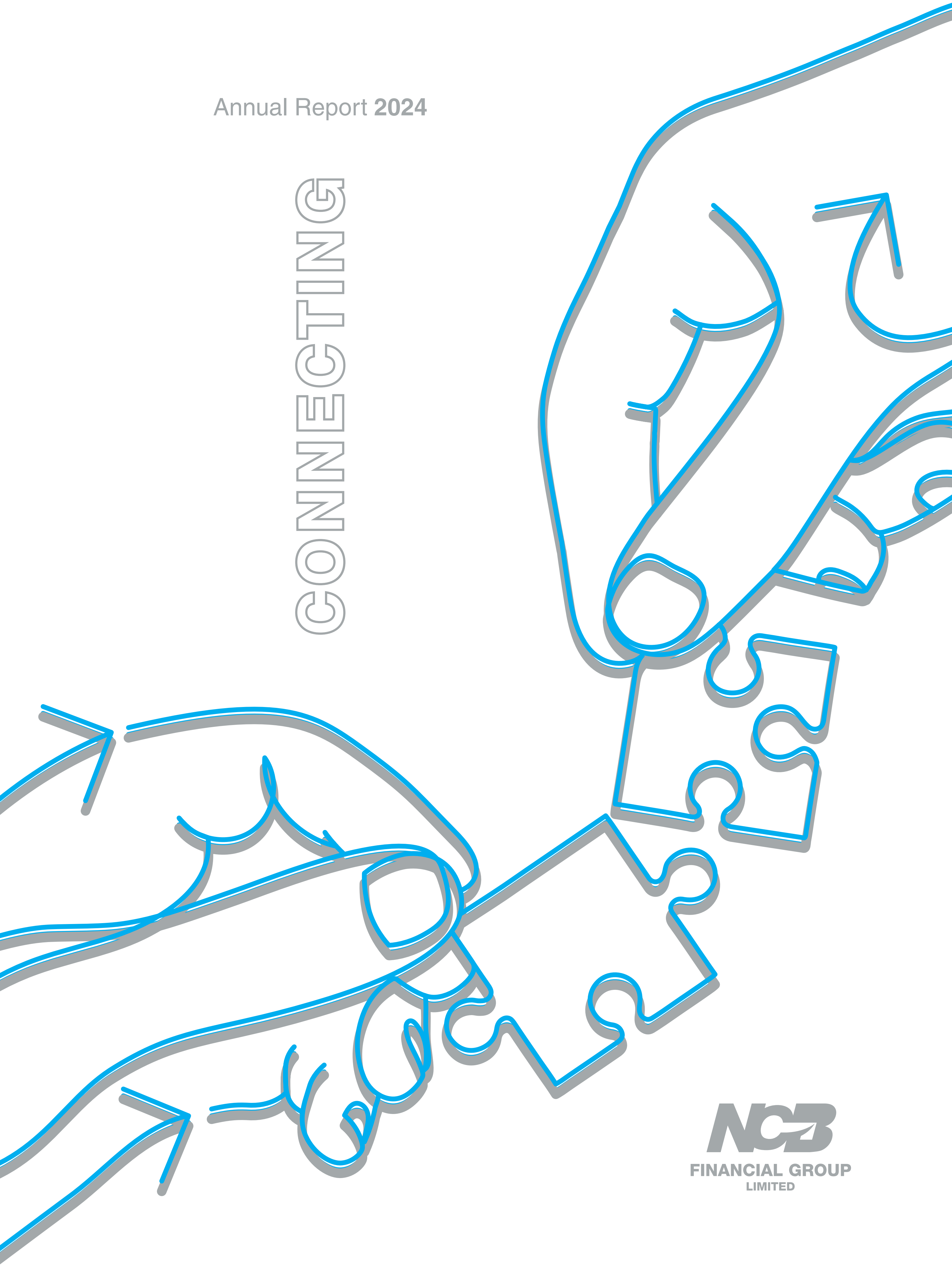
Annual Report **2024**

CONNECTING



NCB
FINANCIAL GROUP
LIMITED

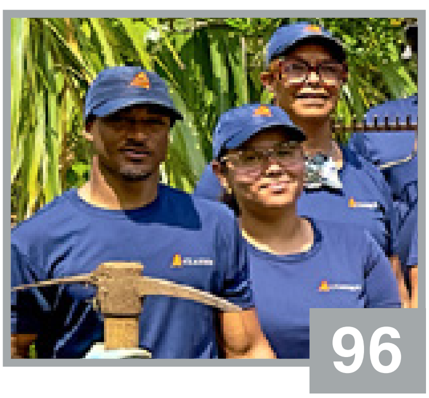
In a dynamic financial landscape, “**Connecting**” encapsulates NCBFG’s commitment to creating meaningful relationships, driving value, and fostering trust across all areas of our business.

As the region’s largest financial institution, encompassing the leading Jamaican bank and premier insurance entities, we leverage interconnected services, robust systems, and stakeholder engagement to deliver personalised, impactful solutions. Guided by empathy, reliability, and a strong governance framework, our strategy ensures we remain a trusted partner, united in our mission to exceed strategic objectives and create lasting connections that empower growth and resilience for all our stakeholders.

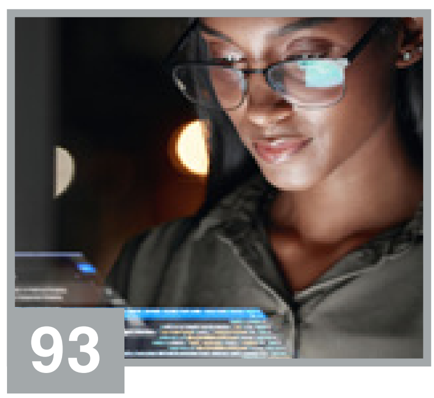

NCB

Contents

"...we are poised to lead the way in shaping a brighter, more **connected** future for the Caribbean and beyond."



"As we move forward, we remain firm in our mission to **connect** people, businesses, and opportunities to build and sustain wealth."



Our Vision

To create a world-class financial ecosystem

that serves to power the advancement of individuals, businesses and communities, wherever we operate.

Our Purpose

Empowering People

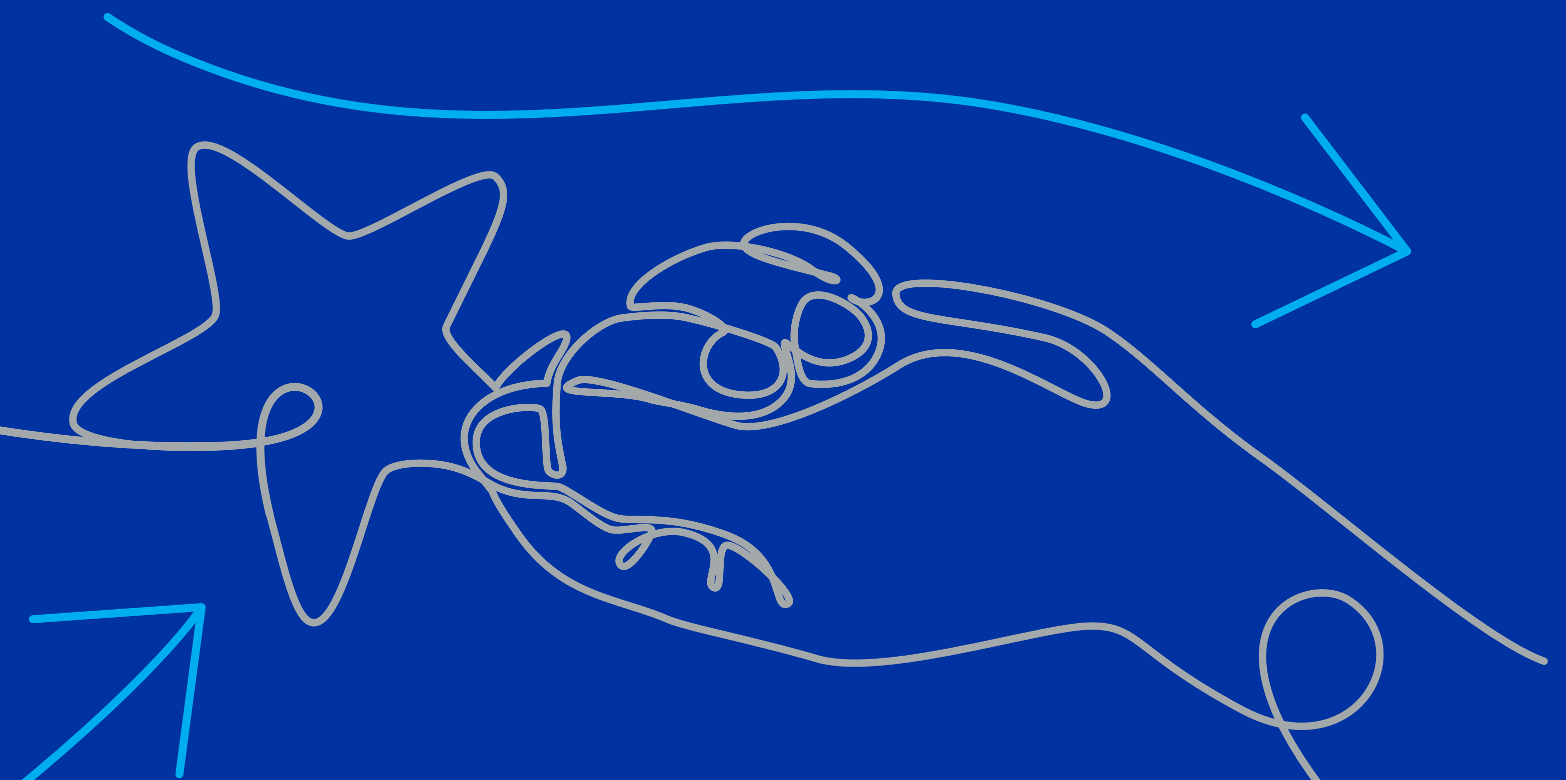
Involves initiatives that enhance abilities, confidence, and autonomy enabling them to take control and contribute meaningfully.

Unlocking Dreams

Breaking through limitations and creating pathways for individuals to fulfil their aspirations.

Building Communities

Fostering relationships and community engagement to enhance overall well-being and contribute to positive socioeconomic development.



Our Brand Pillars

Innovation

We are constantly striving to improve the financial solutions we offer, in order to meet the changing needs of our customers. We also drive innovation in our operations by using technology as a key enabler of greater efficiency and better service delivery.

Expertise

Professionals within the Group possess expert knowledge in their respective areas of our business. Equally important, we foster superior customer relationship management skills that engender trust and loyalty with those we serve.

Strength

Sound and prudent management are hallmarks of sustainability for the Group. We carry out our business within a framework that observes proper ethical, regulatory and financial practices, while embracing our role as a responsible corporate citizen.

Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of NCB FINANCIAL GROUP LIMITED will be held on **February 13, 2025, at 10 a.m.** (Eastern Standard Time/Jamaica time) in a hybrid format at the Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5, in the parish of Saint Andrew, Jamaica (limited seating, pre-registration required*), and online through access information to be made available at **www.myncb.com/agm**, to consider, and, if thought fit, pass the following resolutions:

ORDINARY BUSINESS
Ordinary Resolutions

1. **Audited Financial Statements**

   RESOLUTION 1:
   "**THAT** the Audited Financial Statements for the year ended September 30, 2024, along with the Reports of the Directors and Auditors, circulated with the Notice convening the Meeting, be and are hereby adopted."

2. **Declaration of Dividend**

   RESOLUTION 2:
   "**THAT** the interim dividends per ordinary stock unit of $0.50 paid in December 2023, $0.50 paid in March 2024, $0.50 paid in June 2024, $0.50 paid in September 2024, and $0.50 paid in December 2024 be treated on the recommendation of the Directors as the final dividend for the financial year ended September 30, 2024."

3. **Election of Directors**

   a. Article 94 of the Company's Articles of Incorporation provides that one-third of the Board other than the Managing Director (that is, our Group Chief Executive Officer) and Deputy Managing Director or, if the number of members of the Board is not three or a multiple of three, then the number nearest one-third, shall retire from office at each Annual General Meeting. The Directors retiring under this Article are **Mrs Thalia Lyn, OD** and **Mrs Sanya Goffe** who, being eligible, offer themselves for re-election.

      The proposed resolutions are therefore as follows:

      RESOLUTION 3(a)(i):
      i. "**THAT** Director **Mrs Thalia Lyn, OD** retiring pursuant to Article 94 of the Articles of Incorporation be and is hereby re-elected."

      RESOLUTION 3(a)(ii):
      ii. "**THAT** Director **Mrs Sanya Goffe** retiring pursuant to Article 94 of the Articles of Incorporation be and is hereby re-elected."

b. **Mr Howard Shearer, CD** was appointed a Director of the Company on March 13, 2024. Under Article 100 of the Company's Articles of Incorporation, Mr Shearer's appointment expires on the date of this Meeting and, being eligible, he offers himself for election.

The proposed resolution is therefore as follows:

RESOLUTION 3(b):
"**THAT Mr Howard Shearer, CD**, having been appointed during the year, be and is hereby elected a Director of the Company."

c. **Mrs Arvinder Bharath** was appointed a Director of the Company on January 2, 2025. Under Article 100 of the Company's Articles of Incorporation, Mrs Bharath's appointment expires on the date of this Meeting and, being eligible, she offers herself for election.

The proposed resolution is therefore as follows:

RESOLUTION 3(c):
"**THAT Mrs Arvinder Bharath**, having been appointed during the year, be and is hereby elected a Director of the Company."

4. **Directors' Remuneration**

RESOLUTION 4(a):
"**THAT** the Directors be and are hereby empowered to fix the remuneration of the Executive Directors."

RESOLUTION 4(b):
"**THAT** the total remuneration of all the Directors combined, other than the Executive Directors, for the financial year of the Company ending September 30, 2025, BE AND IS HEREBY fixed at $90,000,000, which remuneration may include such share incentive scheme for directors as may be determined by the Board."

5. **Appointment of Auditors and their Remuneration**

RESOLUTION 5:
"**THAT** PricewaterhouseCoopers, having signified their willingness to serve, be appointed as Auditors of the Company until the conclusion of the next Annual General Meeting, at a remuneration to be agreed with the Directors."

6. Resolutions in respect of any other business which can be transacted at an Annual General Meeting.

A member of the Company entitled to attend and vote at this meeting is entitled to appoint a Proxy to attend and vote in his/her stead, and such proxy need not be a member.

If you are unable to attend the Meeting, a Form of Proxy is enclosed for your convenience. When completed, this Form should be deposited with the Secretary at the Registered Office of the Company, "The Atrium", 32 Trafalgar Road, Kingston 10, Jamaica, not less than **48 hours** before the time appointed for the Meeting. The Proxy Form should bear stamp duty of **$100.00** before being signed. The stamp duty may be paid by adhesive stamps, which are to be cancelled by the person signing the Proxy Form.

***Pre-registration is required in order to attend and participate in the Annual General Meeting in person or online. In-person attendance will be limited and facilitated only upon pre-registration with the Jamaica Central Securities Depository at jcsdrs@jamstockex.com on a first come first served basis. Additional information regarding attendance and participation is available on the Company's website at www.myncb.com. Viewing of the AGM online (i.e. no voting required) will not require registration.**

DATED this 9th day of January 2025

BY ORDER OF THE BOARD

DAVE L. GARCIA
CORPORATE SECRETARY

Notice of Annual General Meeting

Special Instructions for Attendance and Participation at the Annual General Meeting of NCB Financial Group Limited

The Annual General Meeting (AGM) of NCB Financial Group Limited (NCBFG) will be held in a hybrid format. Shareholders (or their proxies) will be able to attend the meeting in person (limited seating) or by electronic. They will have an opportunity to attend and vote on resolutions raised at the AGM once they register at **https://iteneri.com/ncbfg** or by contacting the Jamaica Central Securities Depository (JCSD) at **jcsdrs@jamstockex.com**.

Registration for in-person attendance

A limited number of individuals will be able to attend the AGM in person and will be facilitated **on a first come, first served basis only** upon pre-registration by contacting the JCSD at **(876) 967-3271** or via email at **jcsdrs@jamstockex.com**.

Registration for online attendance

Registration in advance is also required to be able to attend the AGM online. Shareholders will require their JCSD or Trinidad and Tobago Central Depository (TTCD) Account Number in order to complete registration and to be able to vote on the resolutions raised at the AGM. Should assistance be required in obtaining this account number, any of the following may be done:

1. Contact your stockbroker; or
2. Contact the Registrar Services Unit of the JCSD at **(876) 967-3271** or via e-mail at **jcsdrs@jamstockex.com**.

Upon registration and verification, instructions on how to join the meeting will be sent to the same e-mail address that was used for registration. **Those instructions may only be used by one user and should not be shared with anyone.**

The deadline for registration is February 12, 2025.

Non-shareholders may also attend the meeting if they register at **https://iteneri.com/ncbfg**.

Viewing of the AGM online (that is, without the ability to vote) will not require registration.

Participation (in-person and online)

The Notice of AGM, Proxy Form and Annual Report are available on the following websites:

- The NCBFG site at **https://www.myncb.com/annualreport2024**
- The NCBFG AGM site at **https://iteneri.com/ncbfg**

They are also being made available on the following sites:

- The Jamaica Stock Exchange at **https://www.jamstockex.com**
- the Trinidad & Tobago Stock Exchange at **https://www.stockex.co.tt**

- Registered shareholders and non-shareholders will be able to join and participate in the AGM using the information provided by e-mail on completion of the registration process.

- The AGM will be streamed live on the NCBFG website at **www.myncb.com** as well as the National Commercial Bank Jamaica Limited YouTube page for viewing by all persons worldwide regardless of whether they register on the AGM website.

- Online attendees will be muted for the duration of the meeting and will not be allowed to unmute themselves for verbal communication, unless a request is made and accepted during the meeting.

- Persons are strongly encouraged to submit any questions related to the audited accounts prior to the AGM by e-mail to **ncbfginvestorqueries@jncb.com** up to the evening of February 12, 2025, so they may be addressed during presentations or over the course of the meeting. During the AGM, relevant questions may only be submitted through the Question and Answer feature of the application and we will seek to address as many of them as possible, particularly in the designated “Audited Accounts” or “Question & Answer” segments of the meeting agenda. Shareholders wishing to speak should request to do so through the Question and Answer feature, following the instructions that will be provided in the meeting.

- Only those shareholders or their proxies who have registered will be able to vote on the resolutions at the meeting.

Instructional videos on “How to Register” and “How to Vote” online are available on the AGM website.

Persons experiencing any problems in the registration process or who have any questions regarding the registration and participation in the AGM should send an e-mail to our Registrar at **jcsdrs@jamstockex.com**.

Business in Brief

Connecting Excellence Across our Sub-Groups

NCB Financial Group Limited ("the Group" or "NCB Financial Group") continues to deliver unparalleled value through its three sub-groups: Clarien, Guardian, and NCB. Together, these entities form a dynamic network, offering diverse financial services to customers across the Caribbean and beyond and fulfilling the Group's aspiration of building wealth for individuals and businesses.

Governance Structure: Connecting Strategy with Performance

The NCB Financial Group prides itself on operating under a robust governance framework that ensures accountability and strategic alignment across its sub-groups to offer financial solutions from "the cradle to the grave".

NCB FINANCIAL GROUP LIMITED (NCBFG) is the ultimate holding company under which the other companies are held. It also serves as the holding company for its wholly-owned subsidiaries. TFOB (2021) Limited, NCB Global Holdings Limited, as well as National Commercial Bank Jamaica Limited and its wholly-owned subsidiaries, fall under the NCB sub-group.

CLARIEN GROUP
Clarien Bank Limited (Clarien), being the main operating subsidiary, serves as the holding company for Clarien Group's entities.

GUARDIAN GROUP
Guardian Holdings Limited (GHL or Guardian Group) oversees the operations of Guardian's subsidiaries.

NCB FINANCIAL GROUP LIMITED

CLARIEN
Clarien Group, one of Bermuda's largest independent, privately-owned financial services organisations, provides an integrated suite of personal, commercial, and private banking solutions.

KEY SERVICES

- Personal and business banking, as well as payment services through Clarien Bank Limited.
- Wealth management via Clarien Investments Limited.
- Tailored trust and fiduciary services from Clarien Trust Limited.

GUARDIAN
Guardian Group stands as a regional leader in life, health and general insurance, alongside pensions and asset management services. Guardian Group maintains a strong regional presence and has cemented its position as a trusted partner in financial security and wealth creation.

KEY SERVICES

- Regional leader in life, health, general insurance, pensions, and asset management.
- Operations in **21 Caribbean territories**, including Aruba, Barbados, Bonaire, Curaçao, Jamaica, St. Maarten and Trinidad and Tobago.

NCB
The NCB sub-group, anchored by National Commercial Bank Jamaica Limited (NCBJ), and its subsidiaries — NCB Capital Markets Limited, NCB Capital Markets (Barbados) Limited, and NCB Insurance Agency & Fund Managers Limited (NCBIA) — delivers banking, payment services, wealth management, pensions, and asset management across Jamaica, Barbados, and Trinidad and Tobago.

KEY SERVICES

- Footprint of over 20 locations in Jamaica, including full-service branches, digital hubs, and six financial centres.
- A network of 300+ ABMs and financial kiosks together with a mobile wallet – Lynk offers expansive and seamless access, serving more than 80% of Jamaicans.

Business in Brief

OPERATING GROUPS

Banking & Investment Activities | **Insurance Activities**

Operating Segments

Lines of Business

CONSUMER & SME BANKING / CORPORATE & COMMERCIAL BANKING
- Personal Banking
- Private Banking
- Commercial Banking
- Lending/Credit
- Deposits

PAYMENT SERVICES
- Credit Card Issuing
- Card Acquiring
- Mobile Wallet (Electronic Payments)

TREASURY & CORRESPONDENT BANKING
- Liquidity Management
- Correspondent Banking
- Wholesale Funding
- Foreign Exchange Management

WEALTH, ASSET MANAGEMENT & INVESTMENT BANKING
- Regional Asset Management
- Investments
- Corporate Finance Services
- Investment Banking
- Brokerage Services

LIFE & HEALTH INSURANCE AND PENSION FUND MANAGEMENT / GENERAL INSURANCE
- Individual and Group Life Insurance
- Health Insurance
- Property Insurance
- Casualty Insurance
- Annuity Products
- Pension Fund Management
- Pension Plans

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

2024 – A Year of Connection and Growth

Through disciplined execution of our Efficiency, Governance and Customer Experience Framework, NCB Financial Group strengthened its regional prowess by focussing on:

- **Operational Efficiency** – Achieved a 10% reduction in consolidated operating expenses.
- **Governance Excellence** – Bolstered its board of directors with the addition of global talents and skillsets. Additionally, the regulated entities enhanced capital adequacy to support business growth and strategic initiatives.
- **Performance Enhancement** – delivered a 180% growth in net profits, reflecting robust financial performance.

Strategic milestones such as the divestment of non-core assets and continued focus on wealth management in Bermuda and the Cayman Islands underscore our commitment to connecting opportunities, optimising resources and delivering exceptional value to stakeholders.

LOOKING AHEAD

As NCBFG continues to connect people, businesses and markets, our strategic focus remains steadfast: leveraging our network, expertise and innovation to create sustainable growth and strengthen our legacy as a regional powerhouse and restoring pre-COVID financial performance benchmarks.

Business Highlights

CONNECTING THROUGH ENGAGEMENTS

NCBFG redefined how we connect with our stakeholders, fostering transparency and open communication to keep everyone informed about our strategy and performance. From our dedicated Board of Directors to our talented team and valued shareholders, every stakeholder plays a crucial role in shaping our journey. Together, we are inspired to continuously strive for excellence and achieve shared success.

1

2


3


4

5

1. NCBJ and Guardian Insurance members collaborated on listening, sharing, and growing together as a Group. Together, we are shaping a stronger, more connected future for NCBFG and our valued shareholders. **2.** The 2024 Annual General Meeting, Hon. Michael Lee-Chin (centre) responds to a shareholder's question, with former Director Professor Alvin Wint (left) and NCBFG CEO Robert Almeida (right) observing. **3.** To enhance stakeholder engagement and provide insightful discussions and analysis, a special pre- and post-show feature was used at the 2024 AGM. Hosted by Business and Finance Journalist Kalilah Reynolds (centre), the panel included business analyst David Rose (left) and Dr. Leo Rey Gordon (right), Head of Economic and Financial Research at NCBJ. **4.** Angus Young (right), CEO of NCB Capital Markets Limited (NCBCM), engaged guests. The occasion was the NCBFG APO Brokers Mingle – May 2024. **5.** NCBFG hosted an engaging fireside chat with brokers and media representatives, diving into the details of the NCBFG APO. Robert Almeida (left) led the presentation, supported by (L-R) Bruce Bowen, NCBJ; Karrian Hepburn Malcolm, Head of Wealth Management, NCBJ; Angus Young, CEO of NCBCM; and Malcolm Sadler, Chief Financial Officer, NCBFG.

Credit Ratings

NCBFG and its subsidiaries are assessed annually by independent international and regional rating agencies. These evaluations provide an objective view of the Group's financial strength and credit quality. Using well-defined methodologies and financial models, the agencies assess creditworthiness, obligations and securities, including long- and short-term debt and securitisation arrangements. Their evaluations not only reflect current financial performance but also project the Group's resilience and capacity to manage future economic uncertainties.

The assessments involve a thorough review of financial health, focussing on liquidity, capitalisation, asset quality and operational performance. Both qualitative and quantitative factors are considered, including industry position, competitive advantage, sovereign credit ratings and regulatory conditions.

The agencies also examine our risk management framework, funding sources and cost of capital, acknowledging our stable reputation and sustained earnings. NCBFG values the transparency and rigour of these assessments, recognising that consistent high ratings enhance our market reputation and signal stability to stakeholders.

As rating methodologies evolve, we engage proactively with the agencies to address changes and understand requirements to sustain strong ratings. Our commitment to maintaining top-tier credit ratings reflects our focus on financial excellence in a dynamic environment.

Tables 1 & 2 provide the latest public rating for NCBFG and its main subsidiaries.

Table 1: NCBFG Ratings

<table>
<tr><th>Entity</th><th>Type of Rating</th><th colspan="2">Ratings Assigned</th><th>Outlook</th></tr>
<tr><td rowspan="8">NCBFG</td><td rowspan="4">CariCRIS</td><td rowspan="2">Regional Scale</td><td>CariA+ (local currency)</td><td rowspan="4">Stable</td></tr>
<tr><td>CariA (foreign currency)</td></tr>
<tr><td rowspan="2">National Scale</td><td>jmAAA (local currency)</td></tr>
<tr><td>jmAA+ (foreign currency)</td></tr>
<tr><td rowspan="2">Fitch Ratings</td><td>Long-term Issuer Default Ratings (IDRs)</td><td>B+ (foreign and local currency)</td><td rowspan="2">Positive</td></tr>
<tr><td>Short-term IDRs</td><td>B (foreign and local currency)</td></tr>
<tr><td rowspan="2">S&P Global Ratings</td><td>Long-term Issuer Credit Ratings (IDRs)</td><td>B-</td><td rowspan="2">Stable</td></tr>
<tr><td>Short-term Issuer Credit Ratings</td><td>B</td></tr>
</table>

Table 2: Subsidiary Ratings

<table>
<tr><th>Entity</th><th>Type of Rating</th><th colspan="2">Ratings Assigned</th><th>Outlook</th></tr>
<tr><td rowspan="7">NCBJ</td><td rowspan="3">CariCRIS</td><td rowspan="2">Regional Scale</td><td>CariA+ (local currency)</td><td rowspan="3">Stable</td></tr>
<tr><td>CariA (foreign currency)</td></tr>
<tr><td>National Scale</td><td>jmAA+ (local currency)</td></tr>
<tr><td rowspan="3">Fitch Ratings</td><td>Long-term Issuer Default Ratings (IDRs)</td><td>BB- (foreign and local currency)</td><td rowspan="3">Positive</td></tr>
<tr><td>Short-term IDRs</td><td>B (foreign and local currency)</td></tr>
<tr><td>Viability Rating</td><td>bb-</td></tr>
<tr><td>S&P Global Ratings</td><td>Issuer Credit Rating</td><td>BB-/Stable/B</td><td>Stable</td></tr>
<tr><td rowspan="3">NCBCM</td><td rowspan="3">CariCRIS - Issuer/ Corporate Credit Rating</td><td rowspan="2">Regional Scale</td><td>CariA (local currency)</td><td rowspan="3">Stable</td></tr>
<tr><td>CariA- (foreign currency)</td></tr>
<tr><td>National Scale</td><td>jmAA- (local currency)</td></tr>
<tr><td>NCB (Cayman) Limited</td><td>CariCRIS - Issuer/ Corporate Credit Rating</td><td>Regional Scale</td><td>CariA (foreign and local currency)</td><td>Stable</td></tr>
<tr><td rowspan="2">NCB Capital Markets (Barbados) Limited</td><td rowspan="2">CariCRIS - Issuer/ Corporate Credit Rating</td><td>Regional Scale</td><td>CariBBB+ (foreign and local currency)</td><td rowspan="2">Stable</td></tr>
<tr><td>National Scale</td><td>bbAAA (local currency)</td></tr>
<tr><td rowspan="2">NCB Merchant Bank (Trinidad & Tobago) (NCBMBTT)</td><td rowspan="2">CariCRIS - Issuer/ Corporate Credit Rating</td><td>Regional Scale</td><td>CariA (foreign and local currency)</td><td rowspan="2">Stable</td></tr>
<tr><td>National Scale</td><td>ttA (local currency)</td></tr>
<tr><td>GHL (Insurance composite) (T&T)</td><td>AM Best</td><td>Long-term Issuer Credit Rating</td><td>bbb- (Good)</td><td>Stable</td></tr>
<tr><td rowspan="2">Guardian General Insurance Limited (T&T)</td><td rowspan="2">AM Best</td><td>Financial Strength Rating</td><td>A- (Excellent)</td><td rowspan="2">Stable</td></tr>
<tr><td>Long-term Issuer Credit Rating</td><td>a- (Excellent)</td></tr>
<tr><td rowspan="2">Guardian Life of the Caribbean (T&T)</td><td rowspan="2">AM Best</td><td>Financial Strength Rating</td><td>A- (Excellent)</td><td rowspan="2">Stable</td></tr>
<tr><td>Long-term Issuer Credit Rating</td><td>a- (Excellent)</td></tr>
</table>

Performance Highlights

NCBFG uses key regulatory and industry benchmarks to assess, monitor and report on its performance.

2024 and 2023 financial results are based on IFRS 17 - Insurance Contracts and all earlier fiscal periods are based on IFRS 4.

Some of the key performance metrics:

$324 BILLION
Gross revenues

$134 BILLION
Insurance revenues

$1.2 TRILLION
Investment securities

$121 BILLION
Net revenues from banking and investment activities

$172 BILLION
Equity attributable to stockholders of the parent

Empowering People | Unlocking Dreams | Building Communities

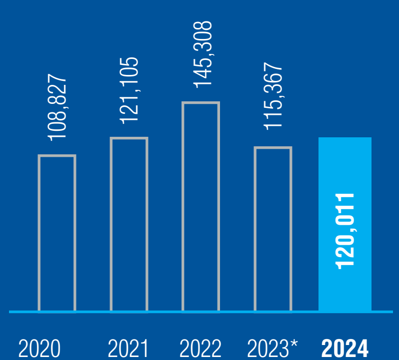
$2.3 TRILLION
Assets

$626 BILLION
Net loans

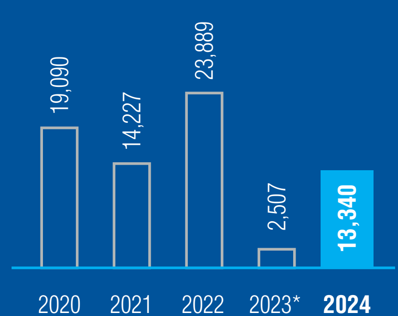
$544 BILLION
Insurance contracts liabilities

$784 BILLION
Customer deposits

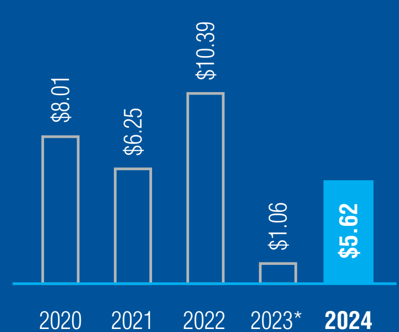
Operating Income ($'M)



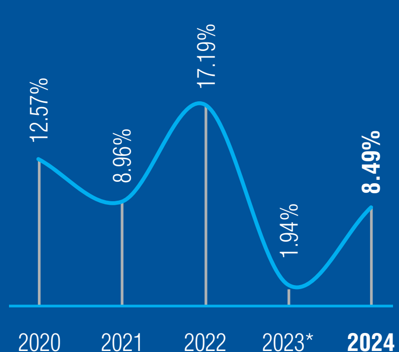
Net Profit
Attributable To Stockholders of the Parent ($'M)



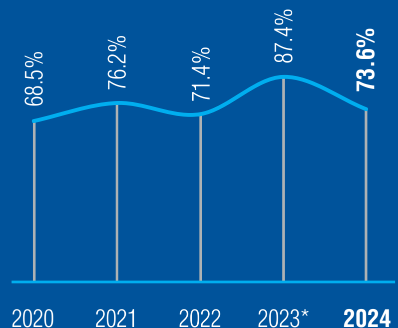
Earnings Per Stock Unit



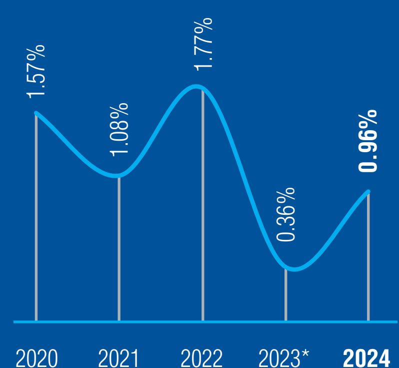
Return On Equity



Cost To Income



Return On Assets



*Restated

10-Year Financial Statistical Review

	2024	2023	2022	2021
Consolidated Income Statement Summary (J$'000)		Restated [1]	Restated [2]	
Net profit	**21,569,527**	7,713,510	35,132,381	20,075,606
Net profit attributable to the stockholders of the parent	**13,340,354**	2,507,191	23,889,103	14,226,671
Gross operating income	**323,760,737**	291,689,949	319,402,779	292,094,624
Operating income	**120,010,718**	115,366,914	145,308,496	121,105,355
Net interest income	**60,442,469**	59,137,812	59,198,862	48,626,967
Non-interest income	**87,815,388**	78,082,489	88,833,189	75,863,514
Credit impairment losses	**8,701,833**	4,159,364	2,723,555	3,385,126
Net revenues from banking & investment activities	**121,036,850**	118,532,812	107,292,623	98,153,663
Net revenues from insurance activities (IFRS 4)	**n.a.**	n.a.	38,015,873	22,951,692
Insurance service result (IFRS 17)	**18,519,174**	14,528,125	n.a.	n.a.
Operating expenses	**94,685,016**	104,424,158	105,691,419	94,850,111
Staff costs	**50,178,822**	60,860,676	50,337,084	44,500,542
Depreciation, amortisation and finance cost	**10,243,711**	9,338,085	10,941,626	11,146,310
Taxation expenses	**4,239,670**	3,448,194	5,217,209	6,519,927
Profit before tax	**25,809,197**	11,161,704	40,349,590	26,595,533
Consolidated Statement of Financial Position Summary (J$'000)				
Total assets	**2,316,010,845**	2,199,090,398	2,051,244,777	1,917,127,972
Loans and advances, net of provision for credit losses	**626,239,936**	612,689,129	580,063,363	523,488,890
Investment securities	**1,166,825,535**	1,105,904,465	959,495,830	900,512,195
Statutory reserves with central banks	**50,012,699**	48,901,844	45,491,884	41,247,661
Customer deposits	**783,966,976**	747,872,120	715,276,682	647,085,400
Liabilities under annuity and insurance contracts	**543,668,456**	510,957,462	482,569,780	433,056,798
Repurchase agreements	**299,522,341**	279,754,364	248,088,765	224,805,387
Other borrowed funds	**188,823,509**	179,647,541	153,249,041	136,972,443
Obligations under securitisation arrangements	**92,999,381**	98,195,007	99,085,658	63,087,217
Stockholders' equity	**210,742,808**	170,746,346	138,570,626	206,665,026
Stockholders' equity attributable to the stockholders of the parent	**172,294,502**	142,122,840	116,429,342	161,456,191
Profitability Ratios (%)				
Return on average stockholders' equity (3)	**8.49%**	1.94%	17.19%	8.96%
Return on average total assets (4)	**0.96%**	0.36%	1.77%	1.08%
Effective tax rate (5)	**16.43%**	30.89%	12.93%	24.52%
Cost to income ratio (6)	**73.56%**	87.37%	71.40%	76.19%

1. 2023 comparatives for the consolidated income statement and consolidated statement of financial position have been restated due to the initial adoption of IFRS 17, a redesignation of eligible financial assets under IFRS 9 in our insurance business and other correcting adjustments (see note 54 of the financial statements).
2. 2022 comparatives for the consolidated statement of financial position was restated due to the initial adoption of IFRS 17 in our insurance business.
3. Return on average stockholders' equity is calculated as net profit attributable to stockholders of the parent divided by average stockholders' equity attributable to stockholders of the parent (stockholders' equity at the end of the financial year plus stockholders' equity at the end of the prior financial year, divided by two).

2020	2019	2018	2017	2016	2015
26,883,412	31,164,938	28,580,966	19,107,818	14,448,560	12,301,790
19,090,378	29,869,398	27,958,752	19,107,818	14,448,560	12,301,790
256,816,559	171,252,858	98,779,947	76,213,792	65,747,306	61,158,813
108,826,889	91,180,975	69,614,802	54,336,912	46,936,071	41,495,517
52,489,709	44,595,084	35,144,184	29,759,669	28,123,770	25,964,030
66,622,174	51,410,625	36,431,256	25,306,477	19,424,656	17,410,410
10,284,994	4,824,734	1,960,638	729,234	612,355	1,878,923
76,370,898	76,749,460	65,817,511	51,096,962	43,423,353	37,854,769
32,455,991	14,431,515	3,797,291	3,239,950	3,512,718	3,640,748
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
81,565,804	64,736,903	43,428,745	33,178,281	28,839,998	25,494,334
40,526,668	32,120,544	23,776,353	16,461,158	13,809,023	11,942,482
9,941,198	6,941,434	3,472,372	2,359,274	1,899,414	1,563,551
690,064	6,423,458	5,407,952	4,901,510	4,479,992	4,082,309
27,573,476	37,588,396	33,988,916	24,009,331	18,928,553	16,384,101
1,800,260,275	1,616,299,602	978,584,626	693,724,191	607,669,433	523,815,161
452,954,936	423,102,600	372,634,701	218,615,226	189,055,786	165,404,606
853,085,972	759,496,006	389,490,044	299,177,288	275,669,541	275,987,700
35,552,128	37,316,963	43,575,130	39,022,524	29,832,265	23,247,218
573,968,886	504,678,536	484,847,790	288,464,013	273,965,888	227,850,985
405,014,541	394,615,307	38,093,007	36,185,320	35,282,653	34,689,274
211,436,379	174,619,976	152,884,626	115,586,590	105,974,938	100,004,008
125,066,336	124,953,101	65,558,639	38,649,556	12,061,154	8,595,313
71,083,957	48,305,823	58,992,666	66,743,350	47,899,756	44,292,064
200,204,923	183,870,618	139,584,328	115,993,769	103,105,310	88,394,211
156,114,678	147,590,179	130,040,568	115,993,769	103,105,310	88,394,211
12.57%	21.52%	22.73%	17.44%	15.09%	14.45%
1.57%	2.40%	3.42%	2.94%	2.55%	2.40%
2.50%	17.09%	15.91%	20.42%	23.67%	24.92%
68.48%	67.43%	60.68%	60.25%	60.65%	58.78%

4. Return on average total assets is calculated as net profit divided by average total assets (total assets at the end of the financial year plus total assets at the end of the prior financial year, divided by two).
5. Effective tax rate is calculated as taxation expenses divided by profit before taxation.
6. Cost to income ratio is calculated as staff costs, depreciation, policyholders' & annuitants' benefits & reserves and other operating expenses divided by total operating income excluding credit impairment losses.

10-Year Financial Statistical Review

	2024	2023	2022	2021
Stock Unit Information (J$)		Restated [1]	Restated [2]	
Earnings per stock unit for profit attributable to the stockholders of the company [(7)]	**$5.62**	$1.06	$10.39	$6.25
Dividends paid per stock unit	**$2.00**	$0.00	$0.00	$0.50
Book value per stock unit	**$66.68**	$57.62	$50.66	$70.36
Closing share price at September 30 - Jamaica Stock Exchange (JSE) [(*)]	**$53.12**	$68.49	$89.89	$127.52
Closing share price at September 30 - Trinidad & Tobago Stock Exchange (TTSE) [(**)]	**TT$2.41**	TT$2.77	TT$4.50	TT$8.25
Price earnings ratio	**9.45**	64.61	8.65	20.40
Dividends paid [J$'000]	**4,926,887**	0	0	1,197,040
Dividend yield (payment date) [%]	**3.77%**	0.00%	0.00%	0.39%
Dividend payout ratio (payment date) [%]	**35.59%**	0.00%	0.00%	8.00%
Total annual shareholder return [%]	**-19.52%**	-23.81%	-29.51%	-2.20%
Asset Quality Ratios (%)				
Non-performing loans as a percentage of gross loans and advances [(8)]	**4.08%**	4.11%	4.39%	6.08%
Non-performing loans as a percentage of total assets	**1.13%**	1.17%	1.26%	1.70%
Non-performing loans as a percentage of equity	**15.17%**	18.06%	22.27%	20.14%
Total provision for credit losses as a percentage of gross loans and advances	**2.67%**	2.46%	2.32%	2.90%
Provision coverage ratio [(9)]	**65.46%**	59.75%	52.89%	47.64%
Consolidated Statement of Financial Position Ratios (%)				
Loans and advances, net of provision for credit losses, as a percentage of total assets	**27.04%**	27.86%	28.28%	27.31%
Investment securities as a percentage of total assets	**50.71%**	50.69%	47.27%	46.97%
Loans and advances, net of provision for credit losses, as a percentage of customer deposits	**79.88%**	81.92%	81.10%	80.90%
Equity to total assets	**7.44%**	6.46%	5.68%	8.42%
Other Statistics				
JSE Index at September 30 [(*)]	**318,325.69**	327,042.43	361,691.60	414,889.96
JSE Index annual movement (Twelve months ended September 30) [%]	**(2.67%)**	(9.58%)	(12.82%)	9.06%
Inflation Rate (Twelve months ended September 30) [%]	**5.70%**	5.90%	9.26%	8.29%
USD foreign exchange rate at September 30	**157.81**	154.77	152.02	146.35

7. Earnings per stock unit is calculated as net profit divided by weighted average shares outstanding for the relevant financial year.
8. Non-performing loans are loans as to which there have been no payments of principal or interest for 90 days or more.
9. Total provisions for credit losses divided by non-performing loans.

	2020	2019	2018	2017	2016	2015
	$8.01	$12.30	$11.39	$7.76	$5.87	$5.00
	$1.90	$3.40	$2.70	$2.70	$2.35	$2.31
	$65.82	$61.60	$53.00	$47.12	$41.89	$35.91
	$130.90	$208.79	$124.52	$87.02	$41.55	$27.72
	TT$7.75	TT$10.44	TT$5.73	TT$5.10	TT$2.60	TT$1.63
	16.34	16.97	10.93	11.21	7.08	5.54
	4,680,465	8,368,730	6,660,260	6,660,260	5,796,893	5,698,222
	1.45%	1.63%	2.17%	3.10%	5.66%	8.33%
	23.72%	27.64%	23.71%	34.79%	40.03%	46.20%
	-36.40%	70.41%	46.20%	115.93%	58.37%	67.48%
	5.29%	5.28%	4.84%	2.45%	3.14%	5.05%
	1.37%	1.41%	1.86%	0.78%	0.99%	1.63%
	15.85%	15.47%	14.01%	4.67%	5.86%	9.66%
	3.98%	3.04%	2.17%	1.66%	1.97%	2.62%
	75.13%	57.64%	45.35%	67.73%	62.58%	51.92%
	25.16%	26.18%	38.08%	31.51%	31.11%	31.58%
	47.39%	46.99%	39.80%	43.13%	45.37%	52.69%
	78.92%	83.84%	76.86%	75.79%	69.01%	72.59%
	8.67%	9.13%	13.29%	16.72%	16.97%	16.88%
	21.52%	22.73%	17.44%	15.09%	14.45%	15.97%
	2.40%	3.42%	2.94%	2.55%	2.40%	2.61%
	84.17%	94.55%	94.04%	92.52%	91.23%	93.54%
	15.83%	5.45%	5.96%	7.48%	8.77%	6.46%

* Source: Jamaica Stock Exchange Monthly Statistics Report.
** Source: Trinidad and Tobago Stock Exchange Monthly Equity Summary Report.

Chairman's Message

Connecting for Growth, Building for Tomorrow

At NCB Financial Group, we see our role as more than just a financial services provider. We are nationbuilders, committed to creating wealth and driving socio-economic growth across the regions we serve. Guided by our belief in "Prosperitas cum Caritate" (prosperity with care), we emphasise doing well while doing good.

Our engagements with communities — through town halls, customer outreach, and partnerships with schools and businesses — reflect our dedication to fostering financial literacy, inclusion, and sustainable growth. These efforts not only strengthen the financial ecosystem, but also empower individuals and businesses to realise their potential with a multiplier effect for us to do well and deliver on our purpose.

DELIVERING ON PROMISES

In last year's report, I posed a critical question: What is the maximum value added we can provide? My answer was rooted in two commitments — delivering consistent dividends and building unwavering trust. I am proud to share that we are making good on this pledge.

Starting December 2023, we resumed regular quarterly dividend payments, a clear testament to our financial strength, sound business practices, and strong capital position. Importantly to us, this achievement underscores our commitment to rewarding your trust while ensuring a stable foundation for long-term growth.

CONNECTING THROUGH VISION AND PURPOSE

The Caribbean is a region of immense opportunity. With a population of over 44 million people, an increasingly entrepreneurial spirit, and a growing digital economy, the potential for financial services to foster wealth creation is unparalleled. By connecting our products, services, and expertise to the unique needs of the region, we are unlocking pathways to economic empowerment and wealth creation.

Chairman's Message

> To our shareholders, employees, customers, and communities: Thank you for your trust, loyalty, love and partnership."

However, this journey requires more than just operational excellence. It demands a vision that prioritises empathy, caring, inclusivity, resilience, and sustainability. At NCBFG, we strive to be standard-bearers for nation-building and wealth creation, fostering environments where individuals and businesses alike can thrive.

CONTINUING GROWTH WITH EGC

To achieve our ambitious goals, we continue to embrace the Efficiency, Governance, and Customer Experience (EGC) framework as a cornerstone of our operations. This framework ensures that every decision, investment, and initiative is underpinned by efficiency, ethical governance, and a firm focus on customer satisfaction.

Through EGC, we have streamlined processes, adopted innovative technologies, and built robust governance structures that enhance transparency and accountability; this enhanced governance focus is demonstrated through our Board appointments as we seek to further strengthen our Board with more independent directors and diverse skill sets applicable to our industry. This disciplined approach positions us as leaders in financial services, not just in the Caribbean but beyond.

BUILDING WEALTH, SHAPING FUTURES

Our vision is clear: wealth creation for all. Whether helping a young family secure and safeguard their first home, supporting entrepreneurs in expanding their businesses, contributing to community development projects, or helping people to rebuild after major natural disasters - such as Hurricane Beryl, we are committed to fostering prosperity that transcends generations.

We also recognise that building trust is an ongoing journey. It requires consistent results, transparent communication, and a deep understanding of the evolving needs of our stakeholders. This year, across our businesses we have made significant strides in these areas, and we remain steadfast in our commitment to continuous improvement.

A FUTURE OF CONNECTION AND POSSIBILITY

As we look ahead, the opportunities before us are vast. By leveraging our business and the region's inherent strengths, embracing innovation, and staying true to our values, we are poised to lead the way in shaping a brighter, more connected future for the Caribbean and beyond.

To our shareholders, employees, customers, and communities: Thank you for your trust, loyalty, love and partnership. Together, we are creating a legacy of shared success, grounded in purpose, caring and driven by possibility.

With gratitude and determination.

Hon. Michael Lee-Chin, OJ
Chairman

Board of Directors

Committed to strong governance and oversight, the team leverages expertise primarily in strategy, finance, leadership, risk management, and stakeholder engagement to drive robust decisions and create sustainable value.

Hon. **Michael Lee-Chin** OJ,
HON. LL.D., B.ENG

Visionary Entrepreneur | Philanthropist - Honourable Michael Lee-Chin is the President and Chairman of Portland Holdings Inc., leading a diverse portfolio across financial services, insurance, tourism, agriculture, real estate, energy, and medical innovation. His visionary leadership is driven by a commitment to merging profitability with social responsibility, fostering sustainable growth across industries.

Recognized for his outstanding contributions to business and philanthropy, Michael has been honoured with the Order of Jamaica and the Order of Ontario, along with multiple honorary Doctor of Laws degrees from prestigious institutions. He also serves on several influential boards across Canada, the Caribbean, Europe, and the U.S., where his strategic insight continues to drive meaningful impact.

CHAIRMAN OF THE BOARD

NON-EXECUTIVE DIRECTOR

Primary Expertise:

Global Perspective | Financial Expertise

Appointment Date:

NCBFG - February 23, 2017

Length of Directorship:

NCBJ - 22 years

Arvinder Bharath
MBA, BSC (HONS)

Tech & Cyber Specialist | Digital Transformation Leader - Arvinder Bharath brings over 30 years of global experience across banking, regulatory, and technology sectors. Since May 2022, she has served as Lead Advisor and Digital Expert at the International Monetary Fund (IMF), guiding member countries on digitalisation, digital currencies, and managing digital and cyber risks. Previously, she was Deputy Inspector of Supervision at the Central Bank of Trinidad and Tobago, overseeing banks, insurers, and pension funds, later leading its Financial Technology and Information Security divisions.

Arvinder's leadership spans roles as President and Country Head of RBC Royal Bank (Trinidad and Tobago) and Global Head of NRI Banking at Barclays Bank. Her early career in technology includes positions at British Telecom, Nortel Systems, Cisco, Compaq, and Hewlett-Packard. A thought leader in transformative technologies, she engages in global forums on quantum computing, AI, and decentralized finance. Arvinder holds a BSc in Computer Science and an MBA in Financial Services from the University of London.

NON-EXECUTIVE INDEPENDENT DIRECTOR

Primary Expertise:

Listed Company Experience

Appointment Date:

NCBFG - January 2, 2025

[Read more via www.myncb.com]

Bruce Bowen
BA (HONS)

Transformational Leader - Bruce Bowen is the Chief Executive Officer of National Commercial Bank Jamaica Limited (NCBJ) and Special Advisor to the Group CEO of NCB Financial Group Limited, providing strategic leadership to drive growth, profitability, risk management, and regulatory compliance. With over 25 years of senior management experience in global financial services across 20 countries, Bruce has a proven track record in leading complex, high-performing organizations. He currently serves on the Boards of NCBJ, Guardian Holdings Limited, and Clarien Bank Limited, and chairs NCB Capital Markets Limited and NCB Insurance Agencies and Fund Managers Limited.

Beyond banking, Bruce is the Founder & Managing Director of Rock Capital Partners, Chairman of Rock Mobile, and Founder and Chairman of ADVANTAQ, a RegTech firm supporting regional financial institutions. He holds a Bachelor of Business Administration (Hons) and has completed executive training in Canada and the USA. Bruce is also dedicated to philanthropy as Co-Chair of the SickKids Caribbean Initiative, improving childhood cancer care.

EXECUTIVE DIRECTOR

Primary Expertise:

Global Perspective | Financial Expertise | Listed Company Expertise

Appointment Date:

NCBFG - February 9, 2024

Gary Brown
BSC (HONS)

Seasoned Financial Leader -Gary Brown is a seasoned leader in the financial services industry with over 40 years of experience. He retired in 2018 as CEO and Director of FirstCaribbean International Bank Limited, a publicly traded bank majority-owned by CIBC. During his nine-year tenure at CIBC, Gary also served as President and CEO of CIBC World Markets Corp., leading the bank's U.S. operations. His extensive career includes senior roles at UBS AG, where he was New York Branch Manager, Head of Structured Finance, and Chief Credit Officer for the Americas, as well as leadership at K2 Digital, Inc. Gary began his career at The Chase Manhattan Bank in 1976.

Beyond the financial sector, Gary has been dedicated to philanthropic leadership, serving Mercy Ships International since 2006 and currently acting as Chairman of the Board. He also chairs the Audit Committee at Oral Roberts University and has held leadership roles with the Risk Management Association and the Institute of International Bankers. Gary holds a Bachelor of Science in Business Administration from Oral Roberts University and has completed executive programs at Harvard Business School and the Salzburg Institute.

LEAD INDEPENDENT DIRECTOR

NON-EXECUTIVE INDEPENDENT DIRECTOR

Primary Expertise:

Global Perspective | Financial Expertise

Appointment Date:

NCBFG - February 9, 2024

Board of Directors

Howard L. Shearer CD,
BENG, LLM, FCAE , DSC

Robert Almeida
B.COMM., CPA, CA

Innovation Advocate - Howard Shearer, a strategic and innovative leader in business, technology, and the nuclear sector, currently serves as Chief Executive of Hitachi Canada. Throughout his career, Howard has developed extensive expertise in regulatory compliance and corporate governance across various sectors including finance, energy, healthcare, data privacy, and cybersecurity. His practical experience, bolstered by a global professional masters degree in law, ensures that Howard brings his passion for technology and the law into every role. Among other roles, Howard is the Chair of the Board of Directors for the Energy Council of Canada and serves as a Director on the Canadian Nuclear Laboratories Board, where he also sits on the Audit and Strategy Committees.

In recognition of his visionary and impactful leadership, Howard was appointed to the Order of Distinction in the Rank of Commander by the Governor-General of Jamaica, effective August 2024. He actively mentors future leaders, serves on the McMaster University Engineering Advisory Board, and other civic organizations. A published author on governance, Howard exemplifies integrity and excellence in his drive to lead meaningful progress in industries critical to global development.

NON-EXECUTIVE INDEPENDENT DIRECTOR

Primary Expertise:

Information Technology/Cyber Security | Legal Skills & Expertise | Financial Expertise

Appointment Date:

NCBFG - March 13, 2024

Strategic Leader - Robert brings over 35 years of experience as an investor and business executive across diverse industries and global markets. He entered the banking sector in 1998, leading the launch of an electronic bank for one of Canada's top financial institutions, and has been actively involved with the NCB Group of Companies since 2002. A Chartered Professional Accountant (CPA, CA), Robert also holds a Bachelor of Commerce with High Distinction from the University of Toronto. He is a founding partner of Portland Private Equity, a leading investor in the Caribbean and Latin America, and a portfolio manager at Portland Investment Counsel Inc. in Canada.

Currently, Robert serves as Group CEO and Executive Director of NCBFG, where he also chairs subsidiaries including Guardian Holdings Limited and National Commercial Bank Jamaica Limited. His strategic leadership continues to drive growth and innovation across the Group's operations.

EXECUTIVE DIRECTOR

Primary Expertise:

Global Perspective | Financial Expertise | Listed Company Experience

Appointment Date:

NCBFG - February 23, 2017

Length of Directorship:

NCBJ - 16 years

[Read more via www.myncb.com]

Sanya M. Goffe
LLB (HONS)

Legal Strategist | Philanthropist - Sanya Goffe is a partner at Hart Muirhead Fatta and an Eisenhower Fellow, bringing extensive expertise in corporate law, pensions, and finance. She serves as Chairperson of Stratus Alternative Funds SCC and holds directorships with Jamaica Producers Group Limited, the National Insurance Board, and RevUp Caribbean Limited.

As President of the Pension Industry Association of Jamaica, Sanya is a leading voice in pension reform and governance. She actively contributes to the Jamaican Bar Association and global pension organizations, including the UK Association of Pension Lawyers and the World Pension Summit Advisory Board. Beyond her professional roles, she co-founded the Adult Learning Centres of Jamaica, advancing adult literacy and education.

NON-EXECUTIVE INDEPENDENT DIRECTOR

Primary Expertise:

Legal Skills & Expertise | Listed Company Experience

Appointment Date:

NCBFG - April 26, 2016

Length of Directorship:

NCBJ - 13 years

Thalia Lyn OD, J.P.,
HON. LL.D., B.A. (HONS.)

Pioneering Entrepreneur | Philanthropist - Thalia Lyn is one of Jamaica's most successful entrepreneurs, serving as the Founder and Deputy Chair of Island Grill, a multi-billion-dollar fast-food chain with locations across Jamaica. A dedicated philanthropist, she founded the Lyn Family Foundation and actively champions gender equality and disability inclusion through her work with the PSOJ's Gender & Disabilities Committee. Since 2003, Thalia has chaired the N.C.B. Foundation and holds key roles as Trustee of the NCB Pension Funds and member of the NCB Corporate Governance Committee.

Her extensive leadership extends to directorships with Port Royal Patties (UK), Jamaica Macaroni Ltd., Mustard Seed Communities, and the Tourism Enhancement Fund's Gastronomy Network. Recognized globally, she served over two decades as Honorary Consul General for Thailand, earning prestigious national and international honors, including Jamaica's Order of Distinction and induction into the PSOJ Hall of Fame. Thalia also holds honorary doctorates from the University of the West Indies and The Mico University College.

NON-EXECUTIVE INDEPENDENT DIRECTOR

Primary Expertise:

Listed Company Experience

Appointment Date:

NCBFG - February 23, 2017

Length of Directorship:

NCBJ - 22 years

Corporate Governance Statement

NCB Financial Group Limited is subject to an extensive regulatory framework by virtue of being a licensed financial holding company with subsidiaries in multiple jurisdictions and having its shares listed on stock exchanges in Jamaica and Trinidad and Tobago.

Its internal governance structure incorporates principles of the Jamaica Corporate Governance Code 2021, the Trinidad and Tobago Corporate Governance Code 2024. It also contains elements of other corporate governance codes and best practices, as well as guidelines and standards provided by regulators, the Company's Articles of Incorporation and policies and charters adopted by the Board of Directors (the Board). The governance structure is reviewed on an ongoing basis in keeping with a commitment to maintain transparency and trust with all NCBFG's stakeholders.

Board Composition

The Board is composed of suitably qualified and competent directors, who collectively, possess the knowledge, independence, diversity, global perspective, skills and expertise required to provide oversight of the management and affairs of the Group's operations. The following changes took place during the year:

- Hon. Patrick Hylton, OJ, CD and Mr Dennis Cohen resigned as Executive Directors in November 2023.
- Prof. the Hon. Alvin Wint, OJ, CD, retired at the Annual General Meeting (AGM) in February 2024.
- Messrs Gary Brown and Bruce Bowen[1] were elected at the AGM in February 2024.
- Mrs Sandra Glasgow resigned in March 2024 further to a decision made to reduce the overlaps of directors of NCBFG and NCBJ. Mrs Glasgow remains on the board of NCBJ.
- Mr Howard Shearer, CD was appointed in March 2024.

Our Articles require that the number of Directors be no fewer than five and no more than sixteen. As at September 30, 2024, the Board complement was seven directors, the majority (57%) of whom were deemed to be independent in accordance with the Board Charter.

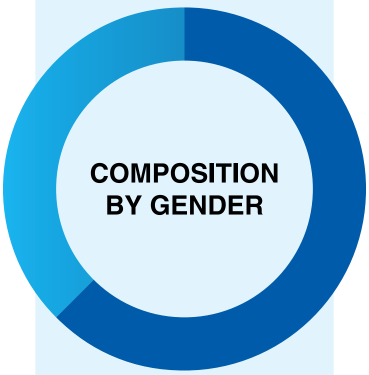
Profiles of our current Directors may be viewed on our website at www.myncb.com/Leadership-1/Overview/Board-Of-Directors as well as tenure on pages 26-29.

The definitions of 'executive directors', 'non-executive directors' and 'independent directors' set out below are as stated in the Board Charter and are generally consistent with those outlined in The Jamaica Corporate Governance Code 2021 and the Trinidad and Tobago Corporate Governance Code 2024.

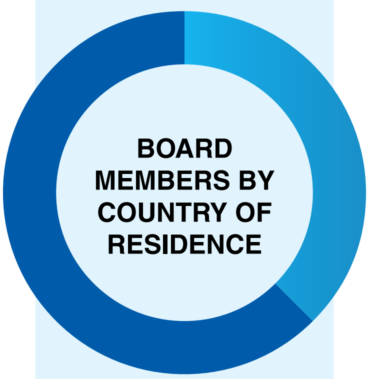
- **Executive Director** – employed to the company and is normally responsible for aspects of the entity's day-to-day operations.
- **Non-Executive Director** – A director who is not an executive director.

1 Bruce Bowen is currently employed to National Commercial Bank Jamaica Limited but is considered to be an Executive Director.

62.5%	5 independent non-executive directors
25%	2 executive directors
12.5%	1 non-independent non-executive director



62.5%	5 Men
37.5%	3 Women



37.5%	**Locally domiciled:** 3 Jamaica
62.5%	**Domiciled overseas:** 3 Canada, 1 USA, 1 Trinidad & Tobago

- **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.

The Board Charter is available on the NCBFG website at www.myncb.com/corporategovernance

Board Leadership

The roles of the Chairman and Group Chief Executive Officer (CEO) are clearly defined, and the Board supports the separation of the two roles.

Role of the Chairman

As Chairman, Hon. Michael Lee-Chin, OJ facilitates good board leadership and governance. 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.

Role of the Group Chief Executive Officer

The Group CEO is responsible for the overall management of the Group and leading the executive team. Mr Robert Almeida, a Director who was appointed Interim Group CEO during the last financial year, was confirmed in the role of Group CEO effective February 9, 2024.

Role of the Lead Independent Director

The Jamaica Corporate Governance Code 2021 and The Trinidad & Tobago Corporate Governance Code 2024 recommend that where a Chairman is not an Independent Non-Executive Director, the Board should appoint a Lead Independent Director. Following the retirement of Lead Independent Director, Professor the Hon. Alvin Wint, OJ, CD, from the Board of Directors at the AGM held in February 2024, Mr Gary Brown, who was elected a Director at that same AGM, was subsequently appointed Lead Independent Director. The responsibilities of the Lead Independent Director include providing a sounding board for the

Corporate Governance Statement

Chairman and chairing meetings of the Board where the Board Chairman is absent; chairing discussions and decision-making by the Board on matters where the Board Chairman has a conflict of interest; 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 appointment and removal of a Corporate Secretary is subject to the approval of the Board. The Board has appointed Mr Dave Garcia as the Corporate Secretary, who 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.

Independence

NCBFG's Board Charter requires that the number of independent directors be no less than one-third of the board membership. One of the responsibilities of the Board is to identify, on an annual basis, which directors meet the criteria for independence. The activities in relation to the annual review of independence have been delegated to the Corporate Governance and Nomination Committee. Independent directors are expected to not serve on the boards of competing companies.

To assist with the assessment of whether a Director may continue to be considered independent, each Director is required to submit an annual declaration of his or her interests and potential areas of conflict, which may adversely affect the Director's ability to effectively carry out his or her role and fulfil his or her duties to the Company. Every quarter, each Director confirms his or her connected parties. Additionally, Directors are required to notify the Board of any changes in status which will affect their independence, and once so notified, the Board will give consideration to how this may affect its functioning.

As at September 30, 2024, the following Directors were deemed to be independent by the Board:

- Gary Brown (Lead Independent Director)
- Thalia Lyn, OD, JP
- Sanya Goffe
- Howard Shearer, CD

Meetings of Independent Directors

To facilitate free and open communication amongst Independent Directors, meetings are held at which only Independent Directors are present, except as may otherwise be determined by the Independent Directors themselves. These meetings are chaired by the Lead Independent Director, or, in his absence, another independent director elected by the others present.

The objectives of these meetings are:

- To assess the extent to which directors are able to provide an independent perspective on Board deliberations.
- To assess the extent of their independence from the controlling shareholder and from management.
- To assess the quality, quantity and timeliness of the flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- To carry out such other purposes as may from time to time be agreed.

The Corporate Secretary (as a member of management) does not attend the meeting, nor does any other employee of the Company. The Lead Independent Director, where appropriate, reports on the outcome of each meeting at the next regular Board meeting, orally or in writing. If an oral report is given, any material feedback is captured in the Minutes. Action items are identified and carried out accordingly.

Meetings of the Independent Directors should occur at least twice per year and generally take place after a meeting of the Corporate Governance & Nomination Committee, which comprises independent directors only. Two regular meetings of this group were held during the financial year.

Access to Independent Professional Assistance

Directors are entitled to obtain independent professional advice relating to the affairs of the Group or to their individual responsibilities as Directors, subject to approval of the fee by the Board if NCBFG is to pay it.

Access To Information And Management

The Board has unrestricted access to all company-related information. Managers and representatives who can provide additional insight into the items being discussed are invited to Board Meetings.

Board Appointment And Renewal Process

The Board recognises that it derives its strength from the diversity, independence, knowledge, skills and expertise of its members. It has delegated the development of a board succession plan, as well as the screening and selection of candidates, to the Corporate Governance & Nomination Committee, which consists exclusively of independent directors.

The development of a candidate profile precedes the screening process, which includes confirming the interest and suitability of potential candidates, arranging interviews and conducting background checks. The Corporate Governance & Nomination Committee reviews the outcome of the screening process as well as the due diligence report prepared for consideration by the Board. The due diligence report, which is prepared by the Corporate Secretariat, takes into account the candidate's qualifications, experience, time commitment, background check findings and results of the interview process, as well as any other factors. The Board will then consider and, if thought fit, approve the appointment, subject to any regulatory approvals and/or non-objections.

Under the Articles of Incorporation of NCBFG, any Director appointed to either fill a casual vacancy or as an addition to the existing Board will hold office only until the next AGM, where he/she will be eligible for election by the shareholders. The Articles also require that all non-executive directors retire at least once every three years but are eligible for re-election, if recommended by the Board, for a further three-year period. During the financial year, ongoing discussions took place in relation to the identification of additional directors and the Board approved the appointment of additional directors, subject to the non-objection of the regulators. The nomination procedure is contained in the Appendix of the Corporate Governance and Nomination Committee Charter, which is available on the NCBFG website.

Director Induction And Continuing Development

Induction

There were three board appointments during this financial year; all three newly appointed Directors participated in NCBFG's comprehensive induction programme. The programme commences with the issuance of an appointment letter along with other relevant documentation (or access to them) including policies, regulatory reports and financial information. It involves one-on-one meetings with other members of the Board, Committee Chairs, Executive Management, Heads of Group functions, Heads of major subsidiaries as well as the Group's Internal and Independent Auditors. The programme is tailored based on the experience and background of the individual. During the induction, new directors are encouraged to identify areas for which they would like additional information, further meetings or training, which are then arranged by the Corporate Secretary.

On completion of the induction programme, all new Directors are expected to have sufficient knowledge and understanding of the business to enable them to effectively contribute to strategic discussions and oversight of the Group.

Corporate Governance Statement

Continuing Development

The Board is required to be up to date with current business, industry, regulatory and legislative developments and trends that will affect the Group's business operations. Consequently, the Group has a continuing development programme in place for its Directors, which includes distribution of publications, payment for professional memberships, workshops, presentations at Board meetings and attendance at conferences encompassing topics such as directorship, corporate governance, business, industry or regulatory developments. Additionally, the Corporate Governance and Nomination Committee is charged with ensuring that Board members are developed through training or mentorship, where deemed necessary.

The annual continuing development calendar includes training in at least three specific areas for Directors of NCBFG, as well as other Directors serving on boards within the Group.

100%

Participation

Demonstrates commitment to active learning and strong engagement.

For the Financial Year 2024, the Board received training as follows:

Training Session	Topic	Presenter
Anti-Money Laundering/ Counter-Financing of Terrorism/ Proliferation Financing	Compliance from the Top Down!	Representatives from the Group Regulatory & Financial Crimes Compliance Division, NCB
Information Technology/ Cyber Security	Security Awareness: General Security Best practices, Artificial Intelligence (Tabletop Exercise Format)	Brad Curtis, Elizabeth Kaye Cornell & Rob Combs, Mandiant Consulting
	Data Privacy	Representatives from the Enterprise Information Management Office, NCB
	Cybersecurity & Artificial Intelligence	Anthony Zamore, Executive Director, Pricewaterhouse Coopers, Trinidad and Tobago; Tira Greene, Attorney-at-Law and Digital Governance Policy Consultant; and Dave Maraj, CIO, PwC Caribbean
Corporate Governance	Corporate Governance Considerations for Boards of Financial Groups	Shirley-Ann Eaton, Attorney-at-Law & Lecturer in Law, Ethics & Corporate Governance, University of the West Indies, Mona, Jamaica
	Ethical Decision Making	Michael G. McMillan, Ph.D., CPA, CFA, CCEP, Associate Clinical Professor at the University of Maryland's Robert H. Smith School of Business and Former Director, Ethics Education and Professional Standards at CFA Institute, USA
	Review of the Proposed Special Resolution Regime (Jamaica)	Miguel Williams, Corporate Counsel, NCB

In addition to the above training sessions, the Directors of NCBFG were provided with a variety of thought leadership articles during the financial year.

NCBFG also holds corporate membership in the National Association of Corporate Directors, which is extended to all those Directors who have an interest.

Through membership, Directors have access to director certification programmes, conferences, online resources and educational programmes.

The Focus Of The Board

Some of the key activities undertaken by the Board included:

Area of Focus	Matters Considered / Activities Undertaken
Group and Subsidiary Governance	▶ Proposals for business undertakings by subsidiaries. ▶ Activities of subsidiaries through reports and escalation of minutes. ▶ Consideration and approval of policies and revisions to existing policies and charters. ▶ Leadership changes within the Group at board and executive levels.
Strategic Issues and Planning	▶ Opportunities for consolidation of common functions across the Group to attain efficiencies.
Financial Performance	▶ Review and approval of financial statements and stock exchange releases, draft audited financial statements, annual budget, Financing and borrowing activities of NCBFG. ▶ Consideration and approval of interim dividend payments. ▶ Review and recommendation of Additional Public Offer for approval by shareholders.
Risk	▶ Review of principal and emerging risks and ensuring management has implemented appropriate systems and controls to manage the risks. ▶ Approval of updated risk appetite statement and revised policies, such as Enterprise Risk Management and Intragroup Exposure Policies. ▶ Consideration of proposals involving intragroup exposure. ▶ Receiving presentations at each Committee Meeting from the Heads of Risk for NCBJ, GHL and Clarien thereby allowing for interrogation. ▶ Reviewing and approving credit facilities where applicable. ▶ Receiving and challenging, as required, reports on the Regulatory and Financial Crimes Compliance function, IT Operations/Cybersecurity and Fraud Prevention. ▶ Review of trading activity reports by Directors & Executives to ensure compliance with stock exchange requirements.

Board Remuneration

The remuneration of NCBFG's Board Members is based on the premise that it should be sufficient to attract, retain and motivate suitably qualified and experienced persons required to drive the business in achieving its strategic objectives without detracting from their ability to exercise independent judgment. Executive Directors and Non-Independent Directors do not receive remuneration for directorships held in NCBFG or its wholly-owned subsidiaries whilst aggregate remuneration for Non-Executive Directors is approved by shareholders at Annual General Meetings.

There is a Non-Executive Directors' Remuneration Committee comprising those Directors who do not receive fees and it is chaired by the Board Chairman. Factors that are considered when determining remuneration for Non-Executive Directors include:

- Setting appropriate amounts that do not interfere with judgment and independence
- Size, risks and complexity of operations of the Group
- Time commitment required
- External market factors.

There is no direct link between Non-Executive Directors' remuneration and the annual financial results of the Group and/or its subsidiaries. There is no requirement for share qualification nor are there restricted stock or options held by Directors.

Remuneration includes a retainer for the year and a fee for each Board and Committee meeting attended. The fee structure was last adjusted effective October 1, 2022, and comprises:

- A retainer for the Chairman of $5,333,333 per annum (not actually paid) and a retainer for other Board members of $2,250,005 per annum.
- Directors who chair the Audit and the Group Risk Committees receive instead a retainer of $3,550,000 per annum while the Corporate Governance and Nomination Chair receives $3,000,000 per annum. The Lead Independent Director, however, receives a retainer of $4,000,000 per annum.

Corporate Governance Statement

- A fee payable to directors of $150,000 per Board meeting and $100,000 for each Committee meeting attended.

Fees paid for the Financial Year 2024 are set out below:

Director	Q/E December 2023 ($)	Q/E March 2024 ($)	Q/E June 2024 ($)	Q/E September 2024 ($)	Total ($)
Gary Brown	N/A	816,666.67	1,650,000.00	2,150,000.00	4,616,666.67
Sandra Glasgow*	1,887,500.00	1,687,500.00	N/A	N/A	3,575,000.00
Sanya Goffe	1,650,000.00	1,450,000.00	1,300,000.00	1,900,000.00	6,300,000.00
Thalia Lyn, OD, JP	1,162,501.25	1,062,501.25	1,012,501.25	1,412,501.25	4,650,005.00
Howard Shearer, CD	N/A	N/A	1,071,372.45	1,412,501.25	2,483,873.70
Prof. Alvin Wint, OJ, CD*	2,000,000.00	1,600,000.00	N/A	N/A	3,600,000.00

* No longer on the Board of Directors.

Board Committees

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

- **Audit Committee** (During the year, Gary Brown assumed the role following the retirement of Professor A. Wint, OJ, CD, the then Lead Independent Director)
- **Corporate Governance & Nomination Committee** (Chaired by Sanya Goffe, Independent Director)
- **Group Risk Committee** (During the year Gary Brown assumed the role following the resignation of Sandra Glasgow)
- **Talent Management & Compensation Committee** (Chaired by Hon. Michael Lee-Chin, OJ, Board Chairman)

Each committee is guided by a board-approved charter, which may be viewed at www.myncb.com/corporategovernance

Audit Committee

The Audit Committee solely comprises independent directors. The membership as at September 30, 2024, comprised:

- **Gary Brown | Chair** (appointed in February 2024)
- **Sanya Goffe**
- **Howard Shearer, CD** (appointed in March 2024)

During the year, Prof. the Hon. Alvin Wint retired from the Board of Directors and from his position of Audit Committee Chair at the Annual General Meeting and Mrs Sandra Glasgow resigned from the Board and and the Audit Committee in March 2024 (details under Board Composition at page 30).

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

Under the Audit Committee Charter, meetings are required to be held at least four times a year, with the possibility of more as circumstances may require. Representatives of the External Auditors, PricewaterhouseCoopers, are invitees for all Audit Committee meetings within the Group.

The Audit Committee met six times during the financial year and PwC's engagement partner along with senior representatives attended five of those meetings (a special meeting was held to review the annual report). The Audit Committee executed its responsibilities under its charter during the year. Some of the activities included:

- Review of quarterly unaudited financial statements and Stock Exchange releases, with the External Auditor present, and recommended approval of their release by the Board, giving due consideration to whether they were complete and consistent with the information known to Committee members.
- Review of the External Auditor's proposed audit strategy, scope and fees for the audit of the year-end financial statements as well as communications issued by them (e.g., that required under ISA 260 And Internal Control Memoranda – General and Information Technology).
- Evaluation of the services provided by the External Auditor and assessing their independence.
- Review and approval of the Risk Assessment & Prioritisation Plan for the upcoming financial year.
- Review of reports from the Group Internal Audit Division outlining the number of internal audit reports issued, audit rating and status of resolution of exceptions identified in audits conducted across the Group.
- Separate private sessions held with the External Auditor and the Group Chief Audit Executive after each regularly scheduled Audit Committee meeting.
- Review of relevant related party transactions to ensure compliance with the policy on Related Party Transactions.
- Submission of a quarterly report to the Board, from the Audit Committee Chairman on key matters reviewed and discussed by the Committee as well as any decisions taken.
- The review of Statements of Confirmation of execution of charter responsibilities to be issued to Subsidiary Audit Committees.
- The review of the Audit Committee Charter and Internal Audit Charter.
- The pre-approval of non-audit service engagements by the Company's External Auditors.

Corporate Governance & Nomination Committee

The Corporate Governance & Nomination Committee solely comprises Independent Directors and saw changes in its composition during the financial year. The composition of the Committee as at September 30, 2024 was:

- **Sanya Goffe | Chair**
- **Gary Brown** (appointed March 20, 2024)
- **Thalia Lyn**, OD, JP
- **Howard Shearer**, CD (appointed September 29, 2024)

The Corporate Governance & Nomination Committee ensures that the composition, structure, policies and processes of the Board meet all relevant legal and regulatory requirements, and maintains global corporate governance best practice standards. The Committee is required to meet at least twice a year but meets more frequently if circumstances require.

During the financial year, the Committee held three meetings and undertook the following activities:

- Reviewed the policy framework of NCBFG in order to ensure that polices remain up-to-date.
- Reviewed and recommended key corporate governance policies and charters for board approval.
- Reviewed the status of planned actions arising from the externally facilitated Board Effectiveness Survey.
- Reviewed the criteria utilised for independence within policies and charters to determine its adequacy and continued relevance as well as the independent status of existing Directors.
- Reviewed the Jamaica Stock Exchange Corporate Governance Index Gap Analysis and

Corporate Governance Statement

Caribbean Corporate Governance Institute Annual Governance Ranking Report 2023 along with the proposed action plans to address gaps.

- Continued focus on board refreshment through reducing the overlaps between the directorships of NCBFG, the financial holding company, and NCBJ, the Jamaica deposit-taking subsidiary, and the recruitment of additional independent directors.
- Reviewed composition of wholly-owned subsidiary boards for succession planning purposes.

The Talent Management & Compensation Committee

The Talent Management and Compensation Committee supports Board oversight of:

- The Group's compensation principles and practices.
- The review of the relationship among risk, risk management, and compensation in light of the Group's objectives. These include 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.

The members of the Committee as at September 30, 2024, were as follows:

- **Hon. Michael Lee-Chin**, OJ **| Chair**
- **Gary Brown**

The Committee met twice during the financial year and in addition to its continued focus on existing and required talent, development of existing key talent and improving the culture, particularly in a time of transition from a remote work environment, the activities undertaken included:

- Approving promotions for senior executives within the major subsidiary, NCBJ.
- Reviewing and recommending board approval of revisions to human resource related policies (details of Human Resources Development Policies, Philosophies and Practices may be viewed at page 45).
- Reviewing the results of the Voice of the Employee survey results and proposed action plan to address deficiencies.

Group Risk Committee

As at September 30, 2024, the Group Risk Committee comprised:

- **Gary Brown | Chair** (appointed in March 2024)
- **Robert Almeida**
- **Sanya Goffe**

The Group Risk Committee assists 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, regulatory compliance, financial crimes compliance and certain other risks as determined from time to time. The Committee is responsible for evaluating the adequacy of the risk management function and plays a role in the decision-making process around significant risks that are to be undertaken by the Group.

The Group Risk Committee held four meetings during the financial year, where the Heads of Risk for each of the three major sub-groups — NCB, Guardian and Clarien — presented reports to the Group Risk Committee which allowed for direct interrogation. Areas of focus included Information Technology, Cyber Security, Regulatory & Financial Crimes Compliance, Insurance, Credit, Operational, Market & Liquidity, Capital Adequacy/ Solvency, Intercompany Balances, Litigation, Data Protection, Cross-border and Emerging Risks. Managers with responsibility for areas such as regulatory and financial crimes compliance, fraud prevention, information technology were also invited to join the meetings to provide Committee members with additional insight. In addition, the Committee considered proposed revisions to policies and recommended them for Board approval.

EXPOSURE TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS

NCBFG is committed to conducting business in an environmentally and socially responsible manner. This is consistent with the Group's 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.

We are currently in the phase of the ESG journey where the NCB and Guardian sub-groups are collaborating on the development of the Group's ESG framework and refining our Commitment Statement and Sustainability Policy (See page 94).

MEETINGS AND ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

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

The frequency of meetings held, and activities undertaken were in accordance with the respective Charters.

The attendance record of our NCBFG Directors is reflected below:

Name of Director	Board Meetings	Audit Committee	Corporate Governance & Nomination Committee	Talent Management & Compensation Committee	Group Risk Committee
	Attended/Held#	Attended/Held#	Attended/Held#	Attended/Held#	Attended/Held#
Robert Almeida	14/14	N/A	N/A	N/A	4/4
Bruce Bowen**	9/9	N/A	N/A	N/A	N/A
Gary Brown**	9/9	2/2	1/1	1/1	2/2
Dennis Cohen*	N/A	N/A	N/A	N/A	N/A
Sandra Glasgow^^	6/6	4/4	2/2	1/1	2/2
Hon. Patrick Hylton, OJ, CD*	N/A	N/A	N/A	N/A	4/4
Hon. Michael Lee-Chin, OJ	14/14	N/A	N/A	2/2	N/A
Sanya Goffe	14/14	6/6	3/3	N/A	4/4
Thalia Lyn, OD, JP	14/14	N/A	3/3	N/A	N/A
Howard Shearer, CD^^	8/8	2/2	N/A	N/A	N/A
Prof. Alvin Wint, OJ, CD^	5/5	4/4	3/3	N/A	1/1

Meetings held during the individual's period of appointment for the year. * Messrs Hylton and Cohen proceeded on leave during the previous FY and resigned effective November 13, 2023. ^ Retired at the Annual General Meeting held in February 2024. ** Messrs Bowen & Brown were elected at the AGM held in February 2024. ^^ Mrs Glasgow resigned from the Board in March 2024 and Mr Shearer was appointed a Director. Mr Shearer was appointed a member of the Corporate Governance & Nomination Committee in September 2024. No meetings have been held since his appointment.

Corporate Governance Statement

Board Performance

One of the principal responsibilities of the Board is to review its performance.

Board & Committee Evaluation

NCBFG's Board evaluation process was conducted internally this year, similar to what generally takes place at the subsidiary level. Each Director is required to complete a questionnaire which covers a wide range of areas related to board effectiveness, including the functioning of the committees. This supplements the peer evaluation exercise, where each Director is provided with a report on the feedback received on him/her, all Directors receive comments on overall observations, and the Chairman receives details of each director's evaluation so he may determine whether any further steps - in particular, conversations with specific Directors - would be warranted or helpful.

Follow ups continued to ensure that all action items from the previous Board effectiveness survey (facilitated externally) had been addressed/ resolved.

Stakeholder Engagement

DISCLOSURE AND TRANSPARENCY

The Group is committed to promoting investor confidence in the markets in which it operates by complying with its disclosure obligations in a way that provides investors with equal access to timely, balanced and effective disclosures. All market sensitive information is released to the Jamaica Stock Exchange (JSE) and the Trinidad and Tobago Stock Exchange (TTSE) in compliance with our disclosure obligations under the Exchanges' Listing Rules. Additionally, the Group facilitates quarterly investor briefings using digital platforms that allow shareholders, journalists and other stakeholders to participate.

The Group posts all information released to the JSE and TTSE on its website.

We believe that stakeholder engagement is vital to building a sustainable business and we engage stakeholders in a variety of ways:

Shareholders	There were two shareholder meetings held during this financial year in addition to quarterly investor briefings, all of which were held virtually. The general meeting held in October 2023 sought shareholder approval for the issue of additional ordinary shares for the purposes of raising capital by way of an Additional Public offer and for compensation purposes to executives (current and former) of the Company and its subsidiaries. The AGM and quarterly investor briefings are standing calendar events and represent opportunities for shareholders the chance to ask questions or raise questions with the leadership of NCBFG. The AGM also affords shareholders the opportunity to ask the Auditors questions. Hosting the AGM in a virtual format allows for greater participation by shareholders across the globe via the meeting platform. Shareholder meetings and investor briefings are live streamed with a sign language interpreter present online. The 2024 AGM saw the introduction of a pre- and post-show hosted by a financial journalist with a panel comprising financial analysts and a Company representative.
Employees	The safety and well-being of our employees remained a priority. Our employees were kept up to date on the performance of the business as well as given the opportunity to interact with executives via frequently held webinars and virtual town hall meetings. A Voice of the Employee survey was administered to gather insights and understand the sentiments of our employees. It aimed to identify areas of improvement and support to enhance the collective employee experience within our organisation. During this financial year, there was a rollout of various initiatives to equip employees, including change management (over 2,300 employees within the Group completed the e-course and 380 employees in the supervisory level upwards attended a change management workshop to build competencies, all supplemented by a website with research and tools).

Communities	The Board continues to be fully supportive of the important work being carried out by the three Foundations and companies within the Group towards improving the lives of the people living in the local communities in which we operate. Additional information on activities relating to corporate social responsibility can be found within the ESG report on pages 97-101
Customers	The Board periodically received operational updates on the overall customer experience. In addition, there were several occasions held across the Group that allowed for interaction between directors, management and employees to facilitate attaining objectives under the EGC framework and improved customer experience.
Regulators and the Government	The Board, senior management and other key personnel continued to engage Regulators and/or Government on issues critical to good governance as well as any other issues deemed important.
Suppliers & Business Partners	The Board recognises that our suppliers and business partners are critical for business growth and continuity; it supports collaboration to continue improving operational performance through technology and various other means. The ethics stance of NCBFG is set out in certain policies, such as the Anti-Bribery & Corruption Policy, which is also applicable to this segment, along with codes of conduct for employees and directors.

MAKING CONTACT WITH THE INVESTOR RELATIONS TEAM AND COMPANY REGISTRAR

The Investor Relations team is accessible and responds to enquiries received via various channels. Contact information is available for the Investor Relations Manager and JCSD (our Registrar) and is provided under the Investor Relations tab of the NCBFG website. Shareholders' queries are generally handled by them or by the Corporate Secretary's Office of NCBFG. Questions and comments may also be submitted via e-mail to ncbfginvestorqueries@jncb.com

Articles Of Incorporation

The Articles of Incorporation for NCB Financial Group Limited have not been amended since its incorporation in April 2016.

Other Key Governance Policies

In addition to the Board Charter, there are other key policies, which further illustrate our guiding philosophy as a business. These policies, charters and policy statements are all available on the Company's website and/or the intranet. There is a requirement for annual declaration by staff confirming that several of these policies have been read, while Directors are required to annually attest to the Directors' Code of Conduct. Additional details may be found under Human Development Policies and Practices on pages 45.

Awards & Recognition

The details of recent awards obtained by NCBFG are on page 42.

In addition, The JSE has assigned NCBFG the maximum rating of "AA" on its Corporate Governance Index (CGI). The CGI provides a numerical basis for measuring the strength of a company's adherence to corporate governance standards and best practices. These standards and best practices are based on governance codes developed by the Private Sector Organisation of Jamaica (PSOJ), but also cover legal and regulatory requirements as embodied in the Rules of the JSE, the Companies Act and the Securities Act. A rating of "AA" means, "The Company's performance was excellent in terms of the various principles of corporate governance as documented in the JSE's Corporate Governance Index."

In September 2024, the Caribbean Corporate Governance Institute advised that in their assessment of the 2023 Annual Reports, NCBFG's report was among the top ten for Trinidad & Tobago in terms of disclosure and transparency.

We appreciate all our stakeholders and remain committed to preserving the long-term value of the NCB Financial Group.

Sanya Goffe
Chair - Corporate Governance & Nomination Committee

Awards & Recognition

NCB Financial Group Limited

JAMAICA STOCK EXCHANGE (JSE) BEST PRACTICES 2024 AWARDS

- 1st Runner Up – Best Annual Report
- 1st Runner Up – Corporate Disclosure & Investor Relations

JAMAICA STOCK EXCHANGE (JSE) BEST PRACTICES 2023 AWARDS

- Winner – Corporate Disclosure and Investor Relations
- 1st Runner Up – Best Annual Report
- 2nd Runner Up - JSE/PSOJ Corporate Governance

Subsidiaries of NCBFG

JAMAICA STOCK EXCHANGE (JSE) BEST PRACTICES 2024 AWARDS CEREMONY

NCBCM

- Chairman's Award – Top Member Dealer Overall
- 1st Runner Up – Member Dealer's - Revenue Generation & Market Activity
- 1st Runner Up – Member Dealer's - Expansion of Investors and Listed Companies
- 1st Runner Up – Member Dealer's - Investor Relations
- 2nd Runner Up – Member Dealer's - Website

Members of the teams from NCBJ, NCBCM and NCBFG celebrate an evening of excellence and awards at the JSE Best Practices Awards for 2024.

International Recognition

GLOBAL ECONOMICS AWARD 2025

- Best CSR Bank (Jamaica) - NCBJ

GLOBAL FINANCE AWARDS 2025

- Best Private Bank (Jamaica) - NCBJ
- Best FX Bank (Jamaica)

GLOBAL FINANCE AWARDS 2024

- Best Digital Bank Caribbean - NCBJ
- Best Private Bank (Jamaica) - NCBJ
- Best CSR Bank (Jamaica) - NCBJ
- Best Forex Bank (Jamaica) - NCBJ
- Best Private Bank (Trinidad and Tobago) - NCB Merchant Bank Trinidad and Tobago Limited

FINANCIAL TIMES' THE BANKER 2024

- Best Private Bank (Jamaica) – NCBJ

INTERNATIONAL FINANCE AWARDS 2024

- Best Investor Relations Bank (Jamaica) - NCBJ
- Most Socially Responsible Bank (Jamaica) - NCBJ

INTERNATIONAL BUSINESS MAGAZINE AWARDS 2024

- Best Wealth and Asset Management Company (Jamaica) - NCBCM
- Best Wealth Management Advisor (Jamaica) – NCBCM

LATIN FINANCE 2024

- Bank of the Year (Jamaica) – NCBJ

GLOBAL FINANCE AWARDS 2023

- Safest Bank (Jamaica) – NCBJ
- Best Bank (Jamaica) – NCBJ
- Best Private Bank - NCBJ

WORLD FINANCE PENSION FUND AWARDS 2023 & 2024

- World Finance Pension Fund Award (Caribbean) - NCBIA

TECHAWARDS HOSTED BY THE BERMUDA GOVERNMENT 2022

- Mobile App of the Year (Bermuda) - Clarien

Policies & Practices

Connecting Through Governance and Integrity

Corporate governance is the foundation of NCBFG's dedication to maintaining ethical standards, fostering trust, and achieving sustainable growth. Our governance framework ensures transparency, accountability, and compliance across all operations, creating a resilient platform for driving strategic objectives.

As a financial services leader, NCBFG remains committed to policies and practices that uphold integrity, support human development (as evidenced under Business Enablers – Our People on Page 90), and address environmental stewardship. These principles guide our actions and reflect our values in achieving long-term goals.

Over the past year, our policies and practices have functioned as vital tools to align resources with our vision and mission. Guided by board-approved policies and the strategic use of technology, NCBFG continues to advance its goals while empowering our people and protecting the environment.

Governance Policies & Practices that drive Efficiency and Trust

Our governance policies and practices are designed to meet the needs of both the Group and its subsidiaries, while ensuring alignment with our ethical standards and regulatory commitments. These policies provide a unified framework for operations, while each subsidiary tailors practices to meet its specific needs, with oversight from their respective boards. Together, these policies ensure adaptability and responsiveness in a dynamic business environment.

Policy Review & Continuous Improvement

- Policies and practices are reviewed within the prescribed regularity to ensure relevance and alignment with strategic objectives.
- Updates and refinements are implemented as necessary, ensuring responsiveness to regulatory changes, technological advancements, and market dynamics.

This structured approach to governance, supported by technology and strategic foresight, allows NCBFG to connect with stakeholders, empower its people, and protect the environment, all while driving sustainable growth.

Our Policies and Practices framework are captured as follows:

1. Board & Stakeholders:

Supports the framework for engagement with key stakeholders, ensuring alignment of governance practices with corporate objectives.

- **Corporate Disclosure Policy:** Governs the timely, accurate and consistent dissemination of information to stakeholders ensuring that regulatory filings, media interactions, and public communications align with our commitment to transparency.

- **Dividend Policy:** This ensures a balanced approach to shareholder returns aligning capital needs for growth with strategic priorities and regulatory compliance. It also offers flexibility in dividend payouts based on performance and long-term objectives. (Visit www.myncb.com/DividendPolicy)
- **Remuneration Policy for Directors:** Provides a framework within which the Group should operate to ensure that the NCB Financial Group remains compliant with regulatory guidance and best practices in relation to remuneration of Directors.
- **Securities Trading Policy:** To ensure compliance with legislation, regulations and principles in relation to insider trading.
- **Code of Business Conduct:** Defines the ethical standards expected from employees and stakeholders. It ensures compliance with legal, professional, and social responsibilities across all interactions. There is also a Code of Conduct for Directors serving within the Group.

2. Data Policy & Privacy Practices:

Safeguarding sensitive information while aligning with global data protection standards. Ensuring the use of advanced data protection systems, periodic compliance audits, and training programs for employees on data privacy.

- **Information Security Policy:** To safeguard digital assets and comply with cybersecurity regulations, this policy establishes robust standards for data storage, transmission, and security protocols, ensuring customer and stakeholder data is protected.
- **Data Protection Policy:** We are committed to securing personal information in compliance with local and international data protection laws. This policy promotes transparency and proportionality in how we handle personal data.

3. Human Resources Development Policies, Philosophies and Practices:

To attract, develop, and retain top talent while fostering an inclusive and performance-driven culture to deliver on our core mandate which is the development and direction of strategies for the effective and efficient management of the human capital of the Group. Our policies and practices capture core components for:

- **Reward and Recognition**
- **Performance Management**
- **Learning and Development**
- **Business Ethics**
- **Business Continuity**
- **Diversity**
- **Talent Management**
- **Succession Management**
- **Education/Benefits**
- **Whistle Blower**
- **Occupational Health and Safety**
- **HIV Workplace Policy**
- **Sexual Harassment**
- **Supply Chain Management**
- **Asset Management (Physical)**

4. Business Risk & Compliance:

Governs the Group's commitment to full compliance with all applicable laws and regulations to prevent, detect and combat risks as well as sustain the attainment of international best practices and standards.

- **Regulatory and Financial Crimes Policy:** Reinforces a zero-tolerance stance on money laundering, terrorist financing, and corruption. The policy ensures adherence to rigorous compliance measures across all levels, reinforcing our commitment to integrity.
- **Anti-Bribery and Corruption Policy:** NCBFG has zero tolerance for bribery and corruption. This policy outlines ethical expectations and provides guidance for identifying, addressing and preventing unethical behaviour within the organisation.
- **Enterprise Risk Management Policy:** Details the Group's approach to identifying, assessing, and managing risks. It enables us to stay resilient in the face of emerging challenges and ensure organisational stability.

5. Environmental, Social, and Governance (ESG) Practices:

Our ESG approach reflects our commitment to integrating environmental stewardship, social responsibility, and governance excellence into our strategic decision-making. Additional details may be viewed on pages 94-103.

- **Corporate Social Responsibility Policy**: We are dedicated to sustainable development and community engagement. Our CSR Policy ensures that NCBFG's business practices contribute positively to society while upholding ethical standards in all our operations.

For detailed information on some of these policies and practices, visit www.myncb.com/corporategovernance

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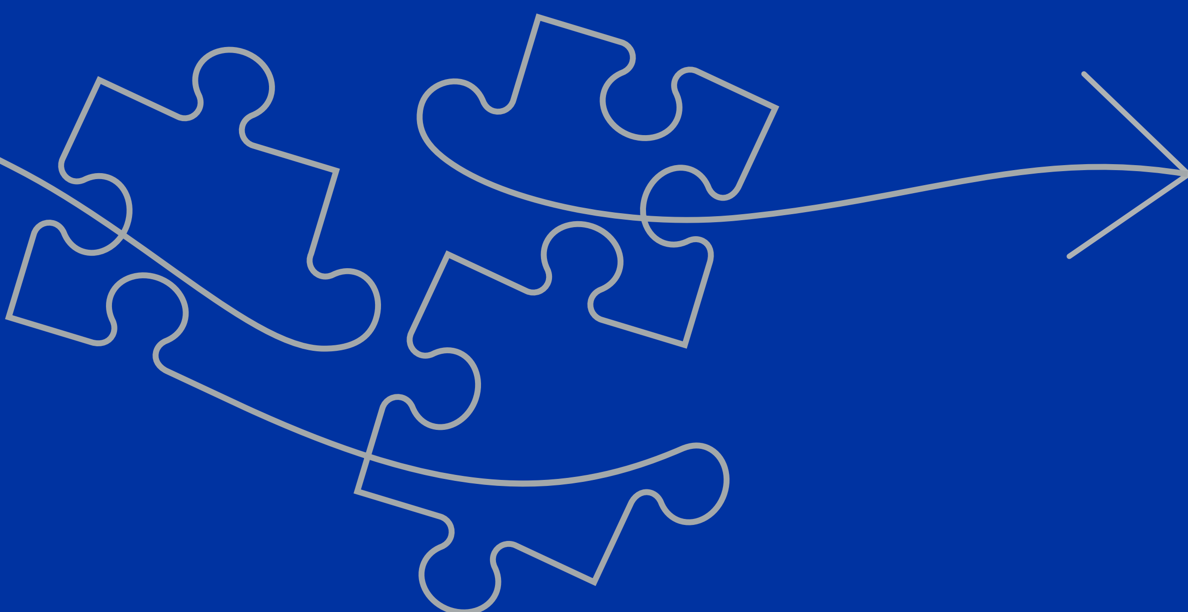


CEO's Message

Connecting for Growth

In our business, the true measure of success lies in the connections we foster — bridging people, systems, and opportunities to create value. Over the past year, **NCB Financial Group Limited** has demonstrated how meaningful connections drive resilience, stability, and growth across our banking, insurance, and wealth management businesses.

Capital Ratios
Exceeding regulatory requirements

Cost-to-Income Ratio
Reduced to 73.6%
(vs. 87.4% in prior year)

Return on Equity (ROE)
Improved to 8.5%.
(from 1.9% in prior year)

CEO's Message

Coming out of a challenging period marked by economic recovery, organisational transformation, and natural disasters, we committed to stabilising our operations and delivering on our promises. Today, we stand on a foundation of renewed strength, ready to leverage this stability to accelerate growth.

> As we move forward, we remain firm in our mission to connect people, businesses, and opportunities to build and sustain wealth. Together, we are making a meaningful impact"

STRONG FOUNDATIONS, SUSTAINABLE GROWTH

In 2024, NCBFG delivered key financial metrics that reflect our commitment to efficiency, governance, and customer experience:

- **Capital Ratios:** Exceeding regulatory requirements.
- **Cost-to-Income Ratio:** Reduced to 73.6% (vs. 87.4% last year).
- **Return on Equity (ROE):** Improved to 8.5%.
- **Net Profit:** $21.6 billion, a year-over-year growth of 180%.
- **Gross Revenue:** $323.8 billion, up 11% over 2023.

These achievements highlight our operational resilience and ability to drive value for shareholders, while positioning us for long-term growth.

INNOVATING TO SOLVE REAL PROBLEMS

Our focus on innovation is rooted in solving real challenges for our customers.

- **Lynk:** This digital wallet has facilitated over **1.3 million** transactions in 2024, with a total transaction value of **$14.5 billion.** This year, Lynk introduced **24/7 remittance services,** streamlining cross-border money transfers and enhancing financial inclusion for unbanked Jamaicans.
- **ePOS (Tap on Phone):** Launched in mid-2024, this payment solution enables **900+ micro-merchants** to process over **$10 million** in transactions, unlocking new opportunities for

Gross Revenue
$323.8 BILLION
up 11% over 2023

small businesses and facilitating tangible economic returns.

- Guardian Life of the Caribbean Ltd. implemented OIPA (Oracle Insurance Policy Administration), which improves efficiency and productivity. This moves them to a single Policy Administration system, ensuring data consistency. It also contributes to improved service levels.

These digital platforms are creating connections that empower individuals and businesses while driving our strategic priorities in banking, payments, and financial inclusion; thereby driving economic and financial gains across our markets.

STRATEGIC MOVES TO STRENGTHEN CORE MARKETS

Our focus remains on optimising our operations and deepening connections within key markets:

- **Divestment of Clarien Bank:** The partial sale of our stake will allow us to sharpen our focus on growth opportunities in Jamaica, Trinidad and Tobago, and Barbados, while retaining value from Clarien for our shareholders.

Net Profit
$21.6 BILLION
a year-over-year growth of 180%

- **Guardian Group Modernisation:** Upgrading core information technology systems to improve efficiency and elevate the customer experience across investment and portfolio management operations.
- **Wealth Management Expansion:** Partnering with Clarien Trust Limited to offer trust services, enabling seamless wealth transfer and holistic financial planning for Guardian clients.
- **Reinsurance Protection:** New treaties across territories, effective May 2024, ensure robust coverage against rising catastrophic risks.

These strategic actions underscore our commitment to connecting services, capabilities, and expertise for sustainable growth.

EFFICIENCY, GOVERNANCE, AND CUSTOMER EXPERIENCE

Our operational framework remains anchored on three pillars:

1. **Efficiency:** Enhancing speed and cost-effectiveness to deliver better service.
2. **Governance:** Upholding transparency, compliance, and security across our operations.
3. **Customer Experience:** Empowering customers with tailored solutions that meet their evolving needs, whether through traditional services or cutting-edge digital platforms.

This framework ensures that we deliver value to every stakeholder while maintaining world-class standards.

BUILDING MOMENTUM FOR THE FUTURE

With a strong foundation in place, we are now focused on scaling for accelerated growth. By connecting our traditional services with digital innovations, we are well positioned to meet the evolving needs of our customers, unlock new revenue streams, and deliver exceptional results for our shareholders.

ACKNOWLEDGING OUR STAKEHOLDERS

Our journey would not be possible without the dedication and excellence of our employees, the trust of our customers, and the support of our partners and shareholders. I am proud of the resilience our team has shown in navigating challenges and creating opportunities to serve our clients and communities.

As we move forward, we remain firm in our mission to connect people, businesses, and opportunities to build and sustain wealth. Together, we are making a meaningful impact — helping those we serve reach their full potential.

Thank you for your continued trust and confidence in NCB Financial Group.

Robert Almeida
Group Chief Executive Officer

Management Team

The Management Team of NCBFG drives oversight, governance, and performance, working collaboratively to build a world-class Caribbean financial ecosystem that enhances shareholder value through the application of international standards and best practices.

Robert Almeida
Visionary Financial Leader

Group Chief Executive Officer

With over 35 years of expertise spanning investment and executive roles across industries and geographies, Robert Almeida excels in driving transformative growth and innovation. As Group CEO of NCB Financial Group, he oversees the Group's strategic direction and operational success. A founding partner of Portland Private Equity, he has a proven track record in managing high-value investments. Robert also chairs Guardian Holdings Limited and National Commerical Bank Jamaica Limited, leveraging his Chartered Professional Accountant (CPA) designation and a Bachelor of Commerce with High Distinction from the University of Toronto to lead with financial acumen and foresight.

Dave Garcia
Legal and Governance Advisor

Group General Counsel & Corporate Secretary

Dave Garcia directs the Legal & Corporate Service teams, ensuring legal and corporate governance excellence across NCBFG's multi-jurisdictional operations. His experience in civil litigation, banking, and corporate law supports robust risk management and compliance frameworks. Dave advises on enterprise-wide legal matters, safeguarding the Group's interests while promoting good governance. He also chairs Youth Reaching Youth (a charitable organisation) and is a member of the Jamaican Bar Association's Commercial Law Committee.

Malcolm Sadler
Strategic Financial Steward

Chief Financial Officer

As CFO, Malcolm Sadler is pivotal in ensuring NCBFG's financial strength and strategic focus. He oversees financial planning, reporting, and performance management, ensuring alignment with the Group's objectives. His expertise extends to monitoring risk and budgetary goals, contributing to key management committees and subsidiary boards. A member of the AICPA, Malcolm's leadership underpins the Group's financial stability and operational efficiency.

[Read more via www.myncb.com]

Management Team

Misheca Seymour Senior
Compliance and Risk
Management Strategist

Mukisa Ricketts
Internal Audit and Risk
Assurance Leader

Group Chief Compliance Officer

As Group Chief Compliance Officer, Misheca Seymour Senior leads NCBFG's efforts in regulatory compliance and financial crime prevention. She designs and enforces anti-money laundering (AML) and counter-financing of terrorism (CFT) programmes, ensuring compliance across the Group's operations. An attorney-at-law, she is also a Certified Global Sanctions Specialist, with nearly two decades of expertise in managing complex compliance landscapes. Misheca co-chairs the Jamaica Bankers Association's Compliance Committee, driving industry-wide standards..

Group Chief Audit Executive

Mukisa Ricketts provides strategic oversight for NCBFG's internal audit function, ensuring adherence to international standards. She supports the Audit Committee by evaluating risk management frameworks, control systems, and reporting processes. Mukisa's leadership enhances governance and accountability across the Group, reinforcing operational and financial integrity.

Allison Wynter
Risk Management
Visionary

Richard Look Kin
Risk Solutions
Architect

Group Chief Risk Officer

As Group Chief Risk Officer during financial year 2024, Allison Wynter spearheaded NCBFG's risk management strategies, focusing on credit, market, liquidity, and operational risks. Her prior experience as Risk Manager at JMMB and Senior Audit Manager at PwC equipped her to deliver innovative and balanced solutions. A key advisor to the Risk Committee and other strategic groups, Allison has also contributed to shaping industry standards through her involvement with the Accounting Standards Committee at the Institute of Chartered Accountants of Jamaica. She is a trustee of the NCB Staff Superannuation Fund, demonstrating her commitment to sustainable financial stewardship.

Incoming Group Chief Risk Officer

Richard Look Kin is a dynamic financial leader with over two decades of experience in banking, risk management, and investment. In his previous role as Executive Director & Chief Risk Officer at The Belize Bank Limited, he significantly improved the organisation's risk frameworks, asset management, and compliance systems. Richard's success with global entities such as First Citizens Group and Citibank attest to his strategic vision and expertise. He has replaced Allison Wynter, whose 22 years of service to NCBJ and NCBFG have been instrumental in the organisation's risk management success.

[Read more via www.myncb.com]

Executive Summary

The management of NCB Financial Group Limited is responsible for ensuring the accuracy, reliability and objectivity of the information presented in this Management Discussion and Analysis ("MD&A"). The financial information included in this MD&A reflects management's well-informed judgments and an emphasis on material significance. Our organisation upholds a robust accounting framework and rigorous internal controls designed to safeguard assets, ensure accuracy of transaction maintenance together with fully recognisinge liabilities. These control mechanisms are regularly reviewed for effectiveness, supported by documented policies and processes, experienced personnel, and risk assessment procedures, which are tested by extensive internal audits.

The MD&A provides a comprehensive overview of the Group's financial performance, strategic endeavours and key developments during the financial year ended September 30, 2024 with a comparison to the previous year. It should be reviewed in conjunction with the audited financial statements and accompanying notes to the financial statements. The financial statements as presented were prepared in accordance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board.

The MD&A may contain forward-looking statements, which can be identified with expressions like "forecast", "believe", "expect", "intend", "plan", "estimate", "may" and similar statements. The discussion and analysis may not be limited to historical facts, and will encompass statements on our business strategy, targets, 2025 outlook and expectations regarding general economic conditions and market trends. They also cover the anticipated impact on business segments and management objectives for future operations. Despite being grounded in what management believes are reasonable assumptions, there is no guarantee these statements will precisely reflect future outcomes. They carry uncertainties that could lead to material differences between actual results and the forward-looking ones and should not be seen as guarantees for future performance. NCBFG undertakes no obligation to update these forward-looking statements should there be changes in our circumstances or management's assessments. All figures are presented in Jamaican dollars, unless otherwise specified.

PERFORMANCE MEASUREMENT

In 2024, the Group maintained its strong focus on performance management, leveraging key quantitative metrics to drive strategic decision-making and ensuring sustained growth. Central to our approach, was the consistent monitoring of financial and non-financial metrics, ensuring a thorough coverage of all aspects of performance for the benefit of all stakeholders.

Financial metrics included key indicators such as net profit, net interest margin, return on equity, return on assets and cost-to-income ratio, amongst others, which served as indicators for operational efficiency and performance evaluation. . Non-financial metrics encompassed a broad spectrum of areas and include customer service and experience,

customer and employee satisfaction, sales effectiveness, product penetration, efficiency improvements, branch optimisation, corporate governance and environmental, social and governance activities.

The performance monitoring activities facilitate prudent and timely decision-making as well as the assessment of historical performance, enabling corrective actions where required. We actively pursue our strategic objectives and assess outcomes using measures that ensure that they align with the organisation's overarching objectives. The quantitative insights derived from these metrics also enabled a forward-looking view to guide the group's strategic priorities for the upcoming financial years.

The financial snapshot provides an overview of the group's performance across key metrics over the past five financial years. With the implementation of IFRS 17 which introduced a comprehensive framework of accounting for insurance contracts, significant changes were introduced to the recognition of revenues and expenses related to insurance activities. As a result, adjustments were made to align with the reporting requirements under the new standard, resulting in a restatement of the 2023 financial results (FY2023) and the opening balance as at October 1, 2022. The extract of results for the consolidated income statement for FY2024 and FY2023 are shown in the table below using the IFRS17 accounting standard; results for earlier periods are shown using IFRS 4. For extracts from the consolidated statement of financial position, IFRS 17 results are shown in FY2024, FY2023 and FY2022; for earlier periods, the IFRS 4 accounting standard is used. The objective of IFRS 17 is to create more consistency and comparability between insurance companies. Although the standard impacted the financial reporting of the Group and our main insurance subsidiary, it will not impact its strategy, capital management methodology, or outlook.

Financial Snapshot

Table 3 Five-year Summary of Selected Financial Data

	For the year ended September 30						
(in millions, except per stock unit amounts)	2020 (3)	2021 (3)	Restated 2022 (1) (3)	Restated 2023 (1)	2024	% Change (2024 - 2023)	Four-Year (CAGR)
Consolidated Income Statement Extract							
Banking & Investment Activities							
Net interest income	52,490	48,627	59,199	59,138	**60,442**	2%	4%
Credit impairment losses	(10,285)	(3,385)	(2,724)	(4,159)	**(8,702)**	109%	4%
Net interest income, net of impairment	42,205	45,242	56,475	54,979	**51,740**	(6%)	5%
Net fee & commission	21,369	22,489	26,133	28,559	**30,674**	7%	9%
Gain on foreign currency and investment activities, including gain on reclassification of financial assets	8,793	22,830	16,576	29,600	**32,606**	10%	39%
Net revenues from banking & investment activities	**76,371**	**98,154**	**107,293**	**118,533**	**121,037**	**2.1%**	**12%**
Insurance Activities							
Insurance revenue	n.a.	n.a.	n.a.	119,062	**134,035**	13%	n.a.
Insurance service expenses	n.a.	n.a.	n.a.	(79,556)	**(91,387)**	(15%)	n.a.
Insurance service results	n.a.	n.a.	n.a.	14,528	**18,519**	27%	n.a.
Net underwriting income (4)	101,669	110,234	123,909	n.a.	**n.a.**		n.a.
Policyholders' & annuitants' benefits & reserves and other insurance related expenses (4)	(69,213)	(87,282)	(85,893)	n.a.	**n.a.**		n.a.
Net revenues from insurance operations (4)	**32,456**	**22,952**	**38,016**	**n.a.**	**n.a.**		**n.a.**
Operating income	108,827	121,105	145,308	115,367	**120,011**	4%	2%
Net profit	26,883	20,076	35,132	7,714	**21,570**	180%	(5%)
Net profit attributable to stockholders of the parent	19,090	14,227	23,889	2,507	**13,340**	432.1%	(9%)
Earnings per stock unit ($)	8.01	6.25	10.39	1.06	**5.62**	430%	(8%)
Dividends paid per stock unit ($)	1.90	0.50	0.00	0.00	**2.00**		1%
Consolidated Statement of Financial Position Extract (at year end)							
Investment securities	853,086	900,512	959,496	1,105,904	**1,166,826**	6%	8%
Net loans	452,955	523,489	580,063	612,689	**626,240**	2%	8%
Total assets	1,800,260	1,917,128	2,051,245	2,199,090	**2,316,011**	5%	7%
Customer deposits	573,969	647,085	715,277	747,872	**783,967**	5%	8%
Repurchase agreements	211,436	224,805	248,089	279,754	**299,522**	7%	9%
Liabilities under annuity and insurance contracts	405,015	433,057	482,570	510,957	**543,668**	6%	8%
Other borrowed funds	125,066	136,972	153,249	179,648	**188,824**	5%	11%
Equity	200,205	206,665	138,571	170,746	**210,743**	23%	1%
Equity attributable to stockholders of the parent	156,115	161,456	116,429	142,123	**172,295**	21%	2%

1. 2023 comparatives for the consolidated income statement and consolidated statement of financial position have been restated due to the initial adoption of IFRS 17, a redesignation of eligible financial assets under IFRS 9 in our insurance business and other correcting adjustments (see note 54 of the financial statements).
2. 2022 comparatives for the consolidated statement of financial position was restated due to the initial adoption of IFRS 17 in our insurance business.
3. 2022-2020 comparatives for the consolidated income statement and 2021-2020 comapratives for the consolidated statement of financial position have not been restated as IFRS only required 1 year of comparatives related to the initial application of IFRS 17 and as such, those financial periods are still based on the application of accounting policies and estimates of IFRS 4 for the Group and our insurance subsidiaries.
4. Premium income, net underwriting income, policyholders' & annuitants' benefits & reserves and other insurance related expenses are financial statements line items no longer applicable under IRFS 17.
6. n.a. in above table should be read as "not applicable".

Table 4 Key Ratios and Per Stock Unit Data

	Year ended September 30				
	2020 (3)	2021 (3)	2022 (2)	2023 (1)	2024
Profitability ratios					
Return on average total assets	1.57%	1.08%	1.77%	0.36%	**0.96%**
Return on average equity	12.57%	8.96%	17.19%	1.94%	**8.49%**
Cost-to-income ratio	68.48%	76.19%	71.40%	87.37%	**73.56%**
Per stock unit data (4)					
Dividend payout ratio (based on payment date)	23.72%	8.00%	0.00%	0.00%	**35.59%**
Dividend yield	1.45%	0.39%	0.00%	0.00%	**3.77%**
Market Price - Jamaica Stock Exchange (JSE)					
High	J$215.00	J$150.00	J$132.28	J$90.00	**J$71.92**
Low	J$130.00	J$121.03	J$88.92	J$64.60	**J$50.03**
Year end - close	J$130.90	J$127.52	J$89.89	J$68.49	**J$53.12**
Market Price - Trinidad and Tobago (TTSE)					
High	TT$11.50	TT$9.00	TT$8.25	TT$5.02	**TT$3.43**
Low	TT$7.15	TT$7.80	TT$4.50	TT$2.70	**TT$2.41**
Year end - close	TT$7.75	TT$8.25	TT$4.50	TT$2.77	**TT$2.41**

1. 2023 comparatives for the consolidated income statement and consolidated statement of financial position have been restated due to the initial adoption of IFRS 17, a redesignation of eligible financial assets under IFRS 9 in our insurance business and other correcting adjustments (see note 54 of the financial statements).
2. 2022 comparatives for the consolidated statement of financial position was restated due to the initial adoption of IFRS 17 in our insurance business.
3. 2022-2020 comparatives for the consolidated income statement and 2021-2020 comapratives for the consolidated statement of financial position have not been restated as IFRS only required 1 year of comparatives related to the initial application of IFRS 17 and as such, those financial periods are still based on the application of accounting policies and estimates of IFRS 4 for the Group and our insurance subsidiaries.
4. Market price data sourced from Jamaica Stock Exchange and Trinidad and Tobago Stock Exchange.

2024 Overview

The Group demonstrated resilience throughout the financial year by adapting to challenges and prioritising the strengthening of its core business. With a focus on Efficiency, Governance, and Customer Experience, we remained focused on executing key initiatives aligned with our strategic priorities to drive revenue growth, enhance productivity, and optimise performance. During the year, we also concentrated on connecting to promote synergies both within and between our businesses and across the Group.

1. **Efficiency –** By enhancing operational efficiency, the organisation has reduced cost and optimised spend associated with various processes and functions, enabling the allocation of resources to areas that derive the greatest value.
2. **Governance –** By enhancing governance practices and ensuring their effectiveness we have maintained transparency, accountability, fairness, and compliance with established regulations and standards.
3. **Customer Experience –** We envision an organisation where every touchpoint, process, and interaction resonates with our core C.A.R.E. values of Commitment, Advocacy, Respect and Empathy.

   These values guide our actions, decisions, interactions with our customers, colleagues and the wider communities that we serve.

These efforts enabled us to adapt and respond effectively to a constantly evolving environment, serving as the foundation for streamlining our organisational structure, enhancing greater responsiveness, and strengthening our connection with customers. As a roadmap for success, we have further refined our strategic framework across four business priorities:

1. **Winning Primary Customer Relationships –** Having a greater understanding of customers' needs and preferences.

Financial Snapshot

2. **Growing Share of Wallet –** Building a "Needs-based sales process" across the Group, to ensure that a greater proportion of our customers' financial needs are satisfied by the Group's products and services.

3. **Optimising the Operating Model –** Identifying targeted end state based "best-in-class" operating models.

4. **Upholding World-Class Standards –** Establishing world-class aspirational standards across the Group.

These pillars will shape the direction of the organisation by balancing key growth opportunities and organisational transformation while delivering best-in-class service and driving long-term value creation for all stakeholders.

Financial Overview

General improvement in economic conditions as well as growth in financial services was evident across all our operating markets. Macroeconomic fundamentals showed broad improvements throughout the financial year in most economies supported by the strengthening in the economies of our main trading partners.

Despite these improvements, financial services were impacted by high-interest rate environments, a volatile global economic climate, elevated inflation and ongoing regulatory and accounting changes. Notwithstanding these factors, we successfully delivered a commendable performance.

The Group adopted IFRS 17 – Insurance Contracts on October 1, 2023, marking a significant shift in how insurance contracts, particularly in the Life, Health, and Pension (LHP) segment, are recognised, measured and presented in the Group's financial statements. Consequently, the financial statements of the previous financial year were restated for the adoption and impact of IFRS 17, together with correcting adjustments, non-credit provisions and other items.

NCB Financial Group reported consolidated net profit of $21.6 billion, an improvement of 180% or $13.9 billion over the prior year. Consolidated net profit attributable to stockholders of the parent improved over fourfold totalling $13.3 billion, a 432% or $10.8 billion increase over the prior year. Consolidated equity of $210.7 billion increased by 23% or $40.0 billion and consolidated equity attributable to stockholders of the parent of $172.3 billion increased by 21% or $30.2 billion over the prior year. Our asset base grew to $2.3 trillion, a $116.9 billion or 5% increase over the prior year, largely attributed to growth in the investment securities, amounts due from banks and the loans and advances portfolios.

The Group's operating income of $120.0 billion, reflected an increase of 4% or $4.6 billion over the prior year. The Group recorded improved revenues across its major operating items driven by increased external revenues in six of our seven business segments.

In addition to the increased revenues there was a reduction in operating expenses which contributed to a general improvement in our key performance indicators when compared to the prior year. Return on assets (ROA) increased to 0.96% from 0.36% and return on equity (ROE) improved to 8.49% from 1.94% in the prior year. The cost-to-income ratio also improved to 73.56% from 87.37% in the prior year. The improvements in our cost-to-income ratio reflect our ongoing efforts to enhance efficiency, coupled with the restructuring activities which were implemented at the end of the last financial year, that contributed to lower staff costs in the 2024 financial year. In the 2025 financial year, we will continue our disciplined approach to resource allocation, effective cost management, and pursuit of strategic initiatives to enhance operational efficiency. Additionally, Guardian streamlined its non-core expenses by leveraging technologies thereby improving the overall profitability and efficiency.

Jamaican Banking sector activity remained relatively subdued throughout the year with lower growth rates in deposits and loans. However, as liquidity conditions begin to improve, given monetary policy easing and widespread rate adjustments, commercial banks' net interest margins are expected to improve along with profitability.

While maintaining our dedication to delivering comprehensive financial solutions and services, we continue to enhance accessibility to digital channels, products, and services, ultimately elevating the overall customer experience. In June 2024, NCBJ added another fintech offering with the introduction and rollout of the electronic Point of Sale (ePOS) tap-on-phone solution. The launch of ePOS represents a continuation of our digital strategy to ensure we have the right solutions for our very diversified customer base. Tap-on-phone allows for contactless transactions and is used by businesses to accept payments from cards or mobile wallets from their near-field communication (NFC)-enabled devices.

With the implementation of new Jamaican regulations and service-level standards surrounding ABMs in April 2024, the bank continues to ensure improved service delivery and uptime for our ABM network. NCBJ boasts the largest fleet of ABMs in the country, over 300, as at September 2024, our fleet availability was 97%, over the required minimun standard of 95%. We continue to invest in the deployment of new machines as well as strengthening the service level agreements with our ABM partners, as we focus on closing the 3% gap.

While the industry continues to face challenges with fraud during the year, we introduced additional security features primarily across our personal online banking domain, including lower transaction limits and reintroducing RSA tokens for all transactions except for self-transfers and bill payments. We have also introduced a block and unblock feature on debit cards to help to further reduce incidents of fraud, as debit cards may now be deactivated and reactivated by the cardholder through the NCB mobile banking app. These initiatives along with our continued customer education campaigns on fraud prevention is expected to continue to improve the security posture of our customers.

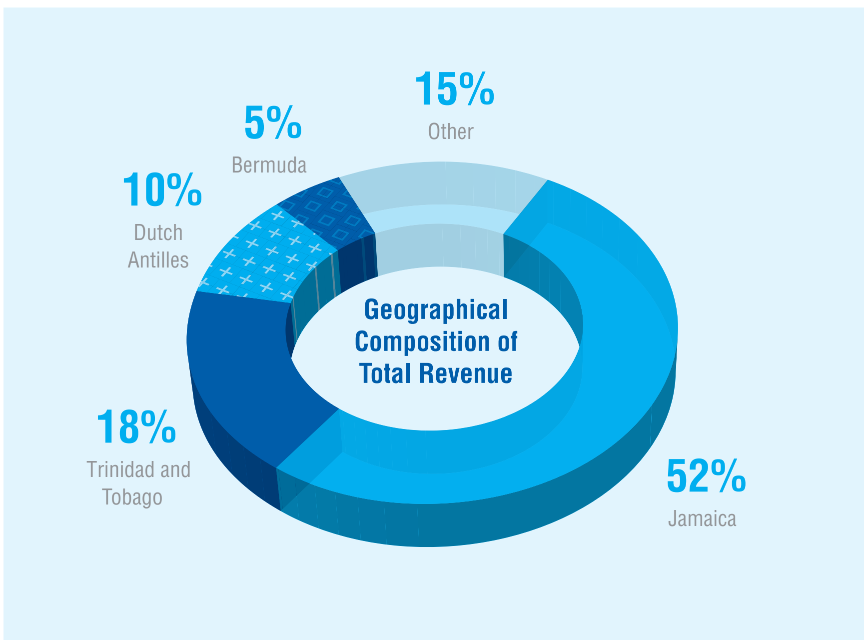
OUTLOOK

While the global economy demonstrated resilience amid ongoing challenges. Inflation is gradually declining, supported by improvements in supply chains. Notwithstanding, global growth remains tepid, with projections of 3.2% in 2024, tapering to 3.1% annually over the next five years according to the IMF, the weakest medium-term outlook in decades. Trade's diminished role as a growth engine reflects a fragmented economic environment, limiting its benefits, particularly for developing countries. Despite economic resilience, public sentiment remains pessimistic, with families grappling with high costs and stagnant wage growth.

Navigating these turbulent times demands foresight and action, which NCB Financial Group has demonstrated over the years. By adapting and refocussing on enhancing core business and improving efficiencies in our operations, NCBFG will be able to manoeuvre the volatile global economic climate. Our ability to navigate these challenges, highlights the strength of our operations, the effectiveness of our strategic focus and the commitment of the executive leadership team and the wider employee complement in ensuring we deliver value to our investors and stakeholders despite our operating environment.

We remain committed to becoming the "Financial Partner of Choice" by executing our EGC mandate. As a world-class financial institution, we are actively improving our internal processes to capture and address customer pain points. We continue to introduce best-in-class digital processes and solutions to our stakeholders, including customers and employees to enhance operational efficiency.

The Group is diversified across the region and will continue to capitalize on synergies and opportunities to further enhance value for the Group.



Operating Environment

Macroeconomic Performance

At the start of our financial year, growth remained broad-based across our operating markets, supported by the performance of our major trading partners and strong domestic demand. Tourism, along with its spillover effects to other sectors, remained a key driver of growth across most territories. Resilient financial services and insurance sectors in Bermuda and Cayman also buttressed growth. Labour markets were buoyant, evidenced by falling unemployment rates, which underpinned expansion in private consumption.

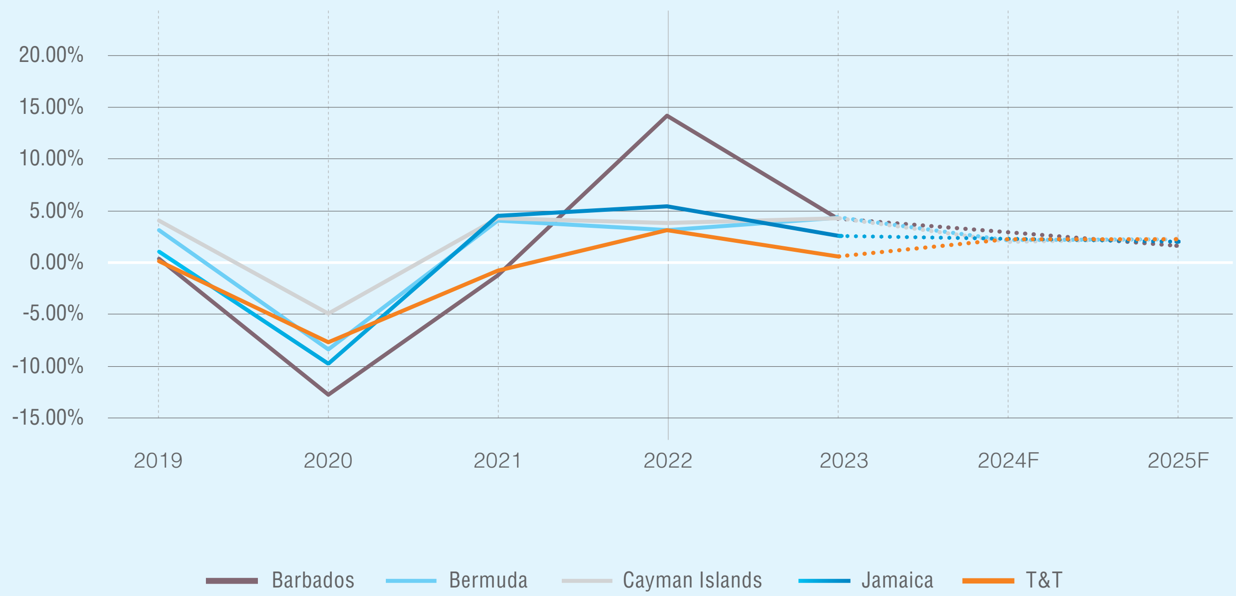
These factors allowed each territory to perform well throughout the December quarter.[1] For the remainder of the financial year, Barbados, Bermuda, and the Cayman Islands reported improvements in real output based on the available data;[2] however, Jamaica's economy, though growing in the first half of the financial year (1.7% in the December quarter and 1.4% in the March quarter), saw its growth momentum slow markedly in the June quarter to 0.2% as both service and goods-producing industries decelerated. The impact of Hurricane Beryl further compounded these challenges and a contraction is expected in the September quarter. That said, robust tourism activity continued to propel growth in Barbados, Bermuda, and the Cayman Islands and was a major growth driver for these economies for the rest of the financial year. Increased airlift capacity and marketing initiatives, which fueled tourist arrivals, along with business services, and construction added to Barbados' 3.9% growth for the first three quarters of 2024. For Bermuda, strong cruise and air arrivals, along with the effectiveness of supportive government policies and prevailing market conditions supported the 7.1% growth seen in Q1 2024. Whilst data is limited for the Cayman Islands, it is estimated that the demand for the islands' key services – finance and insurance, along with strong tourism activities (+6.5% for the first half of 2024) have kept growth strong since 2024. For energy-dependent Trinidad and Tobago (T&T), its economy continues to be supported by vibrancy in its non-energy sectors (Wholesale and Retail Trade, Construction and

1. Jamaica's economy grew by 1.7% and Bermuda's economy grew by 4.7% in Q4 2023. Q4 2024 figures are not available for other territories but for the entire year of 2023, Barbados grew 4.0% while the Cayman Islands grew 4.2%. For 2023, Jamaica and Bermuda also grew by 2.6% and 4.0-4.5% respectively. According to T&T's Ministry of Finance's estimates, the Trinidad and Tobago economy is expected to register Real GDP growth of 2.7% in the first quarter of 2023.

2. Barbados grew by 3.9% during the first 9 months of 2024. Bermuda recorded a growth rate of 7.1% for Q1 2024 while Jamaica grew by 1.4% and 0.2% in Q1 and Q2 2024. Trinidad and Tobago and Cayman growth data for 2024 is not yet available.

Sources: Bermuda Government, S&P, Moody's, STATIN, Fitch Solutions, IMF, BOJ, ESO, CBTT

Figure 1: Economic Performance (2019-2025F)



Manufacturing, etc.) as preliminary reports showed declines in crude oil and natural gas output, while it grapples with ongoing structural issues and a mature hydrocarbon sector.

Looking ahead to the new financial year, the outlook for our operating economies is cautiously optimistic. The forecast is for growth to moderate across all our territories, with growth ranging from 1.8% on the low end for Barbados to 2.8% for the Cayman Islands on the higher end in 2025. The outlook is premised on modest growth in tourist arrivals as activity normalises, capacity constraints (Bermuda), ongoing fiscal consolidation measures (Barbados, Jamaica), and the fact that most territories have already returned to their pre-pandemic/historical growth levels. Growth in manufacturing, construction and financial sectors, government efforts to enhance infrastructure and attract foreign investments, and falling interest rates and their impact on investment activity (Jamaica) also underpin the growth forecast across our territories for the rest of 2024 into 2025. For Jamaica, government disbursements toward agriculture growth and investments in the construction sector, given efforts to rebuild damaged structures caused by Beryl, will support growth through the rest of 2024 into 2025. Outside of tourism, Barbados' growth will be driven by investment in resilient infrastructure (e.g. Climate-Resilient Water Infrastructure), and ongoing structural reforms to

Operating Environment

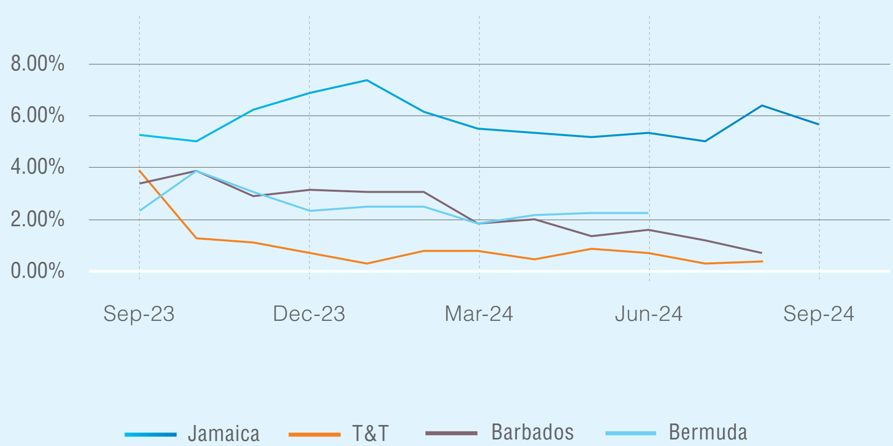
promote economic diversification. Bermuda's economy should continue to demonstrate dynamism in its key sectors, likely attracting new firms to the island. Public investments and renewable energy projects should also support economic activity. Growth into 2025 in the Cayman Islands will benefit from continued growth in tourism. For its part, robust household spending given higher wages will be the main growth driver for T&T as the country navigates a transition toward more sustainable energy and economic diversification. These factors should help to create a favourable backdrop throughout 2025.

However, global uncertainties, including escalating geopolitical tensions in the Middle East and the region's vulnerability to downturns in the performances of major trading partners, as well as delays in the execution of planned projects and natural disasters are all factors that could lead to slower-than-projected growth into 2025.

INFLATION

For the fiscal year 2023/24[3] (FY24), inflation moderated across all our operating environments. While Jamaica, Barbados, the Cayman Islands, and Bermuda have experienced differing paces of disinflation due to country-specific factors, all have benefited from global supply chain improvements and declining international energy prices. Despite the continued decline in global food and shipping costs since early 2023, Jamaica's headline inflation for the first two quarters of FY24[4] remained volatile due to domestic pressures, including the implementation of the first of a two-stage PPV fare hike[5], wage pressures and high agricultural inflation. This kept inflation above the BOJ's 4.0% - 6.0% inflation target between December 2023 and

Figure 2: Regional Inflation Rates



3. From October 1, 2023 to September 30, 2024.
4. From October 1, 2023 to March 31, 2024.
5. Effective October 15, 2023.

February 2024. Inflation pressures eased in subsequent months aided by lower domestic food prices and softening domestic demand. This brought inflation within the BOJ's target range and facilitated a pivot in monetary policy in the final quarter of the financial year. With their high dependency on imported goods, inflation declined in Barbados, Bermuda and the Cayman Islands due to cooling international oil & food prices. These countries ended the period with inflation at 0.70%, 2.30% and 1.70%, down from 4.0%, 3.90% and 3.60%, respectively (See Figure 2)[6] in September 2023. Trinidad and Tobago exhibited a more pronounced disinflationary trend (see Figure 2), largely due to the decline in commodity prices. T&T saw its inflation rate peak at 3.9% as oil prices rose in September 2023; however, given the country is closely linked to international commodity prices and sensitive to global energy demand, inflation eased significantly as international crude oil prices fell (see Figure 2).[7]

MONETARY POLICY

Central banks in NCBFG's operating environments continued to adopt varied monetary policy stances in FY24 according to their unique circumstances. The Bank of Jamaica (BOJ) maintained a tight monetary policy stance through most of FY24, keeping the policy rate at 7.0% to anchor inflation expectations as inflation pressures persisted due to the aforementioned local drivers. These factors led the BOJ to maintain the policy rate steady at 7.0% until Q4, when it implemented two consecutive 25 basis point (bps) cuts, concluding the year with a policy rate of 6.50% as inflation pressures abated to allow it to return to target. For its part, the Central Bank of Trinidad and Tobago (CBTT) assessed a range of domestic and external factors before opting to maintain its policy rate at 3.50% throughout the period. This decision was supported by favourable macroeconomic conditions, including low inflation, sustained private sector credit growth, and robust activity in its non-energy sector. Barbados, the Cayman Islands and Bermuda, which have fixed currency pegs to the USD, continued to prioritise the maintenance of high foreign exchange reserves to support their exchange rates.

Looking ahead, we expect continued relaxation in Jamaica's monetary policy but anticipate that the monetary policy, stance of the central banks of Barbados, Trinidad and Tobago, Bermuda, and the Cayman Islands will remain largely unchanged. In Jamaica, the Bank of Jamaica (BOJ) is expected to continue to lower interest rates moderately as inflation expectations decline, although adverse weather and its impact on agricultural supplies and prices and the trajectory of the US policy rate could slow the pace of this progress.

FISCAL AND DEBT DYNAMICS

Aided by higher tax revenues amid stronger economic growth, Jamaica, Bermuda and Barbados saw significant improvements in their fiscal performance; however, Trinidad and Cayman's fiscal metrics weakened due to higher government expenditure and lower revenues resulting in widening deficits. **Jamaica reported primary and fiscal surpluses of 6.0% and 0.3%, respectively (See Table 1), in line with its FY24 target. The surpluses reflect the pullback in COVID-19-era spending and a rebound in government revenues.[8]** Similarly, Barbados achieved its primary surplus target for the fifth consecutive fiscal year, amounting to 3.7% of GDP, up from 2.5% in FY23. The primary surplus was supported by increased tax receipts from stronger domestic economic activity led by tourism. Moreover, the fiscal deficit continued to improve, narrowing from 2.0% in FY23 to 1.8% in FY24. **Bermuda's FY24 fiscal deficit also narrowed, reflecting the success of its Economic Recovery Plan and stronger-than-expected economic growth.** However, T&T and the Cayman Islands' metrics weakened in FY24. T&T's fiscal deficit as a percentage of GDP is expected to have widened to 3.5%, up from 1.7% in FY23 driven by increased public sector wages, lower energy revenues, and higher capital. In Cayman, despite increased tax revenues and economic activity, the primary and fiscal deficits also widened due to increased infrastructure spending.

6. The most recent inflation data for Barbados and Trinidad and Tobago is for August 2024. And June 2024 for Bermuda and the Cayman Islands.
7. Crude prices declined from US$97.90 at the end of September 2023 to US$71.65 by year-end, with T&T's inflation rate similarly decreasing from 3.9% in September 2023 to 0.7% by December 2023
8. Over the last 3 years, revenues compounded at 18.1% annually, supported by higher tax revenues. Government expenses grew slower at 13.9% despite a 22.1% growth in salaries and wages, as interest slowed to 10.1%.

Operating Environment

Sources: GOJ Fiscal Policy Paper, CBTT, CBB, ESO, Government of Bermuda Fiscal Update, IMF, Fitch, S&P Global

Table 1: Regional Debt & Fiscal Indicators

	Primary Balance (% of GDP)				Fiscal Balance (% of GDP)				Debt-to-GDP (%)			
Variables	**2022**	**2023**	**2024**	**2025F**	**2022**	**2023**	**2024**	**2025F**	**2022**	**2023**	**2024**	**2025F**
Barbados	-1.0	2.5	3.7	**4.0**	-4.8	-2.0	-1.7	**-1.6**	120.3	115.5	114.3	**101.8**
Bermuda	0.3	0.6	0.6	**n/a**	-1.0	-0.9	-0.7	**n/a**	44.0	42.2	40.3	**n/a**
The Cayman Islands	-2.1	0.3	-0.7	**n/a**	-2.3	0.0	-1.1	**0.8**	8.9	7.3	6.6	**7.3**
Jamaica	6.8	5.6	6.0	**5.6**	0.9	0.3	0.3	**0.3**	94.2	77.1	72.2	**67.3**
Trinidad & Tobago	2.9	1.8	-0.1	**n/a**	0.3	-1.7	-3.5	**n/a**	67.0	70.9	73.4	**n/a**

Jamaica, Barbados, and Bermuda are on a path to retain or attain surpluses in their respective fiscal years, while Trinidad and Tobago are likely to remain in deficit over the medium term, despite some improvements. Jamaica's fiscal outlook is positive, supported by robust tax revenues and a gradual decline in government expenditure, as a percentage of GDP. Projections are for fiscal and primary surpluses of 0.3% and 5.6%, respectively for FY25.[9] The new Corporate Income Tax in FY25 is expected to help balance Bermuda's budget, although it may impact growth in the financial services sector. **T&T's fiscal deficit is expected to narrow by FY27 as energy revenue improves, but the deficit should persist up to 2030 (Fitch)** notwithstanding capital investments that could enhance infrastructure and growth.[10] **For the Cayman Islands, prudent fiscal policy is expected, with modest budget surpluses averaging 0.5% of GDP through 2033.** This is premised on projections for modest government revenue growth of 2.4%, aided by tourism, despite sluggish financial sector services amid stricter international tax laws.[11]

9. For FY25, the Jamaican government projected a fiscal surplus of 0.3% and a primary surplus of 5.6% supported by higher tax revenues (+7.9%) and non-tax revenues (+25.9%) respectively.

10. This is expected to be supported by "Procurement and Disposal of Public Property Act", which will improve transparency and efficiency in public procurement.

11. A projected 2.7% annual rise in expenditures under a more expansionary fiscal policy is expected.

Given favourable fiscal and economic performances, commitment to fiscal consolidation, and debt reduction or the use of cheaper IMF, World Bank and IDB budgetary loans, debt-to-GDP trended downwards for all territories except T&T (see Table 2). Jamaica's debt has been improving, underpinned by the country's commitment to debt reduction and prudent fiscal management. Consequently, for FY24, the debt-to-GDP improved to 72.2% and is projected to fall to 67.3% for FY25. Similarly, Barbados' debt-to-GDP is estimated to have declined from 115.5% in FY23 to 114.3% in FY24, reflecting the impact of **economic growth and sustained efforts to manage public debt. Modest growth in real GDP and ongoing fiscal consolidation efforts will continue to aid a reduction in the debt burden. Public debt-to-GDP is expected to decline from 11.0% in FY23 to 8.5% by FY30, supported by its fiscal strength in the Cayman Islands.** Despite the renewed focus on domestic and external borrowing to help finance the government, debt-to-GDP is still expected to decline to its 60% target by 2036 in Bermuda. **However, T&T is the only operating territory expected to report an increase in debt-to-GDP from 70.9% in FY23 to 73.4% in FY24,** which is premised on lower revenues, given the decline in energy production, and higher spending.

Table 2: Regional Country Ratings

Country	S&P Rating	S&P Outlook
Jamaica	BB-	Positive
Barbados	B-	Positive
Bermuda	A+	Stable
Trinidad and Tobago	BBB-	Stable
	Moody's Rating	Moody's Rating
The Cayman Islands	Aa3/Stable	Stable

Consistent with their improving fiscal management and economic performance, Jamaica and Barbados saw rating upgrades from the international rating agencies, however, T&T and Bermuda had their ratings affirmed. Jamaica's Long-Term Foreign-Currency and Local-Currency Issuer Default Ratings (IDRs) were upgraded from 'B+' to 'BB-' by Fitch in March 2024 due to substantial debt reduction and consistent primary surpluses. S&P also revised its outlook from stable to positive in September 2024 and affirmed its 'BB-' long-term foreign rating citing Jamaica's strong disaster preparedness and stable political environment (See Table 2). **Barbados also received an upgrade from Fitch, with its Issuer Default Rating moving from 'B' to 'B+' in October 2024, supported by primary surpluses that are helping to reduce the high debt-to-GDP ratio.**

Though S&P affirmed its B- long-term foreign rating, it updated its outlook from stable to positive in October 2023, driven by tourism recovery and the resumption of key government investment projects. **Bermuda's credit ratings remain stable, with Moody's affirming its A2 rating and S&P maintaining an A+/Stable rating as of May 2024. On the other hand, S&P affirmed Trinidad's BBB- ratings with a stable outlook in September 2024, reflecting weak economic growth tied to declining hydrocarbon production, albeit supported by its Heritage and Stabilisation Fund (HSF).**[12]

12. The HSF is a sovereign wealth fund designed to manage surplus oil and gas revenues, providing economic stability during downturns and ensuring long-term savings for future generations.

Operating Environment

GLOBAL AND FIXED-INCOME PERFORMANCE

The global bond market experienced volatility in the face of persistent inflationary pressures, ongoing geopolitical tensions, and uncertainty regarding the timing of the US Federal Reserve's (Fed's) rate cut decision. Despite the volatility, there was an overall trend of price appreciation, fuelled by optimism surrounding the anticipated interest rate cuts from the Fed and improving the economic and fiscal performance of some sovereigns. On September 18, 2024, the Fed initiated its first interest rate cut in over four years, reducing its benchmark rate by 50 basis points to a target range of 4.75%–5.00%. Consequently, yields fell for the most liquid JAMAN, BARBAD, BERMUD, and TRITOB bonds, and sovereigns in NCBFG's operating territories (see Table 3). During the year, yields fell from highs of 6.8% to 5.0% for the JAMAN 2028s, 6.6% to 4.8% for TRITOB 2026, 6.3% to 4.6% for the BERMUD 2029, and 8.1% to 7.6% for BARBAD 2029 bonds. Notably, positive rating actions during the financial year added some positive sentiments to Barbados and Jamaica's global bonds and supported the gains in prices.

OUTLOOK

The US Federal Reserve's language suggests that it may reduce its benchmark rate by another 0.5 percentage points before year-end and this is driving market expectations. Furthermore, 2025 is shaping up to be a year of even further interest rate reductions by the Federal Reserve. With inflation showing signs of being on a steadier downward trajectory, the US Central Bank is expected to ramp up rate cuts to stimulate economic growth. This should support further appreciation in bond prices and support improvements in trading gains. Additionally, EM issuers are expected to benefit from lower borrowing costs, which should boost primary market issuance in EMs. This environment will make it easier for issuers to refinance debt and raise capital, which can improve their financial health. Overall, EM bonds are uniquely poised to benefit from ongoing rate cuts and strong ongoing demand for fixed-income assets into 2025.

Locally, there are expectations of further relaxation of monetary policy and with it a favourable outlook for the performance of local bonds. As such, the corporate bond market is expected to see renewed momentum, both in the primary and secondary markets. The rate cuts are likely to lower borrowing costs, prompting more issuers to refinance existing debt or raise additional capital to fund new projects and increase primary market activity. The secondary bond market should also benefit from the lower interest rate environment, boosting gains on trading as bond prices appreciate.

STOCK MARKET PERFORMANCE

Despite increased profitability for listed companies, tight market liquidity, high interest rates, and negative investor sentiment continued to impact activity on the Jamaica and Trinidad and Tobago stock markets; however, the Barbados Stock Exchange (BSE) experienced an 8.7% increase during the financial year, marking its third consecutive year of growth. This improvement was primarily driven by a strengthening economy. The Jamaica and T&T stock markets saw declines of 2.8% and 13.0%, respectively, during the financial year. In Jamaica, higher market interest rates have made stocks less attractive compared to lower-risk money market instruments, leading to a depressed market environment for the third consecutive year. Although valuations appear attractive due to price declines and continued earnings growth, tight JMD liquidity and high funding costs have prevented institutional investors from capitalising on these opportunities. Year-to-date earnings growth for companies reporting within this financial year was strongest in the Energy, Industrials, and Materials sectors, which posted an average growth of 67.9%. While the JSE Combined Index saw a 31.5% increase in traded volumes year-over-year, suggesting that some investors may be picking up stocks at current attractive valuations, market activity is well off its peak pre-pandemic levels. In contrast, the TTSE's market volume dropped 41.9% over the past

Table 3: Regional Bond Performance

Regional Issues	Credit Rating	Price (Oct 2, 2023)	Price (Sep 30, 2024)	Change
JAMAN 2028	BB-/Positive	$101.07	$105.53	4.40%
TRITOB 2026	BBB-/Stable	$95.20	$98.19	3.10%
BERMUD 2029	A2/Stable	$94.06	$100.16	6.50%
BARBAD 2029	B/Stable	$92.85	$95.50	2.90%

three years, affected by declining activity in the Energy, Manufacturing, Non-banking Finance, and Banking sectors. This downturn may be linked to a decline in institutional investor participation. However, the TTSE has made strides in digital transformation, increasing retail investor participation through social media and improved accessibility, reviving interest among previously inactive investors. While trading volumes surged by over 150% in Barbados, its market still ranks as the least liquid among the three regional stock exchanges. Nonetheless, the stock market's growth aligns with the country's favourable economic conditions and optimistic growth outlook.

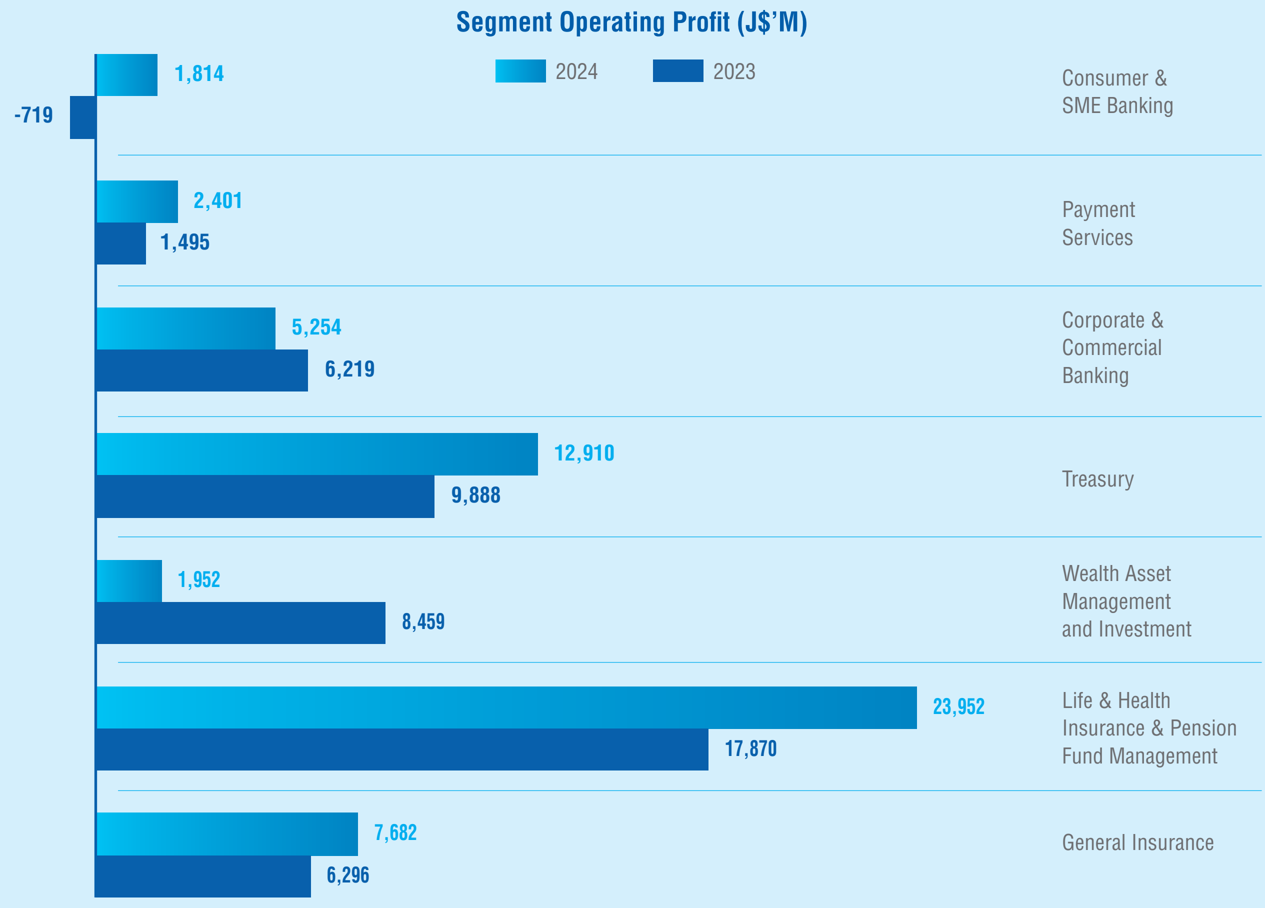
Primary market activity in the region has been subdued this financial year, evidenced by the limited number of listings. In Jamaica, uncertainty, low liquidity, and high interest rates caused companies to postpone plans for public offerings and debt funding. This lack of liquidity also deterred larger issues. As a result, only two new listings (Omni Industries Limited, which was arranged by NCB Capital Markets Limited, and RA Williams Distributors Limited) were done during the financial year, down from three the previous year. NCBFG was the only main market company that raised capital, through its Additional Public Offering. There was one cross-listing—AS Bryden & Sons Holdings. The TTSE Market saw its first listing since 2019 – Eric Solis Marketing, brokered by NCB Merchant Bank (Trinidad and Tobago) Limited.

We are optimistic about a rebound in the Jamaican stock markets due to easing inflation and lower interest rates while anticipating further growth in the BSE and some growth in the TTSE. Jamaica's falling interest rate environment is expected to boost activity in both primary and secondary markets. In the primary market, we anticipate an increase in new listings and stock price appreciation in the Jamaica Stock Exchange in FY25, particularly as liquidity improves, although growth will still be below pre-pandemic levels. Further declines in interest rates should also support higher stock valuations and reduce the required rate of return from investors, boosting overall demand. Additionally, lower inflation should support corporate earnings. In Trinidad and Tobago, positive economic growth and initiatives to enhance market activity are expected to support listed companies and buttress investor confidence. Efforts to raise awareness of opportunities for local investors and SMEs through tailored campaigns should foster new listings and overall market engagement. Notably, retail participation has surged despite a decline in overall volume, as investors embrace the TTSE Online Platform (TOP). The TTSE is also proposing regulatory changes to facilitate easier listings for SMEs. In Barbados, tourism growth and government investment should enhance corporate earnings across various sectors. These factors could lead to increased trading activity and market liquidity.

Financial Performance

Segment Performance

The Group operates through two key business areas: banking & investment management, and insurance services, which together comprise seven operating segments.



For the year, five of our seven operating segments recorded improved net operating income compared to the prior year when six of our seven operating segments experienced a decline in performance relative to the 2022 financial year. The Group has consistently demonstrated resilience and adaptability, which continues to contribute to improved financial performance.

CONSUMER AND SME BANKING (CSME)

NCBFG's Consumer and SME Banking segment serves individual as well as small and medium-sized business customers in Jamaica, Bermuda, the Cayman Islands, and the United Kingdom via our NCBJ and Clarien subsidiaries. This segment recorded a net operating profit of $1.8 billion, an improvement of $2.5 billion compared to a net operating loss of $719 million recorded in the prior year. Net interest income increased by $1.1 billion or 4%, reflecting an improved performance in our core lending operations. This growth was primarily driven by improved net interest margins, the expansion of our loan portfolio supported by higher digital loan volumes and improved loan quality. This segment experienced growth in key segments such as personal, commercial, and mortgage loans, capitalising on increased demand for credit generated by connecting with key consumer and SME customers while maintaining prudent risk management practices. This segment will continue to focus on its growth strategy, robust loan origination processes, and disciplined approach to credit management. Net fee and commission income recorded improvement of $896 million, or 16%, reflecting the continued success of our strategic initiatives to diversify revenue streams. This growth was largely driven by a stronger emphasis on digital loan products and an increase in other credit-related fees. As part of our ongoing digital transformation, customer-friendly, convenient digital loan solutions contributed to higher transaction volumes and, in turn, boosted fee income. Additionally, the expansion of the use of our digital channels allowed us to capture a broader customer base, enhancing our ability to generate fees from our digital channels.

Subsequent to the year-end, the Jamaican Retail operations made the decision to close our NCBJ UK Representative Office, effective December 31, 2024, as part of our ongoing efforts to optimise our business operations, drive efficiency, and suitably serve our customers.

PAYMENT SERVICES

Our Payment Services segment consists of our Card Issuing, Card Acquiring and Lynk Mobile Wallet businesses. This segment recorded an operating profit of $2.4 billion, a $906 million or 61% increase when compared to the prior year. The improvement in performance relative to the prior year was primarily driven by a reduction in operating expenses. At the start of the financial year, two of the Group's subsidiaries, NCBJ and TFOB, entered into an agreement for NCBJ to take over the management of the Lynk mobile wallet platform. This was consistent with the strategy to create synergies within the Group to drive efficiency and enhance value to the customers. By forming this partnership, NCBJ was able to strengthen its financial ecosystem and payments solutions to deepen interactions between individuals and businesses to bolster and broaden our customer base. With this collaborative approach, we have been more effectively and efficiently providing services to underserved segments through this digital-centric model, which has resulted in a 66% or $1.1 billion reduction in operating expenses for TFOB. In previous financial years, investments were made to scale the platform to drive the adoption and usage of the Lynk mobile wallet platform, positioning it for long-term success; during the 2024 financial year we leveraged those prior investments to extract accretive value by combining with the NCBJ technology platform.

The Payments Services segment continues to develop new, innovative ways to enhance customer convenience, streamline transaction processes, and drive financial inclusion, ensuring that our offerings remain ahead of market demands and the competition.

There was also increased transaction volumes within both our Card Issuing and Acquiring businesses which contributed favourably to revenues.

CORPORATE & COMMERCIAL BANKING

Our Corporate and Commercial Banking segment provides banking services, including loans and other credit facilities, to commercial and large corporate clients. Services include business loans, trade financing, cash management and advisory services, designed to support growth, optimise operations, and facilitate local and international business activities. The segment recorded net operating profit of $5.3 billion, a decline of $965 million or 16% from the prior year. The decline in performance relative to the prior year was primarily driven by an increase in credit impairment losses. This adverse impact was largely due to the classification of a few credit facilities during the financial year, resulting in higher-than-expected provisions being recorded. While the necessary steps to mitigate the situation and manage the exposure were taken, the overall increase in credit impairment losses affected the profitability of the segment. The Group remains focused on enhancing

Financial Performance

MD&A CONTINUED ▷

Table 5 Segment Selected Financial Data (1)

	Consumer & SME Banking			Payment Services			Corporate & Commercial Banking		
Year ended September 30	2022	2023	**2024**	2022	2023	**2024**	2022	2023	**2024**
Segment's Contribution of Performance (%)									
{Segment Result as a percentage of Consolidated Statement Result}									
Total revenue	11.9%	14.9%	**15.1%**	7.9%	10.4%	**10.7%**	4.7%	6.7%	**6.3%**
Net interest income	42.9%	49.6%	**50.6%**	9.5%	13.1%	**10.4%**	14.8%	16.3%	**15.5%**
Total operating income	21.4%	27.0%	**28.2%**	9.9%	14.4%	**13.1%**	7.1%	9.0%	**7.5%**
Total operating expenses	24.2%	29.1%	**33.8%**	10.6%	13.6%	**12.5%**	2.6%	3.3%	**3.3%**
Operating profit	0.1%	-2.6%	**4.4%**	4.6%	5.5%	**5.9%**	13.5%	22.9%	**12.8%**
Total assets	23.5%	26.5%	**25.6%**	2.2%	2.2%	**2.6%**	8.9%	9.0%	**6.3%**
Selected Segment Performance Indicators (%)									
Cost-to-income ratio	93.4%	91.3%	**84.9%**	83.8%	85.2%	**74.0%**	35.5%	38.5%	**34.0%**
Operating profit as a percentage of average assets	0.01%	(0.1%)	**0.3%**	6.0%	3.3%	**4.5%**	3.6%	3.3%	**3.1%**
Selected Segment Financial Data (in millions)									
Total revenue	38,128	43,321	**49,003**	25,315	30,264	**34,780**	15,127	19,394	**20,418**
Total operating income	30,785	31,187	**33,266**	14,219	16,638	**15,508**	10,206	10,365	**8,908**
Net interest income, net of credit impairment losses	23,304	25,553	**26,615**	5,549	6,584	**4,064**	8,982	9,213	**7,477**
Insurance service results (3)	-	-	**-**	-	-	**-**	-	-	**-**
Net insurance finance expenses (3)	-	-	**-**	-	-	**-**	-	-	**-**
Other income	7,481	5,634	**6,651**	8,670	10,054	**11,444**	1,225	1,153	**1,431**
Total direct operating expense	18,441	19,372	**18,771**	8,101	9,055	**6,945**	1,997	2,202	**1,842**
Operating profit	58	(719)	**1,814**	2,250	1,495	**2,401**	6,662	6,219	**5,254**
Segment assets	479,573	572,507	**581,484**	44,280	47,175	**59,725**	182,203	195,370	**143,107**
Segment liabilities	455,123	498,846	**517,506**	26,685	20,004	**22,271**	167,154	184,901	**145,033**

1. Segment data do not give effect to the elimination of intersegment transactions.
2. Restated for the adoptiong of IFRS 17.
3. "n.a." in above table should be read as "not applicable".

Treasury & Correspondent Banking			Wealth, Asset Management & Investment Banking			Life & Health Insurance & Pension Fund Management			General Insurance		
2022	2023	**2024**	2022	2023	**2024**	2022	2023	**2024**	2022	2023	**2024**
						Restated [2]	Restated [2]		Restated [2]	Restated [2]	
8.0%	11.3%	**11.9%**	7.6%	10.0%	**8.3%**	39.6%	33.8%	**34.7%**	26.5%	23.3%	**21.9%**
8.0%	5.1%	**12.2%**	13.0%	10.4%	**8.1%**	28.6%	25.0%	**26.2%**	1.7%	1.2%	**2.8%**
10.4%	11.5%	**13.7%**	11.1%	13.5%	**8.3%**	36.5%	23.4%	**29.4%**	13.4%	13.0%	**12.5%**
2.4%	3.5%	**4.0%**	9.0%	10.8%	**14.2%**	26.0%	13.7%	**19.3%**	17.6%	13.1%	**12.8%**
25.1%	36.4%	**31.5%**	18.5%	31.2%	**4.8%**	66.3%	65.8%	**58.5%**	11.8%	23.2%	**18.8%**
21.4%	18.3%	**19.1%**	20.5%	20.9%	**19.9%**	30.4%	29.4%	**29.2%**	5.8%	4.7%	**3.9%**
16.9%	26.4%	**20.4%**	44.4%	46.2%	**76.6%**	36.9%	34.1%	**30.5%**	69.2%	58.6%	**48.0%**
3.0%	2.4%	**3.1%**	2.3%	1.9%	**0.4%**	6.0%	2.8%	**3.7%**	5.1%	5.7%	**8.1%**
25,613	32,838	**38,352**	24,424	29,221	**26,975**	126,408	98,441	**112,224**	84,652	67,911	**70,988**
14,919	13,258	**16,203**	16,009	15,641	**9,850**	52,580	26,990	**34,684**	19,250	15,006	**14,786**
4,853	3,530	**7,374**	8,274	6,252	**4,425**	15,798	15,040	**15,208**	877	844	**1,670**
-	-	**-**	-	-	**-**	n.a.	6,565	**10,010**	n.a.	7,076	**7,285**
-	-	**-**	-	-	**-**	n.a.	(17,342)	**(18,759)**	n.a.	(353)	**(786)**
10,066	9,728	**8,829**	7,735	9,390	**5,425**	12,890	22,727	**28,225**	4,977	7,437	**350**
1,800	2,301	**2,201**	6,858	7,182	**7,897**	19,818	9,120	**10,732**	13,424	8,710	**7,104**
12,410	9,888	**12,910**	9,150	8,459	**1,952**	32,762	17,870	**23,952**	5,827	6,296	**7,682**
437,530	395,857	**434,565**	417,792	450,680	**452,610**	620,212	634,365	**663,948**	118,597	102,116	**88,148**
412,217	416,148	**439,052**	375,163	401,536	**415,198**	466,161	528,989	**568,133**	77,902	52,174	**61,106**

Financial Performance

its credit risk management practices and taking proactive measures to prevent similar occurrences in the future. Notwithstanding the reduced performance, the segment was able to increase its loan and deposit portfolios.

TREASURY AND CORRESPONDENT BANKING

Our Treasury and Correspondent Banking segment focusses on managing the Group's liquidity, foreign exchange, and market risk, while also managing correspondent banking relationships. The segment plays an important role in ensuring the Group's financial stability, while supporting key operations and services. The segment reported net operating profit of $12.9 billion, a $3.0 billion or 31% increase when compared to the prior financial year. The improvement in performance was primarily driven by an increase in net interest income. This growth was largely a result of the prevailing higher interest rate environment. As a result, the segment saw an uptick in profitability, reflecting the effective management of its treasury portfolio amidst the evolving macroeconomic conditions.

WEALTH, ASSET MANAGEMENT AND INVESTMENT BANKING

Our Wealth, Asset Management, and Investment Banking segment offers a comprehensive suite of services designed to meet the financial needs of individuals, institutions, and businesses. It provides personalised financial planning, investment advisory, and portfolio management services to high-net-worth individuals and families, helping them preserve and grow their wealth. This segment also serves as a niche financial partner in Trinidad through NCB Merchant Bank (Trinidad and Tobago) Limited, with a focus on arranging financing transactions for the Government of Trinidad and Tobago and corporates, working with SMEs and focusing on synergies between the Jamaican, the Trinidadian and other Caribbean markets.

The segment registered an operating profit of $2.0 billion, representing a $6.5 billion or 77% decline from the prior year's results. Key revenue lines, including gains on foreign currency and investment activities, other operating income, and net interest income, all showed adverse variances relative to the prior year. The primary driver of these declines was the high-interest rate environment, which notably constrained trading opportunities within the segment. Elevated interest rates led to reduced market liquidity and increased volatility, limiting favourable conditions for trading and investment activities. Despite these challenges, the segment remains committed to adapting its strategies to navigate current market conditions and positioning itself for growth as the interest rate environment stabilises.

LIFE & HEALTH INSURANCE AND PENSION FUND MANAGEMENT

Our Life & Health Insurance and Pension Fund Management segment reflects the results of the Group's life and health insurance, as well as pension fund management services, spanning 21 countries across the region. The largest geographical contributors to this segment are Trinidad and Tobago, Jamaica, and the Dutch Caribbean.

We previously highlighted that the prior year's results were restated for the adoption of IFRS 17. Additionally, the prior year was updated to include a non-recurring net fair value gain of $3.3 billion stemming from a model change which involved the reclassification of certain assets by a Jamaican insurance subsidiary from amortised cost and fair value through other comprehensive income to fair value through profit or loss under IFRS 9. Both updates resulted in the 2023 operating profit being restated from the previously reported $21.5 billion to $17.9 billion.

For the 2024 financial year, the segment reported an operating profit of $24.0 billion, representing an increase of $6.1 billion, or 34%, compared to the restated prior year. This favourable performance was largely attributable to two key drivers: a positive outturn from the insurance service results and an increase in realised gains and higher investment income. The improved insurance revenues were mainly due to continued growth in core business across the Group's diversified product offerings in the English-speaking and Dutch Caribbean markets. The increased insurance revenues were partially offset by increased insurance service expenses impacted by higher health claims and directly attributable expenses. Net insurance finance expenses increased over the prior year mainly due to the impact of the investment component associated with certain insurance products being less favourable for the Group's insurance liabilities. Nevertheless, the impact was favourable for our clients as they earned higher investment income due to the growth in the policyholders' underlying fund, which resulted in the higher expenses for the Group. These factors collectively enhanced the segment's overall profitability, demonstrating the Group's ability to capitalise on market opportunities despite the volatile markets and successfully rebalance portfolios, as necessary, to deliver robust financial results.

GENERAL INSURANCE

Our General Insurance segment reports the results of general insurance, which incorporates property and casualty (P&C) insurance from our insurance subsidiaries within the Guardian Group. The segment was also impacted by the adoption of IFRS 17 and the prior year's net operating profit restated from $11.6 billion to $6.3 billion. For the 2024 financial year, the segment reported operating profit of $7.7 billion which represented a $1.4 billion or 22% increase when compared to the restated prior year. We reported higher insurance revenues from our P&C business principally from operations in Trinidad, Jamaica and the Dutch Caribbean markets in both the property and motor lines of business. This was partially offset by an increase in insurance service expenses from higher incurred claim expenses, driven partially by net claims incurred from Hurricane Beryl. The segment also benefited from lower operating expenses. These factors contributed to a commendable performance in general insurance.

Income Statement Analysis

NET OPERATING INCOME

Net operating income was $120.0 billion, reflecting a $4.6 billion or 4% increase relative to the prior year. The higher revenues were mainly due to a $4.0 billion increase in insurance services results together with a $2.5 billion or 2% increase in net results from banking and investment activities. These increases were however tempered by a $1.9 billion or 10% increase in net insurance finance expenses.

Gross revenues totalled $323.8 billion, an increase of $32.1 billion, or 11% compared to the previous year. This growth was primarily driven by higher business activity and increased revenue from the banking segment as well as a rise in insurance service revenues, fuelled by growth in the insurance segment.

Net interest income, net of credit impairment losses, contributed 43% of total operating income, representing a decrease compared to 2023 (48%), primarily due to a 109% increase in credit impairment losses. Despite this, net interest income remains a key source of operating income for the Group, which grew by 2% or $1.3 billion.

The contribution from net fee and commission income rose marginally to 26% of net operating income, up from 25% in the prior year. This growth was mainly due to higher net fees from payment services, lending activities and brokerage fees.

Gains from foreign currency and investment activities contributed 27% to net operating income, while the insurance service results accounted for 15%.

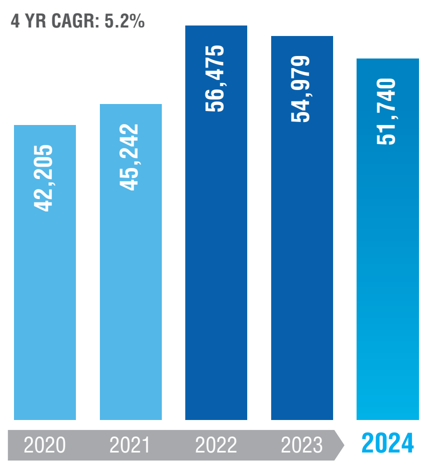
The Group's diverse revenue structure remains a core strength and highlights its resilience and adaptability, emphasising the importance of each segment in driving overall financial performance.

NET INTEREST INCOME

The Group generated net interest income, net of credit impairment losses, of $51.7 billion, a reduction of $3.2 billion, or 6%.

- Interest income from loans increased by $6.4 billion or 12% to $61.3 billion due to the combination of portfolio growth and increased interest yields.
- Interest income from investment securities, reverse repurchase agreements and deposits totalled $46.2 billion, which reflected a $3.4 billion or 8% increase over the $42.8 billion booked in the prior year.
- Interest expenses grew by $8.5 billion, or 22%, to $47.0 billion for the year. This increase was due to the rise in market rates driven by the increase Bank of Jamaica's signal rates as it continued its attempts to curb inflation during the financial year, which impacted the Jamaican entities interest cost.

[More details on net interest income item can be found in note 6 of the financial statements – see page 222].



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

Financial Performance

- Credit impairment losses were $8.7 billion, reflecting a $4.5 billion or 109% increase over the $4.2 billion booked in the prior year. The increase was mainly due to the impact of impairment losses booked on a few Corporate facilities.

  [A summary of this expense item can be found in note 13 of the financial statements – see page 280].

OTHER REVENUE ITEMS

Non-interest income related items grew by $9.7 billion or 12%, increasing to $87.8 billion, compared to the prior year.

- Insurance services result totalled $18.5 billion, reflecting an increase of $4.0 billion or 27% compared to the previous year. This growth was primarily driven by higher insurance revenues from continued growth in core business. However, this growth was tempered by an $11.8 billion or 15% growth in insurance services expenses as a result of higher claims and other direct insurance expenses.

  [Additional details on this income item can be found in note 9 of the financial statements – see page 224].

- Net fee and commission income was $30.7 billion, up $2.1 billion or 7% over 2023. The growth was mainly driven by the continued growth in card transaction volumes and value, together with increased lending activities and greater emphasis on fee-based transactions.

  [A summary by segment can be found in note 7 of the financial statements – see page 223].

- Gain on foreign currency and investment activities was up $3.0 billion or 10% over the prior year's result of $29.6 billion. This growth comprised a $742 million improvement in foreign exchange income together with improved unrealised gains and interest income on fair value through profit or loss instruments, and gains from the sale of equity securities.

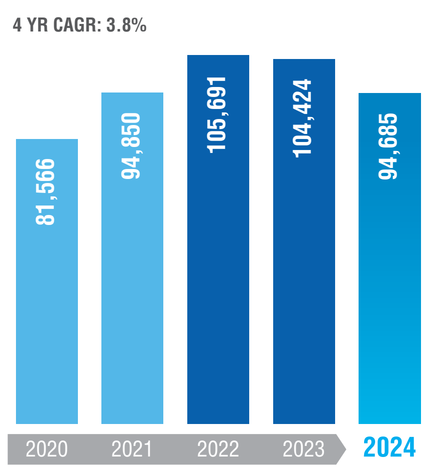
  [Further details on this income item can be found in note 8 of the financial statements – see page 223].

OPERATING EXPENSES

Operating expenses were $94.7 billion, 9% down from $104.4 billion in the prior year. This decline was mainly driven by a $10.7 billion decline in staff costs.

- Staff costs of $50.2 billion, declined by $10.7 billion, or 18%, mainly due to significant one-off costs incurred in the prior year due to restructuring activities.

  [Further details on staff costs can be found in note 12 of the financial statements – see page 279].



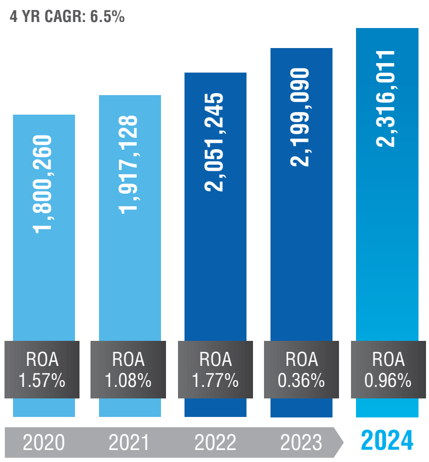
Operating Expenses ($'M)

- Depreciation and amortisation charges totalled $8.4 billion, reflecting a $1.2 billion or 17% increase relative to the prior year. The increase was mainly due to a change in the depreciation policy in the prior year that resulted in a reversal of depreciation expenses that did not recur in the current year. Finance costs declined by 14% or $295 million to close the year at $1.9 billion.

  [Additional details on these expenses can be found in notes 27, 28, and 29 of the financial statements – see pages 292, 295 and 298].

- Other operating expenses totalled $34.3 billion which was relatively flat compared to the $34.2 billion in the prior year. Notwithstanding the relatively insignificant growth in total other operating expenses, the following expense categories reflected increases over the prior year:

  - Management and royalty fees grew by $1.5 billion or 173% over the prior year
  - Operational losses increased by $1.4 billion due to the provision for the write-off of certain amounts deemed irrecoverable. Management identified a system issue that resulted in unreconciled differences that affected certain customers' accounts; provisions were made in the current and prior year. A special team was assigned by management to investigate certain unreconciled suspense settlement accounts, as well as cash and ABM balances. A provision was established for the outstanding balances and restated



Total Assets ($'M)

based on the materiality.

For 2023, of the total amount reported for operational losses of J$3.5 billion, J$1.2 billion of that amount was related to the correcting adjustments, which had an after-tax impact of $783 million.

[More details on the prior year operational losses item can be found in note 54 of the financial statements – **see page 405**].

- These increases were tempered by technical, consultancy and professional fees, which declined by $1.7 billion due to a decline in external consulting services previously engaged for certain strategic initiatives.
- Marketing, customer care, advertising and donations fell by $1.1 billion relative to the prior year, due to cost optimisation efforts engaged during the year.

[A list of other operating expenses can be found in note 14 of the financial statements – **see page 278**].

The Group is making notable progress in establishing a strong operating structure focused on efficiency, governance and customer experience. This approach aims to maintain our solid foundation that will continue to support future growth and enhancements.

Statement of Financial Position Performance Overview

ASSETS OVERVIEW

As at September 2024, the asset base of the Group was $2.32 trillion, representing a $116.9 billion or 5% increase when compared with the restated position at September 2023. This growth was largely attributable to the investment securities, amounts due from banks and loan portfolios, which grew by $60.9 billion, $20.1 billion and $13.6 billion or 6% , 13% and 2%, respectively. This reflects the strategic focus on increasing key assets while maintaining a solid funding base.

Our return on average total assets (ROA) was 1.0% representing a rebound from 0.4% in the previous year. As we implement our strategic initiatives, we expect further improvements in the ratio.

CASH IN HAND AND BALANCES AT CENTRAL BANKS

These assets represent cash, balances placed with central banks and statutory reserves with central banks held to enable NCBJ to respond adequately to liquidity shifts which totalled $95.7 billion, an increase of 18%, or $14.7 billion. Statutory reserves with the Bank of Jamaica represent the required ratio of cash holdings of prescribed deposit liabilities for local and foreign exchange liabilities. These balances increased by $1.1 billion or 2% and are not available for investment, lending, or other use by the Group. Also included in these balances are regular operational balances held at BOJ, which were $19.3 billion higher than the balances held in September 2023.

[For further details see note 17 of the financial statements – **see page 283**].

DUE FROM BANKS

These balances include placements with banks, short-term deposits and other balances held with correspondent banks and grew by 13% or $20.1 billion primarily due to a $19.1 billion or 13% increase in deposits held with foreign correspondent banks. These balances facilitate normal business activities, including facilitating the payment of wire transfers, bank drafts, treasury related activities as well as the satisfaction of liquidity requirements within the Group.

[For further details see note 18 of the financial statements – **see page 284**].

Financial Performance

INVESTMENT SECURITIES AND REVERSE REPURCHASE AGREEMENTS

Investment securities, and reverse repurchase agreements, totalled $1.17 trillion, an increase of 5% or $57.8 billion when compared to the prior year. The growth was driven by increased investment security holdings as well as improving market prices. Our investment securities portfolio remains the largest interest-bearing asset portfolio for the Group, constituting 50% of total assets and encompassing various instruments, including debt securities (government securities and corporate bonds), equity securities (both quoted and unquoted) and collective investment schemes. These instruments are categorised as fair value through profit and loss, fair value through other comprehensive income, and carried at amortised cost.

[For further details see notes 20 and 22 of the financial statements – see pages 285 and 287].

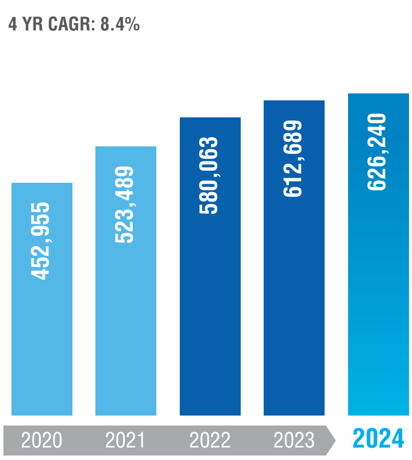
NET LOANS

The Group's net loans and advances, net of credit impairment losses, totalled $626.2 billion, a 2% or $13.6 billion increase over the prior year. The loan portfolio remains robust with consistent customer appetite for loans during the year evidenced by our new loan bookings for the various loan categories. Within our main Jamaican banking subsidiary, in comparison to the prior year, there was a total of 16% more personal mortgages booked for the period while business mortgages booked increased by 18%. There was also an increase of 25% in the number of digital loans booked when compared to the prior year, highlighting the drive to increase our digital offerings. This asset category represents the second largest asset, accounting for 27% of total assets.

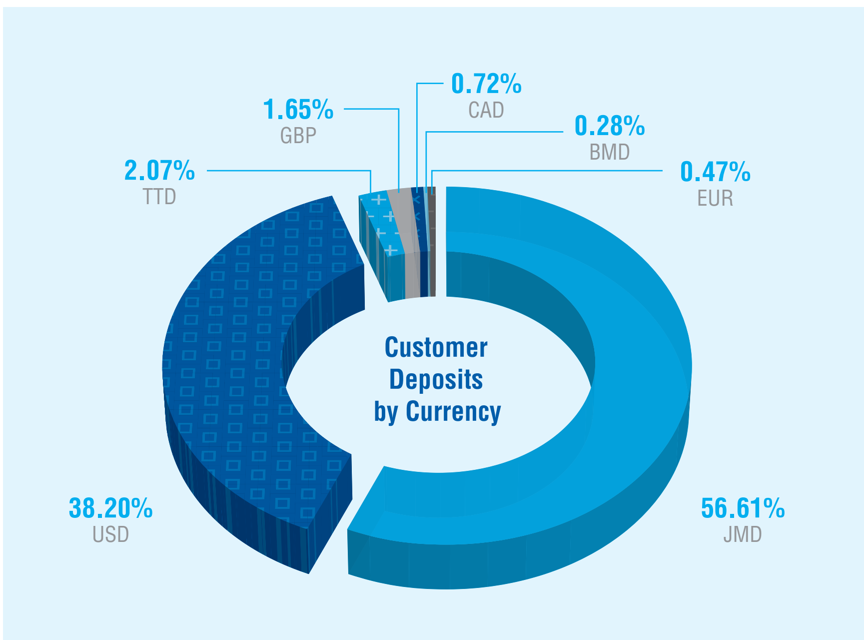
Non-performing loans totalled $26.1 billion, an increase of $461 million or 2% over the prior year. Notwithstanding the increase in the nominal value of the NPLs, the NPL ratio remained flat at 4.1% given the overall growth in the loan portfolio. The Group remains confident in our robust credit risk management process.

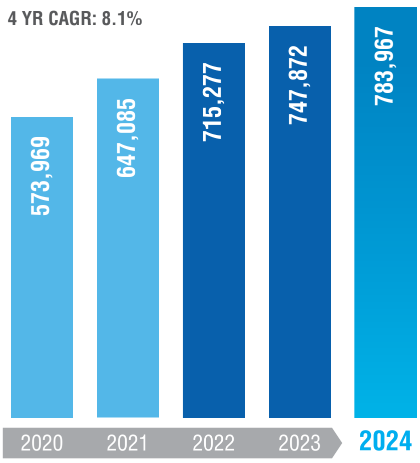
The quality of our loan portfolio was evaluated using key metrics, including the non-performing loan (NPL) ratio, loan loss reserve ratio, loans-to-deposits ratio, and risk-weighted assets ratio, ensuring prudent risk management while driving growth across the various business segments.

[For further details see note 21 of the financial statements – see page 286].

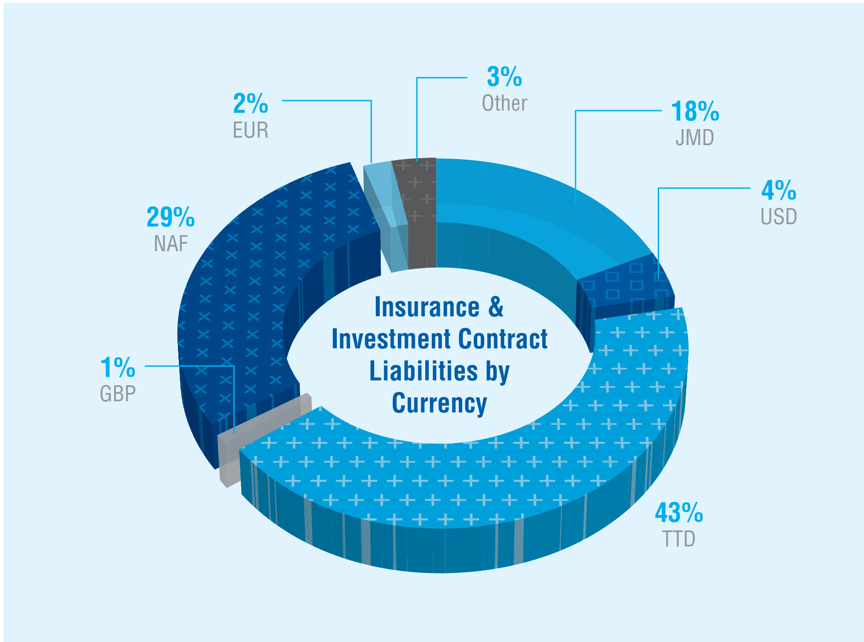


Net Loans ($'M)





Customer Deposits ($'M)



Liabilities Overview

FUNDING

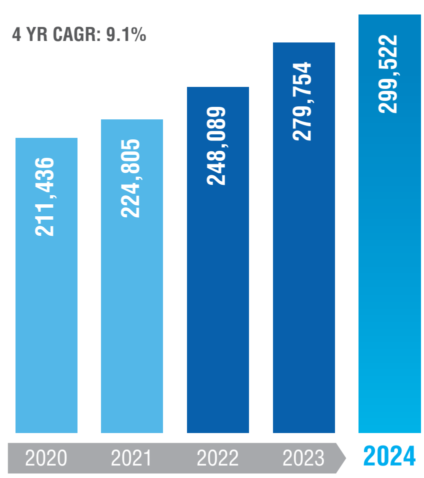
Our funding portfolio consists of short- and long-term borrowing arrangements under the following main funding lines: customer deposits, obligations under repurchase agreements, obligations under securitisation arrangements, amounts due to banks, other borrowed funds, mutual funds, segregated fund liabilities, investment contract liabilities and insurance contract liabilities.

CUSTOMERS DEPOSITS

Our customer deposits portfolio closed the year at $784.0 billion, a 5% or $36.1 billion increase compared to the prior year. The growth in deposits is evidenced across all three main deposit types: current accounts (6%), term/fixed deposits (6%) and savings accounts (3%). Customer deposits represent 37% of total liabilities and remains the Group's primary funding source, underscoring the trust and confidence our customers place in our banking services. Of our total customer deposits, 57% is denominated in Jamaica dollar currency and 38% is denominated in United States dollar currency.

INSURANCE CONTRACT AND INVESTMENT CONTRACT LIABILITIES

Insurance contract liabilities totalled $543.7 billion, a 6% or $32.7 billion increase over the prior year. This growth in our insurance segment was driven by strong customer demand as clients continued to service their policies coupled with new business growth across all territories. Our life insurance subsidiaries issue life and health insurance and annuity contracts. These contracts insure human life events (for example, death, survival or critical illness) over a long duration. The general insurance subsidiaries issue property and casualty insurance contracts. Casualty insurance contracts protect our customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and noncontractual events. Property insurance contracts mainly compensate our customers for damage suffered to their properties or for the value of property lost. Annuity contracts accounted for the majority of the balance, accounting for 69% of the total, followed by traditional life and interest sensitive without guarantees balances representing 15% of the total.



Repurchase Agreements ($'M)

Financial Performance

Investment contract liabilities totalled $48.5 billion at the end of the year, up from $47.1 billion in the prior year.

[For further details see notes 9 and 37 of the financial statements – see pages 224 and 309].

REPURCHASE AGREEMENTS

Repurchase Agreements totalled $300.0 billion, an increase of $19.8 billion, or 7%, over the prior year, mainly due to increased balances held by our subsidiary NCBCM, and short-term funding accessed by other members of the Group. Repurchase agreement funding arrangements are used primarily by the Group as short-term funding and as a product for corporate and limited individual clients, and continues to be second largest funding source for the Group. Repurchase agreements involve a short-term loan where there is a sale of securities with an agreement for repurchase at a later date.

OBLIGATIONS UNDER SECURITISATION ARRANGEMENTS

Obligations under securitisation arrangements decreased by $5.2 billion or 5% to $93.0 billion when compared to the prior year, due to scheduled repayments under the arrangements. These arrangements include Diversified Payments Rights (DPR) arrangement and a Merchant Voucher Receivables (MVR) arrangement. 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. The DPR transaction was upgraded by Fitch Ratings in March 2024 to BBB- with stable outlook. Under the MVR arrangement, NCBJ entered 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. The MVR transaction was affirmed by Fitch ratings at BBB- with a positive outlook.

[For further details see note 33 of the financial statements – see page 303].

OTHER BORROWED FUNDS

Other borrowed funds amounted to $188.8 billion, comprising multiple funding sources. As of September 2024, this represented a 5% or $9.2 billion increase, compared to the previous year. One of the drivers of this change was corporate notes, which totalled $154.0 billion, a 1% increase, or $1.5 billion, over the prior year. Other borrowings also increased by $5.9 billion or 40%. Each funding source offers distinct terms, tenures, and interest rates, which were utilised to benefit our customers.

At the holding company level, NCBFG focussed on debt reduction and refinancing activities during the year, which resulted in lower debt levels at the end of September 2024.

[For further details see note 34 of the financial statements – see page 305].

STOCKHOLDERS' EQUITY

The Group's total stockholders' equity of $210.7 billion increased by $40.0 billion, or 23%, compared to the previous year. The equity attributable to the company's stockholders rose to $172.3 billion, reflecting an increase of $30.2 billion, or 21%. This growth was largely due to a $15.6 billion decrease in unrealised fair value losses and a $9.0 billion increase in retained earnings. The return on average equity for the Group improved from 1.9% to 8.5% primarily driven by increased profitability.

CAPITAL MANAGEMENT

We prioritise maintaining the Group's financial stability through effective capital management. Adequate capital is essential for sustainability, regulatory compliance, and achieving strategic and shareholder objectives. Each regulated entity consistently met and exceeded specific capital requirements set by its jurisdiction. Each regulated entity ensures and monitors compliance using a capital management plan aligned with the Group's policy, focusing on maintaining sufficient capital, optimising its statement of financial position, balancing risk and return, and adapting to market changes

[For further details see note 49(f) of the financial statements – see page 327].

As of September 30, 2024, the Jamaica Stock Exchange share price was J$53.12 (2023: J$68.49), with a price-to-earnings ratio of 9.45 (2023: 64.61). On the Trinidad and Tobago Stock Exchange, the price at September 30, 2024 was TT$2.41 (2023: TT$2.77).

We are committed to enhancing the Group's strength, driving business growth, and delivering greater shareholder value.

RELATED AND CONNECTED PARTY TRANSACTIONS

The Group considers the following individuals or entities to be related:

- Parent and companies controlled by our major shareholder
- Subsidiaries
- Associated companies of the Group
- Directors and key management personnel and their families

NCBFG Total Shareholder Return							
For The Year Ended September 30	**2020**	**2021**	**2022**	**2023**	**2024**	**Three-Year CAGR (%)**	**Five-Year CAGR (%)**
Closing Price of Common Shares ($ per share)	130.90	127.52	89.89	68.49	**53.12**	(25%)	(24%)
Dividend Paid ($ per share)	1.90	0.50	0.00	0.50	**2.00**	59%	(10%)
						Three-Year Shareholder Return	**Five-Year Shareholder Return**
NCBFG Shareholder Return (%)	**(36%)**	**(2%)**	**(30%)**	**(23%)**	**(20%)**	**(56%)**	**(72%)**
JSE Index Annual Movement (%)	**(26%)**	**9%**	**(13%)**	**(10%)**	**(3%)**		

- Companies controlled by directors and related by virtue of common directorship

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

In the normal course of business, we may engage in financial and commercial transactions with related parties. These transactions are executed typically on an arm's length basis, on substantially the same terms, including interest rates and collateral, where applicable, as those prevailing at the time for comparable transactions with unrelated parties (with the exception of loans included under the staff loan policy). Related party transactions with terms outside of normal business conditions require approval by the Board of Directors. Additionally, certain subsidiaries have Corporate Governance and Conduct Review Committees, which monitor overall related party exposures and approve transactions with related parties outside of the normal course of business. Periodic reports are also submitted to the Audit Committee.

STAFF LOANS AND OTHER CONCESSIONARY FACILITIES

We provide credit facilities at concessionary rates to employees and pensioners. The amounts that can be borrowed at concessionary rates are capped and all amounts in excess of the cap are accessible through normal customer facilities. The benefit of the discounted rate is assessed annually and, if determined to be material, included in the financial statements.

OTHER MAJOR RELATED PARTY TRANSACTIONS

Related parties may engage in transactions involving financial assets or financial liabilities such as investment securities, reverse repurchase agreements, repurchase agreements or corporate notes, which are executed at prevailing fair market prices. From time to time, these transactions may involve corporate finance services for which fees are charged at rates that are consistent with those charged for similar services to unrelated customers. Transactions and balances between the Group companies are eliminated on consolidation of the financial statements.

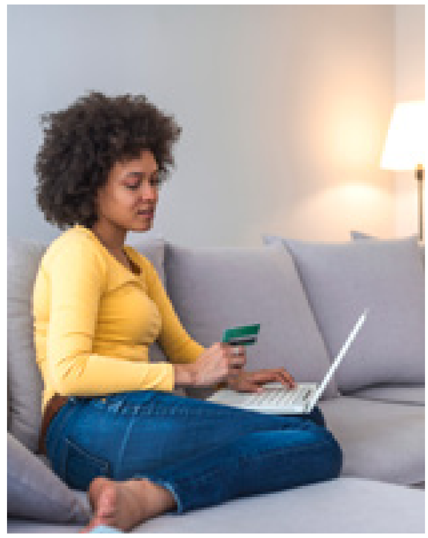
In the normal course of business, we also enter into agreements with related parties, which typically involve the provision of advisory, insurance and other services. These services are provided on terms which are consistent with those offered to other unrelated customers.

[For further details see note 46 of the financial statements – see page 324].

Segments

Banking

NCB Financial Group operates its banking activities through its subsidiaries in Jamaica and in Bermuda, with a commitment to connecting people, solutions and progress across the region. In the 2024 financial year, our banking business achieved commendable growth by focusing on efficiency, customer experience and expanding their market presence. Through strategic initiatives and customer-centred approaches, the Group seeks to strengthen its mission of connecting customers to value and advancing financial wellbeing.



FINANCIAL PERFORMANCE AND GROWTH

Both NCBJ and CBL drove financial growth through strategic initiatives designed to deepen customer relationships and expand value-added product offerings. NCBJ's "Customer Connection" campaign in Jamaica led to over 5,000 new salary and business accounts, reactivating nearly 19,000 dormant accounts, driving a J$4.82 billion increase in average deposit balances. Additionally, this initiative saw close to 2,500 new e-commerce solutions adopted, further embedding the bank in customers' daily lives.

In Bermuda, CBL expanded its Wealth Management services, gaining new customers and fortifying its market position.

These efforts, paired with strategic partnerships and targeted campaigns, have laid a strong foundation for continued success across the Group.

EFFICIENCY AND OPERATIONAL EXCELLENCE

Operational efficiency remains a core focus, empowering the Group to better serve customers and deliver timely solutions. In Jamaica, NCBJ introduced a teller insourcing programme that improved processing times for business deposits, resulting in a 25% increase in deposit values, a 36% boost in deposit volumes, and a 94% reduction in customer complaints.

Meanwhile, in Bermuda, CBL leveraged its "Trident Programme", a collaborative effort with business processing outsourcing firm Sutherland, to reduce overhead costs and enhance decision-making through AI-powered analytics. These advancements in operational capabilities ensure that the Group continues to operate efficiently and effectively.

CUSTOMER EXPERIENCE AND DIGITAL INNOVATION

We continue to prioritise customer experience, reflected in our investments in digital innovation and accessibility. In Jamaica, NCBJ launched a Remote Service Centre, offering in-branch services on weekends to increase customer convenience. NCBJ also streamlined its loan approval processes, simplifying access to auto and SME loans.

CBL reinforced its digital infrastructure with a self-service platform that enables customers to open foreign currency accounts within minutes. This commitment to customer-focused innovation earned Clarien's mobile app the TechAwards' 'Mobile App of the Year' recognition, underscoring the Group's dedication to delivering industry-leading digital solutions.

ADDRESSING CHALLENGES

In a landscape of growing cybersecurity risks, the group prioritised robust security measures to safeguard customers' assets and personal data. As phishing and smishing attacks intensified globally, the Group fortified their defences, intensified employee training and enhanced monitoring capabilities to mitigate threats and protect customer trust.

POSITIONED FOR THE FUTURE

NCBFG is confident in the continued strong performance of its banking business. With a foundation built on operational efficiency – underpinned by technological advancement, adherence to robust governance standards and customer-first strategies, our banking subsidiaries are well prepared to adapt to the evolving financial landscape. By connecting clients with valuable resources and innovative solutions, the Group is committed to maintaining a competitive edge and delivering exceptional value for years to come.

Payment Services

The global payments industry is experiencing a major shift, with digital payments set to grow rapidly in the coming years. E-commerce expansion, mobile payments, and increased contactless transactions — accelerated by the recent pandemic — are propelling this growth. Industry projections forecast a 13.7% compound annual growth rate (CAGR) for digital payments worldwide from 2023 to 2028, driven by fintech advances, blockchain integration, and the adoption of digital wallets, which have become increasingly popular for their convenience and security.

While the Asia-Pacific region leads this transformation, followed by North America and Europe, the Caribbean's payments sector is also advancing significantly. In Jamaica, business digitisation and the shift towards contactless digital payments reflect these global trends, highlighting a strong demand for fast, secure and seamless transaction options.

PERFORMANCE AND ACHIEVEMENTS

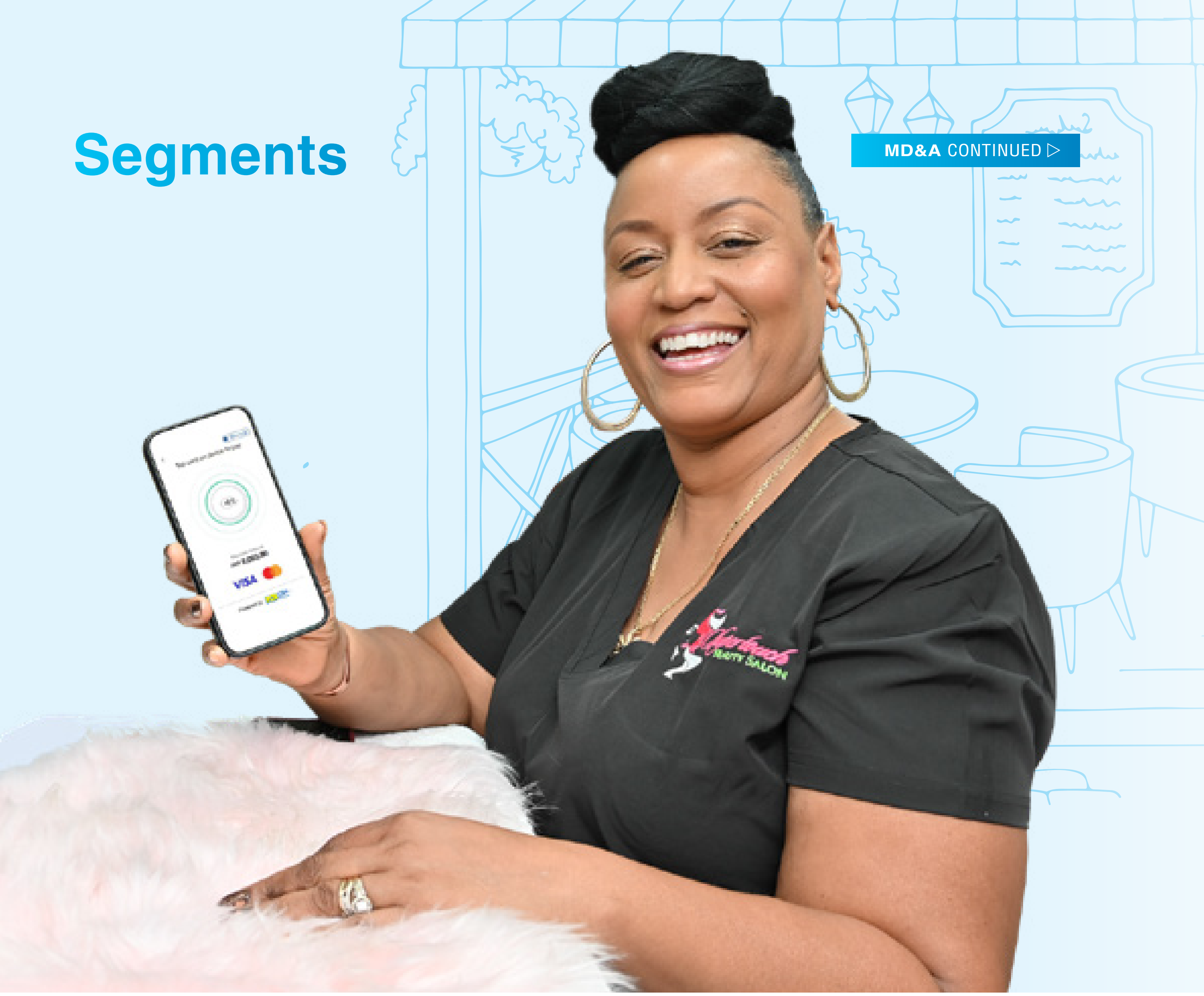
In the 2024 financial year, NCBJ's Payments and Digital Channels Division celebrated key achievements in line with the Group's priorities of Efficiency, Governance and Customer Experience:

- Jamaican Fee to Non-fee Revenue Share – 72%
- Jamaican Net Promoter Score – 65
- Jamaican Platform Uptime – upwards of 99%

These indicators underscore continued focus on operational excellence and customer satisfaction. With a Jamaican market share of 71% in transaction volumes, the division strengthened its leadership position. Merchant acquisition efforts in Jamaica expanded the network to include 26,000 merchants, processing J$884 billion in total transactions. On the Cards Issuing side, 148,000 new accounts were opened, resulting in J$398 billion in purchase volumes, and J$41 billion in receivables with 80% of new accounts onboarded digitally.

Segments

MD&A CONTINUED ▷



INNOVATIONS AND KEY PROJECTS

The Group led the Jamaican market in innovation with the launch of NCB ePOS (Tap-on-Phone), which enables businesses to accept payments using NFC-enabled smartphones or tablets. This project, a collaboration with Malaysian fintech company Soft Space, currently supports Visa and Mastercard payments, with plans to integrate American Express, JETS MultiLink, UnionPay International, and Discover for added versatility.

Additionally, we advanced our infrastructure by migrating VeriFone POS terminals to the enhanced VeriFone Engage models. By mid-2024, 96.67% of the rollout was complete, with a full deployment on track for October 2024.

In loyalty and rewards, the NCB Miles loyalty platform recorded a 41% increase in unique cardholders redeeming rewards, supporting engagement across the cardholder base. Further driving engagement, the American Express (AMEX) Education Campaign facilitated, J$32.6 million (~US$208,000) in AMEX transactions with 1,085 transactions recorded.

LOOKING AHEAD

The Payments Services remain committed to connecting innovation with customer needs. Expansion plans include broadening services for the MSME segment and launching tailored solutions to meet the requirements of businesses across the region. By partnering with platforms like LynkBiz, we aim to increase accessibility to financial services for both banked and unbanked customers, ensuring that security and ease of use remain at the forefront of our offerings.

Through a commitment to efficiency, governance and customer experience, we continue to shape a forward-looking landscape in Payment Services, driving value for shareholders and customers alike.

Treasury & Correspondent Banking

Our Treasury and Correspondent Banking segment underpins the financial stability and liquidity essential to our clients' success and the broader financial ecosystem. Through rigorous foreign exchange and liquidity management, the segment ensures the financial foundation that supports our retail, business, and institutional clients fostering trust and building stronger connections across every touchpoint.

EMPOWERING CLIENTS THROUGH RELIABLE ACCESS

This year, we reinforced our reputation as a reliable source of foreign exchange, closely monitoring market trends to manage foreign exchange flows with precision. This dependable access to foreign currency enables clients – both business and personal – to operate with confidence in a complex financial environment, empowering them to pursue their goals with security.

Effective liquidity management was equally essential this year. By maintaining optimal liquidity levels across all markets, we effectively mitigate risk and improve operational efficiency, acting as a stabilising force in times of uncertainty. For the sixth consecutive year, Global Finance Magazine recognised our efforts by awarding us Best FX Bank and Best FX Provider for Jamaica in 2024, underscoring our excellence in transaction volumes, customer service, competitive pricing, and advanced technology.

STRENGTHENING OUR FUNDING CAPABILITIES

This year, we expanded our funding capabilities through structured programmes designed to increase resilience and flexibility. A significant milestone was the upgrade of our DPR Securitisation programme to investment grade (BBB-) by Fitch Ratings. This upgrade reflects rating confidence in our strategic direction and provides access to more stable long-term funding sources outside of Jamaica. With this investment-grade rating, we are well-positioned to pursue new growth initiatives that align with our commitment to sustainable financial performance.

DRIVING OPERATIONAL EFFICIENCY

Efficiency is central to our commitment to client satisfaction and aligns with our Financial Group's framework for Efficiency, Governance and Customer Experience. By implementing advanced technology and refining internal processes, we have achieved faster transaction times, minimised errors, and raised service standards.

These enhancements benefit clients by delivering a seamless, reliable banking experience and reinforce our leadership in transactional banking within Jamaica.

LOOKING FORWARD

Our future priorities include driving innovation, expanding funding sources, and consistently enhancing the client experience. With a continued focus on effective liquidity management, optimised transaction processes, and a commitment to meeting the evolving client needs, we are dedicated to strengthening our position as a trusted financial partner and regional leader. Building resilience and opportunities for growth across every level.

Life, Health, Insurance, Pensions, & Pension Fund Management

The 2024 financial year presented complex challenges for the global insurance industry, marked by evolving regulatory requirements and shifting customer expectations. Despite this, NCBFG's Insurance and Pension Fund Management subsidiaries under Guardian Holdings Limited as well as NCB Insurance Agency & Fund Managers Limited demonstrated resilience, leveraging market leadership and a customer-centric approach to achieve solid performance and growth.

DRIVING EFFICIENCY AND FINANCIAL PERFORMANCE

NCBIA expanded its sale offerings in life, health, and disability products, and also achieved growth in Funds Under Management, through strategic investments in high-yield fixed-income assets, despite a challenging stock market. Key highlights include:

- **Commission Income Growth** — 24% growth in annuities and a 34% increase in employee benefits insurance, powered by targeted partnerships and enhanced sales channels.
- **Industry Recognition** — 21 NCBIA team members attained Million Dollar Round Table (MDRT) status in 2023, a prestigious mark of achievement in the insurance sector.
- **Awards** — NCBIA won the World Finance Pension Fund Awards for the Caribbean in both 2023 and 2024, a reflection of ongoing enhancements to customer experience.

STRENGTHENING GOVERNANCE AND OPERATIONAL RESILIENCE

GHL's commitment to ESG principles has been reinforced with the establishment of a Board-approved ESG Committee, providing strategic oversight, ensuring compliance, and enhancing performance reporting. Our proactive environmental initiatives, such as the Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) project, support climate risk mitigation and sustainable business practices. Additionally, enhanced underwriting processes — marked by reduced paper usage and automation — have led to measurable efficiency gains and improved operational performance.

GHL further advanced governance and structural improvements, through several strategic initiatives including:

- **IFRS 17 Compliance** — GHL completed its transition to the IFRS 17 reporting standard, ensuring full compliance with international accounting standards.

In parallel, Guardian General Insurance Limited (GGIL), a subsidiary of GHL, enhanced its operational framework, with:

- **Motor Portfolio Optimisation** — Improved pricing strategies through the completion of motor insurance statistical reports and claims models.

- **Reinsurance Success** — Reinsurance treaties were finalised across all regions by May 2024, offering stronger protection against catastrophic risks.
- **Catastrophe Preparedness** — GGIL's reinsurance programme effectively mitigated losses from Hurricane Beryl, limiting Group net losses to under US$10 million.

ENHANCING CUSTOMER EXPERIENCE THROUGH INNOVATION

NCBIA's focus on customer experience was reflected in operational improvements and digital innovation:

- **NCBIA Pension Portal:** Automating routine tasks allowed staff to focus on higher value-added services. The platform, which offers features like pension balance tracking and contribution history, significantly improved the user experience, contributing to the Net Promoter Score (NPS) growing to 67%.
- **Policy Administration Advancements:** The Oracle Insurance Policy Administration (OIPA) system streamlined policy management, delivering enhanced service quality and operational efficiency.

Leveraging technology to optimize operations and enhance customer experience remains a key priority for GHL. Automated processes have improved efficiency and increased customer retention by 2% to 9% across various markets. Strategic claims settlement initiatives have generated annual cost savings of TT$2.5 million and enabled real-time claims monitoring, resulting in faster service delivery and greater customer satisfaction.

POSITIONED FOR SUSTAINABLE GROWTH AND INNOVATION

Through its continued emphasis on efficiency, governance, and customer experience, NCBFG's insurance subsidiaries are positioned to capture future growth. Strategic investments in technology, global partnerships, and expanding product lines will enable the Group to meet the evolving demands of its customers reinforcing its industry leadership in the Caribbean insurance sector.

Wealth, Asset Management, & Investments

Our wealth management strategy connects the dots in our clients' financial lives, creating a comprehensive approach that integrates growth, security, and a high standard of service. This year, we deepened our client relationships and strengthened our offerings by unifying services across the Group. This client-centred connection supports long-term wealth, delivering value through every interaction.

Our approach combines expertise from pensions, private banking, investment services, and capital markets, enabling clients to experience a seamless journey through each stage of wealth-building. By aligning insights and resources across the Caribbean, we deliver tailored solutions that foster growth and generate substantial value for clients and shareholders alike.

VALUE-ADDED RELATIONSHIPS WITH CUSTOMISED SOLUTIONS

This year, we advanced our client relationships with solutions designed to meet their specific needs. Two key initiatives in Jamaica reflected this commitment:

- **Buy Term and Invest the Rest:** A programme that combines term life insurance with unit trust investments, offering clients a balanced approach to wealth growth while managing risk.
- **Financial Team Pilot Programme:** High-net-worth clients benefited from dedicated teams across banking, capital markets, pensions, and insurance, creating a cohesive and comprehensive approach to wealth management.

Additionally, NCBCM licensed and trained Wealth Advisors, enhancing their ability to provide broad-spectrum financial advice. This capability upgrade connects our clients to well-rounded expertise, supporting a holistic client experience.

BUILDING WEALTH ACROSS THE CARIBBEAN

Our Investment Banking arm, NCBCM, continued to play a pivotal role in fostering regional economic growth. This year, the team successfully delivered on several initiatives that underscore their leadership in the sector:

- **Jamaica:** NCBCM brokered and arranged the IPO of Omni Industries Limited on the Junior Market of the Jamaica Stock Exchange, the first IPO of the year. Exceeding expectations, the offer was oversubscribed by 66%, highlighting investor confidence in our ability to identify and execute high-potential investments.
- **Barbados:** The team secured a significant mandate to raise BB$65 million for the Queen Elizabeth Hospital, supporting critical national infrastructure.
- **Trinidad and Tobago:** NCBMBTT launched the IPO for Eric Solis Marketing Limited, leveraging the GoIPO platform to allow seamless investor participation. This marked the first SME listing on the Trinidad and Tobago Stock Exchange in five years, showcasing our commitment to advancing equity capital markets.
- **Guyana:** NCBCM expanded its presence in Guyana, hosting the inaugural Guyana Capital Markets Conference, which positioned the Group as a leader in the country's rapidly evolving financial landscape.

BROADENING INCOME STREAMS AND ENHANCING ACCESSIBILITY

Our efforts to diversify income streams have not only strengthened financial resilience but have also enabled us to support clients in innovative ways. Initiatives such as invoice factoring provided clients with much-needed working capital while allowing us to expand our offerings in underserved segments.

Furthermore, by integrating technology into our solutions, we improved accessibility for clients. The GoIPO platform in Trinidad facilitated a seamless digital process for equity investment, while our enhanced digital platforms across the region provided real-time alerts and simplified account management.

ACHIEVEMENTS IN ASSET MANAGEMENT

Our Asset Management teams across the Caribbean also achieved impressive milestones this year:

- **Trinidad and Tobago:** GHL achieved 45% above last year's net results. Capital markets activity drove much of this success, with an 18% increase in transactions. Key successes included TT$450 million raised for corporate clients and TT$250 million for the Government of Trinidad and Tobago.
- **Bermuda:** Clarien Investments secured a US$68 million inflow from a trust client and expanded its liquidations business, adding US$20 million in AUM. The Private Banking and Wealth Management team also facilitated the listing of two British Virgin Islands firms on the Bermuda Stock Exchange.
- **Barbados:** NCB Capital Markets (Barbados) Limited maintained its position as the largest market maker for the Government of Barbados instruments, playing a key role in revitalising investor confidence.

Regional and international growth remains a focus as we explore new markets and enhanced digital capabilities for clients to connect with us easily across borders. This year's client event in New York strengthened our ties with the diaspora, affirming our commitment to serving clients wherever they are.

CLIENT-CENTRIC SOLUTIONS AND ENHANCED ENGAGEMENT

Throughout the Caribbean, client engagement remained central to our strategy:

In Jamaica, we prioritised client engagement through over 24 monthly meetings and our new Wealth Days for corporate and SME clients. These initiatives drove growth in deposits and generated strong interest in our new products, demonstrating the power of consistent, meaningful interactions in building long-term relationships. Similarly, one-on-one meetings with high-net-worth clients in Barbados deepened relationships and fostered loyalty, while client appreciation events in Trinidad and Tobago brought in TT$27 million in new AUM.

To reinforce security and transparency, we upgraded our digital platforms with new transaction alerts and improved internal controls. These enhancements gave clients greater confidence in managing their accounts, further strengthening trust with each interaction.

Our client-centred approach extends beyond financial transactions. The Group's commitment to fostering economic development is exemplified by initiatives such as our lead sponsorship of capital market conferences across Jamaica, Trinidad, and Guyana.

EXPANDING PARTNERSHIPS ACROSS THE GROUP

Strategic partnerships across our Financial Group connected clients to a broader range of services. Guardian Group, for instance, signed a referral agreement with Clarien Trust Limited in Bermuda, providing clients with trust services for wealth transfer and legacy planning. This collaboration reflects our goal of offering a seamless client experience across the Group, supporting clients in achieving their financial objectives regardless of location.

AWARD-WINNING PERFORMANCE

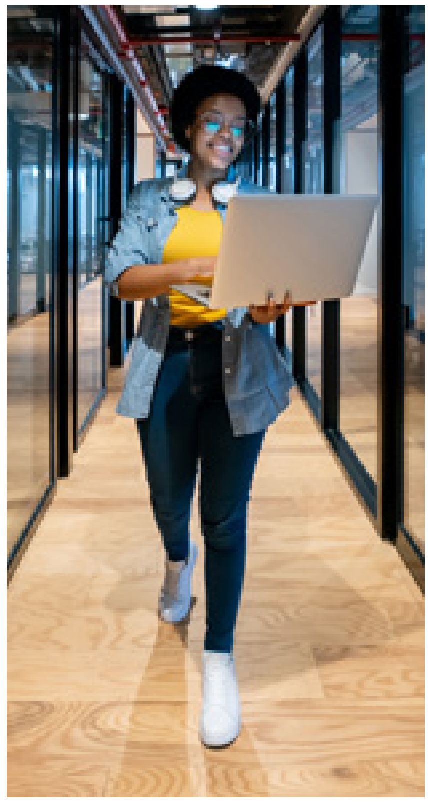
Our commitment to excellence and client-focused service has earned regional recognition. NCBMBTT was named Best Private Bank in Trinidad by Global Finance, while NCBJ received the Best Private Bank in Jamaica award. These accolades reaffirm our commitment to delivering gold-standard investment banking services and tailored financial solutions across the region.

As we look ahead, we remain dedicated to connecting our clients to tailored solutions, high-touch service, and new opportunities for wealth growth, all while enhancing efficiency, governance and client experience across the Group. This approach underscores our commitment to delivering sustained value for our clients and shareholders in every region we serve.

Business Enablers

Our People

Our people are at the heart of our ability to deliver meaningful value to our customers and communities. Their commitment, adaptability, and shared sense of purpose propel our success across all markets. In 2024, we enhanced our focus on creating a workplace where our employees feel valued, supported, and connected — through personal development opportunities, a culture of respect, and innovative programmes promoting resilience.



BUILDING A CULTURE OF INTEGRITY AND ENGAGEMENT

In alignment with our EGC framework, we prioritised strengthening our organisational culture. In Jamaica, the launch of our **Business Ethics programme** deepened our commitment to integrity and accountability. This initiative included a Group-wide ethics survey, awareness campaigns, and interactive sessions that engaged over 400 employees, fostering discussions around values and ethical practices.

The **HR Live initiative** ensured meaningful employee engagement by connecting HR leaders with 85% of targeted locations, fostering direct and regular communication. Additionally, bi-monthly **Power Talks and Culture Connect** sessions facilitated cross-departmental dialogue averaging 150 employees per session; while celebrating occasions like NCBJ's Gratitude Day, monthly wellness campaigns, and special events like Mother's Day and Administrative Professionals Day, reinforced a supportive and inclusive workplace culture.

In Bermuda, Clarien Bank began a transformative **Environmental, Social, and Governance (ESG)** journey, exemplified by its partnership with the Bermuda Aquarium, Museum and Zoo (BAMZ). Employee-led conservation efforts on projects on Trunk Island, highlighted our commitment to environmental stewardship.

Clarien Bank in Bermuda exemplified community commitment by encouraging employees to volunteer, combining corporate giving with meaningful, hands-on contributions.

GROWING RESILIENCE AND ENABLING PROFESSIONAL GROWTH

Resilience and professional growth remained central to our People strategy. The introduction of the **Voice of the Employee Survey** in Jamaica provided valuable insights into employee perspectives, driving initiatives like the **Market Me campaign**, which equipped staff with tools for career development, including mock interviews, and personal branding workshops.

Leaders benefited from a **Change Management Workshop** that trained 348 managers and supervisors to navigate organisational shifts effectively. The **Talent Mobility Programme**, spanning nine divisions, provided staff opportunities to explore new roles, enriching both their professional journeys and stimulating overall engagement.

In Trinidad and Tobago, GHL focused on developing a generative culture of innovation and adaptability through **Culture Articulation Workshops**. These sessions empowered leaders to shape their unit's culture purposefully, aligning it with our strategic goals.

RECOGNISING EXCELLENCE AND SUPPORTING WELL-BEING

Acknowledging our employees' contributions and priortising their well-being remain central to our Group's approach. In Jamaica, the **Pinnacle Recognition Programme**, celebrated outstanding individual and team efforts. Health-focused initiatives included the **Ease the Pressure Campaign**, a quarterly wellness check-up, and comprehensive health screenings for staff in Bermuda and Trinidad and Tobago.

PREPARING FOR THE FUTURE

Empowering employees to thrive in a dynamic business landscape, we provided continuous learning and development opportunities. Through our partnership with Alison.com, employees had access to over 4,000 online courses. A digitised recruitment platform streamlined hiring processes, while targeted digital training sessions in Bermuda and Trinidad and Tobago boosted technical expertise.

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The launch of Guardian's ExecOnline Leadership Development Programme further enabled leaders to enhance their strategic and operational capabilities, fostering collaborative leadership across the Group.

FOSTERING INCLUSION AND A GENERATIVE CULTURE

Diversity, equity, and inclusion (DEI) remain integral to our People strategy. Across the Group, we embedded DEI principles to create an environment of respect and belonging. In Jamaica, training sessions and surveys explored ways to celebrate differences, while Guardian introduced measurable DEI action plans, including the Talent Assessment Programme, to ensure equitable opportunities at all levels.

CONNECTING FOR THE FUTURE

Our people bring unique strengths and perspectives to every interaction, reinforcing the Group's mission to connect, innovate and grow. By fostering a culture of resilience, inclusivity and purpose, we are not only shaping the future of our organisation but also building a workforce that thrives in delivering exceptional experiences for our customers and communities.

Business Enablers

Technology & Analytics:

Connecting Innovation to Excellence At the core of our mission is transforming financial services through cutting-edge technology and data-driven strategies. By enhancing digital infrastructure, fortifying cybersecurity, and elevating customer experiences, we are creating a robust ecosystem that connects employees and clients to seamless, secure and responsive solutions. This foundation aligns with our EGC framework, positioning us as leaders in the digital financial landscape and advancing our vision for sustainable growth.

CLOUD TRANSFORMATION AND INFRASTRUCTURE UPGRADES – UNLOCKING AGILITY AND COMPLIANCE

This year marked a significant milestone with the start of the migration of our production systems to the Cloud. This shift represents a transformative leap toward operational efficiency and compliance with regulatory standards. Our multidisciplinary teams – from Risk and Legal to IT – collaborated extensively to ensure data privacy, cybersecurity, and industry regulations were prioritised.

This migration will enable scalable infrastructure, cost efficiencies, and innovation opportunities. As we prepare for the execution phase, our focus is on data migration, system integration, and maintaining business continuity to ensure a seamless transition that supports long-term goals.

STRENGTHENING CYBERSECURITY AND OPERATIONAL STABILITY

Adapting to an ever-evolving digital landscape, we strengthened our cybersecurity defences, implementing advanced threat detection, data masking and enhanced identity and access management. These efforts boosted our Cybersecurity Controls rating from 85% to 90% demonstrating our commitment to safeguarding stakeholder data.

90% Cyber Security

Adapting to an ever-evolving digital landscape, we strengthened our cybersecurity defenses.

Reliability also saw measurable improvements, with branch service availability increasing from 99.57% to 99.83%, and online service availability rising from 99.89% to 99.91%. These advancements deliver more consistent and dependable experiences for our customers.

DELIVERING DIGITAL SOLUTIONS ACROSS THE GROUP

This year's focus on digital innovation produced tangible outcomes:

- **Payments:** We introduced the region's first Tap on Phone solution for MSMEs, expanding our market share and enhancing revenue potential.
- **Lending:** An Auto Decisioning Pilot expedited loan processing by automating key approval criteria, reducing operational costs, and improving straight-through processing (STP) which

now stands at 20% penetration, with further enhancements expected to increase that to 30%.

- **Wealth Management:** Enhancements to the NCB Wealth Connect App increased the Net Promoter Score (NPS) from 43 to 53, while the Go IPO portal extended electronic onboarding capabilities to Trinidad and Tobago for the first time.

ADVANCING COMPLIANCE AND CUSTOMER EXPERIENCE

Automation of customer due diligence and compliance processes has been transformative. Tools like the Financial Disclosure System and Compliance Dashboard enable more efficient risk monitoring and transaction alerts while streamlining customer interactions.

Additionally, enhancements to the SMART Portal in our pensions business allow customers to monitor investments with greater transparency. The platform's active user base grew significantly, from 6,300 in FY23 to 22,000 in FY24, reflecting its impact on enhancing the customer journey and engagement.

CLARIEN'S DIGITAL TRANSFORMATION AND STRATEGIC PARTNERSHIPS

In Bermuda, Clarien Bank achieved significant operational efficiencies paperless onboarding and self-service foreign currency platforms. The Trident Programme supported by a strategic partnership with business processing outsourcing firm Sutherland reinforces Clarien's vision of becoming the leading bank in Bermuda.

LOOKING AHEAD: A CONNECTED FUTURE

As we advance our digital journey, we remain focused on leveraging emerging technologies, enhancing cybersecurity, and driving customer-centric innovations. Through a focus on connection – between systems, people and ideas – we are building a financial ecosystem that is efficient, secure and future-ready, delivering sustainable growth and superior experiences for all stakeholders.

Environmental, Social and Governance Practices

Transforming Today for a Sustainable Tomorrow

NCBFG's vision to be the premier Caribbean financial services is anchored on the tenets of sustainability. Throughout NCBFG, we recognise that achieving this vision is inextricably linked to delivering lasting benefits to our employees, clients, communities, and shareholders. This must be done by effectively balancing the needs of the present while at the same time acknowledging and meeting our responsibility to future generations.

As a Group with deep roots in the banking, insurance and investment sectors, Environmental, Social and Governance (ESG) principles have long been integrated into the way we operate and continue to be a part of our business.

In FY 2024, prioritising ESG became an even more important imperative. We have recognised the vital role our business plays in supporting sustainable growth and progression as we navigate climate and other **Environmental** factors in an increasingly dynamic landscape.

We also strongly acknowledge our **Social** responsibility to positively contribute to the communities we serve. This is evidenced by the numerous socially driven initiatives across the Group aimed at health and wellness, advancing education and innovation and supporting those most in need.

Governance remains the foundation of our resilience, enabling us to adapt to changing dynamics while consistently delivering on our purpose and responsibilities.

Advancing Along Our ESG Journey

The Group's ESG approach is inherently aligned with EGC framework. Our approach is focused on sustainably meeting financial needs – doing so efficiently, ethically and with a mindset that carefully considers customer needs and societal impacts. Strides were made across each of our sub-groups.

NCBJ conducted an ESG Materiality Assessment with the consulting support of PwC. The assessment allowed NCBJ to identify and prioritise the most material ESG issues, including analysing factors to understand specific ESG risks and opportunities most relevant to stakeholders and business operations.

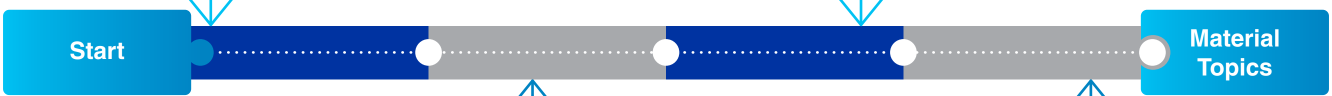
The ESG materiality assessment was conducted by undertaking four key steps:

RESEARCH

To formulate the initial key priority ESG topics, research was executed by documenting and distilling varying perspectives of local and international peers, ESG standards and frameworks such as the Taskforce for Climate-Related Financial Disclosures, International Sustainability Standards Board and the World Economic Forum.

INTERVIEWS

Interviews were held with internal and external stakeholders to gain further insights and perspectives on what ESG issues were critical for NCBJ from a strategic perspective.



SURVEY

Internal and external stakeholders were surveyed to garner their perspective on perception of sustainability at NCBJ. ESG ambitions, financial opportunities as well as key ESG topics that would be considered material for NCBJ were included as part of the survey.

SENIOR LEADERSHIP WORKSHOP

Senior Leadership was engaged to ensure alignment between the key topics which have arisen based on the stakeholder exercises and strategic priorities.

Some of the ESG material topics identified todate are:

1) Environmental

- **RENEWABLE ENERGY**
  Supporting renewable energy consumption in own operations.
- **CLIMATE CHANGE**
  Assessing and addressing climate-related transition and physical risks and opportunities through effective risk management, value capture and resiliency measures

2) Social

- **EMPLOYEE ENGAGEMENT, HEALTH AND WELL-BEING:** Having programmes to motivate employees to be committed and engaged to their work, while also supporting their financial, physical, mental and emotional health, safety, and well-being.
- **FINANCIAL INCLUSION AND EMPOWERMENT:** Elevating and expanding the collective prosperity of the society within which NCB operates.
- **CUSTOMER EXPERIENCE:** Enhancing programmes to increase customer satisfaction, including providing innovative products that drive social equity and protect the environment, treat customers fairly and equitably, enhance customer relations, and address feedback in a responsible and respectful manner.
- **SUSTAINABLE FINANCE:** Integrating ESG into the investment/lending to better manage risks and opportunities, while enabling financing that supports positive social and environmental outcomes, including related to low carbon transition, renewable energy, circular economy, water conservation and the protection of nature and biodiversity health.

3) Governance

- **ETHICS AND INTEGRITY:** Adhering to the highest ethical standards and promoting integrity, including on matters related to financial crimes.
- **INNOVATION AND DIGITALIZATION:** Developing new technologies and digital innovations that embed ESG considerations and improve reporting, compliance and performance monitoring.
- **DATA PRIVACY AND SECURITY:** Safeguarding data privacy, handling data fairly and responsibly, and protecting data against cyber threats, IT risks and disruption.

Efforts are underway to conduct ESG materiality assessments across NCBFG. It is expected that these topics will be further refined, and potentially modified, to ensure alignment across the Group.

Environmental, Social and Governance Practices

Clarien partnered with the Bermuda National Trust for a tree-planting initiative at Scaur Lodge Nature Reserve, as part of its efforts towards sustainability and ecological prosperity.

In partnership with leading experts BCorp and Furthr, Clarien Bank developed a forward-looking ESG strategy. The ESG Roadmap outlines the bank's primary social and environmental objectives, impact-focused KPIs and strategies to engage stakeholders to advance the bank's ESG agenda and elevate ESG performance. A formal ESG policy, reporting and performance-monitoring activities coupled with ESG-focused training are planned as part of the next phase of the journey.

Guardian Group formed a Board-approved ESG Committee. The Committee provides strategic direction, compliance, and performance reporting. ESG training was also held with executives and members of the ESG Committee in partnership with the United Nations. ESG materiality assessments and strategy development are carded to be conducted in 2025.

2024 ESG Highlights

Some noteworthy ESG accomplishments are featured below.

Environmental: Protecting our Planet, Shaping Our Future

NCBFG's aim is to more deeply integrate sustainable practices into our operations and financing decisions. We will accomplish this by reducing our own environmental footprint, promoting environmental stewardship, and enabling our customers and partners to transition towards greener, more resilient futures. Throughout 2024, we continued to take deliberate steps to reduce our own environmental footprint by improving resource efficiency, embracing innovative green solutions, and fostering partnerships that promote environmental stewardship. This underscores our commitment to creating lasting value for our stakeholders while safeguarding the planet for future generations.

CLARIEN BANK CARBON REDUCTION:

Clarien Bank conducted a comprehensive baseline analysis of its greenhouse gas emissions to lay the groundwork for a net zero strategy. The baseline was purposefully conducted beyond Scope 1 & 2 emissions (as defined by the Greenhouse Gas Protocol) and also captured value chain emissions within

Scope 3. The bank also invested in high-quality, nature-based carbon offsetting projects, neutralising a portion of Clarien's prior year emission profile. A draft of Clarien's first Carbon Reduction Plan for internal stakeholders is being developed, with the aim of releasing near-term and long-term net zero targets by 2026.

LEVERAGING TECHNOLOGY, MINIMISING WASTE

By transitioning to digital solutions, streamlining processes, and encouraging electronic communication, we aim to minimise waste and lower our carbon footprint. Directly aligned to this was NCBJ's newest ePOS 'Tap on Phone' solution which reduces reliance on paper and the Group's carbon footprint, while fostering a greener financial ecosystem.

SUSTAINABLE FINANCING & INSURANCE:

NCBCM has been instrumental in financing renewable energy projects, including wind and solar energy plants in Jamaica and the Cayman Islands. Through the P&C line of business, Guardian Group broadened its environmentally and socially focused product offering by expanding its parametric insurance product offering across multiple Group jurisdictions.

INVESTMENT IN SOLAR PANELS & ENERGY EFFICIENT UPGRADES:

Across the Group, we continued to invest in solar panel systems, energy-efficient lighting and inverters and energy efficient air conditioning. To date, the Group has also invested more than J$155 million towards the installation and use of solar panels. The solar panels generate more than 45,000 kwh per month. This has led to reduced reliance on the national grid while mitigating the environmental impact of our operations and has ultimately resulted in reduced operational costs.

CONSERVATION INITIATIVES:

Guardian Group encouraged environmentally conscious actions for World Environment Day, Global Recycling Day, and engaged in coastal clean-up initiatives. As part of the clean-up initiatives staff in Trinidad and Curacao collected and removed over 500 pounds of waste from the islands' coastlines. Through a three-year partnership with the Bermuda National Trust, Clarien contributed to environmental stewardship by participating in the planting of 100 native and endemic trees each year at Scaur Lodge Nature Reserve.

LABOUR DAY ENVIRONMENTAL PROJECTS:

Over 120 'NCBees" volunteers supported various environmental projects across the island for Jamaica's Labour Day, including the creation of a 'Peace Garden' at the Swallowfield Primary and Infant School in partnership with the National Education Trust.

Social: Empowering Communities & People, Enriching Lives

Main Initiatives (Jamaica)	Details	Donations (J$M)	Beneficiaries
CSEC CAPE National Bursary Programme	Provided funding to secondary students islandwide for CSEC IT and CAPE Unit 1& 2 Computer Science	8.7	1,591 students
Grant a Wish 2024	A community-engaging Christmas event for fulfilling public-nominated family and individual wishes	15.0	60 beneficiaries (29 organizations 24 Adults, 7 children)
NCBF Scholarships & Grant	Scholarships and grants across all educational levels to promote academic excellence	36.7	113 tertiary, 57 primary and secondary students
FIRST Tech Robotics Challenge	STEM education and innovation through a robotics challenge for secondary schools	15.0	330 secondary school students
FIRST Tech Lego League Exhibition	Robotics workshop for younger students to spark interest in technology and engineering		240 primary school students
Build Out Our Science Teacher (BOOST) Programme	Scholarship incentive and Science for Education Teaching course in partnership with UWI	6.3	10 student Science Teachers
Level Up	Short digital online courses aimed at upskilling and reskilling unemployed and underemployed Jamaicans		1,745 students graduated with total earnings of $23 million
Building a Better Jamaica Fund	A collaborative disaster recovery initiative to rebuild communities and assist families affected by Hurrican Beryl	395.0	10,000+ families in affected areas assisted

Environmental, Social and Governance Practices

We empower communities by championing education, financial literacy and social well-being through collaborative initiatives.

EDUCATION = ENDLESS POSSIBILITIES

Thriving communities are built on education, support, and empowerment. Through N.C.B. Foundation (NCBF), Guardian Foundation and Clarien Foundation, we are transforming futures and driving social change.

Financial Literacy and Skills Training

NCBF supported programmes like the MVP Grassroot Athletic Training Programme, the Jamaican Youth through Empowerment & Training initiative, and the Level Up Grant Programme which provided close to 3,000 students with financial literacy sessions and training in freelancing and digital skills.

Fostering Entrepreneurial Excellence

For the seventh consecutive year, Guardian Foundation's sponsorship of the National Secondary School Entrepreneurship Competition used gamification to engage 600 students, teaching the rewards and challenges of business management.

STEM Education

NCBF's support enabled the FIRST Tech National Robotics Championship, JamCoders Summer Camp, and the Girls in ICT Day Crea+Her Hackathon programmes for students to engage in STEM fields, paving the way for future tech leaders.

CSEC/CAPE National Bursary Programme

J$8.75 million was donated to the Overseas Examination Commission from NCBF, enabling 1,601 examination sittings.

Scholarship and Grant Programme

NCBF contributed J$43 million which assisted nearly 300 students across primary, secondary, and undergraduate levels. 16 outstanding students also received the J$1.6 million Michael Lee-Chin Community Grant to execute a community development initiative.

Promoting Literacy

Through the Read Across Jamaica Day initiative, Guardian Foundation made reading an experience for hundreds of students by engaging with eight schools across Jamaica. Through a donation of books,

Members of N.C.B. Foundation's Board of Directors join the 2024 cohort of champions in the N.C.B. Foundation Scholarships and Grants Programme.

stationery, and reading charts, Guardian made reading fun and accessible.

Bermuda Centre for Creative Learning

Clarien Foundation is a longstanding donor to The Bermuda Centre for Creative Learning (BCCL). Most students at BCCL have been assessed and diagnosed with dyslexia or other language-based learning differences. BCCL is currently the only school in Bermuda to enrol students who learn differently.

BUILDING RESILIENT COMMUNITIES: SUPPORT AND RECOVERY

We connect with communities to drive positive change and foster resilience in times of need.

Holiday Giveback

In the eleventh year of the Grant a Wish Programme, NCBF donated J$15 million during the holiday season to support charitable organisations, schools, community heroes, individuals with disabilities, and those with medical needs.

HerFlow Foundation Donation Drive

In recognition of Menstrual Health Day, NCBJ rallied to gather essential supplies and jeans, supporting women and girls.

The Flora Fund

Clarien Foundation donated BMD$10,000, marking the seventh year of support. Partnering with the Bermuda Foundation, this initiative has disbursed over BMD$100,000 across 45 grants to foster sporting excellence among Bermuda's youth.

Family Centre Tag Day

For over two decades, Clarien has been the proud sponsor of the Family Centre Tag Day, supporting its vital work in providing therapeutic and counselling services to children, teens, and families across Bermuda.

SHINE Charity 5K & 10K Walk and Run

Over 5,200 participants came out to support Guardian Group's flagship event in Trinidad and to raise funds for children's charities.

Meals on Wheels Holiday Giveback

Clarien hosted its 18th annual Holiday Giveback project, raising funds for Meals on Wheels to support the sick, elderly, and disabled in Bermuda with nutritious meals. Since 2010, the campaign has raised over BMD$120,000, with Clarien Foundation matching donations up to BMD$10,000.

Guardian Group's flagship charity event, SHINE Charity 5K & 10K Walk and Run, united partners and participants in Trinidad and Tobago to raise funds for children's charities.

Environmental, Social and Governance Practices

HURRICANE BERYL RECOVERY EFFORTS

In 2024, NCBF launched the Building a Better Jamaica Fund (BABJ) in response to the devastating effects of Hurricane Beryl. Together with fundraising and executing partners, J$395 million was raised to support recovery efforts across Jamaica. This achievement was made possible through generous donations from local and international donors, with NCBJ matching contributions up to J$150 million.

The funds have been directed towards restoring homes, supporting small businesses, and revitalising the agricultural sector in the hardest-hit communities of St Elizabeth, Hanover, Clarendon, and Manchester. The response was overwhelming, showcasing the unity and resilience of Jamaicans in the face of adversity.

Stronger Together

For FY2024, over J$272.9 million has been disbursed from the BABJ Fund, benefiting around 30,000 individuals. Key partners, such as the BREDS Treasure Beach Foundation, Food for the Poor, and MycoMeditations, have played a critical role in facilitating the recovery process, providing essential services like roof repairs, food distribution, and water supply restoration. A major milestone was the procurement of a 500 KW generator to support the restoration of water services in the Treasure Beach and Great Bay areas of St Elizabeth. This was possible due to the partnership with Global Empowerment Mission and the American Friends of Jamaica.

In addition to NCBF's ongoing efforts, Guardian Group also stepped forward to support those impacted by Hurricane Beryl in Jamaica, Grenada, and Carriacou. Guardian Group donated TT$200,000, partnering with NCBF in Jamaica and the Living Waters Community in Trinidad and Tobago to assist with relief efforts. Employees across Trinidad and Tobago played a vital role by donating non-perishable food items, toiletries, and essential supplies, such as water, cleaning products, baby items, canned food, and hygiene products.

BABJ has continued its work, focusing on long-term recovery, rebuilding infrastructure, supporting educational initiatives, and empowering local micro-farmers.

Environmental, Social and Governance Practices

N.C.B. Foundation Chair, Thalia Lyn, jumps into the frame with participants in the JamCoders Summer Camp. The initiative helps to equip young Jamaicans with foundational coding and algorithm development skills.

Governance: A Pillar of Sustainable Success

As a financial services conglomerate, the NCB Group diligently pursues a culture of regulatory compliance across its entities. This is done through appropriate training, setting the correct tone at the top and the engagement and empowerment of the appropriate human and other resources to ensure the organisation is run in a compliant way.

Our commitment to robust governance practices, transparency, accountability, and ethical decision-making allows us to successfully navigate complexities with confidence, safeguard stakeholder interests, and build trust. Through responsible banking, robust risk management, and a focus on innovation, we continue to build a legacy of integrity and reliability for generations to come. (See also our Corporate Governance Statement beginning on page 30).

COMMITMENT TO TRANSPARENCY: IFRS 17 – INSURANCE CONTRACTS

Since October 1, 2023, the Group has been reporting insurance contracts under this new standard, leading to major changes in the recognition,

Guardian Group was a proud sponsor of the National Secondary School Entrepreneurship Competition (NSSEC) in Trinidad and Tobago for the seventh consecutive year. This initiative used gamification to teach approximately 600 students the gains and challenges of managing a business.

measurement, and presentation of these contracts. This reporting standard resulted in significant strengthening of governance structures, systems and controls across our insurance lines of business.

DISASTER PREPAREDNESS PROTOCOLS:

Guardian Group is fostering a culture of responsible climate-related risk management and has strengthened its disaster preparedness protocols in response to Hurricane Beryl.

ENHANCED CYBER SECURITY CONTROLS

NCBJ improved its data security, system hardening, patch and vulnerability management, as well as its identity and access management which moved its Cyber Security Controls rating from 85% (FY23 Q4) to 90% at end of FY24.

Risk Management and Governance

FY2024 saw a continuation of the tight monetary policies implemented by central banks globally and locally with easing occurring in the final quarter of our financial year. As the Group's business involves the taking of risks to generate value for our stakeholders, we continue to require all employees to embrace a risk-aware culture to support the early identification and assessment of all material and emerging risks to drive strategies designed to ensure the Group's operational resilience.

Risk Management Principles

The Group's Risk philosophy remains steadfast and continues to be guided by a number of risk management principles to include:

- The Group pursuing risk-taking activities geared toward increasing shareholder value by the effective management of the risk-return relationship.
- The Group ensuring that any risks undertaken are clearly understood, measured and appropriately managed.
- The Group requiring the establishment of an independent central risk oversight as part of its enterprise risk management infrastructure.
- Business Unit managers' responsibility as owners of risk and therefore accountability for effective risk management practices within their respective business units.

Risk Management Architecture

The Group's Integrated Risk Management approach is built along a number of dimensions:

- a risk culture which incorporates values & behaviours which shape risk decisions;
- a Risk Governance structure which defines the roles and responsibilities in the risk management process;
- a clear articulation of the Group's risk appetite;
- an effective risk management programme which requires risks to be identified, measured, monitored and reported;
- and risk decision-making which is to be guided by up-to-date policies and procedures.

The Risk Governance Framework

Our risk governance framework is fundamental to ensuring the stability and resilience of our businesses in the face of uncertainties and accords with requirements of regulators in the jurisdictions in which we operate. The NCBFG Board of Directors maintains oversight of the Group's risk management framework, which utilises the Three Lines of Defence model, requiring all employees to play a role in the management of risks which fall within their respective areas of responsibility. The Board Committees comprise the Group Risk Committee, the Audit Committee, and the Corporate Governance and

Nomination Committee. There are also management committees across the Group which support risk management oversight for strategic risk; operational risk; IT security and fraud risks; capital adequacy; market and liquidity risks; and regulatory risks.

Types of Risk Support Provided by the Management Committees

Capital Adequacy

The relevant committees are responsible for setting and monitoring overall capital management principles in line with the Group's risk appetite and the enterprise-wide framework.

Credit Risk

The relevant committees provide oversight on the performance of the credit portfolios to ensure alignment with growth strategies and risk. Key measures of credit quality and trends drive decisions around credit portfolio distributions in order to maximise portfolio performance and minimise expected credit losses.

Market and Liquidity Risks

The relevant committees monitor and ensure the effective and efficient management of market risks relating to the mix of assets and liabilities, as well as the holding and trading of foreign currencies and designated investment securities.

Regulatory Risks

The relevant committees are responsible for monitoring the status of regulatory compliance within the Group.

Operational Risks

The relevant committees are accountable for oversight of the strategies, policies and procedures in place to manage such risks as fraud, information technology and information security. Their responsibilities also include managing an effective risk organisation structure and implementing effective governance processes.

Significant Risks

Strategic Risk

Strategic risk is the risk to our earnings or capital arising from adverse business decisions or improper implementation of those decisions or from failing to respond to industry changes. Our business units along with our strategy units are responsible for establishing systems which ensure the effective and timely execution of activities, the delivery of expected benefits and performance monitoring. The Second Line provides monitoring and reporting to support the management and Board committees which provide oversight for the achievement of business objectives and mitigation of risks.

Credit Risk

Credit risk for the organisation includes the possibility of a customer or borrower defaulting on promised payments (e.g. principal, interest, or margin), or of a trading partner failing to fulfil obligations on a transaction or a portfolio of transactions, forcing NCBFG to terminate the trade, or replace the counter-party at a loss.

The management of credit risk is undertaken in accordance with the Three Lines of Defence model, with the business units and Centralised Underwriting Unit operating as the First Line of Defence with responsibility for owning and managing key risks associated with the lending process, including risk identification and assessment; identifying risk mitigation strategies and escalating significant risks, initiatives, products or processes to the Group Centralised Risk Oversight Function (GCROF). The GCROF acts as the Second Line of Defence and is responsible for ensuring the implementation and adherence to the Board-approved risk appetite and approval authorities in addition to providing support, recommendations, advice and counsel on policies and procedures that are integral to the credit risk management process.

Liquidity Risk

Defined as the potential for loss if the Group is unable to meet payment obligations when they fall due, we have taken steps to safeguard NCBFG against liquidity risk as we take advantage of any profitable opportunities that may arise, while

Risk Management and Governance

ensuring the Group's ability to honour obligations and liabilities to depositors and suppliers. The Group's Enterprise Risk Management Policy requires liquidity be managed within established policy guidelines and benchmarks.

One of the Group's principal liquidity strategies is the maintenance of diverse and stable sources of funding. Accordingly, the Group's liquidity funding providers include the banking subsidiaries' diverse range of retail and corporate customers, as well as repurchase agreements and long-term secured funding sources, which include Diversified Payment Rights securitisation. We also monitor the credit rating of the Group to ensure access to credit at a good price. The Group Risk Committee also closely monitors the Group's liquidity risk positions and reviews all relevant information including:

- Factors affecting liquidity in the relevant domestic markets
- Key liquidity metrics, trends and comparisons with established limits and benchmarks
- Liquidity scenarios as well as strategies to manage the various scenarios

Market Risk

Measures are in place to address the Group's exposure to market risk, which is the possibility that movements in certain market variables such as interest rates, foreign exchange rates, equity prices, market liquidity and credit spreads may adversely affect its income and/ or the value of its portfolios. The infrastructure designed to manage the Group's market risk involves the definition, approval and monitoring of limits, as well as stress testing, and qualitative risk assessments.

Operational Risk

This is defined as risk of loss, direct and indirect, arising from disruptions to an institution's operations due to inadequate or failed processes, people, systems or from external events. Our risk infrastructure continues to employ a robust risk assessment framework to efficiently identify inherent risks, as well as controls to ensure any residual risks remain consistent with the organisation's risk appetite.

We continue to focus on operational resilience with the following operational risks being the ongoing subject of review and close oversight by our Board Risk committees. These risks include:

- Cybersecurity risks
- Third party risks
- Business continuity risks
- Information technology risks
- Model risks
- Data risks

To manage our information technology risks, we constantly examine how information is processed, accessed, transmitted, stored and retrieved, including during a disaster. This examination is done across business processes and activities. Our risk reduction processes are continually being updated to ensure world-class defence mechanisms are in place to respond to any potential exposures. In addition to a robust cybersecurity policy, protocols are also in place to assess, prevent and effectively respond to disruptive cyber events. Given the importance of cybersecurity, the Group also maintains cybersecurity insurance coverage

Insurance Risk

The Group's primary exposure to insurance risk is through the Guardian entities. Insurance risk is defined as the risk that future claims and expenses will exceed expected allowances for claims and expenses in the measurement of policyholders' liabilities and product pricing. This category includes underwriting, reserving and catastrophe risks.

For long- and short-term business operations, insurance risk arises from uncertainty regarding the timing and volume of future cash flows from insurance contracts. It results from inadequate or inappropriate pricing, underwriting and monitoring of actual claims and reserving experience, inappropriate policy terms and conditions, less than consistent application/unsuitability of delegated authorities and limits for underwriting and inappropriate/inadequate reinsurance arrangements.

We maintain mitigation of insurance risk through:

- Defined delegated authorities in underwriting and claims
- Robust actuarial controls and reviews in product development, pricing, asset-liability management, reserving
- Maintenance of AM-Best A-rated reinsurance partners
- Strict adherence to regulatory guidelines, including scenario and stress testing for mortality and morbidity, pricing adequacy and overall capital adequacy

Catastrophe reinsurance cover is part of Guardian's overall reinsurance protections. With increased focus on climate change and the continuing intensification of climate-related events in the

Caribbean, this area is robustly monitored. Of particular interest is exposure to floods, windstorms and earthquakes. In collaboration with the reinsurance brokers, the property and casualty actuaries perform detailed modelling and, based on these results, the reinsurance programme is designed. It is then approved by GHL's Board of Directors with an understanding of the Net Probable Maximum Loss (PML) and resulting impact on capital. The programme is also subject to regulatory review.

Legal Risk

The Group is subject to legal risk, which has the potential to adversely impact its business. Legal risk is associated with failure to comply with legal obligations, including ineffective management of disputes and litigation as well contractual breaches. The Group is expected to meet and maintain high standards in all business dealings and transactions. Failure to adequately do so or to address the relevant obligations can lead to financial loss and/or reputational damage.

Business units – the First Line of Defence – are responsible for managing day-to-day regulatory and legal risk, while the Group's Legal team acts as the Second Line of Defence. The risk is managed through a combination of activities, including:

- Ongoing compliance with, review and updating of, the various procedures and transaction documents throughout the Group to comply with current legislation and regulation
- Incorporation of legal guidance into processes and conduct
- Review and updating of standard transaction documentation
- The use of transaction-specific advice and documentation for transactions involving higher levels of risk or financial exposure

Management of risk by the legal team is supported, when necessary, by the retention of external counsel, which relationship is managed internally through the Group's legal team. Reporting, particularly in relation to disputes, is done to the relevant boards or risk committees within the Group, with consolidated reporting to the Group Risk Committee of NCB Financial Group.

Regulatory Risk

The Group is also subject to regulatory risk, which could negatively impact its businesses. Regulatory risk arises from a failure to comply with regulatory requirements, or changes in regulations and law that might affect aspects of the Group's operations, including risks related to financial crimes compliance. The Group must therefore continuously assess and monitor such risks and be prepared to react if they materialise.

Adopting the Three Lines of Defence model, the business units are the First Line of Defence responsible for managing day-to-day regulatory risk. The Group's compliance function acts as the Second Line of Defence, providing advice, monitoring and oversight, and reporting to management committees, the Group Risk Committee and the Group's Board of Directors. The Third Line is the Group Internal Audit Team, which provides independent assessment and assurance for the regulatory compliance programme.

Measures to mitigate regulatory risk include:

- The maintenance of the governance framework for compliance
- A comprehensive training programme
- Maintenance of relevant policies and procedures
- Automated and manual transaction monitoring
- Sanction screening and procedures for identifying, reporting and remediating regulatory risk events

Reputational Risk

Reputational risk is the potential for negative publicity, whether true or not, regarding an institution's business practices, actions or inactions. It can cause a decline in the institution's value, liquidity, or customer base. All risks have the potential to impact the Group's reputation, which in turn could negatively affect the brand, earnings and capital.

Our organisational culture and the Enterprise Risk Management Framework support the management of this risk. In effect, our Enterprise Risk Management Framework outlines the approach to be taken with the management of the more significant risks — credit, market, operational, insurance, regulatory and legal risks — which acts to safeguard the reputation of the organisation.

Strategic Outlook 2025

Connecting: Building Wealth, Empowering Futures

The 2024 Annual Report highlights NCB Financial Group's Strategic roadmap for sustainable growth, showcasing how our Banking and Insurance subsidiaries will continue to build on the EGC framework, work synergistically and leverage their strengths to build wealth for individuals, businesses and shareholders alike.

Strategic Pillars for Growth and Excellence

IMPROVE AND WIN CUSTOMER RELATIONSHIPS

Objective
Strengthen customer connections by becoming their trusted financial partner.

Outcome for Shareholders:
Deepen customer relationships to drive loyalty, ensuring a sustainable revenue stream and enhancing long-term shareholder value.

DELIVER AS A ONE-STOP SHOP

Objective
Maximise customer value through integrated product offerings and deeper financial relationships.

Outcome for Shareholders:
Increased product uptake per customer contributes to revenue diversification and higher profitability.

OPTIMISE EFFICIENCY AND ENHANCE PRODUCTIVITY

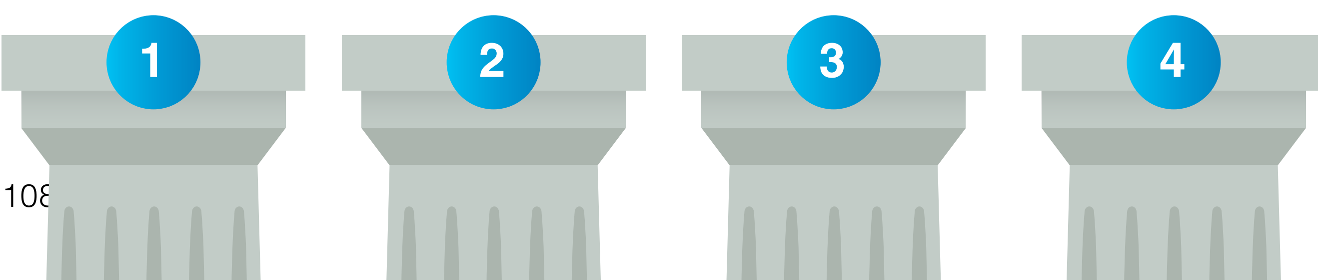
Objective
Enhance operational efficiency to deliver superior value at reduced costs.

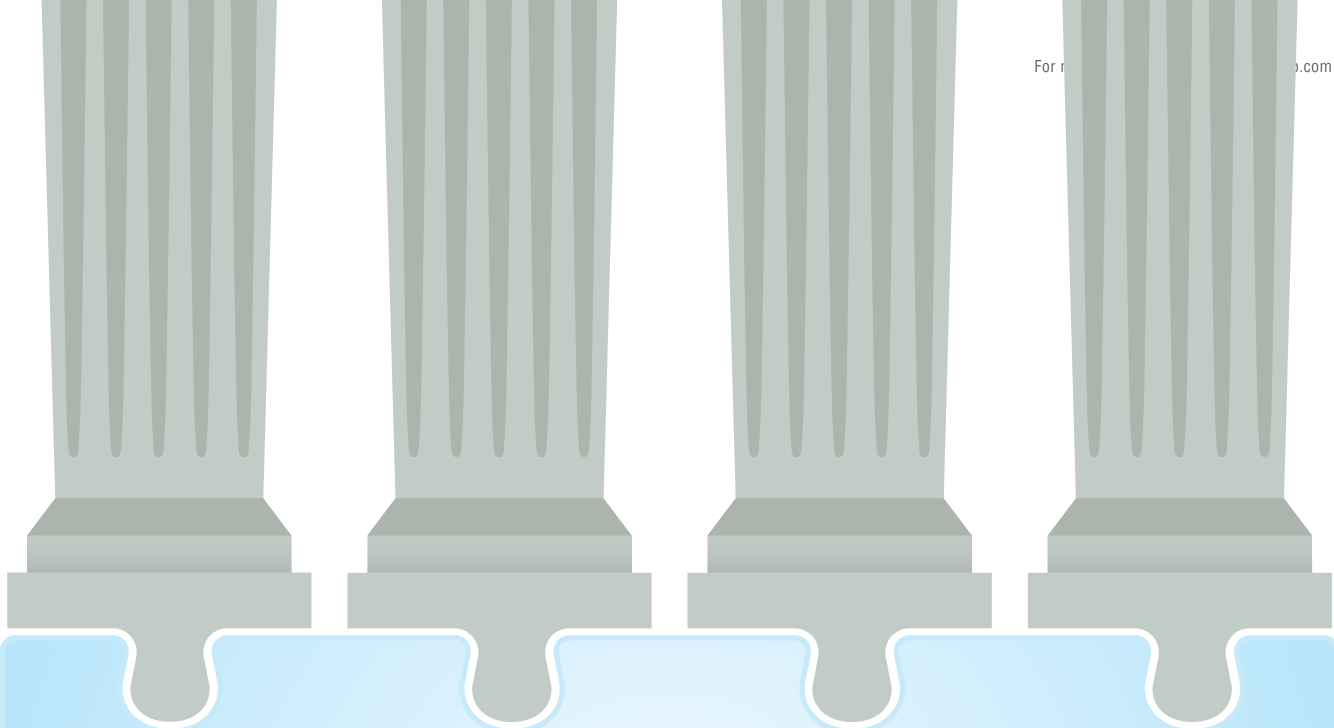
Outcome for Shareholders:
Improved cost-to-income ratios and enhanced scalability bolster profitability and growth potential.

MAINTAIN WORLD-CLASS STANDARDS

Objective
Uphold industry-leading standards in governance, risk management, and service delivery.

Outcome for Shareholders:
Superior governance and operational excellence safeguard investments and enhance corporate reputation.





Our Key Enablers of Success

to effectively undertake and execute on these strategic pillars.

1

WORLD-CLASS TALENT

Focus: Empowering our people to innovate and excel.

2

BEST-IN-CLASS TECHNOLOGY

Focus: Driving connectivity and innovation through technology.

3

OWNER'S MINDSET

Focus: Embedding a culture of responsibility and long-term value creation.

By embracing the power of "Connecting", we are creating a stronger, more resilient organisation that builds wealth for individuals and businesses while delivering outstanding returns for you, our shareholders.

As we bring convenience and improve primary relationships, we will leverage our scale, optimise our operations, and maintain world-class standards, we are positioned to drive meaningful growth. We invite you to join us on this journey as we connect our expertise, vision, and innovation to shape a prosperous future for all.

Financial Statements

September 30, **2024**

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Notes to the Financial Statements

Directors' Report

The directors submit herewith the Consolidated Income Statement of NCB Financial Group Limited and its subsidiaries for the year ended September 30, 2024, together with the Consolidated Statement of Financial Position as at that date:

Operating Results

	$'000
Gross operating revenue	324,314,871
Profit before taxation	25,809,197
Taxation	(4,239,670)
Net profit	21,569,527

Dividends

The following dividends were paid during the financial year:

- $0.50 per ordinary stock unit was paid in December 2023;
- $0.50 per ordinary stock unit was paid in March 2024;
- $0.50 per ordinary stock unit was paid in June 2024; and
- $0.50 per ordinary stock unit was paid in September 2024

The directors recommend that the Company's final dividend be $2.00 per ordinary stock unit representing the aggregate of the interim dividends approved during the financial year 2024

Directors

During the financial year, the Board of Directors comprised:

- Hon. Michael A. Lee-Chin, OJ – Chairman
- Mr Robert W. Almeida
- Mr Bruce F. Bowen (elected February 9, 2024)
- Mr Gary W. Brown (elected February 9, 2024)
- Mr Dennis Cohen (resigned effective November 13, 2023)
- Mrs Sandra Glasgow (resigned effective March 20, 2024)
- Mrs Sanya M. Goffe
- Hon. Patrick Hylton, OJ, CD (resigned effective November 13, 2023)
- Mrs Thalia G. Lyn, OD
- Howard L. Shearer, CD (appointed March 13, 2024)
- Professor the Hon. Alvin Wint, OJ, CD (retired February 9, 2024)

Corporate Secretary

The Corporate Secretary is Mr Dave L. Garcia.

Pursuant to Article 94 of the Company's Articles of Incorporation, one-third of the Board other than the Managing Director (that is, our Group Chief Executive Officer) and Deputy Managing Director or, if the number of members of the Board is not three or a multiple of three, then the number nearest one-third, shall retire from office at each Annual General Meeting. The Directors retiring under this Article are **Mrs Thalia Lyn**, **OD** and **Mrs Sanya Goffe** who, being eligible, offer themselves for re-election.

Mr Howard Shearer, **CD**, was appointed a Director effective March 13, 2024. Pursuant to Article 100 of the Company's Articles of Incorporation, his appointment expires on the date of this Meeting and being eligible he offers himself for re-election.

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and offer themselves for re-appointment.

On behalf of the Board

Dave L. Garcia
Corporate Secretary

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, 2024, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

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

- the consolidated statement of financial position as at September 30, 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at September 30, 2024;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

Independence

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

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.

The context of our audit is set by the Group's major activities for 2024. The Group adopted IFRS 17, Insurance Contracts effective 1 October 2023. IFRS 17 established new rules and principles surrounding the measurement of insurance contracts, the earning of income, and the incurrence of expenses arising from insurance and reinsurance contracts. The adoption of IFRS 17 also resulted in changes to the presentation of several financial statement line items and significantly expanded the required disclosure notes. The adoption only impacted the components that issue insurance and hold reinsurance contracts. Consequent on the adoption, the Group also reclassified certain financial instruments accounted for in accordance with IFRS 9, Financial Instruments.

We determined the scope of our audit by 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 24, 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 13 components, while audits of one or more financial statement line items were performed for a further 11 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 judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters, as it pertains to the stand-alone financial statements, in our report.

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Key audit matter	How our audit addressed the key audit matter
Adoption of IFRS 17 Insurance Contracts (Group) *See notes 2(a), 2(v), 3(d), 9 and 49(e) to the financial statements for disclosures of related accounting policies, judgements, estimates and balances*	
Effective 1 October 2023, the Group adopted IFRS 17 with a transition date of 1 October 2022 and restated comparative information for 2023 applying the transition provisions of IFRS 17. The adoption of the standard significantly impacted how the Group recognises, measures, presents and discloses insurance contracts. The adoption of IFRS 17 resulted in a $54.6 Billion reduction in total equity for the Group as at the transition date. Changes in accounting policies resulting from the adoption of IFRS 17 were applied using either the full retrospective approach or by applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was applied to all short-term insurance and reinsurance contracts, and to all long-term insurance and reinsurance contracts issued on or after 1 October 2022. The fair value approach was applied to all long-term insurance and reinsurance contracts in force as at 30 September 2022 for which management determined the full retrospective approach would be impracticable. These changes required management judgement in developing and implementing accounting policies, including policies specific to transition. We focused on this area due to the level of complexity involved in auditing the Group's transition to IFRS 17, particularly as it related to the measurement of the Group's insurance contract liabilities including the transition Contractual Service Margin (transition CSM) included therein. This required the application of significant auditor judgement, due to the complexity of the models, in the determination of key assumptions, specifically the discount rate and risk adjustment relating to the measurement of insurance contract liabilities, and in the development of fair value assumptions used in the determination of the transition CSM.	Our approach to addressing the matter, with the assistance of our actuarial experts and risk assurance specialist, included the following procedures, amongst others: • Evaluated the accounting policies and the elections involved in transition. • Assessed the appropriateness and consistency of key assumptions, including discount rate, risk adjustment and fair value assumptions used in the measurement of insurance contract liabilities and transition CSM, by comparing them to published industry studies and market data and evaluating them against entity specific facts and circumstances, our knowledge of the products and the requirements of IFRS 17. • Tested, on a sample basis, data inputs by tracing them to underlying support and documentation such as executed policyholder insurance contracts. • Tested the methodology and calculations of the IFRS 17 insurance contract liabilities and transition CSM by evaluating and checking the accuracy of the calculation logic within the newly implemented models. • Assessed the disclosures within the financial statements against the requirements of IFRS 17.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities - Estimation of fulfilment cash flows (Group) *See notes 2(a), 2(v), 3(d), 9 and 49(e) to the financial statements for disclosures of related accounting policies, judgements, estimates and balances* As at September 30, 2024, insurance contract liabilities totalled $544 billion or 26% of the total liabilities of the Group. Insurance contract liabilities measured under the variable fee approach and general measurement model consist of: • Contractual Service Margin (CSM) which is a component of the carrying amount of the asset or liability for a group of insurance contacts issued representing unearned profit that the Group will recognise as it provides insurance contract services in the future. • Fulfilment cash flows (FCFs) which are current estimates of future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and uncertainty of those amounts. FCFs comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk (risk adjustment). Measurement of the FCFs requires management judgement in estimating the probability-weighted mean of future cash flows on a present value basis, in addition to applying a risk adjustment. Estimates of expected cash flows incorporate best estimate assumptions for mortality, morbidity, longevity, expenses, and policyholder behaviour, as well as assumptions for discount rates and the risk adjustment. The assumptions are reviewed and updated annually by the Appointed Actuaries. We focused on this area due to the judgement applied by management when determining the FCFs and the corresponding high degree of auditor judgment and effort required in evaluating the assumptions described above.	Our approach to addressing the matter, with the assistance of our actuarial experts and risk assurance specialist, included the following procedures, amongst others: • Obtained an understanding of management's end-to end process and controls supporting the determination of the FCFs. • Tested the accuracy and completeness of a sample of the data used in the estimates of future cash flows. • Assessed the reasonableness of management's best-estimate assumptions for mortality, morbidity, longevity, expenses, and policyholder behaviour (lapse and surrenders), economic assumptions for discount rates, and the adjustment for non-financial risk by: - Evaluating whether management's assumptions were determined in accordance with the requirements of IFRS 17. - Evaluating the Group's internal experience studies for appropriateness by considering published industry studies, market data and component specific facts and circumstances. • Evaluated a sample of actuarial models used in management's determination of the FCFs by: - Assessing the appropriateness of the model of product features. - Assessing the appropriateness of the application best-estimate assumptions. • Assessed the disclosures within the financial statements against the requirements of IFRS 17.

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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, 2024, the Group's loans and advances totalled $643 billion. The Group's investment securities measured at amortised cost and fair value through other comprehensive income (FVOCI) totalled $867 billion. The resultant impairment recorded under the expected credit loss (ECL) impairment model amounted to $17 billion for loans and advances and $681 million for debt securities. In aggregate, the above exposures represent 65% 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. • Performed an independent qualitative assessment for a sample of borrowers to determine whether there was any adverse public information affecting the criteria used to perform the staging.

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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.	**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 in which 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.

Key audit matter	How our audit addressed the key audit matter
Goodwill *impairment (Group)* *See notes 2(n)(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, 2024. 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, 2024. 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; • terminal growth rate; • insurance service expenses; 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 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, terminal growth rate, insurance service expenses and discount rate to externally derived benchmark data. • 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.

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 and fair value through other comprehensive income (Group). *See notes 3(a) and 50 to the financial statements for disclosures of related accounting policies, judgements, estimates and balances*	
As at September 30, 2024, unquoted corporate debt and government securities classified as investment securities at fair value through profit or loss and fair value through other comprehensive income together account for \$44 billion or 2% 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 agreeing 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 evaluating the impact of any variations.

Other information

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

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

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

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

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

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

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

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

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

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

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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.

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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
Kingston, Jamaica
18 December 2024

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NCB Financial Group Limited

Consolidated Income Statement

Year ended September 30, 2024 (expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	Restated (Note 54) 2023 $'000
Operating Income			
Banking and investment activities			
Interest income		107,488,761	97,729,347
Interest expense		(47,046,292)	(38,591,535)
Net interest income	6	60,442,469	59,137,812
Fee and commission income		43,433,706	39,810,332
Fee and commission expense		(12,759,662)	(11,251,530)
Net fee and commission income	7	30,674,044	28,558,802
Gain on foreign currency and investment activities	8	32,606,469	26,334,790
Gain on reclassification of financial assets measured at amortised cost to fair value through profit or loss	54	-	3,265,130
Credit impairment losses	13	(8,701,833)	(4,159,364)
Dividend income	11	2,830,114	2,896,492
Other operating income		3,185,587	2,499,150
		29,920,337	30,836,198
Net income from banking and investment activities		121,036,850	118,532,812
Insurance activities			
Insurance revenue	9	134,034,735	119,061,565
Insurance service expenses	9	(91,386,712)	(79,556,380)
Net expenses from reinsurance contracts held		(24,128,849)	(24,977,060)
Insurance service results		18,519,174	14,528,125
Finance expenses from insurance contracts issued	9	(19,726,671)	(17,787,166)
Finance income from reinsurance contracts held		181,365	93,143
Net insurance finance expenses		(19,545,306)	(17,694,023)
Net operating income		120,010,718	115,366,914
Operating Expenses			
Staff costs	12	50,178,822	60,860,676
Depreciation and amortisation		8,392,150	7,191,775
Finance cost		1,851,561	2,146,310
Other operating expenses		34,262,483	34,225,397
	14	94,685,016	104,424,158
Operating Profit		25,325,702	10,942,756
Share of profit of associates	24	483,495	218,948
Profit before Taxation		25,809,197	11,161,704
Taxation	15	(4,239,670)	(3,448,194)
NET PROFIT		21,569,527	7,713,510
Attributable to:			
Stockholders of the parent		13,340,354	2,507,191
Non-controlling interest	10	8,229,173	5,206,319
		21,569,527	7,713,510
Earnings per stock unit			
Restated - basic and diluted (expressed in $)	16	5.62	1.06

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Consolidated Statement of Comprehensive Income

Year ended September 30, 2024 (expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	Restated (Note 54) 2023 $'000
Net Profit		21,569,527	7,713,510
Other Comprehensive Income, net of tax -			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		(527,364)	(2,065,081)
Other		(290,805)	249,278
		(818,169)	(1,815,803)
Items that may be reclassified subsequently to profit or loss			
Currency translation gains/(losses)		1,488,959	(1,211,054)
Finance income from insurance contracts issued		(769,747)	4,452,777
Finance income from reinsurance contracts held		(3,447)	7,009
Expected credit reversals on debt instruments at fair value through other comprehensive income (FVOCI)		123,849	609,235
Unrealised gains on securities classified as FVOCI		16,844,336	19,677,028
Realised fair value losses on sale and maturity of securities designated as FVOCI		620,371	966,553
Total other comprehensive income		18,304,321	24,501,548
TOTAL COMPREHENSIVE INCOME		17,486,152	22,685,745
		39,055,679	30,399,255
Total comprehensive income attributable to:			
Stockholders of parent		27,754,980	22,394,111
Non-controlling interest	10	11,300,699	8,005,144
		39,055,679	30,399,255

NCB Financial Group Limited

Consolidated Statement of Financial Position

September 30, 2024 (expressed in Jamaican dollars unless otherwise indicated)

	Note	2024	Restated (Note 54) 2023	Restated (Note 54) 1 October 2022
		$'000	$'000	$'000
ASSETS				
Cash in hand and balances at Central Banks	17	95,650,691	80,955,679	70,856,327
Due from banks	18	161,388,635	140,018,076	184,966,676
Derivative financial instruments	19	1,492,033	826,738	874,471
Reverse repurchase agreements	20	5,608,887	8,765,450	8,300,111
Loans and advances, net of provision for credit losses	21	626,239,936	612,689,129	580,063,363
Investment securities	22	916,895,767	830,381,205	713,102,260
Pledged assets	23	257,469,144	284,365,972	256,614,914
Investment in associates	24	9,758,044	7,247,770	7,126,084
Investment properties	25	37,486,987	36,593,367	38,713,610
Intangible assets	28	54,290,390	53,981,856	51,543,729
Property, plant and equipment	29	28,373,663	29,143,357	29,077,942
Right-of-use assets	27	4,234,591	4,979,706	5,111,572
Properties for development and sale	26	3,653,895	4,151,956	2,007,987
Insurance contract assets	9	2,516,590	2,391,605	2,884,075
Reinsurance contract assets	9	22,884,452	20,246,828	19,960,796
Deferred income tax assets	30	23,487,618	22,710,582	26,263,117
Income tax recoverable		9,027,033	8,790,753	4,362,371
Letters of credit and undertaking		4,337,120	5,179,547	6,451,165
Other assets	31	51,215,369	45,670,822	42,964,207
Total Assets		2,316,010,845	2,199,090,398	2,051,244,777

NCB Financial Group Limited

Consolidated Statement of **Financial Position** (Continued)

September 30, 2024 (expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	Restated (Note 54) 2023 $'000	Restated (Note 54) 1 October 2022 $'000
LIABILITIES				
Due to banks	32	19,610,529	31,932,470	37,525,203
Customer deposits		783,966,976	747,872,120	715,276,682
Repurchase agreements		299,522,341	279,754,364	248,088,765
Obligations under securitisation arrangements	33	92,999,381	98,195,007	99,085,658
Derivative financial instruments	19	-	9,192	-
Other borrowed funds	34	188,823,509	179,647,541	153,249,041
Income tax payable		-	559,310	1,802,985
Deferred income tax liabilities	30	6,986,478	7,917,263	9,416,793
Third party interest in mutual funds	36	37,698,993	38,910,757	33,587,741
Investment contract liabilities	9,37	48,467,665	47,085,621	46,176,305
Reinsurance contract liabilities	9	2,388,610	3,508,372	9,985,997
Insurance contract liabilities	9	543,668,456	510,957,462	482,569,780
Post-employment benefit obligations	40	8,090,749	7,811,438	4,091,845
Letters of credit and undertaking		4,337,120	5,179,547	6,451,165
Lease liabilities	27	4,280,559	5,002,161	5,173,159
Other liabilities	38	64,426,671	64,001,427	60,193,032
Total Liabilities		2,105,268,037	2,028,344,052	1,912,674,151
STOCKHOLDERS' EQUITY				
Share capital	39	161,170,899	153,827,330	153,827,330
Treasury shares	39	(25,674,883)	(25,674,883)	(26,652,675)
Reserves from scheme of arrangement	41	(147,034,858)	(147,034,858)	(147,034,858)
Fair value and capital reserves	41	5,808,947	(10,197,042)	(27,439,979)
Insurance finance reserves		9,592,707	10,365,901	5,906,115
Loan loss reserve	42	2,954,297	5,753,840	6,349,934
Banking reserve fund	43	18,003,840	6,933,408	6,897,254
Retained earnings reserve	44	65,544,904	75,270,000	67,170,000
Retained earnings		81,928,649	72,879,144	77,406,221
Equity attributable to stockholders of the parent		172,294,502	142,122,840	116,429,342
Non-controlling interest	10	38,448,306	28,623,506	22,141,284
Total stockholders' equity		210,742,808	170,746,346	138,570,626
Total stockholders' equity and liabilities		2,316,010,845	2,199,090,398	2,051,244,777

Approved for issue by the Board of Directors on 11 December 2024 and signed on its behalf by:

Robert Almeida — Group Chief Executive Officer	Malcolm Sadler — Chief Financial Officer
Sanya Goffe — Independent Director	Dave Garcia — Corporate Secretary

NCB Financial Group Limited

Consolidated Statement of Changes in Equity

Year ended September 30, 2024 (expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital	Treasury Shares	Reserves from the Scheme of Arrangement	Fair Value and Capital Reserves	Insurance 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	$'000
Balance at September 30, 2022 as previously reported		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
Restatement under IFRS 17 (Note 54)		-	-	-	(494,897)	5,906,115	-	23	-	(35,080,090)	(24,969,510)	(54,638,359)
Balance at October 1, 2022 – restated		153,827,330	(26,652,675)	(147,034,858)	(27,439,979)	5,906,115	6,349,934	6,897,254	67,170,000	77,406,221	22,141,284	138,570,626
Total comprehensive income:												
Net profit		-	-	-	-	-	-	-	-	2,507,191	5,206,319	7,713,510
Other comprehensive income / (loss)		-	-	-	17,242,937	4,459,786	-	-	-	(1,815,803)	2,798,825	22,685,745
Transfer from 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		-	977,792	-	-	-	-	-	-	-	-	977,792
Recognition of deferred tax credits		-	-	-	-	-	-	-	-	2,321,595	-	2,321,595
Dividends paid to non-controlling interest		-	-	-	-	-	-	-	-	-	(1,522,922)	(1,522,922)
Balance at September 30, 2023 - Restated		153,827,330	(25,674,883)	(147,034,858)	(10,197,042)	10,365,901	5,753,840	6,933,408	75,270,000	72,879,144	28,623,506	170,746,346
Total comprehensive income:												
Net profit		-	-	-	-	-	-	-	-	13,340,354	8,229,173	21,569,527
Other comprehensive income		-	-	-	16,005,989	(773,194)	-	-	-	(818,169)	3,071,526	17,486,152
Transfer from Loan Loss Reserve		-	-	-	-	-	(2,799,543)	-	-	2,799,543	-	-
Transfer to Banking Reserve Fund		-	-	-	-	-	-	1,345,336	-	(1,345,336)	-	-
Issue of additional shares		7,343,569	-	-	-	-	-	-	-	-	-	7,343,569
Transfer from Retained Earnings Reserve		-	-	-	-	-	-	9,725,096	(9,725,096)	-	-	-
Transactions with owners of the Company -												
Dividends paid		-	-	-	-	-	-	-	-	(4,926,887)	-	(4,926,887)
Dividends paid non-controlling interest		-	-	-	-	-	-	-	-	-	(1,475,899)	(1,475,899)
Balance at September 30, 2024		161,170,899	(25,674,883)	(147,034,858)	5,808,947	9,592,707	2,954,297	18,003,840	65,544,904	81,928,649	38,448,306	210,742,808

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NCB Financial Group Limited

Consolidated Statement of **Cash Flows**

Year ended September 30, 2024 (expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	Restated 2023 $'000
Cash Flows from Operating Activities			
Net profit		21,569,527	7,713,510
Adjustments to reconcile net profit to net cash provided by operating activities		81,600,603	59,658,911
Net cash provided by operating activities	45	103,170,130	67,372,421
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	29	(2,914,626)	(3,153,249)
Acquisition of intangible assets – computer software	28	(4,582,877)	(5,663,138)
Proceeds from disposal of property, plant and equipment		208,084	2,329,697
Purchase of investment property	25	(151,937)	(666,198)
Proceeds from disposal of investment property		186,104	417,705
Purchase of investment securities		(641,144,003)	(700,892,260)
Sales / maturities of investment securities		590,716,478	584,115,583
Net cash used in investing activities		(57,682,777)	(123,511,860)
Cash Flows from Financing Activities			
Proceeds from additional public offer (a)		2,413,671	-
Repayment of securitisation arrangements		(6,248,786)	(2,745,242)
Proceeds from other borrowed funds		44,497,934	43,074,294
Repayments of other borrowed funds		(37,358,967)	(17,858,116)
Due to banks		(3,577,210)	(9,808,195)
Lease liabilities		(1,349,093)	(1,729,837)
Dividends paid		(6,402,786)	(1,522,922)
Net cash (used in)/provided by financing activities		(8,025,237)	9,409,982
Net increase in exchange rate changes on cash and cash equivalents		1,099,137	782,376
Net increase/(decrease) in cash and cash equivalents		38,561,253	(45,947,081)
Cash and cash equivalents at beginning of period		155,681,433	201,628,514
Cash and Cash Equivalents at End of Period		194,242,686	155,681,433
Comprising:			
Cash in hand and balances at Central Banks	17	45,637,992	32,053,835
Due from banks	18	153,737,237	137,131,888
Reverse repurchase agreements	20	300,000	4,303,162
Investment securities	22	10,153,245	6,386,437
Due to banks	32	(15,585,788)	(24,193,889)
		194,242,686	155,681,433

Non-Cash adjustment:

(a) Stocks issued in connection with a separation package of executives where no cash payment is required in the amount of $4,929,898,000.

NCB Financial Group Limited

Company Statement of Comprehensive Income

Year ended September 30, 2024 (expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
Income			
Management fees	7	5,500,000	5,500,000
Dividend income	11	14,828,603	15,506,267
Credit impairment (losses)/recovered	13	(18,732)	6,597
Losses on foreign currency activities	8	(186,096)	(742,429)
		20,123,775	20,270,435
Expenses			
Staff costs	12	730,119	9,396,196
Depreciation		381	176
Finance cost		60,346	269,976
Other operating expenses		1,070,179	1,493,636
	14	1,861,025	11,159,984
Operating profit		18,262,750	9,110,451
Interest income	6	2,514,529	2,507,319
Interest expense	6	(9,114,209)	(8,086,709)
Profit before Taxation		11,663,070	3,531,061
Taxation	15	-	-
NET PROFIT		11,663,070	3,531,061
Other comprehensive income			
Changes in unrealised gains on securities designated as FVOCI		5,409	223
TOTAL COMPREHENSIVE INCOME		11,668,479	3,531,284

NCB Financial Group Limited

Company Statement of Financial Position

September 30, 2024 (expressed in Jamaican dollars unless otherwise indicated)

	Note	2024	2023
		$'000	$'000
ASSETS			
Due from banks	18	3,366,039	3,016,047
Loan to related party	21	53,695,983	52,052,907
Investment securities	22	12,420,331	7,126,192
Investment in subsidiaries		177,583,096	177,583,096
Property, plant & equipment		499	880
Right-of-use assets		-	109,312
Investment property		340,149	-
Deferred income tax assets	30	10,743,858	10,746,562
Income tax recoverable		671,521	578,416
Due from related parties		6,913,446	7,383,786
Other assets	31	937,354	8,748,288
Total Assets		266,672,276	267,345,486
LIABILITIES			
Due to banks	32	10,196,459	19,234,934
Other borrowed funds	34	90,720,344	93,511,913
Lease liabilities		-	63,637
Other liabilities	38	10,017,889	12,903,302
Total Liabilities		110,934,692	125,713,786
EQUITY			
Share capital	39	161,170,899	153,827,330
Treasury shares		(11,232,294)	(11,232,294)
Fair value reserves		6,675	1,266
Retained earnings/(Accumulated deficit)		5,792,304	(964,602)
Total Equity		155,737,584	141,631,700
Total Equity and Liabilities		266,672,276	267,345,486

Approved for issue by the Board of Directors on 11 December 2024 and signed on its behalf by:

Robert Almeida — Group Chief Executive Officer

Malcolm Sadler — Chief Financial Officer

Sanya Goffe — Independent Director

Dave Garcia — Corporate Secretary

NCB Financial Group Limited

Company Statement of Changes in Equity

Year ended September 30, 2024 (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, 2022		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
Total comprehensive income						
Net profit		-	-	-	11,663,070	11,663,070
Other comprehensive income		-	-	5,409	-	5,409
Issue of shares		7,343,569	-	-	-	7,343,569
Dividends paid		-	-	-	(4,906,164)	(4,906,164)
Balance at September 30, 2024		161,170,899	(11,232,294)	6,675	5,792,304	155,737,584

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NCB Financial Group Limited

Company Statement of
Cash Flows

Year ended September 30, 2024 (expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
Cash Flows from Operating Activities			
Net profit		11,663,070	3,531,061
Adjustments to reconcile net profit to cash provided by/(used in) operating activities			
Finance cost		60,346	269,976
Interest income	6	(2,514,529)	(2,507,319)
Interest expense	6	9,114,209	8,086,709
Foreign exchange losses	8	589,581	742,429
Amortisation of upfront borrowing fees		367,484	393,328
Provision for credit losses		18,732	(6,597)
Changes in operating assets and liabilities:			
Loans and advances		(1,661,808)	(1,651,240)
Other		3,816,546	(1,579,260)
		9,790,561	3,748,026
Interest and dividend received		2,514,529	2,507,319
Interest paid		(9,503,186)	(7,827,060)
Income tax paid		(90,401)	40,036
		2,711,503	(1,531,679)
Net cash provided by operating activities		14,374,573	1,999,382
Cash Flows from Investing Activities			
Proceeds from sale of investments		10,140,640	-
Acquisition of property, plant & equipment		-	(1,056)
Net cash provided by/(used in) investing activities		10,140,640	(1,056)
Cash Flows from Financing Activities			
Proceeds from additional public offer		2,413,671	-
Proceeds from other borrowed funds		25,093,088	17,018,780
Dividend received from subsidiaries		(9,793,685)	(9,772,000)
Repayment of other borrowed funds		(28,611,094)	(5,718,076)
Repayment of lease liabilities		(63,637)	(199,952)
Due to banks		(8,744,500)	406,468
Dividends paid		(4,906,164)	-
Net cash (used in)/provided by financing activities		(24,612,321)	1,735,220
Net increase/(decrease) of exchange rate changes on cash and cash equivalents		447,100	(998,129)
Net increase in cash and cash equivalents		349,992	2,735,417
Cash and cash equivalents at beginning of period		3,016,047	280,630
Cash and Cash Equivalents at End of Period	18	3,366,039	3,016,047

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NCB Financial Group Limited

Notes to the Financial Statements

September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

(a) NCB Financial Group Limited ("the Company") is a financial holding company, incorporated and domiciled in Jamaica. The Company is 47.49% (2023 – 51.15%) 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, 2024 (expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities (Continued)

(b) 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 Limited	T&T	Property and Casualty Insurance Services		100

NCB Financial Group Limited

Notes to the Financial Statements

September 30, **2024** (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 Trust Limited	Bermuda	Trust administration		100
Clarien BSX Services Limited	Bermuda	Trading member of Bermuda Stock Exchange		100
TFOB (2021) Limited	Jamaica	Digital/Electronic Payments		100

1. Identification and Principal Activities (Continued)

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

(c) 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
Capital Infrastructure Group Limited (Note 3 (g))	Property Investment	76.00
Mundo Finance Limited	Micro Financing	50.00

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

Mundo has ceased operations in November 2023 and the entity is being wound up, a full provision for write off was made for the carrying amount.

2. Material Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS Accounting Standards 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 Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its Judgement 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 Judgement 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 2023 financial statements. See Note 54 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.

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

IFRS 17, 'Insurance contracts'

IFRS 17, 'Insurance contracts', effective 1 October 2023, the Group retrospectively adopted IFRS 17, in accordance with the transition provisions laid out by the standard. As stated in the IASB's Project Summary, IFRS 17 is the first comprehensive IFRS to establish the accounting for insurance contracts. IFRS 4 was always meant to be an interim standard, as it did not require insurers to account for insurance contracts in any one specific way and its disclosure requirements were relatively limited. The introduction of IFRS 17 was therefore meant to significantly increase the transparency and consistency of the measurement and reporting of insurance balances and transactions across the industry and reporting territories.

In achieving this, the standard's impact was not limited to changes in financial reporting, but also triggered the reconfiguration of other business areas such as product design, budgeting and forecasting, and the collection and storage of data. These changes created a fundamental shift in how the finance, actuarial, and information technology teams collaborate.

IFRS 17 has introduced many new concepts, the three most significant of which are level of aggregation, measurement models, and the contractual service margin ("CSM"). The level of aggregation requirements define how entities can aggregate insurance contracts for measurement and disclosure purposes. This has significant implications for revealing the profitability or onerosity of groups of contracts, with consequential impact to the income statement. The 3 main measurement models allowed by IFRS 17 are the general measurement model ("GMM"), the variable fee approach ("VFA"), and the premium allocation approach ("PAA"). Each model has different implications for the level of data granularity required, data tracking, and degree of financial disclosure. Finally, the CSM may have the most significant and widespread impact of all, targeting insurers' pattern of profitability recognition. While a substantial degree of judgement is still involved, the impact of this concept is that the profitability of certain insurance contracts that may have been front-loaded under IFRS 4 are now more evenly distributed over the lives of those contracts. This has resulted in profits previously recognised under IFRS 4 being clawed back into the insurance liability via the CSM. While any reduced profitability for new insurance contracts may be offset by the re-recognition of profitability for old contracts previously clawed back, the impact on net equity is significant.

Beyond the introduction of new concepts and their impacts, there is the significant increase in disclosure requirements under IFRS 17. There is now a high degree of transparency in how the insurance contract liability changes from year to year, visible by line of business. These disclosures are expected to provide new insights into the health and structure of insurers' business.

In transitioning to IFRS 17, the Group applied allowed alternative transition methods where the full retrospective approach was impracticable. The fair value approach was applied to all long-term insurance and reinsurance contracts in force as at October 1, 2022. The full retrospective approach was applied to all short-term insurance and reinsurance contracts in force from October 1, 2022, and to all long-term insurance and reinsurance contracts issued on October 1 2023 and after.

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

IFRS 17, 'Insurance contracts' (continued)

For the long-term portfolios mentioned above, the transition approach was determined at the level of a group of insurance contracts and affected the approach to calculating the CSM on initial adoption of IFRS 17. For the full retrospective approach, the CSM at initial recognition is based on initial assumptions when groups of contracts were recognised and rolled forward to the date of transition as if IFRS 17 had always been applied. For the fair value approach, the pre-transition fulfilment cash flows ("FCF") and experience are not considered.

No insurance acquisition cash flows assets were created upon transition relating to other insurance contracts issued or expected to be issued for any line of business.
The Group has determined that it would be impracticable to apply the full retrospective approach where any of the following conditions existed:

a. The effects of the full retrospective application were not determinable, for example:

   i. Some reasonable and supportable information about actual historical cash flows might have been available from the Group's systems, but in many cases such information was only available at higher levels or different levels of aggregation compared to the groups required by IFRS 17. This lack of information makes it impracticable to accurately calculate the FCF on a retrospective basis and to segregate groups based on profitability.

   ii. The information necessary to estimate the effect of contracts derecognised before the transition date on allocation of the CSM between past and future periods on the transition date was not available in many cases. This was particularly challenging for large portfolios of long-term contracts for which terms and circumstances (for example, size and number of contracts issued in prior reporting periods) often change.

b. The full retrospective application required assumptions that would have been made in an earlier period, for example:

   i. For contracts with direct participation features, the Group's expectations regarding the policyholder's share of underlying assets at contract inception would not have been possible to recreate without the use of hindsight.
   ii. Difficulties in retrieving relevant reliable information existed where assumptions developed at the date of initial recognition were not on an IFRS 17 basis (such as discount rates, risk adjustment for non-financial risk or expenses).
   iii. Changes in assumptions have not been historically documented on an ongoing basis.
   iv. The older the in-force contracts (such as term life products), the more challenging it would have been to retrieve data from the past on assumptions.

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

IFRS 17, 'Insurance contracts' (continued)

c. The full retrospective application required significant estimates of amounts, and it was impossible to distinguish objectively between information about those estimates that provided evidence of circumstances that (i) existed on the date at which those amounts were to be recognised, measured or disclosed; and (ii) would have been available when the consolidated financial statements for that prior period were authorised for issue, and other information, for example:

   i. The Group had limited, or no information required for the allocation of acquisition cash flows to respective groups of insurance contracts issued or expected to be issued and other overhead expenses to respective groups under IFRS 17. Systems have not been tracking or allocating acquisition costs, because previous accounting policies did not require this.
   ii. The Group has not historically been accumulating information about the changes in estimates that would have been recognised in profit or loss for each accounting period, because they did not relate to future service, and the extent to which changes in the FCF would have been allocated to the loss component.

The Group did not recognise any insurance acquisition cash flow assets at the transition date.

Full Retrospective Approach (FRA)

The Group has determined that reasonable and supportable information was available for all contracts issued on or after October 1, 2022, fair value for in force as at October 1, 2022 and FRA for all "issued on or after" October 1, 2022. In addition, for insurance contracts originated by the Group that are eligible for the PAA, the Group has concluded that only current and prospective information was required to reflect circumstances at the transition date, which made the full retrospective application practicable and, hence, the only available option for property and casualty contracts issued by the Group.

Accordingly, the Group has: identified, recognised and measured each group of insurance contracts and each insurance acquisition cash flows asset in this category as if IFRS 17 had always applied (except that a retrospective impairment test has not been performed); derecognised any existing balances that would not exist if IFRS 17 had always applied; and recognised any resulting net difference in equity.

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

IFRS 17, 'Insurance contracts' (continued)

Fair Value Approach

After making reasonable efforts to gather necessary historical information, the Group has determined that, for certain groups of contracts, such information was not available or was not available in a form that would enable it to be used without undue cost and effort. It was therefore impracticable to apply the full retrospective approach, and the fair value approach was used for these groups. The Group applied significant judgement in determining the transition amounts under this approach.

Judgements in applying the fair value approach

The Group applied the fair value approach to insurance contracts that were originated on 30 September 2022 and prior. Applying the fair value approach, the Group determined the CSM to be the difference between the fair value of a group of insurance contracts, measured in accordance with IFRS 13, 'Fair Value Measurement' (IFRS 13), and its FCF at the transition date. The Group did not apply the deposit floor when measuring insurance contracts when using the fair value approach on transition.

The fair value of an insurance liability is the price that a market participant would be willing to pay to assume the obligation and the remaining risks of the in-force contracts as at the transition date. Where available, recent market transactions were used to estimate the fair value of groups of contracts. In the absence of recent market transactions for similar contracts, a present value technique was used to value groups of contracts.

In estimating the fair value of groups of insurance contracts, the following considerations were applied:

a. only future cash flows within the boundaries of the insurance contracts were included in the fair value estimation, excluding future renewals and new business that would be outside the contract boundary of the contracts under IFRS 17;
b. assumptions about expected future cash flows and risk allowances were adjusted for the market participant's view, as required by IFRS 13; and

c. other sources of profit were included to reflect what a market participant would require for accepting obligations under insurance contracts, beyond the risk adjustment for non-financial risk.

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

IFRS 17, 'Insurance contracts' (continued)

Given the lack of a liquid and observable market of insurance liabilities in the Caribbean, the fair value of insurance contracts was estimated using a method consistent with the income approach. There are two techniques that is consistent with this namely: the adjusted fulfilment cash flows and embedded or appraisal value. The Group used the adjusted fulfilment cash flows as it is similar to the technique used to determine the fulfilment cash flows; however, adjusted to reflect the perspective of a market participant (IFRS 13) rather than the entity's view (IFRS 17).
The Group used significant judgement to determine adjustments required to reflect the market participant's view, and it considered the following:

Definition and classification - The following assessments were performed using the criteria described in note 3, based on the information available as at the transition date:

a. assessment of whether a contract issued that does not transfer significant insurance risk meets the definition of an investment contract with discretionary participation features within the scope of IFRS 17; and
b. An assessment of whether an insurance contract issued meets the definition of an insurance contract with direct participation features.

Aggregation of contracts - Groups of contracts include contracts issued more than one year apart.

Discount rates - The discount rates at the dates of initial recognition were determined at the transition date, as described in note 3(d).

The determination of an appropriate market discount rate to calculate the fair value at initial recognition included the application of the Group's own credit risk. This was calculated as a percentage of the Group's FCF. It was incorporated as a reduction to the Group's FCF, to derive the adjusted fulfilment cash flows (AFCF). The Group also included its reported Capital Adequacy requirements as of 30 September 2022 to determine the Cost of Capital (COC). The COC was then calculated as the discounted value of the base solvency at the hurdle rate and applying a cost of capital factor.

FCF - The FCF were estimated prospectively as at the transition date and were determined as the present value of the Group's cash flows, consistent with the typical actuarial approach to determining the best estimate liability and risk adjustment. The ratios of Capital Adequacy risk components to the FCF were used to estimate the Group's risk components for the life of the business. The base solvency was calculated as the sum of the risk components. The Target Available Capital was calculated as the base solvency buffer net of diversification benefit multiplied by the target capital ratio, less Risk Adjustment.

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

IFRS 17, 'Insurance contracts' (continued)

CSM-The CSM (for insurance contracts issued) were estimated to be the difference between the fair value of a group of insurance contracts, measured in accordance with IFRS 13 as described above, and its FCF at the transition date. All relevant sources of required profit were considered, particularly for blocks of business that have significant additional capital considerations. The profit margin was calculated as the sum of COC, Risk Provision release and the other sources of profit, with each item in the profit margin calculation discounted at the hurdle rate.

The Group did not recognise any insurance acquisition cash flow assets at the transition date. The Group disaggregated insurance finance income or expenses between profit or loss and other comprehensive income for all groups of insurance contracts measured under the GMM. Refer to Note 54 for restatement under IFRS 17.

Amendments to IAS 12, 'Income Taxes', due to the Organisation for Economic Co-operation and Development (OECD) Pillar two rules, (to be applied immediately, however, the disclosures about the known or reasonably estimable exposure to Pillar Two income taxes are only required for annual reporting periods beginning on or after 1 January 2023). In December 2021, the OECD released the Pillar Two model rules (the Global Anti-Base Erosion Proposal, or 'GloBE') to reform international corporate taxation. Large multinational enterprises within the scope of the rules are required to calculate their GloBE effective tax rate for each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. In May 2023, the IASB made narrow-scope amendments to IAS 12 which provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also require affected companies to disclose:

- the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes,
- their current tax expense (if any) related to the Pillar Two income taxes and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

The amendment did not have any significant impact on the Group's financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2, 'Disclosure of Accounting Policies', (effective for annual periods beginning on or after 1 January 2023). The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendment had no significant impact on the operation or financial statements of the Group.

2. Summary of Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates, (effective for annual periods beginning on or after 1 January 2023). The amendment to IAS 8 clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendment had no significant impact on the operation or financial statements of the Group.

Amendments to IAS 12, 'Income Taxes', - Deferred Tax related to Assets and Liabilities arising from a Single Transaction, (effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 12 require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable.

The amendment did not have a significant impact on the Group's financial statements.

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

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

Amendments to IAS 1, Presentation of financial statement's, 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.

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.

2. Summary of Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

Amendment to IAS 7 and IFRS 7 - Supplier finance (effective for annual periods beginning on or after 1 January 2024). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The Group is currently assessing the impact of this amendment.

Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The Group is currently assessing the impact of this amendment.

Amendments to IFRS 9, 'Financial Instruments' and IFRS 7, 'Financial Instruments: Disclosures', 'the Classification and Measurement of Financial Instruments', (effective for annual periods beginning on or after 1 January 2026). On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

(d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities. It is not anticipated that the amendments will have a significant impact on the Group's financial statements.

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

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss • required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Management is assessing the impact of this new standard on the Group's financial statements.

2. Summary of Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

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

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

The Group is currently assessing the impact of this standard.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the Group.

2. Material 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 Judgement 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. Material 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 Group Chief Executive Officer.

2. Material 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. Material 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 Accounting Standards 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 Accounting Standards 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.

2. Material Accounting Policies (Continued)

(e) Revenue recognition (continued)

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.

(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.

2. Material Accounting Policies (Continued)

(g) Income taxes (continued)

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.

(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. Judgement 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.

2. Material Accounting Policies (Continued)

(i) Financial assets (continued)

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. Material 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. Material 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.

BACK TO INDEX: NOTES TO THE FINANCIAL STATEMENTS

2. Material Accounting Policies (Continued)

(i) Financial assets (continued)

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.

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.

2. Material Accounting Policies (Continued)

(i) Financial assets (continued)

Recognition and Measurement of ECL (continued)
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 Judgement 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.

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 Judgement. 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.

2. Material Accounting Policies (Continued)

(i) Financial assets (continued)

Forward looking information (continued)
The weightings assigned to each economic scenario as at October 1, 2023 and September 30, 2024 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.

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.

2. Material Accounting Policies (Continued)

(i) Financial assets (continued)

Acceptance, guarantees, indemnities, letters of credit and undertakings (continued)

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.

(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 for Jamaican deposit taking institutions 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 Accounting Standards 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.

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Notes to the Financial Statements
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2. Material 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 income statement.

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. Material 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. Material 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 income statement 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. Material 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. Material 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. Material 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.

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2. Material Accounting Policies (Continued)

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

Summary of measurement approaches
The Group uses different measurement approaches, depending on the type of contracts, as follows:

Contracts issued	Product Classification	Measurement model
Traditional Life and Interest Sensitive without Guarantees		
Traditional life and critical illness contracts - participating; non-participating; interest sensitive non-participating	Insurance contracts	General Measurement Model
Individual Life Personal Accident	Insurance contracts	General Measurement Model
Group Life Term (5-year contract duration)	Insurance contracts	General Measurement Model
Annuities		
Group annuity contracts - defined benefits; defined contribution; savings benefits	Insurance contracts	General Measurement Model
Traditional annuity contracts - deferred benefit; immediate benefit; lifestyle; non-participating	Insurance contracts	General Measurement Model
Individual annuity lifestyle	Insurance contracts with direct participation features	Variable Fee Approach
Unit linked life and interest sensitive with guarantees		
Unit and Equity Linked contracts - annuity; critical illness; life	Insurance contracts with direct participation features	Variable Fee Approach
Unit and Equity Linked contracts - life & critical illness Evolution series	Insurance contracts with direct participation features	Variable Fee Approach
Short term Group life and Health contracts		
Group life; individual and group health	Insurance contracts	Premium Allocation Approach
Property and Casualty		
Property; motor; casualty such as employers' liability and public liability; marine; accident; engineering; bonding and crime	Insurance contracts	Premium Allocation Approach
Long term reinsurance contracts		
Individual life and critical illness reinsurance contracts	Reinsurance contracts held	General Measurement Model
Individual Life Personal Accident Reinsurance contracts	Reinsurance contracts held	General Measurement Model
Short-term reinsurance contracts - Life, Health & Pensions		
Group life; health	Reinsurance contracts held	Premium Allocation Approach
Short-term reinsurance contracts - Property & Casualty		
Property; motor; casualty; marine; accident; engineering; bonding and crime	Reinsurance contracts held	Premium Allocation Approach

2. Material Accounting Policies (Continued)

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

Definition and Classification

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.
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, on a present value basis, than the benefits payable if the insured event did not occur'.

Classified as investment contracts and follow financial instruments accounting under IFRS 9. Some investment contracts without discretionary participation features issued by the Group fall under this category. Refer to Note 9. The Group does not have any investment contracts with discretionary participation features, whereby the investor has the right and is expected to receive, as a supplement to the amount not subject to the Group's discretion, potentially significant additional benefits based on the return of specified pools of investment assets.

The Group issues certain insurance contracts that are substantially investment-related service contracts where the return on the underlying items is shared with policyholders. Underlying items comprise specified portfolios of investment assets that determine amounts payable to policyholders.

An insurance contract with direct participation features is defined by the Group as one which, at inception, meets the following criteria:

- The contractual terms specify that the policyholders participate in a share of a clearly identified pool of underlying items;
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- The Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Investment components in most Traditional Life, Critical Illness, and Annuity products comprise cash surrender values less policy loans and applicable surrender fees. These are not considered significant.

The Group uses judgement to assess whether the amounts expected to be paid to the policyholders constitute a substantial share of the fair value on the underlying returns.

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2. Material Accounting Policies (Continued)

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

Definition and Classification (continued)

Insurance contracts with direct participation features are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the Group's share of the fair value of the underlying items, which is based on a fixed percentage of investment management fees (withdrawn annually from policyholder account values based on the fair value of underlying assets and specified in the contracts with policyholders) less the FCF that do not vary based on the returns on underlying items. The measurement approach for insurance contracts with direct participation features is referred to as the VFA. The VFA modifies the accounting model in IFRS 17 (referred to as the GMM) to reflect that the consideration an entity receives for the contracts is a variable fee.

Direct participating contracts issued by the Group are contracts with direct participation features where the Group holds the pool of underlying assets and accounts for these groups of contracts under the VFA. All other insurance contracts originated by the Group are without direct participation features.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of significant loss.

All references to insurance contracts in these consolidated financial statements apply to insurance contracts issued or acquired, reinsurance contracts held or issued and insurance contracts with or without direct participation features, unless specifically stated otherwise.

Aggregation bases for disclosure purposes
Insurance contracts are classified into five main categories.

i. Property and casualty insurance contracts
These contracts are principally property, motor, casualty (employers' liability, public liability), and marine 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 up to the insured amount and within the terms of the policy conditions. These contracts are issued for both private and commercial risks.

Motor insurance contracts indemnify the Group's customers for their legal requirement under the respective country's road traffic legislation, which in certain instances stipulate unlimited coverage for third party liability. 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.

2. Material Accounting Policies (Continued)

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

Aggregation bases for disclosure purposes (continued)

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 consolidated statement of financial position date, even if they have not yet been reported to the Group. 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 on these revisions are recognised within claims expense in the current year.

ii. Short-term group life and health insurance contracts

These contracts are principally group life, group health, and individual health insurance policies.

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 dependants to maintain their 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.

Claims and loss adjustment expenses arise, are estimated, and charged similarly to that of the property and casualty insurance contracts.

iii. Traditional life and interest sensitive without guarantees

These contracts insure events associated with human mortality over a long duration. A liability for policyholders' benefits that are expected to be incurred in the future is established on acceptance of the insurance risk, and is based on key assumptions made with respect to variables such as mortality, persistency, investment returns and expense inflation.

Actuarial liabilities are calculated using best estimates of future cash flows arising from the insurance contracts in force, with a risk adjustment. As experience unfolds, the risk adjustment will be included in future income to the extent they are no longer required to cover adverse experience.

In addition to death benefits, some of these contracts contain a discretionary participation feature that entitles the holders to a bonus or dividend declared from time to time. The discretionary element of the benefits payable under these policies, as well as the guaranteed elements are treated as liabilities. The actuarial calculations make allowance for future expected policyholder bonuses and dividends.

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2. Material Accounting Policies (Continued)

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

Aggregation bases for disclosure purposes (continued)

iv. Unit linked life and interest sensitive with guarantees

The premiums paid for these contracts contain an element that covers the insured event and another which is used to accumulate cash values available for withdrawal at the option of the policyholder. These cash values earn interest.

The liabilities arising from the unit-linked contracts comprise the liability for the insured risk and the accumulated cash value. The liability for the insured risk is determined in a manner identical to the liability for traditional life and interest sensitive contracts without guarantees and is included in the policyholders' liability balance, while the liability for the accumulated cash value is carried at fair value of the assets which fund the liabilities.

The Jamaican life insurance subsidiary issues interest-sensitive policies. The liability for the interest-sensitive policies is determined as the sum of the liability for the insured risk (as determined above for unit-linked policies) and the liability for the accumulated cash values. The entire liability for the interest-sensitive policies is recorded in insurance contracts. For the Trinidad and Tobago life insurance subsidiary, the insurance contracts prescribe no fixed terms.

v. Annuities

These contracts ensure events associated with human longevity over a long duration. A liability for policyholders' benefits that are expected to be incurred in the future is established on acceptance of the insurance risk and is based on key assumptions similar to those made for traditional life products, except that morbidity is also a key variable. Some of the annuities include unit-linked elements containing guarantees that entitle the holders to a minimum guaranteed crediting rate over the life of the policy and provide for minimum annuity purchase rates. These guarantees are allowed for in the liability calculations.

2. Material Accounting Policies (Continued)

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

Aggregation bases for disclosure purposes (continued)

Unit of account

The Group manages insurance contracts issued by product lines and certain sub-categories, where each sub-category includes contracts that are subject to similar risks. All insurance contracts within a specified sub-category represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a year (annual cohorts) for all contracts issued September 30, 2022 and prior, and within a quarter (quarterly cohorts) for all GMM and VFA contracts issued October 1 2022 and after. All PAA portfolios are disaggregated into annual cohorts regardless of their issue date. All portfolios are further disaggregated as follows:

(i) Contracts that are onerous at initial recognition;

(ii) Contracts that at initial recognition have no significant possibility of becoming onerous subsequently;

or

(iii) A group of remaining contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses significant judgement to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

2. Material Accounting Policies (Continued)

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

Unit of account (continued)

For all long-term and short-term products, sets of contracts usually correspond to policyholder pricing groups that the Group determined to have similar insurance risk and that are priced within the same insurance rate ranges. The Group monitors the profitability of contracts and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at a portfolio level with no information available at a more granular level.

Some individual and group health products, unit-linked annuity products, defined benefit annuity products, and Lifestyle individual annuity products have break-even profitability or are loss making, and therefore were allocated to groups of contracts that were onerous or remaining at initial recognition. All other contracts issued are always priced with high expected profitability margins, and thus, such contracts are allocated to groups of contracts that have no significant possibility of becoming onerous at initial recognition.

For the property and casualty contracts measured using the PAA, the Group assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. This assessment is performed at a portfolio level.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts into quarterly and annual cohorts in line with how this was defined for insurance contracts. These portfolios then were further disaggregated as follows:

(i) Contracts for which there is a net gain at initial recognition, if any;
(ii) Contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and
(iii) Remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Group tracks internal management information reflecting historical experiences of such contracts' performance, by treaty and sub-divided by line of business. This information is used as a basis for price negotiations with reinsurers as well as setting retention amounts. The Group's assessment of the performance of the treaties have concluded that some reinsurance contracts held are in a net cost position without a significant possibility of a net gain arising subsequently while other reinsurance contracts have a net gain at initial recognition.

Transition approaches that were applied by the Group on adoption of IFRS 17 with respect to contracts aggregation requirements are included in Note 9.

2. Material Accounting Policies (Continued)

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

Unit of account (continued)

Before the Group accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- Cash flows relating to embedded derivatives that are required to be separated;
- Cash flows relating to distinct investment components; and
- Promises to transfer distinct goods non-insurance services.

The Group does not have any products with components that require separation. The Group therefore applies IFRS 17 to all components of the contract. In assessing whether the contract should be further separated, the following considerations are made:

(i) Whether there is interdependency between the different risks covered;
(ii) Whether components lapse together; and
(iii) Whether components can be priced and sold separately.

The Group does not have any contracts that require further separation of insurance contracts.

Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- The beginning of the coverage period;
- The date when the first payment from the policyholder is due or actually received, if there is no due date; and
- When the Group determines that a group of contracts become onerous.

Insurance contracts acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition on transfer.

A group of reinsurance contracts held that covers the losses of separate insurance contracts on a proportionate basis (proportionate or quota share reinsurance) is recognised from the earlier of:

- The beginning of the coverage period of the group; and
- The date the Group recognised an onerous group of underlying insurance contracts, if the Group entered into the related reinsurance contract held in the group at or before that date.

The Group does not recognise a group of quota share reinsurance contracts held until it has recognised at least one insurance contract in a group of the underlying insurance contracts, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held. A gap between the start of the coverage period for a quota share contract and that of the underlying contracts rarely occurs in practice.

A group of reinsurance contracts held that covers aggregate losses from underlying contracts in excess of a specified amount (non- proportionate reinsurance contracts, such as excess of loss reinsurance) is recognised at the beginning of the coverage period of that group.

2. Material Accounting Policies (Continued)

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

Recognition and derecognition continued

Only contracts that meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

Accounting for contract modification and derecognition

An insurance contract is derecognised when it is:

- ► Extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- ► The contract is modified and certain additional criteria are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in the regulations, the group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

(a) If the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
   (i) Is not in scope of IFRS 17;
   (ii) Results in different separable components;
   (iii) Results in a different contract boundary; or
   (iv) Belongs to a different group of contracts

(b) The original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or

(c) The original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

2. Material Accounting Policies (Continued)

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

Recognition and derecognition (continued)

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

(a) Adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group.

(b) Adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:
(i) If the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service.
(ii) If the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less than the premium charged by the third party.
(iii)If the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received.

(c) Adjusts the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.
When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:
(a) If the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
(b) If the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or
(c) If the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

Measurement

Fulfilment cash flows

Fulfilment cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:
(a) Are based on a probability weighted mean of the full range of possible outcomes;
(b) Are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and
(c) Reflect conditions existing at the measurement date.

2. Material Accounting Policies (Continued)

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

Measurement (continued)

Fulfilment cash flows continued

Fulfilment cash flows within contract boundary (continued)

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation. Refer to Note 9.

Risk of the Group's non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain FCF at a policy level, which is then aggregated into the relevant profitability groups, cohorts, and portfolios.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary
The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. This assessment is reviewed every reporting period.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

(a) The Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or

(b) Both of the following criteria are satisfied:

  (i) The Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
  (j) the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

2. Material Accounting Policies (Continued)

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

Measurement (continued)

Fulfilment cash flows (continued)

Fulfilment cash flows within contract boundary (continued)

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all the cash flows within its boundary.

Some insurance contracts issued by the Group provide policyholders with an option to buy an annuity upon the initially issued policies maturity. The Group assesses its practical ability to reprice such insurance contracts in their entirety to determine if annuity-related cash flows are within or outside of the insurance contract boundary. As a result of this assessment, non-guaranteed annuity options are not measured by the Group until they are exercised.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive services from the reinsurer.

The Group's individual life reinsurance agreements held have an unlimited duration but are cancellable for new underlying business with a 60 day notice period by either party. Thus, the Group treats such reinsurance contracts as a series of contracts that cover underlying business in force at the end of the reporting period. Estimates of future cash flows arising from all underlying contracts in force at the reporting period are included in the measurement of the reinsurance contracts.

The Group's group life reinsurance contracts and some of its property and casualty reinsurance contracts held provide coverage for claims incurring during the period of the reinsurance treaty coverage. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. The premium status of reinsurance policies are aligned with that of the underlying insurance policy. As a result, if the underlying policy is terminated, reinsurance premiums cease; if the underlying policy is reinstated, reissued, converted or otherwise continued after being previously terminated, reinsurance premiums will recommence, with specific rules applied.

The Group's health reinsurance contracts and some of its property and casualty reinsurance contracts held provide coverage for claims incurring during the period of the reinsurance treaty coverage, and up to one year after (i.e., risk attaching reinsurance contracts). Thus, all cash flows arising from claims incurred and expected to be incurred in the two year period are included in the measurement of the reinsurance contracts held.

2. Material Accounting Policies (Continued)

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

Measurement (continued)

Fulfilment cash flows (continued)

Fulfilment cash flows within contract boundary (continued)
Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition costs
The Group defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs. Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

(a) To that group; and
(b) To groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

The Group does not pay (or recognise a liability, applying a standard other than IFRS 17) directly attributable acquisition costs to originate a group of insurance contracts before they are recognised. The Group therefore does not recognise insurance acquisition cash flows assets.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.
Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in Note 3 (d).

Initial measurement - Groups of contracts measured under the GMM and/or the VFA

Contractual service margin
The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Company will recognise as it provides insurance contract services in the future.

2. Material Accounting Policies (Continued)

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

Measurement (continued)

Initial measurement - Groups of contracts measured under the GMM and/or the VFA (continued)

Contractual service margin (continued)

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

(a) The initial recognition of the FCF;
(b) Cash flows arising from the contracts in the group at that date;
(c) The derecognition of any insurance acquisition cash flows asset; and
(d) The derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised (refer to the Onerous contracts – Loss component section below).

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:
(a) The initial recognition of the FCF; and
(b) Cash flows arising from the contracts in the group at that date;
(c) The amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other pre-recognition cash flows); and Any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised in (d) above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

For insurance contracts acquired in a portfolio transfer or a business combination within the scope of IFRS 3, at initial recognition, the CSM is an amount that results in no income or expenses arising from:
(a) The initial recognition of the FCF; and
(b) Cash flows arising from the contracts in the group at that date, including the fair value of the groups of contracts acquired as at the acquisition date as a proxy of the premiums received.

2. Material Accounting Policies (Continued)

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

Measurement (continued)

Subsequent measurement - Groups of contracts measured under the GMM and/or the VFA

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:
(a) The LRC, comprising:
 (i) The FCF related to future service allocated to the group at that date; and
 (ii) The CSM of the group at that date; and
(b) The LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:
(a) The remaining coverage, comprising:
 (i) The FCF related to future service allocated to the group at that date; and
 (ii) The CSM of the group at that date; and
(b) The incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Changes in fulfilment cash flows
The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.
The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:
(a) Changes that relate to current or past service are recognised in profit or loss; and
(b) Changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:
(a) Experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
(b) Changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
(c) Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and
(d) Changes in the risk adjustment for non-financial risk that relate to future service.

2. Material Accounting Policies (Continued)

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

Measurement (continued)

Subsequent measurement - Groups of contracts measured under the GMM and/or the VFA (continued)

Changes in fulfilment cash flows (continued)
Adjustments (a), (b), and (d) are measured using the locked-in discount rates as described in the section 'Interest accretion on the CSM'.
For insurance contracts under the GMM, the following adjustments do not relate to future service and thus do not adjust the CSM:

(a) Changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof.

(b) Changes in the FCF relating to the LIC;

(c) Experience adjustments – arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and

(d) Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

When no commitment is specified, the effect of all changes in assumptions that relate to financial risk and changes thereof on the FCF is recognised in insurance finance income or expenses.

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

(a) Changes in the Group's share of the fair value of the underlying items; and

(b) Changes in the FCF that do not vary based on the returns of underlying items:

  (i) Changes in the effect of the time value of money and financial risks including the effect of financial guarantees;

  (ii) Experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;

  (iii) Changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;

  (iv) Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and

  (v) Changes in the risk adjustment for non-financial risk that relate to future service. Adjustments (ii) to (v) are measured using the current discount rates.

2. Material Accounting Policies (Continued)

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

Measurement (continued)

Subsequent measurement - Groups of contracts measured under the GMM and/or the VFA (continued)

Changes in fulfilment cash flows (continued)

For insurance contracts under the VFA, the following adjustments do not relate to future service and thus do not adjust the CSM:

(a) Changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;

(b) Changes in the FCF that do not vary based on the returns of underlying items;

(i) Changes in the FCF relating to the LIC; and
(ii) Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

The Group does not have any products with complex guarantees and does not use derivatives to economically hedge the risks.

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

(a) The effect of any new contracts added to the group.

(b) For contracts measured under the GMM, interest accrued on the carrying amount of the CSM.

(c) Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses.
The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.

(d) The effect of any currency exchange differences.

(e) The amount recognised as insurance revenue for services provided during the period determined after all other adjustments above.

2. Material Accounting Policies (Continued)

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

Measurement (continued)

Subsequent measurement - Groups of contracts measured under the GMM and/or the VFA (continued)

Changes to contractual service margin (continued)

For reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

(a) The effect of any new contracts added to the group.
(b) Interest accreted on the carrying amount of the CSM.
(c) Income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised.
(d) Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held.
(e) Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts.
(f) The effect of any currency exchange differences.
(g) The amount recognised in profit or loss for insurance contract services received during the period, determined after all other adjustments above.

Income referred to in (c) above is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that is entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

For the purposes of (c)–(e) above, when underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Refer to the Reinsurance contracts held – Loss recovery component section below for loss-recovery component accounting.

The Group does not have any reinsurance contracts held measured under the GMM with underlying contracts measured under the PAA.

Interest accretion on the CSM:

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items (locked-in discount rates).

Adjusting the CSM for changes in the FCF relating to future service:

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2. Material Accounting Policies (Continued)

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

Measurement (continued)

Subsequent measurement - Groups of contracts measured under the GMM and/or the VFA (continued)

Changes to contractual service margin (continued)

Release of the CSM to profit or loss:

The amount of the CSM recognised in profit or loss for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The coverage period is defined as a period during which the entity provides insurance contract services. Insurance contract services include coverage for an insured event (insurance coverage), the generation of an investment return for the policyholder, if applicable (investment- return service) for the contracts under the GMM, and the management of underlying items on behalf of the policyholder (investment-related service) for the contracts under the VFA. The period of investment-return service or investment-related service ends at or before the date when all amounts due to current policyholders relating to those services have been paid. Investment-return services are provided only when an investment component exists in insurance contracts or the policyholder has a right to withdraw an amount, and the Group expects these amounts to include an investment return that is achieved by the Group by performing investment activities to generate that investment return.

For contracts issued, the Group determines the coverage period for the CSM recognition as follows:

(a) For life insurance contracts, the coverage period corresponds to the policy coverage for mortality risk for life insurance policies and longevity risk for deferred annuities; and

(b) For insurance contracts with investment components, the coverage period corresponds to the period in which insurance or investment return and investment-related services are expected to be provided.

The total number of coverage units in a group is the quantity of coverage provided by the contracts in the group over the expected coverage period. In instances where multiple services are provided to a policyholder, the coverage units are calculated based on each rider, but aggregated to produce the total contract's coverage units. The coverage units are determined at each reporting period-end prospectively by considering:

(a) The quantity of benefits provided by contracts in the group;
(b) The expected coverage duration of contracts in the group; and
(c) The likelihood of insured events occurring, only to the extent that they affect the expected duration of contracts in the group.

The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs at the basis for the quantity of benefits.

2. Material Accounting Policies (Continued)

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

Measurement (continued)

Subsequent measurement - Groups of contracts measured under the GMM and/or the VFA (continued)

Changes to contractual service margin (continued)

The Group determines coverage units as follows:

(a) For products under the "Traditional life and interest sensitive without guarantees" category, coverage units are determined based on the policies' face values that are equal to the fixed death benefit amounts;
(b) For products under the "Unit linked life and interest sensitive with guarantees" category, coverage units are based on the fixed death benefits amounts (during the insurance coverage period) plus policyholders' account values;
(c) For products under the "Annuities" category that are in the accumulation phase, coverage units are based on policy size (i.e., the value of the accumulated funds). When they are in the annuitisation phase, coverage units are based on the annuity payout. The coverage units were summed (weights are 50%/50%).

The Group reflects the time value of money in the allocation of the CSM to coverage units using discount rates that are applied to nominal cash flows that do not vary based on the returns of underlying items. For GMM contracts, these discount rates are determined at initial recognition, while for VFA contracts, current discount rates are applied.

For reinsurance contracts held, the CSM is released to profit or loss as services are received from the reinsurer in the period.

Coverage units for the proportionate term life reinsurance contracts are based on the insurance coverage provided by the reinsurer and are determined by the ceded policies' fixed face values taking into account new business projected within the reinsurance contract boundary.

The coverage period for these contracts is determined based on the coverage of all underlying contracts whose cash flows are included in the reinsurance contract boundary. Refer to the 'Contract boundary' section within this Note above.

Onerous contracts - Loss component:

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses and records it as a loss component of the LRC.

2. Material Accounting Policies (Continued)

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

Measurement (continued)

Subsequent measurement - Groups of contracts measured under the GMM and/or the VFA (continued)

Changes to contractual service margin (continued)

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

(a) Expected incurred claims and expenses for the period;
(b) Changes in the risk adjustment for non-financial risk for the risk expired; and
(c) Finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance services expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Reinsurance contracts held – Loss-recovery component:

A loss-recovery component is established or adjusted within the asset for remaining coverage for reinsurance contracts held for the amount of income recognised in profit or loss when the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts discussed in the Onerous contracts – Loss component section above. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

Initial and subsequent measurement - Groups of contracts measured under the PAA

The Group uses the PAA for measuring contracts with a coverage period of one year or less. The PAA eligibility test was applied to risk-attaching reinsurance contracts, and it was concluded that the PAA can also be used for such contracts.

For insurance contracts issued, insurance acquisition cash flows are deferred and recognised over the coverage period of contracts in a group.
For insurance contracts issued, on initial recognition, the Group measures the LRC at the amounts of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the prepaid acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows.

2. Material Accounting Policies (Continued)

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

Measurement (continued)
Initial and subsequent measurement - Groups of contracts measured under the PAA (continued)

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

(a) The LRC; and
(b) The LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

(a) The remaining coverage; and
(b) The incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

(a) Increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
(b) Decreased for insurance acquisition cash flows paid in the period;
(c) Decreased for the amounts of expected premiums received recognised as insurance revenue for the services provided in the period;
(d) Increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

(a) Increased for ceding premiums paid in the period; and
(b) Decreased for the amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money as insurance premiums are due within the coverage of contracts, which is one year or less.

There are no investment components within insurance contracts issued and reinsurance contracts held that are measured under the PAA.

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2. Material Accounting Policies (Continued)

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

Measurement (continued)

Initial and subsequent measurement - Groups of contracts measured under the PAA continued

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. The health insurance contracts typically have a settlement period of one year and less, and therefore the future cash flows are not adjusted for the time value of money. For property and casualty and group life insurance contracts, future cash flows are adjusted for the time value of money since these insurance contracts sometimes have claims with a settlement period of over one year. Some of these 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.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Group increases the carrying amount of the LRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component where applicable, resulting changes in the loss component are disaggregated between insurance service expenses and insurance finance income or expenses for the effect of the time value of money, financial risk and effect of changes therein.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Where applicable, changes in the loss-recovery component are disaggregated between net income from reinsurance contracts held (refer to note 9) and insurance finance income or expenses for the effect of the time value of money, financial risk and effect of changes therein in proportion to the disaggregation applied to the changes in the underlying loss component.

2. Material Accounting Policies (Continued)

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

Measurement (continued)

Initial and subsequent measurement - Groups of contracts measured under the PAA (continued)

The Group does not have any reinsurance contracts held measured under the PAA with underlying contracts measured under the GMM.

Amounts recognised in comprehensive income

Insurance service result from insurance contracts issued

Insurance revenue
As the Group provides services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Group expects to be entitled to in an exchange for those services.

For contracts measured under the GMM and/or the VFA, insurance revenue comprises the following:

► Amounts relating to the changes in the LRC:

  a) Insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
    - amounts related to the loss component;
    - repayments of investment components and policyholder rights to withdraw an amount;
    - amounts of transaction-based taxes collected in a fiduciary capacity; and
    - insurance acquisition expenses;
    - amounts related to the risk adjustment for non-financial risk (see (b));
  b) Changes in the risk adjustment for non-financial risk, excluding:
    - changes included in insurance finance income (expenses);
    - changes that relate to future coverage (which adjust the CSM); and
    - amounts allocated to the loss component;
  c) Amounts of the CSM recognised in profit or loss for the services provided in the period; and
  d) Experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.
  e) Other amounts, including any other pre-recognition cash flows assets derecognised at the date of initial recognition.

► Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.

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2. Material Accounting Policies (Continued)

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

Amounts recognised in comprehensive income (continued)

Insurance service result from insurance contracts issued (continued)

Insurance revenue continued

For groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

(a) Incurred claims and benefits excluding investment components reduced by loss component allocations;

(b) Other incurred directly attributable insurance service expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;

(c) Amortisation of insurance acquisition cash flows;

(d) Changes that relate to past service (i.e. changes in the FCF relating to the LIC); and

(e) Changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).

(f) Insurance acquisition cash flows assets impairment.

For contracts measured under the GMM and/or the VFA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of income or loss.

2. Material Accounting Policies (Continued)

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

Amounts recognised in comprehensive income (continued)

Insurance service result from reinsurance contracts held

Net income (expenses) from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

(a) Reinsurance expenses;

(b) Incurred claims recovery;

(c) Other incurred directly attributable insurance service expenses;

(d) Changes that relate to past service – changes in the FCF relating to incurred claims recovery;

(e) Effect of changes in risk of reinsurer non-performance;

(f) Amounts relating to accounting for onerous groups of underlying insurance contracts issued:
   i. Income on initial recognition of onerous underlying contracts;
   ii. Reinsurance contracts held under the GMM: reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
   iii. Reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Group expects to pay in exchange for those services.

For contracts measured under the GMM and/or the VFA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

(a) Claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:

   - Amounts allocated to the loss-recovery component;
   - Repayments of investment components;
   - Amounts related to the risk adjustment for non-financial risk (see (b));

(b) Changes in the risk adjustment for non-financial risk, excluding:

   - Changes included in finance income (expenses) from reinsurance contracts held; and
   - Changes that relate to future coverage (which adjust the CSM);
   - Amounts allocated to the loss-recovery component;

2. Material Accounting Policies (Continued)

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

Insurance service result from reinsurance contracts held (continued)

Net income (expenses) from reinsurance contracts held (continued)

(a) Amounts of the CSM recognised in profit or loss for the services received in the period; and

(b) Experience adjustments – arising from premiums paid in the period other than those that relate to future service.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

(a) The effect of the time value of money and changes in the time value of money; and

(b) The effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

(a) Interest accreted on the FCF and the CSM; and

(b) The effect of changes in interest rates and other financial assumptions.

For contracts measured under the VFA, insurance finance income or expenses comprise changes in the value of underlying items (excluding additions and withdrawals).

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

(a) Interest accreted on the LIC; and

(b) The effect of changes in interest rates and other financial assumptions.

The Group disaggregate changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

For the contracts measured under the VFA and the PAA, the Group includes all insurance finance income or expenses for the period in profit or loss (i.e. the profit or loss option (the PL option) is applied).

2. Material Accounting Policies (Continued)

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

Amounts recognised in comprehensive income (continued)

Insurance service result from reinsurance contracts held (continued)

Net income (expenses) from reinsurance contracts held (continued)

For the contracts measured using the GMM, except for those supported by investments measured at fair value through profit or loss, the OCI option is applied. The investments held by the Group that are used to support the GMM portfolio are typically measured at either amortised cost or at fair value through OCI, therefore the use of the OCI option results in the elimination of accounting mismatches with the associated assets. When the OCI option is applied, the impact of the change in discount rate is posted to the OCI. The difference between the liability measured on current rates and the liabilities measured on locked-in rates at any point in time represent the accumulation of amounts in OCI. Interest accreted on the BEL and CSM are also posted to the P&L for these portfolios.

Groups of insurance and reinsurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items. Where these groups of insurance and reinsurance contracts generate cash flows in multiple currencies, the Group has opted to maintain the underlying cash flows in their transactional currencies. The risk adjustment is also denominated in multiple currencies reflecting the currencies of its related fulfilment cash flows. The CSM, loss component, and the loss recovery component within each insurance and reinsurance group is however assigned a single currency ("the CSM Currency") in order to operate the mechanics of IFRS 17. This currency is determined separately for each insurance or reinsurance group based on the predominant currency in which the underlying cash flows are denominated.

The impact of adjusting the CSM, loss component, or loss recovery component in the CSM Currency due to changes in the exchange rate between the currencies of the underlying cash flows and the CSM Currency are accounted for as changes in financial risk - i.e., within effects of changes in interest rates and other financial assumptions'. Applying IAS 21 at the end of the reporting period, the carrying amount of the group of insurance or reinsurance contracts (including the CSM, loss component, or loss recovery component) is translated into the functional currency at the closing rate, with the resulting impact presented as foreign exchange differences. Both the foreign exchange differences and changes in financial risk are accounted for within 'finance expenses from insurance contracts issued' for insurance contracts and 'finance income from reinsurance contracts held' for reinsurance contracts.

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 on a present value basis if the insured event did not occur.

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

2. Material Accounting Policies (Continued)

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

Classification (continued)

A number of insurance contracts contain a discretionary participation feature, which entitles the holder 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 the amounts on which discretionary benefits are based 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 the advice of the Group's actuary or a locally appointed actuary.

Investment contracts

The Group issues investment contracts including deposit administration contracts and individual deferred annuity contracts. Premiums 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.

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. Insurance contracts entered into by the Group under which the contract holder is another insurer (inward reinsurance) are included with insurance contracts.

Receivables and payables other than those for contracts under IFRS 17

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

Insurance finance reserve

The insurance finance reserve comprises the cumulative insurance finance income and expenses recognised in other comprehensive income. If the Group derecognises a contract without direct participation features as a result of a transfer to a third party or a contract modification, then any remaining amounts of accumulated other comprehensive income for the contract are reclassified to profit or loss as a reclassification adjustment.

2. Material Accounting Policies (Continued)

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

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.

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2. Material 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 recognized at fair value and thereafter at amortized 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 recognized as an expense over the expected service life of the employee, with a corresponding increase in interest income.

2. Material 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 52.

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

(ab) Fiduciary activities
Subsidiaries within 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 Judgements in Applying Accounting Policies

The Group's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management Judgement, 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 Accounting Standards are best estimates undertaken in accordance with the applicable standard.

Estimates and Judgements are continuously evaluated and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's Judgements 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 Judgement 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 Judgements in Applying Accounting Policies (Continued)

(c) Impairment of financial assets

In determining ECL, management is required to exercise Judgement in defining what is considered a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. Further information about the Judgements involved is included in the 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 categorized 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 Judgements 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 Judgement. 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 Judgements in Applying Accounting Policies (Continued)

(d) Insurance contracts

Definition and classification

Definition and classification determines whether contracts are in the scope of IFRS 17 and, for contracts determined to be in scope of IFRS 17, what measurement model is applicable.

Determining whether a contract issued accepts significant insurance risk and, similarly, whether a reinsurance contract held transfers significant insurance risk requires judgement. Refer to Note 2 (v) which gives details on how the Group determines the classification of insurance products with investment components as insurance or investment contracts.

Determining whether a contract issued that does not transfer significant insurance risk meets the definition of an investment contract with discretionary participation features requires judgement. The Group does not issue any investment contracts with discretionary participation features.

Determining whether contracts that were determined to be in the scope of IFRS 17 meet the definition of an insurance contract with direct participation features requires judgement:

(a) Whether the pool of underlying items is clearly identified;

(b) Whether amounts that an entity expects to pay to the policyholders constitute a substantial share of the fair value returns on the underlying items; and

(c) Whether the Group expects the proportion of any change in the amounts to be paid to the policyholders that vary with the change in fair value of the underlying items to be substantial.

Significant judgement is applied to determine whether the proportion to be paid by the Group to life contract policyholders and to direct participating contract policyholders is substantial.

The Group applies the PAA to some insurance contracts with a coverage period of more than one year. The eligibility assessment involved significant judgement on whether the application of the PAA will produce a measurement of the liability for the LRC that would not differ materially from the one that would be produced applying the GMM.

Several subsidiaries in the Group act as agents in relation to the insurance contract services being provided by other parties via fronting arrangements. Where the Group has determined that it retains no credit or insurance risk on these contracts, the assets and liabilities arising out of these arrangements are not accounted for under IFRS 17, but are instead accounted for under the relevant IFRS Accounting Standards. Where the Group retains insurance or credit risk, these arrangements are accounted for as 100% reinsured contracts

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

(d) Insurance contracts (continued)

Unit of account

Judgement is involved in combination of insurance contracts and separation of distinct components, however the Group neither separated components of its insurance contracts nor combined any insurance contracts.

Judgements involved in the identification of portfolios of contracts, as required by paragraph 14 of IFRS 17 (that is, having similar risks and being managed together) are not an area of significant judgement for the Group. This is due to the Group historically managing its insurance and reinsurance portfolios in a way that, consistent with regulatory considerations, clearly distinguishes groups of products by their associated risks.

Judgement is required in aggregating insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous and groups of other contracts. A similar grouping assessment is required for reinsurance contracts held.

For contracts measured under the PAA, the assessment of the likelihood of adverse changes in applicable facts and circumstances is an area of judgement. For insurance contracts issued measured under the PAA, management judgement is required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate any changes in the onerous group's profitability and whether any loss component remeasurement is required. In 2023 and 2024, the Group did not identify any facts or circumstances that might have indicated that a group of contracts measured under the PAA had become onerous. All contracts measured by the Group in 2023 and 2024 under the PAA were determined to be non-onerous on initial recognition.

Measurement - Fulfilment cash flows

The concept of a contract boundary is used to determine which future cash flows should be considered in the measurement of a contract in the scope of IFRS 17. Judgement is involved to determine when the Group is capable of repricing the entire contracts to reflect the reassessed risks, when policyholders are obliged to pay premiums and when premiums reflect risks beyond the coverage period. Only those liabilities or assets relating to expected premiums or claims driven by substantive rights and obligations are recognised within the boundary of the insurance contract. The Group applied judgement to the determination of the contract boundaries of several deferred annuity products with guaranteed annuitisation rates.

The Group uses judgement to determine which cash flows within the boundary of insurance contracts are those that relate directly to fulfilment of the contract. The Group performs regular expense studies and uses judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance contracts.

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

(d) Insurance contracts (continued)

Financial performance

The Group applied significant judgements in the following aspects of the determination of the CSM amounts that were recognised in profit or loss in 2024 and 2023:

(a) For individual life GMM contracts without any accumulating Fund - coverage units are determined based on the quantity of benefits provided via the Face Amount of the coverage.

(b) For individual life contracts that have an accumulated Fund Balance, coverage units are determined based on the quantity of benefits provided via the Face Amount of the coverage plus the Fund Value.

(c) For annuity contracts that are still in the accumulation phase, coverage units are determined based on the value of the fund accumulated to date.

(d) For annuity contracts that are in the annuitisation phase, coverage units are determined based on the value of expected annuity payout.

In performing the above determination, management applied judgement that might significantly impact the CSM carrying values and amounts of the CSM allocation recognised in profit or loss for the period.

Discount rates

A mix of the bottom-up and top-down approaches was applied in the determination of the discount rates for different territories.

The bottom-up approach was used to derive the discount rate for the cash flows of all territories except for the Netherland Antilles. Under this approach, the discount rate is determined as the government yield curve for the relevant territory, which is adjusted for a credit risk premium and an illiquidity premium. The credit risk premium is quantified by finding the average spread between the government yield curve and that of the US Treasury on the assumption that the US Treasury yield curve is risk free. The illiquidity premium is determined by differences in liquidity characteristics between the financial assets used to derive the government yield and the relevant liability cash flows, as illustrated by government bond bid-ask spreads. The government yield curve and the relevant liability are denominated in the same currency as the product being measured for the portfolios denominated in Trinidad & Tobago dollars and Jamaican dollars, with the Trinidad & Tobago curve used as a proxy for portfolios denominated in all other currencies. Given the limited term of the government yield curves, for the unobservable period, the yield curve was interpolated between an ultimate rate and the last observable point using the Smith-Wilson method.

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

(d) Insurance contracts (continued)

Discount rates (continued)

The top-down approach was used to derive the discount rate for the cash flows within the Netherland Antilles. One curve was used for Curacao and Aruba due to the similarities in corporate and retail interest rates, the interconnectedness of the islands, identical exchange rate regimes and similar statuses within the Dutch Kingdom. Under this approach, the discount rate is determined based on a combination of a local currency yield curve and a US Treasury yield curve, in keeping with the standard financial profile for life insurance portfolios in the Dutch Caribbean. For the local currency yield curve, observations of interest rates within the Dutch Caribbean market were used as a starting point. The observations included time deposit rates from commercial banks, interest rates on commercial loans, and mortgage interest rates from various financial institutions. Given that there is no active secondary market for local investments, a specified Illiquidity Premium was not considered necessary. The US Treasury curve represents a risk free curve therefore no credit spreads will be deducted. An Illiquidity Premium will be added to this curve to account for the lesser liquidity of the Group's insurance portfolio versus US Treasury investments.

Observable market information was used from 2010 to capture the low interest environment that much of the world, including the Caribbean, has been in since the 2008 financial crisis. Going back further than this point was considered inappropriate as it is not reflective of the current economic environment.

Cash flows varying based on underlying items are discounted using a discount rate that reflects the variability of the underlying assets. Insurance contracts with direct participating features include investment components where cash flows vary based on the return of investment assets. The cash flows arising from the investment component are discounted using the expected return of the assets supporting the investment component. There are limited financial guarantees in these products. The liabilities associated with these guarantees are measured using a market consistent deterministic interest scenario.

September 30, 2024 (expressed in Jamaican dollars unless otherwise indicated)

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

(d) Insurance contracts (continued)

Discount rates (continued)

The weighted average yield curves used to discount the estimates of future cash flows that do not vary based on the returns of the underling items are as follows:

	As at 30 September 2024				As at September 2023			
	1 year	5 years	10 years	20 years	1 year	5 years	10 years	20 years
Traditional life and sensitive without guarantees								
- Trinidad and Tobago	2.0%	3.8%-6.8%	7.2% - 7.6%	6.0%-7.3%	1.1%	3.2%-6.7%	6.8%-6.9%	6.8%
- Jamaica	6.4%	8.0%	9.2%	10.5%	4.7%	7.3%	8.1%	10.5%
- Dutch Caribbean	3.6%- 3.7%	4.0-4.7%	5.0%-6.0%	5.6%-6.2%	3.1%	4.4%	5.5%	5.4%
Annuities								
- Trinidad and Tobago	2.4%	4.2%-7.2%	7.6%-7.9%	6.4%-7.7%	1.5%	3.6%-7.0%	7.2%	7.2%
- Jamaica	7.2%	8.8%	10.1%	11.4%	5.5%	7.2%	8.9%	11.3%
- Dutch Caribbean	3.6% -3.7%	4.0%-4.7%	5.0%-6.0%	5.6%-6.2%		4.4%	5.5%	5.4%
Unit linked life and sensitive with guarantees								
- Trinidad and Tobago	5.2%-6.9%	4.5%-7.7%	5.4%-7.8%	5.5%-7.6%	4.9%-7.1%	4.8%-7.6%	5.5%-8.8%	5.5%-9.1%
- Jamaica	6.0%	0.0%	8.8%	10.1%	4.3%	6.9%	7.7%	10.1%
- Dutch Caribbean	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Property and casualty								
- Trinidad and Tobago	2.5%-4.7%	5.1%-6.5%	0.0%	0.0%	1.5%-3.8%	4.9%-5.7%	0.0%	0.0%
- Jamaica	7.2%	8.1%	0.0%	0.0%	6.0%	6.5%	0.0%	0.0%
- Dutch Caribbean	4.1%	3.8%	0.0%	0.0%	3.1%	4.1%	0.0%	0.0%

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

(d) Insurance contracts (continued)

Estimates of future cash flows to fulfil insurance contracts
Included in the measurement of each group of contracts in the scope of IFRS 17 are all the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability weighted expected future cash flows. The Group estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Group uses information about past events, current conditions and forecasts of future conditions. The Group's estimate of future cash flows is based on a best estimate deterministic scenario that specifies the amount, timing and probability of cash flows.

Expenses related cash flows are determined at a cohort level and are allocated on a systematic basis similar to the activity based costing method. The Group has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Acquisition cash flows and expenses of an administrative policy maintenance nature are allocated to groups of contracts based on the number of contracts initiated for the period, and in force for the period, respectively. Claims settlement related expense are allocated based on the number of claims incurred.

For the long-term insurance contracts without investment components, uncertainty in the estimation of future claims and benefit payments and premium receipts arises primarily from the unpredictability of long-term changes in the mortality rates, the variability in the policyholder behaviour and uncertainties regarding future inflation rates and expenses growth.

Uncertainty of future claims and benefit payments arises primarily from the variability in policyholder behaviour. The interest rate guarantee embedded in insurance contracts was measured using a best estimate deterministic scenario, representing the most likely future interest rate environment.

For the short-term insurance contracts, uncertainty in the estimation of future claims and benefit payments arises primarily from the severity and frequency of claims and uncertainties regarding future inflation rates leading to claims and claims-handling expenses growth.

Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

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

(d) Insurance contracts (continued)

Methods used to measure the risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates.

For insurers within the Life, Health, and Pensions Segment, the risk adjustment was calculated on a full contract basis, thereby considering risks that may emerge over the entire life of the insurance contract. Given the long-term nature of the related risks, this approach is appropriate to capture the uncertainty embedded in the underlying contracts, without adding the complexity of performing projections on an annual basis. The risk adjustment is further calculated at a coverage level in accordance with the related risk profile, and then aggregated up to profitability groups, cohorts, and portfolios. To determine the variability of the reserves, the risk margin approach was used.

With the risk margin approach, the risk adjustment is determined by calculating and combining explicit risk margins for non-financial risks as outlined in guidance provided by the Central Bank of Trinidad and Tobago and the Financial Services Commission of Jamaica, with reasonable adjustments applied by long-term insurers in the Dutch Caribbean as may be suitable for their territories. Quantification of the confidence level is done using a quantile technique based on an underlying normal probability distribution assumption for the future cash flows. The Group's weighted average confidence level corresponding to the results of this technique was 77% (2023: 78%). The confidence levels by territory were as follow: Trinidad and Tobago life insurance subsidiaries – 75% - 78% (2023: 76% - 82%), Jamaican life insurance subsidiary - 76% (2023: 79%), Dutch Caribbean life insurance subsidiaries - 82% (2023: 82%) . Consideration of the amount of diversification benefit is done at the entity level reflecting the diversification in contracts sold across portfolios as this reflects the potential for risk reduction when the entity has a diversified portfolio of insurance contracts.

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

(d) Insurance contracts (continued)

Methods used to measure the risk adjustment for non-financial risk (continued)

For insurers in the Property and Casualty Segment, the risk adjustment was calculated on a one-year basis given the short-term nature of the contracts in this segment. These calculations are performed at a Line of Business level, which is effectively equivalent to a portfolio, summed for all territories. The risk adjustment is then allocated to the various territories on a basis proportional to the discounted present value of future cash flows. To determine the variability of the reserves for property and casualty contracts, the Group used the Overdispersed- Poisson (ODP) Bootstrap approach. The ODP Bootstrap approach is widely used in the Property & Casualty industry for estimating loss reserve variability. The Group used this approach to replicate the paid and incurred chain-ladder methods. The various portfolios were analysed using aggregated loss triangles up to a particular accident year that combined the various territories for which valuations are carried out. The confidence level range was 70% to 75%.

The methods and assumptions used to determine the risk adjustment for non-financial risk were not changed in 2024 and 2023.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. Factors considered by the Group's business units in determining the business model for a group of assets are disclosed in Note 2 (i).

Effective 1 January 2023, the Group's Jamaican life insurance subsidiary changed its business model where certain financial assets backing its life and annuity portfolios, previously classified as amortised cost and fair value through other comprehensive income, were reclassified to the fair value through profit or loss category which represents how these financial assets are managed.

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

(d) Insurance contracts (continued)

Business model assessment (continued)

The change in business model was determined by senior management as a result of external and internal changes, which were significant to the Group's Jamaican life insurance operations and demonstrable to external parties in accordance with IFRS 9, Financial Instruments. This change was supported by the implementation of several strategies which materially affected the operations of the life entity were demonstrable to external parties, and resulted in material changes to risk management, solvency, and investment strategy of the Jamaican entity.

The Group recognised as fair value gain of $3.3 billion in the consolidated statement of income as a result of the business model change. The carrying value of the investment securities reclassified from amortised cost and fair value through other comprehensive income to fair value through profit or loss are disclosed in Note 54 (Reclassification line).

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

(e) 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.

(f) 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 Asset and Loans Portfolio, the Real Estate Portfolio, the Caribbean Equity Portfolio, the USD Money Market Portfolio, the USD Indexed Bond Portfolio (inactive) 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 Judgement. 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 1.5-2.5% on these Unit Trust portfolios. The Group owns 0.48% (2023 – 0.47%) of the units in the Unit Trust at September 30, 2024.

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.

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

(f) Interests in structured entities (continued)

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.

(g) Investment in associates

The Company entered into a private equity investment agreement to acquire 76% of the issued ordinary share capital in Capital Insfrastructure Group Limited, while the remaining 24% is owned jointly by two other investors. The investment was done in two tranches.

The acquired entity specialize in infrastructure projects and has three classes of shares namely two classes of preference shares A&B and the ordinary shares. The management of the entity is undertaken jointly by the two other investors who also jointly owns all the preference shares issued by the entity. The managers through an oversight committee is responsible for the relevant activities of the entity and they also have the right to appoint the majority of the directors to the Board.

The determination of whether an investment is an associate, a joint arrangement or a subsidiary requires consideration of all facts and circumstances, and typically begins with an analysis of the company's proportion of the investee's voting rights. Judgement may be required to determine the existence of significant influence, joint control or control when it involves elements such as contractual arrangements between shareholders, voting rights, restrictions on board representation or relevant activities of the investee. Consideration is also given to whether the Company has power over the investee and an assessment of the exposure to variability arising from the aggregate economic interests in the investee as well as whether the Company has the ability to use its power to affect the amount of its return.
Both managers are acting as principals and not agents, in operating the entity through the management contract coupled with substantial power by virtue of Class B Preference Shares. Individually, each manager has a sizeable interest in the common equity of the entity that gives them sufficient exposure to variable returns in addition to the at-market compensation for services through Class A and Class B fixed cumulative dividends. The investment in the entity is therefore deemed to be an associate as though it does not have control it has significant influence by way of its representation on the Board of Directors and the Infrastructure Oversight Committee.

The company's investments in associates and are presented in note 24. The company exercised Judgement in determining whether it obtained significant influence over the entity during the 2024 financial year, pursuant to the transactions described in note 24.

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

(h) Assets held for sale

(1) On February 2, 2024, National Commercial Bank Jamaica Limited, a subsidiary of NCBFG, entered into a Share Purchase Agreement with Berkeley Financial Holdings Ltd (Berkeley), a privately held company based in London, United Kingdom, for the sale of its 100% stake in NCB (Cayman) Limited ("NCB Cayman"). NCB Cayman is domiciled in the Cayman Islands and operates under a Category "A" Banking licence.

The completion of this transaction is subject to conditions including all necessary regulatory approvals. Following the proposed sale, NCBFG, through its subsidiaries, will provide transition support to Berkeley, in addition to maintaining its interest in NCB Capital Markets (Cayman) Ltd.

NCBFG expects to record a gain in its consolidated financial results upon completion of the transaction. Going forward, the sale of NCB Cayman will not have a material impact on the future earnings or the asset base of the Group.

(2) In June 2024, NCBFG entered into a Share Purchase Agreement (SPA) with Cornerstone Financial Holdings Limited (Cornerstone), a privately held company organised in Barbados, for the sale of 30.20% of Clarien Group Limited's (Clarien Group's) equity.

The completion of this transaction is subject to conditions, including the requisite regulatory approvals. Following the proposed sale, NCBFG will maintain a 19.90% interest in Clarien Group and will provide transition support to Cornerstone, through its subsidiaries.

Going forward, NCBFG's reduced ownership interest in the Clarien Group will not have a material impact on the future earnings of NCBFG after the completion of the sale.

The disposal of the above entities does not meet the criteria for assets held for sale as defined under IFRS 5, Non-current assets held for sale and discounted operations. as the sale is heavily contingent on regulatory approval.

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.

NCB Financial Group Limited

Notes to the Financial Statements

September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

5. Segment Reporting (Continued)

Year ended September 30, 2024	**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	44,339,709	34,784,644	16,057,986	23,001,730	21,767,461	111,317,216	70,446,947	1,863,679	323,579,372
Revenue from other segments	4,663,268	(4,501)	4,360,105	15,350,265	5,207,657	906,375	540,581	(31,023,750)	-
Total revenue	49,002,977	34,780,143	20,418,091	38,351,995	26,975,118	112,223,591	70,987,528	(29,160,071)	323,579,372
Net interest income	30,381,148	6,261,989	9,310,104	7,341,271	4,886,268	15,719,551	1,682,052	(15,572,690)	60,009,693
Net fee and commission income	6,426,150	10,971,883	1,430,921	675,973	3,227,364	3,903,405	6,352,599	(3,778,069)	29,210,226
Gain/(loss) on foreign currency and investment activities	37,239	471,176	(417)	8,154,984	1,343,854	22,562,245	(84,003)	121,391	32,606,469
Net result from insurance activities	-	-	-	-	-	10,010,203	7,284,585	1,224,386	18,519,174
Insurance finance expenses	-	-	-	-	-	(18,759,051)	(786,256)	-	(19,545,307)
Credit impairment (losses)/reversals	(3,766,094)	(2,197,873)	(1,832,790)	32,315	(461,646)	(511,358)	(12,552)	48,165	(8,701,833)
Other operating income and dividend income	187,905	903	484	(1,742)	853,928	1,759,456	349,735	2,892,593	6,043,262
Total operating income/(loss)	33,266,348	15,508,078	8,908,302	16,202,801	9,849,768	34,684,451	14,786,160	(15,064,224)	118,141,684
Total operating expenses	18,770,571	6,944,900	1,842,407	2,201,379	7,897,487	10,732,083	7,103,794	(21,768)	55,470,853
Operating profit/(loss) before allocated costs	14,495,777	8,563,178	7,065,895	14,001,422	1,952,281	23,952,368	7,682,366	(15,042,456)	62,670,831
Allocated costs	(12,681,438)	(6,161,854)	(1,812,386)	(1,091,605)	-	-	-	-	(21,747,283)
Operating profit/(loss) c/fwd	1,814,339	2,401,324	5,253,509	12,909,817	1,952,281	23,952,368	7,682,366	(15,042,456)	40,923,548

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5. Segment Reporting (Continued)

Year ended September 30, 2024	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	1,814,339	2,401,324	5,253,509	12,909,817	1,952,281	23,952,368	7,682,366	(15,042,456)	40,923,548
Unallocated corporate expenses									(15,597,846)
Share of profit of associates									483,495
Profit before Taxation									25,809,197
Taxation									(4,239,670)
Net Profit									21,569,527
Segment assets	581,483,586	59,274,688	143,107,390	434,564,994	452,610,329	663,948,424	88,147,650	(149,398,913)	2,273,738,148
Associates									9,758,045
Unallocated assets									32,514,652
Total assets									2,316,010,845
Segment liabilities	517,506,422	22,271,241	145,032,884	439,052,348	415,198,364	568,132,648	61,106,276	(70,018,624)	2,098,281,559
Unallocated liabilities									6,986,478
Total liabilities									2,105,268,037
Capital expenditure	2,761,212	1,677,952	75,678	144,570	261,655	831,093	118,082	1,627,261	7,497,503

5. Segment Reporting (Continued)

Year ended September 30, 2024	Total per segment report $'000	Allocated expenses $'000	Unallocated corporate expenses $'000	Total per income statement $'000
Reconciliation to income statement				
Net interest income	60,009,693	336,378	96,398	60,442,469
Net fee and commission income	29,210,226	392,072	1,071,746	30,674,044
Gain on foreign currency and investment activities	32,606,469	-	-	32,606,469
Net result from insurance activities	18,519,174	-	-	18,519,174
Other operating income and dividend income	6,043,262	151,139	(178,699)	6,015,702
Insurance finance expenses	(19,545,307)			(19,545,307)
Credit impairment losses	(8,701,833)	-	-	(8,701,833)
Tota operating expenses	(55,470,853)	(22,626,872)	(16,587,291)	(94,685,016)
Operating profit	62,670,831	(21,747,283)	(15,597,846)	25,325,702

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5. Segment Reporting (Continued)

Year ended September 30, 2023 - Restated	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	23,399,028	97,521,801	67,817,974	(3,362,564)	291,596,806
Revenue from other segments	5,009,751	17,163	4,187,952	10,381,632	5,821,598	918,814	93,339	(26,430,249)	-
Total revenue	43,321,365	30,263,975	19,393,602	32,838,123	29,220,626	98,440,615	67,911,313	(29,792,813)	291,596,806
Net interest income	29,310,802	7,722,957	9,630,633	3,034,358	6,160,271	14,772,432	698,869	(12,292,155)	59,038,167
Net fee and commission income	5,529,968	9,724,148	1,164,308	619,700	3,434,707	3,871,278	6,069,353	(3,731,844)	26,681,618
Gain/(loss) on foreign currency and investment activities	32,086	327,055	(3,955)	9,094,156	3,236,594	18,692,744	(381,456)	(1,397,304)	29,599,920
Net result from insurance activities	-	-	-	-	-	6,564,901	7,076,379	886,845	14,528,125
Insurance finance expenses	-	-	-	-	-	(17,341,503)	(352,520)	-	(17,694,023)
Credit impairment (losses)/reversals	(3,757,322)	(1,138,745)	(418,064)	495,948	91,532	267,698	145,553	154,036	(4,159,364)
Other operating income and dividend income	71,907	3,048	(7,540)	14,209	2,718,231	162,588	1,749,552	2,786,297	7,498,292
Total operating income/(loss)	31,187,441	16,638,463	10,365,382	13,258,371	15,641,335	26,990,138	15,005,730	(13,594,125)	115,492,735
Total operating expenses	19,371,771	9,054,933	2,202,499	2,301,446	7,182,401	9,120,413	8,709,811	8,737,456	66,680,730
Operating profit/(loss) before allocated costs	11,815,670	7,583,530	8,162,883	10,956,925	8,458,934	17,869,725	6,295,919	(22,331,581)	48,812,005
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	8,458,934	17,869,725	6,295,919	(22,331,581)	27,176,233

5. Segment Reporting (Continued)

Year ended September 30, 2023 - Restated	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	8,458,934	17,869,725	6,295,919	(22,331,581)	27,176,233
Unallocated corporate expenses									(16,233,477)
Share of profit of associates									218,948
Profit before Taxation									11,161,704
Taxation									(3,448,194)
Net Profit									7,713,510
Segment assets	572,506,912	47,175,056	195,370,365	395,857,316	450,679,928	634,364,510	102,115,676	(237,728,470)	2,160,341,293
Associates									7,247,770
Unallocated assets									31,501,335
Total assets									2,199,090,398
Segment liabilities	498,846,315	20,004,426	184,901,331	416,147,633	401,536,255	528,988,797	52,174,229	(82,731,507)	2,019,867,479
Unallocated liabilities									8,476,573
Total liabilities									2,028,344,052
Capital expenditure	3,413,205	2,275,712	225,386	445,110	636,296	791,487	290,135	739,056	8,816,387

NCB Financial Group Limited

Notes to the Financial Statements

September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

5. Segment Reporting (Continued)

Year ended September 30, 2023 - Restated	Total per segment report $'000	Allocated expenses $'000	Unallocated corporate expenses $'000	Total per income statement $'000
Reconciliation to income statement				
Net interest income	59,038,167	79,512	20,133	59,137,812
Net fee and commission income	26,681,618	495,897	1,381,287	28,558,802
Gain on foreign currency and investment activities	29,599,920	-	-	29,599,920
Net result from insurance activities	14,528,125	-	-	14,528,125
Insurance finance expenses	(17,694,023)	-	-	(17,694,023)
Other operating income and dividend income	7,498,292	205,076	(2,307,726)	5,395,642
Credit impairment losses	(4,159,364)	-	-	(4,159,364)
Total other operating expenses	(66,680,730)	(22,416,257)	(15,327,171)	(104,424,158)
Operating profit	48,812,005	(21,635,772)	(16,233,477)	10,942,756

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 65.23% (2023 – 65.69%), Trinidad & Tobago represents 17.76% (2023 – 18.43%), Bermuda represents 8.54% (2023 – 8.40%) and Dutch Antilles represents 7.13% (2023 – 5.26%) of total operating income.

The Group's geographic information:

	Jamaica	Trinidad &Tobago	Dutch Antilles	Bermuda	Other	Total
			2024			
	$'000	$'000	$'000	$'000	$000	$'000
Revenue	167,734,116	56,816,135	33,170,096	15,712,749	50,146,277	323,579,373
Total assets	1,196,012,919	469,814,303	208,706,769	219,297,983	222,178,871	2,316,010,845
			2023			
Revenue	143,715,173	56,748,284	29,523,648	13,785,542	47,824,159	291,596,806
Total assets	1,130,591,026	449,261,329	192,285,348	203,844,401	223,108,294	2,199,090,398

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.

6. Net Interest Income

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Interest income				
Loans and advances	61,280,097	54,879,672	1,994,783	1,955,010
Investment securities –				
Fair value through other comprehensive income	28,752,301	23,768,993	492,464	550,208
Amortised cost	16,735,336	18,849,080	-	-
Reverse repurchase agreements	401,493	442,497	-	-
Deposits and other	319,534	(210,895)	27,282	2,101
	107,488,761	97,729,347	2,514,529	2,507,319
Interest expense				
Customer deposits	8,701,190	6,178,144	-	-
Repurchase agreements	16,209,770	12,353,724	-	-
Policyholders' benefits	1,607,559	1,453,730	-	-
Securitisation arrangements	5,677,382	5,865,349	-	-
Other borrowed funds and amounts due to banks	14,850,391	12,740,588	9,114,209	8,086,709
	47,046,292	38,591,535	9,114,209	8,086,709
Net interest income/(expense)	60,442,469	59,137,812	(6,599,680)	(5,579,390)

NCB Financial Group Limited

Notes to the Financial Statements

September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

7. Net Fee and Commission Income

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Fee and commission income				
Consumer & SME Banking	6,684,483	5,017,309	-	-
Payment services	21,711,046	19,080,051	-	-
Corporate & commercial banking	2,631,947	3,456,896	-	-
Management fees	-	-	5,500,000	5,500,000
Treasury and correspondent banking	708,192	619,931	-	-
Wealth, asset management & investment banking	3,101,029	3,552,768	-	-
Life and health insurance & pension fund management	2,540,086	2,714,120	-	-
Brokerage fees	4,522,123	3,792,951	-	-
Other	1,534,800	1,576,306	-	-
	43,433,706	39,810,332	5,500,000	5,500,000
Fee and commission expense				
Payment services	(12,759,662)	(11,251,530)	-	-
	30,674,044	28,558,802	5,500,000	5,500,000

8. Gain on Foreign Currency and Investment Activities

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Net foreign exchange gains/(losses)	7,552,975	6,811,100	(589,581)	(742,429)
Gain on sale of debt securities held for trading	1,573,961	230,288	-	-
Gain on sale of debt securities at FVOCI	1,086,343	3,209,737	296,565	-
Unrealised gains/(losses) on FVPL instruments	8,771,551	4,847,684	238	-
FV adjustment on properties for development and resale	(84,846)	-	-	-
Interest income on FVPL instruments	12,479,490	10,420,128	-	-
Gain/(Loss) on sale of equity securities	1,391,574	(1,901,652)	106,682	-
Gain on sale of properties for development for resale	209,144	-	-	-
(Loss)/gain on sale of investment properties	(14,899)	1,258,632	-	-
Fair value gain on revaluation of investment property (Note 25)	383,616	1,753,215	-	-
Other	(742,440)	(294,342)	-	-
	32,606,469	26,334,790	(186,096)	(742,429)

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. Insurance Contracts

9.1 Composition of the consolidated statement of financial position

	Traditional life and interest sensitive without guarantees $'000	Annuities $'000	Unit linked life and interest sensitive with guarantees $'000	Short-term group life and health contracts $'000	Property and casualty $'000	Total $'000
As at 30 September 2024						
Net Insurance contract liabilities						
- Insurance contract liabilities excluding insurance acquisition cash flows assets and other pre-recognition cash flows	83,750,228	371,191,586	39,434,001	4,209,843	42,566,208	541,151,866
As represented by:						
- Insurance contract liability	85,330,886	371,191,961	39,700,945	4,832,697	42,611,967	543,668,456
- Insurance contract asset	(1,580,658)	(375)	(266,944)	(622,854)	(45,759)	(2,516,590)
	83,750,228	371,191,586	39,434,001	4,209,843	42,566,208	541,151,866
As at 30 September 2023						
Net Insurance contract liabilities						
- Insurance contract liabilities excluding insurance acquisition cash flows assets and other pre recognition cash flows	81,991,219	349,493,312	33,569,083	4,613,680	38,898,563	508,565,857
As represented by:						
- Insurance contract liability	83,415,794	349,493,312	33,828,303	5,001,121	39,218,932	510,957,462
- Insurance contract asset	(1,424,575)	-	(259,220)	(387,441)	(320,369)	(2,391,605)
	81,991,219	349,493,312	33,569,083	4,613,680	38,898,563	508,565,857

	2024 $'000	2023 $'000
Insurance contract liability		
Current portion	36,659,764	34,732,256
Non-current portion	507,008,692	476,225,206
	543,668,456	510,957,462
Insurance contract asset		
Current portion		
Non-current portion	908,673	1,042,668
	1,607,917	1,348,937
	2,516,590	2,391,605

9. Insurance Contracts (Continued)

9.1 Composition of the consolidated statement of financial position

	Traditional life and interest sensitive without guarantees $'000	Annuities $'000	Unit linked life and interest sensitive with guarantees $'000	Short-term group life and health contracts $'000	Property and casualty $'000	Total $'000
As at 30 September 2024						
Net Reinsurance contract assets						
- Reinsurance contract assets excluding other pre-recognition cash flows	657,349	-	-	1,726,717	18,111,776	20,495,842
As represented by:						
- Reinsurance contract liability	(374,387)	-	-	(118,988)	(1,895,235)	(2,388,610)
Reinsurance contract asset	1,031,736	-	-	1,845,705	20,007,011	22,884,452
	657,349	-	-	1,726,717	18,111,776	20,495,842
As at 30 September 2023						
Net Reinsurance contract assets						
- Reinsurance contract assets excluding other pre-recognition cash flows	154,811	-	-	1,823,336	14,760,309	16,738,456
As represented by:						
- Reinsurance contract liability	(579,428)	-	-	(64,134)	(2,864,810)	(3,508,372)
Reinsurance contract asset	734,239	-	-	1,887,470	17,625,119	20,246,828
	154,811	-	-	1,823,336	14,760,309	16,738,456

	2024 $'000	2023 $'000
Reinsurance contract liability		
Current portion	1,061,758	1,503,083
Non-current portion	1,326,852	2,005,289
	2,388,610	3,508,372
Reinsurance contract asset		
Current portion	11,115,402	9,435,375
Non-current portion	11,769,050	10,811,453
	22,884,452	20,246,828

9. Insurance Contracts

9.2 Insurance revenue and expenses

9.2.1 Insurance revenue and insurance service result

	Traditional life and interest sensitive without guarantees $'000	Annuities $'000	Unit linked life and interest sensitive with guarantees $'000	Short-term group life and health contracts $'000	Property and casualty $'000	Total $'000
For the year ended at 30 September 2024						
Insurance revenue						
Expected incurred claims and other directly attributable expenses	5,705,184	14,651,142	3,926,678	-	-	24,283,004
Change in the risk adjustment for non- financial risk for risk expired	790,177	276,713	1,020,345	-	-	2,087,235
- CSM recognised for the services provided	2,520,219	3,113,147	3,886,739	-	-	9,520,105
Insurance acquisition cash flow recovery	1,420,226	284,244	1,029,608	-	-	2,734,078
Insurance revenue from contracts not measured under PAA	10,435,807	18,325,246	9,863,369	-	-	38,624,422
Insurance revenue from contracts measured under PAA	-	-	-	27,881,479	67,528,834	95,410,313
Total insurance revenue	10,435,807	18,325,246	9,863,369	27,881,479	67,528,834	134,034,735
Insurance service expenses						
Incurred claims and other directly attributed expenses	(5,608,768)	(14,870,140)	(8,902,204)	(23,034,440)	(20,134,292)	(72,549,844)
Changes that relate to past service – changes in the FCF relating to the LIC	-	-	-	857,149	(1,890,303)	(1,033,154)
Losses on onerous contracts and reversal of those losses	(1,098,413)	(1,462,502)	190,603	-	-	(2,370,312)
Insurance acquisition cash flows amortisation	(1,420,274)	(284,253)	(1,029,642)	(1,732,779)	(10,966,454)	(15,433,402)
Total insurance service expenses	(8,127,455)	(16,616,895)	(9,741,243)	(23,910,070)	(32,991,049)	(91,386,712)

9. Insurance Contracts (Continued)

9.2 Insurance revenue and expenses (continued)

9.2.1 Insurance revenue and insurance service result (continued)

	Traditional life and interest sensitive without guarantees $'000	Annuities $'000	Unit linked life and interest sensitive with guarantees $'000	Short-term group life and health contracts $'000	Property and casualty $'000	Total $'000
For the year ended at 30 September 2024						
Amounts relating to the changes in the remaining coverage:						
Expected incurred claims and other directly attributable expenses recovery	(1,302,208)	-	-	-	-	(1,302,208)
- CSM recognised for the services received Experience adjustments- arising from premiums received in the period other than those that relate to future service	(171,857)	-	-	-	-	(171,857)
-Change in the risk adjustment for non-financial risk for the risk expire	(101,616)	-	-	-	-	(101,616)
Reinsurance expenses – contracts not measured under PAA	(1,575,681)	-	-	-	-	(1,575,681)
Reinsurance expenses – contracts measured under PAA	-	-	-	(2,235,067)	(35,814,509)	(38,049,576)
Other incurred directly attributable expenses	152,059	-	-	(35,085)	(176,275)	(59,301)
Incurred claims recovery	4,704,527	-	-	1,647,884	7,765,499	14,117,910
Changes that relates to past service- changes in the FCF relating to incurred claims recovery	-	-	-	(75,320)	1,519,191	1,443,871
Income on initial recognition of onerous underlying contracts	12,758	-	-	-	-	12,758
Reinsurance contracts held under the GMM:	(1,158)	-	-	-	-	(1,158)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	(17,672)	-	-	-	-	(17,672)
Total net income (expenses) from reinsurance contract held	3,274,833	-	-	(697,588)	(26,706,094)	(24,128,849)
Total Insurance service result	5,583,185	1,708,351	122,126	3,273,821	7,831,691	18,519,174

9. Insurance Contracts (Continued)

9.2 Insurance revenue and expenses (continued)

9.2.1 Insurance revenue and insurance service result (continued)

For the year ended 30 September 2023	Traditional life and interest sensitive without guarantees $'000	Annuities $'000	Unit linked life and interest sensitive with guarantees $'000	Short-term group life and health contracts $'000	Property and casualty $'000	Total $'000
Insurance revenue						
Amounts relating to the charges in the LRC:						
- Expected incurred claims and other directly attributable expenses	4,958,738	13,071,666	4,870,595	-	-	22,900,999
- Change in the risk adjustment for non-financial risk for the risk expired	712,218	237,345	994,749	-	-	1,944,312
- CSM recognised for the services provided	1,638,859	3,077,213	2,040,688	-	-	6,756,760
- Insurance acquisition cash flows recovery	724,248	149,725	615,775	-	-	1,489,748
Insurance revenue from contracts not measured under the PAA	8,034,063	16,535,949	8,521,807	-	-	33,091,819
Insurance revenue from contracts measured under the PAA	-	-	-	26,310,524	59,659,222	85,969,746
Total insurance revenue	8,034,063	16,535,949	8,521,807	26,310,524	59,659,222	119,061,565
Insurance service expenses						
Incurred claims and other directly attributable expenses	(4,276,778)	(13,060,331)	(5,265,750)	(22,773,174)	(16,069,947)	(61,445,980)
Changes that relate to past service – changes in the FCF relating to the LIC	-	-	-	969,892	(967,110)	2,782
Losses on onerous contracts and reversal of those losses	(820,207)	(2,327,785)	(447,753)	-	-	(3,595,745)
Insurance acquisition cash flows amortization	(726,034)	(150,094)	(617,293)	(2,794,847)	(10,229,169)	(14,517,437)
Total insurance service expenses	(5,823,019)	(15,538,210)	(6,330,796)	(24,598,129)	(27,266,226)	(79,556,380)

9. Insurance Contracts (Continued)

9.2 Insurance revenue and expenses (continued)

9.2.1 Insurance revenue and insurance service result (continued)

For the year ended 30 September 2023 (continued)	Traditional life and interest sensitive without guarantees $'000	Annuities $'000	Unit linked life and interest sensitive with guarantees $'000	Short-term group life and health contracts $'000	Property and casualty $'000	Total $'000
Net income (expenses) from reinsurance contracts held						
Amounts relating to the changes in the remaining coverage:						
-Expected incurred claims and other directly attributable expenses recovery	(1,373,927)	-	-	-	-	(1,373,927)
- Change in the risk adjustment for non-financial risk for the risk expired	(31,650)	-	-	-	-	(31,650)
- CSM recognised for the services received	(100,531)	-	-	-	-	(100,531)
Reinsurance expenses - contracts not measured under the PAA	(1,506,108)	-	-	-	-	(1,506,108)
Reinsurance expenses - contracts measured under the PAA	-	-	-	(2,227,604)	(30,781,159)	(33,008,763)
Other incurred directly attributable expenses	(73,705)	-	-	(42,927)	(198,743)	(315,375)
Effect of changes in the risk of reinsurers non-performance						
Incurred claims recovery	1,574,277	-	-	2,187,571	4,721,362	8,483,210
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	-	(46,855)	1,410,147	1,363,292
Income on initial recognition of onerous underlying contracts	(1,631)	-	-	-	-	(1,631)
Reinsurance contracts held under the GMM: reversal of a loss-recovery	253	-	-	-	-	253
Reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts	8,062	-	-	-	-	8,062
Total net income (expenses) from reinsurance contracts held	1,148	-	-	(129,815)	(24,848,393)	(24,977,060)
Total insurance service result	2,212,192	997,739	2,191,011	1,582,580	7,544,603	14,528,125

9. Insurance Contracts (Continued)

9.2 Insurance revenue and expenses (continued)

9.2.2 Amounts determined on transition to IFRS 17

For insurance contracts measured under the GMM and/or the VFA, an analysis of insurance revenue for insurance contracts issued and the CSM by transition method is included in the following tables. Insurance contracts measured under the PAA are not included in these tables because the Group applied the full retrospective approach to such contracts (refer to Note 2.1(a)).

	2024			
	Traditional life and interest sensitive without guarantees	**Annuities**	**Unit linked life and interest sensitive with guarantees**	**Total**
Insurance contracts issued	**$'000**	**$'000**	**$'000**	**$'000**
Insurance revenue				
- New contracts and contracts measured under the full retrospective approach at transition	4,786,502	907,224	2,369,100	8,062,826
- Contracts measured under the fair value approach at transition	5,649,305	17,418,021	7,494,269	30,561,595
	10,435,807	18,325,245	9,863,369	38,624,421
CSM as at 30 September				
- New contracts and contracts measured under the full retrospective approach at transition	7,780,361	4,186,875	7,469,044	19,436,280
- Contracts measured under the fair value approach at transition	10,385,011	36,624,504	11,643,676	58,653,191
	18,165,372	40,811,379	19,112,720	78,089,471

	Long-term business
Reinsurance contracts held	**$'000**
CSM as at 30 September	
- New contracts and contracts measured under the full retrospective approach at transition	78,771
- Contracts measured under the fair value approach at transition	1,532,838
	1,611,609

9. Insurance Contracts (Continued)

9.2 Insurance revenue and expenses (continued)

9.2.2 Amounts determined on transition to IFRS 17

	2023			
	Traditional life and interest sensitive without guarantees	**Annuities**	**Unit linked life and interest sensitive with guarantees**	**Total**
Insurance contracts issued	**$'000**	**$'000**	**$'000**	**$'000**
Insurance revenue				
- New contracts and contracts measured under the full retrospective approach at transition	2,057,471	563,357	1,350,165	3,970,993
- Contracts measured under the fair value approach at transition	5,976,592	15,972,592	7,171,642	29,120,826
	8,034,063	16,535,949	8,521,807	33,091,819
CSM as at 30 September				
- New contracts and contracts measured under the full retrospective approach at transition	3,580,921	2,963,622	3,902,611	10,447,154
- Contracts measured under the fair value approach at transition	8,582,070	39,825,520	14,437,841	62,845,431
	12,162,991	42,789,142	18,340,452	73,292,585

	Long-term business
Reinsurance contracts held	**$'000**
CSM as at 30 September	
- New contracts and contracts measured under the full retrospective approach at transition	18,784
- Contracts measured under the fair value approach at transition	899,920
	918,704

On transition to IFRS 17, for certain groups of insurance contracts in the Annuities Segment and in the Unit linked life and interest sensitive with guarantees Segment, the Group determined the cumulative insurance finance income and expenses recognised in OCI at 1 October 2022 using the fair value approach (see Note 2.1(a)). The movement in the fair value reserve for the debt investments at FVOCI related to those groups of contracts was as follows:

	2024	**2023**
	$'000	**$'000**
Balance at beginning of year	(6,076,097)	(6,351,846)
Net change in fair value	3,563,665	366,706
Related income tax	(84,446)	17,015
Exchange rate adjustments	(120,664)	(107,972)
Balance at end of year	(2,717,542)	(6,076,097)

9. Insurance Contracts (Continued)
9.2.3 Expected recognition of the contractual service margin

An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table:

	Insurance contracts issued			
	Traditional life and interest sensitive without guarantees	Annuities	Unit linked life and interest sensitive with guarantees	Total CSM for insurance contracts issued
Number of years until expected to be recognised	**$'000**	**$'000**	**$'000**	**$'000**
As at 30 September 2024				
Up to 1 year	2,343,014	3,143,823	2,554,364	8,041,201
1 to 3 years	3,824,215	5,465,363	4,309,113	13,598,691
3 to 5 years	2,911,866	4,984,236	3,424,303	11,320,405
5 to 10 years	5,661,209	9,622,983	5,150,107	20,434,299
More than 10 years	3,675,393	18,157,372	3,938,215	25,770,980
Total	18,415,697	41,373,777	19,376,102	79,165,576
As at 30 September 2023				
Up to 1 year	1,489,833	3,193,881	2,272,936	6,956,650
1 to 3 years	2,537,300	5,751,021	3,867,225	12,155,546
3 to 5 years	2,077,413	5,182,523	3,057,394	10,317,330
5 to 10 years	3,511,242	10,348,352	4,528,100	18,387,694
More than 10 years	2,665,636	18,730,014	4,793,382	26,189,032
Total	12,281,424	43,205,791	18,519,037	74,006,252

	Long-term business - Reinsurance contracts held	
	2024	**2023**
	$'000	**$'000**
Number of years until expected to be recognised		
Up to 1 year	(201,514)	(123,537)
1 to 3 years	(337,995)	(196,373)
3 to 5 years	(271,253)	(141,195)
5 to 10 years	(421,387)	(164,226)
More than 10 years	(401,669)	(302,320)
Total	(1,633,818)	(927,651)

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9. Insurance Contracts (Continued)

9.3 Traditional life and interest sensitive without guarantees – Insurance contracts issued

9.3.1 Reconciliation of the liability of remaining coverage and the liability for incurred claims

	2024			
	LRC			
	Excluding loss component	Loss component	LIC	Total
	$'000	$'000	$'000	$'000
Opening insurance contract liabilities	62,060,696	1,205,010	20,150,088	83,415,794
Opening insurance contract assets	(2,412,547)	97,865	890,107	(1,424,575)
Net balance at 1 October	59,648,149	1,302,875	21,040,195	81,991,219
Insurance revenue	(10,435,807)	-	-	(10,435,807)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	384,233	5,224,535	5,608,768
Losses on onerous contracts and reversal of those losses	-	1,098,413	-	1,098,413
Insurance acquisition cash flows amortisation	1,420,274	-	-	1,420,274
Insurance service expenses	1,420,274	1,482,646	5,224,535	8,127,455
Insurance service result	(9,015,533)	1,482,646	5,224,535	(2,308,352)
Finance (income) expenses from insurance contracts issued	2,068,336	45,693	-	2,114,029
Total amounts recognised in comprehensive income	(6,947,197)	1,528,339	5,224,535	(194,323)
Investment components	(7,473,613)	-	7,473,613	-
Cash flows				
Premiums received	16,857,240	-	-	16,857,240
Claims and other directly attributable expenses paid	-	-	(11,419,557)	(11,419,557)
Insurance acquisition cash flows	(4,427,749)	-	-	(4,427,749)
Total cash flows	12,429,491	-	(11,419,557)	1,009,934
Exchange rate adjustments	474,566	39,061	429,771	943,398
Net balance as at 30 September	58,131,396	2,870,275	22,748,557	83,750,228
Closing insurance contract liabilities	61,050,592	2,753,887	21,526,408	85,330,887
Closing insurance contract assets	(2,919,196)	116,388	1,222,149	(1,580,659)
Net balance as at 30 September	58,131,396	2,870,275	22,748,557	83,750,228

9. Insurance Contracts (Continued)
9.3 Traditional life and interest sensitive without guarantees – Insurance contracts issued
9.3.1 Reconciliation of the liability of remaining coverage and the liability for incurred claims

	2023			
	LRC			
	Excluding loss component	Loss component	LIC	Total
	$'000	$'000	$'000	$'000
Opening insurance contract liabilities	66,211,971	618,219	18,203,993	85,034,183
Opening insurance contract asset	(2,501,055)	27,252	737,207	(1,736,596)
Net balance at 1 October 2022	63,710,916	645,471	18,941,200	83,297,587
Insurance revenue	(8,034,063)	-	-	(8,034,063)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	(201,706)	4,478,484	4,276,778
Losses on onerous contracts and reversal of those losses	-	820,207	-	820,207
Insurance acquisition cash flows amortisation	726,034	-	-	726,034
Insurance service expenses	726,034	618,501	4,478,484	5,823,019
Insurance service result	(7,308,029)	618,501	4,478,484	(2,211,044)
Finance (income) expenses from insurance contracts issued	(122,948)	25,426	-	(97,522)
Total amounts recognised in comprehensive income	(7,430,977)	643,927	4,478,484	(2,308,566)
Investment components	(7,694,794)	-	7,694,794	-
Cash flows				
Premiums received	14,815,877	-	-	14,815,877
Claims and other directly attributable expenses paid	-	-	(10,384,517)	(10,384,517)
Insurance acquisition cash flows	(4,137,467)	-	-	(4,137,467)
Total cash flows	10,678,410	-	(10,384,517)	293,893
Exchange rate adjustments	384,594	13,477	310,234	708,305
Net balance as at 30 September 2023	59,648,149	1,302,875	21,040,195	81,991,219
Closing insurance contract liabilities	62,060,696	1,205,010	20,150,088	83,415,794
Closing insurance contract assets	(2,412,547)	97,865	890,107	(1,424,575)
	59,648,149	1,302,875	21,040,195	81,991,219

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September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

9. Insurance Contracts (Continued)
9.3 Traditional life and interest sensitive without guarantees – Insurance contracts issued
9.3.2 Reconciliation of the measurement components of insurance contract balances

	2024			
	Present value of future cash flows	**Risk adjustment for non-financial risk**	**Contractual service margin**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Opening insurance contract liabilities	70,203,643	3,706,926	9,505,226	83,415,795
Opening insurance contract asset	(5,357,839)	1,157,065	2,776,199	(1,424,575)
Net balance at 1 October	64,845,804	4,863,991	12,281,425	81,991,220
Changes that relate to current service				
CSM recognised for the services provided	-	-	(2,520,219)	(2,520,219)
Change in the risk adjustment for non-financial risk for the risk expired	-	(790,177)	-	(790,177)
Experience adjustments – relating to insurance service expenses	(96,604)	-	-	(96,604)
	(96,604)	(790,177)	(2,520,219)	(3,407,000)
Changes that relate to future service				
Changes in estimates that adjust the CSM	(3,142,207)	(73,955)	3,216,050	(112)
Changes in estimates that result in onerous contract losses or reversal of losses	1,046,572	(11,806)	-	1,034,766
Contracts initially recognised in the period	(5,285,222)	774,161	4,543,628	32,567
	(7,380,857)	688,400	7,759,678	1,067,221
Insurance service result	(7,477,461)	(101,777)	5,239,459	(2,339,779)
Finance (income) expenses from insurance contracts issued	1,218,949	254,195	640,886	2,114,030
Total amounts recognised in comprehensive income	(6,258,512)	152,418	5,880,345	(225,749)
Cash flows				
Premiums received	16,857,240	-	-	16,857,240
Claims and other directly attributable expenses paid	(11,419,557)	-	-	(11,419,557)
Insurance acquisition cash flows	(4,427,749)	-	-	(4,427,749)
Total cash flows	1,009,934	-	-	1,009,934
Exchange rate adjustments	519,050	201,845	253,928	974,823
	60,116,276	5,218,254	18,415,698	83,750,228
Closing insurance contract liabilities	69,055,893	3,814,192	12,460,801	85,330,886
Closing insurance contract assets	(8,939,617)	1,404,062	5,954,897	(1,580,658)
	60,116,276	5,218,254	18,415,698	83,750,228

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9. Insurance Contracts (Continued)

9.3 Traditional life and interest sensitive without guarantees – Insurance contracts issued

9.3.2 Reconciliation of the measurement components of insurance contract balances

	2023			
	Present value of future cash flows	**Risk adjustment for non-financial risk**	**Contractual service margin**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Opening insurance contract liabilities	70,667,954	3,626,159	10,740,071	85,034,184
Opening insurance contract asset	(4,035,325)	856,783	1,441,947	(1,736,595)
Net balance at 1 October	66,632,629	4,482,942	12,182,018	83,297,589
Changes that relate to current service				
CSM recognised for the services provided	-	-	(1,590,381)	(1,590,381)
Change in the risk adjustment for non-financial risk for the risk expired	-	(691,150)	-	(691,150)
Experience adjustments – relating to insurance service expenses	(671,995)	-	-	(671,995)
	(671,995)	(691,150)	(1,590,381)	(2,953,526)
Changes that relate to future service				
Changes in estimates that adjust the CSM	2,607,587	119,124	(2,726,467)	244
Changes in estimates that result in onerous contract losses or reversal of losses	830,025	(82,027)	-	747,998
Contracts initially recognised in the period	(4,639,263)	780,217	3,904,793	45,747
	(1,201,651)	817,314	1,178,326	793,989
Insurance service result	(1,873,646)	126,164	(412,055)	(2,159,537)
Finance (income) expenses from insurance contracts issued	(724,068)	195,137	431,409	(97,522)
Total amounts recognised in comprehensive income	(2,597,714)	321,301	19,354	(2,257,059)
Cash flows				
Premiums received	14,815,877	-	-	14,815,877
Claims and other directly attributable expenses paid	(10,384,517)	-	-	(10,384,517)
Insurance acquisition cash flows	(4,137,467)	-	-	(4,137,467)
Total cash flows	293,893	-	-	293,893
Exchange rate adjustments	516,996	59,748	80,053	656,797
Net balance as at 30 September	64,845,804	4,863,991	12,281,425	81,991,220
Closing insurance contract liabilities	70,203,643	3,706,926	9,505,226	83,415,795
Closing insurance contract assets	(5,357,839)	1,157,065	2,776,199	(1,424,575)
	64,845,804	4,863,991	12,281,425	81,991,220

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9. Insurance Contracts (Continued)

9.3 Traditional life and interest sensitive without guarantees – Insurance contracts issued

9.3.3 Impact of contracts recognized for the year

	Non-onerous contracts originated	Onerous contracts originated	Total
	$'000	**$'000**	**$'000**
30 September 2024			
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	1,442,421	20,655	1,463,076
- Claims and other directly attributable expenses	7,888,210	219,405	8,107,615
Estimates of the present value of future cash outflows	9,330,631	240,060	9,570,691
Estimates of the present value of future cash inflows	(14,872,758)	(212,403)	(15,085,161)
Risk adjustment for non-financial risk	801,511	6,229	807,740
CSM	4,740,710	-	4,740,710
Increase in insurance contract liabilities from contracts recognised in the period	94	33,886	33,980
30 September 2023			
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	1,663,520	45,810	1,709,330
- Claims and other directly attributable expenses	8,249,377	131,068	8,380,445
	9,912,897	176,878	10,089,775
Estimates of the present value of future cash outflows	(14,779,666)	(137,337)	(14,917,003)
Risk adjustment for non-financial risk	803,861	7,968	811,829
CSM	4,063,001	-	4,063,001
Increase in insurance contract liabilities from contracts recognised in the period	93	47,509	47,602

9. Insurance Contracts (Continued)

9.3 Traditional life and interest sensitive without guarantees – Insurance contracts issued

9.3.4 Amounts determined on transition to IFRS 17

	New contracts and contracts measured under the full retrospective approach	Contracts measured under the fair value approach	Total
	$'000	$'000	$'000
30 September 2024			
Insurance revenue	4,461,602	5,974,205	10,435,807
CSM as at 1 October	3,615,789	8,665,636	12,281,425
Changes that relate to current service			
CSM recognised for the services provided	(923,741)	(1,596,479)	(2,520,220)
Changes that relate to future service			
Changes in estimates that adjust the CSM	162,300	3,147,635	3,309,935
Contracts initially recognised in the period	4,676,269	-	4,676,269
Finance expenses from insurance contracts issued	268,721	357,886	626,607
Total amounts recognised in comprehensive income	4,183,549	1,909,042	6,092,591
Exchange rate adjustments	88,240	(46,558)	41,682
CSM as at 30 September	7,887,578	10,528,120	18,415,698
30 September 2023			
Insurance revenue	2,057,471	5,976,592	8,034,063
CSM as at 1 October	1,373,941	10,808,077	12,182,018
Changes that relate to current service			
CSM recognised for the services provided	(434,212)	(1,204,647)	(1,638,859)
Changes that relate to future service			
Changes in estimates that adjust the CSM	(1,479,628)	(1,329,948)	(2,809,576)
Contracts initially recognised in the period	4,023,820	-	4,023,820
Finance expenses from insurance contracts issued	103,880	323,260	427,140
Total amounts recognized in comprehensive income	2,213,860	(2,211,335)	2,525
Exchange rate adjustments	27,989	68,894	96,883
CSM as at 30 September	3,615,790	8,665,636	12,281,426

The methods and assumptions applied by the Group in applying the fair value approach on transition are disclosed in note 2.1(a).

9. Insurance Contracts (Continued)
9.4 Long term business – Reinsurance contracts held
9.4.1 Reconciliation of the remaining coverage and incurred claims

	2024			
	Remaining coverage			
	Excluding loss-recovery component	Loss-recovery component	Incurred claims	Total
	$'000	$'000	$'000	$'000
Opening reinsurance contract assets	(472,424)	46	1,206,618	734,240
Opening reinsurance contract liabilities	(897,822)	8,657	309,737	(579,428)
Net balance as at 1 October	(1,370,246)	8,703	1,516,355	154,812
Net income (expenses) from reinsurance contracts held				
- Reinsurance expenses	(1,575,682)	-	-	(1,575,682)
- Other incurred directly attributable expenses	-	-	152,059	152,059
- Incurred claims recovery	-	(378)	4,704,907	4,704,529
- Income on initial recognition of onerous underlying contracts	-	12,758	-	12,758
- Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	(898)	(260)	(1,158)
- Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	(17,672)	-	(17,672)
Net income (expenses) from reinsurance contracts held	(1,575,682)	(6,190)	4,856,706	3,274,834
Finance income from reinsurance contracts held	11,128	-	-	11,128
Total amounts recognised in comprehensive income	(1,564,554)	(6,190)	4,856,706	3,285,962
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	2,153,140	-	43,886	2,197,026
Recoveries from reinsurance	-	-	(4,960,139)	(4,960,139)
Total cash flows	2,153,140	-	(4,916,253)	(2,763,113)
Exchange rate adjustments	(4,863)	(1,436)	(14,013)	(20,312)
Net balance as at 30 September	(786,523)	1,077	1,442,795	657,349
Closing reinsurance contract assets	(268,864)	(2,342)	1,302,942	1,031,736
Closing reinsurance contract liabilities	(517,659)	3,419	139,853	(374,387)
Net balance as at 30 September	(786,523)	1,077	1,442,795	657,349

9. Insurance Contracts (Continued)
9.4 Long term business – Reinsurance contracts held
9.4.1 Reconciliation of the remaining coverage and incurred claims

	2023			
	Remaining coverage			
	Excluding loss-recovery component	Loss-recovery component	Incurred claims	Total
	$'000	$'000	$'000	$'000
Opening reinsurance contract assets	298,848	-	21,314	320,162
Opening reinsurance contract liabilities	(1,975,091)	(23)	380,130	(1,594,984)
Net balance as at 1 October	(1,676,243)	(23)	401,444	(1,274,822)
Net income (expenses) from reinsurance contracts held				
- Reinsurance expenses	(1,507,256)	1,148	-	(1,506,108)
- Other incurred directly attributable expenses	-	-	(73,705)	(73,705)
- Incurred claims recovery	-	988	1,573,290	1,574,278
- Income on initial recognition of onerous underlying contracts	-	-	-	-
- Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-
-Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	6,431	253	6,684
Net income (expenses) from reinsurance contracts held	(1,507,256)	8,567	1,499,838	1,149
Finance income (expenses) from reinsurance contracts held	(83,007)	-	-	(83,007)
Total amounts recognised in comprehensive income	(1,590,263)	8.567	1,499,838	(81,858)
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	1,848,296	-	138,416	1,986,712
Recoveries from reinsurance	-	-	(461,288)	(461,288)
Total cash flows	1,848,296	-	(322,872)	1,525,424
Exchange rate adjustments	47,963	158	(62,055)	(13,934)
Net balance as at 30 September	(1,370,247)	8,702	1,516,355	154,810
Closing reinsurance contract assets	(472,425)	45	1,206,618	734,238
Closing reinsurance contract liabilities	(897,822)	8,657	309,737	(579,428)
Net balance as at 30 September	(1,370,247)	8,702	1,516,355	154,810

NCB Financial Group Limited

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9. Insurance Contracts (Continued)
9.4 Long term business – Reinsurance contracts held
9.4.2 Reconciliation of the measurement components of reinsurance contract balances

	2024			
	Present value of future cash flows $'000	**Risk adjustment for non-financial risk $'000**	**Contractual service margin $'000**	**Total $'000**
Opening reinsurance contract assets	(918,327)	668,338	984,229	734,240
Opening reinsurance contract liabilities	(548,521)	25,672	(56,579)	(579,428)
Net balance as at 1 October	(1,466,848)	694,010	927,650	154,812
Changes that relate to current service				
- CSM recognised for the services received	-	-	(171,857)	(171,857)
- Change in the risk adjustment for non-financial risk for the risk expired	-	(101,616)	-	(101,616)
- Experience adjustments – relating to incurred claims and other directly attributable expenses recovery	3,554,380	-	(898)	3,553,482
	3,554,380	(101,616)	(172,755)	3,280,009
Changes that relate to future service				
- Changes in estimates that adjust the CSM	(762,017)	(35,156)	797,173	-
- Contracts initially recognised in the period	10,726	(4,064)	(6,662)	-
- CSM adjustment for income on initial recognition of onerous underlying contracts	-	-	12,758	12,758
- Changes in the FCF of reinsurance contracts held from onerous underlying contracts	(17,294)	(378)	(260)	(17,932)
- Experience adjustments – arising from ceded premiums paid in the period that relate to future service	-	-	-	-
	(768,585)	(39,598)	803,009	(5,174)
Net income (expenses) from reinsurance contracts held	2,785,795	(141,214)	630,254	3,274,835
Finance income (expenses) from reinsurance contracts held	(70,572)	34,707	46,993	11,128
Total amounts recognised in comprehensive income	2,715,223	(106,507)	677,247	3,285,963
Cash flows				
- Premiums paid net of ceding commissions and other directly attributable expenses paid	2,197,025	-	-	2,197,025
- Recoveries from reinsurance	(4,960,139)	-	-	(4,960,139)
Total cash flows	(2,763,114)	-	-	(2,763,114)
Exchange rate adjustments	(87,604)	38,372	28,921	(20,311)
Net balance as at 30 September	(1,602,343)	625,875	1,633,818	657,350
Closing reinsurance contract assets	(963,963)	597,211	1,398,489	1,031,737
Closing reinsurance contract liabilities	(638,380)	28,664	235,329	(374,387)
Net balance as at 30 September	(1,602,343)	625,875	1,633,818	657,350

9. Insurance Contracts (Continued)
9.4 Long term business – Reinsurance contracts held
9.4.2 Reconciliation of the measurement components of reinsurance contract balances

	2023			
	Present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	Contractual service margin $'000	Total $'000
Opening reinsurance contract assets	310,972	-	9,189	320,161
Opening reinsurance contract liabilities	(2,062,785)	691,531	(223,729)	(1,594,983)
Net balance as at 1 October	(1,751,813)	691,531	(214,540)	(1,274,822)
Changes that relate to current service				
- CSM recognised for the services received	-	-	(31,650)	(31,650)
- Change in the risk adjustment for non-financial risk for the risk expired	-	(100,531)	-	(100,531)
- Experience adjustments – relating to incurred claims and other directly attributable expenses recovery	126,646	-	-	126,646
	126,646	(100,531)	(31,650)	(5,535)
Changes that relate to future service				
- Changes in estimates that adjust the CSM	(1,238,484)	53,975	1,184,509	-
- Contracts initially recognised in the period	(712)	(1,562)	2,274	-
- CSM adjustment for income on initial recognition of onerous underlying contracts	-	-	(1,631)	(1,631)
-Changes in the FCF of reinsurance contracts held from onerous underlying contracts	8,291	(230)	-	8,061
-Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	253	253
	(1,230,905)	52,183	1,185,405	6,683
Net income (expenses) from reinsurance contracts held	(1,104,259)	(48,348)	1,153,755	1,148
- Finance income from reinsurance contracts held	(118,446)	36,956	(1,516)	(83,006)
Total amounts recognised in comprehensive income	(1,222,705)	(11,392)	1,152,239	(81,858)
Cash flows				
- Premiums paid net of ceding commissions and other directly attributable expenses paid	1,986,713	-	-	1,986,713
- Recoveries from reinsurance	(461,288)	-	-	(461,288)
Total cash flows	1,525,425	-	-	1,525,425
Exchange rate adjustments	(17,755)	13,871	(10,049)	(13,933)
Net balance as at 30 September	(1,466,848)	694,010	927,650	154,812
Closing reinsurance contract assets	(918,327)	668,338	984,229	734,240
Closing reinsurance contract liabilities	(548,521)	25,672	(56,579)	(579,428)
Net balance as at 30 September	(1,466,848)	694,010	927,650	154,812

NCB Financial Group Limited

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September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

9. Insurance Contracts (Continued)
9.4 Long term business – Reinsurance contracts held
9.4.3 Impact of contracts recongnised in the year

	Contracts originated not in a net gain	Contracts originated in a net gain	Total
	$'000	**$'000**	**$'000**
30 September 2024			
Estimates of the present value of future cash outflows	-	(46,977)	(46,977)
Estimates of the present value of future cash inflows	-	57,609	57,609
Risk adjustment for non-financial risk	-	(4,028)	(4,028)
CSM	-	(6,604)	(6,604)
Increase in reinsurance contract assets from contracts recognised in the period	-	-	-
30 September 2023			
Estimates of the present value of future cash outflows	(2,801)	(35,109)	(37,910)
Estimates of the present value of future cash inflows	3,284	33,915	37,199
Risk adjustment for non-financial risk	344	(1,906)	(1,562)
CSM	(827)	3,100	2,273
Increase in reinsurance contract assets from contracts recognised in the period	-	-	-

9. Insurance Contracts (Continued)
9.4 Long term business – Reinsurance contracts held
9.4.4 Amounts determined on transition to IFRS17

	New contracts and contracts measured under the full retrospective approach	Contracts measured under the fair value approach	Total
	$'000	$'000	$'000
30 September 2024			
CSM as at 1 October	18,967	908,683	927,650
Changes that relate to current service			
- CSM recognised for the services received	(3,119)	(168,739)	(171,858)
Changes that relate to future service			
- Changes in estimates that adjust the CSM	57,955	739,218	797,173
- Contracts initially recognised in the period	(6,663)	-	(6,663)
- Adjustment for income on initial recognition of onerous underlying contracts	12,758	-	12,758
- Experience adjustments – arising from ceded premiums paid in the period that relate to future service	-	(1,158)	(1,158)
Finance income from reinsurance contracts held	709	46,284	46,993
Total amounts recognised in comprehensive income	61,640	615,605	677,245
Exchange rate adjustments	(751)	29,672	28,921
CSM as at 30 September	79,856	1,553,960	1,633,816
30 September 2023			
CSM as at 1 October	9,889	(224,429)	(214,540)
Changes that relate to current service			
- CSM recognised for the services received	(1,470)	(30,180)	(31,650)
Changes that relate to future service			
- Changes in estimates that adjust the CSM	9,256	1,175,253	1,184,509
-Contracts initially recognised in the period	2,274	-	2,274
- Adjustment for income on initial recognition of onerous underlying contracts	(1,631)	-	(1,631)
-Experience adjustments – arising from cede premiums paid in the period that relate to future service	-	253	253
Finance income from reinsurance contracts held	528	(2,044)	(1,516)
Total amounts recognised in comprehensive income	8,957	1,143,282	1,152,239
Exchange rate adjustments	121	(10,170)	(10,049)
CSM as at 30 September	18,967	908,683	927,650

The methods and assumptions applied by the Group in applying the fair value approach on transition are disclosed in note 2.1(a).

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9. Insurance Contracts (Continued)

9.5 Unit linked life and Interest sensitive with guarantees - Insurance contracts issued

9.5.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2024			
	LRC			
	Excluding loss component $'000	Loss component $'000	LIC $'000	Total $'000
Opening insurance contract liabilities	27,801,001	321,471	5,705,831	33,828,303
Opening insurance contract asset	(259,220)	-	-	(259,220)
Net balance as at 1 October	27,541,781	321,471	5,705,831	33,569,083
Insurance revenue	(9,863,369)	-	-	(9,863,369)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	144,841	8,757,363	8,902,204
Losses on onerous contracts and reversal of those losses	-	(190,603)	-	(190,603)
Insurance acquisition cash flows amortisation	1,029,642	-	-	1,029,642
Insurance service expenses	1,029,642	(45,762)	8,757,363	9,741,243
Insurance service result	(8,833,727)	(45,762)	8,757,363	(122,126)
Finance expenses from insurance contracts issued	2,680,445	95	-	2,680,540
Total amounts recognised in comprehensive income	(6,153,282)	(45,667)	8,757,363	2,558,414
Investment components	(7,969,284)	-	7,969,284	-
Cash flows				
Premiums received	23,305,277	-	-	23,305,277
Claims and other directly attributable expenses paid	-	-	(16,725,723)	(16,725,723)
Insurance acquisition cash flows	(3,868,757)	-	-	(3,868,757)
Total cash flows	19,436,520	-	(16,725,723)	2,710,797
Exchange rate adjustments	386,119	(1,530)	211,118	595,707
Net balance as at 30 September	33,241,854	274,274	5,917,873	39,434,001
Closing insurance contract liabilities	33,508,798	274,274	5,917,873	39,700,945
Closing insurance contract assets	(266,944)	-	-	(266.944)
Net balance as at 30 September	33,241,854	274,274	5,917,873	39,434,001

9. Insurance Contracts (Continued)

9.5 Unit linked life and Interest sensitive with guarantees - Insurance contracts issued

9.5.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2023			
	LRC			
	Excluding loss component	Loss component	LIC	Total
	$'000	$'000	$'000	$'000
Opening insurance contract liabilities	23,258,665	45	5,052,594	28,311,304
Opening insurance contract assets	(995,978)	9,438	57,259	(929,281)
Net balance as at 1 October	22,262,687	9,483	5,109,853	27,382,023
Insurance revenue	(8,521,807)	-	-	(8,521,807)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	(133,521)	5,399,271	5,265,750
Losses on onerous contracts and reversal of those losses	-	447,753	-	447,753
Insurance acquisition cash flows amortisation	617,293	-	-	617,293
Insurance service expenses	617,293	314,232	5,399,271	6,330,796
Insurance service result	(7,904,514)	314,232	5,399,271	(2,191,011)
Finance income from insurance contracts issued	2,059,156	390	-	2,059,546
Total amounts recognised in comprehensive income	(5,845,358)	314,622	5,399,271	(131,465)
Investment components	(6,665,490)	-	6,665,490	-
Cash flows				
Premiums received	21,279,484	-	-	21,279,484
Claims and other directly attributable expenses paid	-	-	(11,564,568)	(11,564,568)
Insurance acquisition cash flows	(3,819,142)	-	-	(3,819,142)
Total cash flows	17,460,342	-	(11,564,568)	5,895,774
Exchange rate adjustments	329,600	(2,634)	95,785	422,751
Net balance as at 30 September	27,541,781	321,471	5,705,831	33,569,083
Closing insurance contract liabilities	27,801,001	321,471	5,705,831	33,828,303
Closing insurance contract assets	(259,220)	-	-	(259,220)
Net balance as at 30 September	27,541,781	321,471	5,705,831	33,569,083

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FINANCIAL STATEMENTS - NOTES TO THE FINANCIAL STATEMENTS

9. Insurance Contracts (Continued)

9.5 Unit linked life and Interest sensitive with guarantees - Insurance contracts issued (continued

9.5.2 Reconciliation of the measurement components of insurance contract balances

	2024			
	Present value of future cash flows $'000	**Risk adjustment for non-financial risk $'000**	**Contractual service margin $'000**	**Total $'000**
Opening insurance contract liabilities	9,007,727	6,301,540	18,519,037	33,828,304
Opening insurance contract assets	-	(259,220)	-	(259,220)
Net balance as at 1 October	9,007,727	6,042,320	18,519,037	33,569,084
Changes that relate to current service				
- CSM recognised for the services provided	-	-	(3,776,493)	(3,776,493)
- Change in the risk adjustment for non-financial risk for the risk expired	-	(991,403)	-	(991,403)
- Experience adjustments – relating to insurance service expenses	4,834,107	-	-	4,834,107
	4,834,107	(991,403)	(3,776,493)	66,211
Changes that relate to future service				
- Changes in estimates that adjust the CSM	(3,076,309)	(83,472)	3,159,826	45
- Changes in estimates that result in onerous contract losses or reversal of losses	(106,208)	(79,050)	-	(185,258)
- Contracts initially recognised in the period	(2,609,707)	789,266	1,820,463	22
	(5,792,224)	626,744	4,980,289	(185,191)
Insurance service result	(958,117)	(364,659)	1,203,796	(118,980)
Finance expenses from insurance contracts issued	2,546,481	17,552	(17,552)	2,546,481
Total amounts recognised in comprehensive income	1,588,364	(347,107)	1,186,244	2,427,501
Cash flows				
Premiums received	23,305,277	-	-	23,305,277
Claims and other directly attributable expenses paid	(16,725,723)	-	-	(16,725,723)
Insurance acquisition cash flows	(3,868,757)	-	-	(3,868,757)
Total cash flows	2,710,797	-	-	2,710,797
Exchange rate adjustments	1,158,230	(102,432)	(329,180)	726,618
Net balance as at 30 September	14,465,118	5,592,781	19,376,101	39,434,000
Closing insurance contract liabilities	14,732,062	5,592,781	19,376,101	39,700,944
Closing insurance contract assets	(266,944)	-	-	(266,944)
	14,465,118	5,592,781	19,376,101	39,434,000

9. Insurance Contracts (Continued)

9.5 Unit linked life and Interest sensitive with guarantees - Insurance contracts issued (continued

9.5.2 Reconciliation of the measurement components of insurance contract balances

	2023			
	Present value of future cash flows $'000	**Risk adjustment for non-financial risk $'000**	**Contractual service margin $'000**	**Total $'000**
Opening insurance contract liabilities	6,091,878	6,792,621	15,426,805	28,311,304
Opening insurance contract assets	(372,544)	(732,827)	176,089	(929,282)
Net balance as at 1 October	5,719,334	6,059,794	15,602,894	27,382,022
Changes that relate to current service				
- CSM recognised for the services provided	-	-	(1,980,324)	(1,980,324)
- Change in the risk adjustment for non-financial risk for the risk expired	-	(965,324)	-	(965,324)
- Experience adjustments – relating to insurance service expenses	370,898	-	-	370,898
	370,898	(965,324)	(1,980,324)	(2,574,750)
Changes that relate to future service				
- Changes in estimates that adjust the CSM	(3,095,093)	61,261	3,022,224	(11,608)
- Changes in estimates that result in onerous contract losses or reversal of losses	291,983	149,269	-	441,252
- Contracts initially recognised in the period	(2,345,241)	814,378	1,534,659	3,796
	(5,148,351)	1,024,908	4,556,883	433,440
Insurance service result	(4,777,453)	59,584	2,576,559	(2,141,310)
Finance income from insurance contracts issued	1,978,845	(17,257)	17,257	1,978,845
Total amounts recognised in comprehensive income	(2,798,608)	42,327	2,593,816	(162,465)
Cash flows				
Premiums received	21,279,484	-	-	21,279,484
Claims and other directly attributable expenses paid	(11,564,568)	-	-	(11,564,568)
Insurance acquisition cash flows	(3,819,142)	-	-	(3,819,142)
Total cash flows	5,895,774	-	-	5,895,774
Exchange rate adjustments	191,227	(59,801)	322,327	453,753
Net balance as at 30 September	9,007,727	6,042,320	18,519,037	33,569,084
Closing insurance contract liabilities	9,007,727	6,301,540	18,519,037	33,828,304
Closing insurance contract assets	-	(259,220)	-	(259,220)
Net balance as at 30 September	9,007,727	6,042,320	18,519,037	33,569,084

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September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

9. Insurance Contracts (Continued)

9.5 Unit linked life and Interest sensitive with guarantees - Insurance contracts issued (continued)

9.5.3 Impact of contracts recognised for the year

	Non-onerous contracts originated	Onerous contracts originated	Total
	$'000	$'000	$'000
30 September 2024			
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	3,851,779	-	3,851,779
- Claims and other directly attributable expenses	10,173,943	117	10,174,060
Estimates of the present value of future cash outflows	14,025,722	117	14,025,839
Estimates of the present value of future cash inflows	(16,748,626)	(117)	(16,748,743)
Risk adjustment for non-financial risk	823,501	-	823,501
CSM	1,899,427	-	1,899,427
Increase in insurance contract liabilities from contracts recognised in the period	24	-	24
30 September 2023			
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	3,278,290	627,488	3,905,778
- Claims and other directly attributable expenses	9,206,671	991,806	10,198,477
Estimates of the present value of future cash outflows	12,484,961	1,619,294	14,104,255
Estimates of the present value of future cash inflows	(14,826,394)	(1,718,124)	(16,544,518)
Risk adjustment for non-financial risk	744,595	102,779	847,374
CSM	1,596,838	-	1,596,838
Increase in insurance contract liabilities from contracts recognised in the period	-	3,949	3,949

9. Insurance Contracts (Continued)

9.5 Unit linked life and Interest sensitive with guarantees - Insurance contracts issued (continued)

9.5.4 Amounts determined on transition to IFRS 17

	New contracts and contracts measured under the full retrospective approach $'000	Contracts measured under the fair value approach $'000	Total $'000
30 September 2024			
Insurance revenue	2,968,080	6,895,289	9,863,369
CSM as at 1 October	3,940,612	14,578,425	18,519,037
Changes that relate to current service			
CSM recognised for the services provided	(674,843)	(3,101,649)	(3,776,492)
Changes that relate to future service			
Changes in estimates that adjust the CSM	2,325,378	834,447	3,159,825
Finance expenses from insurance contracts issued	-	(17,552)	(17,552)
Contracts initially recognised in the period	1,820,463	-	1,820,463
Total amounts recognised in comprehensive income	3,452,999	(2,284,754)	1,186,244
Exchange rate adjustments	160,360	(489,540)	(329,180)
CSM as at 30 September	7,571,970	11,804,131	19,376,101
30 September 2023			
Insurance revenue	1,350,165	7,171,642	8,521,807
CSM as at 1 October	1,441,157	14,161,737	15,602,894
CSM recognised for the services provided	(282,229)	(1,698,095)	(1,980,324)
Changes that relate to future service			
Changes in estimates that adjust the CSM	1,162,083	1,860,141	3,022,224
Contracts initially recognised in the period	1,534,659	17,257	1,551,916
Total amounts recognised in comprehensive income	2,414,513	179,303	2,593,816
Exchange rate adjustments	84,942	237,385	322,327
CSM as at 30 September	3,940,612	14,578,425	18,519,037

The methods and assumptions applied by the Group in applying the fair value approach on transition are disclosed in note 2.1(a).

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9. Insurance Contracts (Continued)

9.5 Annuities - Insurance contracts issued

9.5.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2024			
	LRC			
	Excluding loss component $'000	Loss component $'000	LIC $'000	Total $'000
Opening insurance contract liabilities	339,831,990	4,157,375	5,503,947	349,493,312
Opening insurance contract assets	-	-	-	-
Net balance as at 1 October	339,831,990	4,157,375	5,503,947	349,493,312
Insurance revenue	(18,325,246)	-	-	(18,325,246)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	(74,684)	14,944,825	14,870,141
Losses on onerous contracts and reversal of those losses	-	1,462,502	-	1,462,502
Insurance acquisition cash flows amortisation	284,253	-	-	284,253
Insurance service expenses	284,253	1,387,818	14,944,825	16,616,896
Insurance service result	(18,040,993)	1,387,818	14,944,825	(1,708,350)
Finance income (expenses) from insurance contracts issued	16,025,792	64,415	-	16,090,207
Total amounts recognised in comprehensive income	(2,015,201)	1,452,233	14,944,825	14,381,857
Investment components	(16,385,270)	-	16,385,270	-
Cash flows				
Premiums received	34,922,812	-	-	34,922,812
Claims and other directly attributable expenses paid	-	-	(31,946,640)	(31,946,640)
Insurance acquisition cash flows	(1,194,562)	-	-	(1,194,562)
Total cash flows	33,728,250	-	(31,946,640)	1,781,610
Exchange rate adjustments	5,108,351	103,706	322,727	5,953,234
Net balance as at 30 September	360,268,120	5,713,314	5,210,129	371,191,563
Closing insurance contract liabilities	360,268,120	5,713,314	5,210,504	371,191,938
Closing insurance contract assets	-	-	(375)	(375)
Net balance as at 30 September	360,268,120	5,713,314	5,210,129	371,191,563

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9. Insurance Contracts (Continued)

9.6 Annuities - Insurance contracts issued

9.6.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2023			
	LRC			
	Excluding loss component $'000	Loss component $'000	LIC $'000	Total $'000
Opening insurance contract liabilities	325,710,488	830,434	5,707,413	332,248,335
Opening insurance contract assets	-	-	(429)	(429)
Net balance as at 1 October	325,710,488	830,434	5,706,984	332,247,906
Insurance revenue	(16,535,949)	-	-	(16,535,949)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	(199,837)	13,260,168	13,060,331
Losses on onerous contracts and reversal of those losses	-	2,327,785	-	2,327,785
Insurance acquisition cash flows amortisation	150,094	-	-	150,094
Insurance service expenses	150,094	2,127,948	13,260,168	15,538,210
Insurance service result	(16,385,855)	2,127,948	13,260,168	(997,739)
Finance (income) expenses from insurance contracts issued	7,260,877	31,484	-	7,292,361
Total amounts recognised in comprehensive income	(9,124,978)	2,159,432	13,260,168	6,294,622
Investment components	(17,634,258)	-	17,634,258	-
Cash flows				
Premiums received	40,407,134	-	-	40,407,134
Claims and other directly attributable expenses paid	-	-	(31,286,503)	(31,286,503)
Insurance acquisition cash flows	(1,259,523)	-	-	(1,259,523)
Total cash flows	39,147,611	-	(31,286,503)	7,861,108
Exchange rate adjustments	2,883,051	17,585	189,040	3,089,676
Net balance as at 30 September	340,981,914	3,007,451	5,503,947	349,493,312
Closing insurance contract liabilities	340,981,914	3,007,451	5,503,947	349,493,312
Closing insurance contract assets	-	-	-	-
Net balance as at 30 September	340,981,914	3,007,451	5,503,947	349,493,312

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9.Insurance Contracts (Continued)
9.6 Annuities - Insurance contracts issued
9.6.2 Reconciliation of the measurement components of insurance contract balances

	2024			
	Present value of future cash flows $'000	**Risk adjustment for non-financial risk $'000**	**Contractual service margin $'000**	**Total $'000**
Opening insurance contract liabilities	297,547,494	3,986,376	43,205,790	344,739,660
Opening insurance contract assets	-	-	-	-
Net balance as at 1 October	297,547,494	3,986,376	43,205,790	344,739,660
Changes that relate to current service				
- CSM recognised for the services provided	-	-	(3,024,844)	(3,024,844)
- Change in the risk adjustment for non-financial risk for the risk expired	-	(268,865)	-	(268,865)
- Experience adjustments – relating to insurance service expenses	212,304	-	-	212,304
	212,304	(268,865)	(3,024,844)	(3,081,405)
Changes that relate to future service				
- Changes in estimates that adjust the CSM (see Note (a) below)	2,120,750	(174,350)	(1,946,378)	22
- Changes in estimates that result in onerous contract losses or reversal of losses	1,323,584	224	-	1,323,808
- Contracts initially recognised in the period	(1,891,501)	146,092	1,842,549	97,140
	1,552,833	(28,034)	(103,829)	1,420,970
Insurance service result	1,765,137	(296,899)	(3,128,673)	(1,660,435)
Finance expenses (income) from insurance contracts issued	14,338,229	143,466	803,810	15,285,505
Total amounts recognised in comprehensive income	16,103,366	(153,433)	(2,324,863)	13,625,070
Cash flows				
Premiums received	34,922,812	-	-	34,922,812
Claims and other directly attributable expenses paid	(31,946,640)	-	-	(31,946,640)
Insurance acquisition cash flows	(1,194,562)	-	-	(1,194,562)
Total cash flows	1,781,610	-	-	1,781,610
Exchange rate adjustments	6,101,992	115,178	492,850	6,710,020
Net balance as at 30 September	321,534,462	3,948,121	41,373,777	366,856,360
Closing insurance contract liabilities	321,534,837	3,948,121	41,373,777	366,856,735
Closing insurance contract assets	(375)	-	-	(375)
Net balance as at 30 September	321,534,462	3,948,121	41,373,777	366,856,360

(a) Adjustment to the CSM in 2023 within the annuities category was primarily driven by model refinements within the period.

9.Insurance Contracts (Continued)
9.6 Annuities - Insurance contracts issued (continued
9.6.2 Reconciliation of the measurement components of insurance contract balances (continued)

	2023			
	Present value of future cash flows $'000	**Risk adjustment for non-financial risk $'000**	**Contractual service margin $'000**	**Total $'000**
Opening insurance contract liabilities	291,172,062	4,377,094	30,633,628	326,182,784
Opening insurance contract assets	-	(429)	-	(429)
Net balance as at 1 October	291,172,062	4,376,665	30,633,628	326,182,355
Changes that relate to current service				
- CSM recognised for the services provided	-	-	(2,986,187)	(2,986,187)
- Change in the risk adjustment for non-financial risk for the risk expired	-	(230,325)	-	(230,325)
- Experience adjustments – relating to insurance service expenses	(42,172)	-	-	(42,172)
	(42,172)	(230,325)	(2,986,187)	(3,258,684)
Changes that relate to future service				
- Changes in estimates that adjust the CSM	(9,774,152)	(316,412)	10,090,278	(286)
- Changes in estimates that result in onerous contract losses or reversal of losses	1,754,413	(221,850)	-	1,532,563
- Contracts initially recognised in the period	(3,275,212)	173,874	3,822,435	721,097
	(11,294,951)	(364,388)	13,912,713	2,253,374
Insurance service result	(11,337,123)	(594,713)	10,926,526	(1,005,310)
Finance (income) expenses from insurance contracts issued	6,319,284	(37,957)	725,290	7,006,617
Total amounts recognised in comprehensive income	(5,017,839)	(632,670)	11,651,816	6,001,307
Cash flows				
Premiums received	40,407,134	-	-	40,407,134
Claims and other directly attributable expenses paid	(31,286,503)	-	-	(31,286,503)
Insurance acquisition cash flows	(1,259,523)	-	-	(1,259,523)
Total cash flows	7,861,108	-	-	7,861,108
Exchange rate adjustments	3,532,163	242,381	920,346	4,694,890
Net balance as at 30 September	297,547,494	3,986,376	43,205,790	344,739,660
Closing insurance contract liabilities	297,547,494	3,986,376	43,205,790	344,739,660
Closing insurance contract assets	-	-	-	-
Net balance as at 30 September	297,547,494	3,986,376	43,205,790	344,739,660

9.Insurance Contracts (Continued)

9.6 Annuities - Insurance contracts issued (continued)

9.6.3 Impact of contracts recognised for the year

	Non-onerous contracts originated	Onerous contracts originated	Total
	$'000	$'000	$'000
30 September 2024			
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	489,300	47,750	537,050
- Claims and other directly attributable expenses	10,154,623	456,959	10,611,582
Estimates of the present value of future cash outflows	10,643,923	504,709	11,148,632
Estimates of the present value of future cash inflows	(12,707,488)	(414,689)	(13,122,177)
Risk adjustment for non-financial risk	141,118	11,311	152,429
CSM	1,922,470	-	1,922,470
Increase in insurance contract liabilities from contracts recognised in the period	23	101,331	101,354
30 September 2023			
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	459,313	162,274	621,587
- Claims and other directly attributable expenses	9,231,654	4,720,339	13,951,993
	9,690,967	4,882,613	14,573,580
Estimates of the present value of future cash outflows	(13,805,609)	(4,175,883)	(17,981,492)
Estimates of the present value of future cash inflows	137,336	43,582	180,918
Risk adjustment for non-financial risk			
CSM	3,977,306	-	3,977,306
Increase in insurance contract liabilities from contracts recognised in the period	-	750,312	750,312

9.Insurance Contracts (Continued)
9.6 Annuities - Insurance contracts issued (continued)
9.6.4 Amounts determined on transition to IFRS 17

	New contracts and contracts measured under the full retrospective approach	Contracts measured under the fair value approach	Total
	$'000	$'000	$'000
30 September 2024			
Insurance revenue	2,304,836	16,020,410	18,325,246
CSM as at 1 October	2,992,480	40,213,311	43,205,791
Changes that relate to current service			
- CSM recognised for the services provided	(210,394)	(2,902,753)	(3,113,147)
Changes that relate to future service			
- Changes in estimates that adjust the CSM	(628,386)	(1,374,812)	(2,003,198)
- Finance expenses from contracts issued	129,082	698,194	827,276
- Contracts initially recognised in the period	1,896,338	-	1,896,338
Total amounts recognised in comprehensive income	1,186,640	(3,579,371)	(2,392,731)
Exchange rate adjustments	65,452	495,266	560,718
CSM as at 30 September	4,244,572	37,129,206	41,373,778
30 September 2023			
Insurance revenue	563,357	15,972,592	16,535,949
CSM as at 1 October	1,949,148	28,684,480	30,633,628
Changes that relate to current service			
- CSM recognised for the services provided	(104,949)	(2,972,264)	(3,077,213)
Changes that relate to future service			
- Changes in estimates that adjust the CSM	(2,917,459)	13,315,311	10,397,852
- Finance expenses from contracts issued	90,190	657,208	747,398
- Contracts initially recognised in the period	3,938,951	-	3,983,951
Total amounts recognised in comprehensive income	1,006,733	11,000,255	12,006,988
Exchange rate adjustments	36,599	528,576	565,175
CSM as at 30 September	2,992,480	40,213,311	43,205,791

The methods and assumptions applied by the Group in applying the fair value approach on transition are disclosed in note 2.1(a).

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9. Insurance Contracts (Continued)

9.7 Short-term group life and health - Reinsurance contracts held

9.7.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

	Excluding loss component $'000	Loss component $'000	Present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	Total $'000
Opening insurance contract liabilities	1,999,112	-	2,717,186	284,823	5,001,121
Opening insurance contract assets	(1,566,022)	-	1,122,553	56,028	(387,441)
Net balance as at 1 October	433,090	-	3,839,739	340.851	4,613,680
Insurance revenue	(27,881,479)	-	-	-	(27,881,479)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	21,997,521	1,036,919	23,034,440
Changes that relate to past service – changes in the FCF relating to the LIC	-	-	-	(857,149)	(857,149)
Insurance acquisition cash flows amortisation	1,732,779	-	-	-	1,732,779
Insurance service expenses	1,732,779	-	21,997,521	179,770	23,910,070
Insurance service result	(26,148,700)	-	21,997,521	179,770	(3,971,409)
Finance (income) expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	(26,148,700)	-	21,997,521	179,770	(3,971,409)
Cash flows		-			
Premiums received	27,799,652		-	-	27,799,652
Claims and other directly attributable expenses paid	-	-	(22,201,437)	-	(22,201,437)
Insurance acquisition cash flows	(2,071,995)	-	-	-	(2,071,995)
Total cash flows	25,727,657	-	(22,201,437)	-	3,526,220
Exchange rate adjustment	(322,994)	-	353,983	10,364	41,353
Net balance as at 30 September	(310,947)	-	3,989,806	530,985	4,209,844
Closing insurance contract liabilities	3,117,150	-	1,317,766	397,782	4,832,698
Closing insurance contract assets	(3,428,097)	-	2,672,040	133,203	(622,854)
Net balance as at 30 September	(310,947)	-	3,989,806	530,985	4,209,844

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9.Insurance Contracts (Continued)
9.7 Short-term group life and health - Reinsurance contracts held (continued)

9.7.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2023				
	LRC	**LRC**	**LIC**	**LIC**	
	Excluding loss component $'000	**Loss component $'000**	**Present value of future cash flows $'000**	**Risk adjustment for non-financial risk $'000**	**Total $'000**
Opening insurance contract liabilities	2,084,054	-	2,508,821	313,004	4,905,879
Opening insurance contract assets	(1,100,787)	-	862,269	43,057	(195,461)
Net balance as at 1 October	983,267	-	3,371,090	356,061	4,710,418
Insurance revenue	(26,310,523)	-	-	-	(26,310,523)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	21,820,244	952,931	22,773,175
Changes that relate to past service – changes in the FCF relating to the LIC	-	-	1,527	(971,419)	(969,892)
Insurance acquisition cash flows amortisation	2,794,847	-	-	-	2,794,847
Insurance service expenses	2,794,847	-	21,821,771	(18,488)	24,598,130
Insurance service result	(23,515,676)		21,821,771	(18,488)	(1,712,393)
Finance (income) expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	(23,515,676)	-	21,821,771	(18,488)	(1,712,393)
Cash flows					
Premiums received	25,867,860	-	-	-	25,867,860
Claims and other directly attributable expenses paid	-	-	(21,502,677)	-	(21,502,677)
Insurance acquisition cash flows	(2,715,280)	-	-	-	(2,715,280)
Total cash flows	23,152,580	-	(21,502,677)	-	1,649,903
Exchange rate adjustment	(187,081)	-	149,555	3,278	(34,248)
Net balance as at 30 September	433,090	-	3,839,739	340,851	4,613,680
Closing insurance contract liabilities	1,999,112	-	2,717,186	284,823	5,001,121
Closing insurance contract assets	(1,566,022)	-	1,122,553	56,028	(387,441)
Net balance as at 30 September	433,090	-	3,839,739	340,851	4,613,680

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September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

9.Insurance Contracts (Continued)

9.8 Short-term group life and health - Reinsurance contracts held

9.8.1.Reconciliation of the remaining coverage and incurred claims

	2024				
	Remaining coverage		Incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	$'000	$'000	$'000	$'000	$'000
Opening reinsurance contract assets	85,167	-	1,675,414	126,889	1,887,470
Opening reinsurance contract liabilities	(116,786)	-	54,352	(1,699)	(64,133)
Net balance as at 1 October	(31,619)	-	1,729,766	125,190	1,823,337
Net income (expenses) from reinsurance contracts held					
- Reinsurance expenses	(2,235,067)	-	-	-	(2,235,067)
- Other incurred directly attributable expenses	-	-	(35,085)	-	(35,085)
- Incurred claims recovery	-	-	1,593,425	54,459	1,647,884
- Changes that relate to past	-				
service – changes in the FCF		-	(709)	(74,612)	(75,321)
relating to incurred claims recovery	-	-	-	-	-
Net income (expenses) from reinsurance contracts held	(2,235,067)	-	1,557,631	(20,153)	(697,589)
Finance income (expenses) from reinsurance contracts held	-	-	-	-	
Total amounts recognised in comprehensive income	(2,235,067)	-	1,557,631	(20,153)	(697,589)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	2,451,441	-	21,123	-	2,472,564
Recoveries from reinsurance	-	-	(1,924,625)	-	(1,924,625)
Total cash flows	2,451,441	-	(1,903,502)	-	547,939
Exchange rate adjustments	22,074	-	23,235	7,721	53,030
Net balance as at 30 September	206,829	-	1,407,130	112,758	1,726,717
Closing reinsurance contract assets	336,449	-	1,392,938	116,318	1,845,705
Closing reinsurance contract liabilities	(129,620)	-	14,192	(3,560)	(118,988)
Net balance as at 30 September	206,829	-	1,407,130	112,758	1,726,717

9.Insurance Contracts (Continued)

9.8 Short-term group life and health - Reinsurance contracts held

9.8.1.Reconciliation of the remaining coverage and incurred claims

	2023				
	Remaining coverage		Incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	$'000	$'000	$'000	$'000	$'000
Opening reinsurance contract assets	273,108	-	914,741	116,234	1,304,083
Opening reinsurance contract liabilities	(165,500)	-	105,306	3,996	(56,198)
Net balance as at 1 October	107,608	-	1,020,047	120,230	1,247,885
Net income (expenses) from reinsurance contracts held					
- Reinsurance expenses	(2,227,604)	-	-	-	(2,227,604)
- Other incurred directly attributable expenses	-	-	(42,927)	-	(42,927)
- Incurred claims recovery	-	-	2,132,815	54,756	2,187,571
- Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	-	(46,855)	(46,855)
Net income (expenses) from reinsurance contracts held	(2,227,604)	-	2,089,888	7,901	(129,815)
Finance income (expenses) from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	(2,227,604)	-	2,089,888	7,901	(129,815)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	2,081,409	-	37,314	-	2,118,723
Recoveries from reinsurance	-	-	(1,427,790)	-	(1,427,790)
Total cash flows	2,081,409	-	(1,390,476)	-	690,933
Exchange rate adjustment	6,968	-	10,307	(2,941)	14,334
Net balance as at 30 September	(31,619)	-	1,729,766	125,190	1,823,337
Closing reinsurance contract assets	85,167	-	1,675,414	126,889	1,887,470
Closing reinsurance contract liabilities	(116,786)	-	54,352	(1,699)	(64,133)
Net balance as at 30 September	(31,619)	-	1,729,766	125,190	1,823,337

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9.Insurance Contracts (Continued)

9.9 Property and casualty - Insurance contracts issued

9.9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2024				
	LRC	**LRC**	**LIC**	**LIC**	
	Excluding loss component	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Opening insurance contract liabilities	17,166,656	-	20,421,433	1,630,844	39,218,933
Opening insurance contract assets	(320,369)	-	-	-	(320,369)
Net balance as at 1 October	16,846,287	-	20,421,433	1,630,844	38,898,564
Insurance revenue	(67,528,833)	-	-	-	(67,528,833)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	18,769,599	1,364,694	20,134,293
Changes that relate to past service – changes in the FCF relating to the LIC	-	-	3,134,388	(1,244,085)	1,890,303
Insurance acquisition cash flows amortisation	10,966,454	-	-	-	10,966,454
Insurance service expenses	10,966,454	-	21,903,987	120,609	32,991,050
Insurance service result	(56,562,379)	-	21,903,987	120,609	(34,537,783)
Finance expenses from insurance contracts issued	-	-	974,654	-	974,654
Total amounts recognised in comprehensive income	(56,562,379)	-	22,878,641	120,609	(33,563,129)
Cash flows					
Premiums received	64,413,398	-	-	-	64,413,398
Claims and other directly attributable expenses paid	-	-	(21,770,355)	-	(21,770,355)
Insurance acquisition cash flows	(6,611,145)	-	-	-	(6,611,145)
Total cash flows	57,802,253	-	(21,770,355)	-	36,031,898
Exchange rate adjustment	(432,608)	-	1,576,481	55,003	1,198,876
Net balance as at 30 September	17,653,553	-	23,106,200	1,806,456	42,566,209
Closing insurance contract liabilities	17,699,757	-	23,105,754	1,806,456	42,611,967
Closing insurance contract assets	(46,204)	-	446	-	(45,758)
Net balance as at 30 September	17,653,553	-	23,106,200	1,806,456	42,566,209

9.Insurance Contracts (Continued)

9.9. Property and casualty - Insurance contracts issued (continued)

9.9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

	2023				
	LRC	LRC	LIC	LIC	
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	$'000	$'000	$'000	$'000	$'000
Opening insurance contract liabilities	10,562,898	-	19,765,425	1,910,787	32,239,110
Opening insurance contract assets	(22,307)	-	-	-	(22,307)
Net balance as at 1 October	10,540,591	-	19,765,425	1,910,787	32,216,803
Insurance revenue	(59,659,222)	-	-	-	(59,659,222)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	16,006,093	63,854	16,069,947
Changes that relate to past service – changes in the FCF relating to the LIC	-	-	1,405,699	(438,588)	967,111
Insurance acquisition cash flows amortisation	10,229,169	-	-	-	10,229,169
Insurance service expenses	10,229,169	-	17,411,792	(374,734)	27,266,227
Insurance service result	(49,430,053)	-	17,411,792	(374,734)	(32,392,995)
Finance expenses from insurance contracts issued	-	-	351,549	-	351,549
Total amounts recognised in comprehensive income	(49,430,053)	-	17,763,341	(374,734)	(32,041,446)
Cash flows					
Premiums received	63,786,029	-	-	-	63,786,029
Claims and other directly attributable expenses paid	-	-	(18,119,265)	-	(18,119,265)
Insurance acquisition cash flows	(7,566,826)	-	-	-	(7,566,826)
Total cash flows	56,219,203	-	(18,119,265)	-	38,099,938
Exchange rate adjustments	(483,454)	-	1,011,932	94,791	623,269
Net balance as at 30 September	16,846,287	-	20,421,433	1,630,844	38,898,564
Closing insurance contract liabilities	17,166,656	-	20,421,433	1,630,844	39,218,933
Closing insurance contract assets	(320,369)	-	-	-	(320,369)
Net balance as at 30 September	16,846,287	-	20,421,433	1,630,844	38,898,564

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9.Insurance Contracts (Continued)

9.9 Property and casualty - Reinsurance contracts held

9.10.1Reconciliation of the remaining coverage and incurred claims

	2024				
	Remaining coverage		Incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	$'000	$'000	$'000	$'000	$'000
Opening reinsurance contract assets	2,857,784	-	13,916,104	851,232	17,625,120
Opening reinsurance contract liabilities	(2,936,544)	-	70,218	1,516	(2,864,810)
Net balance as at 1 October	(78,760)	-	13,986,322	852,748	14,760,310
Net income/(expenses) from reinsurance contracts held					
- Reinsurance expenses	(35,814,509)	-	-	-	(35,814,509)
- Other incurred directly attributable expenses	-	-	(176,275)	-	(176,275)
- Incurred claims recovery			6,666,169	1,099,329	7,765,498
- Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	2,370,870	(851,679)	1,519,191
Net income/(expenses) from reinsurance contracts held	(35,814,509)	-	8,860,764	247,650	(26,706,095)
Finance income from reinsurance contracts held	-	-	170,794	-	170,794
Total amounts recognised in comprehensive income	(35,814,509)	-	9,031,558	247,650	(26,535,301)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	37,095,998	-	(42,598)	-	37,053,400
Recoveries from reinsurance	-	-	(7,934,789)	-	(7,934,789)
Total cash flows	37,095,998	-	(7,977,387)	-	29,118,611
Exchange rate adjustments	438,020	-	296,179	33,956	768,155
Net balance as at 30 September	1,640,749	-	15,336,672	1,134,354	18,111,775
Closing reinsurance contract assets	3,599,635	-	15,274,099	1,133,277	20,007,011
Closing reinsurance contract liabilities	(1,958,886)	-	62,573	1,077	(1,895,236)
Net balance as at 30 September	1,640,749	-	15,336,672	1,134,354	18,111,775

9.Insurance Contracts (Continued)

9.10 Property and casualty - Reinsurance contracts held

9.10.1Reconciliation of the remaining coverage and incurred claims

	2023				
	Remaining coverage		Incurred claims		
	Excluding loss-recovery component $'000	Loss-recovery component $'000	Present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	Total $'000
Opening reinsurance contract assets	6,133,851	-	11,198,141	1,004,558	18,336,550
Opening reinsurance contract liabilities	(8,371,371)	-	35,313	1,242	(8,334,816)
Net balance as at 1 October	(2,237,520)	-	11,233,454	1,005,800	10,001,734
Net income/(expenses) from reinsurance contracts held					
- Reinsurance expenses	(30,781,159)	-	-	-	(30,781,159)
- Other incurred directly attributable expenses	-	-	(198,743)	-	(198,743)
- Incurred claims recovery	-		4,717,939	3,422	4,721,361
- Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	1,646,604	(236,456)	1,410,148
Net income/(expenses) from reinsurance contracts held	(30,781,159)	-	6,165,800	(233,034)	(24,848,393)
Finance income from reinsurance contracts held	-	-	(14,998)	-	(14,998)
Total amounts recognised in comprehensive income	(30,781,159)	-	6,150,802	(233,034)	(24,863,391)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	32,959,552	-	169,208	-	33,128,760
Recoveries from reinsurance	-	-	(4,206,836)	-	(4,206,836)
Total cash flows	32,959,552	-	(4,037,628)	-	28,921,924
Exchange rate adjustment	(19,633)	-	639,694	79,982	700,043
Net balance as at 30 September	(78,760)	-	13,986,322	852,748	14,760,310
Closing reinsurance contract assets	2,857,784	-	13,916,104	851,232	17,625,120
Closing reinsurance contract liabilities	(2,936,544)	-	70,218	1,516	(2,864,810)
Net balance as at 30 September	(78,760)	-	13,986,322	852,748	14,760,310

9. Insurance Contracts (Continued)

9.11 Investment income and insurance finance expenses

For the year ended 30 September 2024	Traditional life and interest sensitive without guarantees $'000	Annuities $'000	Unit linked life and interest sensitive with guarantees $'000	Short-term group life and health contracts $'000	Property and casualty $'000	Other $'000	Total $'000
Net investment income/(expenses) - underlying assets							
- Investment income	7,153,448	14,891,063	3,185,660	37,931	-	-	25,268,102
- Net realised losses on financial assets	373,255	780,109	64,641	1,347	-	-	1,219,352
- Net impairment losses on financial assets	(113,907)	(240,360)	-	(292)	-	-	(354,559)
- Net fair value gains/(losses) (includes net gain on reclassification of financial assets)	3,831,168	6,206,037	11,245	13,242	-	-	10,061,692
- Other income	2,581	336,670	24,734	7,878	-	-	371,863
	11,246,545	21,973,519	3,286,280	60,106	-	-	36,566,450
Net investment income/(expenses) - other investments							
- Investment income	-	-	-	185,303	1,613,546	4,823,289	6,622,138
- Net realised gains on financial assets	-	-	-	-	24,352	268,505	292,857
- Net impairment gains/(losses) on financial assets	-	-	-	13,893	(13,646)	898	1,145
- Net realised gains on other assets	-	-	-	-	-	160,883	160,883
- Net fair value (losses)/gains	-	-	-	6,038	(25,677)	2,345,646	2,326,007
- Other income/(loss)	-	-	-	4,624	(104,659)	148,853	48,818
	-	-	-	209,858	1,493,916	7,748,074	9,451,848
Net investment income/(expenses) - other							
- Fee income	494,613	35,822	6,352	86,861	723,099	604,188	1,950,935
- Other income	(9,270)	337	-	17,574	210,531	2,655,135	2,874,307
- Net loss on third party interests in mutual funds	-	-	-	-	-	(717,219)	(717,219)
- Investment contract benefits	-	-	-	-	-	(1,562,507)	(1,562,507)
- Net fair value adjustments to properties	64,528	-	-	-	(9,270)	(119,944)	(64,686)
	549,871	36,159	6,352	104,435	924,360	859,653	2,480,830
Total net investment income	11,796,416	22,009,678	3,292,632	374,399	2,418,276	8,607,727	48,499,128

Underlying assets are those assets that are either contractually linked to the relevant insurance contracts or they are specifically used to back insurance contracts.

9. Insurance Contracts (Continued)

9.11 Investment income and insurance finance expenses (continued)

For the year ended 30 September 2024 (continued)	Traditional life and interest sensitive without guarantees	Annuities	Unit linked life and interest sensitive with guarantees	Short-term group life and health contracts	Property and casualty	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Finance income/(expenses) from insurance contracts issued							
- Changes in fair value of underlying assets of contracts measured under the VFA	-	(6,839,326)	(2,680,540)	-	-	-	(9,519,866)
- Interest accreted	(2,332,501)	(8,733,017)	-	-	(943,585)	-	(12,009,103)
- Effect of changes in interest rates and other financial assumptions	219,086	(517,864)	-	-	(31,069)	-	(329,847)
- Foreign exchange differences	(614)	-	-	-	-	-	(614)
	(2,114,029)	(16,090,207)	(2,680,540)	-	(974,654)	-	(21,859,430)
Finance income/(expenses) from reinsurance contracts held							
- Interest accreted	(64,760)	-	-	-	168,526	-	103,766
- Effect of changes in interest rates and other financial assumptions	75,888	-	-	-	2,268	-	78,156
- Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-	-	-	-	-	-	-
	11,128	-	-	-	170,794	-	181,922
Net insurance finance income/(expenses)	(2,102,901)	(16,090,207)	(2,680,540)	-	(803,859)	-	(21,677,508)
Summary of the amounts recognised in profit or loss							
- Net investment income - underlying assets	9,018,374	20,681,918	3,286,279	54,069	-	(520,738)	32,519,902
- Net investment income - other investments	-	-	-	209,858	1,371,952	7,528,655	9,110,465
- Net investment income/(expenses) - other	549,872	36,158	6,352	104,435	924,361	859,653	2,480,831
- Finance expenses from insurance contracts issued	(1,727,408)	(13,959,273)	(2,546,481)	-	(925,909)	-	(19,159,071)
- Finance income/(expenses) from reinsurance contracts held	13,871	-	-	-	162,252	-	176,123
	7,854,709	6,758,803	746,150	368,362	1,532,656	7,867,570	25,128,250

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9. Insurance Contracts (Continued)
9.11 Investment income and insurance finance expenses (continued)

For the year ended 30 September 2024 (continued)	**Traditional life and interest sensitive without guarantees $'000**	**Annuities $'000**	**Unit linked life and interest sensitive with guarantees $'000**	**Short-term group life and health contracts $'000**	**Property and casualty $'000**	**Other $'000**	**Total $'000**
Summary of the amounts recognised in OCI							
- Net investment income - underlying assets	2,228,171	1,291,600	-	6,038	-	520,738	4,046,547
- Net investment income - other investments	-	-	-	-	121,964	219,419	341,383
- Finance income from insurance contracts issued	(280,895)	(1,326,232)	-	-	-	-	(1,607,127)
- Finance income from reinsurance contracts held	(3,299)	-	-	-	-	-	(3,299)
	1,943,977	(34,632)	-	6,038	121,964	740,157	2,777,504
Summary of the amounts recognised							
- Insurance service result	5,354,195	1,660,433	118,979	3,196,837	8,188,730	-	18,519,174
- Net investment income	11,796,416	22,009,677	3,292,631	374,399	2,418,277	8,607,727	48,499,127
- Finance income/(expenses) from insurance contracts issued	(2,008,303)	(15,285,505)	(2,546,481)	-	(925,909)	-	(20,766,198)
- Finance income/(expenses) from reinsurance contracts held	10,571	-	-	-	162,252	-	172,823
Net insurance and investment result	15,152,879	8,384,605	865,129	3,571,236	9,843,350	8,607,727	46,424,926
For the year ended 30 September 2023							
Net investment income/(expenses) - underlying assets							
- Investment income	7,104,290	9,761,706	6,954,050	33,919	-	-	23,853,965
- Net realised losses on financial assets	(636,686)	(952,105)	(398,483)	(7,525)	-	-	(1,994,799)
- Net impairment gains/(losses) on financial assets	(347,352)	(115,703)	207,793	(1,037)	-	-	(256,299)
- Net fair value losses	2,084,970	11,288,001	(4,700,987)	(12,711)	-		8,659,273
- Other income/(loss)	(142,648)	237,717	(42,613)	5,429		-	57,885
	8,062,574	20,219,616	2,019,760	18,075	-	-	30,320,025

9. Insurance Contracts (Continued)
9.11 Investment income and insurance finance expenses

For the year ended 30 September 2023 (continued)	**Traditional life and interest sensitive without guarantees**	**Annuities**	**Unit linked life and interest sensitive with guarantees**	**Short-term group life and health contracts**	**Property and casualty**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Net investment income/(expenses) - other investments							
- Investment income	-	-	-	159,508	1,292,572	3,930,899	5,382,979
- Net realised gains/(losses) on financial assets	-	-	-	-	1,125	291,674	292,799
- Net impairment gains/(losses) on financial assets	-	-	-	(20,281)	97,342	71,611	148,672
- Net realised gains on other assets	-	-	-	-	-	1,219,924	1,219,924
- Net fair value losses	-	-	-	(949)	(216,267)	(1,186,689)	(1,403,905)
- Other income/(loss)	-	-	-	2,714	(53,868)	(105,176)	(156,330)
	-	-	-	140,992	1,120,904	4,222,243	5,484,139
Net investment income/(expenses) - other							
- Fee income	590,807	32,264	6,907	76,731	665,728	361,188	1,733,625
- Other income/(loss)	18,537	331	-	26,084	199,826	2,475,862	2,720,640
- Net loss on third party interests in mutual funds	-	-	-	-	-	(785,844)	(785,844)
- Investment contract benefits	-	-	-	-	-	(1,409,422)	(1,409,422)
- Net fair value adjustments to properties	-	-	-	-	11,365	933,016	944,381
	609,344	32,595	6,907	102,815	876,919	1,574,800	3,203,380
Total net investment income	8,671,918	20,252,211	2,026,667	261,882	1,997,824	5,797,043	39,007,545

9. Insurance Contracts (Continued)

9.11 Investment income and insurance finance expenses (continued)

For the year ended 30 September 2023 (continued)	Traditional life and interest sensitive without guarantees $'000	Annuities $'000	Unit linked life and interest sensitive with guarantees $'000	Short-term group life and health contracts $'000	Property and casualty $'000	Other $'000	Total $'000
Finance income/(expenses) from insurance contracts issued							
- Changes in fair value of underlying assets of contracts measured under the VFA	-	(5,998,657)	(1,978,845)	-	-	-	(7,977,502)
- Interest accreted	(1,991,909)	(6,553,404)	-	-	(314,647)	-	(8,859,960)
- Effect of changes in interest rates and other financial assumptions	2,086,537	5,545,444	-	-	(23,127)	-	7,608,854
- Foreign exchange differences	(927)	-	-	-	-	-	(927)
	93,701	(7,006,617)	(1,978,845)	-	(337,774)	-	(9,229,535)
Finance income/(expenses) from reinsurance contracts held							
- Interest accreted	(59,518)	-	-	-	(31,888)	-	(91,406)
- Effect of changes in interest rates and other financial assumptions	(20,236)	-	-	-	17,478	-	(2,758)
- Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-	-	-	-	-	-	-
	(79,754)	-	-	-	(14,410)	-	(94,164)
	13,947	(7,006,617)	(1,978,845)	-	(352,184)	-	(9,323,699)

9. **Insurance Contracts (Continued)**

9.11 **Investment income and insurance finance expenses**

For the year ended 30 September 2023 (continued)	**Traditional life and interest sensitive without guarantees**	**Annuities**	**Unit linked life and interest sensitive with guarantees**	**Short-term group life and health contracts**	**Property and casualty**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Summary of the amounts recognised in profit and loss							
- Net investment income - underlying assets	8,446,956	19,188,154	2,019,759	19,023	-	284,656	29,958,548
- Net investment income - other investments	-	-	-	140,993	1,167,887	4,286,306	5,595,186
- Net investment income/(expenses) - other	609,344	32,595	6,907	102,815	876,919	1,574,800	3,203,380
- Finance income from insurance contracts issued	(1,924,315)	(12,803,526)	(1,978,845)	-	(337,774)	-	(17,044,460)
- Finance income from reinsurance contracts held	(86,485)	-	-	-	(14,410)	-	(100,895)
	7,045,500	6,417,223	47,821	262,831	1,692,622	6,145,762	21,611,759
Summary of the amounts recognized in OCI							
- Insurance service result	(384,382)	1,031,462	-	(949)	-	(284,656)	361,475
- Net investment income	-	-	-	-	(46,983)	(64,064)	(111,047)
- Finance income/(expenses) from insurance contracts issued	2,018,016	5,796,910	-	-	-	-	7,814,926
- Finance income from reinsurance contracts held	6,731	-	-	-	-	-	6,731
	1,640,365	6,828,372	-	(949)	(46,983)	(348,720)	8,072,085
Summary of the amounts recognized							
- Insurance service result	2,160,642	1,005,312	2,141,310	1,595,721	7,625,140	-	14,528,125
- Net investment income	8,671,918	20,252,210	2,026,667	261,882	1,997,824	5,797,043	39,007,544
- Finance income/(expenses) from insurance contracts issued	93,701	(7,006,616)	(1,978,845)	-	(337,774)	-	(9,229,534)
- Finance income from reinsurance contracts held	(79,754)	-	-	-	(14,410)	-	(94,164)
Net insurance and investment result	10,846,507	14,250,906	2,189,132	1,857,603	9,270,780	5,797,043	44,211,971

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9. Insurance Contracts (Continued)
9.12 Claims development tables - short-term insurance contracts (non-life)

The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. Claims development tables are disclosed on an accident year basis (where the reference is to the actual date of the event that caused the claim), with the exception of international property and casualty claims, which is disclosed by underwriting year account.

	Total $'000
Insurance claims - gross	
- By accident year	22,489,387
- By underwriting year	5,697,203
Total liability	28,186,590
Insurance claims - net	
- By accident year	8,345,005
- By underwriting year	1,865,658
Total liability	10,210,663

The Group provides information on the gross and net claims development for the current reporting period and seven years prior to it. The Group considers that there is no significant uncertainty with regard to claims that were incurred more than eight years before the reporting period.

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.

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September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

9. Insurance Contracts (Continued)

9.12 Claims development tables - short-term insurance contracts (non-life)

Insurance claims - gross

Accident year	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Estimate of ultimate claims costs:									
- at end of accident year	72,370,786	28,732,937	44,003,547	26,919,268	28,144,321	34,860,918	38,681,761	33,358,570	
- one year later	77,681,776	25,756,999	39,802,767	28,559,104	27,960,136	31,921,208	37,868,424		
- two years later	70,322,396	25,590,636	39,902,177	28,110,692	28,171,205	31,862,569			
- three years later	69,913,584	25,619,604	40,368,832	28,261,132	28,536,997				
- four years later	70,083,483	25,514,644	40,092,778	28,236,050					
- five years later	70,006,976	25,542,910	39,972,034						
- six years later	69,749,961	25,535,580							
- seven years later	70,073,226								
Cumulative gross claims	70,073,226	25,535,580	39,972,034	28,236,050	28,536,997	31,862,569	37,868,424	33,358,570	295,443,450
Cumulative payments to date	(69,402,880)	(25,199,857)	(39,239,817)	(27,489,080)	(27,084,062)	(29,781,956)	(34,121,301)	(21,740,871)	(274,059,824)
Gross cumulative claims liabilities - 2017 to 2024	670,346	335,723	732,217	746,970	1,452,935	2,080,613	3,747,123	11,617,699	21,383,626
Liability in respect of prior years									897,901
Effect of discounting									(1,803,857)
Effect of the risk adjustment margin for non-financial risk									2,011,717
Gross LIC for contracts originated									22,489,387

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Notes to the Financial Statements

September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

9. Insurance Contracts (Continued)

9.12 Claims development tables - short-term insurance contracts (non-life)

Insurance claims - gross

Underwriting year	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Estimate of ultimate claims costs:									
- at end of underwriting year	547,119	420,989	223,527	464,242	2,536,894	-	-	-	
- one year later	669,948	477,193	350,758	611,519	2,974,299	-	-		
- two years later	644,516	447,826	324,857	535,598	3,009,988	-			
- three years later	632,830	440,567	299,285	496,302	2,950,108				
- four years later	624,001	439,162	272,307	490,143					
- five years later	615,313	437,405	273,244						
- six years later	600,630	434,899							
- seven years later	611,379								
Cumulative gross claims	611,379	434,899	273,244	490,143	2,950,108	-	-	-	4,759,773
Cumulative payments to date	(612,152)	(435,368)	(274,204)	(576,181)	(2,443,595)	-	-	-	(4,341,500)
Gross cumulative claims liabilities - 2017 to 2024	(773)	(469)	(960)	(86,038)	506,513	-	-	-	418,273
Liability in respect of prior years									5,020,553
Effect of discounting									(29,999)
Effect of the risk adjustment margin for non-financial risk									288,676
Gross LIC for contracts originated									5,697,203

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September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

9. Insurance Contracts (Continued)

9.12 Claims development tables - short-term insurance contracts (non-life)

Insurance claims - net

Accident year	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Estimate of ultimate claims costs:									
- at end of accident year	34,008,191	21,862,997	22,998,569	20,030,640	20,349,830	24,154,538	27,862,600	22,689,145	
- one year later	32,882,103	20,474,790	27,411,073	20,544,482	19,563,400	23,337,360	28,018,167		
- two years later	32,707,872	20,294,072	27,378,663	20,543,686	19,858,353	23,184,252			
- three years later	32,592,514	20,265,501	27,195,485	20,433,738	19,761,963				
- four years later	32,628,929	20,147,989	26,994,745	20,286,203					
- five years later	32,613,661	20,152,298	26,871,214						
- six years later	32,498,865	20,126,561							
- seven years later	32,439,218								
Cumulative gross claims	32,439,218	20,126,561	26,871,214	20,286,203	19,761,963	23,184,252	28,018,167	22,689,145	193,376,723
Cumulative payments to date	(32,375,286)	(19,876,665)	(26,550,010)	(19,987,270)	(19,157,914)	(22,269,818)	(26,346,927)	(18,809,358)	(185,373,248)
Gross cumulative claims liabilities - 2017 to 2024	63,932	249,896	321,204	298,933	604,049	914,434	1,671,240	3,879,787	8,003,475
Liability in respect of prior years									798,022
Effect of discounting									(1,360,387)
Effect of the risk adjustment margin for non-financial risk									903,896
Gross LIC for contracts originated									8,345,005

9. Insurance Contracts (Continued)

9.12 Claims development tables - short-term insurance contracts (non-life)

Insurance claims - net

Underwriting year	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Estimate of ultimate claims costs:									
- at end of underwriting year	547,119	420,989	223,527	464,242	2,536,944	-	-	-	
- one year later	669,948	477,193	350,758	611,519	2,974,299	-	-		
- two years later	644,516	447,826	324,857	535,598	3,009,988	-			
- three years later	632,830	440,567	299,285	496,302	2,949,194				
- four years later	624,001	439,162	272,307	490,143					
- five years later	615,313	437,405	273,244						
- six years later	600,630	434,899							
- seven years later	611,379								
Cumulative gross claims	611,379	434,899	273,244	490,143	2,949,194	-	-	-	4,758,859
Cumulative payments to date	(612,152)	(435,367)	(274,204)	(576,181)	(2,444,391)	-	-	-	(4,342,295)
Gross cumulative claims liabilities - 2017 to 2024	(773)	(468)	(960)	(86,038)	504,803	-	-	-	416,564
Liability in respect of prior years									1,300,717
Effect of discounting									(1,733)
Effect of the risk adjustment margin for non-financial risk									150,111
Gross LIC for contracts originated									1,865,659

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10. 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	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Beginning of year	18,646,502	11,709,303	9,977,004	10,431,981
Share of net profit of subsidiaries	7,199,497	4,599,726	1,029,676	606,593
Revaluation surplus / (deficit)	412,679	845,663	531,395	(1,644,631)
Remeasurement of post-employment benefits obligations	(534,698)	189,782	-	-
Other	880,998	2,824,950	1,781,152	583,061
Dividends paid	(1,185,801)	(1,522,922)	(290,098)	-
End of year	25,419,177	18,646,502	13,029,129	9,977,004

The table below shows the summarised financial information for Guardian Holdings Limited that has non-controlling interest:

	Guardian Holdings Limited		Clarien Group Limited	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Statement of financial positions				
Current assets	194,121,680	169,271,418	70,437,301	20,570,314
Current liabilities	119,337,461	109,634,838	180,047,424	98,626,353
Total current net assets	74,784,219	59,636,580	(109,610,123)	(78,056,039)
Non-Current assets	660,960,119	614,738,825	148,860,682	183,274,087
Noncurrent liabilities	634,375,404	594,627,271	16,922,652	88,244,347
Total non-current net assets	26,584,715	20,111,554	131,938,030	95,029,740
Net assets	101,368,934	79,748,134	22,327,907	16,973,701

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10. Non-Controlling Interest (Continued)

	Guardian Holdings Limited		Clarien Group Limited	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Statement of comprehensive income				
Revenue	185,325,324	164,486,861	17,879,835	13,785,541
Direct profit for the period	19,228,292	11,703,359	2,209,806	1,723,951
Consolidation adjustments	(336,866)	358,132	(150,042)	(510,523)
Other comprehensive income	1,985,296	10,097,817	4,634,363	(2,129,395)
Total comprehensive income	20,876,722	22,159,308	6,694,127	(915,967)
Profit allocated to NCI	7,199,497	4,599,726	1,029,676	606,593
OCI allocated to NCI	758,979	3,860,395	2,312,547	(1,061,570)
Accumulated non-controlling interest	7,958,476	8,460,121	3,342,223	(454,977)

10. Non-Controlling Interest (Continued)

Summarised cash flows

The information below represents amounts before intercompany eliminations

	Guardian Holdings Limited		Clarien Group Limited	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Cash flows from operating activities				
Cash generated from operations	6,569,063	9,620,519	6,731,573	1,023,507
Interest paid	(4,745,979)	(4,642,589)	(2,360,272)	(1,050,592)
Income tax paid	(5,426,060)	(5,336,209)	-	-
Net cash generated from operating activities	26,161,127	21,157,325	8,964,805	(27,085)
Net cash used in investing activities	(5,085,801)	(35,260,065)	(11,527,868)	(10,211,857)
Net cash used in financing activities	239,873	623,056	(916,428)	(194,239)
Net increase in cash and cash equivalents				
Cash and cash equivalents at beginning of year	72,386,944	84,490,356	20,013,413	29,905,045
Exchange gains on cash and cash equivalents	1,227,471	1,482,807	393,409	541,549
Other movements	19,370,452	(13,586,219)	(3,053,225)	(10,433,181)
Cash and cash equivalents at end of year	92,984,867	72,386,944	17,353,597	20,013,413

11. Dividend Income

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Subsidiaries	-	-	14,715,083	15,506,267
Other equity securities	2,830,114	2,896,492	113,520	-
	2,830,114	2,896,492	14,828,603	15,506,267

In June 2023, National Commercial Bank Jamaica Limited paid a special interim dividend of $4.514 per share, totalling $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.

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12. Staff Costs

	The Group		The Company	
		Restated		**Restated**
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Wages, salaries, allowances and benefits	41,143,154	45,140,533	1,638,169	3,469,996
Payroll taxes	2,482,867	3,822,730	121,832	1,069,954
Pension costs – defined contribution plans	1,461,768	1,279,757	17,179	29,886
Pension costs – defined benefit plans (Note 40 (a))	571,310	592,631	-	-
Staff profit share	3,401,062	1,924,306	-	-
Separation/termination benefits	(864,782)	7,451,338	(1,047,061)	4,826,360
Other post-employment benefits (Note 40 (b))	789,713	649,381	-	-
Other staff costs	1,193,730	-	-	-
	50,178,822	60,860,676	730,119	9,396,196

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.

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13. Credit Impairment Losses / (Recovered)

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Investment securities	193,631	(1,664,151)	(18,732)	6,597
Loans and advances (Note 21)	8,262,920	5,728,186	-	-
Premium	245,282	95,329	-	-
	8,701,833	4,159,364	(18,732)	6,597

14. Total Operating Expenses

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Staff costs	50,178,822	60,860,676	730,119	9,396,196
Depreciation	8,392,150	7,191,775	381	171
Finance cost	1,851,561	2,146,310	60,346	269,976
Auditors' remuneration - current year	676,880	677,356	11,258	11,977
Non-assurance fees	1,217,160	751,379	-	-
Credit card rebates	1,928,036	2,175,914	-	-
Insurance and premiums	1,843,852	1,344,981	1,265	5,132
Irrecoverable general consumption tax and asset tax	5,619,268	4,937,846	159,371	75,575
License and transaction processing fees	1,688,943	1,706,958	110,232	75,887
Marketing, customer care, advertising and donations	3,226,900	4,333,074	39,407	6,930
Operating lease rentals	333,474	394,738	-	1,310
Property, vehicle and ABM maintenance and utilities	11,110,116	11,200,275	33,382	112,873
Stationery	654,830	727,364	549	-
Technical, consultancy and professional fees	7,579,025	9,261,123	219,454	298,637
Travelling, courier and telecommunication	2,598,309	2,594,894	12,271	82,117
Management and royalty fees	2,336,860	857,496	255,863	386,975
Operational losses	4,863,597	3,503,214	-	-
Other	5,742,990	6,006,606	227,127	436,228
	111,842,696	120,671,979	1,861,025	11,159,984
Represented by:				
Insurance service expenses				
Amounts attributed to insurance acquisition cash flows incurred during the year	7,118,422	6,734,411	-	-
Other directly attributable expenses	10,039,255	9,513,410	-	-
	17,157,677	16,247,821	-	-
Other operating expenses	94,685,016	104,424,158	1,861,025	11,159,984
	111,842,696	120,671,979	1,861,025	11,159,984

14. Total Operating Expenses (Continued)

Expenses attributed to insurance acquisition cash flows and other directly attributable expenses comprise expenses incurred by the Group in the reporting period that relate directly to the fulfilment of contracts issued within IFRS 17's scope and reinsurance contracts held. These expenses are recognised in the consolidated statement of income or loss based on IFRS 17 measurement requirements.

15. Taxation

	The Group		The Company	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Current:				
Income tax	7,144,571	8,145,364	-	-
Prior year over provision	(92,124)	(1,662,736)	-	-
Business levy and green funds levy	298,302	110,205	-	-
Deferred income tax (Note 30)	(3,111,079)	(3,144,639)	-	-
	4,239,670	3,448,194	-	-

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	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Profit before tax	25,809,197	11,161,704	11,663,070	3,531,061
Tax calculated at actual tax rates	9,558,099	6,555,238	3,887,690	1,177,095
Income not subject to tax	(16,473,901)	(19,651,340)	-	-
Expenses not deductible for tax purposes	11,007,049	16,613,229	1,055,178	3,991,735
Effect of share of profit of associates included net of tax	(11,140)	7,085	-	-
Effect of change in tax rate applicable to life insurance subsidiary	(763,928)	(489,699)	-	-
Effect of different tax rates applicable to dividend income	870,100	796,395	(4,942,868)	(5,168,830)
Deferred tax not recognised	43,605	(812,260)	-	-
Prior year over provision	(92,124)	(1,662,736)	-	-
Business Levy	298,302	89,069	-	-
Other	(196,392)	2,003,213	-	-
Taxation	4,239,670	3,448,194	-	-

15. Taxation (Continued)

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

	The Group		
	2024		
At the year end	**Before Tax $'000**	**Tax $'000**	**After Tax $'000**
Currency translation gains	1,488,959	-	1,488,959
ECL and fair value gains on FVOCI investments, net of gains recycled to profit or loss	15,639,279	(643,713)	14,995,566
Insurance finance reserves	(1,251,730)	-	(1,251,730)
Remeasurement of post-employment benefit obligation	173,099	(700,463)	(527,364)
Other comprehensive income	16,049,607	(1,344,176)	14,705,431
Recyclable			(643,713)
Non-recyclable			(700,563)
Deferred income tax (Note 30)		(1,344,176)	

	The Group		
	2023		
At the year end	**Before Tax $'000**	**Tax $'000**	**After Tax $'000**
Currency translation gains	(1,211,054)	-	(1,211,054)
ECL and fair value gains on FVOCI investments, net of gains recycled to profit or loss	23,617,888	(7,924,098)	15,693,790
Insurance finance reserves	8,173,536	(953,549)	7,219,987
Remeasurement of post-employment benefit obligation	(3,423,399)	1,358,318	(2,065,081)
Other comprehensive income	27,156,971	(7,519,329)	19,637,642
Recyclable			(8,877,647)
Non-recyclable			1,358,318
Deferred income tax (Note 30)		(7,519,329)	

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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.

	2024	**2023**
Net profit attributable to stockholders of the parent ($'000)	13,340,354	2,507,191
Weighted average number of ordinary stock units in issue ('000)	2,373,483	2,361,165
Restated - Basic and diluted earnings per stock unit ($)	5.62	1.06

17. Cash in Hand and Balances at Central Banks

	The Group	
	2024	**2023**
	$'000	**$'000**
Cash in hand	23,963,995	29,672,432
Balances with central banks other than statutory reserves	21,673,997	2,381,403
Included in cash and cash equivalents	45,637,992	32,053,835
Statutory reserves with central banks – non-interest-bearing	50,012,699	48,901,844
	95,650,691	80,955,679

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 other Banks

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Placements with NCBJ	-	-	3,328,130	654,864
Items in course of collection from banks	(580,969)	(361,667)	-	-
Placements with banks	165,925,985	146,849,442	37,909	2,358,754
	165,345,016	146,487,775	3,366,039	3,013,618
Expected credit losses	(480,190)	(1,488,822)	-	(51)
Interest receivable	4,063,185	3,861,835	-	2,480
	168,928,011	148,860,788	3,366,039	3,016,047
Less: Placements pledged as collateral for letters of credit (Note 23)	(7,539,376)	(8,842,712)	-	-
	161,388,635	140,018,076	3,366,039	3,016,047

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	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Placements with NCBJ	-	-	3,328,130	654,864
Placements with other banks	157,325,451	139,447,522	37,909	2,358,754
Less: amounts restricted to the settlement of obligations under securitisation arrangements	(3,588,214)	(2,315,634)	-	-
	153,737,237	137,131,888	3,366,039	3,013,618

19. Derivative Financial Instruments

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

	The Group	
	2024	2023
	$'000	$'000
Assets		
Equity indexed options	1,492,033	826,738
Liabilities		
Equity indexed options	-	9,192

19. Derivative Financial Instruments (Continued)

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 $19,709,000 (2023 – $63,489,000) for the Group.

At September 30, 2024, the Group held $7,566,051,000 (2023 – $8,592,132,000) 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 (2023 – $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 $300,000,000 (2023 – $4,303,162,000) which are regarded as cash equivalents for purposes of the statement of cash flows.

21. Loans and Advances

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Gross loans and advances, includes mortgage loans	640,106,622	624,542,985	52,078,752	51,074,760
Provision for credit losses	(17,104,502)	(15,336,258)	(14,267)	(3,150)
	623,002,120	609,206,727	52,064,485	51,071,610
Interest receivable	3,237,816	3,482,402	1,631,498	981,297
	626,239,936	612,689,129	53,695,983	52,052,907

The current portion of loans and advances amounted to $177,972,466,000 (2023 – $171,244,496,000) for the Group.

The movement in the provision for credit losses determined under the requirements of IFRS 9 is as follows:

	The Group	
	2024	2023
	$'000	$'000
Balance at beginning of year	15,336,258	13,425,951
Provided during the year	9,144,401	6,726,019
Recoveries	(881,481)	(997,833)
Net charge to the income statement (Note 13)	8,262,920	5,728,186
Write-offs	(6,494,676)	(3,817,879)
Balance at end of year	17,104,502	15,336,258

The provision for credit losses at the end of the year includes $5,576,453,000 (2023 - $5,442,247,000) 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 provision for credit losses determined under BOJ regulatory requirements is as follows:

	The Group	
	2024	2023
	$'000	$'000
Specific provision	15,731,010	15,906,919
General provision	4,330,109	5,183,179
	20,061,119	21,090,098
Excess of regulatory provision over IFRS 9 provision recognised in NCBJ reflected in non-distributable loan loss reserve (Note 42)	2,956,617	5,753,840

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22. Investment Securities

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Investment Securities Classified as FVPL:				
Government of Jamaica debt securities	54,954,226	54,419,440	-	-
Other Government securities	112,238,968	106,933,999	-	-
Corporate debt securities	21,183,345	21,790,349	-	-
Quoted and unquoted equities	106,906,030	95,926,745	-	-
Collective Investment Schemes	1,830,604	2,600,940	4,812,492	-
Interest receivable	3,139,501	2,937,847	-	-
	300,252,674	284,609,320	4,812,492	-
Investment securities at FVOCI:				
Government of Jamaica debt securities	159,297,266	178,171,732	-	-
Other Government securities	220,032,747	156,001,529	-	-
Corporate debt securities	122,844,347	129,850,494	7,481,171	7,000,000
Interest receivable	6,112,477	6,435,540	126,332	126,192
	508,286,837	470,459,295	7,607,503	7,126,192
Investment securities at Amortised Cost:				
Government of Jamaica debt securities	165,425,417	174,196,316	-	-
Other Government Securities	165,393,659	148,457,612	-	-
Corporate Debt Securities	23,013,441	23,914,107	-	-
Interest receivable	5,134,711	4,903,114	-	-
	358,967,228	351,471,149	-	-
Expected credit losses	(681,204)	(635,299)	336	-
	1,166,825,535	1,105,904,465	12,420,331	7,126,192
Total investment securities, as above	1,166,825,535	1,105,904,465	12,420,331	7,126,192
Less: Pledged securities (Note 23)	(249,929,768)	(275,523,260)	-	-
Amount reported on the statement of financial position	916,895,767	830,381,205	12,420,331	7,126,192

The current portion of total investment securities amounted to $138,666,736,000 (2023 - $149,932,101,000) for the Group. Included in investment securities are debt securities with an original maturity of less than 90 days amounting to $10,153,245,000 (2023 - $6,386,437,000) for the Group which are regarded as cash equivalents for purposes of the statement of cash flows.

23. Pledged Assets

	The Group	
	2024	2023
	$'000	$'000
Investment securities classified as FVOCI and amortised cost pledged as collateral for:		
Repurchase agreements	239,531,161	266,938,743
Clearing services	1,504,398	1,308,563
Investment securities held as security in respect of life insurance subsidiary	8,894,209	7,275,954
	249,929,768	275,523,260
Placements with banks pledged as collateral for letters of credit (Note 18)	7,539,376	8,842,712
	257,469,144	284,365,972

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	
	2024	2023
	$'000	$'000
At the beginning of the year	7,247,770	7,126,084
Additions	2,348,778	-
Disposal	(202,357)	-
Share of profits	483,495	218,947
Dividends received:		
Other	(334,660)	(212,762)
Movement in other reserves and exchange rate adjustments	215,018	115,501
At end of year	9,758,044	7,247,770

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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	Capital Infrastructure Group Limited $'000	Other individually immaterial associates $'000	Total $'000
2024					
Current assets	2,250,344	12,608,524	2,835,136	195,451	17,889,455
Non-current assets	17,325,219	13,764,131	1,768,310	871,214	33,728,874
Current liabilities	740,413	1,004,332	112,679	253,145	2,110,569
Non-current liabilities	5,695,469	14,042,342	1,161,672	302,185	21,201,668
Revenue	4,216,787	17,640,752	209,262	823,586	22,890,387
Profit from continuing operations	785,570	694,670	65,809	13,127	1,559,176
Other comprehensive income	(1,626)	287,536	-	-	285,910
Total comprehensive income	783,944	982,206	65,809	13,127	1,845,086
Percentage ownership	33%	26%	76%		
Net assets of the associate - 100%	13,139,681	10,358,022	3,329,095		
Group share of net assets	4,379,894	2,715,865	2,530,112		

	RGM Limited $'000	Royal Star Holdings $'000	Other individually immaterial associates $'000	Total $'000
2023				
Current assets	2,409,332	9,987,753	281,283	12,678,368
Non-current assets	17,915,958	12,906,915	1,247,924	32,070,797
Current liabilities	878,763	931,576	235,643	2,045,982
Non-current liabilities	6,264,754	11,103,027	771,424	18,139,205
Revenue	3,929,636	17,856,440	880,643	22,666,719
Profit / (loss) from continuing operations	317,383	635,685	(113,921)	839,147
Other comprehensive income	(6,544)	-	-	(6,544)
Total comprehensive income	310,839	635,685	(113,921)	832,603
Percentage ownership	33%	26%		
Net assets of the associate - 100%	13,181,773	11,175,588		
Group share of net assets	4,393,916	3,177,184		

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25. Investment Properties

	The Group	
	2024	**2023**
	$'000	**$'000**
Balance at beginning of year	36,593,367	38,713,610
Additions	151,937	666,198
Disposals	(204,071)	(417,705)
Fair value gains (Note 8)	383,616	1,753,215
Foreign exchange adjustments	552,981	1,050,881
Re-classification to / from properties for development and sale (Note 26)	9,157	(5,278,206)
Unit-linked adjustments	-	105,374
Balance at end of year	37,486,987	36,593,367
Income earned from the properties	2,177,635	1,817,091
Expenses incurred by the properties	(1,290,015)	(1,133,070)

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’ Judgement 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 Judgement 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.

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

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25. Investment Properties(continued)

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

The Group						
Description	**Fair value at**		**Unobservable inputs**	**Range of unobservable inputs**	**Impact**	
	2024	**2023**			**Positive impact**	**Negative impact**
	$'000	**$'000**			**$'000**	**$'000**
Investment properties	37,486,987	36,593,367	Discount rate	+/-1%	1,235,863	(839,466)
			Capitalization rate per square foot/acre	Various ranges	108,594	(219,382)
			Comparable properties	+/-5%	168,057	(168,057)

Relationship of unobservable inputs to fair value

Significant increases/(decreases) in estimated price per square feet in isolation would result in a significantly higher(lower) fair value on a linear basis.

26. Properties for Development and Sale

	The Group	
	2024	**2023**
	$'000	**$'000**
At the beginning of the year	4,152,048	2,008,010
Additions	122,056	316,534
Reclassification from investment properties (Note 25)	(9,157)	2,329,010
Foreign exchange adjustments	106,228	233,376
Fair value gains (Note 8)	209,144	-
Disposals	(926,424)	(734,974)
At the end of the year	3,653,895	4,151,956

27. Leases

The statement of financial position shows the following amounts relating to leases:

	2024 $'000	2023 $'000
Right-of-use assets		
Buildings	3,474,316	3,896,390
Motor vehicles	693,340	717,669
Equipment	66,935	365,647
	4,234,591	4,979,706
Lease liabilities		
Current	1,374,298	1,387,438
Non-current	2,906,261	3,614,723
	4,280,559	5,002,161

Rights-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 2024 $'000**	**30 September 2023 $'000**
Buildings	3,474,316	3,896,390
Motor vehicles	693,340	717,669
Equipment	66,935	365,647
	4,234,591	4,979,706

b) As at 30 September 2024, leasehold Improvements and furniture, fittings and equipment where the Group is a lessee under a finance lease are as follows:

27. Leases (Continued)

	Leasehold Improvements $'000	Equipment $'000	Motor Vehicles $'000
Cost	1,912,434	349,923	1,906,580
Accumulated depreciation	(1,819,265)	(282,988)	(1,213,240)
Net book values	93,169	66,935	693,340

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 $1,008,235,000

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2024 $'000	2023 $'000
Depreciation charge on right-of-use assets		
Buildings	1,129,382	1,247,784
Equipment	69,237	80,301
Motor Vehicles	381,142	472,492
	1,579,761	1,800,577

Amounts recognised in the statement of comprehensive income relating to leases:

	2024 $'000	2023 $'000
Depreciation charge of right-of-use assets	1,579,761	1,800,577
Interest expense on lease liabilities	271,800	345,797
Total expenses related to leases	1,851,561	2,146,374

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;

27. Leases (Continued)

The Group's leasing activities (continued)

- 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.

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.

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28. Intangible Assets

	The Group					
	Trade name	**Core deposit & other customer relationships**	**Computer software**	**Goodwill**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
			2024			
Net book value, at beginning of year	3,309,690	6,772,714	23,251,397	20,350,796	197,259	53,881,856
Additions	-	-	4,582,877	-	-	4,582,877
Disposals	-	-	-	-	-	-
Translation adjustments	-	-	1,664,004	-	(7)	1,663,997
Reclassification & adjustments	-	-	(26,637)	-	-	(26,637)
Amortisation charge	(44,032)	(1,263,441)	(4,361,167)	-	(143,063)	(5,811,703)
Net book value, at end of year	3,265,658	5,509,273	25,110,474	20,350,796	54,189	54,290,390
Cost	3,627,504	16,059,058	74,616,086	20,350,796	115,185	114,768,629
Accumulated amortisation	(361,846)	(10,549,785)	(49,505,612)	-	(60,996)	(60,478,239)
Closing net book value	3,265,658	5,509,273	25,110,474	20,350,796	54,189	54,290,390

28. Intangible Assets (Continued)

	The Group					
	Trade name $'000	Core deposit & other customer relationships $'000	Computer software $'000	Goodwill $'000	Other $'000	Total $'000
			2023			
Net book value, at beginning of year	3,365,381	8,576,412	18,843,203	20,350,796	407,937	51,543,729
Additions	-	26,672	5,636,466	-	-	5,663,138
Translation adjustments	-	29,091	1,303,963		(113)	1,332,941
Reclassification & adjustments	-	-	110,814	-	(6)	110,808
Amortisation charge	(55,691)	(1,859,461)	(2,543,049)	-	(210,559)	(4,668,760)
Net book value, at end of year	3,309,690	6,772,714	23,351,397	20,350,796	197,259	53,981,856
Cost	3,627,504	19,575,801	51,346,080	20,350,796	439,702	95,339,883
Accumulated amortisation	(317,814)	(12,803,087)	(27,994,683)	-	(242,443)	(41,358,027)
Closing net book value	3,309,690	6,772,714	23,351,397	20,350,796	197,259	53,981,856

Computer software for the Group at year end include items with a cost of $4,594,637,000 (2023 - $4,618,216,000) 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	
	2024	2023
	$'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:

Insurance service expenses	63.0%
Revenue growth rate	5.4%
Terminal growth rate	3.5%
Discount rate	11.0%

Sensitivity analysis
Currently management has a headroom of $38,837,000 on the goodwill. Management is of the view that the discount rate is the most significant assumption and as a result, the said rate was adjusted +/-1% which shows the results below:

	-1%	1%	+1%
Discount rate	($5,919,000)	$13,265,000	$3,678,000

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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, 2022	22,567,204	37,003,189	2,657,050	62,227,443
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)	-
Reclassifications and adjustments	13,786	(27,269)	-	(13,483)
Exchange rate adjustments	(61,893)	702,214	17,259	657,580
At September 30, 2023	21,650,088	37,751,919	2,699,645	62,101,652
Reclassification and adjustments	-	(967,343)	-	(967,343)
Additions	78,417	3,172,918	(336,709)	2,914,626
Disposals	-	(3,091,701)	-	(3,091,701)
Transfers	21,705	170,697	(180,705)	11,697
Reclassification and adjustments	-	(336,740)	354,427	17,687
Exchange rate adjustments	-	50,392	-	50,392
At September 20, 2024	21,750,210	36,750,142	2,536,658	61,037,010
Accumulated Depreciation -				
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	(40,209)	(138,566)	-	(178,775)
At September 30, 2023	5,599,483	27,358,812	-	32,958,295
Charge for the year	260,548	2,319,518	-	2,580,066
Disposals	-	(2,860,945)	-	(2,860,945)
Reclassifications and adjustments	4,877	(18,946)	-	(14,069)
At September 30, 2024	5,864,908	26,798,439	-	32,663,347
Net Book Value -				
September 30, 2024	15,885,302	9,951,703	2,536,658	28,373,663
September 30, 2023	16,050,605	10,393,107	2,699,645	29,143,357

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		
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Deferred tax assets	(23,487,618)	(22,710,582)	(10,743,858)	(10,746,562)
Deferred tax liabilities	6,986,478	7,917,263	-	-
Net asset at end of year	(16,501,140)	(14,793,319)	(10,743,858)	(10,746,562)

The movement in the net deferred income tax balance is as follows:

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Net asset at beginning of year	(14,793,319)	(16,846,324)	(10,746,562)	(10,746,669)
Deferred tax credited in the income statement (Note 15)	(3,113,786)	(3,144,639)	-	-
Deferred tax charge / (credited) to other comprehensive income (Note 15)	1,405,965	7,519,239	2,704	107
Deferred tax credit on adoption of IFRS 17	-	(2,321,595)		
Net asset at end of year	(16,501,140)	(14,793,319)	(10,743,858)	(10,746,562)

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

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Deferred tax assets to be recovered after more than 12 months	3,829,697	(6,947,112)	-	-
Deferred tax liabilities to be settled after more than 12 months	(7,295,701)	6,688,498	-	-

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		
	2024	2023	2023	2022
	$'000	$'000	$'000	$'000
Deferred income tax assets:				
Property, plant and equipment	3,088,310	2,744,546	-	-
Investment securities classified as FVOCI	1,124,856	2,158,268	-	-
Credit impairment losses	688,589	270,419	-	-
Pensions and other post-retirement benefits	2,061,378	2,536,151	-	-
Interest payable	1,046,261	829,113	193,547	193,547
Unrealised foreign exchange losses	4,917,464	3,018,623	134,231	134,231
Unutilised tax losses	14,656,379	11,279,038	10,392,469	10,392,469
Other temporary differences	3,501,856	6,578,439	103,831	106,535
	31,085,093	29,414,597	10,824,078	10,826,782
Deferred income tax liabilities:				
Property, plant and equipment	813,788	5,308,181	-	-
Intangible assets	1,065,669	132,285	-	-
Investment securities at FVPL	3,346,458	2,909,749	-	-
Investment securities classified as FVOCI	4,176,919	131,663	-	-
Interest receivable	608,188	639,258	79,591	79,591
Unrealised foreign exchange gains	2,495,666	1,726,621	-	-
Credit Impairment Losses	-	491,948	-	-
Other temporary differences	2,077,265	3,281,573	629	629
	14,583,953	14,621,278	80,220	80,220
Net deferred tax asset	(16,501,140)	(14,793,319)	(10,743,858)	(10,746,562)

30. Deferred Income Taxes (Continued)

The amounts recognised in the income statement are due to the following items:

	The Group		The Company	
		Restated		
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Property, plant and equipment	(782,917)	(796,719)	-	-
Intangible assets	(27,835)	(39,225)	-	-
Investment securities	761,900	(59,956)	-	-
Credit impairment losses	(856,107)	(373,464)	-	-
Pensions and other post-retirement benefits	(259,006)	155,718	-	-
Future distributions		-	-	-
Interest receivable	(15,526)	114,201	-	-
Interest payable	(219,411)	(225,501)	-	-
Accrued profit share	-	67,327	-	-
Accrued vacation leave	(20,500)	(26,991)	-	-
Unrealised foreign exchange gains and losses	581,761	(102,200)	-	-
Unutilised tax losses	(1,990,963)	(540,243)	-	-
Other temporary differences	(285,183)	(1,317,586)	-	-
	(3,113,787)	(3,144,639)	-	-

The amounts recognised in other comprehensive income are due to the following items:

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Unrealised gains on FVOCI	670,651	7,364,455	2,704	107
Realised fair value gains on sale and maturity of investments	34,851	559,643	-	-
Insurance and re-insurance contracts	-	953,459		
Remeasurement of the post-employment benefit obligation to the monthly accounts for the bank and some subsidiaries	700,463	(1,358,318)	-	-
	1,405,965	7,519,239	2,704	107

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31. Other Assets

	The Group		The Company	
	2024	Restated 2023	2024	Restated 2023
	$'000	$'000	$'000	$'000
Due from merchants, financial institutions, clients and payment systems providers	32,870,754	25,862,249	120,126	1,656,165
Prepayments	3,592,431	5,926,989	142,443	171,821
Shares held for incentive	4,247,971	4,236,471	-	-
Due from related parties	-	-	396,406	6,920,302
Fronting receivables	11,148,337	11,066,683	-	-
Repossessed assets	274,765	680,532	-	-
Other	404,899	257,953	278,379	-
	52,539,157	48,030,877	937,354	8,748,288
Less ECL on receivables	(1,323,788)	(2,360,055)	-	-
	51,215,369	45,670,822	937,354	8,748,288

The fair values of other assets approximate carrying values. The current portion of other assets for the Group is $52,222,512,000 (2023 - $47,702,726,000).

32. Due to Banks

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Items in course of payment	3,775,380	3,733,828	-	-
Borrowings from other banks	14,936,166	27,372,404	9,863,400	18,607,900
Deposits from banks	207,454	160,070	-	-
	18,919,000	31,266,302	9,863,400	18,607,900
Interest payable	691,529	666,168	333,059	627,034
	19,610,529	31,932,470	10,196,459	19,234,934

The current portion of due to banks is $11,594,602,000 (2023 - $29,689,326,000)

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	
	2024	2023
	$'000	$'000
Total due to banks	19,610,529	31,932,470
Less: amounts with original maturities of greater than 90 days	(4,024,741)	(7,738,581)
	15,585,788	24,193,889

33. Obligations Under Securitisation Arrangements

	The Group	
	2024	2023
	$'000	$'000
Diversified payment rights		
Principal outstanding – US$226,366,000 (2023 – US$250,000,000)	35,723,893	38,693,000
Merchant voucher receivables		
Principal outstanding – US$362,239,000 (2023 – US$384,800,000)	57,166,494	59,556,337
	92,890,387	98,249,337
Unamortised transaction fees	(763,027)	(962,281)
	92,127,360	97,287,056
Interest payable	872,021	907,951
Net liability	92,999,381	98,195,007

The current portion of obligations under securitisation arrangements amounted to $14,116,128,000 (2023 –$12,640,593,000).

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"), 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.

The above arrangements require the Bank to maintain a minimum capital adequacy of 12.5%. As at the year end, the Bank's capital adequacy ratio exceeded 15%.

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 2022-1 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	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
(a) Development Bank of Jamaica	6,944,995	6,421,132	-	-
(b) Corporate notes	154,006,665	152,461,493	77,178,317	78,519,655
(c) National Housing Trust	5,223,681	5,346,511	-	-
(d) Other	1,262,515	-	13,414,224	14,703,340
(e) Other	20,429,520	14,544,181	-	-
	187,867,376	178,773,317	90,592,541	93,222,995
Unamortised transaction fees	(514,405)	(652,233)	(456,967)	(390,854)
Interest payable	1,470,538	1,526,457	584,770	679,772
	188,823,509	179,647,541	90,720,344	93,511,913

The current portion of other borrowed funds amounted to $77,849,301 (2023 – $66,242,157,000) for the Group and $62,987,573,000 (2023- 36,837,000,000) 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 2025 and 2029. The fixed rate notes attract interest between 6.75% and 12.50% 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 were 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 25 years at rates ranging from 0% - 4%. The Joint Financing Mortgage Programme (JFMP) was discontinued and replaced by the External Financing Mortgage Programme, EFMP which was fully implemented in August 2023. The final disbursement under the JFMP was in December 2023 on which the final payment is due and payable in December 2048.

(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 27, 2023, NCB Global Holdings Limited extended an unsecured loan of US$4.726million 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.

On March 27, 2024, NCB Global Holdings Limited extended an unsecured loan of US$25.274 million to NCB Financial Group Limited. Interest is due and payable on a semi-annual basis calculated at a rate of 8.82% per annum beginning December 27, 2024. Principal is due and payable at maturity on March 27, 2025.

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.

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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	
	2024	**2023**
	$'000	**$'000**
Total assets of the Unit Trust	34,548,833	34,852,298
The Group's interest – Carrying value of units held	166,366	162,695
Maximum exposure to loss	166,366	162,685
Liability to the Unit Trust in relation to investment in repurchase obligations (included in repurchase obligations on the consolidated statement of financial position)	1,411,005	494,844
Total income from the Group's interests	747,871	790,091

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 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.

The Board of Directors of Stratus on September 26, 2024 resolved to wind up two funds solely managed by NCBCM.

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	
	2024	2023
	$'000	$'000
Total assets of the company	11,996,630	11,004,579
Maximum exposure to loss	764,483	773,619
Investments by the Group:		
Preference shares	2,129,895	697,251
Management fees earned by the Group	212,911	164,702

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	
	2024	2023
	$'000	$'000
Opening balance	38,910,757	33,587,741
Share of net income	748,329	817,684
Unrealised losses	(227,929)	(436,603)
Net change in mutual fund holder balances	(1,908,255)	4,936,529
Distributions	(596,625)	(565,536)
Exchange rate adjustment	772,716	570,942
Balance at end of year	37,698,993	38,910,757

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37. Investment Contract Liabilities

Investment contract liabilities carry floating rates of interest and therefore the carrying amounts approximate their fair values

	The Group	
	2024	**2023**
	$'000	**$'000**
The movements in the liabilities arising from investment contracts are summarized below:		
Opening balance	47,085,621	46,176,215
Premiums received	4,602,754	4,083,804
Fees deducted from account balances	(59,529)	(9,346)
Account balances paid on surrender and other terminations in the year	(5,243,546)	(3,930,968)
Interest credited through income	1,630,281	1,466,527
Other movements	(126,271)	(1,167,903)
Exchange rate adjustments	578,355	467,292
Balance at end of year	48,467,665	47,085,621

38. Other Liabilities

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Accrued staff benefits	7,009,569	13,453,849	121,326	5,988,842
Due to customers, merchants and clients	18,901,016	14,455,725	528,710	-
Accrued other operating expenses	10,488,261	16,972,795	899,014	1,200,500
Fronting payables	8,985,368	249,517	-	-
Due to Governments	1,873,435	1,760,214	-	2,304
Due to related party	-	-	8,468,839	5,711,656
Other	17,169,022	17,109,327	-	-
	64,426,671	64,001,427	10,017,889	12,903,302

39. Share Capital

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Authorised – unlimited				
Issued and fully paid up –				
2,583,804,807 (2023 - 2,466,762,828)				
ordinary stock units of no par value	161,170,899	153,827,330	161,170,899	153,827,330
Treasury shares	(25,674,883)	(25,674,883)	(11,232,294)	(11,232,294)
	135,496,016	128,152,447	149,938,605	142,595,036

As at September 30, 2024 entities within the Group and the Company held NCBFG ordinary stock units totalling 171,918,846 (2023: 168,435,437) and 75,339,470 (2023: 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, 2024, the scheme held 1,255,751 (2023: 1,255,751) stock units of the Company's ordinary stock.

As at September 30, 2024 a total of 26,066,735 (2023: 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.

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40. Post-employment Benefits

Liabilities recognised in the statement of financial position are as follows:

	The Group	
	2024	**20223**
	$'000	**$'000**
Pension schemes	(1,095,831)	(2,264,877)
Other post-employment benefits	9,186,580	10,076,338
	8,090,749	7,811,461

The amounts recognised in the income statement are as follows:

	The Group	
	2024	**2023**
	$'000	**$'000**
Pension schemes (Note 12)	571,310	592,631
Other post-employment benefits	789,713	649,381
	1,361,023	1,242,012

The amounts recognised in the statement of comprehensive income are as follows:

	The Group	
	2024	**2023**
	$'000	**$'000**
Pension schemes	(1,415,841)	414,215
Other post-employment benefits	(2,444,819)	3,847,033
	(3,860,660)	4,261,248

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 $615,810,000 (2023 – $585,876,000).

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 $563,021,000 (2023 - $586,751,000)

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:

	2024		2023	
	NCBJ	GHL	NCBJ	GHL
	$'000	$'000	$'000	$'000
Present value of funded obligations	22,485,590	21,869,391	21,558,089	20,486,117
Fair value of plan assets	(24,346,379)	(22,977,704)	(25,477,003)	(22,750,994)
(Over)/under – funded obligations	(1,860,789)	(1,108,313)	(3,918,914)	(2,264,877)
Limitation on pension assets	1,860,789	12,482	3,918,914	-
	-	(1,095,831)	-	(2,264,877)

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:

	2024		2023	
	NCBJ	GHL	NCBJ	GHL
	$'000	$'000	$'000	$'000
At beginning of year	21,558,089	20,486,117	25,504,708	19,866,885
Foreign exchange	-	440,386	-	317,968
Employee's contributions	-	48,640	-	45,534
Service cost	-	583,769	-	570,037
Interest cost	2,345,095	1,340,996	2,805,298	1,183,908
Remeasurements:				
Experience losses/(gains)	191,931	(473,375)	66,963	(40,712)
Gains from changes in financial assumptions	722,399	656,084	(4,373,345)	(496,512)
Demographic assumptions	-	22,247	(223,916)	85,511
Benefits paid	(2,331,924)	(1,222,992)	(2,221,619)	(1,046,502)
At end of year	22,485,590	21,881,872	21,558,089	20,486,117

40. Post-employment Benefits (Continued)

(a) Pension schemes (continued)

The movement in the fair value of plan assets is as follows:

	2024		2023	
	NCBJ	GHL	NCBJ	GHL
	$'000	$'000	$'000	$'000
At beginning of year	25,477,003	22,741,085	29,896,611	21,579,477
Exchange	-	507,638	-	342,593
Interest on plan assets	2,795,770	1,397,106	3,310,367	1,191,256
Remeasurement – return on plan assets, excluding amounts included in interest on plan assets.	(1,594,470)	(1,233,109)	(5,508,357)	(123,009)
Contributions	-	809,544	-	741,702
Administration fees	-	(43,651)	-	(29,942)
Settlements	-	22,083	-	85,511
Benefits paid	(2,331,924)	(1,222,992)	(2,221,618)	(1,046,503)
At end of year	24,346,379	22,977,704	25,477,003	22,741,085

The amounts recognised in the income statement are as follows:

	2024	2023
	GHL	GHL
	$'000	$'000
Current service cost	583,769	570,037
Administration fees	43,652	29,942
Net interest expense	(56,111)	(7,348)
Total, included in staff costs	571,310	592,631

40. Post-employment Benefits (Continued)

(a) Pension schemes (continued)

The amounts recognised in other comprehensive income are as follows:

	2024		2023	
	NCBJ	GHL	NCBJ	GHL
	$'000	$'000	$'000	$'000
(Gain)/loss on present value of funded obligations	914,330	(182,709)	(4,530,298)	537,224
Loss/(gain) on fair value of plan assets	1,594,470	(1,233,109)	5,508,357	(123,009)
Change in effect of asset ceiling	(2,508,800)	-	(978,059)	-
Net loss	-	(1,415,818)	-	414,215

Plan assets for the NCBJ defined benefit pension scheme are comprised as follows:

	2024		2023	
	$'000	%	$'000	%
Debt securities	8,623,102	35.42	8,920,016	35.01
Equity securities	12,009,134	49.33	13,060,088	51.26
Real estate	3,068,661	12.60	2,935,396	11.52
Other	645,481	2.65	561,506	2.21
	24,346,378	100.00	25,477,006	100.00

These plan assets included:

- Ordinary stock units of the Company with a fair value of $3,618,621,808 (2023 – $4,455,087,000).
- Repurchase obligations, promissory notes and lease obligations of the Group aggregating $160,169,851(2023 – $75,916,000).
- Properties occupied by the Group with a fair value of $702,000,000 (2023 - $905,000,000).

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40. Post-employment Benefits (Continued)

(a) Pension schemes (continued)

Plan assets for the GHL defined benefit pension scheme are comprised as follows:

	2024		2023	
	$'000	**%**	**$'000**	**%**
Debt securities	11,597,325	50.47	10,880,616	47.82
Equity securities	4,264,103	18.56	4,115,607	18.09
Real estate and other	7,116,276	30.97	7,754,771	34.09
	22,977,704	100.00	22,750,994	100.00

Expected contributions to NCBJ's and GHL's defined benefit pension schemes for the year ending September 30, 2025 are $461,000,000 and $645,640,000 respectively.

The principal actuarial assumptions used are as follows:

	2024		2023	
	NCBJ	**GHL**	**NCBJ**	**GHL**
Discount rate	11.00%	4.9%-7.3%	11.50%	5.6% - 8%
Future salary increases	7.00%	5.2%	9.50%	5.3%
Future pension increases	2.50%	3.5%	2.50%	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, 2024 is 8.1 years (2023 – 8.1 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

	2024		
	Increase/(decrease) in defined benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
		$'000	$'000
Discount rate	1%	(1,538,396)	1,767,026
Future salary increases	1%	1,731,705	(1,528,531)
Future pension increases	1%	30,805	(29,976)
Life expectancy	1 year	571,000	(592,000)

GHL

	Increase/(decrease) in defined benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
		$'000	$'000
Discount rate	1%	(2,029,257)	2,480,643
Future salary increases	1%	395,510	(348,650)
Life expectancy	1%	1,014,055	(868,417)

40. Post-employment Benefits (Continued)

(a) Pension schemes (continued)

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)

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.

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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 (2023 – 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	
	2024	2023
	$'000	$'000
Present value of unfunded obligations	9,186,580	10,076,338

The movement in the defined benefit obligation is as follows:

	The Group	
	2024	2023
	$'000	$'000
At beginning of the year	10,076,338	5,804,414
Curtailment		-
Employer contributions	(146,598)	(138,416)
Service costs	(76,554)	127,293
Interest cost	1,017,366	522,088
Remeasurements:		
Experience gains	130,832	49,833
Demographic assumptions (loss) / gain	838,175	450,651
Loss / (Gain) from changes in financial assumptions	(2,550,443)	3,337,029
Exchange movement	48,563	38,668
Benefits paid	(151,099)	(115,222)
At end of year	9,186,580	10,076,338

The amounts recognised in the income statement are as follows:

	The Group	
	2024	2023
	$'000	$'000
Service cost	(76,553)	127,293
Net interest expense	1,017,346	522,088
Total, included in staff costs (Note 12)	940,793	649,381

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:

2024

NCBJ	**Increase/(decrease) in obligation**		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
		$'000	**$'000**
Discount rate	1%	(879,846)	1,120,381
Medical cost inflation	1%	1,127,878	(898,457)
Life expectancy	1 year	171,300	(171,300)

GHL	**Increase/(decrease) in obligation**		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
		$'000	**$'000**
Discount rate	1%	(371,647)	466,444
Medical cost inflation	1%	466,772	(378,204)
Life expectancy	1 year	(5,620)	5,410

2023

NCBJ	**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)

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. Fair Value and Capital Reserves

	The Group	
		Restated
	2024	2023
	$'000	$'000
Fair value reserve	(21,046,182)	(36,629,192)
Capital reserve (excluding scheme of arrangement)	26,855,129	26,432,150
	5,808,947	(10,197,042)
Reserves from the scheme of arrangement	(147,034,858)	(147,034,858)
	(141,225,911)	(157,231,900)
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	7,442,111	5,953,151
Surplus on revaluation of property, plant and equipment	458,838	290,429
Contributed surplus	18,711,658	18,711,658
Other	(1,044,017)	190,373
	26,855,129	26,432,150
Reserve from the scheme of arrangement	(147,034,858)	(147,034,858)
	(120,179,729)	(120,602,708)

42. 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 9 (Note 21).

43. 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.

44. 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.

45. Cash Flows from Operating Activities

	Note	The Group	
		2024	**2023**
		$'000	**$'000**
Net profit		21,569,527	7,713,510
Adjustments to reconcile net profit to net cash flow provided by operating activities:			
Depreciation	29	2,580,448	2,320,713
Amortisation of intangible assets	28	5,811,702	4,871,062
Credit impairment losses	13	8,701,833	4,159,364
Share of after tax profits of associates	24	(483,495)	(218,948)
Interest income	6	(107,488,761)	(97,729,347)
Interest expense	6	47,046,292	38,591,535
Income tax expense	15	4,239,670	3,448,194
Gain on reclassification of financial assets measured at amortised costs to fair value through profit or loss		-	-
Unrealised exchange gains on securitisation arrangements		889,838	1,249,307
Amortisation of upfront fees on securitisation arrangements		199,254	219,783
Amortisation of upfront fees on other borrowed funds		367,484	393,328
Unrealised exchange losses on other borrowed funds		1,343,939	667,067
Change in post-employment benefit obligations	40	2,585,887	7,516,138
Foreign exchange gains	8	(8,268,007)	(6,875,828)
Gain on disposal of property, plant and equipment and intangible assets		21,517	(1,329,712)
Fair value and foreign exchange gains on investment property	25	(777,489)	1,627,967
Fair value losses on derivative financial instruments		(674,487)	56,925
Changes in operating assets and liabilities:			
Statutory reserves at Central Bank		(1,110,855)	(3,409,960)
Pledged assets included in due from banks		1,303,338	19,953
Restricted cash included in due from banks		(1,272,580)	(431,085)
Reverse repurchase agreements		(890,379)	2,010,849
Loans and advances		(22,509,225)	(36,751,923)
Customer deposits		35,217,289	31,519,287
Repurchase agreements		17,678,333	30,673,623
Insurance contract assets/liabilities		31,591,232	21,910,057
Reinsurance contract assets/liabilities		-	-
Other		13,882,204	2,380,906
Cash generated from operations		29,984,982	6,889,255
Interest received		103,985,623	95,639,359
Interest paid		(44,922,516)	(35,945,724)
Income tax paid		(7,447,486)	(6,923,979)
		81,600,603	59,658,911
Net cash provided by operating activities		103,170,130	67,372,421

NCB Financial Group Limited

Notes to the Financial Statements

September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

46. 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	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2032 $'000	2024 $'000	2023 $'000
Loans and advances								
Balance at September 30	1,237	3,154	1,767,481	1,799,706	1,24,563	1,554,333	1,099,359	1,297,567
Interest income earned	814	514	55,575	45,729	50,458	77,509	82,763	71,132
Investment securities								
Balance at September 30	-	-	7,015,141	6,876,108	-		6,974,781	2,781,114
Interest income earned	-	-	430,320	82,249	-		211,288	38,302
Reverse repurchase agreements								
Balance at September 30		-		-		-	-	-
Interest income earned		-		-		-	-	-
Other assets								
Balance at September 30	64,915	-		-		-	136,299	208,555
Fee and commission income	31	104	49	49	553	82	421,483	397,670
Other operating income	181	-	-	-	4,308	3,989	878,835	975,501
Dividend income	-	-	282,714	68,170	-	-	140,171	66,234

46. 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	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Customer deposits								
Balance at September 30	420,907	650,816	139,722	109,277	1,923,063	1,581,783	4,226,159	5,328,144
Interest expense	94	95	74	74	16,849	12,846	461	17,278
Repurchase agreements								
Balance at September 30	-	568,333	-	-	1,240,006	4,288,000	416,623	474,913
Interest expense	-	7,977	-	-	24,707	261,523	81,273	20,429
Borrowed Funds								
Balance at September 30	-	-	-	-	28,833	564,035	85,560	80,823
Interest expense	-	-	-	-	3,923	32,258	6,999	6,698
Other liabilities								
Balance at September 30	2	-	-	-	11,232	10,944	6,192	8.640
Operating expenses	1,998,547	457,043	-	-	758,607	653,187	1,035,910	940,318

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September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

46. 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	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Loans and advances						
Balance at September 30	53,710,250	52,056,057	-	-		-
Interest income earned	1,994,783	1,955,050	-	-		-
Investment securities						
Balance at September 30	7,126,192	7,126,192	-	-		-
Interest income earned	491,342	490,000	-	-		-
Deposits with related party						
Balance at September 30	3,328,130	2,978,915	-	-		-
Interest income earned	27,282	62,309	-	-		-
Other assets						
Balance at September 30	7,657,572	14,310,732	-	-		-
Fee and commission income	5,500,000	5,500,000	-	-		-
Dividend income	14,715,083	15,506,267	-	-		-
Borrowed funds						
Balance at September 30	22,441,83	33,066,513	28,833	564,035	85,560	80,823
Interest expense	2,012,467	2,085,769	3,923	32,258	6,999	6,698
Other liabilities						
Balance at September 30	8,580,096	6,120,199	-	-	-	-
Operating Expenses	441,123	468,910	38,342	72,305	74,431	34,077

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46. Related Party Transactions and Balances (Continued)

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Key management compensation:				
Salaries and other short-term benefits	5,504,091	17,922,217	528,334	9,904,067
Post-employment benefits	481,031	439,668	29,152	57,342
	5,985,122	18,361,885	557,486	9,961,409
Directors' emoluments:				
Fees	35,566	25,025	24,826	17,925
Management remuneration:				
Share benefits – cash settlement	93,272	2,011,180	72,131	2,168,586
Salaries and other benefits	566,335	4,730,227	206,521	2,700,137
Separation cost:				
Share benefits – allotment	-	4,826,360	-	4,826,360
Cash settlement	-	1,025,000	-	-
	659,607	12,592,767	278,652	9,695,083

47. Dividends

The following dividends were paid by NCB Financial Group Limited during the year.

- $0.50 per ordinary stock unit was paid in December 2023
- $0.50 per ordinary stock unit was paid in March 2024
- $0.50 per ordinary stock unit was paid in June 2024
- $0.50 per ordinary stock unit was paid in September 2024

48. 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, 2024, the Group had financial assets under administration of approximately $279,491,282,000 (2023 –$245,080,536,000).

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.

49. Financial Risk Management (Continued)

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.

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.

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49. Financial Risk Management (Continued)

(a) Credit risk (continued)

	The Group 2024			
	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
Credit-impaired assets	**$000**	**$000**	**$000**	**$000**
Loans and advances	27,790,558	(13,324,386)	14,466,172	32,960,683
Debt securities	6,225,799	(246,219)	5,979,580	-
Total credit-impaired assets	34,016,357	(13,570,605)	20,445,752	32,960,683

	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

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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			
	2024		2023	
	Loans $'000	Impairment provision $'000	Loans $'000	Impairment provision $'000
Standard	566,523,478	3,586,477	582,642,386	3,508,187
Special Mention	12,911,945	374,747	15,065,884	199,623
Sub-Standard	19,546,021	265,081	3,773,893	199,422
Doubtful	7,302,072	3,305,739	9,252,061	3,550,759
Loss	14,823,106	9,572,458	13,808,761	7,881,290
	640,106,622	17,104,502	624,542,985	15,339,281

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

The credit quality of loans is summarised as follows:

	The Group		The Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Unimpaired	620,249,739	600,097,910	52,078,752	51,074,760
Impaired	19,856,883	24,445,075	-	-
Gross	640,106,622	624,542,985	52,078,752	51,074,760
Less: provision for credit losses	(17,104,502)	(15,336,258)	(14,266)	(3,150)
Net	623,002,120	609,206,727	52,064,486	51,071,610

The ageing analysis of past due but not impaired loans is as follows:

	The Group		The Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Less than 30 days	69,456,421	115,276,920	-	-
31 to 60 days	10,643,204	6,491,789	-	-
61 to 90 days	5,418,627	3,475,489	-	-
Greater than 90 days	1,298,004	47,832	-	-
	86,816,256	125,292,030	-	-

Of the aggregate amount of gross past due but not impaired loans $71,543,104,000 was secured as at September 30, 2024 (2023 – $79,280,845,000).

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 Judgement 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	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Credit risk exposures relating to on- statement of financial position assets:				
Balances with Central Banks	95,650,691	80,955,679	-	-
Due from banks	168,928,010	148,860,788	3,366,039	3,016,047
Derivative financial instruments	1,492,033	826,738	-	-
Reverse repurchase agreements	5,610,152	8,765,450	-	-
Loans and advances, net of credit impairment losses	626,239,936	612,689,129	-	-
Investment securities	1,167,661,950	1,105,904,465	12,420,331	7,126,192
Customers' liability – letters of credit and undertaking	4,337,120	5,179,547	-	-
Reinsurance contract assets	22,884,452	20,246,828	-	-
Insurance contract assets	2,516,590	2,391,605	-	-
Other assets	47,622,938	51,232,462	7,708,357	11,334,196
	2,142,943,872	2,037,052,691	23,494,727	21,476,435
Credit risk exposures relating to off- statement of financial position items:				
Credit commitments	74,948,330	84,090,053	-	-
Acceptances, guarantees and indemnities	19,072,127	17,921,277	-	-
	94,020,457	102,011,330	-	-

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	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Agriculture	4,863,611	6,145,978	-	-
Public Sector	29,673,686	34,634,540	-	-
Construction and land development	27,855,613	22,057,986		-
Other financial institutions	14,907,517	15,608,101	52,078,752	51,074,760
Distribution	61,106,852	62,613,610	-	-
Electricity, water and gas	7,744,510	9,449,522	-	-
Entertainment	1,390,069	550,456	-	-
Manufacturing	8,290,598	8,373,425	-	-
Mining and processing	53,514	70,185	-	-
Personal	329,434,478	308,414,652	-	-
Professional and other services	46,900,489	43,043,224	-	-
Tourism	71,725,195	71,458,226	-	-
Transportation storage and communication	3,045,964	2,608,059	-	-
Overseas residents	33,114,526	39,515,021	-	-
Total	640,106,622	624,542,985	52,078,752	51,074,760
Expected credit losses	(17,104,502)	(15,336,358)	(14,267)	(3,150)
	623,002,120	609,206,627	52,064,485	51,071,610
Interest receivable	3,237,816	3,482,402	1,631,498	981,297
Net	626,239,936	612,689,029	53,695,983	52,052,907

(ii) Debt securities

The following table summarises the credit exposure for debt securities at their carrying amounts, as categorised by issuer:

	The Group	
	2024	**2023**
	$'000	**$'000**
Government of Jamaica and Bank of Jamaica	379,260,168	406,805,488
Other corporate bonds	168,958,477	175,554,950
Foreign governments	496,164,771	411,393,140
	1,044,383,416	993,753,578
Expected credit losses	(681,204)	(653,299)
Interest receivable	14,386,689	14,276,591
	1,058,088,901	1,007,376,870

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, 2024.

	The Group				
	ECL staging				
	2024				
	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	454,608,460	--	-	-	454,608,460
Medium	398,649,175	3,805,701	-	640,464	403,095,340
High	2,317,429	1,686,469	-	-	4,003,898
Default	-	-	1,103,536	4,442,831	5,546,367
Gross carrying amount	855,575,064	5,492,170	1,103,536	5,083,295	867,254,065
Loss allowance on amortised cost	(358,504)	(115,426)	(207,274)	-	(681,204)
Carrying amount	855,216,560	5,376,744	896,262	5,083,295	866,572,861

	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	405,755,959	-	-	-	405,755,959
Medium	397,194,385	6,721,460	1,630	642,620	404,560,095
High	3,704,089	2,084,935	227,601	-	6,016,625
Default	-	232,263	109,438	5,255,587	5,597,288
Gross carrying amount	806,654,433	9,038,658	338,669	5,898,207	821,929,967
Loss allowance on amortised cost	(311,787)	(263,128)	(59,908)	-	(634,823)
Carrying amount	806,342,646	8,775,530	278,761	5,898,207	821,295,144

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk(continued)

	The Group				
	ECL staging				
	2024				
	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	356,882,390	6,742,820	265,131	-	363,890,341
Medium	155,517,839	3,993,449	827,143	-	160,338,431
High	85,858,709	3,612,916	11,560,720	-	101,032,345
Default	-	-	14,845,505	-	14,845,505
Gross carrying amount	598,258,938	14,349,185	27,498,499	-	640,106,622
Loss allowance	(3,228,286)	(558,555)	(13,317,661)	-	(17,104,502)
Carrying amount	595,030,652	13,790,630	14,180,838	-	623,002,120

	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	485,567,450	11,099,733	244,559	-	496,911,742
Medium	94,151,436	4,019,491	614,462	-	98,785,389
High	1,015,595	2,407,816	10,361,831	-	13,785,242
Default	-	-	15,060,613	-	15,060,613
Gross carrying amount	580,734,481	17,527,040	26,281,465	-	624,542,986
Loss allowance	(3,114,290)	(468,589)	(11,753,479)	-	(15,336,358)
Carrying amount	577,620,191	17,058,451	14,527,986	-	609,206,628

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk(continued)

	The Group				
	ECL staging				
	2024				
	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	171,209,310	2,240,911	-	-	173,450,221
Medium	46,458,852	8,273,650	-	-	54,732,502
High	686,856	6,227,063	12,622	-	6,926,541
Default	-	-	946,517	-	946,517
Gross carrying amount	218,355,018	16,741,624	959,139	-	236,055,781
Loss allowance	(426,305)	(1,457,432)	(868,042)	-	(2,751,779)
Carrying amount	217,928,713	15,284,192	91,097	-	233,304,002

	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	106,443,566	3,622,264	-	-	110,065,830
Medium	49,067,191	8,552,478	-	-	57,619,669
High	464,434	4,717,653	24,638	-	5,206,725
Default	-	-	1,218,007	-	1,218,007
Gross carrying amount	155,975,191	16,892,395	1,242,645	-	174,110,231
Loss allowance	(435,963)	(1,225,791)	(1,242,645)	-	(2,904,399)
Carrying amount	155,539,228	15,666,604	-	-	171,205,832

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk(continued)

	The Company				
	ECL staging				
	2024				
	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	12,420,331	-	-	-	12,420,331
Gross carrying amount	12,420,331	-	-	-	12,420,331

	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

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk(continued)

	The Company				
	ECL staging				
	2024				
	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	52,078,752	-	-	-	52,078,752
Gross carrying amount	52,078,752	-	-	-	52,078,752
Loss allowance	(14,266)	-	-	-	(14,266)
Carrying amount	52,064,486	-	-	-	52,064,486

	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

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk(continued)

	The Company				
	ECL staging				
	2024				
	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	11,216,839	-	-	-	11,216,839
Gross carrying amount					
Loss allowance	-	-	-	-	-
Carrying amount	11,216,839	-	-	-	11,216,839

	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

NCB Financial Group Limited

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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				
	2024				
	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	259,509	-	-	-	259,509
Medium	645,235	98,183	-	-	743,418
High	252,335	100,977	-	-	353,312
Default	-	-	233,316	-	233,316
Loss allowance	1,157,079	199,160	233,316	-	1,589,555

	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	195,817	-	-	-	195,817
Medium	704,112	271,634	23	-	975,769
High	235,603	161,130	47,187	-	443,920
Default	-	23,651	82,457	-	106,108
Loss allowance	1,135,532	456,415	129,667	-	1,721,614

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

	The Group				
	ECL staging				
	2024				
	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	1,917,076	341,814	54,530	-	2,313,420
Medium	906,686	67,529	31,145	-	1,005,360
High	404,522	149,213	3,661,433	-	4,215,168
Default	-	-	9,570,554	-	9,570,554
Loss allowance	3,228,284	558,556	13,317,662	-	17,104,502

	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	2,566,427	272,589	42,953	-	2,881,969
Medium	522,485	58,537	8,909	-	589,931
High	25,277	137,464	3,663,763	-	3,826,504
Default	-	-	8,037,854	-	8,037,854
Loss allowance	3,114,189	468,590	11,753,479	-	15,336,258

NCB Financial Group Limited

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September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

	The Group				
	ECL staging				
	2024				
	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	116,201	15,175	-	-	131,376
Medium	276,265	796,757	-	-	1,073,022
High	33,839	645,500	12,622	-	691,961
Default	-	-	855,420	-	855,420
Loss allowance	426,305	1,457,432	868,042	-	2,751,779

	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	120,439	21,631	-	-	142,070
Medium	294,215	721,588	-	-	1,015,803
High	21,309	482,573	24,638	-	528,520
Default	-	-	1,218,007	-	1,218,007
Loss allowance	435,963	1,225,792	1,242,645	-	2,904,400

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

	The Company				
	ECL staging				
	2024				
	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	10,012	-	-	-	10,012
Loss allowance	10,012	-	-	-	10,012

	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	1,898	-	-	-	1,898
Loss allowance	1,898	-	-	-	1,898

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

	ECL staging				
	2024				
	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	14,267	-	-	-	14,267
Loss allowance	14,267	-	-	-	14,267

	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

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				
	2024				
	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, 2023	1,135,532	455,956	129,667	-	1,721,155
Transfers:					
Transfer from Stage 1 to Stage 2	(28,131)	28,131	-	-	-
Transfer from Stage 2 to Stage 3	-	(26,603)	26,603	-	-
Transfer from Stage 2 to Stage 1	38,289	(38,289)	-	-	-
Transfer from Stage 2 to Stage 1	2,342	-	(2,342)	-	-
New financial assets originated or purchased	121,029	(19,082)	-	-	101,947
Financial assets derecognised during the period	(92,789)	(31,743)	35,572	-	(88,960)
Write offs	(187)	-	-	-	(187)
Changes to principal	(49,679)	-	-	-	(49,679)
Changes to input to ECL model	34,020	(169,770)	41,239	-	(94,511)
Foreign exchange movement	(3,347)	560	2,577	-	(210
Loss allowance as at September 30, 2024	1,157,079	199,160	233,316	-	1,589,555

	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	2,464,649	682,776	91,488	-	3,238,913
Transfers:					
Transfer from Stage 1 to Stage 2	(91,264)	91,264	-	-	-
Transfer from Stage 2 to Stage 3	(37,635)	-	37,635	-	-
Transfer from Stage 2 to Stage 1	67,922	(67,922)	-	-	-
New financial assets originated or purchased	271,846	4,771	-	-	276,617
Financial assets derecognised during the period	(470,092)	(735)	-	-	(470,827)
Changes to principal	(58,015)	(18,783)	-	-	(76,798)
Changes to input to ECL model	(1,098,718)	(217,794)	(1,010)	-	(1,317,522)
Foreign exchange movement	86,839	(17,621)	1,554	-	70,772
Loss allowance as at September 30, 2023	1,135,532	455,956	129,667	-	1,721,155

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowance (continued)

	The Group ECL staging 2024				
	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, 2023	3,114,189	468,590	11,753,479	-	15,336,258
Transfers:					
Transfer from Stage 1 to Stage 2	(76,496)	76,496	-	-	-
Transfer from Stage 1 to Stage 3	(57,544)	-	57,544	-	-
Transfer from Stage 2 to Stage 3	-	(89,450)	89,450	-	-
Transfer from Stage 2 to Stage 1	80,569	(80,569)	-	-	-
Transfer from Stage 3 to Stage 1	14,087	-	(14,087)	-	-
Transfer from Stage 3 to Stage 2	-	60,705	(60,705)	-	-
New financial assets originated or purchased	689,934	55,820	757,026	-	1,502,780
Financial assets derecognised during the period	(71,530)	(6,550)	(2,857,500)	-	(2,935,580)
Write offs	(57,164)	-	(2,288,353)	-	(2,345,517)
Changes to principal	(152,473)	80,489	(1,970)	-	(73,954)
Changes to input to ECL model	(262,980)	(12,876)	5,806,199	-	5,530,343
Foreign exchange movement	7,691	5,902	76,579	-	90,172
Loss allowance as at September 30, 2024	3,228,283	558,557	13,317,662	-	17,104,502

	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	2,303,449	449,972	10,690,792	-	13,444,213
Transfers:					
Transfer from Stage 1 to Stage 2	(41,915)	41,915	-	-	-
Transfer from Stage 1 to Stage 3	(36,551)	-	36,551	-	-
Transfer from Stage 2 to Stage 3	-	(32,684)	32,684	-	-
Transfer from Stage 2 to Stage 1	120,217	(120,217)	-	-	-
Transfer from Stage 3 to Stage 1	4,921	-	(4,921)	-	-
Transfer from Stage 3 to Stage 2	-	1,182	(1,182)	-	-
New financial assets originated or purchased	824,950	45,298	4,726,384	-	5,596,632
Financial assets derecognised during the period	(215,177)	(61,389)	(227,657)	-	(504,223)
Write offs	(12,629)	-	(5,009,821)	-	(5,022,450)
Changes to principal	80,331	50,355	278,390	-	409,076
Changes to input to ECL model	69,112	86,030	1,173,592	-	1,328,734
Changes to interest accrual					
Foreign exchange movement	17,481	8,128	58,667	-	84,276
Loss allowance as at September 30, 2023	3,114,189	468,590	11,753,479	-	15,336,258

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowance (continued)

	The Group				
	ECL staging				
	2024				
	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, 2023	435,963	1,225,792	1,242,645	-	2,904,400
Stage 2 to 3	-	12,716	(12,716)	-	-
New financial assets originated or purchased	80,793	-	-	-	80,793
Financial assets derecognised during the period	16,075	148,635	9,765	-	174,475
Write offs	(221,560)	(28,477)	(361,928)	-	(611,965)
Changes to inputs to ECL model	76,905	57,656	(51,965)	-	82,596
Foreign exchange changes	38,129	41,110	42,241	-	121,480
Loss allowance as at September 30, 2024	426,305	1,457,432	868,042	-	2,751,779

	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	529,795	1,344,115	1,259,480		3,133,390
Stage 2 to 3					
New financial assets originated or purchased	117,544	(23)	-	-	117,521
Financial assets derecognised during the period	40,971	(42,824)	97,382	-	95,529
Write offs	(2,916)	(135,017)	(144,823)	-	(282,756)
Changes to input to ECL model	(240,046)	165,282	(75,362)	-	(150,126)
Foreign exchange changes	(9,385)	(105,741)	105,968		(9,158)
Loss allowance as at September 30, 2023	435,963	1,225,792	1,242,645	-	2,904,400

49. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowance (continued)

	The Company				
	ECL staging				
	2024				
	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, 2023	1,898	-	-	-	1,898
Transfers:					
Changes to input to the ECL model	8,114	-	-	-	8,114
Loss allowance as at September 30, 2024	10,012	-	-	-	10,012

	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				
	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, 2023	3,150	-	-	-	3,150
Transfers:					
Changes to input to the ECL model	11,117	-	-	-	11,117
Loss allowance as at September 30, 2024	14,267	-	-	-	14,267

	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, 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

September 30, 2024 (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, 2023 and September 30, 2024

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 2.9 (2023: - 2.8) and Global Consumer Price Index 5.8 (2023: 7).

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

The Bermuda subsidiaries macroeconomic variables include, but are not limited to, unemployment rates, collateral normalization 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 2024 that would result from a reasonably possible change in the PDs and LGDs used by the Group:

PD Sensitivity

	The Group		
	2024		
			Impact on ECL
Financial Assets	**Actual PD ranges applied**	**% Change in PD**	**Impact**
			$'000
Debt securities	0.004% - 5.18%	+/- 30%	403,023
Loans and advances	0% - 12.92270	+/- 30%	780,463
Repurchase agreements	0.001% -0.0162%	+/- 30%	5,873
Cash and cash equivalents	0.001% - 0.02%	+/- 30%	89,235
Commitments, guarantees & LCs	0.003% – 2.522%	+/- 30%	5,996
Total			1,284,590

	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

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.

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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	**2 to 3 Months**	**4 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
As at September 30, 2024:						
Due to Banks	6,653,567	4,513,102	427,932	10,706,959	-	22,301,560
Customer deposits	674,452,934	34,655,032	76,029,954	20,853,016	-	805,990,936
Repurchase agreements	88,165,748	233,242,343	176,716,668	62,879,216	14,748,233	575,752,208
Obligations under securitisation arrangements	1,784,144	1,744,888	10,587,096	65,877,899	34,978,114	114,972,141
Other borrowed funds	250,858	7,023,292	70,878,828	160,275,639	14,913,460	253,342,077
Third party interests in mutual funds	37,698,993	-	-	-	-	37,698,993
Lease liabilities	210,695	269,423	1,126,010	3,291,123	1,114,667	6,011,918
Liabilities under annuity , insurance and investment contracts	8,611,437	9,885,267	31,379,006	151,237,241	979,496,448	1,180,609,399
Other	55,543,667	-	-	-	-	55,543,667
Total financial liabilities (contractual maturity dates)	873,372,043	291,333,347	367,145,494	475,121,093	1,045,250,922	3,052,222,899
Total financial liabilities (expected maturity dates)	335,042,549	280,457,336	395,152,836	524,544,505	1,517,025,673	3,052,222,899
Total financial assets (expected maturity dates)	394,028,222	249,408,975	383,798,067	981,571,310	1,348,015,584	3,356,822,158

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49. Financial Risk Management (Continued)
(b) Liquidity risk (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, 2023:						
Due to Banks	13,053,339	7,905,502	15,730,370	13,593,311	0	50,282,522
Customer deposits	648,157,677	54,365,493	47,926,340	23,262,550	532,289	774,244,349
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	6,344,476	59,453,738	173,383,325	36,087,662	341,108,710
Derivative financial instruments	9,192	-	-	-	-	9,192
Third party interests in mutual funds	38,910,757	-	-	-	-	38,910,757
Lease liabilities	130,069	372,920	1,091,011	3,748,621	1,091,325	6,433,946
Liabilities under annuity , insurance and investment contracts	-739,260	13,580,327	26,732,616	156,570,608	936,572,570	1,132,716,861
Other	49,776,944	-	-	-	-	49,776,944
Total financial liabilities (contractual maturity dates)	906,371,548	180,094,992	295,563,746	472,313,509	1,045,371,836	2,899,715,631
Total financial liabilities (expected maturity dates)	422,774,603	189,240,824	372,141,781	688,743,775	1,525,827,209	3,198,728,192
Total financial assets (expected maturity dates)	318,235,184	95,476,031	238,726,914	773,206,524	1,410,638,834	2,836,283,487

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, 2024:						
Due to banks	-	422,640	422,640	10,694,898	-	11,540,178
Other borrowed funds	-	634,927	62,352,646	41,244,576	-	104,232,149
Lease Liabilities	-	-	-	-	-	-
Other	9,908,838	-	-	-	-	9,908,838
Total financial liabilities (contractual maturity dates)	9,908,838	1,057,567	62,775,286	51,939,474	-	125,681,165
Total financial liabilities (expected maturity dates)	9,908,838	1,057,567	62,775,286	51,939,474	-	125,681,165
Total financial assets (expected maturity dates)	15,886,960	1,773,501	14,964,806	41,736,945	7,687,003	82,049,216

	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

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, 2024				
Credit commitments	73,213,565	171,682	1,563,083	74,948,330
Guarantees, acceptances and other financial facilities	16,679,382	1,265,073	2,458,621	20,403,076
Capital commitments	4,170,505	-	-	4,170,505
	94,063,452	1,436,755	4,021,704	99,521,911
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

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 $622,286,000 (2023 – $3,455,195,000) 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, 2024	**$'000**	**$'000**	**$'000**
Assets			
Cash in hand and balances at Central Banks	61,652,972	27,749,702	1,493,555
Due from banks	32,202,722	45,634,597	2,503,094
Reverse repurchase agreements	4,797,347	811,540	-
Loans and advances net of provision for credit losses	367,844,735	135,983,126	79,448,503
Investment securities	268,892,583	546,342,882	-
Derivative financial instruments	26,556	1,465,476	-
Reinsurance assets	1,519,794	5,572,197	-
Other	20,692,028	17,421,442	717,898
Total financial assets	757,626,435	780,980,962	84,163,050
Liabilities			
Due to banks	1,713,149	17,488,306	-
Customer deposits	443,471,864	299,259,451	2,173,736
Repurchase agreements	134,844,006	156,593,167	-
Obligations under securitisation arrangements	-	93,762,408	-
Other borrowed funds	57,101,612	64,108,415	-
Insurance/reinsurance contract liabilities and investment contracts	107,581,504	22,609,078	-
Lease liabilities	1,285,907	1,526,464	-
Third party interest in mutual funds	-	14,233,020	-
Other	23,662,324	16,948,547	1,351,207
Total financial liabilities	769,660,366	686,258,856	3,524,943
Net on-statement of financial position	(12,031,629)	94,452,106	80,638,107
Guarantees, acceptances and other financial facilities	6,003,530	9,313,360	-
Credit commitments	54,854,878	18,185,318	1,908,134

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		The Group				
GBP	EURO	TT	CAD	NAF	Other	Total
$'000	$'000	$'000	$'000	$'000	$'000	$'000
2,104,023	23,176	2,079,948	511,426	-	35,889	95,650,691
8,183,977	7,571,930	23,092,092	1,219,970	33,392,948	15,126,681	168,928,011
-	-	-	-	-	-	5,608,887
-	1,679,202	9,821,457	-	31,462,913	-	626,239,936
6,776,661	8,333,864	246,961,360	4,219,224	53,857,153	31,441,807	1,166,825,534
-	-	-	-	-	-	1,492,032
5,975,201	4,029,734	3,622,140	-	981,972	3,700,004	25,401,042
38,450	573,618	2,055,895	32,793	3,231,180	2,859,633	47,622,937
23,078,312	22,211,524	287,632,892	5,983,413	122,926,166	53,164,014	2,137,766,768
282,243	33,090	2,271	58,823	-	32,649	19,610,531
12,929,935	3,649,108	16,223,597	5,654,695	604,587	-	783,966,973
-	-	2,951,267	-	-	5,133,901	299,522,341
-	-	-	-	-	-	93,762,408
-	-	65,953,309	-	-	2,319,427	189,482,763
-						
5,357,358	10,052,824	258,345,835	-	173,145,295	17,432,837	594,524,731
-	590,466	637,053	-	240,669	-	4,280,559
-	-	23,465,973	-	-	-	37,698,993
115,668	1,768,474	4,786,051	60,253	6,212,076	639,068	55,543,668
18,685,204	16,093,962	372,365,356	5,773,771	180,202,627	25,557,882	2,078,392,967
4,393,108	6,117,562	(84,732,464)	209,642	(57,276,461)	27,606,132	59,376,103
4,223	65,932	4,904,614	111,417	-	-	20,403,076
-	-	-	-	-	-	74,948,330

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, 2023	**$'000**	**$'000**	**$'000**
Assets			
Cash in hand and balances at Central Banks	42,243,030	28,328,822	5,427,552
Due from banks	7,880,042	51,274,879	2,367,547
Reverse repurchase agreements	5,306,794	3,441,251	-
Loans and advances net of provision for credit losses	344,696,362	148,352,445	82,889,664
Investment securities	271,299,140	501,333,634	-
Derivative financial instruments	144,577	-	-
Reinsurance assets	1,463,978	6,044,455	-
Other	14,021,308	16,973,626	813,791
Total financial assets	687,055,231	755,749,112	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	25,552,968	94,778,013	-
Insurance/reinsurance contract liabilities and investment contracts	104,350,769	23,474,808	-
Lease liabilities	1,701,182	577,813	1,127,978
Derivative financial instruments	9,192	-	-
Third party interest in mutual funds	-	14,022,993	-
Other	10,959,807	16,424,334	1,116,680
Total financial liabilities	579,282,635	705,929,347	103,638,736
Net on-statement of financial position	107,772,596	49,819,765	(12,140,182)
Guarantees, acceptances and other financial facilities	6,003,530	8,164,787	-
Credit commitments	56,751,438	24,877,740	2,460,875

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The Group						
GBP	**EURO**	**TT**	**CAD**	**NAF**	**Other**	**Total**
$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
1,891,762	34,248	1,087,297	1,932,235	-	10,821	80,955,767
8,812,264	7,430,074	11,327,078	6,349,795	37,873,255	15,541,988	148,856,922
-	-	-	12,606	-	4,799	8,765,450
5,327	1,660,741	2,824,810	8,681,756	23,578,024	-	612,689,129
4,647,453	4,559,397	215,620,353	32,248,043	48,306,017	27,890,428	1,105,904,465
-	-	682,161	-	-	-	826,738
231,436	6,129,484	3,690,669	-	1,783,589	3,294,821	22,638,432
(360,496)	976,835	3,400,299	1,440,178	2,974,134	2,276,026	42,515,701
15,227,746	20,790,779	238,632,667	50,664,613	114,515,019	49,018,883	2,023,152,604
341,025	94,039	2,226	5,631	-	97,695	31,908,313
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
-	-	57,954,641	-	-	2,275,579	180,561,201
1,356,354	11,075,427	246,744,292	-	157,076,075	17,473,821	561,551,446
(23)	620,508	602,804	23,848	347,316	758	5,002,184
-	-	-	-	-	-	9,192
-	-	24,887,764	-	-	-	38,910,757
(490,561)	2,694,228	4,558,450	696,190	5,618,047	7,680,502	49,257,677
15,428,925	16,988,138	336,470,127	38,236,751	163,041,438	34,968,268	1,993,984,365
(201,179)	3,802,641	(97,837,460)	12,427,862	(48,527,419)	14,050,615	29,168,239
4,223	65,932	4,904,614	111,417	4,556,435	283,697	24,094,635
-	-	-	-	-	-	84,090,053

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)

	J$	US$	Total
30-Sep-24	**$'000**	**$'000**	**$'000**
Assets			
Due from banks	3,107,699	258,340	3,366,039
Loan to related party	-	53,695,983	53,695,983
Investment securities	11,998,832	421,499	12,420,331
Other	7,629,165	79,192	7,708,357
Total financial assets	22,735,696	54,455,014	77,190,710
Liabilities			
Due to banks	-	10,196,458	10,196,458
Other borrowed funds	45,182,914	45,994,398	91,177,312
Other	7,150,273	2,758,565	9,908,838
Total financial liabilities	52,333,187	58,949,421	111,282,608
Net on-statement of financial position	(29,597,491)	(4,494,407)	(34,091,898)

	J$	US$	Total
30-Sep-23	**$'000**	**$'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
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)

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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.

	2024			2023		
	% 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%	(1,859,710)	89,888	Appreciation 2%	(1,257,790)	51,889
	Depreciation 8%	7,438,841	(359,553)	Depreciation 8%	5,031,160	(207,556)
GBP	Appreciation 2%	(48,953)	-	Appreciation 2%	21,607	-
	Depreciation 8%	195,811	-	Depreciation 8%	(86430)	-
TTD	Appreciation 2%	1,696,619	-	Appreciation 2%	1,566,903	-
	Depreciation 8%	(6,786,476)	-	Depreciation 8%	(6,267,613)	-
EUR	Appreciation 2%	(161,261)	-	Appreciation 2%	(66,438)	-
	Depreciation 8%	645,042	-	Depreciation 8%	265,754	-
CAN	Appreciation 2%	(4,193)	-	Appreciation 2%	(140,137)	-
	Depreciation 8%	16,771	-	Depreciation 8%	560,549	-
NAF	Appreciation 2%	1,145,529	-	Appreciation 2%	868,848	-
	Depreciation 8%	(4,582,117)	-	Depreciation 8%	(3,475,391)	-
BMD	Appreciation 2%	(1,612,762)	-	Appreciation 2%	244,804	-
	Depreciation 8%	6,451,049	-	Depreciation 8%	(971,215)	-

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.

NCB Financial Group Limited

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September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

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, 2024	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Assets							
Cash in hand and balances at Central Banks	19,509,231	511,003	1,493,555		786,664	73,350,238	95,650,691
Due from banks	67,355,815	5,803,377	23,869,750	19,026,515	4,418,804	48,453,750	168,928,011
Reverse repurchase agreements	2,672,403	2,642,505	274,269			19,710	5,608,887
Loans and advances net of provision for credit impairment losses	114,436,067	29,882,593	29,642,857	185,215,168	263,825,435	3,237,816	626,239,936
Investment securities classified as FVOCI	42,916,050	50,953,502	82,453,618	313,718,790	553,660,253	123,123,321	1,166,825,534
Reinsurance asset	716,152	1,799,431	12,919,727	5,506,485	817,951	3,641,296	25,401,042
Derivative financial instruments	-	-	-	-	-	1,492,032	1,492,032
Other	-	-	-	-	-	47,622,937	47,622,937
Total financial assets	247,605,718	91,592,411	150,653,776	523,466,958	823,509,107	300,941,100	2,137,769,070
Liabilities							
Due to banks	283,623	4,025,842	353,021	9,875,460		5,072,585	19,610,531
Customer deposits	669,419,137	25,080,111	64,953,619	19,862,810		4,651,296	783,966,973
Repurchase agreements	65,407,786	121,010,301	108,548,398	662,142		3,893,714	299,522,341
Obligations under securitisation arrangements	-	2,197,665	6,772,858	51,947,471	31,972,393	872,021	93,762,408
Other borrowed funds	4,847,413	3,385,325	15,512,424	149,198,323	15,068,740	1,470,538	189,482,763
Lease liabilities	200,681	171,220	1,002,397	1,403,000	474,311	1,028,950	4,280,559
Insurance/reinsurance contract liabilities and investment contracts	1,823,341	5,102,030	24,116,414	108,723,373	430,751,842	24,007,731	594,524,731
Third party interest in mutual funds	37,698,993	-	-	-	-	-	37,698,993
Other	-	-	-	-	-	55,543,668	55,543,668
Total financial liabilities	779,680,974	160,972,494	221,259,131	341,672,579	478,267,286	96,540,503	2,078,392,967
On-statement of financial position interest sensitivity gap	(532,075,256)	(69,380,083)	(70,605,355)	181,794,379	345,241,821	204,400,597	59,376,103
Cumulative interest sensitivity gap	(532,075,256)	(601,455,339)	(672,060,694)	(490,266,315)	(145,024,494)	59,376,103	

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, 2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Assets							
Cash in hand and balances at Central Banks	1,203,141	-	-	-	1,076,009	78,676,617	80,955,767
Due from banks	44,090,356	14,509,541	18,375,661	23,902,548	777,133	47,201,683	148,856,922
Reverse repurchase agreements	6,731,404	1,539,750	-	434,634	-	59,662	8,765,450
Loans and advances net of provision for credit impairment losses	110,693,225	33,101,340	39,282,433	179,051,505	247,043,412	3,517,214	612,689,129
Investment securities classified as FVOCI	15,022,392	44,289,687	82,388,997	293,169,246	558,994,636	112,039,507	1,105,904,465
Reinsurance asset	753,619	3,008,553	8,106,942	5,092,235	403,767	5,273,316	22,638,432
Derivative financial instruments	-	-	-	-	-	826,738	826,738
Other	-	-	-	-	-	42,515,701	42,515,701
Total financial assets	178,494,137	96,448,871	148,154,033	501,650,168	808,294,957	290,110,438	2,023,152,604
Liabilities							
Due to banks	6,681,843	1,056	7,743,656	11,625,397	-	5,856,361	31,908,313
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	28,781,605	18,450,091	4,996,491	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	111,100,487	18,694,413	1,527,301	180,561,201
Derivative financial instruments	-	-	-	-	-	9,192	9,192
Lease liabilities	99,992	186,043	881,279	2,088,906	635,263	1,110,701	5,002,184
Insurance/reinsurance contract liabilities and investment contracts	7,431,639	6,670,818	19,566,251	106,896,389	401,450,508	19,535,941	561,551,546
Third party interest in mutual funds	38,910,757	-	-	-	-	-	38,910,757
Other	-	-	-	-	-	49,257,677	49,257,677
Total financial liabilities	826,770,385	104,619,680	180,305,310	311,676,567	483,553,725	87,058,698	1,993,984,365
On-statement of financial position interest sensitivity gap	(648,276,248)	(8,170,809)	(32,151,277)	189,973,601	324,741,232	203,051,740	29,168,239
Cumulative interest sensitivity gap	(648,276,248)	(656,447,057)	(688,598,334)	(498,624,733)	(173,883,501)	29,168,239	

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, 2024	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Assets							
Due from banks	3,366,039	-	-	-	-	-	3,366,039
Loan to related party	-	-	14,203,296	37,875,456	-	1,617,231	53,695,983
Investment securities classified as FVOCI	2,670	-	-	309,112	7,169,725	4,938,824	12,420,331
Other	-	-	-	-	-	7,708,357	7,708,357
Total financial assets	3,368,709	-	14,203,296	38,184,568	7,169,725	14,264,412	77,190,710
Liabilities							
Due to banks	-	-	-	9,863,400	-	333,059	10,196,459
Other borrowed funds	-	-	55,244,800	35,347,741	-	584,770	91,177,311
Derivative financial instruments	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-
Other	-	-	-	-	-	9,908,838	9,908,838
Total financial liabilities	-	-	55,244,800	45,211,141	-	10,826,667	111,282,608
On-statement of financial position interest sensitivity gap	3,368,709	-	(41,041,504)	(7,026,573)	7,169,725	3,437,745	(34,091,898)
Cumulative interest sensitivity gap	3,368,709	3,368,709	(37,672,795)	(44,699,368)	(37,529,643)	(34,091,898)	
September 30, 2023							
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)
	40,151,295	29,924,693	10,189,540	(50,803,531)	(50,803,531)	(41,958,094)	

September 30, 2024 (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, 2024											
Assets											
Balances at Central Banks	6.25	-	-	-	-	-	-	-	-	-	-
Due from banks	-	-	-	-	-	-	-	-	-	-	-
Reverse repurchases agreements	7.01	4.49				3.30	-				
Loans and advances	9.35	8.00	-	-	-	-	-	-	3.89	-	-
Investment securities	7.06	3.20	5.66	4.92	-	5.41	2.82	7.01	-	-	-
Liabilities											
Due to banks	-	6.43	-	-				-	8.50	-	-
-Customer deposits	1.03	1.02	0.44	0.09	1.4		0.01				
Lease liabilities	10.00										
Repurchase agreements	8.58	4.52	-	-	-	2.98	-	-	-	-	-
Obligations under securitisation arrangements	-	5.72	-	-	-	-	-	-	-	-	-
Other borrowed funds	8.74	6.88				5.55		10.66	8.00		

	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	-	-

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 2024 $'000	Effect on Other Comprehensive Income 2024 $'000
Change in basis points:		
Decrease - JMD -25 and USD -50	305,618	2,988,232
Increase - JMD +25 and USD +25	(593,921)	(1,823,249)
	Effect on Net Profit Before Tax 2023 $'000	Effect on Other Comprehensive Income 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)

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
	2024 $'000	2024 $'000	2023 $'000	2023 $'000
Percentage change in share price				
10% decrease	(10,774,244)	-	(9,592,587)	-
10% increase	10,774,244	-	9,592,587	-

(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)

(a) Insurance risk

The Group issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the Group manages them.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Property and Casualty insurance risks

(a) Exposures to risks and how they arise

Property
For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, flooding and hurricanes) and their consequences (for example, subsidence claims). The cost of rebuilding properties, of replacement or indemnity for contents and the time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from storm or flood damage.

Casualty
There are several variables that affect the risk arising from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liability cover) or members of the public (for public liability cover). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of the accident.

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Property and Casualty insurance risks (continued)

(b) Objectives, policies and processes for managing risks

Property
For certain contracts, the Group has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year. The Group also has the right to re-price the risk on renewal and the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claims payment limits are always included to cap the amount payable on occurrence of the insured event. The Group analyses the property exposures using in-house and external modelling tools and purchases sufficient reinsurance protection to cover its perceived liabilities.

The Group's reinsurance arrangements include proportional quota share and surplus arrangements and non-proportional excess of loss placements on a per claimant and a per occurrence basis.

Property insurance risk concentration by product and geography is included in the tables below with reference to the carrying amount of the net insurance contract liabilities arising from these contracts.

	2024			
	Business	Residential	Other	Total
Property:	$'000	$'000	$'000	$'000
Trinidad & Tobago	1,230,135	1,211,025	-	2,441,160
Jamaica	4,325,248	576,205	-	4,901,453
Dutch Caribbean	4,410,677	5,755,983	-	10,166,660
Other territories	3,081,179	3,043,336	-	6,124,515
	13,047,239	10,586,549	-	23,633,788
	2023			
Trinidad & Tobago	1,429,053	1,396,814	-	2,825,867
Jamaica	4,263,552	485,536	-	4,749,088
Dutch Caribbean	4,051,657	5,523,718	3,720	9,579,095
Other territories	2,627,450	2,632,455	-	5,259,905
	12,371,712	10,038,523	3,720	22,413,955

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49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Property and Casualty insurance risks (continued)

(b) Objectives, policies and processes for managing risks (continued)

Casualty
Risk exposures for casualty insurance can be affected by several factors. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (subrogation).

The Group's reinsurance arrangements include non-proportional excess of loss placements on a per claimant and a per occurrence basis.

Casualty insurance risk concentration by product and geography is included in the tables below with reference to the carrying amount of the insurance contract liabilities arising from these contracts.

	2024			
	Liability cover			
	Employer's	Public	Other	Total
Casualty:	**$'000**	**$'000**	**$'000**	**$'000**
Trinidad & Tobago	858,535	176,222	3,079,353	4,114,110
Jamaica	191,467	754,113	2,409,194	3,354,774
Dutch Caribbean	56,344	2,200,796	-	2,257,140
Other territories	745,120	166,550	8,294,750	9,206,420
	1,851,466	3,297,681	13,783,297	18,932,444
	2023			
Trinidad & Tobago	1,080,463	221,769	3,875,330	5,177,562
Jamaica	114,444	599,130	2,348,666	3,062,240
Dutch Caribbean	39,265	1,519,524	-	1,558,789
Other territories	771,668	171,275	5,743,076	6,686,019
	2,005,840	2,511,698	11,967,072	16,484,610

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Property and Casualty insurance risks (continued)

(c) Methods used to measure risks

Property
Property claims are analysed separately for subsidence and non-subsidence claims. The development of large losses/catastrophes is analysed separately. Non-subsidence claims 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 allows the Group to achieve a higher degree of certainty about the estimated cost of claims and relatively little claims are expected to have occurred without being reported at year end. The longer time needed to assess the emergence of a subsidence claim makes the estimation process more uncertain.

Casualty
The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and a large element of the claims provision relates to claims incurred but not reported.

The estimated cost of claims includes direct expenses to be incurred in settling claims. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a liability for incurred claims, consisting of probability weighted discounted cash flows and a risk adjustment, and a liability for remaining coverage, consisting of the unearned premiums received less acquisition costs.

In calculating the liability, the Group's estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation.

In estimating the liability for incurred claims, the Group considers any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio. The portion of the liability for incurred claims that have not yet been reported is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. These claims may not be apparent to the insurer until many years after the event that gave rise to the claims has happened.

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Property and Casualty insurance risks (continued)

(c) Methods used to measure risks (continued)

Casualty
Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

Note 9.12 presents the development of the estimate of ultimate claim cost for claims notified in a given year. This gives an indication of the accuracy of the Group's estimation technique for claims payments.

(d) Changes in assumptions

The Group's assumptions in respect of property and casualty insurance contracts have not significantly changed from the prior year.

(e) Sensitivity analysis

The following table presents information on how reasonably possibly changes in assumptions made by the group with regards to underwriting risk variables impact profit or loss or equity before and after risk mitigation by reinsurance contracts held. These contracts are measured under the PAA, and thus, only the LIC component of the insurance liabilities is sensitive to possible changes in underwriting risk variables.

	The Group			
	Profit or loss impact 2024 $'000	Equity impact 2024 $'000	Profit or loss impact 2023 $'000	Equity impact 2023 $'000
Property:				
Worsening of unpaid claims and expenses- 5%				
-Net insurance contracts liabilities/assets	(605,910)	(451,869)	(579,872)	(430,727)
-Net reinsurance assets/liabilities	384,340	276,327	382,628	275,914
Casualty:				
Worsening of unpaid claims and expenses- 5%				
-Net insurance contracts liabilities/assets	(747,919)	(614,178)	(615,770)	(478,940)
-Net reinsurance assets/liabilities	411,222	351,384	321,395	258,864

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Short-Term group life and health contracts

(a) Exposures to risks and how they arise

Short-duration life insurance contracts are contracts that are typically of a short tenure. These contracts are mainly issued to employers to insure their commitments to their employees. The risk is affected by the nature of the industry in which the employer operates. The risk of death and disability will vary by industry.

(b) Objectives, policies and processes for managing risks

The Group attempts to manage risk through its underwriting and claims handling. Additionally, there is reinsurance on short-duration life insurance contracts.

Short-duration life insurance risk concentration by geography is included in the tables below with reference to the carrying value of net insurance contract liabilities arising from these contracts.

	The Group	
	2024	**2023**
	$'000	**$'000**
Trinidad & Tobago	1,245,263	1,674,243
Jamaica	1,359,895	1,303,036
Dutch Caribbean	1,370,784	1,161,566
Other territories	233,901	474,835
	4,209,843	4,613,680

(c) Methods used to measure risks

There is no need to estimate mortality rates or morbidity rates for future years because these contracts have short duration. However, for incurred disability income claims, it is necessary to estimate the rates of recovery from disability for future years. The Group currently does so using conservative assumptions.

(c) Changes in assumptions

The Group's assumptions in respect of short duration life insurance contracts have not significantly changed from the prior year.

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49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Short-Term group life and health contracts (continued)

(d) Sensitivity analysis

The following table represents information on how reasonably possible changes in assumptions made by the group with regards to underwriting risk variables impact profit or loss or equity before and after risk migration by reinsurance contracts held. These contracts are measured under PAA, and thus, only the LIC component is sensitive to possible changes In underwriting risk variables.

	The Group			
	Impact on profit	Impact on equity	Impact on profit	Impact on equity
	2024		2023	
	$'000	$'000	$'000	$'000
Worsening of unpaid claims and expenses- 5% increase				
-Net insurance contracts liabilities/assets	30,693	48,918	(87,889)	(69,041)
-Net reinsurance assets/liabilities	74,942	61,689	80,992	68,267

Long-term insurance contracts

(a) Exposures to risks and how they arise

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are epidemics or widespread changes in lifestyle, 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.

(b) Objectives, policies and processes for managing risks

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.

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Long-term insurance contracts (continued)

(b) Objectives, policies and processes for managing risks (continued)

The Group manages these risks through its underwriting strategy and reinsurance arrangements. Medical selection is included in the Group's underwriting procedures with premiums varied to reflect the health condition and family medical history of the applicants. The Group uses excess of loss reinsurance contracts with retention limits that vary by product.

The table below presents the concentration of insured benefits across five bands per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above. These tables do not include annuity contracts, for which a separate analysis is reported further below.

For the Trinidadian life insurance subsidiary:

	Total Benefits Assured - Individual			
	2024			
	Before Re-insurance		After Re-insurance	
Benefits assured per life assured ($'000)	**$'000**	%	**$'000**	%
TT$0 - 250	494,867,290	22.4	485,378,634	26.9
TT$251 - 500	642,980,591	29.1	578,642,318	32.1
TT$501 - 1,000	586,144,034	26.5	472,313,409	26.2
TT$1,001 - 3,000	345,837,847	15.6	233,684,480	13.0
TT$3,001 and over (TT$)	140,854,736	6.4	32,977,181	1.8
Total	2,210,684,498	100.0	1,802,996,022	100.0

The risk is concentrated in the lower value band. This has not changed from last year.

	Total Benefits Assured - Individual			
	2023			
	Before Re-insurance		After Re-insurance	
Benefits assured per life assured ($'000)	**$'000**	%	**$'000**	%
TT$0 - 250	483,586,045	23.4	473,513,056	28.8
TT$251 - 500	611,760,035	29.6	540,203,551	32.8
TT$501 - 1,000	540,657,697	26.2	416,951,830	25.3
TT$1,001 - 3,000	300,773,431	14.6	190,658,155	11.6
TT$3,001 and over (TT$)	129,019,114	6.2	24,025,855	1.5
Total	2,065,796,322	100.0	1,645,352,447	100.0

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Long-term insurance contracts (continued)

(b) Objectives, policies and processes for managing risks (continued)

For the Jamaican life insurance subsidiary:

	Total Benefits Assured - Individual			
	2024			
	Before Re-insurance		After Re-insurance	
Benefits assured per life assured ($'000)	**$'000**	%	**$'000**	%
1,000 - 5,000	383,132,969	70.4	381,155,349	72.4
5,001 - 10,000	83,366,169	15.3	79,731,032	15.1
10,001 - 15,000	20,266,953	3.7	18,196,035	3.5
15,001 - 20,000	16,624,885	3.1	14,348,120	2.7
20,001 and over	40,508,498	7.5	33,037,835	6.3
Total	543,899,474	100.0	526,468,371	100.0

The risk is concentrated in the lower value band. This has not changed from last year. The risk is concentrated in the lower value band. This has not changed from last year.

	Total Benefits Assured - Individual			
	2023			
	Before Re-insurance		After Re-insurance	
Benefits assured per life assured ($'000)	**$'000**	%	**$'000**	%
1,000 - 5,000	369,642,189	72.6	367,569,116	75.1
5,001 - 10,000	72,020,114	14.2	68,196,425	13.9
10,001 - 15,000	17,577,702	3.5	15,353,285	3.1
15,001 - 20,000	14,728,506	2.9	12,437,705	2.5
20,001 and over	34,528,145	6.8	26,712,662	5.4
Total	508,496,656	100.0	490,269,193	100.0

For the Dutch Caribbean life insurance subsidiary:

	Total Benefits Assured - Individual			
	2024			
	Before Re-insurance		After Re-insurance	
Benefits assured per life assured ($'000)	**$'000**	%	**$'000**	%
NAF$0 - 500	228,678,700	87.6	222,420,069	94.4
NAF$501- 1,000	20,986,337	8.0	8,996,851	3.8
NAF$1,001 – 1,500	5,782,867	2.2	2,397,626	1.0
NAF$1,501 - 2,000	3,414,795	1.3	1,236,832	0.5
More than 2,000 NAF	2,221,778	0.9	488,832	0.3
Total	261,084,477	100.0	235,540,210	100.0

The risk is concentrated in the lower value bands. This has not changed from last year.

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Long-term insurance contracts (continued)

(b) Objectives, policies and processes for managing risks (continued)

For the Dutch Caribbean life insurance subsidiary:

	Total Benefits Assured - Individual			
	2023			
	Before Re-insurance		**After Re-insurance**	
Benefits assured per life assured ($'000)	**$'000**	%	**$'000**	%
NAF$0 - 500	218,881,155	86.3	214,426,144	94.2
NAF$501- 1,000	22,667,641	8.9	8,701,641	3.8
NAF$1,001 – 1,500	6,919,316	2.7	2,884,489	1.3
NAF$1,501 - 2,000	2,961,894	1.2	1,234,425	0.5
More than 2,000 NAF	2,329,240	0.9	295,707	0.2
Total	253,759,246	100.0	227,542,406	100.0

The following tables for annuity insurance contracts illustrate the concentration of risk based on five bands that group these contracts in relation to the amount payable per annum, as if the annuity were in payment at the year end. The Group does not hold any reinsurance contracts against the liabilities carried for 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, to terminate the contract completely, or to exercise a guaranteed annuity option. As a result, the amount of insurance risk is also subject to contract holder behaviour.

For the Trinidadian life insurance subsidiary

	Total annuities payable per annum			
	2024		**2023**	
Annuity payable per annum per life ($'000)	**$'000**	%	**$'000**	%
TT$0 – 5,000	169,243	3.3	154,397	3.5
TT$5,001 -10,000	681,399	13.4	598,892	13.4
TT$10,001 – 20,000	1,210,487	23.7	1,041,562	23.4
More than 20,000 (TT$)	3,041,181	59.6	2,658,824	59.7
Total	5,102,310	100.0	4,453,675	100.0

The greatest concentration remains at the highest band, which is consistent with the prior year.

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Long-term insurance contracts (continued)

(b) Objectives, policies and processes for managing risks (continued)

For the Jamaican life insurance subsidiary

	Total annuities payable per annum			
	2024		2023	
Annuity payable per annum per life ($'000)	**$'000**	%	**$'000**	%
0 – 200,000	458,926	13.1	449,503	13.5
200,001 -300,000	230,107	6.6	221,537	6.7
300,001 – 400,000	219,405	6.3	212,540	6.4
400,001- 500,000	163,248	4.7	161,887	4.9
More than 500,000	2,425,681	69.3	2,283,230	68.5
Total	3,497,367	100.0	3,328,697	100.0

The greatest risk concentration remains at the highest band and lowest band, which is consistent with the prior year.

For the Dutch Caribbean life insurance subsidiary

	Total annuities payable per annum			
	2024		2023	
Annuity payable per annum per life ($'000)	**$'000**	%	**$'000**	%
NAF$0 - 10,000	961,247	31.1	841,055	31.5
NAF$10,001 - 20,000	684,069	22.1	591,571	22.2
NAF$20,001 - 30,000	428,249	13.9	370,544	13.9
NAF$30,001 - 40,000	238,819	7.7	211,754	7.9
NAF$40,001 - 50,000	189,945	6.1	172,540	6.5
More than NAF$50,000	587,328	19.1	479,445	18.0
Total	3,089,657	100.0	2,666,909	100.0

The risk is spread over all bands, which is consistent with the prior year.

(c) Methods used to measure risks

For long-term insurance contracts, the Group determines assumptions in relation to future deaths and other benefits, voluntary termination, investment returns, administrative expenses and other items that are appropriate to the policies, their location and the local statutory reserving requirements.

The nature and method of determining the significant assumptions made by the Group in the computation of policyholders' liabilities are described in the following paragraphs.

September 30, 2024 (expressed in Jamaican dollars unless otherwise indicated)

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Long-term insurance contracts (continued)

(c) Methods used to measure risks (continued)

I. Mortality & Morbidity

An appropriate base table of standard mortality or morbidity is chosen depending on the type of contract. Supplemental information, such as reinsurance rates, is used where standard tables are not available. An investigation into the Group's experience in recent years is performed, and the standard actuarial tables are adjusted where appropriate to reflect the Group's own experience or expectations. For contracts that insure the risk of longevity, appropriate but not excessive prudent allowance is made for expected mortality improvements.

Assumptions and methods used to derive mortality and morbidity assumptions did not change during the year. The following assumptions were used:

	The Group			
	Smoker status	Mortality Table	Percentage of table	
Gender			2024	2023
For the Trinidadian life insurance subsidiary:				
Male	Non-smoker	CIA704	100%- 141%	100%-141%
Male	Smoker	CIA704	100%- 141%	100%-141%
Female	Non-smoker	CIA704	100%- 141%	100%-141%
Female	Smoker	CIA704	100%- 141%	100%- 141%
For the Jamaican life insurance subsidiary:				
Male	Non-smoker	CIA704	9.5%-154.3%	11.6%-164.4%
Male	Smoker	CIA704	35%- 124.4%	32.9%-191.8%
Female	Non-smoker	CIA704	24.5%- 160.1%	28.3%-142%
Female	Smoker	CIA704	38.8%- 194.4%	34.6%- 145.1%
For the Dutch Caribbean life insurance subsidiary:				
Male	Non-smoker	GBM/V0510(-4/-4)	1%	1%
Male	Smoker	GBM/V0510(-4/-4)	1%	1%
Female	Non-smoker	GBM/V0510(-4/-4)	1%	1%
Female	Smoker	GBM/V0510(-4/-4)	1%	1%

September 30, 2024 (expressed in Jamaican dollars unless otherwise indicated)

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Long-term insurance contracts (continued)

(c) Methods used to measure risks (continued)

II. Terminations
Estimates of the amounts and timings of future benefit and premium payments are based on Group experience over extended periods. Terminations (lapses and surrenders) and variable premium assumptions vary by product type and policy duration.

III. Policy maintenance expense and inflation
Amounts are included in policyholders' liabilities to provide for the future costs of administering policies in force. Expenses comprise expenses directly attributable to the groups of contracts including an allocation of fixed and variable overheads. The expense base is determined from a review of current, recent and expected Group expense levels and allowance is made for future expense inflation.

Inflation rates are sourced from various international and regional economic journals and reports. These inflation rates assumed are summarised in the following table.

	2024	**2023**
Trinidad & Tobago	2.0%	2.0%
Jamaica	4.0% - 4.5%	4.0% - 4.5%
Dutch Caribbean	1.0%	1.0%

IV. Tax

It has been assumed that current tax legislation and rates for long-term insurance companies continue unaltered.

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Long-term insurance contracts (continued)

(d) 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			
	Impact on profit	Impact on equity	Impact on profit	Impact on equity
	2024		2023	
	$'000	$'000	$'000	$'000
Traditional life and interest sensitivity without guarantee:				
For the Trinidadian life insurance subsidiary:				
+10% Worsening mortality				
-Net insurance contracts liabilities/assets	(121,247)	(103,048)	(103,596)	(88,048)
-Net reinsurance assets/liabilities	46,212	39,261	(44,138)	(37,514)
	(75,035)	(63,787)	(147,734)	(125,562)
-1% lowering of interest rates				
-Net insurance contracts liabilities/assets	-	(515,471)	-	(753,579)
-Net reinsurance assets/liabilities	-	(57,252)	-	(57,568)
	-	(572,723)	-	(811,147)
+5% % worsening of base renewal expense				
-Net insurance contracts liabilities/assets	(8,753)	(7,436)	(1,252)	(1,070)
-Net reinsurance assets/liabilities	-	-	-	-
	(8,753)	(7,436)	(1,252)	(1,070)
+ 1% worsening of expense inflation rate				
-Net insurance contracts liabilities/assets	(16,720)	(14,203)	(2,367)	(2,003)
-Net reinsurance assets/liabilities	(23)	(23)	-	-
	(16,743)	(14,226)	(2,367)	(2,003)
For the Jamaican life insurance subsidiary:				
+10% Worsening mortality				
-Net insurance contracts liabilities/assets	(43,764)	(32,817)	(39,039)	(29,274)
-Net reinsurance assets/liabilities	6,305	4,734	6,465	4,849
	(37,459)	(28,083)	(32,574)	(24,425)

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49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Long-term insurance contracts (continued)

(d) Sensitivity analysis (continued)

	The Group			
	Impact on profit	**Impact on equity**	**Impact on profit**	**Impact on equity**
	2024		**2023**	
For the Jamaican life insurance subsidiary (continued):	**$'000**	**$'000**	**$'000**	**$'000**
+5% Improvement in annuitant mortality				
-Net insurance contracts liabilities/assets	-	-	-	-
-Net reinsurance assets/liabilities	-	-	-	-
	-	-	-	-
- 1% lowering of interest rates				
-Net insurance contracts liabilities/assets	(744,362)	(558,266)	(937,893)	(703,409)
-Net reinsurance assets/liabilities	60,161	45,127	63,874	47,917
	(684,201)	(513,139)	(874,019)	(655,492)
+5% worsening of base renewal expense				
-Net insurance contracts liabilities/assets	(17,852)	(13,395)	(27,179)	(20,396)
-Net reinsurance assets/liabilities	-	-	-	-
	(17,852)	(13,395)	(27,179)	(20,396)
+ 1% worsening of expense inflation rate				
-Net insurance contracts liabilities/assets	(27,783)	(20,831)	(43,364)	(32,529)
-Net reinsurance assets/liabilities	-	-	-	-
	(27,783)	(20,831)	(43,364)	(32,529)
For the Dutch Caribbean life insurance subsidiary:				
+10% Worsening mortality				
-Net insurance contracts liabilities/assets	(28,799)	(28,545)	(6,783)	(6,601)
-Net reinsurance assets/liabilities	-	-	-	-
	(28,799)	(28,545)	(6,783)	(6,601)
+10% Improvement in annuitant				
-Net insurance contracts liabilities/assets	(268,867)	(230,138)	(290,551)	(242,133)
-Net reinsurance assets/liabilities	-	-	-	-
	(268,867)	(230,138)	(290,551)	(242,133)

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49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Long-term insurance contracts (continued)

(d) Sensitivity analysis (continued)

	The Group			
	Impact on profit	**Impact on equity**	**Impact on profit**	**Impact on equity**
	2024		**2023**	
For the Dutch Caribbean life insurance subsidiary (continued):	**$'000**	**$'000**	**$'000**	**$'000**
- 1% lowering of interest rates				
- Net insurance contracts liabilities/assets	-	(2,270,292)	-	(2,645,300)
- Net reinsurance assets/liabilities	-	(1,316)	-	(1,639)
	-	(2,271,608)	-	(2,646,939)
+10% worsening of base expense				
- Net insurance contracts liabilities/assets	(90,046)	(89,191)	(7,557)	(6,943)
- Net reinsurance assets/liabilities	-	-	-	-
	(90,046)	(89,191)	(7,557)	(6,943)
Annuities:				
For the Trinidadian life insurance subsidiary:				
+10% Worsening mortality				
-Net insurance contracts liabilities/assets	3,303	2,818	5,372	4,575
-Net reinsurance assets/liabilities	-	-	-	-
	3,303	2,818	5,372	4,575
+0.5% Improvement in annuitant				
-Net insurance contracts liabilities/assets	(76,004)	(64,619)	(89,483)	(76,052)
-Net resinsurance assets/liabilities	-	-	-	-
	(76,004)	(64,619)	(89,483)	(76,052)
-1% lowering of interest rates				
-Net insurance contracts liabilities/assets	(720,182)	(2,226,550)	(973,655)	(2,797,473)
-Net resinsurance assets/liabilities	-	-	-	-
	(720,182)	(2,226,550)	(973,655)	(2,797,473)

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September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)

Long-term insurance contracts (continued)

(d) Sensitivity analysis (continued)

	The Group			
	Impact on profit	Impact on equity	Impact on profit	Impact on equity
	2024		2023	
Annuities (continued):	**$'000**	**$'000**	**$'000**	**$'000**
For the Trinidadian life insurance subsidiary (continued):				
+5% worsening of base renewal expense				
-Net insurance contracts liabilities/assets	(34,157)	(29,030)	(36,535)	(31,049)
-Net reinsurance assets/liabilities	-	-	-	-
	(34,157)	(29,030)	(36,535)	(31,049)
+ 1% worsening of expense inflation rate				
-Net insurance contracts liabilities/assets	(61,847)	(52,586)	(63,077)	(53,585)
-Net reinsurance assets/liabilities	-	-	-	-
	(61,847)	(52,586)	(63,077)	(53,585)
For the Jamaican life insurance subsidiary:				
+10% Worsening mortality				
-Net insurance contracts liabilities/assets	52,078	39,076	50,785	38,083
-Net reinsurance assets/liabilities	-	-	-	-
	52,078	39,076	50,785	38,083
+0.5% Improvement in annuitant				
-Net insurance contracts liabilities/assets	(25,566)	(19,169)	(24,926)	(18,689)
-Net reinsurance assets/liabilities	-	-	-	-
	(25,566)	(19,169)	(24,926)	(18,689)
- 1% lowering of interest rates				
-Net insurance contracts liabilities/assets	(3,030,981)	(2,273,225)	(3,265,714)	(2,449,286)
-Net reinsurance assets/liabilities	-	-	-	-
	(3,030,981)	(2,273,225)	(3,265,714)	(2,449,286)

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Long-term insurance contracts (continued)
(d) Sensitivity analysis (continued)

	The Group			
	Impact on profit	Impact on equity	Impact on profit	Impact on equity
	2024		2023	
Annuities (continued):	**$'000**	**$'000**	**$'000**	**$'000**
For the Jamaican life insurance subsidiary (continued):				
+5% worsening of base renewal expense				
-Net insurance contracts liabilities/assets	(4,249)	(3,187)	(3,710)	(2,777)
-Net reinsurance assets/liabilities	-	-	-	-
	(4,249)	(3,187)	(3,710)	(2,777)
+ 1% worsening of expense inflation rate				
-Net insurance contracts liabilities/assets	(7,575)	(5,681)	(8,240)	(6,192)
-Net reinsurance assets/liabilities	-	-	-	-
	(7,575)	(5,681)	(8,240)	(6,192)
For the Dutch Caribbean life insurance subsidiary:				
+10% Worsening mortality				
-Net insurance contracts liabilities/assets	51,085	41,155	51,422	40,769
-Net reinsurance assets/liabilities	-	-	-	-
	51,085	41,155	51,422	40,769
+0.5% Improvement in annuitant				
-Net insurance contracts liabilities/assets	(233,025)	(186,281)	(195,195)	(156,657)
-Net reinsurance assets/liabilities	-	-	-	-
	(233,025)	(186,281)	(195,195)	(156,657)
- 1% lowering of interest rates				
-Net insurance contracts liabilities/assets	-	(9,440,888)	-	(8,986,928)
-Net reinsurance assets/liabilities	-	-	-	-
	-	(9,440,888)	-	(8,986,928)

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Long-term insurance contracts (continued)
(d) Sensitivity analysis (continued)

	The Group			
	Impact on profit	Impact on equity	Impact on profit	Impact on equity
	2024		2023	
Annuities (continued):	$'000	$'000	$'000	$'000
For the Dutch Caribbean life insurance subsidiary (continued):				
+5% worsening of base renewal expense				
-Net insurance contracts liabilities/assets	(28,014)	(23,048)	(21,375)	(17,164)
-Net reinsurance assets/liabilities	-	-	-	-
	(28,014)	(23,048)	(21,375)	(17,164)
Unit linked life and interest sensitivity without guarantee:				
For the Trinidadian life insurance subsidiary:				
+10% Worsening mortality				
-Net insurance contracts liabilities/assets	(336,904)	(286,373)	(344,545)	(292,873)
-Net reinsurance assets/liabilities	83,602	71,062	(101,388)	(86,182)
	(253,302)	(215,311)	(445,933)	(379,055)
- 1% lowering of interest rates				
-Net insurance contracts liabilities/assets	194,156	165,034	203,094	172,637
-Net reinsurance assets/liabilities	(9,423)	(8,014)	(9,424)	(8,013)
	184,733	157,020	193,670	164,624
+5% worsening of base renewal expense				
-Net insurance contracts liabilities/assets	(48,730)	(41,432)	(53,721)	(45,663)
-Net reinsurance assets/liabilities	-	-	-	-
	(48,730)	(41,432)	(53,721)	(45,663)
+ 1% worsening of expense inflation rate				
-Net insurance contracts liabilities/assets	(91,131)	(77,459)	(97,768)	(83,109)
-Net reinsurance assets/liabilities	(23)	(23)	(23)	(23)
	(91,154)	(77,482)	(97,791)	(83,132)

49. Financial Risk Management (Continued)

(e) Insurance risk (continued)
Long-term insurance contracts (continued)

(d) Sensitivity analysis (continued)

	The Group			
	Impact on profit	Impact on equity	Impact on profit	Impact on equity
	2024		2023	
Unit linked life and interest sensitivity without guarantee (continued): For the Jamaican life insurance subsidiary:	$'000	$'000	$'000	$'000
+10% Worsening mortality				
-Net insurance contracts liabilities/assets	(67,298)	(50,462)	(62,690)	(47,006)
-Net reinsurance assets/liabilities	-	-	-	-
	(67,298)	(50,462)	(62,690)	(47,006)
- 1% lowering of interest rates				
-Net insurance contracts liabilities/assets	(52,402)	(39,307)	(41,270)	(30,958)
-Net reinsurance assets/liabilities	-	-	-	-
	(52,402)	(39,307)	(41,270)	(30,958)
+5% worsening of base renewal expense				
-Net insurance contracts liabilities/assets	(15,266)	(11,455)	(20,237)	(15,183)
-Net reinsurance assets/liabilities	-	-	-	-
	(15,266)	(11,455)	(20,237)	(15,183)
+ 1% worsening of expense inflation rate				
-Net insurance contracts liabilities/assets	(29,307)	(21,986)	(40,450)	(30,343)
-Net reinsurance assets/liabilities	-	-	-	-
	(29,307)	(21,986)	(40,450)	(30,343)

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, 2024.

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, 2024.

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.

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NCB Financial Group Limited
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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, 2024.

(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.

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NCB Financial Group Limited

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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	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
At September 30, 2024				
Financial assets				
Investment securities classified as FVOCI				
Government of Jamaica debt securities	-	158,880,525	416,741	159,297,266
Other Government Securities	56,596,843	150,366,680	13,069,224	220,032,747
Corporate Debt Securities	4,557,463	88,274,628	30,012,256	122,844,347
	61,154,306	397,521,833	43,498,221	502,174,360
Investment securities at fair value through profit or loss				
Government of Jamaica debt securities	-	54,954,226	-	54,954,226
Other Government Securities	12,574,613	99,664,355	-	112,238,968
Corporate Debt Securities	2,539,540	18,643,805	-	21,183,345
Quoted & Unquoted equity securities	86,989,861	1,918,897	17,997,272	106,906,030
Other securities	9,133	1,656,185	165,286	1,830,604
	102,113,147	176,837,468	18,162,558	297,113,173
Derivative financial instruments	-	1,462,068	-	1,462,068
	163,267,454	575,821,369	61,660,779	800,749,601
Financial liabilities				
Derivative financial instruments	-	-	-	-
Insurance contract liabilities	-	-	541,721,839	541,721,839
	-	-	541,721,839	541,721,839

50. Fair Values of Financial Instruments (Continued)

	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 guaranteed corporate bonds	-	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
Insurance contract liabilities	-	-	455,170,276	455,170,276
	-	9,192	455,170,276	455,179,468

The movement in the Group's financial assets classified as Level 3 during the year is as follows:

	The Group	
	2024 $'000	**2023 $'000**
At start of year	56,759,741	57,178,599
Transfer between levels based on adoption of IFRS 9	152,616	(125,121)
Acquisitions	8,176,329	5,564,275
Disposals	(3,436,320)	(8,000,172)
Fair value gains	2,579,554	2,142,160
At end of year	61,660,778	56,759,741

The movement in liabilities under annuity and insurance contracts is disclosed in Note 9.

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.

	2024			
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	258,068
			JMD +200 and USD +200	(38,028)

	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)

The Group's level 3 unquoted equity securities would decrease in value by $163,784,000 (2023 - $179,685,000) should there be a 3% decrease and an increase in value by $327,568,000 should there be a 6% increase (2023 - $359,370,000) 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, 2024	353,832,517	429,341,570
At September 30, 2023	346,568,035	406,758,793

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. 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 2022	153,249,041	99,085,658	5,173,159	257,507,858
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	667,067	1,249,307	(15,404)	1,900,970
Interest payable	121,927	385,501	-	507,428
At 30 September 2023	179,647,541	98,195,007	5,002,161	282,844,709
Cash movements -				
Drawdowns	44,497,934	-	-	44,497,934
Repayment – principal	(37,372,906)	(6,248,786)	(1,729,837)	(45,351,529)
Non-cash movements -				
Additions	-	-	1,008,235	1,008,235
Amortisation of upfront fees	367,484	199,254	-	566,738
Foreign exchange adjustments	1,344,884	889,838		2,234,722
Interest payable	338,572	(35,932)	-	302,640
At 30 September 2024	188,823,509	92,999,381	4,280,559	286,103,449

51. Reconciliation of Liabilities arising from Financial Activities (Continued)

	The Company		
Liabilities	**Other borrowed funds $'000**	**Lease liabilities $'000**	**Total $'000**
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 01 October 2023	93,511,913	63,637	93,575,550
Cash movements -			
Drawdowns	25,093,088	-	25,093,088
Repayment	(28,611,094)	(63,637)	(28,674,731)
Non-cash movements -			
Additions	-	-	-
Foreign exchange adjustments	453,956	-	453,956
Amortisation of upfront fees	367,484	-	367,484
Interest payable	(95,003)	-	(95,003)
At 30 September 2024	90,720,344	-	90,720,344

52. 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 filed 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:

a) Suit has been filed by a customer against National Commercial Bank Jamaica Limited ("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.

b) 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 National Commercial Bank Jamaica Limited ("the Bank") was quantified by the Claimant at approximately J$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 J$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 J$2.5 million plus interest, while no adverse orders were made against the Bank. The Claimants appealed that decision. No provision has been made for this claim as the Bank's attorneys are of the view that the Bank ought to succeed in defending the judgment on appeal.

c) Suit was filed against Guardian Life Limited (Jamaica) by a claimant seeking damages for, among other things, wrongful dismissal. No provision has been recommended.

d) The Board of Inland Revenue ("BIR") sought to tax the profit on the sale of investments of certain Guardian Life of the Caribbean Limited ("GLOC") products earned for the years 1994-2001. GLOC has appealed BIR's adverse decisions. Provision in the amount of TT$105M has been made.

e) Guardian Life of the Caribbean Limited (GLOC) denied four claims submitted by beneficiaries of deceased policyholders on the basis of, among other things, misrepresentation and non-disclosure of material facts. GLOC's attorneys have recommended a provision of approximately TT$7.14 million for two of the four claims. No provision was recommended for the other two claims as the attorneys were of the opinion that those two claims were unlikely to succeed.

A number of other suits have been filed by stakeholders of the Group. In some instances, counter- claims have been filed by the Group. No provision has been made where the Group's attorneys are of the view that the Group has a good defense against these claims.

53. Offsetting Financial Assets and Financial Liabilities

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

	The Group 2024						
				Related amounts not set off in the statement of financial position			
	Gross amounts of financial assets $'000	Gross amounts 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
	2024						
Assets							
Cash resources	264,568,701	-	264,568,701	-	(3,588,214)	(7,539,376)	253,441,111
Financial investments	1,166,525,535	-	1,166,525,535	(239,531,161)	-	(10,398,607)	916,595,767
	1,431,094,236	-	1,431,094,236	(239,531,161)	(3,588,214)	(17,937,983)	1,170,036,878
	2023						
Assets							
Cash resources	229,816,467	-	229,816,467	-	(2,315,634)	(8,842,712)	218,658,121
Financial investments	1,105,904,465	-	1,105,904,465	(266,938,743)	-	(8,584,517)	830,381,205
	1,335,720,932	-	1,335,720,932	(266,938,743)	(2,315,634)	(17,427,229)	1,049,039,326

53. Offsetting Financial Assets and Financial Liabilities (Continued)

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

	The Group						
	2024						
				Related amounts not set off in the statement of financial position			
	Gross amounts of financial assets	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	300,495,327	-	300,495,327	(239,531,161)	-	-	60,964,166
Obligations under securitisation agreements	92,999,381	-	92,999,381	-	(3,588,214)	-	89,411,167
	393,494,708	-	393,494,708	(239,531,161)	(3,588,214)	-	150,375,333
	2023						
Liabilities							
Repurchase agreements	279,754,364	-	279,754,364	(266,938,743)	-	-	12,815,621
Obligations under securitisation agreements	98,195,007	-	98,195,007	-	(2,315,634)	-	95,879,373
	377,949,371	-	377,949,371	(266,938,743)	(2,315,634)	-	108,694,994

54. Restatement

Restatement for IFRS 17, IFRS 9 reclassification and correcting adjustments

The initial application of IFRS 17 resulted in a reduction of total equity of $54.6 billion as at 1 October 2022. The opening IFRS 17 statement of financial position and related adjustments are presented below:

	As previously reported $'000	IFRS 17 Initial application $'000	Restated $'000
ASSETS			
Cash in hand and due from other banks	256,663,119	(840,116)	255,823,003
Investment securities	968,349,401	1,367,773	969,717,174
Loans and advances, net of credit impairment losses	580,987,814	(924,451)	580,063,363
Property, plant, equipment & software	83,767,904	(3,146,233)	80,621,671
Reinsurance assets	30,312,857	(10,352,061)	19,960,796
Insurance assets	-	2,884,075	2,884,075
Deferred and income taxes	28,028,581	(1,765,464)	26,263,117
Other assets	130,076,583	(14,165,005)	115,911,578
	2,078,186,259	(26,941,482)	2,051,244,777
LIABILITIES			
Customer deposits	715,276,682	-	715,276,682
Repurchase agreements	247,676,853	411,912	248,088,765
Other borrowed funds	153,272,229	(23,188)	153,249,041
Insurance contracts	441,463,531	41,106,249	482,569,780
Reinsurance contract liabilities	-	9,985,997	9,985,997
Other liabilities	327,287,979	(23,784,093)	303,503,886
	1,884,977,274	27,696,877	1,912,674,151
EQUITY			
Share capital and other equity	60,556,962	23	60,556,985
Fair value and other reserves	(26,945,082)	(494,897)	(27,439,979)
Insurance service reserves	-	5,906,115	5,906,115
Retained earnings	112,486,311	(35,080,090)	77,406,221
Equity attributable to stockholders' equity of the parent	146,098,191	(29,668,849)	116,429,342
Non-controlling interest	47,110,794	(24,969,510)	22,141,284
Total stockholders' equity	193,208,985	(54,638,359)	138,570,626
Total stockholders' equity and liability	2,078,186,259	(26,941,482)	2,051,244,777

54. Restatement

Restatement for IFRS 17, IFRS 9 reclassification and correcting adjustments (continued)

	2023				
	As previously reported	**IFRS 17 Initial application**	**Reclassification adjustments**	**Correcting adjustments**	**Restated**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
ASSETS					
Cash in hand and due from other ban	220,430,461	543,294	-	-	220,973,755
Investment securities	1,111,484,581	(1,338,425)	4,601,021	-	1,114,747,177
Loans and advances, net of credit impairment losses	613,788,134	(1,099,005)	-	-	612,689,129
Property, plant, equipment & software	85,644,257	(2,519,044)	-	-	83,125,213
Reinsurance assets	34,576,550	(14,329,722)	-	-	20,246,828
Insurance assets	-	2,391,605	-	-	2,391,605
Deferred and income taxes	21,891,961	818,621	-	391,627	23,102,209
Other assets	134,985,568	(13,171,086)	-	-	121,814,482
	2,222,801,512	(28,703,762)	4,601,021	391,627	2,199,090,398
LIABILITIES					
Customer deposits	747,872,120	-	-	-	747,872,120
Repurchase agreements	279,754,087	277	-	-	279,754,364
Other borrowed funds	179,671,743	(24,202)	-	-	179,647,541
Insurance contracts	459,549,252	51,408,210	-	-	510,957,462
Reinsurance contract liabilities	-	3,508,372	-	-	3,508,372
Other liabilities	332,557,338	(27,128,144)	-	1,174,999	306,604,193
	1,999,404,540	27,764,513	-	1,174,999	2,028,344,052
EQUITY					
Share capital and other equity	69,074,814	23	-	-	69,074,837
Fair value and other reserves	(9,775,379)	(1,249,915)	828,252	-	(10,197,042)
Insurance service reserves	-	10,365,901	-	-	10,365,901
Retained earnings	110,722,655	(39,084,520)	2,024,381	(783,372)	72,879,144
Equity attributable to stockholders' equity of the parent	170,022,090	(29,968,511)	2,852,633	(783,372)	142,122,840
Non-controlling interest	53,374,882	(26,499,764)	1,748,388	-	28,623,506
Total stockholders' equity	223,396,972	(56,468,275)	4,601,021	(783,372)	170,746,346
Total stockholders' equity and liability	2,222,801,512	(28,703,762)	4,601,021	391,627	2,199,090,398

54. Restatement

Restatement for IFRS 17, IFRS 9 reclassification and correcting adjustments (continued)

	As previously reported $'000	IFRS 17 Initial application $'000	Reclassification adjustment $'000	2023 Correcting adjustments $'000	Restated $'000
Net interest income	62,801,040	(3,663,228)	-	-	59,137,812
Net fee and commission income	28,077,569	481,233	-	-	28,558,802
Gain on foreign currency and investment activities	21,503,653	4,831,136	-	-	26,334,789
Gain on reclassification of financial assets measured at amortised cost to fair value through profit or loss	-	-	- 3,265,130		3,265,130
Credit impairment losses	(5,303,309)	1,143,945	-	-	(4,159,364)
Dividend income	2,830,951	65,541	-	-	2,896,492
Other operating income	3,116,540	(617,390)	-	-	2,499,150
Net income from banking and investment activities	113,026,444	2,241,237	3,265,130	-	118,532,811
Insurance activities					
Insurance service results	-,	14,528,125	-	-	14,528,125
Net result from insurance activities	24,232,429	(24,232,429)	-	-	-
Net insurance finance expenses	-	(17,694,023)	-	-	(17,694,023)
Net operating income	137,258,873	(25,157,090)	3,265,130	-	115,366,913
Operating Expenses					
Staff costs	60,617,081	243,595	-	-	60,860,676
Depreciation and amortisation	7,394,097	(202,322)	-	-	7,191,775
Finance cost	2,146,374	(64)	-	-	2,146,310
Other operating expenses	47,516,054	(14,465,656)	-	1,174,999	34,225,397
	117,673,606	(14,424,447)	-	1,174,999	104,424,158
Operating Profit	19,585,267	(10,732,643)	3,265,130	(1,174,999)	10,942,756
Share of profit of associates	376,617	(157,669)	-	-	218,948
Profit before Taxation	19,961,884	(10,890,312)	3,265,130	(1,174,998)	11,161,704
Taxation	(4,625,957)	786,136	-	391,627	(3,448,194)
NET PROFIT	15,335,927	(10,104,176)	3,265,130	(783,371)	7,713,510
Attributable to:					
Stockholders of the parent	7,592,226	(6,326,044)	2,024,381	(783,371)	2,507,191
Non-controlling interest	7,743,701	(3,778,132)	1,240,749	-	5,206,319
	15,335,927	(10,104,176)	3,265,130	(783,371)	7,713,510
Earnings per stock unit					
Restated - basic and diluted (expressed in $)	3.30	-	-	-	1.06
As previously stated – basic and diluted (expressed in $)	-	-	-	-	3.30

54. Restatement

Restatement for IFRS 17, IFRS 9 reclassification and correcting adjustments (continued)

	As previously reported	2023 IFRS 17 Initial application and IFRS 9 adjustments	Restated
	$'000	$'000	$'000
Investment Securities Classified as FVPL:			
Government of Jamaica debt securities	18,304,905	36,114,535	54,419,440
Other Government securities	106,251,838	682,161	106,933,999
Corporate debt securities	14,794,432	6,995,917	21,790,349
Quoted and unquoted equities	95,925,872	873	95,926,745
Collective Investment Schemes	2,600,940	-	2,600,940
Interest receivable	1,930,960	1,006,887	2,937,847
	239,808,947	44,800,373	284,609,320
Investment securities at FVOCI:			
Government of Jamaica debt securities	182,640,589	(4,468,857)	178,171,732
Other Government securities	156,001,667	(138)	156,001,529
Corporate debt securities	137,528,641	(7,678,147)	129,850,494
Interest receivable	6,544,404	(108,864)	6,435,540
	482,715,301	(12,256,006)	470,459,295
Investment securities at Amortised Cost:			
Government of Jamaica debt securities	201,375,294	(27,178,978)	174,196,316
Other Government Securities	149,734,094	(1,276,482)	148,457,612
Corporate Debt Securities	23,913,624	483	23,914,107
Interest receivable	5,799,627	(896,513)	4,903,114
	380,822,639	(29,351,490)	351,471,149
Expected credit losses	(705,064)	69,765	(635,299)
	1,102,641,823	3,262,642	1,105,904,465
Total investment securities, as above	1,102,641,823	3,262,642	1,105,904,465
Less: Pledged securities	(275,523,306)	46	(275,523,260)
Amount reported on the statement of financial position	827,118,517	3,262,688	830,381,205

NCB Financial Group Limited
Notes to the Financial Statements
September 30, **2024** (expressed in Jamaican dollars unless otherwise indicated)

54. Restatement (Continued)

Restatement for IFRS 17, IFRS 9 reclassification and correcting adjustments (continued)

The initial application adjustments arise principally from:

- The introduction of the CSM. Refer to Note 2 (v).
- The measurement of the Risk Adjustment, which is similar to the Margins for Adverse Deviation previously estimated under IFRS 4, but with some differences in measurement under IFRS 17. Refer to Note 2 (v).
- Changes in the determination of Discount Rates under IFRS 17. Refer to Note 3 (d).
- Other measurement changes, such as the manner in which contracts are aggregated for measurement purposes and how contract boundaries are defined. Refer to Note 2 (v).
- Presentation changes, resulting in several assets and liabilities being reclassified from other areas of the financial statements, and now included within insurance contract liabilities or reinsurance contract assets.

Redesignation of Financial Assets

As the Group had applied IFRS 9 to annual reporting periods before the initial application of IFRS 17, the Group was eligible to redesignate eligible financial assets.

A financial asset is eligible only if it is held in respect of activity connected with contracts within the scope of IFRS 17. The Group carried out an assessment of its financial assets, splitting these into those contractually linked to insurance contracts (e.g., its equity-linked and unit- linked portfolios), those in the general fund which support other insurance portfolios, and other investments which may support non- insurance contracts (e.g., investment contract liabilities) or which are used for general investment purposes.

The Group did not opt for any redesignation of financial assets.

Correcting adjustments

Management identified a system issue that resulted in unreconciled differences that affected certain customers' accounts. A provision for these unreconciled differences was made for the current and prior year.

55. Subsequent Events

Disposal of subsidiary

One of the Group's subsidiaries, Guardian Holdings Limited ("GHL") Board of Directors approved the execution of a Sale and Purchase Agreement ("SPA") with PIB Group Limited ("PIB Group") for the sale of 100 percent of the shares of Thoma Exploitatie B.V. ("Thoma Group") on November 19th, 2024.

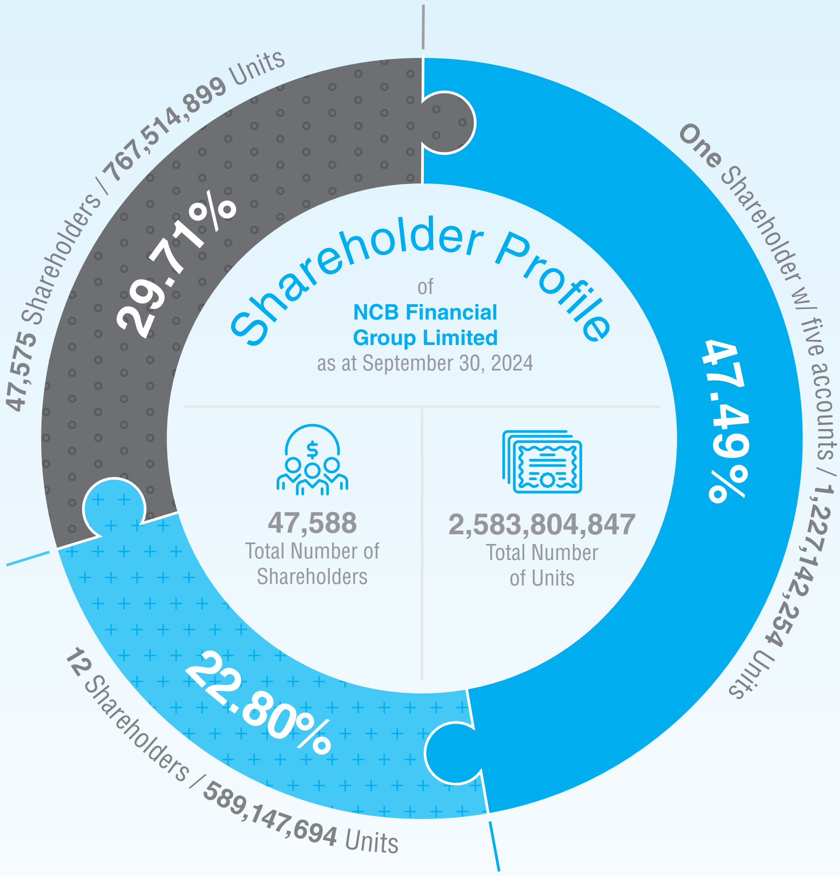
Thoma Group is Guardian Group Fatum's Insurance Brokerage business in the Netherlands and the transaction, which was effected through a closed sale process, aligns with the Company's strategic priorities to maximise shareholder value.

Dividend

The Board of Directors of NCB Financial Group Limited (NCBFG), at its meeting on November 14, 2024, approved an interim dividend of J$0.50 per ordinary stock unit. The dividend is payable on December 13, 2024, to stockholders on record as at November 29, 2024.

Notes

Shareholdings



10 Largest Shareholders

of NCB Financial Group Limited as at September 30, 2024

Name of Shareholder	Units	Percentage Ownership
AIC (Barbados) Limited	1,227,142,254	47.49%
MF&G Asset Management Limited - NCB Share Scheme	101,406,205	3.92%
National Insurance Fund	90,864,532	3.52%
Sagicor PIF Equity Fund	62,139,507	2.40%
NCB Insurance Agency & Fund Managers Limited WT 109	54,715,172	2.12%
Harprop Limited	46,434,102	1.80%
AIC Global Holdings Inc.	45,449,690	1.76%
Patrick Hylton	43,113,038	1.67%
Ideal Portfolio Services Company Limited	32,364,655	1.25%
SJIML A/C 3119	30,659,032	1.19%

Shareholding Report

September 30, 2024

Interest/Ownership of Stock Units by Directors of NCB Financial Group Limited as at September 30, 2024

Directors [1.]	Total	Direct	Connected Parties
Robert Almeida	70,578,574	1,321,684	69,256,890
Sanya Goffe	69,328,890	72,000	69,256,890
Hon. Michael Lee-Chin, OJ	1,436,337,750	146,698	1,436,191,052
Thalia Lyn, OD [2.]	134,544,972	460,799	134,084,173
Bruce Bowen	69,453,740	196,850	69,256,890
Gary Brown	69,256,890	0	69,256,890
Howard Shearer	69,256,890	0	69,256,890

Interest/Ownership of Stock Units by Executives/ Senior Managers of NCB Financial Group Limited as at September 30, 2024

Executives	Total	Direct	Connected Parties
Robert Almeida [1.]	70,578,574	1,321,684	69,256,890
Dave Garcia (Corporate Secretary)	175,027	175,027	0
Malcolm Sadler [2.]	64,756,050	50,004	64,706,046
Misheca Seymour-Senior	27,655	27,655	0
Mukisa Wilson Ricketts	87,552	87,552	0
Allison Wynter [2.]	65,008,089	192,096	64,815,993

Interest/Ownership of Stock Units by Executives/ Senior Managers of Subsidiaries of NCB Financial Group Limited as at September 30, 2024

Executives	Total	Direct	Connected Parties
Bruce Bowen [1.]	69,453,740	196,850	69,256,890
Danielle Cameron Duncan	99,617	99,617	0
Hopelin Hines	10,571	10,571	0
Ian Chinapoo	0	0	0
Jacqueline De Lisser	30,606	30,606	0
Ramon Lewis	57,215	57,215	0
Sheree Martin	9,666	9,666	0
Anne McMorris Cover	9,874	9,874	0
Antonio Spence.	0	0	0
Ian Truran	0	0	0
Tanya Watson Francis	156,791	156,791	0
Angus Young	2,106	2,106	0

1.Connected parties for all directors include shares of 69,256,890 held by subsidiaries and managed funds for the GuardianGroup.

2.Connected parties for Thalia Lyn, Malcolm Sadler and Allison Wynter include shares of 64,675,993 held as trustees of theN.C.B. Staff Pension Fund.

Glossary Abbreviations

CURRENCIES AND UNITS

Amounts throughout this report are represented in Jamaican Dollars unless otherwise indicated.

B or **Bn –** Billion

BMD – Bermudian Dollar

BBD – Barbados Dollar

CAD – Canadian Dollar

EUR – Euro

GBP – British Pound Sterling

J$ or **JMD –** Jamaican Dollar

K – Thousand

M or **Mn –** Million

NAF – Netherlands Antilles Guilder

T or **Tn –** Trillion

TT$ or **TTD –** Trinidad and Tobago Dollars

US$ or **USD –** United States Dollars

ENTITIES

A

AARP – American Association of Retired Professionals

ACAMS – Association of Certified Anti-Money Laundering Specialists

B

BOJ – Bank of Jamaica

BSE – Barbados Stock Exchange

C

CariCRIS – Caribbean Information and Credit Ratings Services Limited

CDB – Caribbean Development Bank

CBB – Central Bank of Barbados

CBL – Clarien Bank Limited

CBTT – Central Bank of Trinidad and Tobago

CGL – Clarien Group Limited

CIMA – The Cayman Islands Monetary Authority

F

FSC – Financial Services Commission

G

GHL – Guardian Holdings Limited

GLOC – Guardian Life of the Caribbean

I

IASB – International Accounting

Standards Board

ICAJ – Institute of Chartered Accountants of Jamaica

IMF – International Monetary Fund

IDB – Inter American Development Bank

J

JBA – Jamaica Bankers' Association

JSE – Jamaica Stock Exchange

JTA – Jamaica Teachers' Association

N

NACD – National Association of Corporate Directors

NCB or **NCB Group –** NCB Financial Group Limited and its subsidiaries

NCBCM – NCB Capital Markets Limited

NCBFG – NCB Financial Group Limited

NCBGH – NCB Global Holdings Limited

NCBIA or **NCBIAFM –** NCB Insurance Agency and Fund Managers Limited

NCBJ – National Commercial Bank Jamaica Limited

NCBMBTT – NCB Merchant Bank (Trinidad and Tobago) Limited (formerly NCB Global Finance Limited)

NHT – National Housing Trust (Jamaica)

O

ODPEM – Office of Disaster Preparedness and Emergency Management

OECD – Organisation for Economic Co-operation and Development

OPEC+ – Organisation of the Petroleum Exporting Countries

P

PWC – PricewaterhouseCoopers

PSOJ – The Private Sector Organisation of Jamaica

S

SBA – Small Business Association

STATIN – The Statistical Institute of Jamaica

T

TFOB – TFOB (2021) Limited

TTCD – Trinidad & Tobago Central Depository

TTSE – Trinidad and Tobago Stock Exchange

W

WBAF – World Business Angels Investment Forum

TITLES

CEO – Chief Executive Officer

CFO – Chief Financial Officer

EVP – Executive Vice President

AVP – Assistant Vice President

OTHER ABBREVIATIONS

2021F – Forecasted for calendar year 2021

2022F – Forecasted for calendar year 2022

2023F – Forecasted for calendar year 2023

2024F – Forecasted for calendar year 2024

A

ABM – Automated Banking Machine

AGM – Annual General Meeting

AI – Artificial Intelligence

AMEX – American Express

AML/CFT – Anti-Money Laundering and Counter-terrorism Financing

APOs – Additional Public Offers

ATM – Automated Teller Machine

AUM – Assets Under Management

B

BDR – Business Development Representative

BEPS – Base Erosion and Profit Shifting

BERT (2022) – Barbados Economic Recovery and Transformation Plan

BOT – British Overseas Territory

BPO – Business Process Outsourcing

C

CAGR* – Compounded Annual Growth Rate

CBDC – Central Bank Digital Currency

CBIT – Comprehensive Business Income Tax

CD account – Certificate of Deposit account

CET1 – Common Equity Tier 1

CGI – Corporate Governance Index

CGU – Cash generating unit

CPI – Consumer Price Index

CPPM – Caribbean Policyholder Premium Method

CRM – Customer Relationship Management System

CSP Fund – Computer Service and Programming Limited Pension Fund

CSR – Corporate Social Responsibility

* The Compounded Annual Growth Rate (CAGR) is a measure of growth over multiple time periods.

D

DEH – Digital Enhancement Hub

DM – Developed Markets

DPF – Discretionary participation features

DPPP – Data Protection and Privacy Programme

DPR – Diversified Payments Rights

DTI – Deposit-taking Institution

E

EAD – Exposure at default

ECL – Expected credit loss

EFF – Extended Fund Facility

EGC – Efficiency, Governance, and Customer Experience

e-KYC – Electronic Know Your Customer

EM – Emerging Market

EMBI – Emerging Market Bond Index

EMBI+ – Emerging Market Bond Index Plus

EPS – Earnings per stock unit

e-POS – Electronic Point of Sale

ESG – Environmental, Social and Governance

F

FX – Foreign Exchange

FY – Financial Year or Fiscal Year

Finacle – A core banking system that provides digital banking functionalities for NCBJ

Fintech – Financial Technology

FVOCI – Fair Valued through Other Comprehensive Income

FVPL – Fair Valued through Profit and Loss

G

G7 or **G-7 –** Group of Seven (an intergovernmental organisation made up of the world's seven largest developed economies)

GDP – Gross Domestic Product

GGApp – Guardian General App

GoIPO – NCB Capital Markets Limited – powered electronic platform for IPO submissions

GOJ – Government of Jamaica

H

H1 – First six months of the year or first half of the year

H2 – Last six months of the year or second half of the year

HR – Human Resources

HSF – Heritage Stabilisation Fund

I

iABM – Intelligent Automated Banking Machine

IBOR – Inter-bank offered rates

IBNR – Incurred but not reported

IDRs – Issuer Default Ratings

IESBA Code – International Ethics Standards Board for Accountants

IFRS – International Financial Reporting Standards

IPO – Initial Public Offering

ISA – International Standards on Auditing

IT – Information Technology

J

JAM-DEX – Jamaican Digital Exchange (Jamaican's Central Bank Digital Currency)

JCSD – Jamaica Central Securities Depository

JMVR – Jamaica Merchant Voucher Receivables

K

KYC – Know Your Customer

KPI – Key Performance Indicator

L

LAR – Loans and receivables

LGD – Loss given default

LHP – Life and Health Insurance and Pension Fund Management

LMS – Liquidity Management System

Lynk – Mobile wallet of TFOB (2021) Limited

M

MCCSR – Minimum Continuing Capital Surplus Ratio

MD&A – Management Discussion & Analysis

mPOS – Mobile Point of Sale

MSME – Micro, Small and Medium Enterprises

MVR – Merchant Voucher Receivables

N

NAV – Net Asset Value

NFC – Near-field communication

NPL – Non performing loan

O

OCI – Other Comprehensive Income

OIPA – Oracle Insurance Policy Administration

P

P2P – Peer-to-peer

PCI – Payment Card Industry

PD – Probability of default

P/E Ratio – Price to Earning Ratio

PMFL – Public Management and Finance Law

POCI – Purchased or originated credit-impaired

POS – Point of Sale

PPM – Policyholder Premium Method

PPV – Public passenger vehicle

PY – Prior year

Q

Q1 – Quarter 1 or first quarter

Q2 – Quarter 2 or second quarter

Q3 – Quarter 3 or third quarter

Q4 – Quarter 4 or fourth quarter

R

REPO – Repurchase Agreements

ROA – Return on Assets

RPA – Robotic Process Automation

RWA – Risk Weighted Assets

S

SDR – Special Drawing Right

SICR – Significant increase in credit risk

SIFI – Systemically Important Financial Institution

SME – Small and Medium–Sized Enterprise

SOE – State-owned enterprises

S&P – Standard & Poor's

SPC – Special purpose company

SPPI – Solely payments of principal and interest

STP – Straight-through processing

T

T & T or TT – Trinidad and Tobago

TOP – Trinidad Online Platform

U

UI/UX - User Interface/User Experience

UK – United Kingdom

US – United States

UWI – University of the West Indies

V

VAM – Virtual Account Management

VAT – Value Added Tax

Y

YoY – Year over year

Investments Securities/instruments

BARBAD 2029

BERMUD 2029

JAMAN 2028

TRITOB 2026

Corporate Directory

JAMAICA HEAD QUARTERS:

32 Trafalgar Road, Kingston 10 Jamaica W.I.

JA: 888-NCB-FIRST (622-3477)
US: 1-866-622-3477
UK: 0-800-032-2973

NCB Financial Group Limited

www.myncb.com

Robert Almeida	Group Chief Executive Officer
Malcolm Sadler	Chief Financial Officer
Dave Garcia	Group General Counsel & Corporate Secretary
Mukisa Ricketts	Group Chief Audit Executive
Misheca Seymour-Senior	Group Chief Compliance Officer
Allison Wynter	Group Chief Risk Officer (FY24)
Richard Look Kin	Group Chief Risk Officer (FY25)

National Commercial Bank Jamaica Limited

www.jncb.com

Bruce Bowen	Chief Executive Officer (CEO)
Dave Garcia	Executive Vice President, Corporate Services
Sheree Martin	Executive Vice President, Retail Banking
Tanya Watson-Francis	Executive Vice President, Treasury & Capital Management
Misheca Seymour-Senior	Chief Compliance Officer
Mukisa Ricketts	Chief Audit Executive
Allison Wynter, CFA	Chief Risk Officer (FY24)
Richard Look Kin	Chief Risk Officer (FY25)
Jacqueline De Lisser	Chief Financial Officer
Anne McMorris-Cover	Senior Vice President, Enterprise Operations
Dr. Hopelin Hines	Vice President, Group Human Resources Division
Danielle Cameron-Duncan	Vice President, Payments & Digital Channels
Ky-Ann Taylor	General Counsel
Dr. Karrian Hepburn Malcolm	Head - Wealth Management
Ramon Lewis	Chief Information Officer (FY24)
Taryn Minott	Vice President - Group Underwriting & Credit Support
Jason Saunders	Vice President, Corporate and Commercial Banking

NCB Capital Markets Limited

www.ncbcapitalmarkets.com

Angus Young	Chief Executive Officer

NCB Insurance Agency & Fund Managers Limited

www.ncbinsurance.com

Antonio Spence	Head – NCB Insurance Agency & Fund Managers Limited

Clarien Bank Limited

Point House 6 Front Street HM 11, Bermuda	**www.clarienbank.com**	+1 441-296-6969

Ian Truran	Chief Executive Officer
Michael DeCouto	Chief Digital & Marketing Officer
Minish Parikh	Chief Operating Officer
Jonathan Raynor	Chief Risk Officer
Vishram Sawant	Chief Financial Officer
Simon Van de Weg	Chief Banking Officer
Miguel DaPonte, CFA	Chief Wealth Management Officer

Guardian Group

1 Guardian Drive, Westmoorings, Trinidad and Tobago	**www.myguardiangroup.com**	1-868-226-MYGG (6944)

Ian Chinapoo	Group Chief Executive Officer, Guardian Holdings Limited
Keesha Sahadeo	Chief Financial Officer, Guardian Group
Karen Kelshall Lee	Head - Compliance, Guardian Group
Sasha Ali	Head - Internal Audit, Guardian Group
Krystal Baynes-Hoseinee	Chief Governance Officer & Corporate Secretary, Guardian Group
Paul Traboulay	Chief Risk Officer, Guardian Group
Greer Quan	Chief Operating Officer, Guardian Group
Eric Hosin	Head - Life, Health and Pension, Guardian Group
Dean Romany	President, Guardian General Insurance Limited
Samanta Saugh	President, Guardian Life of the Caribbean Limited
Miguel Martinez	President, Guardian Asset Management
Karen Bhoorasingh	President, Guardian General Insurance Jamaica Limited and Chief Technical Officer (P&C Group)
Diego Frãnkel	President/Chief Executive Officer, Guardian Group Fatum
Meghon Miller-Brown	President, Guardian Life Limited
Ayesha Boucaud-Claxton	Head - Marketing and Communication, Guardian Group
Shera Mungroo	Chief Product Officer, Guardian Group
Naresh Mongroo	Chief Information & Technology Officer, Guardian Group

Contact information

Investor Relations*	Registrar Services**
Julia Wong-Brooks Investor Relations Manager	**Jamaica Central Securities Depository Ltd.** 40 Harbour Street, Kingston
wongjm@jncb.com	jcsdrs@jamstockex.com | 876-967-3271

* Information on the Company ** Shareholders' queries

Notes

Affix J$100 Postage Stamp Here

Annual General Meeting Form of Proxy

I/We .... of ....

.... being a Member/Members of the abovenamed Company, hereby appoint

.... of ....

or failing him/her .... of ....

as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on February 13, 2025, at 10a.m. and at any adjournment thereof.

» **Please indicate by inserting a cross in the appropriate square how you wish your votes to be cast. Unless otherwise instructed, the Proxy will vote or abstain from voting, at his/her discretion.**

RESOLUTION		FOR	AGAINST
Audited Financial Statements	1		
Declaration of Dividend	2		
Election of Directors	3 (a)(i)		
	3 (a)(ii)		
	3 (b)		
	3 (c)		
Directors' Remuneration	4 (a)		
	4 (b)		
Appointment of Auditors and their Remuneration	5		

....

SIGNATURE

Signed this .... day of 2025

NOTES:

1. This Form of Proxy must be received by the Secretary of the Company not less than 48 hours before the time appointed for the Meeting.
2. This Form of Proxy should bear stamp duty of J$100. Adhesive stamps are to be cancelled by the person signing the proxy.
3. If the appointer is a Corporation, this Form of Proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised in writing.

DESIGN:
Graphics & Production Unit
Group Marketing & Communications

PHOTOGRAPHY:
William Richards

AUDITORS:
PricewaterhouseCoopers

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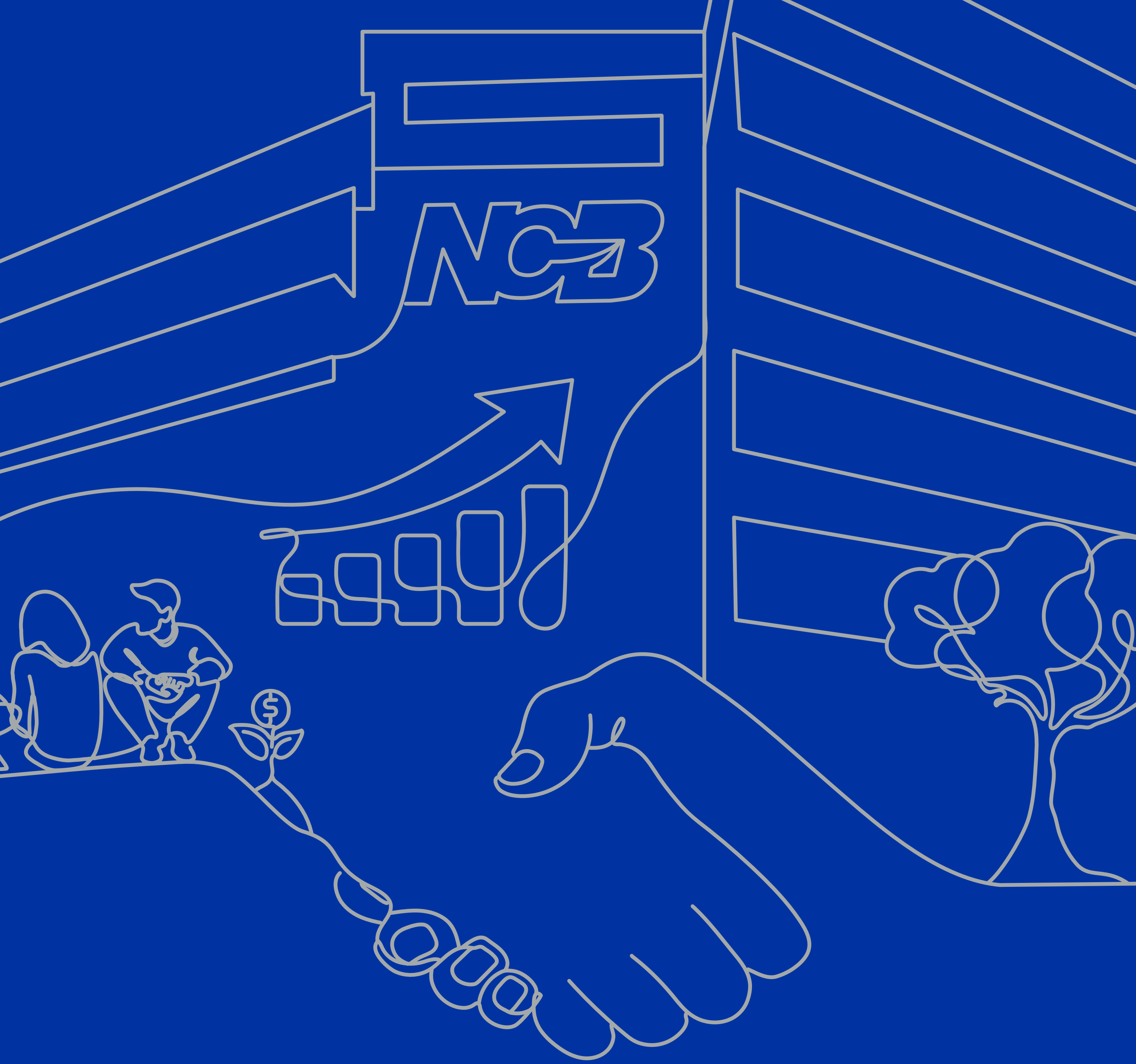

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FINANCIAL GROUP
LIMITED