725)

59. Restatement (Continued)

Company Statement of Financial Position	**As previously reported $'000**	**Restatement $'000**	**Restated $'000**
ASSETS			
Due from banks	280,630	-	280,630
Loan to related party	50,395,070	-	50,395,070
Investment securities	7,126,192	-	7,126,192
Investment in subsidiaries	167,811,096	-	167,811,096
Right of use assets	176,987	-	176,987
Deferred income tax assets	10,746,669	-	10,746,669
Income tax recoverable	618,345	-	618,345
Other assets	8,247,199	(1,231,323)	7,015,876
	245,402,188	(1,231,323)	244,170,865
LIABILITIES			
Due to banks	18,639,756	-	18,639,756
Other borrowed funds	80,816,324	-	80,816,324
Derivative financial liability	402,695	-	402,695
Lease liabilities	121,489	-	121,489
Other liabilities	6,090,185	-	6,090,185
	106,070,449	-	106,070,449
EQUITY			
Share capital	153,827,330	-	153,827,330
Treasury shares	(11,232,294)	-	(11,232,294)
Fair value reserves	1,043	-	1,043
Accmulated deficit	(3,264,340)	(1,231,323)	(4,495,663)
Total stockholders' equity	139,331,739	(1,231,323)	138,100,416
Total stockholders' equity and liabilities	245,402,188	(1,231,323)	244,170,865

Company Statement of Cash Flows	**As previously reported $'000**	**Restatement $'000**	**Restated $'000**
Net loss	(6,066,041)	(1,231,323)	(7,297,364)
Adjustments to reconcile net profit to net cash provided by operationg activities	(3,309,581)	1,231,323	(2,078,258)
Net cash provided by operating activities	(9,375,622)	-	(9,375,622)
Cash flow from investing activities	(18,965)	-	(18,965)
Cash flow from financing activities	(3,017,348)	-	(3,017,348)
Net increase in exchange rate changes on cash and cash equivalents	(3,104,567)	-	(3,104,567)
Net increase in cash and cash equivalents	(15,516,502)	-	(15,516,502)
Cash and cash equivalents at beginning of period	15,797,132	-	15,797,132
Cash and cash equivalents at end of period	280,630	-	280,630

60. Subsequent events

(i) Subsequent to the year end, subsidiaries of National Commercial Bank Jamaica Limited declared dividends and / or executed share buy-back transactions which were settled by a combination of cash, transfer of investment securities and property. National Commercial Bank Jamaica Limited subsequently declared a dividend to distribute the proceeds to its parent, NCB Financial Group Limited, which was also settled by a combination of cash, transfer of investment securities and property. The subsidiaries and the amounts as as follows:

	$'000
NCB Cayman Limited	5,414,600
NCB Capital Markets (Cayman) Limited	4,556,300
NCB Capital Markets Limited	696,100
NCB Merchant Bank (Trinidad & Tobago) Limited	154,700
	10,821,700

(ii) The Board of Directors, at its meeting on November 17, 2023, declared a dividend on $0.50 per share.

Appendix 2 (Continued)

NCB Financial Group Limited
Unaudited Financial Statements

Nine Months Ended June 2023

NCB Financial Group Limited

Consolidated
Income Statement

Quarter Ended December 31, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended December 31 2023 $'M	Quarter ended September 30 2023 $'M	Quarter ended December 31 2022 $'M
Operating income			
Banking and investment activities			
Interest income	21,657	21,339	18,875
Interest expense	(10,059)	(10,045)	(7,539)
Net interest income	11,598	11,295	11,336
Fee and commission income	9,481	9,106	8,426
Fee and commission expense	(3,010)	(3,044)	(2,465)
Net fee and commission income	6,472	6,062	5,962
Gain on foreign currency and investment activities	1,896	2,092	2,503
Credit impairment losses	(877)	(283)	(1,167)
Dividend income	280	345	101
Other operating income	143	38	57
	1,441	2,192	1,494
Net revenues from banking and investment activities	**19,511**	**19,549**	**18,791**
Insurance activities			
Insurance revenue	31,806	33,063	28,666
Insurance service expenses	(21,924)	(17,214)	(21,088)
Net expenses from reinsurance contracts held	(3,680)	(8,237)	(4,252)
Insurance service result	**6,202**	**7,611**	**3,325**
Insurance finance expenses			
Finance expenses from insurance contracts issued	(6,087)	(2,251)	(4,736)
Finance income from reinsurance contracts held	(28)	26	26
Net insurance finance expenses	**(6,116)**	**(2,225)**	**(4,710)**
Investment income and other income insurance segment	14,920	7,089	9,481
Net revenues from insurance activities	**15,006**	**12,476**	**8,097**
Net operating income	**34,516**	**32,024**	**26,888**
Operating expenses			
Staff costs	13,585	20,283	13,119
Depreciation and amortisation	2,436	1,710	1,165
Finance cost	517	502	567
Other operating expenses	9,627	11,726	8,157
	26,165	**34,221**	**23,008**
Operating profit/(loss)	**8,351**	**(2,197)**	**3,880**
Share of profit of associates	46	49	194
Profit/(loss) before taxation	**8,398**	**(2,147)**	**4,074**
Taxation	(2,428)	577	(1,865)
NET PROFIT/(LOSS)	**5,970**	**(1,571)**	**2,209**
Attributable to:			
Stockholders of parent	3,077	(4,200)	1,378
Non-controlling interest	2,893	2,630	831
	5,970	**(1,571)**	**2,209**
Earnings per stock unit Basic and diluted (expressed in $)	**1.32**	**(1.83)**	**0.60**

Consolidated Statement of Comprehensive Income

Quarter Ended December 31, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

		RESTATED	
	Quarter ended December 31 2023 $'M	Quarter ended September 30 2023 $'M	Quarter ended December 31 2022 $'M
Net Profit/(Loss)	**5,970**	**(1,571)**	**2,209**
Other comprehensive income, net of tax-			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	(847)	2,042	29
	(847)	2,042	29
Items that may be subsequently reclassified to profit or loss			
Currency translation (losses)/gains	(170)	(888)	410
Expected credit reversals/(losses) on debt instruments at fair value through other comprehensive income (FVOCI)	84	(904)	560
Unrealised gains on securities designated as FVOCI	11,552	2,262	22,607
Realised fair value gains on securities designated as FVOCI	(361)	(195)	(356)
Insurance finance reserves	(8,002)	(13,613)	(1,160)
	3,103	(13,339)	22,061
Total other comprehensive income/(loss)	2,256	(11,297)	22,089
TOTAL COMPREHENSIVE INCOME/(LOSS)	**8,226**	**(12,868)**	**24,299**
Total comprehensive income/(loss) attributable to:			
Stockholders of the parent	6,238	(14,257)	24,180
Non-controlling interest	1,988	1,389	119
	8,226	**(12,868)**	**24,299**

NCB Financial Group Limited

Consolidated Statement of Financial Position

December 31, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

Amounts are shown in millions		RESTATED	
	December 31 2023 $'M	September 30 2023 $'M	December 31 2022 $'M
ASSETS			
Cash in hand and balances at Central Banks	87,450	80,956	78,152
Due from banks	144,246	139,901	170,395
Derivative financial instruments	1,044	827	896
Reverse repurchase agreements	6,407	8,765	7,430
Loans and advances, net of credit impairment losses	621,216	612,705	592,063
Investment securities	840,753	831,605	745,373
Pledged assets	281,839	284,366	258,631
Investment in associates	6,848	7,126	7,093
Investment properties	36,206	36,593	36,487
Intangible assets	53,744	53,982	53,274
Property, plant and equipment	29,774	29,143	28,864
Right-of-use assets	4,616	4,731	4,754
Properties for development and sale	3,846	4,152	2,153
Deferred income tax assets	21,151	22,162	17,177
Income tax recoverable	12,715	8,004	2,152
Reinsurance contract assets	8,103	19,442	20,035
Insurance contract assets	3,160	17,545	2,106
Letters of credit and undertaking	6,258	5,180	5,401
Other assets	51,948	52,839	50,530
Total assets	**2,221,322**	**2,220,022**	**2,082,967**
LIABILITIES			
Due to banks	21,582	31,932	31,806
Customer deposits	756,587	747,872	716,907
Repurchase agreements	297,431	280,714	255,205
Obligations under securitisation arrangements	97,066	98,195	98,045
Derivative financial instruments	-	9	210
Other borrowed funds	175,853	179,648	156,594
Deferred income tax liabilities	8,063	7,525	6,926
Third party interests in mutual funds	38,735	38,911	35,027
Insurance contract liabilities	517,890	520,753	495,642
Reinsurance contract liabilities	464	4,471	11,138
Investment contract liabilities	46,477	47,047	45,283
Post-employment benefit obligations	8,936	7,812	4,239
Letters of credit and undertaking	6,258	5,180	5,401
Lease liabilities	4,673	4,757	4,896
Other liabilities	45,259	61,066	58,511
Total liabilities	**2,025,272**	**2,035,890**	**1,925,831**
STOCKHOLDERS' EQUITY			
Share capital	158,725	153,827	153,827
Treasury shares	(25,675)	(25,675)	(26,653)
Reserve from the scheme of arrangement	(147,035)	(147,035)	(147,035)
Insurance Finance Reserves	8,284	16,286	11,209
Fair value and capital reserves	(2,663)	(14,673)	(9,674)
Loan loss reserve	6,062	5,754	6,149
Statutory reserve fund	8,254	6,933	6,897
Retained earnings reserve	75,270	75,270	75,270
Retained earnings	78,440	79,044	62,563
Equity attributable to stockholders of the parent	**159,662**	**149,732**	**132,553**
Non-controlling interest	36,388	34,399	24,582
Total stockholders' equity	**196,050**	**184,131**	**157,136**
Total stockholders' equity and liabilities	**2,221,322**	**2,220,022**	**2,082,967**

Approved for issue by the Board of Directors on February 8, 2024 and signed on its behalf by:

Robert Almeida — Interim Group Chief Executive Officer

Malcolm Sadler — Chief Financial Officer

Professor, the Hon. Alvin Wint, OJ, CD — Lead Independent Director

Dave Garcia — Corporate Secretary

Consolidated Statement of Changes in Stockholder's Equity

Quarter Ended December 31, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

	Share capital	Treasury shares	Reserve from the Scheme of Arrangement	Insurance finance reserves	Fair value and capital reserves	Loan loss reserve	Banking reserve fund	Retained earnings reserve	Retained earnings	Non-controlling interest	Total
	$'M	$'M	$'M	$'M	$'M	$'M	$'M	$'M	$'M	$'M	$'M
Balance as at October 1, 2022 - Restated	153,827	(26,653)	(147,035)	12,369	(33,607)	6,350	6,897	67,170	69,054	24,463	132,837
Total comprehensive income											
Net profit - Restated	-	-	-	-	-	-	-	-	1,378	831	2,209
Other comprehensive (loss)/income	-	-	-	(1,160)	23,933	-	-	-	29	(712)	22,089
Transfer from loan loss reserve	-	-	-	-	-	(201)	-	-	201	-	-
Transfer to retained earnings reserve	-	-	-	-	-	-	-	8,100	(8,100)	-	-
Balance at December 31, 2022 - Restated	**153,827**	**(26,653)**	**(147,035)**	**11,209**	**(9,674)**	**6,149**	**6,897**	**75,270**	**62,563**	**24,582**	**157,136**
Balance as at October 1, 2023 - Restated	**153,827**	**(25,675)**	**(147,035)**	**16,286**	**(14,673)**	**5,754**	**6,933**	**75,270**	**79,044**	**34,399**	**184,131**
Total comprehensive income											
Net profit	-	-	-	-	-	-	-	-	3,077	2,893	5,970
Other comprehensive (loss)/income	-	-	-	(8,002)	12,010	-	-	-	(847)	(904)	2,256
Transfer to loan loss reserve	-	-	-	-	-	308	-	-	(308)	-	-
Transfer to statutory reserve	-	-	-	-	-	-	1,321	-	(1,321)	-	-
Issue of additional share capital	4,897	-	-	-	-	-	-	-	-	-	4,897
Transaction with owners of the Company -											
Dividends paid	-	-	-	-	-	-	-	-	(1,205)	-	(1,205)
Balance at December 31, 2023	**158,725**	**(25,675)**	**(147,035)**	**8,284**	**(2,663)**	**6,062**	**8,254**	**75,270**	**78,440**	**36,388**	**196,050**

Consolidated Statement of Cash Flows

Quarter Ended December 31, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

	December 31 2023 $'M	December 31 2022 $'M
Cash Flows from Operating Activities		
Net profit	5,970	2,209
Adjustments to reconcile net profit to net cash provided by operating activities	13,225	13,997
Net cash provided by operating activities	19,195	16,206
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(1,716)	(483)
Acquisition of intangible asset - computer software	(1,144)	(2,072)
Proceeds from disposal of property, plant and equipment	22	1,101
Purchase of investment property	(86)	(675)
Sale of investment properties	2	-
Purchases of investment securities	(162,941)	(143,313)
Sales/maturities of investment securities	163,380	115,656
Net cash provided by/(used in) investing activities	(2,484)	(29,786)
Cash Flows from Financing Activities		
Repayments under securitisation arrangements	(711)	(672)
Proceeds from other borrowed funds	1,309	8,391
Repayments of other borrowed funds	(6,400)	(4,962)
Due to banks	215	(6,482)
Lease repayment	(404)	(464)
Dividends paid	(1,205)	-
Net cash used in financing activities	(7,196)	(4,189)
Effect of exchange rate changes on cash and cash equivalents	(563)	(961)
Net increase/(decrease) in cash and cash equivalents	8,952	(18,730)
Cash and cash equivalents at beginning of period	155,564	201,498
Cash and cash equivalents at end of period	**164,516**	**182,768**
Comprising:		
Cash in hand and balances at Central Banks	37,602	34,507
Due from banks	140,472	167,229
Reverse repurchase agreements	-	520
Investment securities	311	1,747
Due to banks	(13,868)	(21,235)
	164,516	**182,768**

NCB Financial Group Limited

Segment Reports

Quarter Ended December 31, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

Amounts are shown in millions

	Banking and Investment Activities					Insurance Activities			
	Consumer & SME Banking	Payment Services	Corporate & Commercial Banking	Treasury & Correspondent Banking	Wealth, Asset Management & Investment Banking	Life and Health Insurance & Pension Fund Management	General Insurance	Other & Consolidation Adjustments	Total
	$'M	$'M	$'M	$'M	$'M	$'M	$'M	$'M	$'M
External revenue	10,632	8,213	3,941	6,039	9,114	31,482	22,105	(11,343)	80,182
Revenue from other segments	1,166	18	909	3,449	1,132	263	-	(6,936)	0
Total Revenue	**11,798**	**8,231**	**4,850**	**9,488**	**10,246**	**31,744**	**22,105**	**(18,279)**	**80,182**
Net interest income	7,307	1,531	2,171	1,812	1,341	6,864	470	(3,615)	17,883
Net fee and commission income	1,585	2,562	497	154	706	1,147	1,350	(667)	7,335
Gain/(loss) on foreign currency and investment activities	13	127	0	2,220	(80)	6,522	28	(922)	7,908
Net revenues from insurance activities	-	-	-	-	-	2,950	2,860	391	6,202
Insurance finance expenses	-	-	-	-	-	(5,668)	(447)	0	(6,116)
Credit impairment (losses)/reversals	(507)	(498)	(179)	15	197	(23)	23	95	(877)
Other operating income and dividend income	52	(1)	0	0	398	1,173	(9)	97	1,710
Total operating income	**8,450**	**3,721**	**2,489**	**4,201**	**2,562**	**12,966**	**4,275**	**(4,620)**	**34,044**
Total operating expense	**5,181**	**1,682**	**822**	**1,148**	**2,255**	**3,226**	**2,169**	**829**	**17,311**
Operating profit before allocated cost	3,269	2,040	1,667	3,054	308	9,740	2,106	(5,450)	16,733
Allocated costs	(3,118)	(1,516)	(461)	(262)	-	-	-	-	(5,357)
Operating (loss)/profit	**151**	**524**	**1,205**	**2,792**	**308**	**9,740**	**2,106**	**(5,450)**	**11,376**
Unallocated corporate expenses									(3,025)
Share of profit of associates									46
Profit before taxation									8,398
Taxation									(2,428)
Net Profit									5,970
Segment assets	579,030	63,635	176,884	404,783	438,496	660,169	97,089	(239,478)	2,180,608
Associates									6,848
Unallocated assets									33,866
Total assets									2,221,322
Segment liabilities	512,282	24,680	162,233	424,911	393,278	545,940	52,736	(98,850)	2,017,209
Unallocated liabilities									8,063
Total liabilities									2,025,272
Capital expenditure	1,179	766	99	40	79	373	63	264	2,861

Segment Reports

Quarter Ended December 31, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

RESTATED	Consumer & SME Banking	Payment Services	Corporate & Commercial Banking	Treasury & Correspondent Banking	Wealth, Asset Management & Investment Banking	Life and Health Insurance & Pension Fund Management	General Insurance	Other & Consolidation Adjustments	Total
	$'M	$'M	$'M	$'M	$'M	$'M	$'M	$'M	$'M
External revenue	9,011	7,132	3,865	5,270	5,113	23,905	15,412	(1,598)	68,109
Revenue from other segments	1,137	11	869	2,513	1,093	177	86	(5,887)	-
Total Revenue	**10,148**	**7,143**	**4,734**	**7,783**	**6,206**	**24,082**	**15,498**	**(7,485)**	**68,109**
Net interest income	7,071	1,726	2,406	1,086	1,563	6,179	296	(3,233)	17,093
Net fee and commission income	1,272	2,415	377	144	735	966	1,439	(798)	6,550
Gain/(loss) on foreign currency and investment activities	8	95	(0)	1,996	392	105	0	(38)	2,558
Net revenues from insurance activities	-	-	-	-	-	401	2,505	419	3,325
Insurance finance expenses	-	-	-	-	-	(4,761)	51	-	(4,710)
Credit impairment (losses)/reversals	(900)	(339)	(32)	(3)	40	(98)	95	71	(1,167)
Other operating income and dividend income	33	1	0	0	456	2,404	(247)	291	2,937
Total operating income	**7,484**	**3,897**	**2,750**	**3,223**	**3,186**	**5,197**	**4,139**	**(3,289)**	**26,588**
Total operating expense	**5,034**	**2,194**	**910**	**1,197**	**2,255**	**3,185**	**1,635**	**1,866**	**18,277**
Operating profit before allocated cost	2,450	1,703	1,840	2,026	931	2,012	2,504	(5,155)	8,311
Allocated costs	(3,050)	(1,461)	(485)	(264)	-	-	-	-	(5,260)
Operating (loss)/profit	**(600)**	**242**	**1,355**	**1,762**	**931**	**2,012**	**2,504**	**(5,155)**	**3,051**
Unallocated corporate expenses									829
Share of profit of associates									194
Profit before taxation									4,074
Taxation									(1,865)
Net Profit									**2,209**
Segment assets	496,713	51,502	185,654	447,530	427,715	613,325	101,333	(267,228)	2,056,544
Associates									7,093
Unallocated assets									19,329
Total assets									2,082,967
Segment liabilities	460,587	28,988	171,526	408,052	381,899	521,292	92,255	(145,695)	1,918,905
Unallocated liabilities									6,926
Total liabilities									1,925,831
Capital expenditure	1,005	669	64	113	198	304	112	91	2,556

Notes to the Financial Statements

December 31, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

NCB Financial Group Limited ("the Company") is a financial holding company, incorporated and domiciled in Jamaica. The Company is 49.58% (December 31, 2022 - 52.72%) owned by AIC (Barbados) Limited. The ultimate parent company is Portland Holdings Inc., incorporated in Canada. Portland Holdings Inc. is controlled by Hon. Michael A. Lee-Chin, O.J., Chairman of the Company.

The Company's registered office is located at 32 Trafalgar Road, Kingston 10, Jamaica.

The Company's ordinary stock units are listed on the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange.

2. Basis of preparation

The condensed consolidated interim financial statements (interim financial statements) for the quarter ended December 31, 2023 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2023 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

3. Segment reporting

The Group is organised into the following business segments:

- Consumer & SME banking – This incorporates the provision of banking services to individual and small and medium business clients.
- Payment services – This incorporates the provision of card related and digital/electronic payment services.
- Corporate and commercial banking – This incorporates the provision of banking services to large corporate clients.
- Treasury & correspondent banking – This incorporates the Group's liquidity and investment management function, management of correspondent bank relationships, and relationships with other financial institutions as well as foreign currency dealing activities.
- Wealth, asset management and investment banking – This incorporates stock brokerage, securities trading, investment management and other financial services provided by certain overseas subsidiaries.
- Life and health insurance & pension fund management – This incorporates life and health insurance, investment and pension fund management services.
- General insurance - This incorporates property and casualty insurance services.
- Other/Consolidation Adjustments - The Group's trustee services, property development, certain inactive subsidiaries and the parent company are classified as Other for segment reporting. Eliminations comprise inter-segment transactions and adjustments on consolidation of the financial statements are also included in this segment.

4. Adoption of IFRS 17 - Insurance Contracts

Effective October 1, 2023, IFRS 17 replaced IFRS 4 Insurance Contracts, materially changing the recognition and measurement of insurance contracts and the corresponding presentation and disclosures in the Group's financial statements.

In accordance with the transition requirements of IFRS 17, the Group has restated its financial statements and is therefore presenting:

1. Within the summarised consolidated statement of financial position, an opening balance sheet as at 1 October 2022, the date of transition to IFRS 17. Differences between the carrying value of assets, liabilities and equity previously recorded and those under IFRS 17 were recorded in retained earnings.

2. Summarised consolidated statement of financial position as at September 30, 2022, now restated under IFRS 17 regime.

3. Summarised consolidated statement of financial position, income, comprehensive income, cash flows and changes in equity as at and for the periods ended December 2023, September 2023 and December 2022 in compliance with IFRS 17.

While retrospective application is required, full retrospective to a group of contracts is impractical, the modified retrospective or fair value methods may be used. The Group therefore applied the fair value approach on all long-term portfolios within the Life, Health and Pensions business that were in issue as at October 1, 2022 and prior, and the full retrospective approach thereafter. For all other portfolios, the full retrospective approach was used for all relevant periods.

Refer to Note 58 of the Group's 2023 audited financial statements for further details on the adoption of IFRS 17.

4. Adoption of IFRS 17 - Insurance Contracts (continued)

The initial application of IFRS 17 resulted in a reduction of total equity of $59 billion as at October 1, 2022. The opening IFRS 17 statement of financial position and related adjustments are presented below:

	September 2022		
BALANCE SHEET	**As previously reported**	**Restatement**	**Restated**
	$'000	$'000	$'000
Cash in hand and due from banks	256,663,119	(971,097)	255,692,022
Investment securities and pledged assets	968,349,401	(1,694,564)	966,654,837
Loans and advances, net of credit impairment losses	580,987,814	(924,427)	580,063,387
Property, plant, equipment & intangible assets	83,767,904	(3,146,933)	80,620,971
Reinsurance assets	30,312,857	(7,753,830)	22,559,027
Insurance assets	-	5,388,516	5,388,516
Deferred & income taxes	28,028,581	-	28,028,581
Other assets	130,076,583	(24,126,827)	105,949,756
Total assets	**2,078,186,259**	**(33,229,162)**	**2,044,957,097**
Customer deposits	715,276,682	-	715,276,682
Repurchase agreements	247,676,853	411,911	248,088,764
Borrowed funds	153,272,229	(23,188)	153,249,041
Liabilities under annuity and insurance contracts	441,463,531	44,237,859	485,701,390
Reinsurance contract liabilities	-	17,966,468	17,966,468
Other liabilities	327,287,979	(36,642,980)	290,644,999
Total liabilities	**1,884,977,274**	**25,950,070**	**1,910,927,344**
Share capital & other equity	60,556,962	9,531,211	70,088,173
Fair value and other reserves	(26,945,082)	(16,505,913)	(43,450,995)
Insurance service reserves	-	12,369,390	12,369,390
Retained earnings	112,486,311	(42,239,046)	70,247,265
Equity attributable to stockholders of the parent	**146,098,191**	**(36,844,358)**	**109,253,833**
Non-controlling interest	47,110,794	(22,334,874)	24,775,920
Total stockholders equity	**193,208,985**	**(59,179,232)**	**134,029,753**
Total stockholders equity and liability	**2,078,186,259**	**(33,229,162)**	**2,044,957,097**

The initial application adjustments arise principally from:

a. Introduction of the Contractual Service Margin (CSM)

This is a new liability that represents future unearned profits on long-term insurance contracts written.

b. The measurement of the Risk Adjustment

This is a concept in IFRS 17 that is similar to the Margins for Adverse Deviation that was previously estimated under IFRS 4. IFRS 17 does however introduce some specific considerations in the calculation and application of this item.

c. The determination of Discount Rates

IFRS 17 introduced some changes in how discount rates are determined, primarily removing from consideration the characteristics of the assets which support the related insurance liabilities.

d. Other measurement changes

This includes changes to the level at which contracts are aggregated for measurement purposes and how contract boundaries are defined.

4. Adoption of IFRS 17 - Insurance Contracts (Cont'd)

e. Presentation changes

Several assets and liabilities experienced no change to their measurement but have been moved to other areas of the financial statements, including:

Premiums receivable and Policy loans – These amounts were previously reported in loans and receivables and have now been reclassified to insurance contract liabilities/assets as they are insurance contract related.

Deposits with/balances due from reinsurers – These amounts were previously reported in loans and receivables and have now been reclassified to reinsurance contract assets/liabilities as they are related to reinsurance contracts.

Deposits and premiums received in advance – These amounts were previously reported in other liabilities and have now been reclassified to insurance contract liabilities/assets as they are insurance contract related.

Amounts due to reinsurers – These amounts were previously reported in other liabilities and have now been reclassified to reinsurance contract assets/liabilities as they are related to reinsurance contracts.

Deferred acquisition costs – These were previously reported as a separate line within the assets section of the financial statements and have been reclassified to insurance contract liabilities/assets as they are insurance contract related.

December 31, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

Interest/Ownership of Stock Units by Directors of NCB Financial Group Limited as at December 31, 2023

Directors [1.]	Total	Direct	Connected Parties
Robert Almeida	65,990,231	171,750	65,818,481
Sandra Glasgow [2.]	130,848,050	188,126	130,659,924
Sanya Goffe	65,890,481	72,000	65,818,481
Hon. Michael Lee-Chin, OJ	1,467,645,135	146,698	1,467,498,437
Thalia Lyn, OD [2.]	131,075,213	429,449	130,645,764
Prof., the Hon. Alvin Wint, OJ, CD	65,906,625	88,144	65,818,481

Interest/Ownership of Stock Units by Executives/Senior Managers of NCB Financial Group Limited as at December 31, 2023

Executives	Total	Direct	Connected Parties
Robert Almeida [1.]	65,990,231	171,750	65,818,481
Dave Garcia (Corporate Secretary)	175,027	175,027	0
Malcolm Sadler	58,827	28,774	30,053
Misheca Seymour-Senior	27,195	27,195	0
Mukisa Wilson Ricketts	87,552	87,552	0
Allison Wynter [2.]	65,007,230	191,237	64,815,993

Interest/Ownership of Stock Units by Executives/Senior Managers of subsidiaries of NCB Financial Group Limited as at December 31, 2023

Executives	Total	Direct	Connected Parties
Bruce Bowen	0	0	0
Danielle Cameron Duncan	92,854	92,854	0
Ian Chinapoo	0	0	0
Jacqueline De Lisser	30,146	30,146	0
Raymond Donaldson	0	0	0
Ramon Lewis	57,215	57,215	0
Sheree Martin	6,713	6,713	0
Anne McMorris Cover	8,735	8,735	0
Antonio Spence	0	0	0
Ian Truran	0	0	0
Tanya Watson Francis	156,323	156,323	0
Angus Young	0	0	0

1. Connected parties for all directors include shares of 65,818,481 held by subsidiaries of Guardian Holdings Limited.

2. Connected parties for Sandra Glasgow, Thalia Lyn and Allison Wynter include shares of 64,675,993 held as trustees of the N.C.B. Staff Pension Fund.

December 31, 2023 - (expressed in Jamaican dollars unless otherwise indicated)

10 Largest Shareholders of NCB Financial Group Limited as at December 31, 2023

Name of Shareholder	Units	Percentage Ownership
AIC (Barbados) Limited	1,261,730,942	49.58%
MF&G Asset Management Limited - NCB Share Scheme	101,406,205	3.98%
Sagicor PIF Equity Fund	73,706,956	2.90%
Patrick Hylton	60,838,988	2.39%
NCB Insurance Agency & Fund Managers Limited WT 109	54,715,172	2.15%
Harprop Limited	46,434,102	1.82%
AIC Global Holdings Inc.	45,449,690	1.79%
National Insurance Fund	33,139,232	1.30%
Ideal Portfolio Services Company Limited	32,544,258	1.28%
SJIML A/C 3119	31,039,032	1.22%

Shareholder Profile of NCB Financial Group Limited as at December 31, 2023

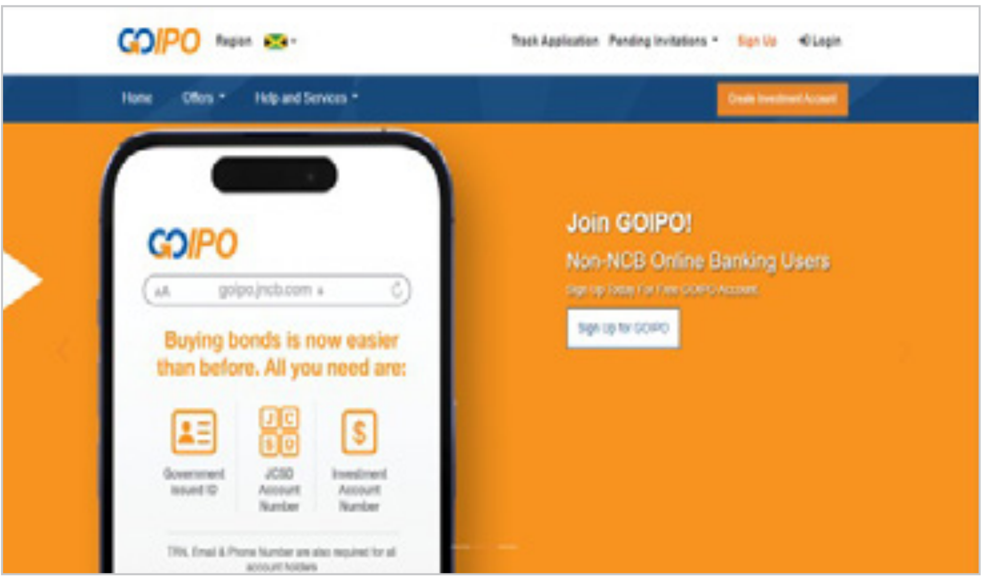
Number of Shareholders	Ownership of Each Shareholder	Percentage Ownership	Number of Units
One shareholder with five accounts	49.58%	49.58%	1,261,730,942
12	1 - 5%	22.14%	563,543,981
44,794	Less than 1%	28.28%	719,569,689
44,807		**100.00%**	**2,544,844,612**

Appendix 3
Application Procedures & Conditions

CREATING A GOIPO PROFILE - NON –NCB ONLINE BANKING USERS

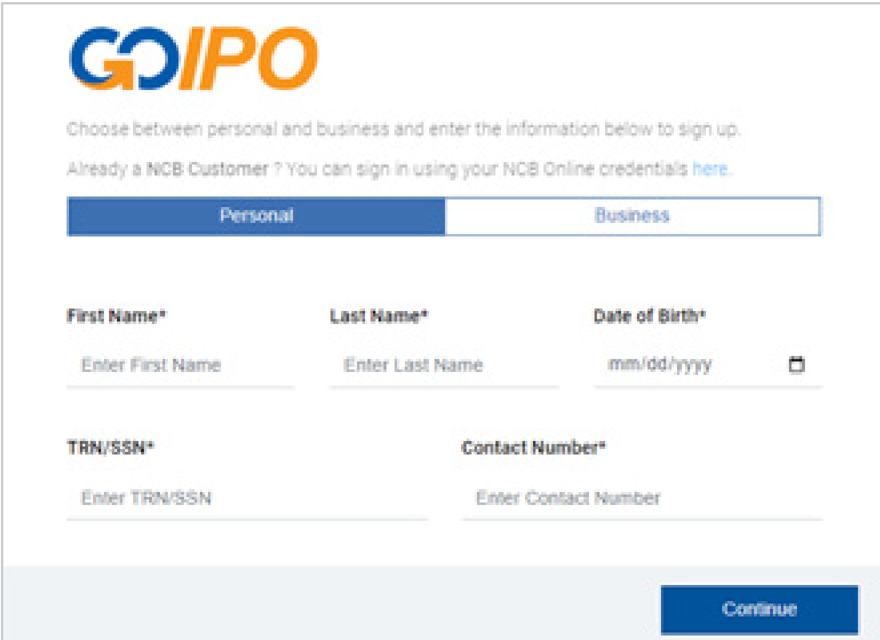
You will need a GoIPO profile in order to participate in any offer available on GoIPO.

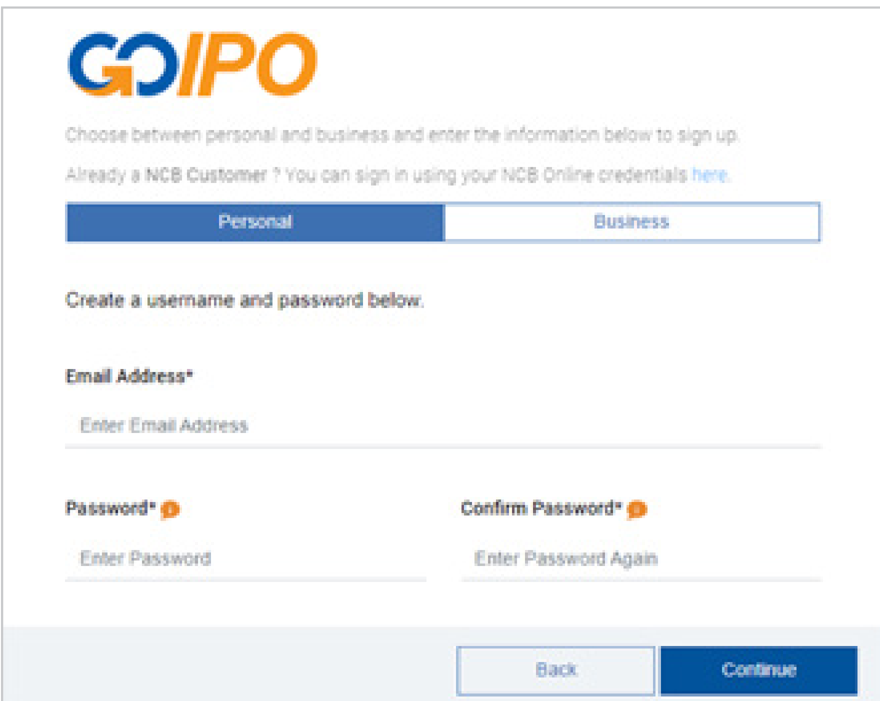
1. Select "Sign Up" from the navigation bar or click the "Sign Up for GOIPO" button the on the header banner of the page



2. Complete application form
3. Enter your email address
4. Create and confirm your password
5. Select "Continue" to proceed.

6.

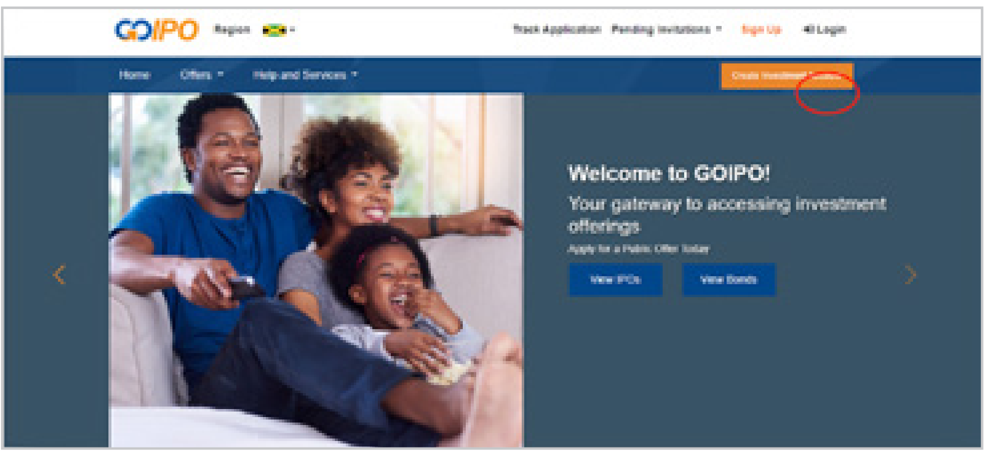

GOIPO
Choose between personal and business and enter the information below to sign up.
Already a NCB Customer ? You can sign in using your NCB Online credentials here.
Personal
Business
First Name*
Enter First Name
Last Name*
Enter Last Name
Date of Birth*
mm/dd/yyyy
TRN/SSN*
Enter TRN/SSN
Contact Number*
Enter Contact Number
Continue


GOIPO
Choose between personal and business and enter the information below to sign up.
Already a NCB Customer ? You can sign in using your NCB Online credentials here.
Personal
Business
Create a username and password below.
Email Address*
Enter Email Address
Password*
Enter Password
Confirm Password*
Enter Password Again
Back
Continue

7. You will receive a notification that your profile has been successfully created and email confirmation

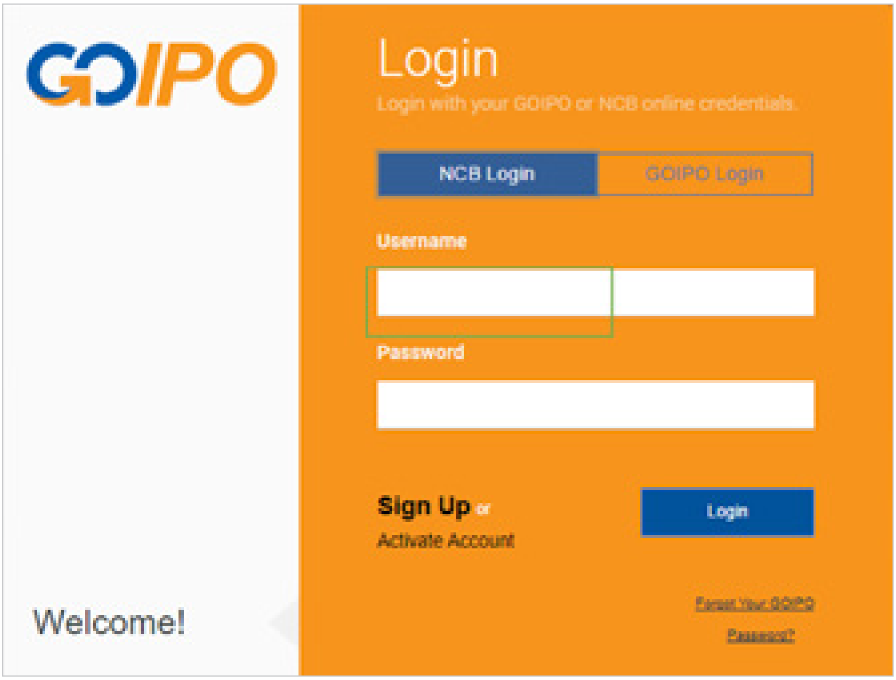
VIEW AND/ OR MANAGE ACCOUNTS & CHANGE PASSWORD

1. Select “Login”

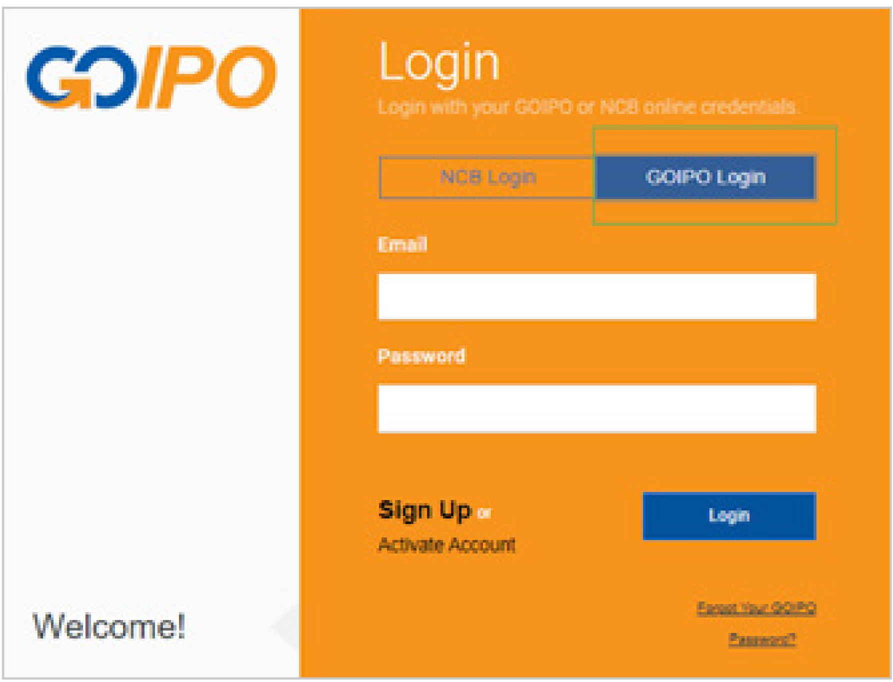


2. Login using your NCB Personal Online Banking login credentials or your GOIPO login credential previously created.
   a. NCB Login: enter your username, password and click **“Login”**
   b. GOIPO Login: enter your email, password and click **“Login”**

NCB Login



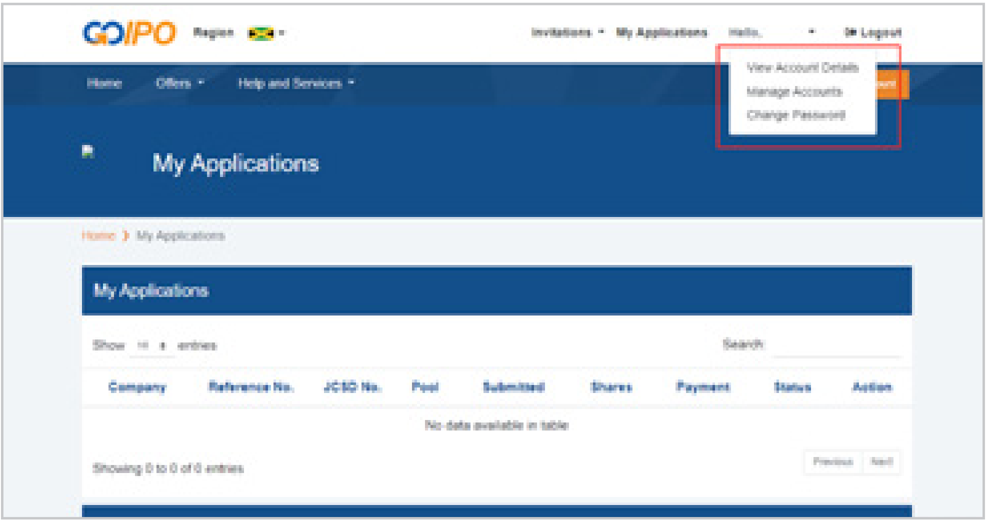
GOIPO Login



To view or change aspects of your account, click on the drop down arrow beside your name in the top right of the page then select **Manage Your Account.**

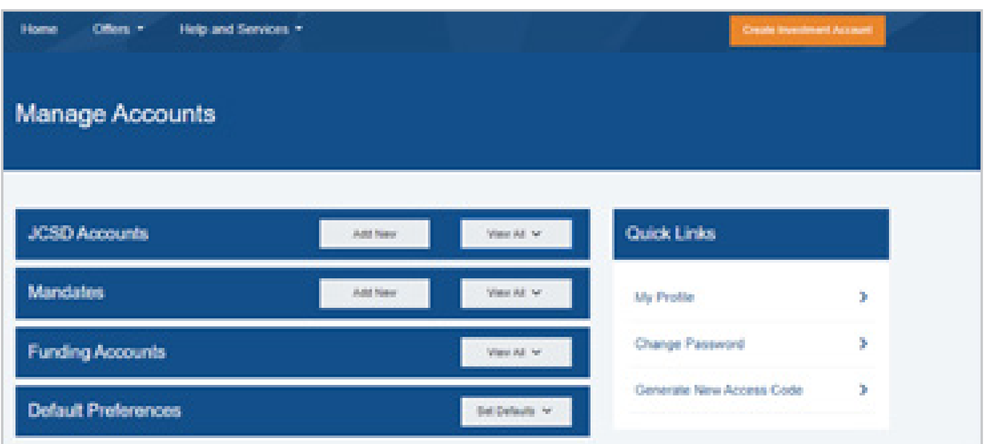
Appendix 3
Application Procedures & Conditions

Continued

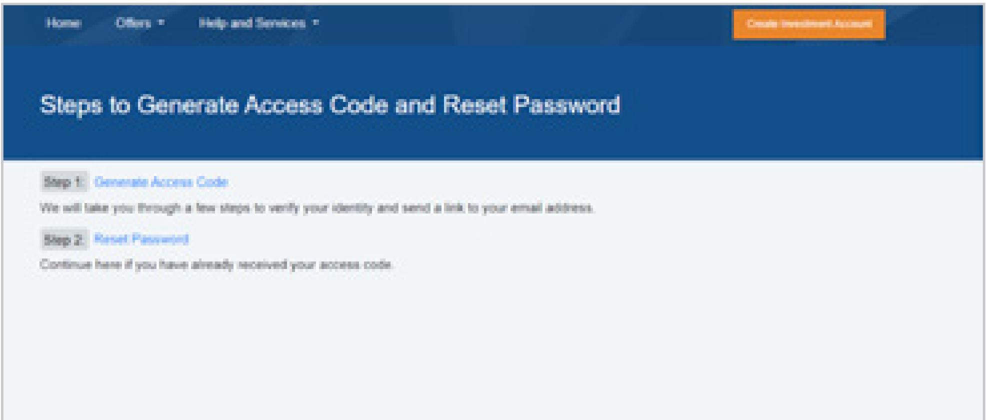


3. **The Manage your Account** option allows you to:

- **a.** Add/ Remove or View JSCD Account/s
- **b.** Add/ Remove or View Mandate
- **c.** Add/ Remove or View Funding Account/s
- **d.** Change your Password

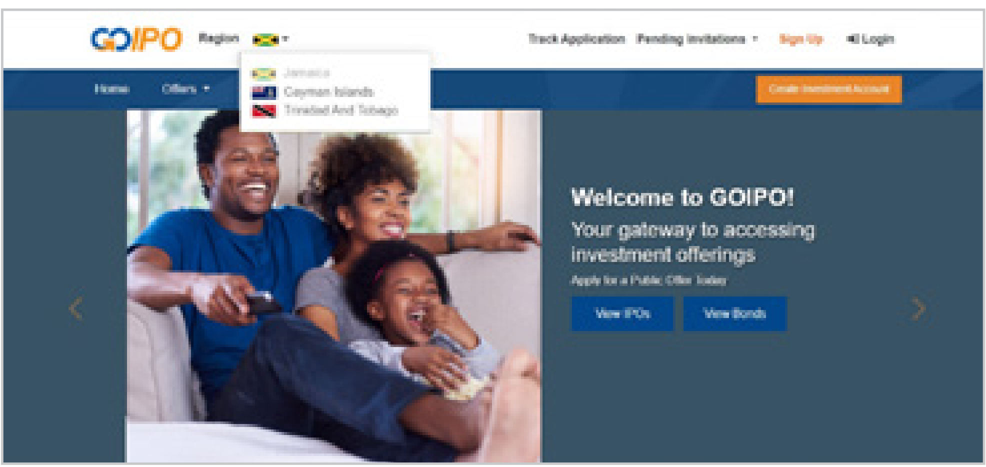


Change Password



APPLYING FOR AN IPO: NCB ONLINE CLIENT WITH A -SINGLE PERSON ACCOUNT

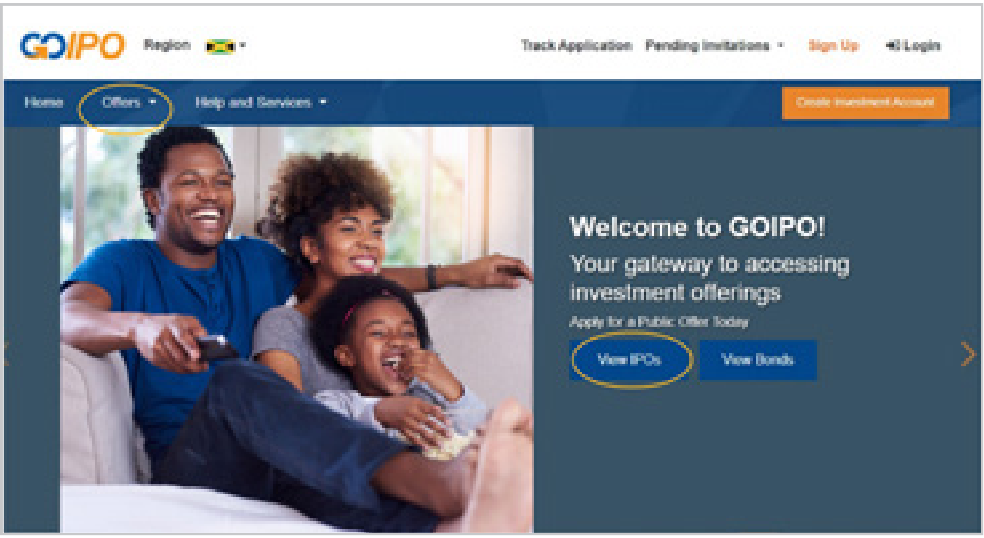
1. Access the GoIPO website (https://goipo.jncb.com/) and select your specific "Region"



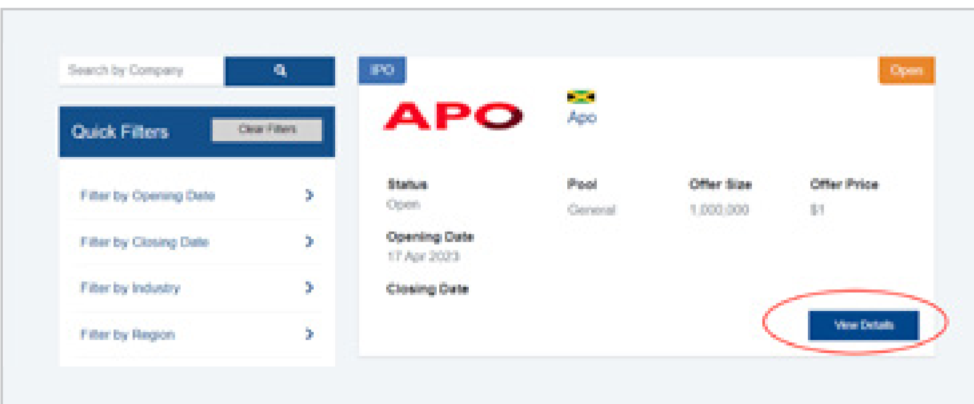
Appendix 3
Application Procedures & Conditions

Continued

2. Select the “Offers” button located at the top left-hand corner of the screen or click on the “View IPOs” button on the screen.

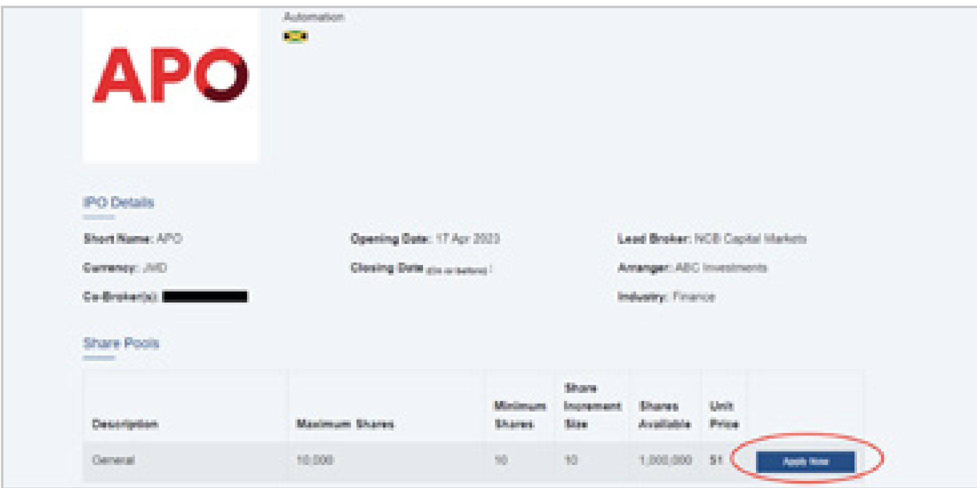


1. Select the desired IPO and click on the view details button

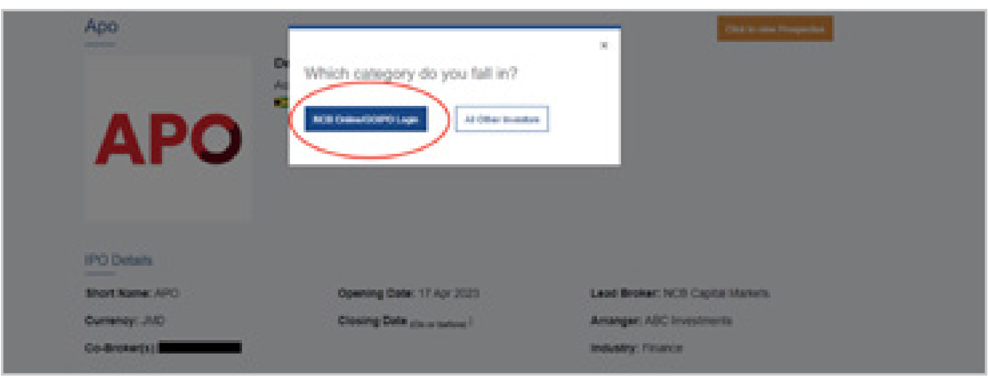


2. The IPO details will be displayed on the page. Click the orange button to the right titled **“Click to view Prospectus”**. This will open a new tab showing the details of the Prospectus.

3. Select **“Apply Now”** to the desired IPO pool.



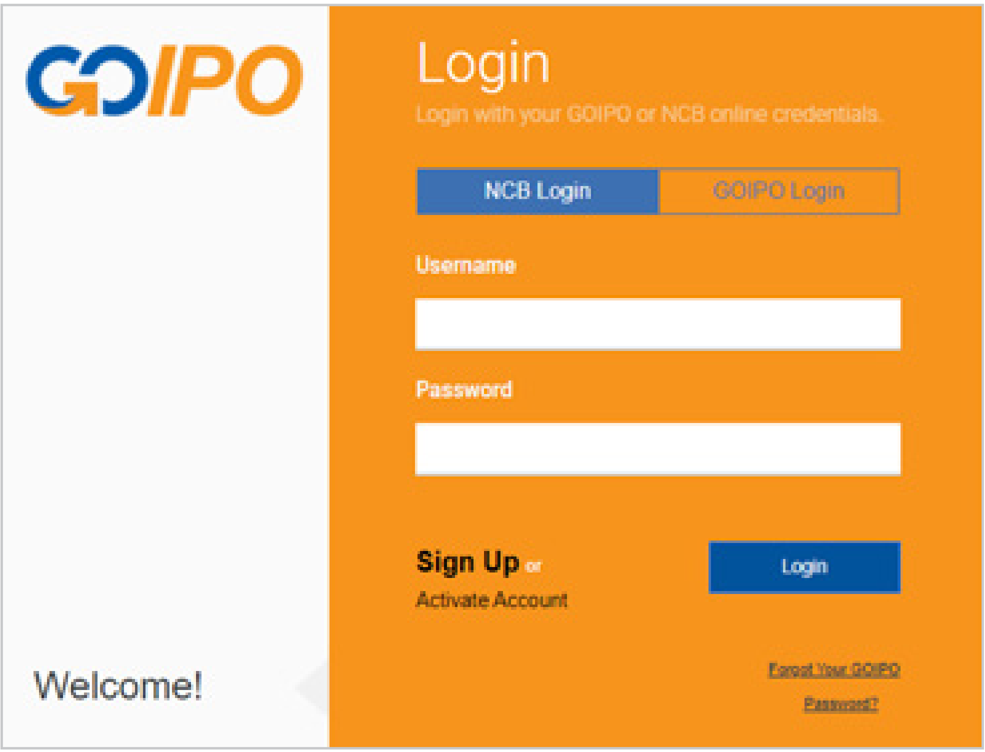
4. The application will display the **“which category do you fall in”** window. Select NCB Online/ GOIPO Login.



Appendix 3
Application Procedures & Conditions

Continued

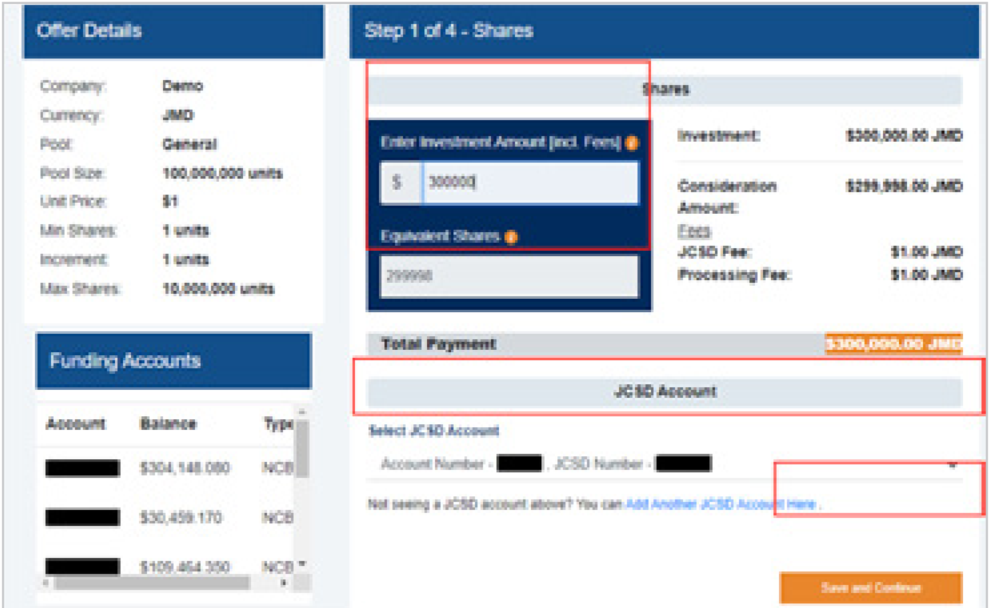
5. The login page will be displayed requesting you to use your GoIPO or NCB online credentials to access.



6. The application form should now be displayed.

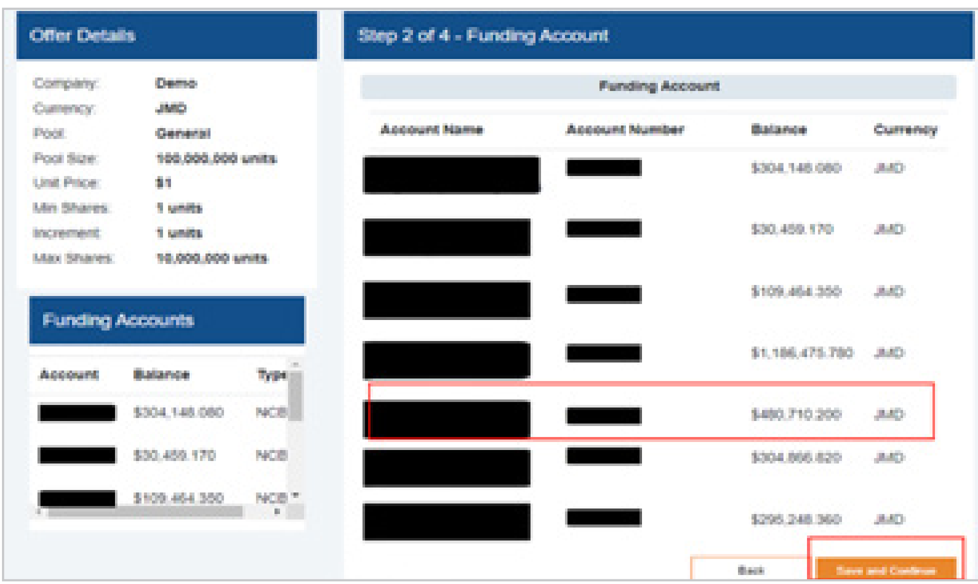
7. Step 1 of the application **– Shares section** will require you to complete the mandatory fields of this page of the application:

- Enter Investment Amount (including fees)
- View Equivalent shares (this field will be auto populated after you have entered your investment amount)
- Select your JCSD account from dropdown – you may also add another JCSD account if the account you wish to use is not shown in the dropdown list.
- Once these fields are filled in, select "Save and Continue" to proceed with the application.



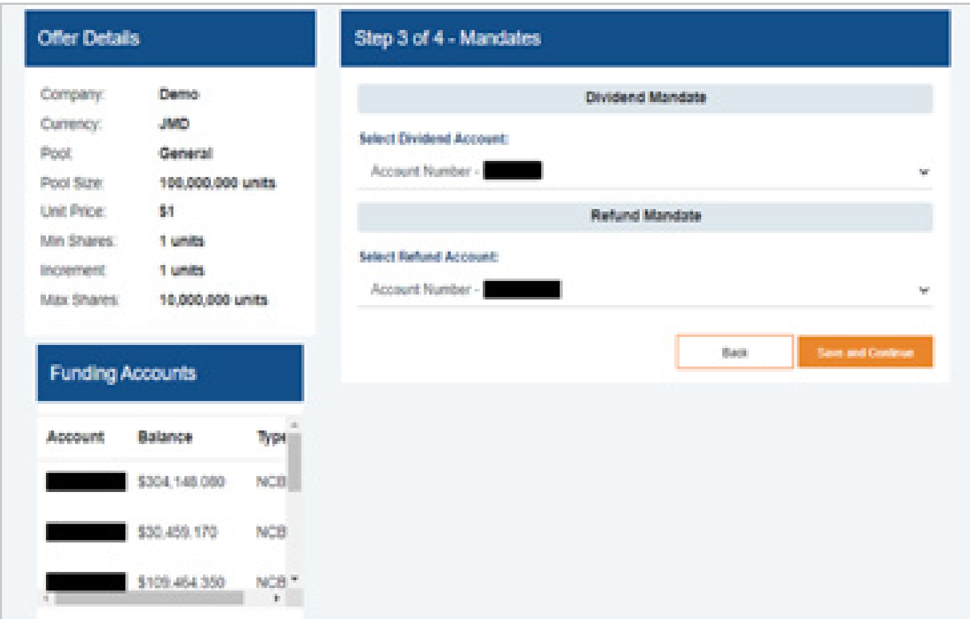
8. Step 2 –Complete the **Funding Account** Page details

- Select your preferred funding account from the dropdown menu provided.
- Once you have made your selection, click on the **"Save and Continue"** button to proceed



9. Step 3 – Complete the **Mandate** Page of the application

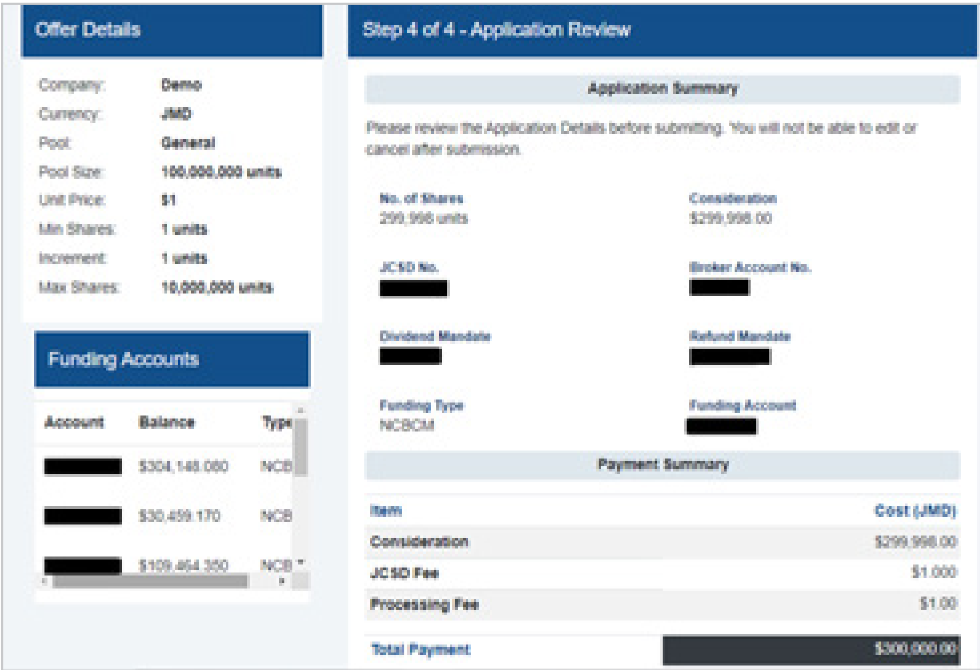
- Select your desired dividend and refund mandate account. To do this, simply choose the appropriate accounts from the drop-down list provided.
- Once you have selected the accounts, click on the “Save and Continue” button to proceed with the application.

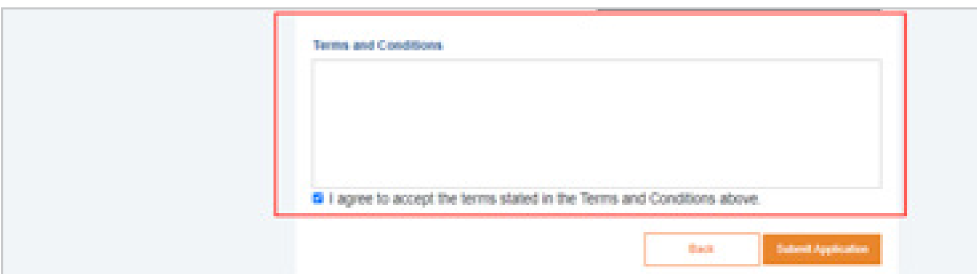


10. Step 4 – **Application Review** Page of the application

- Review your application details to ensure your details were captured correctly

11. After completing the review of the application, select the terms and conditions and submit the application.

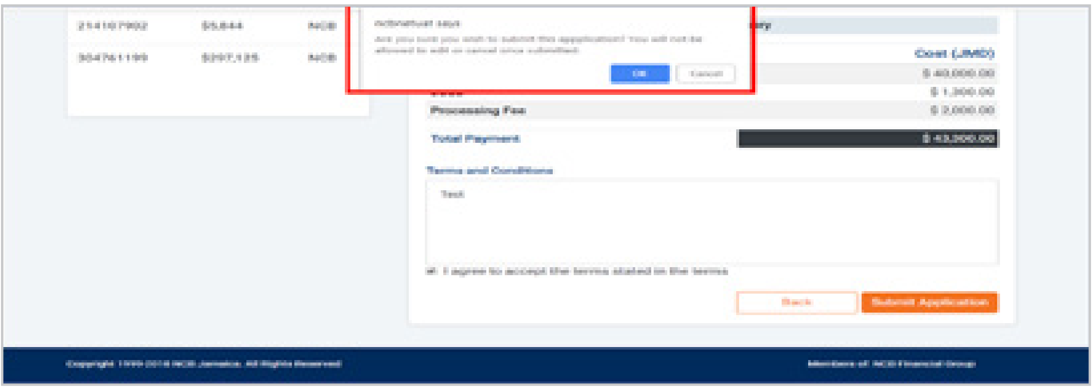

Offer Details
Company: Demo
Currency: JMD
Pool: General
Pool Size: 100,000,000 units
Unit Price: $1
Min Shares: 1 units
Increment: 1 units
Max Shares: 10,000,000 units
Funding Accounts
Account Balance Type
[redacted] $304,148.080 NCB
[redacted] $30,459.170 NCB
[redacted] $109,464.350 NCB
Step 4 of 4 - Application Review
Application Summary
Please review the Application Details before submitting. You will not be able to edit or cancel after submission.
No. of Shares
299,998 units
Consideration
$299,998.00
JCSD No.
[redacted]
Broker Account No.
[redacted]
Dividend Mandate
[redacted]
Refund Mandate
[redacted]
Funding Type
NCBCM
Funding Account
[redacted]
Payment Summary
Item Cost (JMD)
Consideration $299,998.00
JCSD Fee $1.000
Processing Fee $1.00
Total Payment $300,000.00


Terms and Conditions
I agree to accept the terms stated in the Terms and Conditions above.
Back
Submit Application

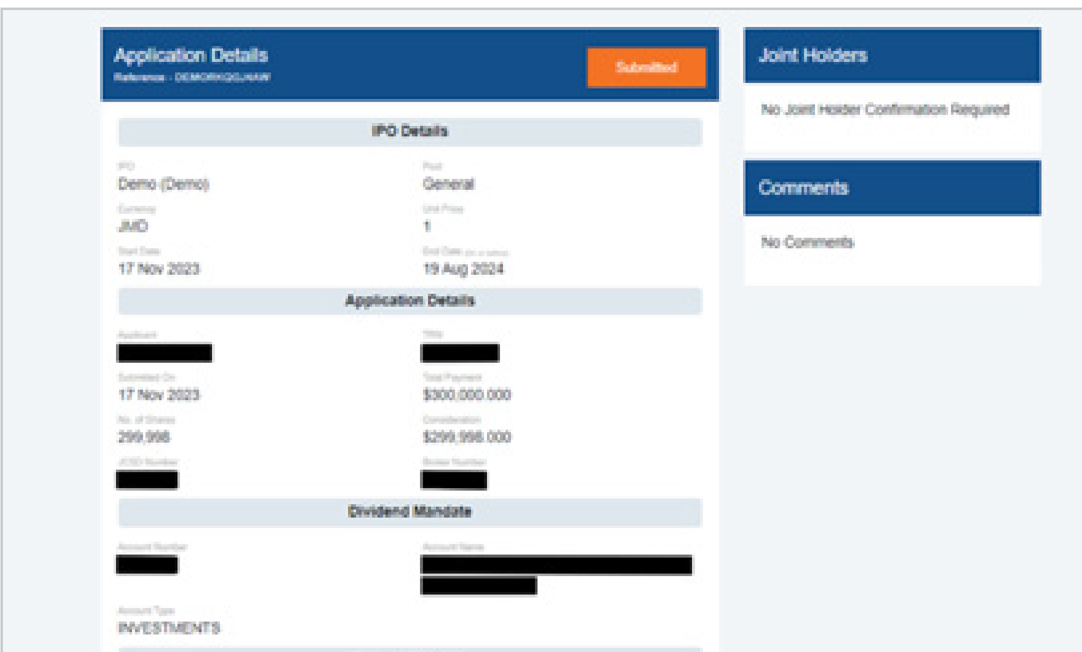
Appendix 3
Application Procedures & Conditions

Continued

- The application will prompt for confirmation of that you are ready to submit – click "OK" to submit your application.



12. Your application has been successfully submitted. The system will now display the details of your IPO application, including its new status as "Submitted"

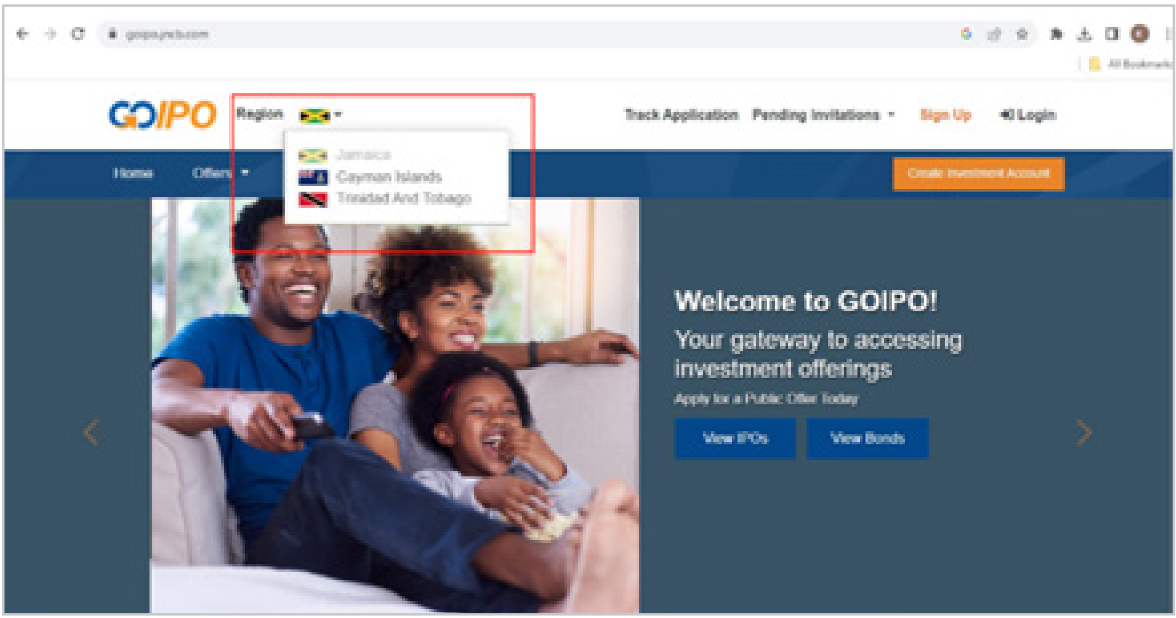


13. An IPO order confirmation email will be sent to your email.

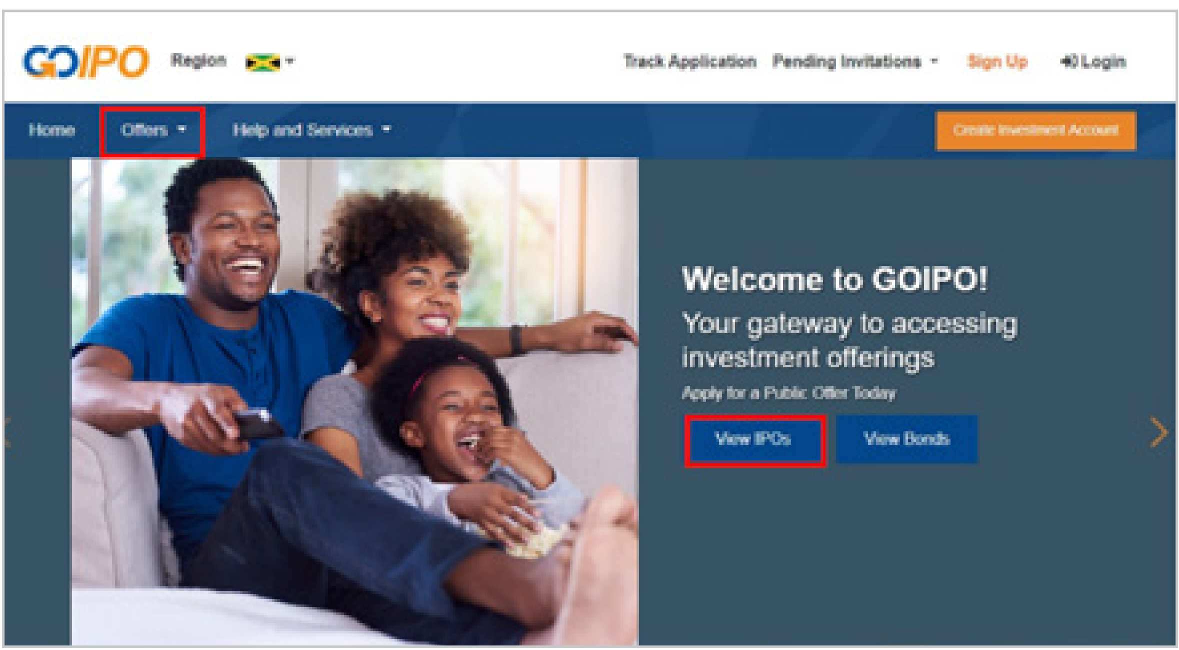
14. A success message and an option to return home will be displayed on your screen.

APPLYING FOR AN IPO: NCB ONLINE CLIENT APPLYING WITH JOINT ACCOUNT HOLDER/S

1. Access the GoIPO website (https://goipo.jncb.com/) and select your specific "Region"



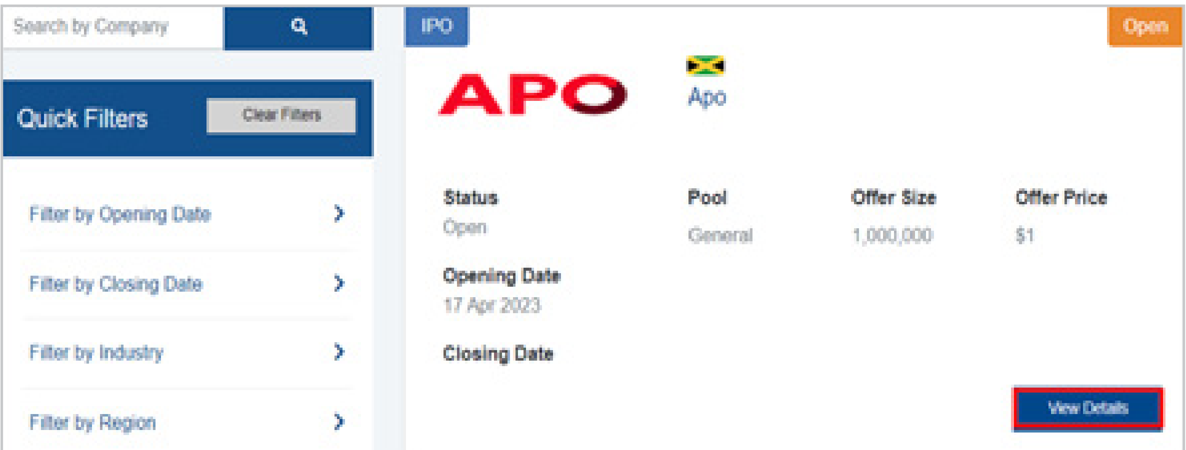
2. Select Public offers or Apply for an IPO or View IPOs



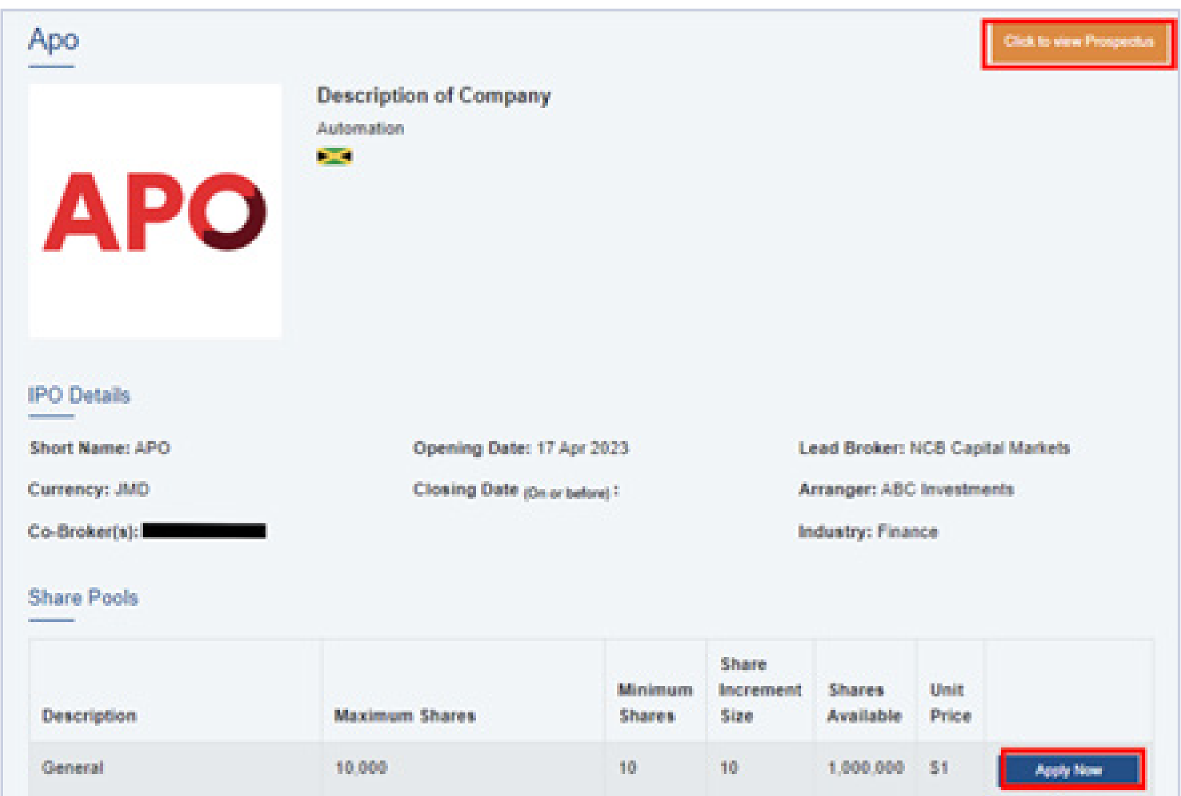
Appendix 3
Application Procedures & Conditions

Continued

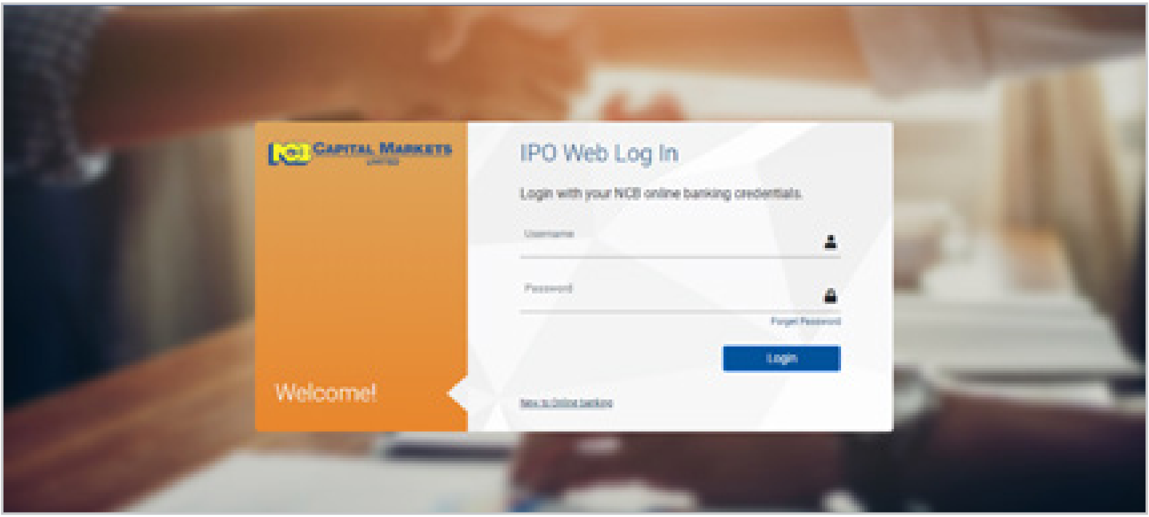
3. Select the desired IPO



4. The IPO details will be displayed for your review.
5. You may also view the IPO prospectus – the orange button labelled **"Click to view Prospectus"** to the right of the screen. This will open a new tab showing the details of the Prospectus.
6. Select **"Apply Now"** to the desired IPO pool.

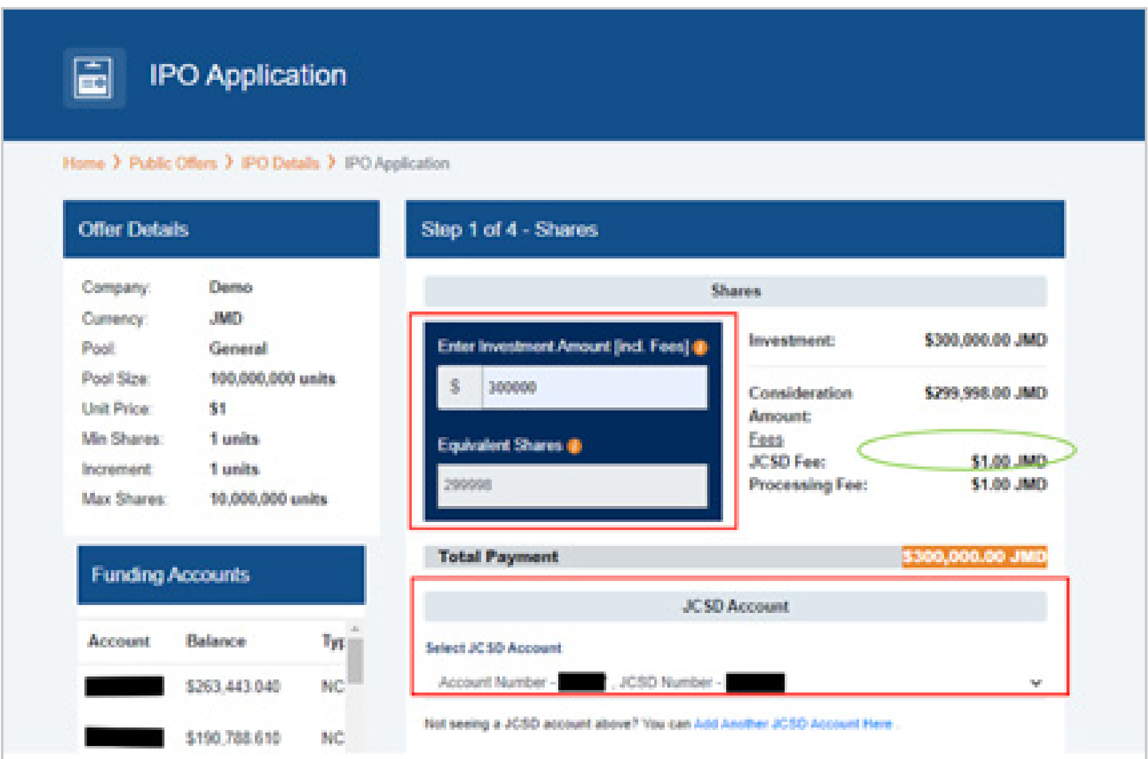


7. The login page will be displayed requesting you to use your NCB online credentials to access



8. The application form should now be displayed. You will be required to complete the below listed fields:

- Enter Investment Amount (including fees)
- Equivalent shares (auto-populated based on investment amount entered).
- Select JCSD account from dropdown (this account must be a joint JSCD account). You may add another JCSD account if you are seeing the account you wish to use by clicking **"Add Another JCSA Account Here".**



Appendix 3
Application Procedures & Conditions

Continued

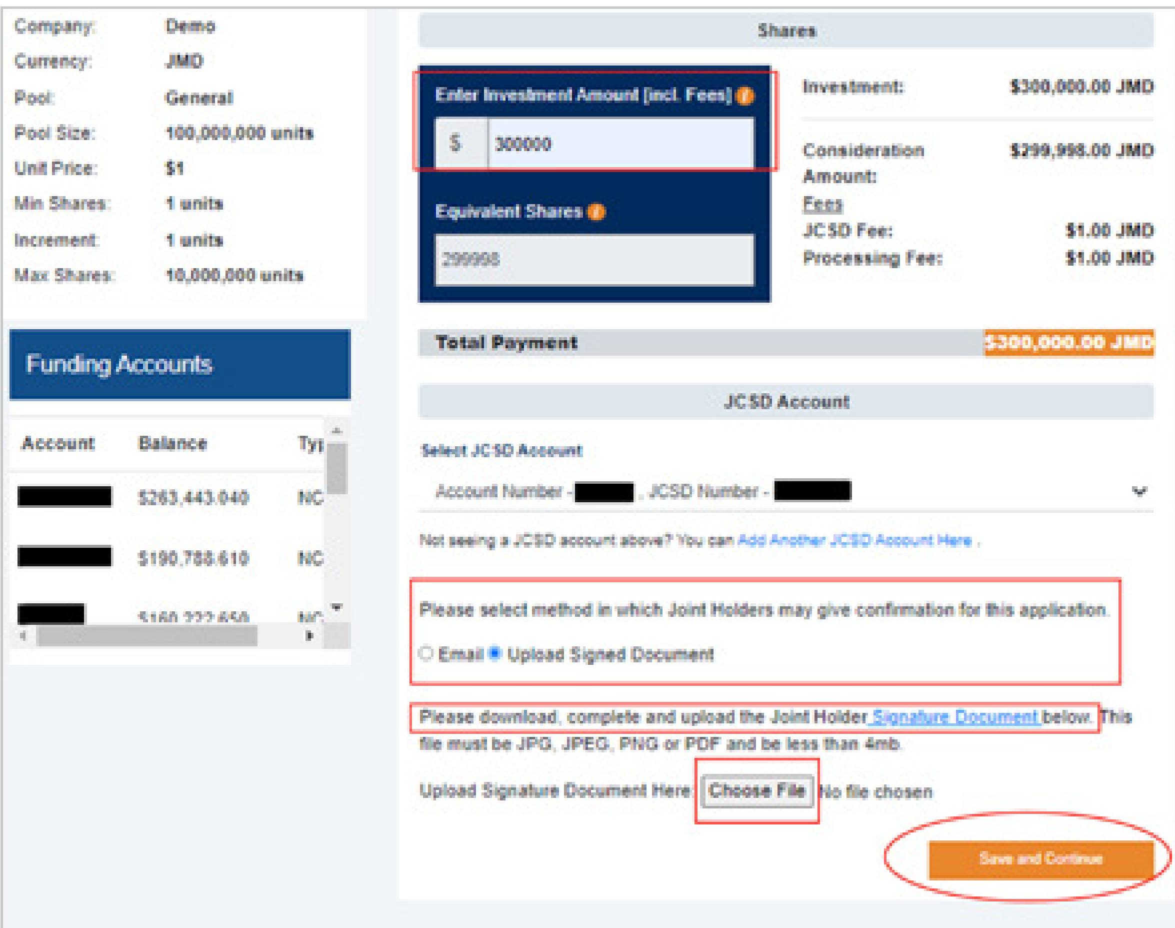
9. Select method in which Joint Holders may give confirmation for this application. You may select either email or Upload Signed document.
10. If email is selected – you may simply click **"Save and Continue"**. If "Upload Signed Document" is selected your will have a few steps to complete (see step 10)
11. If you select **"Upload Signed Document"**, To proceed, please follow these steps:

    a. Click on **"Upload Signed Document."**

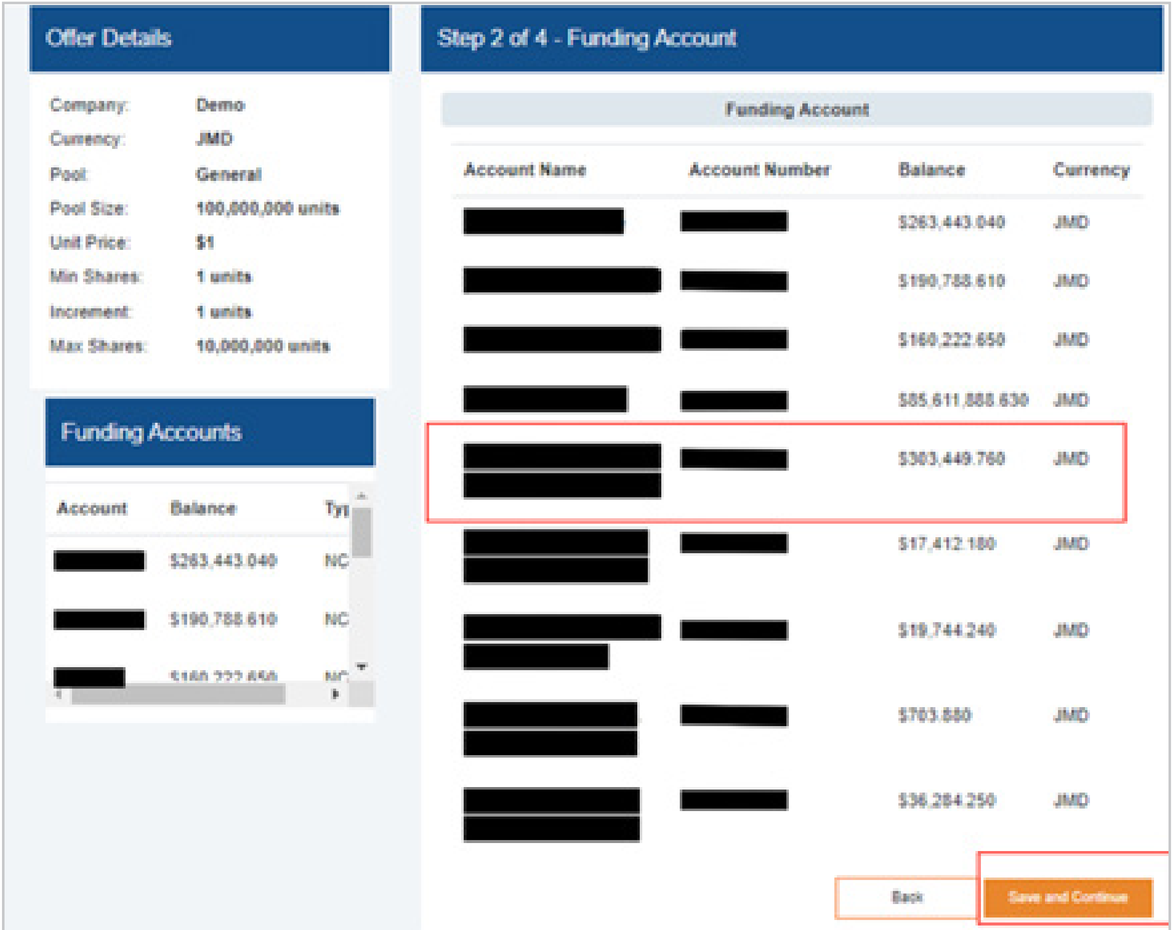
    b. Download the Joint Holder Signature Document and have your joint holder complete the document

    c. After completion, click on **"Choose File"** to upload the signed document.

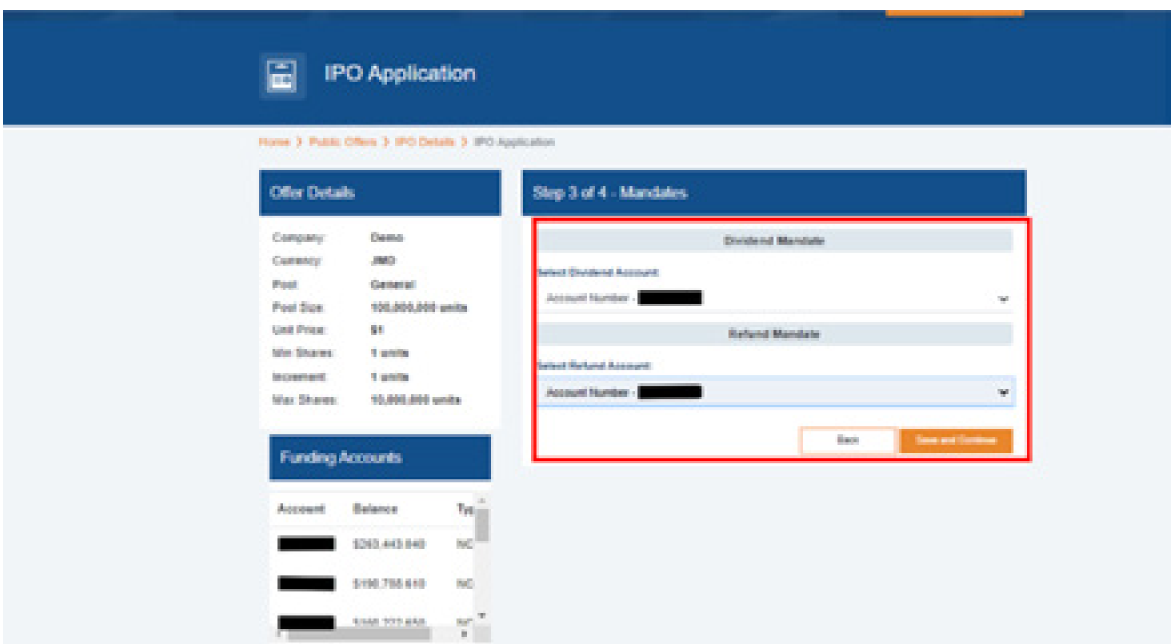
    d. Select **"Save and Continue"** to proceed.



12. Select the desired funding account from the list of accounts then select **“Save and Continue”** to proceed with application.



13. Select the desired dividend and refund mandate account from the drop down list of accounts then select save and continue.

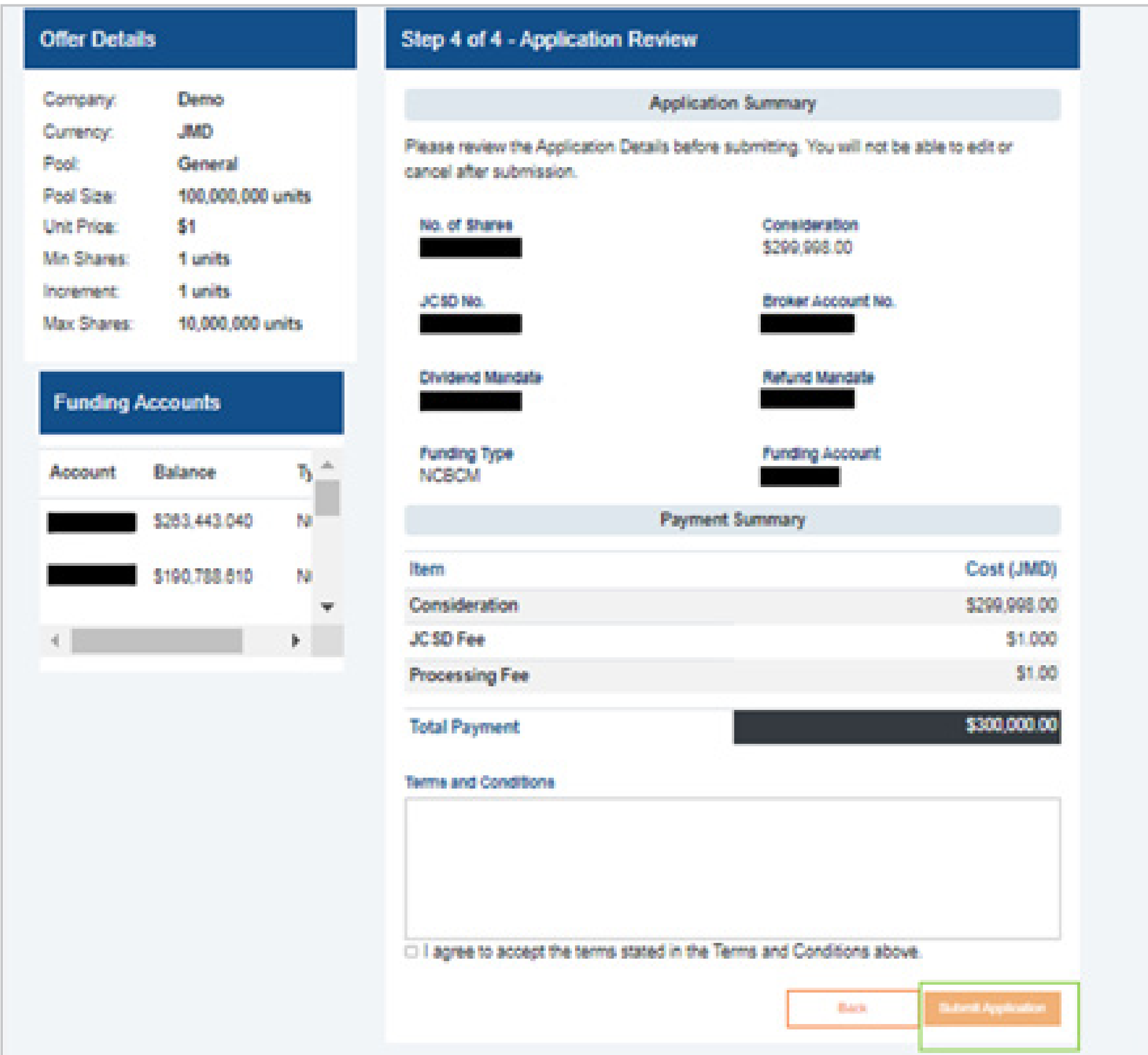


Appendix 3
Application Procedures & Conditions

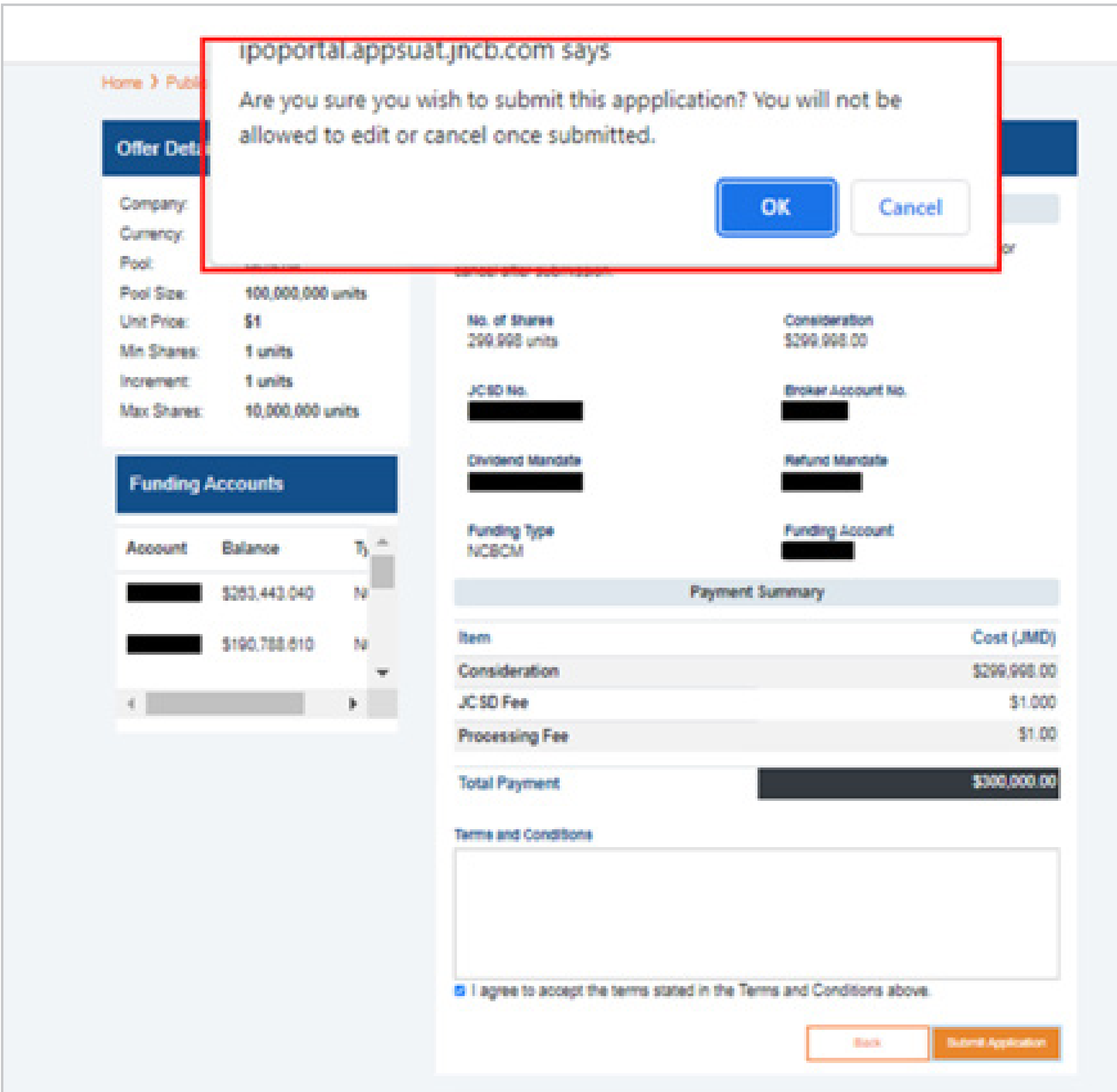
Continued

14. Step 4 – **Application Review** Page of the application

- Review your application details to ensure your details were captured correctly
- Review the Terms and Conditions provided below and then mark the checkbox indicating your agreement to accept them
- Click **"Submit Application"** button to submit your application



15. To complete the submission of your application, the system will request your confirmation to proceed before final submission. Simply click on the **“OK”** button to proceed with the submission.

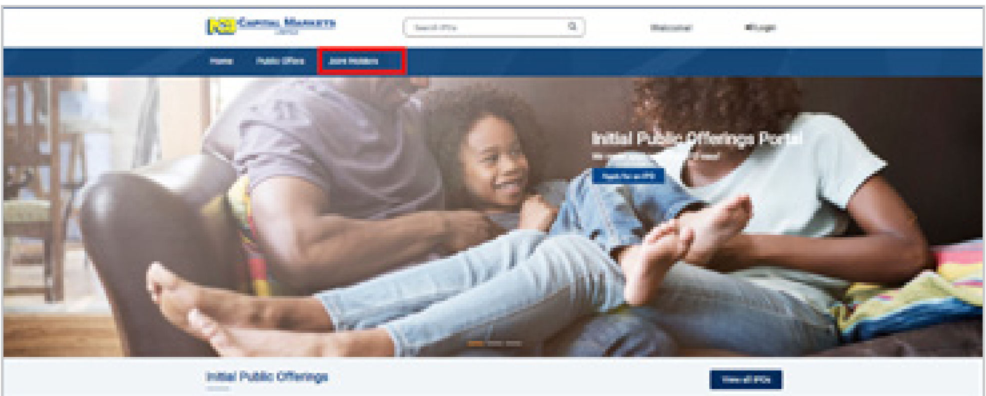


16. Your application is now submitted and reflects awaiting joint holder status.
17. An IPO order confirmation email will be sent to your email.
18. A Joint Holder confirmation email will be sent to all joint holders (if you had selected email as method to be used for joint holder confirmation).

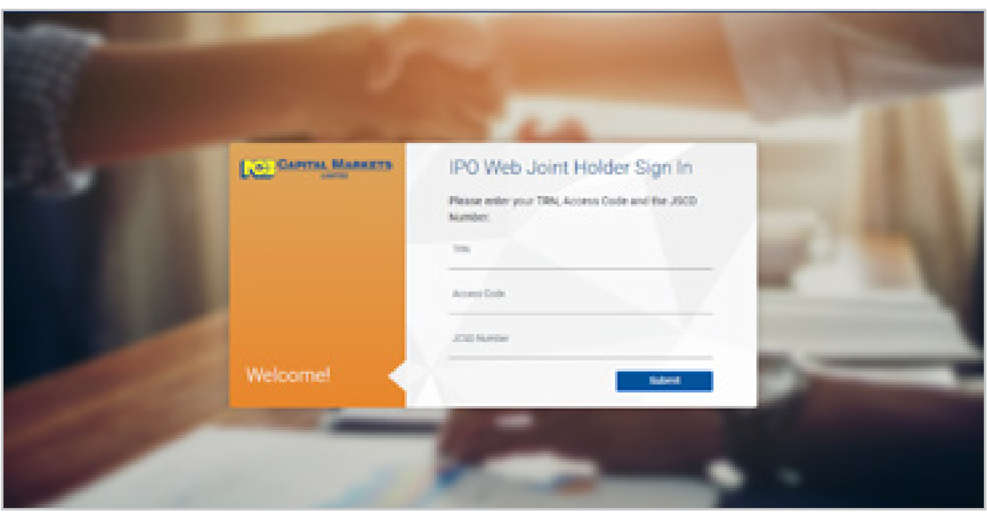
JOINT HOLDER CONFIRMATION/REJECTION

A Joint holder confirmation instruction email would have been sent to the joint holders. The joint holder/s will be required to complete the following steps:

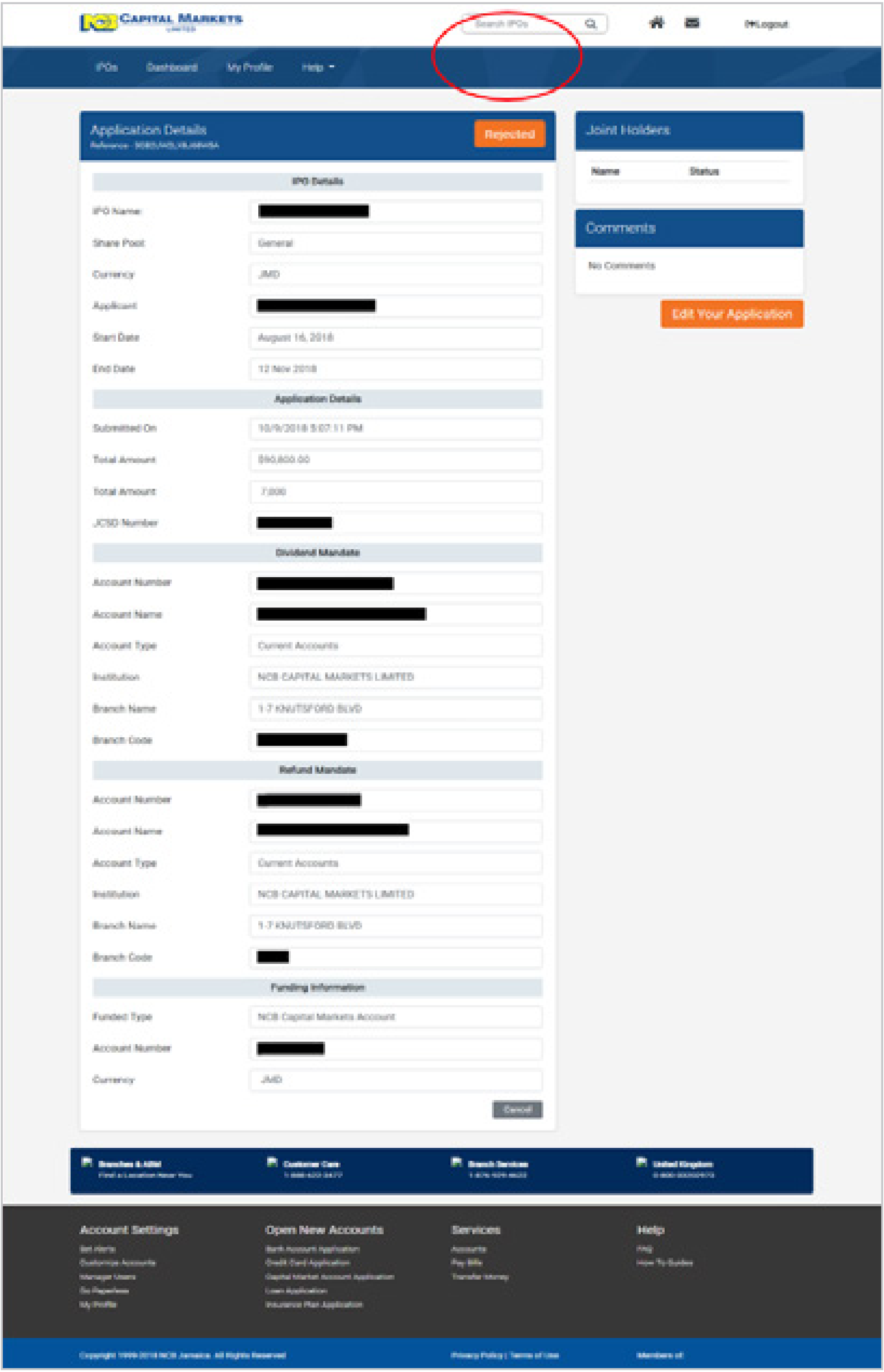
1. Retrieve email for your personal mailbox
2. Navigate to the JNCB.Com site and click on www.GoIPO.Jncb.com
3. Select Joint Holders from the menu bar



4. The Joint Holder login page will be displayed

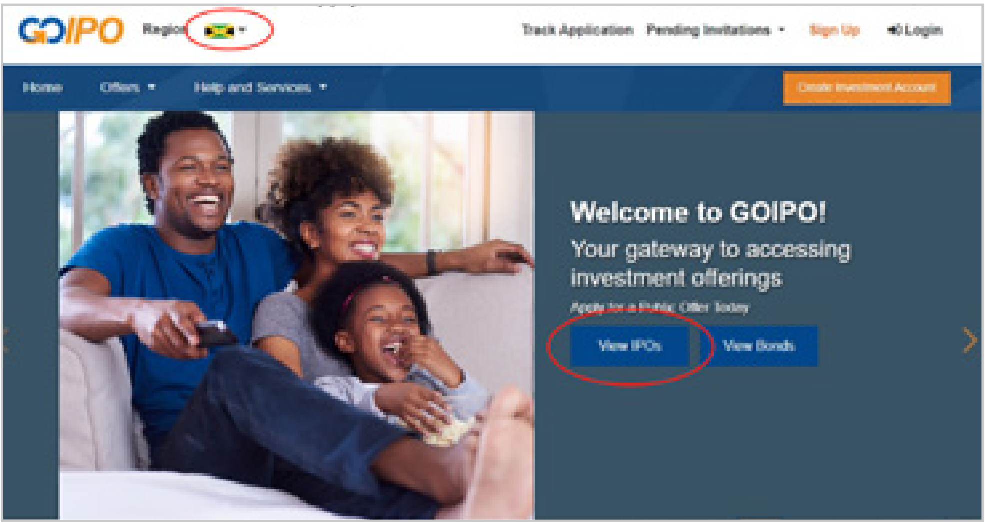


5. Enter the following: your TRN, Access code retrieved from email and JCSD Number (same as the JCSD number sent in the joint holder confirmation email)
6. The IPO application details will now be displayed for your review and acceptance or rejection.

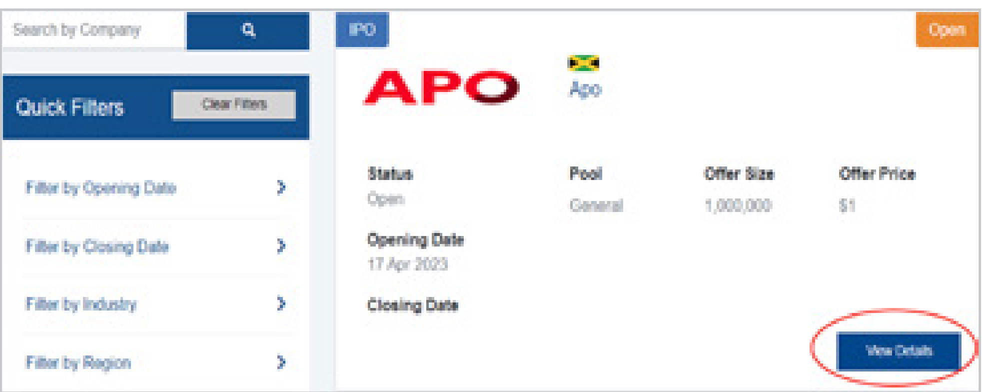

CAPITAL MARKETS
Logout
IPOs
Dashboard
My Profile
Help
Application Details
Rejected
IPO Details
IPO Name: [redacted]
Share Pool General
Currency JMD
Applicant [redacted]
Start Date August 16, 2018
End Date 12 Nov 2018
Application Details
Submitted On 10/9/2018 5:07:11 PM
Total Amount
Total Amount 7,000
JCSD Number [redacted]
Dividend Mandate
Account Number [redacted]
Account Name [redacted]
Account Type Current Accounts
Institution NCB CAPITAL MARKETS LIMITED
Branch Name 1-7 KNUTSFORD BLVD
Branch Code [redacted]
Refund Mandate
Account Number [redacted]
Account Name [redacted]
Account Type Current Accounts
Institution NCB CAPITAL MARKETS LIMITED
Branch Name 1-7 KNUTSFORD BLVD
Branch Code [redacted]
Funding Information
Funded Type NCB Capital Markets Account
Account Number [redacted]
Currency JMD
Cancel
Joint Holders
Name
Status
Comments
No Comments
Edit Your Application
Account Settings
Open New Accounts
Services
Help

ALL OTHER INVESTORS APPLYING FOR AN OFFER

1. Select Public offers or Apply for an IPO or View IPOs

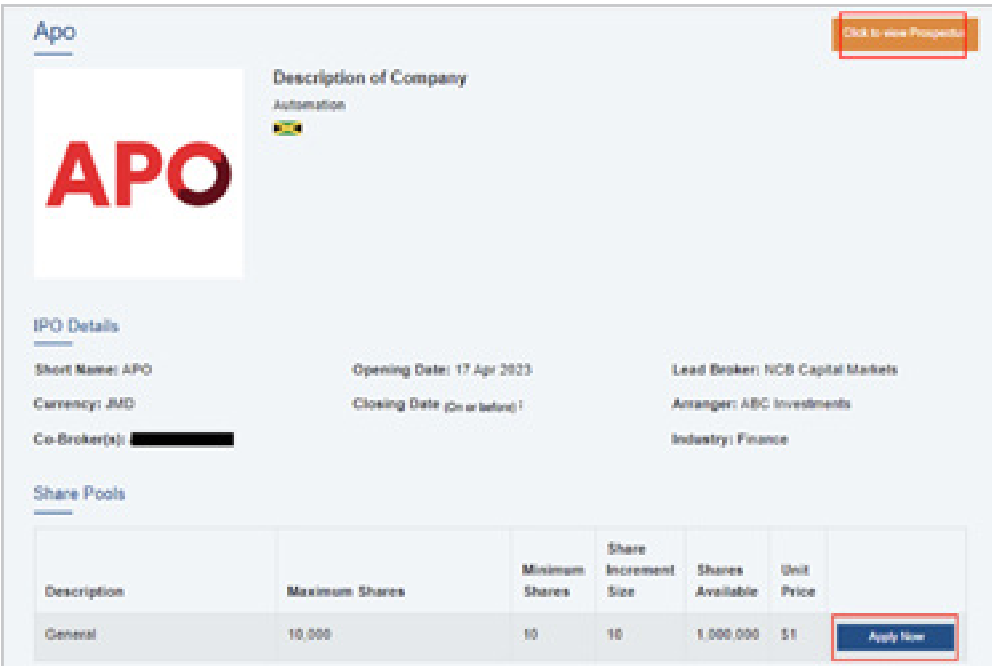


2. Select the desired IPO



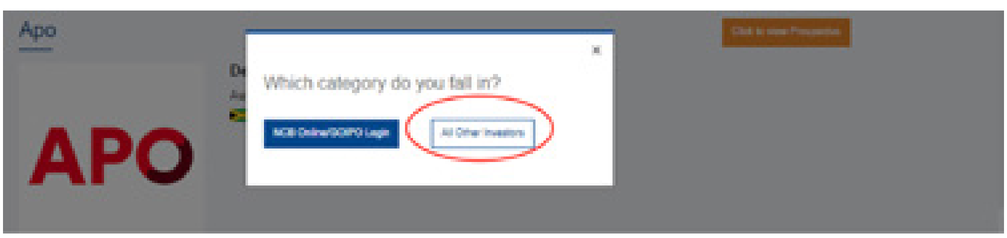
3. The IPO details displayed for your review.

4. View the IPO prospectus by clicking on the orange button to the right of your screen titled “Click to view Prospectus”- a new tab will open, providing you with all the intricate details of the offer.



5. Selects “Apply Now” to proceed with IPO application

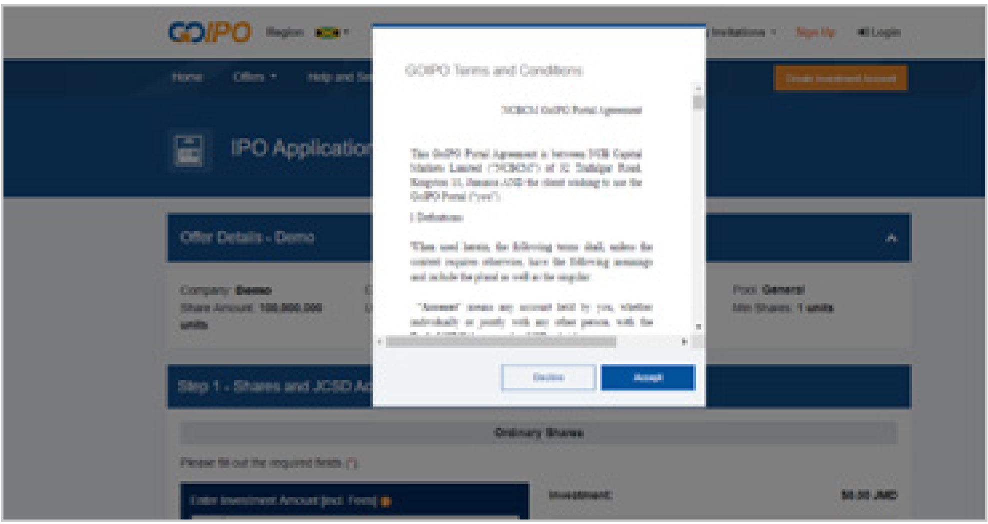
6. The pop-up window will appear asking you to select the category of your client profile. Select “All Other Investors” from the category options presented.



Appendix 3
Application Procedures & Conditions

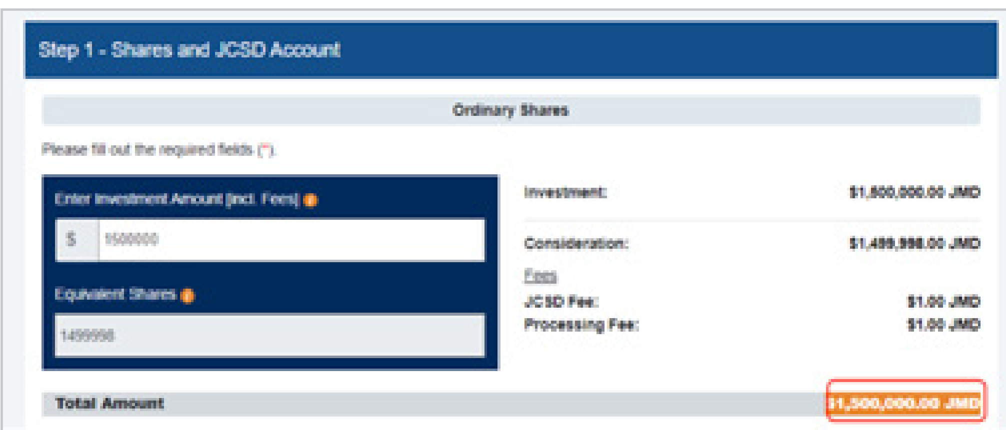
Continued

7. Views the NCBCM GoIPO Portal Agreement and selects “Accept” and the application will display the IPO application form.

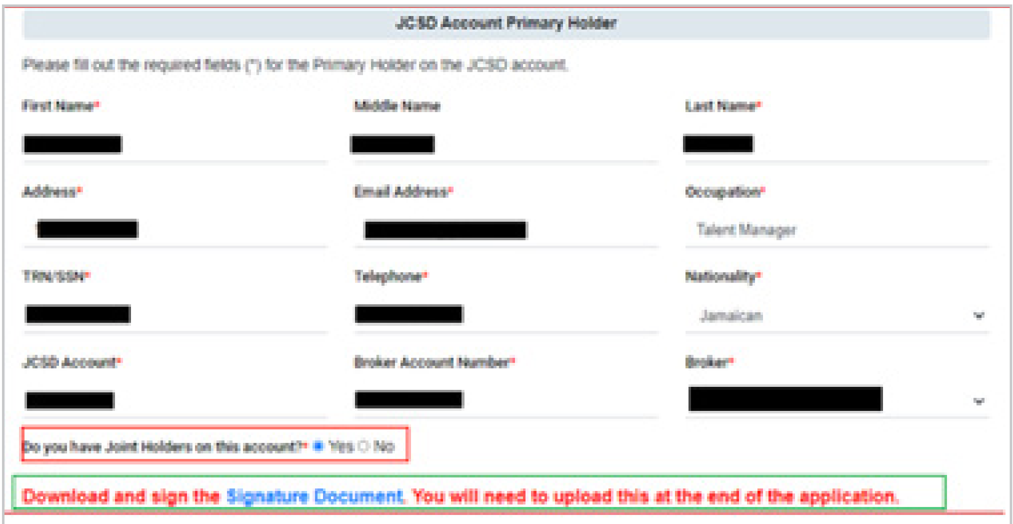


8. Complete step 1 of the application form - Shares and JCSD Account section

- Enter your Investment Amount (including fees)
- View Equivalent shares (this field will be auto populated after you have entered your investment amount)



9. If the account is joint – please follow these steps:
    a. Complete JCSD Account Primary Holder application mandatory (*) fields
    b. Select “Yes” to the question “ Do you have joint holders on this account?
    c. Complete Secondary Holder application required fields
    d. Download and sign the Signature Document



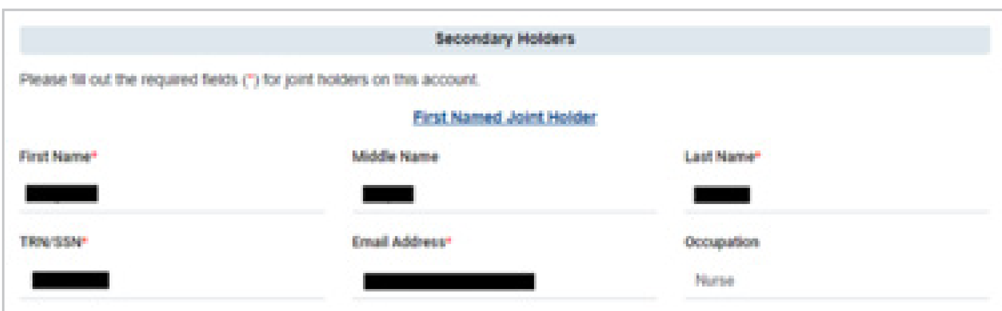
JCSD Account Primary Holder

Please fill out the required fields (*) for the Primary Holder on the JCSD account.

First Name*	Middle Name	Last Name*
[redacted]	[redacted]	[redacted]
Address*	Email Address*	Occupation*
[redacted]	[redacted]	Talent Manager
TRN/SSN*	Telephone*	Nationality*
[redacted]	[redacted]	Jamaican
JCSD Account*	Broker Account Number*	Broker*
[redacted]	[redacted]	[redacted]

Do you have Joint Holders on this account?* Yes No

Download and sign the Signature Document. You will need to upload this at the end of the application.



Secondary Holders

Please fill out the required fields (*) for joint holders on this account.

First Named Joint Holder

First Name*	Middle Name	Last Name*
[redacted]	[redacted]	[redacted]
TRN/SSN*	Email Address*	Occupation
[redacted]	[redacted]	Nurse

Appendix 3
Application Procedures & Conditions

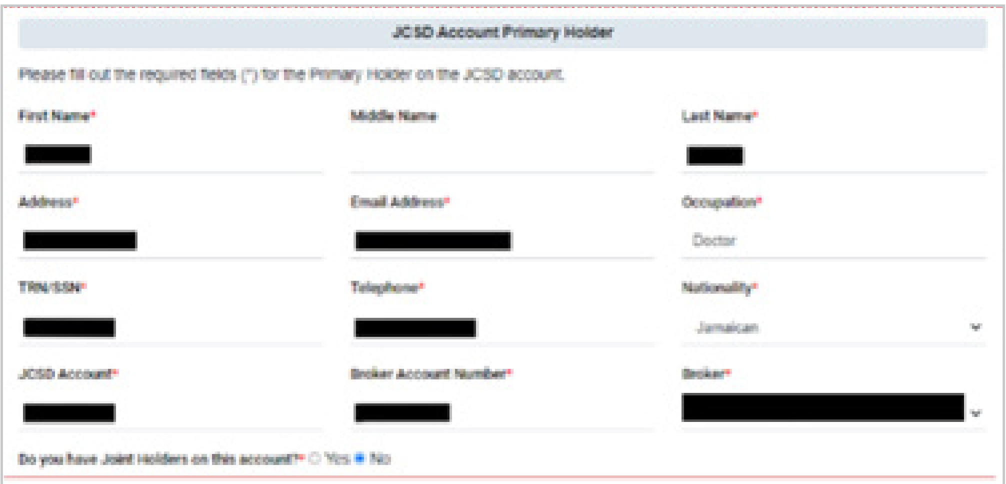
Continued

10. If the account is single - please follow these steps:

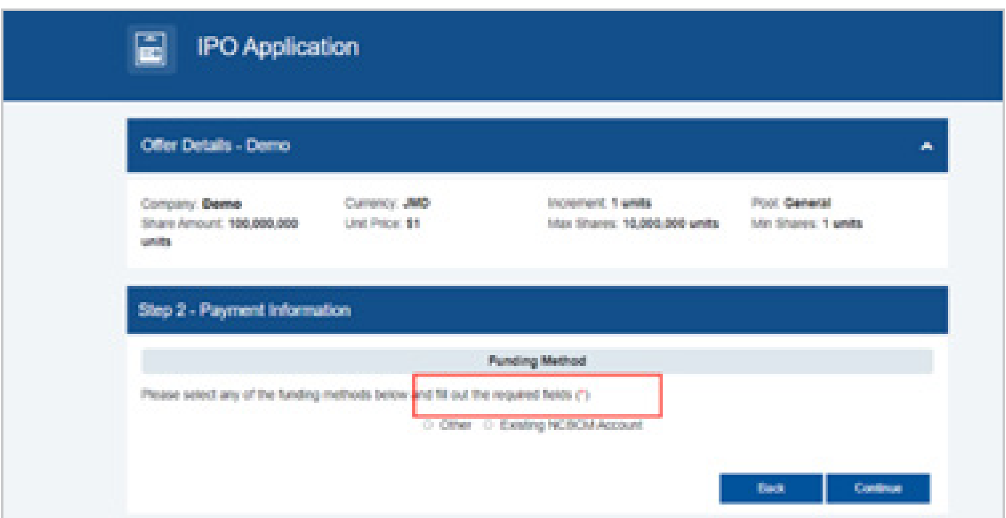
a. Fill in all the required fields (*) of the application.

b. Respond **"No"** to the question asking if you have any joint holders on this account. Download the signature document, sign it, and keep it ready for upload at a later stage in this application.

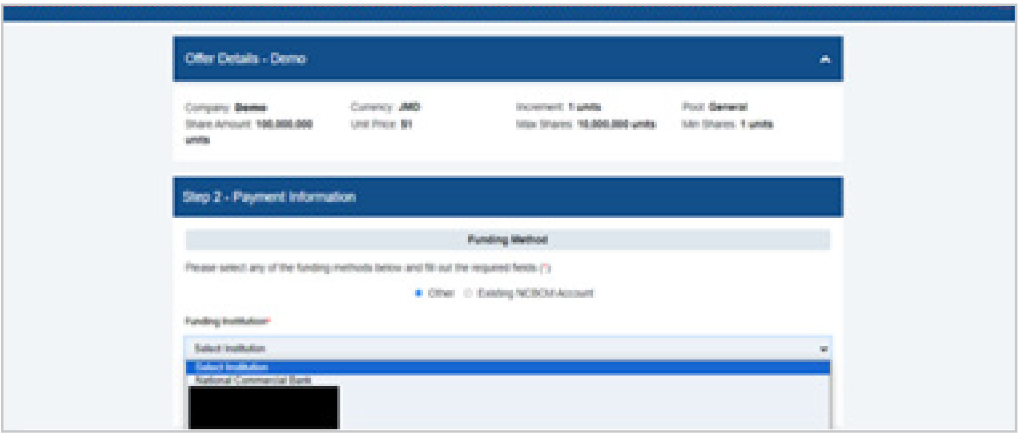
c. Click on **"Continue"** to proceed with your application.



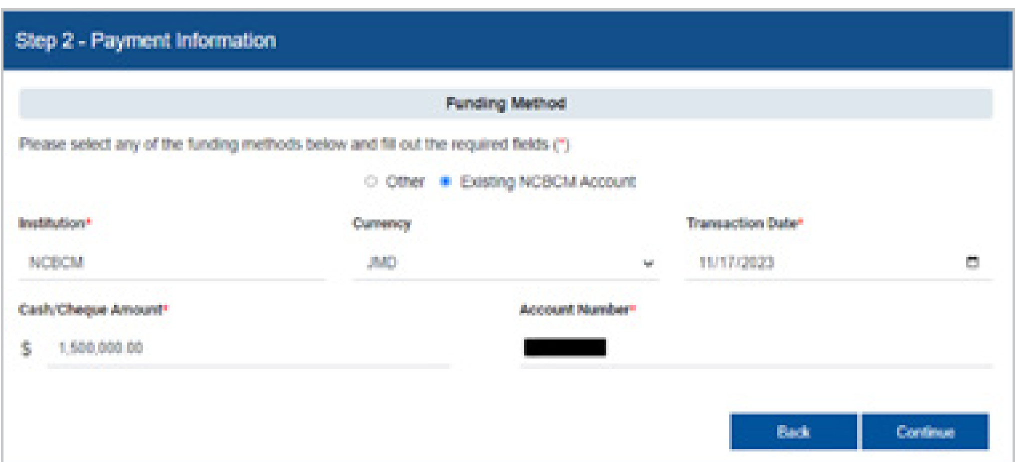
11. Complete **Step 2** – Payment Information Section of the Application. From the options displayed select either **"Other"** – external financial institution or **"Existing NCBCM Account"**



12. If you select **“Other”** – select the funding instution from dropdown list and select “continue” to proceed with application

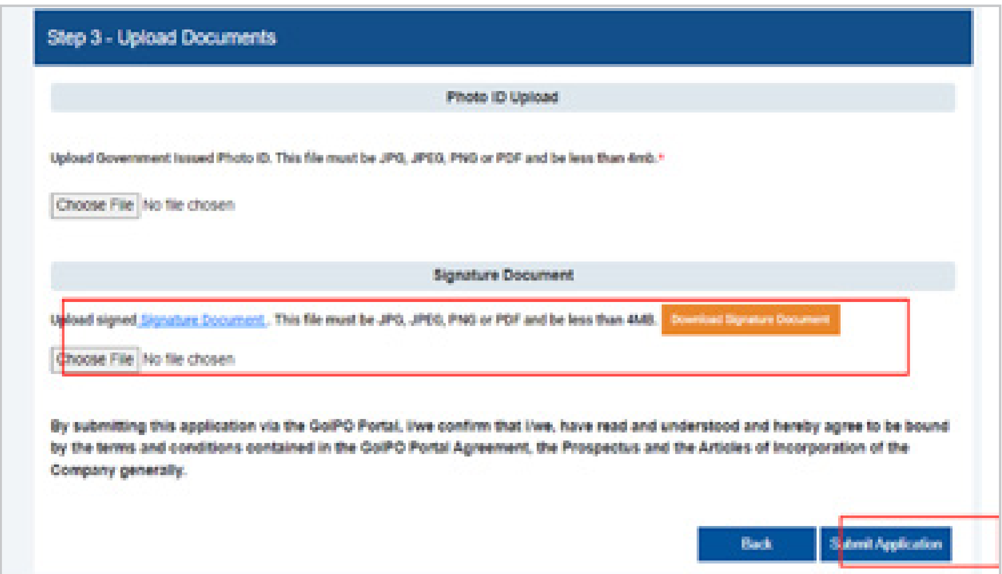


13. If you select **“Existing NCBCM Account”** – fill out the required fields (*) and select “Continue” to proceed with the application.

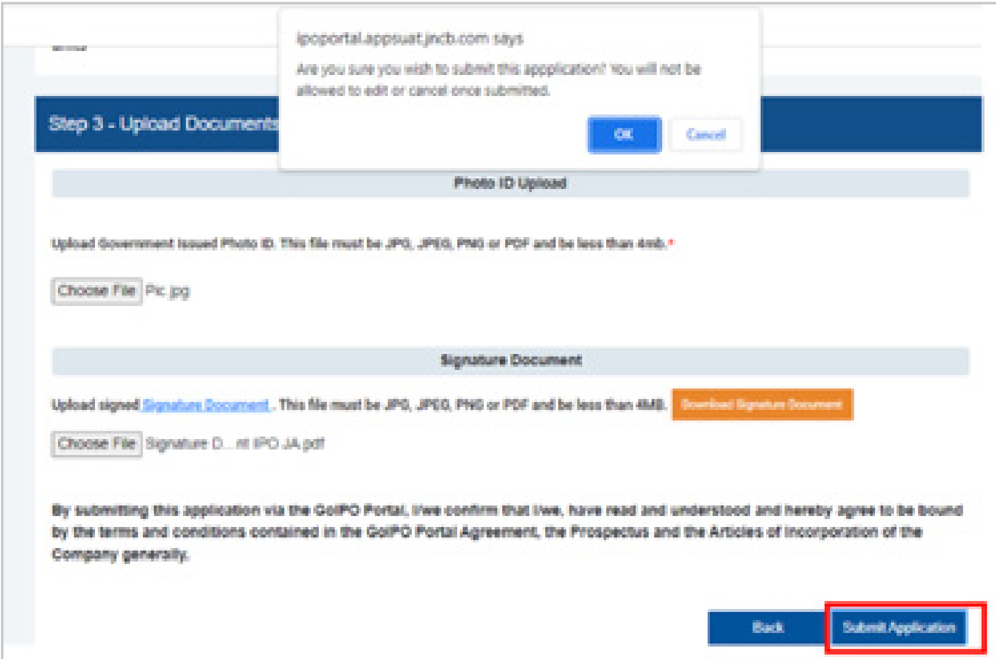


14. Complete **Step 3** - Upload Documents Section of the application form. In this section of the form – you will be required to:

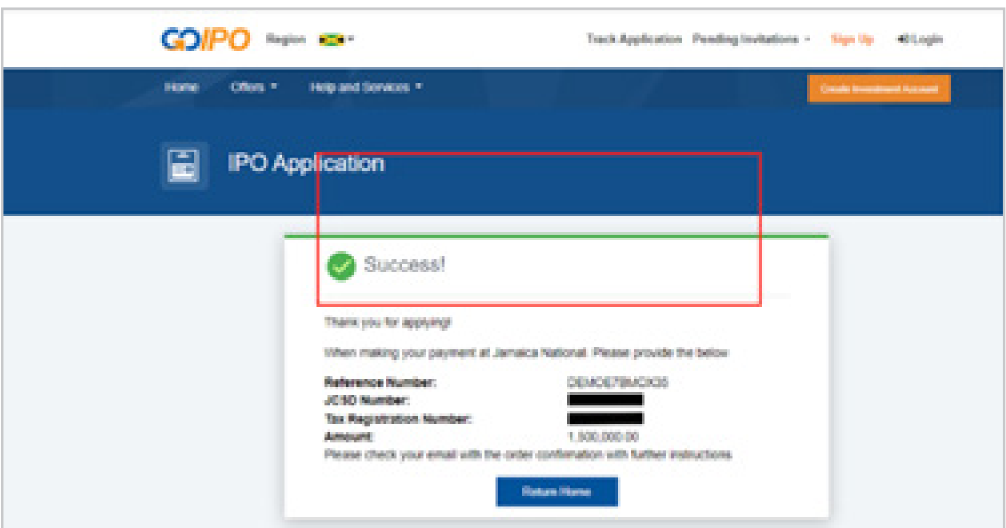
- **a.** Upload a government-issued photo ID. To do so, simply click on the **"Choose File"** button and select the saved document from your device.
- **b.** Upload the signed Signature Document. You can do this by selecting the "Choose File" button and selecting the saved document from your device.



15. System will prompt the user to confirm the submission. Select “OK” to proceed with submitting the application.

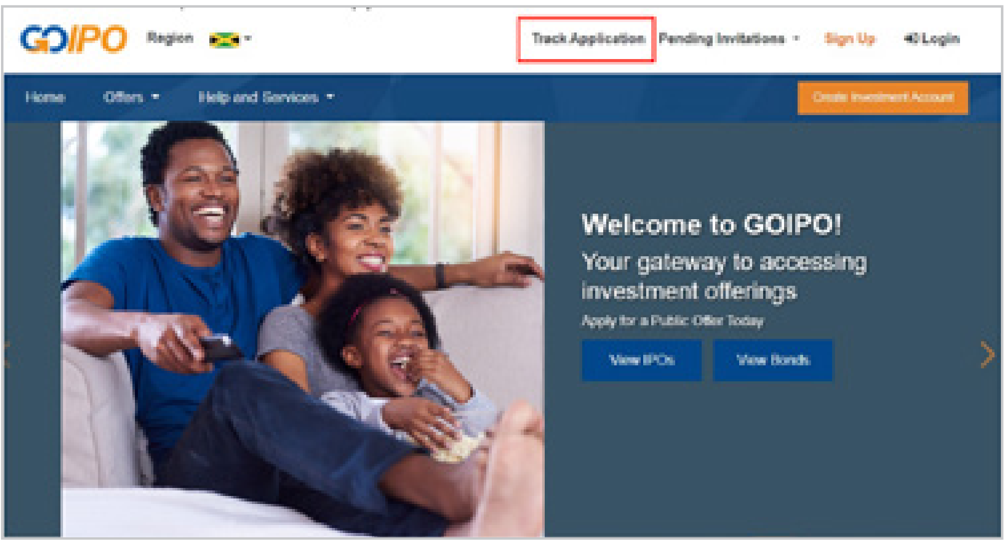


16. Application will display a confirmation message and an order confirmation email will be sent to your email.

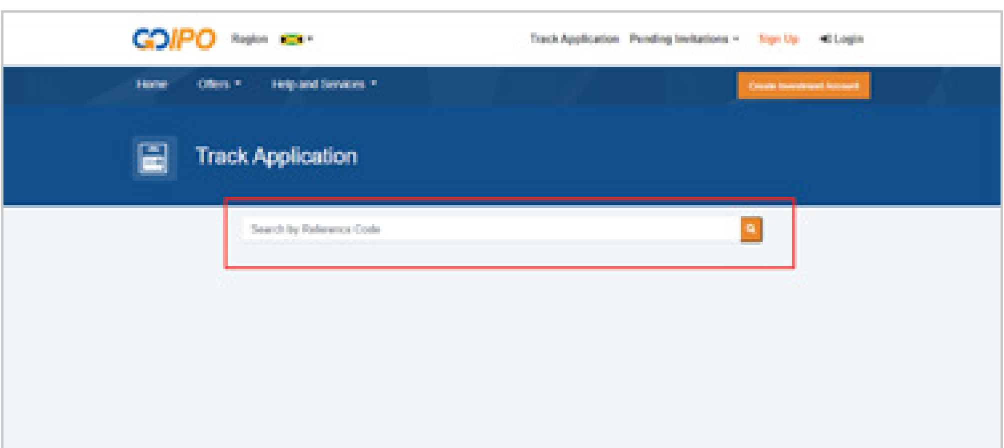


TRACK APPLICATION

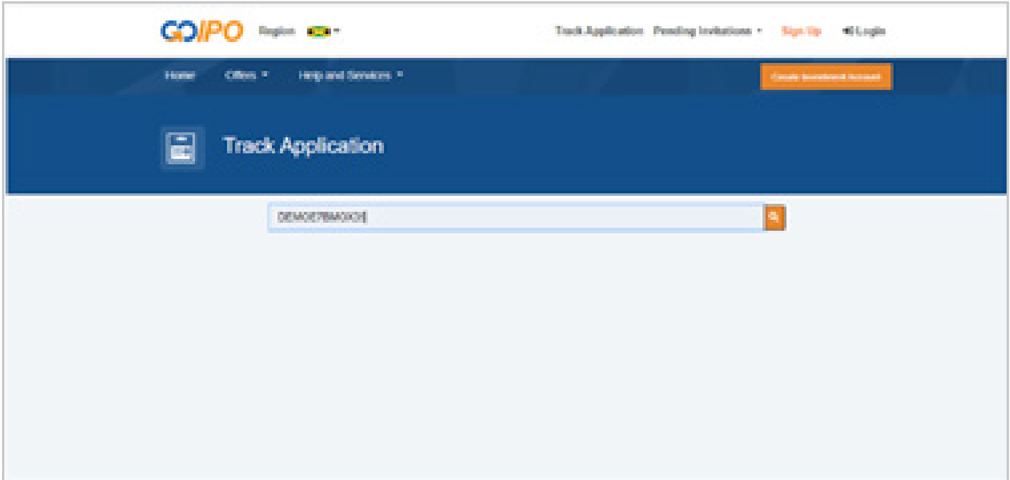
1. Retrieve Application Ref number from on-screen or email.
2. Navigate to www.GoIPO.Jncb.com
3. Select the option to track application



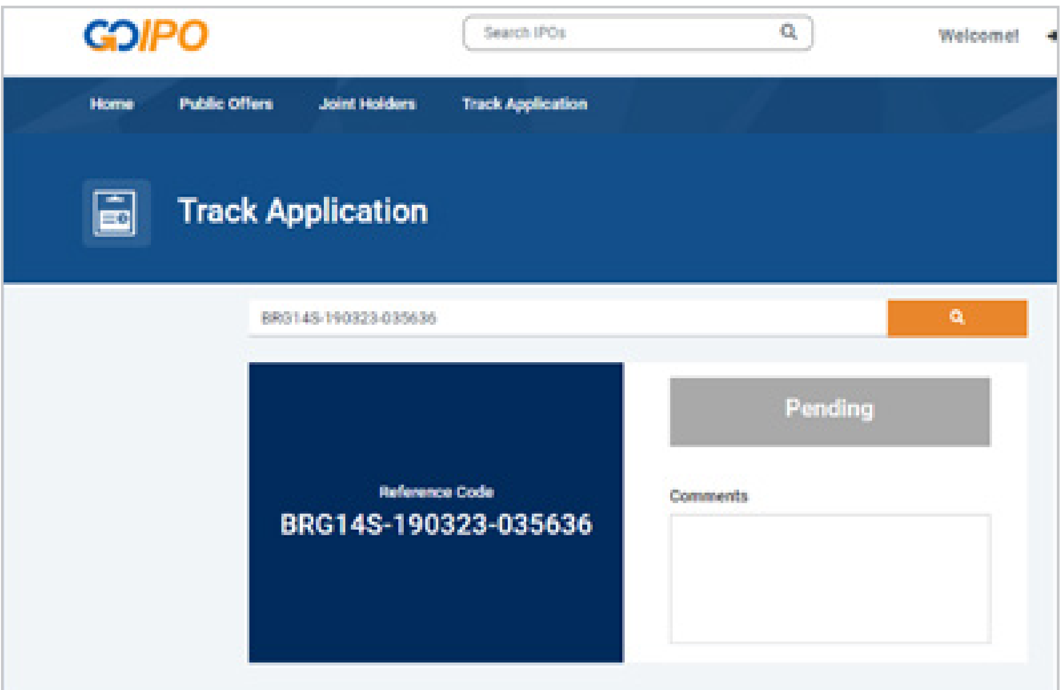
4. System will display the track application page



5. Enter reference code and click the search icon



6. GOIPO System will display the track application pageand will display the application status and any relevant comment.



Appendix 4
Auditor's Consent Letter

pwc

The Directors
NCB Financial Group Limited
32 Trafalgar Road
Kingston 10

18 April 2024

Dear Sirs

Re: Prospectus of NCB Financial Group Limited

We refer to the integrated disclosure prospectus (the "Prospectus") dated 17 April 2024 relating to the issue and sale of new ordinary shares of the Company.

We consent to the use, through incorporation by reference in the Prospectus, of our report dated 6 December 2023 to the members of the Company on the statement of financial position dated as of 30 September 2023 and the related statement of comprehensive income, cash flows and changes in equity of the Company for the year then ended. We confirm that we have not withdrawn such consent before delivery of a copy of the Prospectus to the Financial Services Commission and Registrar of Companies for registration.

We report that we have read the Prospectus and all information specifically incorporated by reference in the Prospectus and have no reason to believe that there are any misrepresentations in the information contained in it that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements.

Yours very truly

PricewaterhouseCoopers

PAW:NY:tr

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NCBFG

APO

Own a Part of NCB

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