Growing TOGETHER On Purpose

Guardian Group

Guardian Holdings Limited

2022 Annual Report

2022 Annual Report

Growing Together
On Purpose

We believe in the power of intentionality. We believe that success becomes even more achievable with an integrated and inspired team working together to deliver on a common purpose.

We recognise that there is something magical that occurs when people are aligned by a common purpose and shared values. It´s the philosophy that is bringing us together at Guardian Group, one that integrates employees, customers and investors achieving our individual and collective goals, through a single vision. That´s what Growing Together means to you and everyone else on this exciting journey. Welcome aboard.

Growing Together On Purpose

Guardian Holdings Limited
Head Office: 1 Guardian Drive, Westmoorings,
Trinidad and Tobago
Tel: 1-868-226-6944
Fax: 1-868-632-5695
Email: shareholder@myguardiangroup.com
Website: www.myguardiangroup.com

myguardiangroup.com

Contents

Business Segments 2

Corporate Information 3

Consolidated Financial Highlights 4

Chairman's Statement 9

CEO's Statement 12

ESG (Environmental, Social and Governance) 18

Risk Strategy 44

Leadership 50

CFO's Statement 55

Management Discussion & Analysis 62

Independent Auditor's Report 86

Consolidated Statement of Financial Position 94

Consolidated Statement of Income 95

Consolidated Statement of Comprehensive Income 96

Consolidated Statement of Changes In Equity 97

Consolidated Statement of Cash Flows 98

Notes to the Consolidated Financial Statements 99

Financials Expressed in US dollars 205

Notice of Annual Meeting 208

Guidelines for Shareholders 211

Management Proxy Circular 213

Form of Proxy 215

Business Segments

LIFE HEALTH AND PENSION

- Guardian Life of The Caribbean Limited (100%)
- Guardian Life Limited (100%)
- Fatum Life Insurance N.V. (100%)
- Fatum Life Aruba N.V. (100%)
- Fatum Health N.V. (100%)
- Guardian Life (OECS) Limited (100%)

PROPERTY & CASUALTY

- Guardian General Insurance Limited (100%)
- Guardian General Insurance Jamaica Limited (100%)
- Fatum General Insurance N.V. (100%)
- Fatum General Insurance Aruba N.V. (100%)
- Fatum Brokers Holdings B.V. (100%)
- Thoma Exploitatie B.V. (100%)
- Kruit en Venema Assuradeuren B.V. (100%)
- Guardian Re (S.A.C.) Limited (100%)
- Guardian General Insurance (OECS) Limited (100%)
- RoyalStar Holdings Limited (26.22%)
- Vanguard Risk Solutions Limited (67.74%)
- Almi Holdings Limited (100%)

ASSET MANAGEMENT

- Guardian Group Trust Limited (100%)
- Guardian Asset Management and Investment Services Limited (100%)

STRATEGIC ALTERNATIVE INVESTMENTS

- Laevulose Inc Limited (100%)
- RGM Limited (33.33%)
- Tobago Plantations Limited (25%)

Corporate Information

Board of Directors

Mr. Patrick Hylton (Chairman)
Mr. Henry Peter Ganteaume (Deputy Chairman)
Mr. Ian Chinapoo (Group CEO)
Mr. Imtiaz Ahamad
Mr. Robert Almeida
Mr. Dennis Cohen
Mr. Michael L. Gerrard
Ms. Patricia Ghany
Mr. Michael Lee-Chin
Mr. Nicholas Lok Jack
Mr. Charles Percy
Mr. Maxim Rochester
Mr. Ravi Tewari

Secretary

Mr. Richard Avey

Assistant Secretary

Ms. Krystal Baynes-Hoseinee

Registered Office

1 Guardian Drive
Westmoorings
Trinidad and Tobago

Registrar and Transfer Office

Trinidad and Tobago Central Depository Limited
10th Floor Nicholas Tower
63-65 Independence Square
Port of Spain
Trinidad and Tobago

Auditors

PricewaterhouseCoopers
11-13 Victoria Avenue
Port of Spain
Trinidad and Tobago

Standing Committees

Audit Committee
Mr. Maxim Rochester (Chairman)
Mr. Imtiaz Ahamad
Mr. Dennis Cohen
Mr. Henry Peter Ganteaume
Mr. Charles Percy

Corporate Governance Committee
Mr. Henry Peter Ganteaume (Chairman)
Ms. Patricia Ghany
Mr. Charles Percy

Risk and Compliance Committee
Mr. Dennis Cohen (Chairman)
Mr. Robert Almeida
Mr. Michael L. Gerrard
Mr. Charles Percy
Mr. Maxim Rochester
Mr. Ravi Tewari

Talent Development and Compensation Committee
Mr. Dennis Cohen (Chairman)
Mr. Henry Peter Ganteaume
Ms. Patricia Ghany
Mr. Patrick Hylton
Mr. Charles Percy

Consolidated Financial Highlights

Revenue	2022	2021 restated
Life, Health and Pension business net written premiums	$4,019 million	$3,815 million
Property and Casualty business net written premiums	$927 million	$942 million
Revenue from insurance operations	$5,385 million	$5,140 million
Revenue from investment activities	$1,380 million	$1,704 million
Revenue from brokerage activities	$157 million	$145 million
Total revenue	$6,922 million	$6,989 million

Results		
Profit attributable to equity holders of the company	$1,100 million	$782 million
Earnings per ordinary share	$4.74 million	$3.37 million

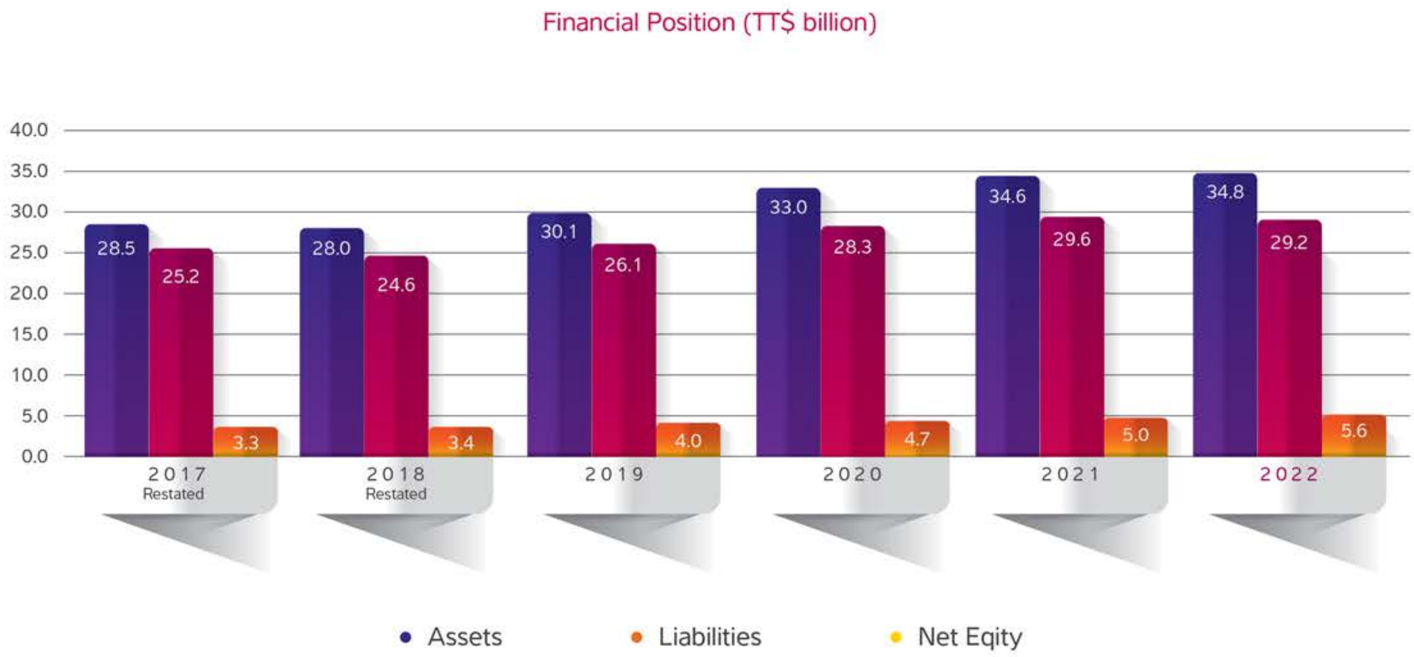
Financial position as at December 31st		
Total captial and reserves	$5,571 million	$4,983 million
Shareholders' equity	$5,560 million	$4,974 million
Net asset value per share	23.96	21.44

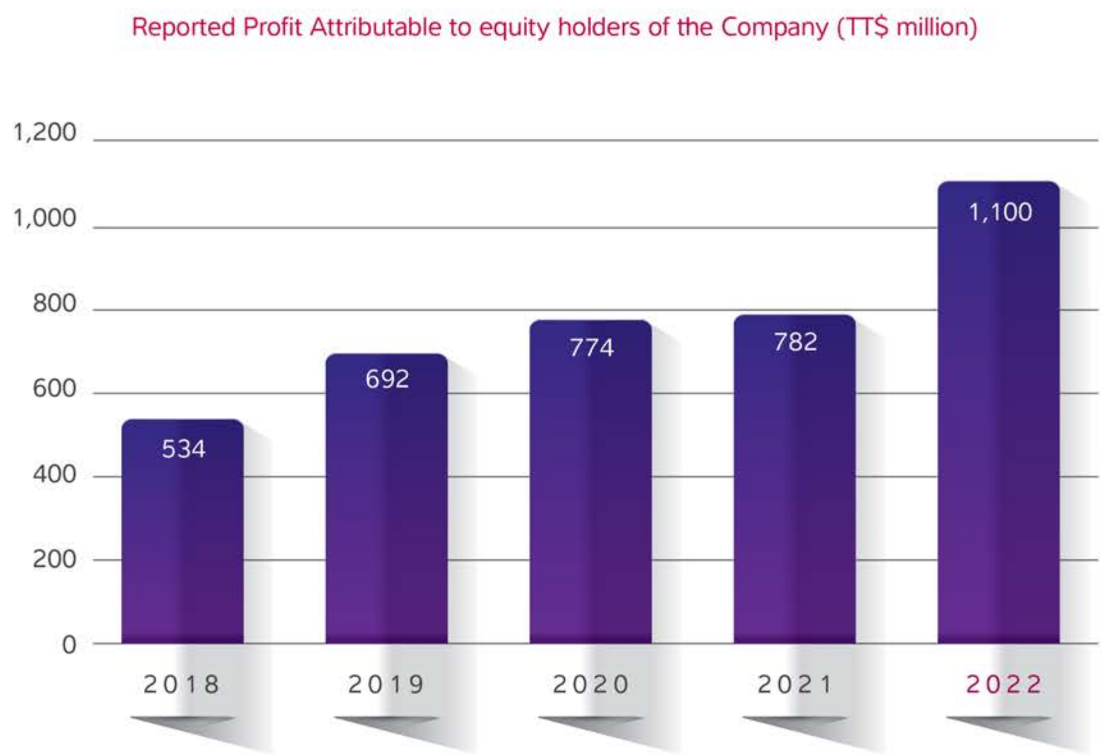
Dividend		
Total dividend for the year per ordinary share	72 cents	70 cents
Dividend cover	6.58	4.81

Conversion Rates	Average Rate	Year end rate
Trinidad and Tobago dollar to one US Dollar	6.7464	6.7415
Trinidad and Tobago dollar to one British Pound	8.5078	8.2522
Trinidad and Tobago dollar to one Euro	7.4212	7.4264
Trinidad and Tobago dollar to one Jamaican Dollar	0.0434	0.0438
Trinidad and Tobago dollar to one Netherlands Antillean Guilder	3.7689	3.7662

Total Revenue (TT$ million)

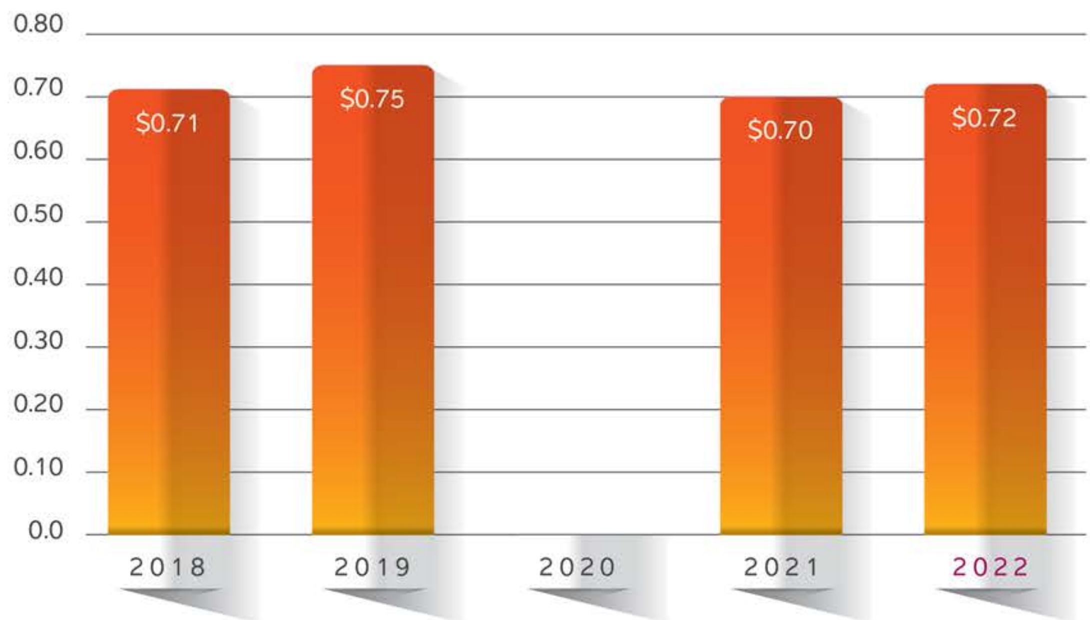
Consolidated Financial Highlights (cont'd)



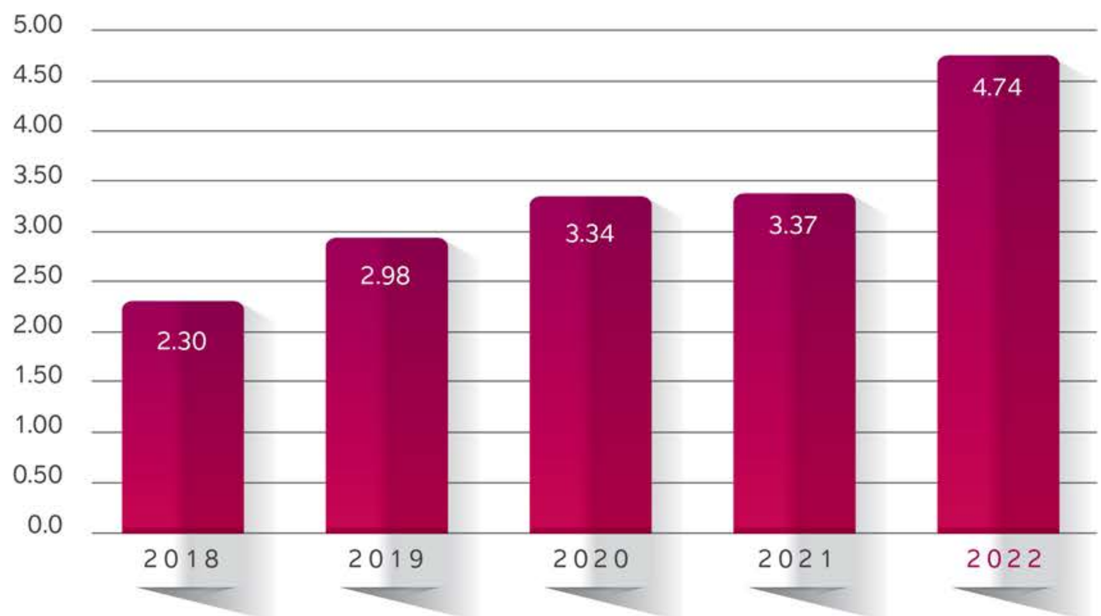


Consolidated Financial Highlights (cont'd)

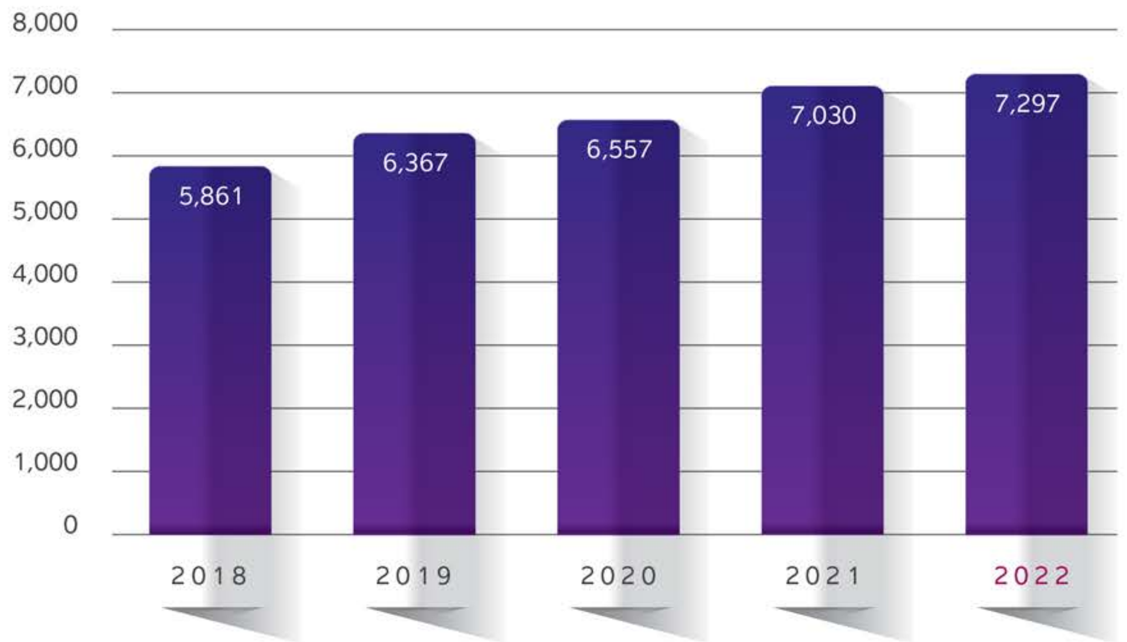
Dividends per share (TT$)



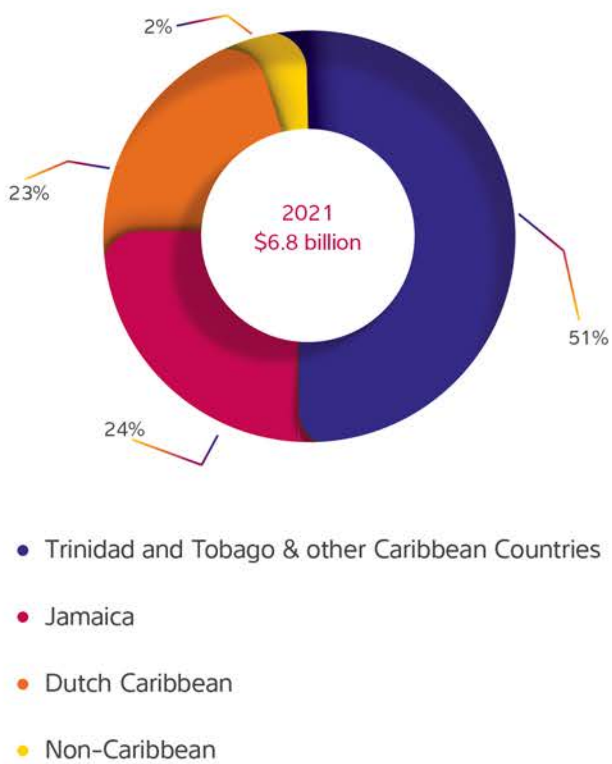
Reported Earnings per share (TT$)

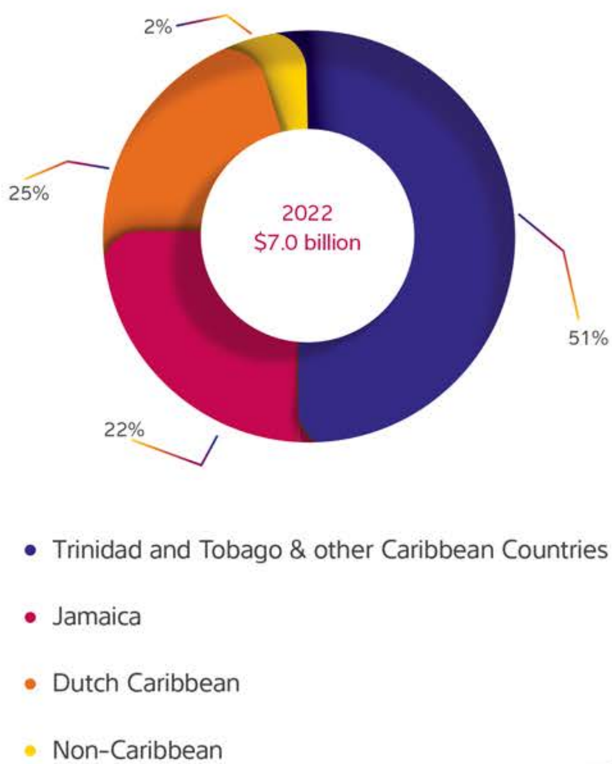


Consolidated Financial Highlights (cont'd)



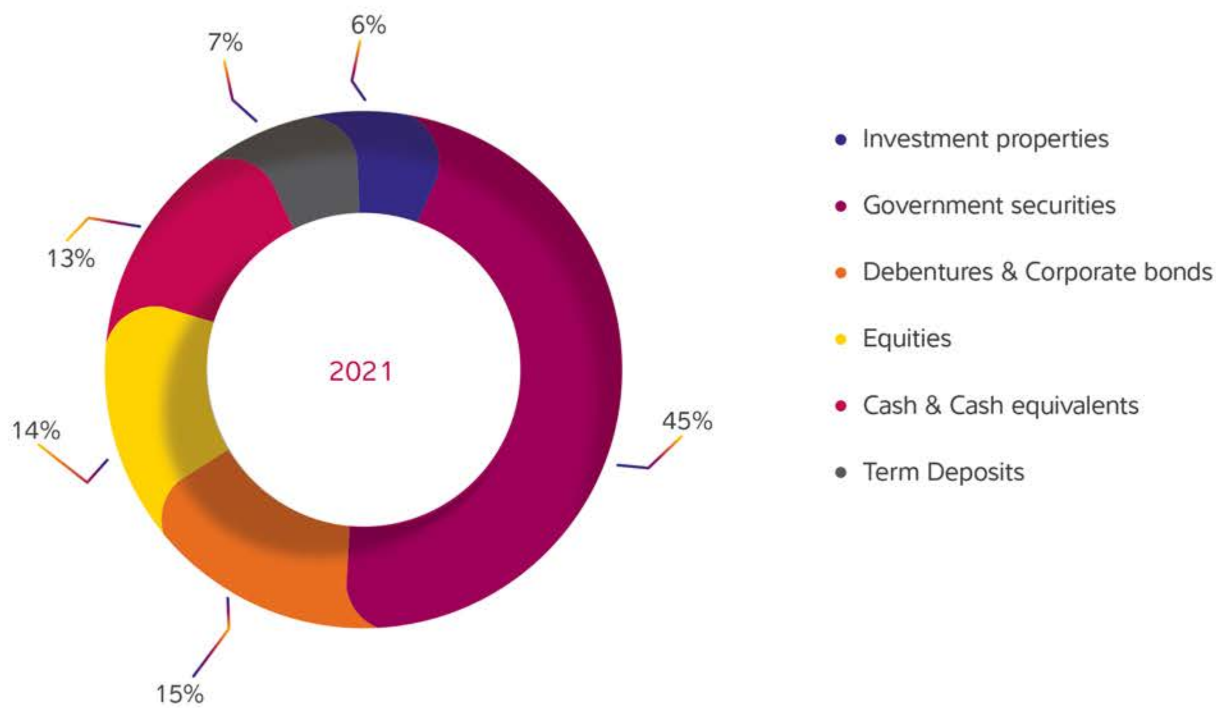
GEOGRAPHIC DISTRIBUTION OF REVENUE (EXCLUDING REALISED AND UNREALISED GAINS / LOSSES)

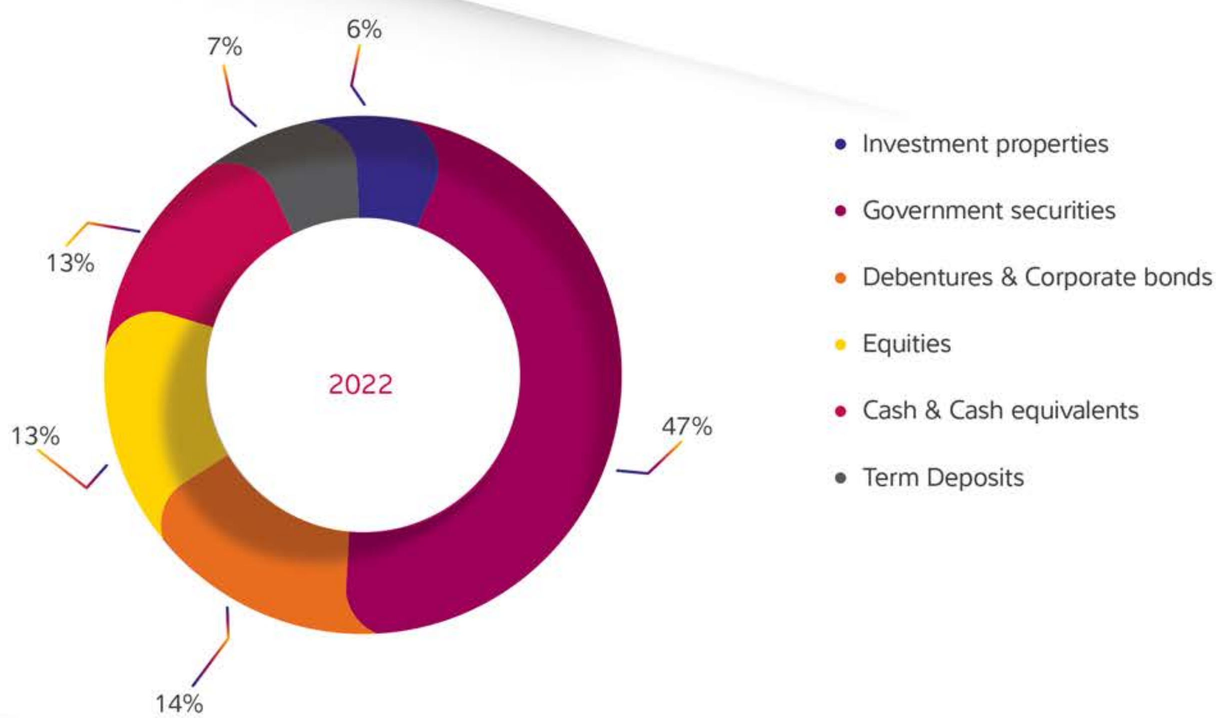




Consolidated Financial Highlights (cont'd)

CONSOLIDATED INVESTMENT MIX





Chairman's Statement

Dear Shareholders / Fellow Stakeholders,

On behalf of the Board of Directors of Guardian Holdings Limited, it is my pleasure to present our Annual Report 2022 to our valued shareholders and stakeholders.

Global Perspective and Outlook

In 2022, the global economy has seen several significant developments including continued geopolitical conflicts, rising inflation and the consequential tightening monetary policy, along with a rising interest rate environment. The global insurance industry has by extension been impacted by these developments through an increase in overall market, credit and liquidity risks. Systemic risk in the insurance sector on aggregate remains moderate. However, there is an upward trend in the total systemic risk scores of global insurers, in particular, driven by increased exposures to illiquid, difficult-to-value assets, over-the-counter derivatives, short-term funding and intra-financial assets.

Mr. Patrick Hylton
CHAIRMAN

As we progress into 2023, many of these macroeconomic variables continue to impact the global and regional economy. We must therefore view it through the lens of our industry's purpose, which is now more relevant than ever given the volatility and uncertainty present in the economic environment. We recognise the significant and growing protection and savings gaps in our markets and the need to leverage talent and foresight to identify and invest in products and technology that will serve our clients as they face a greater proliferation of complex, costly risks and threats to their businesses and livelihoods. Guardian Group intends to innovate "urgently and on purpose" to ensure the alignment of our business models and value proposition to the market's needs, ensuring operational agility and resilience as we optimise our product offerings and operations across the value chain.

Strong Results

The adaptability of our organisation arising from our ongoing investments in transformative technology, talent and processes was well-demonstrated in 2022, where, despite a constantly evolving political and market environment, the Group generated another year of robust financial performance.

The Group's profit attributable to equity holders climbed by $318 million to $1,100 million, a 41% increase over prior year. This was influenced by solid growth from our Life, Health and Pension (LHP) business segment as we materialised a few of our strategic milestones as part of our transformation journey. Through our investment in technology, we achieved better alignment of our operations across the region and benefitted from reduced expense structures and improvements to underwriting activities and other administrative functions. Our investment in technology over the years allows us the opportunity to create one solid platform at the core of our operations that will be used for future expansion. The bringing together of our LHP operations in Trinidad and Tobago and Jamaica this year, was one such milestone along this journey. The shared services entity within the Group was also restructured to provide the required services in key operational areas to enable our business segments to continue to deliver value. While our insurance operations performed well, the Group was not sheltered from global economic events and as a result, our investment portfolios were adversely impacted with unrealised losses of $151 million compared to prior year gains of $163 million.

The Board continues to keenly engage with Management on the Group's long-term business priorities and actively monitors the execution of the Group's strategy vis-à-vis relative business performance and risk management.

Considering this encouraging financial performance, Directors have proposed a final dividend of 52 cents per share, which in addition to the interim dividend of 20 cents per share will bring total dividends for the 2022 financial year to 72 cents per share. This dividend will be paid to shareholders on record as at 14th March 2023, when the register of members will be closed for this purpose.

Environmental, Social and Governance

The Board is committed to making continued progress on Environmental, Social, and Governance (ESG) matters, ensuring that ESG considerations are appropriately integrated into our risk management, strategy and operations. In 2022, the Board reviewed and updated several important governance polices including the Securities Trading Policy, Corporate Disclosure Policy and the GHL Board mandate. The Board also reviewed and adopted a suite of policies to enhance the Group's Information Technology Governance. Further, as a Group comprising several subsidiaries with a large geographical footprint, the Board continued to ensure the strengthening of its subsidiary governance framework to meet best practice standards. The risk environment of the subsidiaries was continually assessed in response to the changing economic, social, environmental and governance dictates. Procedures were also established or revised to streamline inter-company relationships, enhance the AML/CFT risk exposures, and optimise leadership oversight.

Changes to Our Board of Directors

The appointment of Mr. Michael L. Gerrard in May 2022 strengthened the competency and thought diversity of the Board as well as in October of 2022 when Mr. Ian Chinapoo joined the Company as Group Chief Executive Officer. He was also appointed as an Executive Director to provide strategic leadership to the organisation. During the year 2022, Mr. Philip Hamel-Smith and Mr. Antony Lancaster retired from the Board after many years of sterling service to the Group.

Convening of Our Annual Meeting

The Directors have fixed a date for our Annual General Meeting on the 4th of May, 2023 at 1:30 p.m. This will be held at The Guardian Group Corporate Centre, 1 Guardian Drive, Westmoorings, Trinidad and Tobago, in a hybrid format where Shareholders may attend in person or via live webcast.

On behalf of the Board of Directors, I would like to thank our outgoing Group Chief Executive Officer, Mr. Ravi Tewari, welcome once again our new Group Chief Executive Officer and acknowledge our Group Executive for their enduring leadership and recognise our fellow Guardians for their commitment to provide peace of mind and prosperity to our communities in the Caribbean and across the World.

Thank You

To the communities that we serve, the Board expresses its appreciation to you for the continued opportunity to delight you; to our valued shareholders, the Board extends its gratitude for your ongoing confidence in our value creation proposition. Our outlook on the future remains positive and we are excited to build on the momentum created in 2022, in the coming years.

CEO's Statement

Dear Valued Stakeholders,

It is with great pleasure that I present to you our results for 2022. Considering the challenges posed by today's uncertain and volatile environment, we are proud of how we have adapted to ensure that we continue to live our purpose to provide peace of mind and prosperity to our communities in the Caribbean and across the World.

Vision, Strategy and Action

Eleanor Roosevelt has shared that, "The future belongs to those who believe in the beauty of their dreams" and over the past few years, Guardian Group has been pursuing an ambitious dream of becoming a globally admired company by transforming our business through significant focus on our product value, on our service delivery and on our cost to serve, all with the objective of creating exceptional value for our customers and shareholders.

Bringing our vision, strategy and actions together has been one of evolution and revolution. This has been exemplified by our enterprise-wide transformation

Mr. Ian Chinapoo

Group Chief Executive Officer/
Executive Director

journey, the heart of which has been our commitment to sharpening our operational execution edge, to delivering an unparalleled experience for our customers and to providing unprecedented capability building for all our employees and financial advisors. We have invested in world-class technology, examined every "sacred cow" and challenged our committed and loyal teams to practise disruptive innovation by sharing their ideas and re-imagining all aspects of our business to further our value creation goals for customers and shareholders. We will continue to invest in our talented people, creating an environment where they can sustain this momentum into the future. Building on these principles allows Guardian Group to focus capital on key high value opportunities as we simplify our business to deliver outstanding customer experiences by combining imagination, digitisation and data as we embrace intrapreneurship.

In 2022, we have started to realise returns on the investment we have made in our transformation: our Group is being reshaped into a more efficient and more agile organisation, well-positioned for future growth in our regions and beyond.

Driving and Becoming "Digital to the Core" to Unlock New Productivity

"The future depends on what we do in the present," said Mahatma Gandhi and as we have stated in prior reports, we believe that competing globally and providing the best experiences, to our customers and our employees, requires us to embrace cloud-based technology infrastructure and advanced analytics. By leveraging the power of digital technology, we can streamline our processes, automate routine tasks and gain real-time insights into our operations. In the past year, we have once again made significant strides to create new efficiencies and productive capacity through digital enablement.

For key lines in our Life, Health and Pension business in Jamaica, we implemented a new world-leading cloud-based policy administration system, which will enable efficient management of our growing suite of products and serve as an agile platform to support future product innovation as the financial wellness needs of our communities evolve.

In our Property and Casualty businesses in Trinidad and Tobago and Jamaica, we leveraged our digital infrastructure to launch a seamless online experience and seizing for our customers, through which customers can get quotes, manage policies, renew policies and make payments all online. We also developed advanced analytics solutions to enable increased straight-through processing of claims.

This year, we also completed the standardisation of our underwriting, claims and customer service operations across our regional footprint. Each of these functions has been structured to be country-agnostic to fully capitalise on the scalability of our new technology platforms and to ensure that our customers, financial advisors and brokers have access to our best talent, irrespective of which country the appropriate expertise resides.

Curating an Unparalleled Customer Experience

In keeping with one of our core values to understand what matters to our customers and provide that better anyone else, we have established a new customer experience function and architected a roadmap for systematically understanding a opportunities to further delight our customers and convert them into promoters. We assembled agile development teams to redesign the issue resolution customer journey for our individual life customers at Guardian Life of The Caribbean Limited and Guardian Life Limited. We are encouraged by the initial responses to our customer experience pilot, where we have experienced a 20+ point improvement in our customer satisfaction metric (the net promoter score) in Trinidad and Tobago.

Continuing Growth in Asset Management and Merchant Banking

Our Asset Management division is focused on building its third-party business and expanding its product offerings. In March 2022, a key development for the Merchant Banking Unit was the addition of Guardian Group Trust Limited to the Ministry of Finance's list of financial institutions to receive Request for Proposals for Central Government and Government Guaranteed financing arrangements. The team successfully co-arranged a TT$1 billion bond for the Government of the Republic of Trinidad and Tobago. The Merchant Banking unit was also instrumental in assisting the Group in its debt restructuring efforts during the year.

Delivering Strong Financial Performance

Bolstered by the ongoing successes of our transformation, our businesses have once again demonstrated their ability, amidst a challenging environment, to persevere, pivot and deliver strong performance. We are pleased to have achieved:

- Profit attributable to equity holders of $1,100 million, or $4.74 per common share, in 2022, an increase of 41% compared to $782 million, or $3.37 per common share, in 2021;

- Return on invested capital of 12.4% in 2022, compared to 9.2% in 2021; and

- Net asset growth of 11.8%, with the book value of net assets increasing to $5,571 million by the year ended 2022, compared to $4,983 million at the end of year prior.

- We continue to maintain a strong, independent credit rating of BBB-(stable outlook) from AM Best with our balance sheet strength and solid operating performance leading our assessment results.

Building Our People and Our Communities

Our people are one of our most critical competitive differentiators and over the past year, we have continued our capability building efforts to foster the readiness of our team to grow and thrive as future global leaders. In 2022, we invested in developing the general business acumen of more than 150 of our emerging leaders through our "mini-MBA" programme and enabled over 100 of our managers to be supportive, consultative and inspiring leaders to their teams through the Coaching and Inspiring as a Leader and Communicate to Inspire – Bringing the Best out of Your Staff sessions of our Guardian Leadership Circles programme.

Our communities are an integral part of our ecosystem. Through a purpose driven approach, aligned to our core values, the Group embarked on several initiatives aimed at creating peace of mind and prosperity to those we serve regionally. With a commitment to creating a progressive approach to health and wellness, we introduced "Happytalism", a three-month regional workshop programme, that focused on key issues of mental health and financial well-being, coming out of the pandemic. With an experienced and well renowned panel of facilitators participants gained insights and tools on how to become more emotionally and financially resilient and better able to reboot and pivot given the challenges faced worldwide.

In the sphere of academic development and innovation, critical pillars supported by the Group, we continued to partner with the University of the West Indies Centre of Excellence in Teaching and Learning, with their Premium Teaching Awards. These awards recognise teachers at the University, in Trinidad and Tobago, who displayed innovative and transformative teaching methodologies aligned to global excellence. Another cornerstone of academic development is our involvement in the National Secondary School's Entrepreneurship Competition (NSSEC) for the past five years. NSSEC empowers secondary school children, throughout Trinidad and Tobago by fostering an entrepreneurial mindset, with students being given the opportunity to develop a virtual business, simulating a real-world environment. In Jamaica, we also continued to harness our support of academic development through the Primary Exit Profile (PEP) scholarships programme. Several well-deserving children of our customers and employees, were awarded scholarships, grants, bursaries and book vouchers, that will positively impact and contribute to their educational development.

Guardian Group remains unwavering in our support to our communities. With our focus on areas of leadership, innovation, academic development and health and wellness, our intention is to build the Caribbean region and make it a better place.

Reaffirming Our Strategic Focus and Direction

Over the long-term, we believe that our markets represent favourable opportunities for superior growth and value creation, on which we can capitalise to deliver a distinctive shareholder proposition.

We hold a positive outlook for our Life, Health and Pension businesses in our core markets, as we expect that a growing middle and retirement-aged population will continue to drive demand for solutions that help our compatriots to protect and grow their savings for retirement.

While we foresee challenges in the Property and

Casualty insurance market due to the tightening of reinsurance capacity across the region, we are confident that our market position and strong pricing discipline make us a preferred partner for reinsurers to allocate capacity. We also believe that our ability to create innovative reinsurance structures to mitigate our exposure to catastrophic hurricanes and earthquakes will continue to be a source of competitive advantage.

Across all our lines of business, the pandemic has accelerated the shift of customer expectations towards digitally-enabled omni-channel capabilities for quote generation, policy binding and claims submission. We expect that the substantial investments that we have made in modernising our technological and data infrastructures will continue to provide returns in this regard, as we are well-poised to meet our customers' evolving needs. As we look to the future, we set our sights to new horizons to create rewarding opportunities for our employees and enhanced value for our customers and shareholders:

- **Horizon 1:** Perfect and protect the core, by modernising our technological infrastructure and implementing best-in-class processes, reinforcing key organisational functions and executing our capital strategy;
- **Horizon 2:** Accelerate growth in our existing businesses, by organically and inorganically capturing additional market share, as well as driving innovation to grow penetration of insurance in the region; and
- **Horizon 3:** Pursue the next 'S-curve' of growth, by transcending existing industry and geographical boundaries into attractive adjacent spaces.

Setting Our Plans for 2023: Ready, Set, Innovate, Repeat!

For the upcoming year, we plan to focus our efforts on continuing to perfect and protect our core operations, which will prime the business for success in the future.

We will build on the gains earned through the transformative efforts to date with additional modernisation, automation and process improvements to drive further cost and productivity efficiencies, primarily in our Life, Health and Pension business but throughout our Group.

We will continue to implement capital strategies that create an unassailable balance sheet through improved asset-liability matching and capital structure optimisation. We are preparing for the future and will pursue ongoing investments in our current infrastructure, develop new products and markets and strengthen our real-time innovation capabilities.

To enable and enjoy our journey of shareholder value creation, we are committed to building the strengths and investing in the well-being of our talented people. We have begun the investment of time needed to create a generative culture that is inclusive and delivers results in a way that best serves all. We recognise that we must be consciously evolving as an organisation, evoking genius and co-creating solutions and ideas, while mutually nourishing each other in our daily interactions. Without our people, there is no journey.

With Gratitude

I want to express my gratitude to our shareholders and colleagues for their continued support and confidence in our company. We understand that the success of our business depends on the trust and loyalty of our investors and employees and we are committed to delivering sustainable, long-term growth and value. We will continue to adapt to changing market conditions, innovate and invest in new technologies and focus on our core strengths to ensure our continued success.

I also would like to thank and acknowledge Mr. Ravi Tewari, Group CEO until 30th September 2022, for his many years of astute leadership and unwavering commitment to Guardian Group.

Environmental, Social and Corporate Governance

At the centre of what we do

Environmental

Building a strong environmental landscape is an important area of focus for Guardian Group. As such, the Group has invested in several initiatives throughout the region, that support this area of focus.

Across the region, several initiatives were taken to optimise operations by going "paper-less". Through digitalisation, the Group was able to reduce the use of paper, by using electronic document storage platforms and e-signatures.

Additionally, the Group moved from a model of deploying heavy duty desktop printers by department/units to the deployment of multi-function printers by floor, which has reduced our print fleet footprint. We have also implemented eco-friendly printing solutions. The reduction in the print fleet coupled with our paper saving solutions have also resulted in a reduction in the volume of plastic encased print cartridges.

Efforts were also centred on the recycling of paper and plastic, discouraging the use of single use plastics, via use of personal water bottles.

We are proud of having implemented several initiatives to reduce our absolute carbon impact.

With a shift to 'green' amenities throughout the Group, we introduced water efficient faucets and bathroom facilities, water filtration systems, LED bulbs and energy saving equipment.

In the Dutch Caribbean, Guardian Group Fatum, implemented the recycling of domestic wastewater by purifying and filtering wastewater from the septic tank to a reservoir and then using that wastewater to water the garden. When the wastewater is not sufficient, there is a system that adds ground water to the wastewater to water the garden. The calcium content of the ground water is neutralised using UV lights to make the water appropriate for the plants.

AT THE HEART OF OUR COMMUNITIES

At Guardian Group, we are committed to a corporate social responsibility vision that supports our regional business goals, as well as developmental and societal goals. We are also committed to acting responsibly in how we do business, in order to support our purpose.

We serve and support our communities across the region with specific areas of focus on:

- Innovation
- Leadership Development
- Academic Development
- Health and Wellness

HEALTH AND WELLNESS

Happytalism

As part of our commitment to developing and supporting the Caribbean region during one of its most challenging times, Guardian Group launched Happytalism, a regional initiative focused on the key issues of mental health and financial well-being. The objective of this 3-month programme was to bring to the fore, the science behind how people rise to challenges and create happier outlooks on life, in spite of negative or unfavourable circumstances.

HAPPYTALISM

Your guide to a happier and more fulfilling life.

Participants in this initiative received advice, tips and profound insights into becoming more emotionally resilient, happier and as a bonus, how to become financially better disposed, both in business and brand development.

Speakers included best-selling author Dr. Tal Ben Shahar, who brought forth the Happy part of the initiative. His life-changing insights were condensed into short 30-second sound bites, made available on radio and social media.

For persons who wanted a deeper dive, any member of the public could view and listen to a series of 10-minute talks or register for a 45-minute workshop.

Happytalism also offered participants insights into the award-winning branding and business development methodology of Ross | ReThink called INTANGIENCE™ developed by Ernie Ross, founder of Ross | ReThink. The transformative branding and business development methodology offered participants the opportunity to learn about the breakthrough thinking applied by the most successful global brands.

This is the basis upon which Happytalism was developed - a comprehensive programme for creating both emotional and financial well-being, which will be of significant benefit to all sectors of the Caribbean.

Lending our support to Cervical and Prostate Cancer in Jamaica

Guardian General Insurance Jamaica Limited and Guardian Life Limited joined the fight against cervical and prostate cancer through a donation of J$700,000.00 and J$2.5M respectively to the Jamaica Cancer Society. The funds donated by Guardian General Insurance Jamaica Limited were used in support of cervical cancer research and early detection for women, while the funds donated by Guardian Life Limited were utilised to facilitate public awareness and screening of over 900 men across Jamaica.

In photo:
Sheraley Bridgeman, Vice President, Customer Experience and Marketing, Guardian General, (2nd right) made the presentation to members of the Jamaica Cancer Society.

In photo:
A complement of Guardian Life Jamaica team members paused to send a strong visual message of solidarity in observance of prostate cancer awareness month.

Giving much needed machine to The Victoria Jubilee Hospital

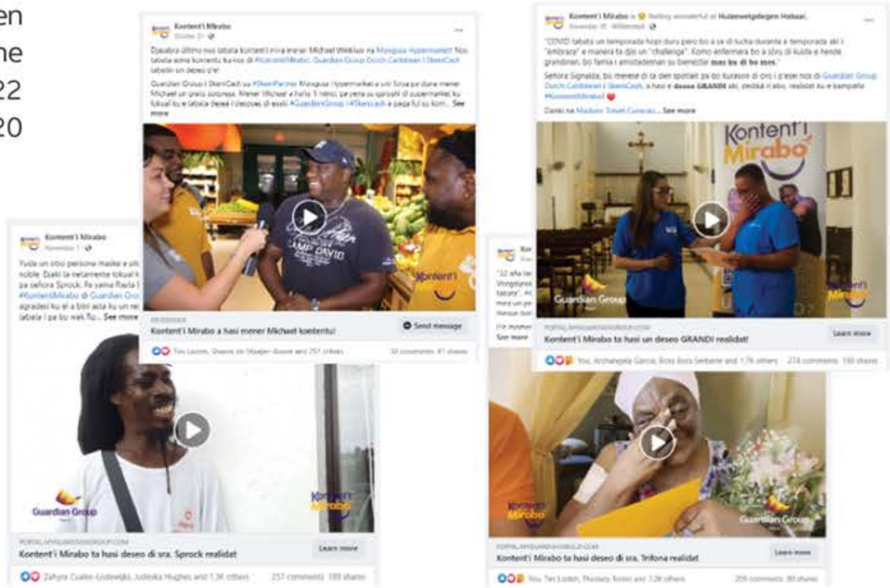
The Guardian Group Foundation in Jamaica officially handed over four Cardiotocography (CTG) machines valued at J$4.96M to The Victoria Jubilee Hospital (VJH) in downtown Kingston. These machines will assist the doctors and midwives of the hospital with the enhancement of their maternity ward services.

In photo:
From left: Annette Atkinson, Snr Manager Group Branding & Communications, Guardian Group Jamaica, Nadine Pottinger, Assistant Vice President, Employee Benefits Division Guardian Life Ltd., and the VJH representatives, Andrea Dawkins Powell, Deputy Director of Nursing Services, Dr. Michael Fearon, Labour Ward Consultant and Dr. Garth McDonald Senior Medical Officer.

Making wishes come true with the launch of Kontent'i Mirabo

In October of 2022, Guardian Group Fatum launched a wellness campaign to celebrate the Kontent'I Mirabo holiday by giving back to our stakeholder community. After two years of restricted interactions, the aim of the wellness campaign was to foster a sense of appreciation, gratitude and loyalty amongst customers and business partners by granting online shopping wishes. Customers were encouraged to shop at any of the Skenicash loyalty programme partners, after which shoppers were able to gift shopping wishes to their friends and family members.

The campaign's committee then chose a few wishes to make come true during the period October 2022 to December 2022 with over 20 wishes being granted.



EMPLOYEE VOLUNTEERISM

Coming together to bring Christmas cheer to over 1,000 children

Guardian Group's Shoebox initiative was sparked from a desire to bring Christmas cheer to children's homes across the Caribbean region, for the past ten (10) years. Each year, employees and advisors of the Group purchase various gift items that are placed in wrapped shoeboxes, and then distributed to various children's homes.

In 2022 the theme was "Connected by Love" and over one thousand (1000) gifts were distributed to children's homes across Trinidad and Tobago, Jamaica, Barbados, Grenada and the Dutch Caribbean. Additionally, in the Dutch Caribbean, men and women from the senior centres Fundashon Kas di Kuido i pasadia Marviluz and Federashon Plataforma BandaBou were showered with gifts to bring some holiday cheer.

In photo:
Nicola-Marie McLean Davis, Corporate Communications Officer Trinidad and Tobago (left) distributed gifts to Great Harvest Ministries representative (right).

In photo:
Lisa Mahabir, Manager - Corporate Communications, Trinidad and Tobago. (left) presented gifts for the children of Amica House, representative (right).

In photo:
The Shoebox delivery team delivering to The Mustard Seed Community, in Jamaica.

In photo:
The Shoebox delivery team in Barbados with Santa's chariot filled with gifts ready for delivery to The Nightengale's Children's Home.

In photo:
Kele Ransome, Corporate Communications Officer in Trinidad and Tobago (left) distributed gifts to Just because Foundation representative (right).

ACADEMIC DEVELOPMENT

Giving students the opportunity at the Careersof the Future Students' Conference

In keeping with Guardian Group's passion to support academic development, Guardian Life of The Caribbean Limited undertook the sponsorship of the inaugural Careers of The Future Students' Conference 2022. The two-day conference presented an opportunity for thousands of secondary students to interact with various professionals and practitioners in top-performing industries and created an exciting forum where they learned about innovative fields, including aquaponics, coding, green engineering, robotics and blockchain technology.

Recognising academic innovation with teaching excellence at the Premium Teaching Awards

Guardian Life of The Caribbean Limited continues to uphold its partnership with the University of the West Indies (UWI) Centre for Excellence in Teaching and Learning (CETL) in Trinidad and Tobago.

In 2022, the Premium Teaching Awards were held in September 2022, featured Dr. Camille Dickson-Deane, Senior Lecturer, at Higher Education Learning Design University of Technology, Sydney, Australia, as the guest speaker.

At the ceremony, three awardees: Dr. Suzanne Burke, Head of Department of Literary, Cultural and Communications Studies, Faculty of Humanities and Education, Dr. Amy Deacon, Lecturer, Department of Life Sciences, Faculty of Science and Technology, and Dr. Bephyer Parey, Post-Doctoral Fellow Sir Arthur Lewis Institute of Social and Economic Studies, were recognised for their teaching excellence.

This collaboration of promoting academic development, alongside global excellence since 2000, has grown significantly over the past twenty-two years, reinforcing our strategic goals of driving innovation, leadership and academic development.

In photo:
Professor Rose-Marie Belle Antoine, Pro Vice-Chancellor, and Principal for the St. Augustine Campus of The University of the West Indies.

In Photo:
From Left: Dr LeRoy Hill (PhD, PFHEA) Director, Centre for Excellence in Teaching and Learning (CETL); Dr. Suzanne Burke, Head of Department of Literary, Cultural and Communications Studies, Faculty of Humanities and Education, UWI, St. Augustine Campus; Mr. Marcos Rehberg, Vice President, Finance, Guardian Life of The Caribbean Limited; Dr. Amy Deacon, Lecturer, Department of Life Sciences, Faculty of Science and Technology, UWI, St. Augustine Campus; Professor Rose-Marie Belle Antoine, Pro Vice-Chancellor and Principal for the St. Augustine Campus of The University of the West Indies; and Dr. Bephyer Parey, Post-Doctoral Fellow, Sir Arthur Lewis Institute of Social and Economic Studies, UWI, , St. Augustine Campus.

Five years supporting the National Secondary School Entrepreneur Competition (NSSEC)

Guardian Group for the 5th consecutive year, supported the National Secondary School Entrepreneur Competition (NSSEC). The competition, endorsed by the Ministry of Education and hosted by 3Stone Research and Consulting Limited, invites secondary school students from across Trinidad and Tobago to dive into the world of entrepreneurship, where they compete by developing a virtual business, simulating a real-world environment.

In 2022, over 600 students from 74 schools participated in the competition, which ran for a 6-week period between from September 2022 to November 2022.

Guardian Group is proud to be a sponsor of this competition, as it brings hope and empowerment to our future leaders of Trinidad and Tobago with the skills required to make important professional and entrepreneurial decisions.

In Photo:
National Secondary School Entrepreneur Competition 2022 1st Place winners, Corpus Christi College Team 2.

Promoting the rich sporting history of Grenada

Guardian General Insurance (OECS) Limited made a donation of books to the principals of four (4) primary schools. The popular book, "The Energy of Gouyave", written by Grenadian Fitzgerald "Naka" Joseph, captures the history of sporting personalities from the Town of Gouyave in the parish of St. John.

With this donation, it is anticipated that students will read the book and be encouraged to work diligently at developing their own talents and grow to achieve their maximum potential. The schools benefitting from this donation were The Seventh Day Adventist Primary School, Archibald Ave., St. George`s, Alpha Junior School, Mt. Parnassus, Grenada Junior Academy, and Superville St. Mary`s Junior School in Tempe.

In Photo:
(Left to Right) Mrs. Jacqueline Noel, Principal, and two (2) students of The Seventh Day Adventist Primary School, receiving the donation of 'The Energy of Gouyave' from Mr. Bernard Wilson, Guardian General Insurance (OECS) Limited representative.

Developing our future by awarding Scholarships

Eleven (11) year-old Yohan Advani (left) is a confirmed planetarian with designs on outer space, while the vivacious twelve (12) year-old Leah Simone Powell (right) is an empathetic patriot with a fiercely competitive spirit. Both copped the top Primary Exit Profile (PEP) Examinations scholarships offered by the Guardian Group Foundation in Jamaica and was congratulated by Meghon Miller-Brown, President, Guardian Life Limited (middle).

In photo:
Winners of the top Primary Exit Profile (PEP) Examinations scholarships, 11-year-old Yohan Advani (left) and 12-year-old Leah Simone Powell (right) offered by the Guardian Group Foundation being congratulated by Meghon Miller-Brown, President, Guardian Life Limited (middle).

People and Culture

Guardian Group remains committed to building a strong work culture to support the adoption of digital technology, new business models and implementation of new ways of working. To do this, we have maintained our focus on acknowledging the connection between our business, our people, and culture. Taking a proactive approach to build the right culture ensures a proper foundation for the achievement of our future aspirations. Through the use of our Organisational Health Index (OHI) Survey, we are able to measure our success while keeping a pulse on the organisation to ensure we pay attention to the feedback from our staff.

In 2022, we continued to leverage the virtual training environment through the offering of additional online training programmes. The Group's objectives were to increase the key capabilities of our staff, to influence change and build the hard and soft capabilities required for the organisation to reach and sustain its full potential.

Staff were enrolled in "Ability to Execute – Business Fundamentals" training, geared towards upskilling business acumen, providing foundational understanding of key functional areas in the business and creating a common language across the organisation to drive change.

"Guardian Leadership Circles", a suite of transformative leadership interventions was also introduced and designed to provide our organisation's leaders with the tools necessary to be more supportive, consultative and inspiring to bring the best out of our people.

To further develop a team culture, the Group invested in an emotional intelligence programme intended to build and foster an environment where all employees feel valued, recognised and safe to bring their authentic selves to work.

Guardian Group recognises the importance of wellness, practical assistance and emotional support. In our "Better Together" initiative, we sought to build an internal community of discussion, growth and mental support. The implementation of "Mentorship Circles" enabled employees to find peers who share common interests to develop and learn together as a Group. Tools and techniques to manage stress and be more mindful and present, were shared to help calm down the internal chatter in the mind and create space for practicing the principles of mindfulness for mental and physical relaxation.

Corporate Governance
Excellence for Global Reach

Guardian Holdings Limited (GHL) has taken bold steps to revolutionise its business and its robust corporate governance practices are a critical underpinning of that future. Strong investor relations, stakeholder engagement and accountability via timely disclosures are hallmarks of the Group's governance landscape. The Board continued to uphold the tenets of good corporate governance by ensuring transparent, compliant and sustainable business practices. The holistic perspective of Environmental, Social and Governance reporting has illuminated areas to strengthen the way our corporate governance is experienced by our customers, investors, employees and the local communities.

As a company with public accountability, GHL adheres to the principles of good governance delineated in the Corporate Governance Code of Trinidad and Tobago within the parameters of global governance best practice.

FRAMEWORK FOR EFFECTIVE GOVERNANCE - PRINCIPLE I

The GHL Board acknowledges its collective responsibility for the long-term success of the Company and its subsidiaries and the importance of good corporate governance.

In addition to the Group's Corporate Governance Principles, the Company's governance framework is supported by a series of Group policies. A copy of the Corporate Governance Principles are available on the Group's website *www.myguardiangroup.com.*

Role and Leadership of the Board of Directors

Non-Executive Chairman
Mr. Patrick Hylton

- Leads the Board and ensures accountability to Shareholders
- Sets the governance standards
- Oversees strategic direction

Lead Independent Director
Mr. Henry Peter Ganteaume

- Principle liaison between the Chairman and the Independent Directors
- Presides over all meetings of Independent Directors
- Coordinates the activities of the other Independent Directors

Group C.E.O. & Executive Director
Mr. Ian P. Chinapoo

- Leads the management of the Company's business
- Leads the implementation of the resolutions and policies of the Board of Directors

Board of Directors

The Board meets at least quarterly to conduct routine business, while additional meetings are convened as necessary for special business such as strategic planning or deliberations on major transactions. In addition to the standard quarterly meetings, the Board convened two additional meetings to discuss key organisational, strategic and industry matters to maintain strong oversight of our operating entities and to provide relevant direction commensurate with the unique economic environments across our varying territories.

The Corporate Governance Principles set the standard for the quality of the information provided to the directors. The Principles require that such information be relevant, concise, timely, well organised and supported by the necessary context, which informs directors about the material aspects of the Company's business, performance and prospects. In pursuance of meaningful participation by all directors at Board meetings and to allow directors adequate time to review and reflect on the information, directors receive Board papers one week in advance of meetings.

Board Committees

In accordance with recognised principles of corporate governance, the Board has standing Board Committees to assist with the discharge of its responsibilities, in a review and advisory capacity.

Every Committee is governed by a charter which sets out its responsibilities and the requirements for its composition. The composition of Committees is reviewed on an annual basis by the Corporate Governance Committee (CGC), which makes recommendations to the Board in this regard.

Committee charters are also reviewed biennially by the relevant Committee and the Board. All Committees report to the Board quarterly and the minutes of the Committees' meetings are circulated to all Directors. The authority of the Committees is determined by the Board, subject to any statutory prohibition against delegation. The role and responsibilities of all Committees are considered by GHL to be a key contributor to its robust corporate governance framework and is evidence of the Group's commitment to best practices in corporate governance. The Reports of the respective Committees begin on page 33.

STRENGTHENING THE COMPOSITION AND PERFORMANCE OF THE BOARD AND COMMITTEES - PRINCIPLE II

As of 31st December 2022, the Board of Directors of GHL comprised thirteen directors, of whom twelve are Non-Executive Directors and one is Executive. Of the Non-Executive Directors, five are deemed Independent in accordance with the independence criteria contained in By-Law No.1 of the Company. The biographies of the Directors are contained on pages 37 to 41.

Skills and Competencies of the Board

The directors annually undertake a self-assessment and peer assessment of their skills and competencies which is led by the CGC to ensure that the Board continues to be comprised of persons who add value and which also informs the Board's succession planning.

Directors	General Management	Finance/Accounting	Insurance - General	Insurance - Life	International Business	Property Management and Development	Corporate Finance	Mergers & Acquisitions	Banking	Asset Management	Risk Management	Information Technology	Strategy	Human Resource Management	Regulatory	Law	Sales and Marketing
Imtiaz Ahamad	√	√	√			√				√			√				√
Robert Almeida	√	√	√	√	√		√	√	√	√	√		√				√
Ian P. Chinapoo	√	√	√		√		√	√	√	√	√	√	√	√	√		√
Dennis Cohen	√	√	√	√	√		√	√	√	√	√		√	√	√		
Henry Peter Ganteaume	√	√			√		√	√					√		√		
Michael L. Gerrard	√	√	√	√	√		√		√	√			√	√	√		√
Patricia Ghany	√	√			√		√						√	√			√
Patrick Hylton	√	√	√	√			√	√	√	√	√	√	√	√	√	√	√
Michael Lee-Chin	√	√	√		√	√	√		√	√					√		√
Nicholas Lok Jack	√				√		√	√					√	√			√
Charles Percy	√		√	√	√	√	√	√	√		√		√	√			
Maxim Rochester	√	√	√	√			√		√	√	√	√	√	√	√		
Ravi Tewari	√		√	√		√	√	√		√		√	√		√		
Total	13	10	10	7	9	4	12	8	8	9	6	4	12	8	8	1	8
Percentage (%)	100	77	77	54	69	31	92	62	62	69	46	31	92	62	62	8	62

Directors' Training and Development

Emphasis is placed on ongoing training in keeping with local and global legal, financial and governance trends. During this Financial Year, GHL Directors participated in the following training and development programmes. Additionally, new directors participated in a formal induction process in accordance with the Company's Induction and Onboarding procedure, alongside the standard and personalised training to support the effective discharge of their duties on the Board.

TRAINING TOPIC	FACILITATOR
Playing Offense: Opportunities in Climate and the Evolving Role of the Board	McKinsey & Company Consultants
Climate Finance and the Evolving Role of the Board	McKinsey & Company Consultants
The Audit Committee's Role in Digital Transformation	Institute of Internal Auditors
AML Training: Digital Assets	McKinsey & Company Consultants
Executive Cloud Security	Mandiant

Focus Areas

The Board continued to focus on the strategic mandate of the Company, Stakeholder engagement and Shareholder value add during the year and in particular focused on:

- **Cybersecurity -** Strengthening the internal controls and systems to prevent cyberattacks and minimise the infiltration by cyber criminals, by ensuring adequate cybersecurity training and awareness at all levels across the Group.

- **Succession Planning –** Over the last year the Board focused on optimising its composition to meet the future aspirations of the Group. In this regard, Mr. Michael L. Gerrard was appointed as an Independent Director and Mr. Ian P. Chinapoo as an Executive Director.

- **Financial Reporting –** Significant time was expended to oversee the Group's preparations for the implementation of the International Financial Reporting Standard (IFRS) 17, which was adopted as at 1st January, 2023.

- **Risk Management –** The focus on Enterprise Risk Management flowed from the ongoing impacts of the COVID-19 pandemic and the global repercussions of the social unrest in Ukraine. In addition to risks associated with business and technology changes, the Board ensured that strategic risks were highlighted and properly ventilated, with adequate advice and support to Management throughout.

- **Corporate Governance –** The Board continued to strengthen the Group's Corporate Governance framework by reviewing and approving key policies such as the Mergers and Acquisitions Policy, the Conflict of Interest Policy, the Securities Trading Policy and a suite of Information Technology (IT) Governance policies, including a Group IT Governance Policy and a Group Information Security Governance Policy.

- **Regulatory Relationships and Stakeholder Engagement –** Strong regulatory relationships is a core value of the Board which understands the vital role of the Company from a community impact and a macroeconomic point of view. Several directors continued to be present and available to answer questions at employee and investor forums cognisant of the valuable role of our stakeholders to the long-term success of the Company.

Remuneration

The primary objective of the Company's Remuneration Policy is the provision of competitive remuneration packages to attract, recruit and retain talent, considering market conditions and the long-term interests of the Company. This has been achieved through participation in relevant market compensation surveys, at least every three years, using appropriate comparator organisations.

Non–Executive Directors

Non-Executive Directors are remunerated by means of an annual retainer, the value of which is determined by reference to the anticipated workload, the size and complexity of the Group's operations and prevailing market benchmarks in other publicly traded companies.

Executive Directors

Executive remuneration comprises of an annual base salary and benefits, as well as variable components such as long and short-term incentive programmes. The annual base salary considers standards in the market, the desired executive competencies and the needs of the Group from time to time.

REINFORCE LOYALTY AND INDEPENDENCE - PRINCIPLE III

In recognition of the important oversight role of independent directors, the Company has enshrined in its By-Laws the requirement for a minimum of thirty percent independent directorship.

Annually, the Board evaluates the independence of its directors and can confirm that the following five directors, representing thirty-eight percent of the Board, meet the criteria for Independence.

Independent Directors

Mr. Henry Peter Ganteaume
Mr. Maxim Rochester
Mr. Charles Percy
Ms. Patricia Ghany
Mr. Michael L. Gerrard

38%

Criteria for Independence

- No direct or indirect material relationship with the Company, its officers, directors or affiliates other than membership on the Board;
- No affiliation with a non-profit organisation that receives significant funding from the Company or any of its affiliates;
- No affiliation with present or former auditors of the Company; and
- Is identified in the annual report of the Company distributed to the Shareholders of the Company as an 'Independent Director'.

Conflicts of Interest

All directors and employees of the Company are subject to the Group Conflict of Interest Policy which requires full disclosure of any conflict or perceived conflict of interest and describes the process to manage that conflict. Compliance with the policy is monitored by the CGC.

Commitment of Time

Non-Executive Directors are required to sign terms of engagement, under which they commit to attend Board meetings and devote such time and attention as necessary for the proper discharge of his/her duties and responsibilities as a director. The attendance of directors at Board and Committee meetings for the year is outlined below.

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS AS AT 31ST DECEMBER, 2022

DIRECTORS	BOARD Six (6) Meetings	AC Four (4) Meetings	RCC Four (4) Meetings	CGC Four (4) Meetings	TDCC Five (5) Meetings
Imtiaz Ahamad	4	3	n/a	n/a	n/a
Robert Almeida	6	n/a	4	n/a	n/a
Ian P. Chinapoo [4]	1	n/a	n/a	n/a	n/a
Dennis Cohen	6	4	4	n/a	5
Henry Peter Ganteaume	6	4	n/a	4	4
Michael L. Gerrard [3]	2	n/a	1	n/a	n/a
Patricia Ghany	6	n/a	n/a	1	5
David Phillip Hamel-Smith [2]	4	n/a	n/a	2	1
Patrick Hylton	6	n/a	n/a	n/a	5
Antony Lancaster [1]	4	2	4	2	2
Michael Lee-Chin	6	n/a	n/a	n/a	n/a
Nicholas Lok Jack	6	n/a	n/a	n/a	n/a
Charles Percy	6	4	4	4	5
Maxim Rochester	6	4	4	n/a	n/a
Ravi Tewari	6	n/a	4	n/a	n/a

[1] Mr. Antony Lancaster retired from the GHL Board and its Committies w.e.f. 5th May, 2022
[2] Mr. David Philip Hamel-Smith retired from the GHL Board and its Committies w.e.f. 5th May, 2022
[3] Mr. Michael L. Gerrard was appointed the the GHL Board w.e.f. 5th May, 2022 and the GHL RCC w.e.f. 4th August, 2022
[4] Mr. Ian P. Chinapoo was appointed to the GHL Board w.e.f. 1st October, 2022

FOSTER ACCOUNTABILITY – PRINCIPLE IV

Board accountability is a key underpinning of good corporate governance and the Board encourages open and frank discourse from Shareholders about their expectations for oversight of the company. The Board transparently communicates with its Shareholders and other stakeholders on the performance, management, vision and impact of company.

The Board continues to fulfil its material regulatory disclosure obligations within prescribed statutory timeframes against the highest governance standards of transparency and accountability. The Company has also established a regular and open line of communication with its stakeholders to discuss all material matters.

Summary of the Key Disclosures in 2022

Type of Disclosure	Number
Appointment and Resignation of Directors	4
Appointment and Resignation of Officers	4
Changes in Directors' & Officers' Interest	4
Publication of Financial Results	4
Annual and Quarterly Regulatory Returns, Renewals and Reports	6

FOSTER ACCOUNTABILITY – PRINCIPLE IV (Cont'd)

Other material developments included:

Change in Senior Management – Appointment of Group Chief Executive Officer

Mr. Ian P. Chinapoo was appointed as Group Chief Executive Officer with effect from 1st October, 2022 and succeeded Mr. Ravi Tewari who served the Group for many years and latterly as Group CEO for the past 10 years. The Board's mandate to the Group's Executives under the leadership of Mr. Chinapoo includes the transformation of the Group to achieve global impact.

Adoption of International Financial Reporting Standard ("IFRS") 17

On 1st January, 2023 the Group adopted the IFRS 17 on Insurance Contracts, which is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 applies to all types of insurance contracts as well as to certain financial instruments with discretionary participation features. The Board of Directors will continue to disclose the changes and impact of the new standard on the presentation and calculation of any line items in its financial statements.

RELATIONSHIP WITH SHAREHOLDERS - PRINCIPLE V

The Board adopted a formal Disclosure Policy designed to provide accurate, timely and balanced disclosure of all material matters concerning the Company.

The Board is committed to facilitating the ownership rights of all Shareholder groups, including minority and foreign Shareholders and institutional investors, by fostering open communication with its Shareholders through the office of the Corporate Secretary. Provision is made for Shareholders to have the opportunity to engage with the Company and participate effectively in annual and special meetings through the provision of proxies. External auditors and members of senior management and the Board are available at meetings with Shareholders to respond to Shareholder questions. In addition to the statutory reporting requirements, each quarter's publication is accompanied by a comprehensive report from the Chairman outlining both the strategic and operational aspects of the Group's business.

The Trinidad and Tobago Central Depository, which performs the Registrar function for the Company, continues to lend support as the primary liaison for Shareholder information and queries.

The Company is committed to managing its lines of business in a socially conscious way, while maintaining ethical corporate governance practices in all territories in which it operates. The Company also considers the legitimate interest and expectations of all Stakeholders particularly its employees, suppliers and the wider communities.

Appendix 1 - Committee Reports

REPORT OF THE AUDIT COMMITTEE ("AC")

COMPOSITION

Mr. Maxim Rochester (Chairman)

Mr. Charles Percy

Mr. Dennis Cohen

Mr. Henry Peter Ganteaume

Mr. Imtiaz Ahamad

Key Objectives of the AC

- The integrity of the Group's financial statements
- The Group's external auditor's qualifications and independence
- The performance of the Group's internal audit function

4 Meetings

3 Independent Directors

Key Attendees:
- Group Chief Financial Officer
- Group Head Internal Audit

Committee Structure

The AC's charter requires that the AC consist of at least three and no more than six members of the Board. The AC is chaired by an independent director who is also the designated "financial expert" and comprises five Non-Executive Directors, three of whom also meet the criteria specified for Independence in the Company's By-Laws and all of whom are financially literate.

Meetings and Deliberations

The AC held four meetings for the 2022 Financial Year. The Group Chief Financial Officer and the Group Head, Internal Audit, attended all meetings of the AC. They provided comprehensive reports on the internal audit and financial reporting matters of the Group and the respective impacts on both the financial and non-financial objectives of the Group as appropriate.

Private sessions between and among the Chairman, external and internal auditors are standard agenda items at each meeting. During 2022, the private sessions were expanded to include sessions with the Legal and Compliance functional leads. Following every meeting of the AC, the Chairman on behalf of the Committee certified to the Board the AC's satisfaction that internal controls were functioning properly in the areas reviewed by Group Internal Audit.

Internal Control and the Internal Audit Function

The ongoing assessment of the adequacy and effectiveness of the Group's internal control system is a key responsibility of Group Internal Audit. The Group Head, Internal Audit has unfettered access to the AC and reports administratively to the CEO.

During the year under review, weaknesses in internal controls noted by the internal auditors and management's corrective actions were presented to the Committee at its quarterly meetings.

The AC is satisfied that the Internal Audit function has been discharged in an objective and transparent manner and that the performance of the function is not subject to management's undue influence.

External Audit

The AC assessed whether any circumstance existed that may reasonably affect the external auditor's independence. The external auditor has not been engaged to perform any non-audit-related work that might impair their independence. Further, the AC confirmed with the external auditor that there were no known relationships between the external auditor and the Group or its staff that might impact the external auditor's independence.

The AC reviewed and approved the external auditor's approach to and the scope of their examination of the financial statements for the 2022 financial year. The members are satisfied that the external auditor planned the audit to obtain reasonable assurance that the financial statements are free of material misstatement and present a fair view of the financial position of the Group as at 31st December 2022, and that the results of its operations and cash flows for the year then ended, are in accordance with International Financial Reporting Standards.

Financial Statements

During the 2022 Financial Year, the interim unaudited financial statements were presented to the AC at its quarterly meetings for review and recommended to the Board for adoption. The AC is also satisfied that the audited financial statements contained in this Annual Report are complete, consistent with information known to its members and in conformity with approved accounting principles that have been consistently applied.

REPORT OF THE RISK AND COMPLIANCE COMMITTEE ("RCC")

COMPOSITION

Mr. Dennis Cohen (Chairman)

Mr. Charles Percy

Mr. Ravi Tewari

Mr. Robert Almeida

Mr. Maxim Rochester

Mr. Michael L. Gerrard

Key Objectives of the RCC

Maintenance of a sound system of risk oversight and management

Ensures compliance with all relevant legal and regulatory requirements and other relevant policies, standards and best practices

Ensures the appropriate structure for reporting on and monitoring of risk and compliance

4 Meetings

3 Independent Directors

- Group Chief Risk Officer
- Group Head Compliance

Key Attendees

Committee Structure

The RCC's charter requires that the RCC consist of at least three members, a majority of whom will be non-executive directors and is led by a non-executive Chairman with relevant qualifications and industry knowledge to effectively carry out the functions of the Committee.

Meetings and Deliberations

The RCC held four meetings for the 2022 financial year. The Group Chief Risk Officer and the Group Head Compliance attended all meetings of the RCC. They provided comprehensive reports on the risk management and compliance activities of the Group and the respective impacts on both the financial and non-financial objectives of the Group.

Following every meeting of the RCC, the Chairman certified to the Board the RCC's satisfaction that risk-corrective actions identified by Management were adequate, that compliance management issues identified were satisfactorily resolved, risk management systems were operating effectively and that risk management strategies were consistently applied to minimise exposures to risk.

Group Compliance

The remit of the Group Compliance Unit ("the Unit") is to provide assurance to the Board that the GHL Group of Companies complies with all applicable laws, regulations, internal policies, codes of conduct and standards of good practice, in those jurisdictions in which the Group's businesses are located. The Unit is vested with the authority to formulate and establish procedures to facilitate the implementation and enforcement of the Group's Anti-Money Laundering Compliance Policy and the Group Compliance Policy.

During the year under review, the Unit reported to the RCC on the status of each business unit's compliance with applicable laws and regulations and regulatory developments. The RCC is satisfied that compliance issues raised during the year were properly monitored and resolved and that there are no material issues remaining unresolved at the year-end.

Risk Management

Risk Officer has overall responsibility for monitoring the Group's risk appetite and reporting on performance to the Committee. The RCC received regular Key Risk Indicator reports with details of the key risk exposures, the drivers of risk in the Group, emerging and potential risks, and actions taken to mitigate any risk that exceeded pre-established tolerance levels.

The RCC also monitored the adequacy of the Group's control framework. In particular, the RCC focused on assessing the Group's capital and liquidity positions, existing and emerging regulatory requirements and dynamic risk-based models. The RCC continued its focus on business continuity and IT security risks, maintained oversight of the Group's strategic initiatives and projects, including merger and acquisition activity. The RCC also received regular reports on regulatory and other public policy developments.

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE ("CGC")

COMPOSITION

Mr. Henry Peter Ganteaume (Chairman)

Mr. Charles Percy

Ms. Patricia Ghany

Key Objectives of the CGC

Develop, implement and periodically review guidelines for robust governance of the GHL Group of companies

Develop the Group's corporate governance framework in line with governance best practice

Oversee the nomination process for the GHL Board and subsidiaries to ensure a balanced mix of experience, diversity and skills

4 Meetings

3 Independent Directors

- Group Chief Financial Officer
- Group General Counsel

Key Attendees

Committee Structure

The CGC comprises three Non-Executive Directors, all of whom meet the criteria specified for Independence in the Company's By-Laws.

The Board is satisfied that as currently composed, the CGC demonstrates the required level of independent thought in its deliberations.

Meetings and Deliberations

The CGC held four meetings during 2022, at which the CGC conducted its regular business including:

- Reviewed and made recommendations on the composition of the GHL Board and Committees;
- Consideration of nominations for appointments to all Board of Directors within the Group;
- Conducted succession planning exercises during the year;
- Reviewed and updated key Governance Policies and Procedures of the Group; and
- Supported the evaluation exercises for the key subsidiary Boards and Committees.

REPORT OF THE TALENT DEVELOPMENT AND COMPENSATION COMMITTEE ("TDCC")

COMPOSITION

Mr. Dennis Cohen (Chairman)

Mr. Charles Percy

Mr. Henry Peter Ganteaume

Mr. Patrick Hylton

Ms. Patricia Ghany

Key Objectives of the TDCC

- Develop the remuneration, performance and incentive awards of senior executives of all the Group companies
- Co-develop the Group's Human Resource and talent development strategy
- Recommend compensation for the Directors and Committee members of GHL and of all Group companies

5 Meetings

3 Independent Directors

Key Attendees
- Group Chief Financial Officer
- Group General Counsel

Committee Structure

The TDCC comprises five members of the Board of Directors, three of whom meet the criteria specified for Independence in the Company's By-Laws.

The Board is satisfied that, as currently composed, the TDCC demonstrates the required level of independent thought in its deliberations.

Meetings and Deliberations

During 2022, the TDCC held five meetings to conduct its regular business which included the review of the Group CEO and senior executives' performance, review of the Remuneration Policy, review and reconfirmation of the Charter and the review of incentive policies for Executives.

Additionally, the TDCC reviewed key developments in core human resource functions including talent acquisition, performance management, training and development, talent management, organisational health and human resource technology. Succession planning for the senior executive positions was reviewed.

The TDCC is satisfied that the remuneration of directors and senior management is fair, reasonable and competitive.

Appendix 2 - Directors' Biography

IMTIAZ AHAMAD

Age 61

Mr. Imtiaz Ahamad joined the Guardian Holdings Limited Board in 2004. He is the Chief Executive Officer of Southern Sales and Service Company Limited and is also a Director on the Boards of Universal Investments Limited and Evolving Technologies and Enterprise Development Company Limited (e TecK).

ROBERT ALMEIDA

Age 60

Mr. Robert Almeida is an experienced investor, business executive and director. As an investor, he is a Founding Partner of Portland Private Equity, a leading manager of private equity funds focused on the Caribbean and Latin American region and a Director, Senior Vice President and Portfolio Manager at Portland Investment Counsel Inc., a regulated Investment Fund Manager in Canada. He previously held executive offices at Loblaw Companies Limited, Canada's leading retailer, and CIBC, one of Canada's leading financial institutions. He currently serves as a director on the boards of NCB Financial Group Limited, National Commercial Bank Jamaica Limited, Clarien Group Limited, Clarien Bank Limited, Clarien Investments Limited, Diverze Assets Inc., Chukka Caribbean Holdings Limited, the not-for-profit Canadian Council for the Americas. Mr. Almeida previously served as a Director of Columbus International Inc., a leading provider of cable/telecommunications services in Latin America and the Caribbean.

IAN P. CHINAPOO

Age 48

Mr. Chinapoo's career spans over twenty-seven years in Banking and Finance in the Caribbean and Central American region. On 1st October 2022 he assumed his current role at Guardian Group and has executive responsibility for strategic leadership, growth and management of the organisation. Mr. Chinapoo was previously employed with the Massy Group where he held the positions of Executive Director, Group Chief Financial Officer and Executive Vice President from June 2018 to September 2022. Prior to Massy, Mr. Chinapoo held overall executive responsibility and accountability of the Trinidad and Tobago Unit Trust Corporation during the period June 2013 to May 2018 and served on its Board of Directors as an Executive Director. He also held the positions of Managing Director, Regional Corporate and Investment Banking, CIBC FirstCaribbean International Bank and Managing Director of CIBC First Caribbean Trinidad and Tobago Limited. Mr. Chinapoo also worked as Vice President - Business Head at Citigroup Bahamas where he was responsible for the operations of its Global Corporate and Investment Bank and was part of the Bank's Regional Capital Markets and Advisory team based in Miami. With decades of experience with multinationals, Ian held several successive positions and ultimately the position of Vice President – Structured Finance, at Citibank Trinidad and Tobago Limited. Mr. Chinapoo is also Adjunct Faculty at the Arthur Lok Jack Graduate School of Business since 1995 and has lectured in Strategy Orchestration, International Finance, Corporate Finance, Management Accounting and Securities, International Loans Finance and HR Management programmes. He held the position of Deputy Chairman of the National ICT Company of Trinidad and Tobago (iGovTT) from its inception in 2011 to January 2013 and is a former Director of the Trinidad and Tobago Chamber of Industry and Commerce. Since 2016, Mr. Chinapoo continues to serve as a Non-Executive Director on the Board of The National Commercial Bank of Anguilla.

DENNIS COHEN

Age 60

Mr. Dennis Cohen provides leadership and oversight for the NCB Financial Group Limited's (NCBFG) financial planning and reporting, investor relations and several key business segments. He started his professional career at PricewaterhouseCoopers before joining Citibank, where he served in a number of roles including Country Treasurer. Mr. Cohen joined NCBFG in 2004 and has served in several key roles within the Group, including CEO of NCB Capital Markets Limited. He is the Chairman of the Board of NCB Insurance Agency & Fund Managers, Mutual Security Insurance Brokers Limited, NCB Capital Markets (Cayman) Limited, NCB Cayman Limited and NCB Trust Company (Cayman) Limited. He also serves as Director of NCBFG, NCBJ, NCB Capital Markets Limited, Guardian Holdings Limited, Guardian Life of The Caribbean Limited, Guardian General Insurance Limited (Trinidad), Clarien Bank Limited (Bermuda), Clarien Group Limited, Guardian Life Limited, Stratus Alternative Funds SCC and TFOB (2021) Limited. Mr. Cohen is a member of the Institute of Chartered Accountants of Jamaica (ICAJ) and a fellow of the Association of Chartered Certified Accountants (ACCA).

HENRY PETER GANTEAUME

Age 76

Mr. Henry Peter Ganteaume has had a distinguished career in finance, accounting and auditing since qualifying in June 1969 as a Member of the Institute of Chartered Accountants of England and Wales. He was appointed Chief Executive Officer of Guardian Holdings Limited in July 1999 and served the company in that capacity until 2009. Mr. Ganteaume is a former Senior Partner of Price Waterhouse, latterly PricewaterhouseCoopers and has presented numerous papers on technical accounting and finance-related subjects. He also served as Chairman of the Accounting Standards Committee of the Institute of Chartered Accountants of Trinidad and Tobago as well as a member of the Board of Directors of the American Chamber of Commerce of Trinidad and Tobago. He is also a member of the Caribbean Corporate Governance Institute and is an adviser to numerous family-owned businesses on corporate governance and succession planning. Mr. Ganteaume is currently the Deputy Chairman of Guardian Holdings Limited and Chairman of Guardian Life of The Caribbean Limited.

MICHAEL L. GERRARD

Age 59

Mr. Michael L. Gerrard is the co-founder of BroadSpan Capital LLC and the firm's CEO. He has held the position of Managing Director with BroadSpan since 2001. Mr. Gerrard has more than 27 years of experience as an investment banking advisor in Latin America and the Caribbean and has successfully led transaction teams in 15 countries. While at BroadSpan, Mr. Gerrard has advised global and regional corporations, financial institutions and government entities in a variety of complex mergers, acquisitions and restructuring assignments throughout the region and across industry sectors. In addition to his other responsibilities, Mr. Gerrard heads BroadSpan's Restructuring and Debt Advisory practice and is a member of the firm's Executive Committee and Board of Managers.

Prior to BroadSpan, Mr. Gerrard managed the Latin American Capital Markets division of Barclays Capital, the investment banking arm of Barclays Bank PLC, where he was responsible for capital markets origination, structuring and execution in Latin America and the Caribbean. While at Barclays, Mr. Gerrard structured and executed over $3.5 billion of cross border financing for private and public sector issuers throughout the region via 33 competed transactions.

Mr. Gerrard is also a member of the IIF's Special Committee on Financial Crisis Prevention and Resolution and is a Member of the Board of Directors of Margaritaville Caribbean Limited. Mr. Gerrard speaks English and Spanish and has a working knowledge of Portuguese. He received his MBA from The American Graduate School of International Management (Thunderbird) and holds a BA in Finance from the University of Miami.

PATRICIA GHANY

Age 58

Ms. Patricia Ghany is the Chief Financial Officer at Esau Oilfield Supplies Co. Ltd., a leading supplier of pipes, valves, pipe fittings and gaskets to the petrochemical and oil and gas sectors in Trinidad and Tobago. She has over twenty-five years' experience in various aspects of the oil and gas sector with an emphasis on Procurement, Business Development and Project Management. She currently serves on the Board of The American Chamber of Commerce of Trinidad and Tobago (AMCHAM T&T) and has held positions of President, Vice President and Treasurer during her nine-year tenure. Ms. Ghany also serves as Vice President of the Governing Board of the Association of The American Chamber of Commerce in Latin America and the Caribbean and is an active Board member of Dialogue Solutions Limited and The Women in Family Business Network.

PATRICK HYLTON

Age 59

Mr. Patrick Hylton has over three decades of experience in banking and finance. His bold and fearless leadership and achievements have earned him international prominence as an expert in the field. He is an avid reader with an affinity for aphorisms and finds it nearly impossible to select only one favourite book or quote. Mr. Hylton provides strategic leadership to NCBFG and is responsible for its strategic development, ensuring that its sales, service and risk management goals are appropriately set and achieved. Today, Mr. Hylton is the Chairman of National Commercial Bank Jamaica Limited, NCB Capital Markets Limited, Guardian Holdings Limited, Clarien Bank Limited and Mona School of Business and sits on the Board of Directors for NCB Financial Group Limited, Massy Holdings Limited and several others. In the mid-1990s, he was appointed by the Government of Jamaica to lead the restructuring of the Jamaican financial sector – a project that earned him the national award of the Order of Distinction (Commander Class) in 2002. In October 2020, he was also conferred with the Order of Jamaica for his distinguished contribution to the financial sector and philanthropy.

MICHAEL LEE-CHIN

Age 72

Mr. Michael Lee-Chin is the President and Chairman of Portland Holdings, a privately held investment company that manages public and private equity and has an ownership interest in a collection of diversified businesses operating in sectors that include financial services, insurance, tourism, agriculture, consumer goods and services, real estate development and targeted radionuclide therapy. Mr. Lee-Chin received a Doctor of Law degrees from several distinguished universities in Canada and Jamaica. He is the recipient of the Order of Jamaica and the Order of Ontario and in 2016, he was appointed Chairman of Jamaica's Economic Growth Council.

NICHOLAS LOK JACK

Age 45

Mr. Nicholas Lok Jack is the Deputy Chairman and CEO of the Associated Brands Group of Companies, a geographically diverse and dynamic food group with operations within ten (10) countries and sales to over twenty-five countries worldwide, spanning the Americas, Western Europe, the Middle East and Asia. Mr. Lok Jack also serves as a Non-Executive Director of Guardian Holdings Limited and key subsidiaries. He was a Director of the Trinidad and Tobago Manufacturers Association for five years and led the organisation as President for two years.

CHARLES PERCY

Age 66

Mr. Charles Percy's distinguished career spans over four decades in Trinidad and Tobago's Energy Sector, retiring as CEO of Methanex Trinidad Limited. He held other executive leadership positions at BP Trinidad and Tobago LLC and Hydro Agri Trinidad (now Yara Trinidad Ltd.). He was also a past President of The Energy Chamber of Trinidad and Tobago, as well as a past Director of Point Lisas Industrial Port Development Corporation Limited. Mr. Percy is a current Director on the Board of Trinidad Cement Limited and at Venture Credit Union (VCU), where he has been an active member for the past twenty-five years. At VCU he was instrumental in the successful merger of two credit unions and the growth and development of that organisation to become a billion dollar financial institution.

MAXIM ROCHESTER

Age 72

Mr. Maxim Rochester is currently a member of the Chartered Association of Certified Accountants (UK) and The Institute of Chartered Accountants of Jamaica. He is also a former member of the Accounting Standards Committee of the Institute of Chartered Accountants of Jamaica and played a significant role in the adoption of International Financial Reporting Standards in Jamaica. Mr. Rochester was also a former Territory Senior Partner of PricewaterhouseCoopers and was a part of the firm for thirty-eight years. He has extensive experience in the banking and insurance sectors with over thirty years' experience.

RAVI TEWARI

Age 53

Mr. Ravi Tewari previously served as the Group Chief Executive Officer of the Guardian Group for nine years until 2022. An Open National Scholarship winner, he studied Actuarial Science at Bayes Business School, London and has been a Fellow of the Institute of Actuaries for over 25 years.

Mr. Tewari's career in the insurance, pensions and investment industry spans over 30 years. Prior to joining Guardian Group, he advised many insurance companies throughout the Caribbean as an actuarial consultant. At Guardian Group, he was active in all the key acquisitions that made Guardian Group a Pan Caribbean insurer. During his tenure at Guardian Life of The Caribbean Limited, he was the Appointed Actuary and was instrumental in modernising its product portfolio.

In 2005, he was appointed as President of Guardian Life of The Caribbean Limited; in 2011 as Head of the Life Line of Business for the Group; and in 2014 he was appointed Group CEO. During his tenure, he systematically deployed a program to upgrade the technological and administrative infrastructure of the Group, to lay the foundation for a Guardian Group relevant for the future and with the capabilities of operating outside of the Caribbean. Apart from his many board positions within Guardian Group, he holds directorships in the Blue Waters Group of companies, Advanced Cardiovascular Institute and the Trinidad and Tobago Citizens Alliance Against Crime. He is also involved in several ventures with the specific focus of uplifting Trinidad and Tobago to a wonderful place to work and live for future generations.

PATRICK HYLTON

Age 59 years

Mr. Patrick Hylton has more than three decades of experience in banking and finance. His bold and fearless leadership and achievements have earned him international prominence as an expert in the field. He is an avid reader with an affinity for aphorisms and finds it nearly impossible to select only one favourite book or quote. Mr. Hylton provides strategic leadership to NCBFG and is responsible for its strategic development, ensuring that its sales, service and risk management goals are appropriately set and achieved. Today, Mr. Hylton is the Chairman of National Commercial Bank Jamaica Limited, NCB Capital Markets Limited, Guardian Holdings Limited, Clarien Bank Limited and Mona School of Business and sits on the Board of Directors for NCB Financial Group Limited, Massy Holdings Limited and several others. In the mid-1990s, he was appointed by the Government of Jamaica to lead the restructuring of the Jamaican financial sector – a project that earned him the national award of the Order of Distinction (Commander Class) in 2002. In October 2020, he was also conferred with the Order of Jamaica for his distinguished contribution to the financial sector and philanthropy.

RAVI TEWARI

Age 53 years

Mr. Ravi Tewari was the Group Chief Executive Officer of the Guardian Group for nine years until 2022. An Open National Scholarship winner, he studied Actuarial Science at Bayes Business School, London and has been a Fellow of the Institute of Actuaries for over 25 years.

His career in the insurance, pensions and investment industry spans over 30 years. Prior to joining Guardian Group, he advised many insurance companies throughout the Caribbean as an actuarial consultant. At Guardian Group, he was active in all the key acquisitions that made Guardian Group a Pan Caribbean insurer. During his tenure at Guardian Life of The Caribbean, he was the Appointed Actuary and was instrumental in modernising its product portfolio.

In 2005, he was appointed as President of Guardian Life of The Caribbean Limited; in 2011 as Head of the Life Line of Business for the Group; and in 2014 he was appointed Group CEO. During his tenure at these various positions, he systematically deployed a program to upgrade the technological and administrative infrastructure of the Group, to lay the foundation for a Guardian relevant for the future and with the capabilities of operating outside of the Caribbean. Apart from his many board positions within the Guardian Group, he holds directorships in the Blue Waters Group of companies, in Advanced Cardiovascular Institute, and in the Trinidad and Tobago Citizens Alliance Against Crime. He is involved in a number of ventures with the particular focus to uplift Trinidad and Tobago to a wonderful place to work and live for future generations.

ROBERT ALMEDIA

Age 60 years

Mr. Robert Almeida B.COMM., CPA, CA, is an experienced investor, business executive and director. As an investor, he is a Founding Partner of Portland Private Equity, a leading manager of private equity funds focused on Caribbean and Latin American region and a Director, Senior Vice President and Portfolio Manager at Portland Investment Counsel Inc., a regulated Investment Fund Manager in Canada. He previously held executive offices at Loblaw Companies Limited, Canada's leading retailer, and CIBC, one of Canada's leading financial institutions. He currently serves as a director on the boards of NCB Financial Group Limited, National Commercial Bank Jamaica Limited, Clarien Group Limited, Clarien Bank Limited, Clarien Investments Limited, Diverze Assets Inc., Chukka Caribbean Holdings Limited, the not-for-profit Canadian Council for the Americas and previously served as a Director of Columbus International Inc., a leading provider of cable/telecommunications services in Latin America and the Caribbean.

Risk

Strategic moves towards growth

Operational

The Group defines Operational Risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events including external fraud, catastrophes, or failure in outsourcing arrangements.

The Group has a low appetite and tolerance for material operational risks it is exposed to. Therefore, all appropriate measures are taken towards achieving a high level of operational risk awareness and the maintenance of a rigorous operational risk management system.

In 2022, we took significant strides in enhancing the operational risk management framework with the implementation of a Group Operational Risk Management Policy. This policy aligns with the Group Enterprise Risk Policy framework and outlines a firm-wide consistent approach to operational risk aimed at strengthening the process of identifying, managing and monitoring critical risks consistent with the Board approved risk appetite statement. This policy also supports assurance that appropriate systems are in place to track and prevent major incidents and losses.

Each significant subsidiary is required to conduct an annual assessment of the key risks to its objectives, the associated control environment and to maintain a corporate risk register. The risks and associated mitigation action plans form the basis of risk management efforts throughout the year. The Group has specific processes and systems in place to focus on high-priority operational matters such as managing information security and business resilience as well as combating fraud.

The Group is progressing on digital and technological advancement which has also amplified the associated risks. As we continue embarking on organisational redesign, establishing strategic third-party alliances and enhancing our data analytical capacity, we must be able to assess and understand the inherent risks and ensure that they are managed appropriately. To this end, the Group assesses and monitors exposure to defined information security, vendor relationships and cyber risk scenarios with the potential to create significant business disruption.

The Group has comprehensive Business Continuity Management (BCM) and Disaster Recovery Planning frameworks that include individualised Business Continuity Plans (BCPs) and IT Disaster Recovery plan (ITDR) that is shared by the subsidiaries. The Group conducts annual tests of these plans and findings are addressed within specified timeframes. There were no material deficiencies identified during the period.

A key pillar of robust enterprise risk management is education. The Group promotes risk awareness and understanding of controls through targeted communication and training sessions for management which as the first line of defense, is responsible for identifying, evaluating and managing risk and designing, implementing and maintaining internal controls.

Regulatory and Compliance

Compliance risk is the failure to comply with applicable laws, regulations, codes and standards that may result in financial loss, sanctions and/or reputational damage to the business. This risk includes regulatory compliance risk and financial crimes risks.

Guardian Group operates with in the financial services environment and is subject to many different types of laws, regulations and engages with regulators in all the territories in which the Group operates. The financial services environment is continually evolving, as such we expect our landscape to also continue to evolve.

To mitigate these compliance risks, we monitor legislation and regulation closely and engage with our regulators as appropriate to facilitate open communication and whenever possible contribute to changes in regulation and ensure that implementation of any new developments is done reasonably. We regularly review our policies and procedures to ensure that they are kept up to date as the environment changes.

The Group also has a compliance framework that sets standards across the Group and provides enterprise-wide support to relevant areas to ensure compliance and the prompt identification and escalation of any actual or potential compliance event. Our governance framework also includes quarterly reporting to the Risk and Compliance Committee, a sub-committee of the Board.

Security

As technology continues to advance and play an increasingly important role in our daily lives, it is crucial that companies remain vigilant in protecting against information security threats. Guardian Group recognises our responsibility to ensure that we are well-prepared to handle the risks associated with the rapidly changing technological landscape.

Cybercrime is a rapidly growing concern, with the increasing frequency and severity of attacks globally and within the region making it a top priority for the Group. Our company has taken a proactive approach to addressing these challenges by investing in modern technology and resources to safeguard against cyber threats.

Our comprehensive approach to cybersecurity is reflected in our multi-year information security roadmap, holistically addressing the key elements of people, process and technology. This plan outlines our short-term and long-term goals for enhancing our cybersecurity maturity, implementing best practices and staying ahead of potential threats. The Board's Risk & Compliance Committee (RCC) monitors the progress of this plan, is kept updated on current and emerging information security threats and the status of Key Risk Indicators (KRIs).

One of the key pillars in our security roadmap is mandatory employee training and education on information security awareness. Our awareness programme includes an assessment component that ensures that all employees understand the importance of information security and their role in protecting sensitive information.

In addition to our employee training programme, we have also developed new IT policies and procedures to further enhance our information security maturity. These policies cover a wide range of areas, including information security risk management, acceptable use and incident response. By regularly updating and enforcing these policies, we are better equipped to respond to potential threats and minimise any impact to our customers and stakeholders.

A critical aspect of our cybersecurity strategy is our commitment to resilience. In the event of a security breach, our incident response plan is designed to minimise the impact and restore normal operations as quickly as possible. This includes testing and updating of our incident response plan to ensure its effectiveness in real-world scenarios.

Guardian Group understands the importance of trust in our relationship with our customers and policyholders and we take the responsibility of protecting their sensitive information very seriously. Our goal is to provide peace of mind for our customers, knowing that their information is secure and protected. Additionally, our commitment to maintaining a robust cybersecurity posture demonstrates our commitment to responsible risk management, which is essential to maintaining the trust and confidence of our investors.

Data Protection

Protecting our customers' data and maintaining trust in our processes are top priorities. Our customers, employees and other stakeholders expect us to treat their data with the utmost care and we take this responsibility extremely seriously. Our Group-wide data protection programme ensures compliance with all relevant data protection laws and regulations both regionally and internationally.

The Group's Data Protection Management Programme (DPMP) is our global standard for data protection. It defines rules and principles for collecting and processing personal data and includes a global standard for data privacy, a data protection impact assessment and risk management process, integration with information security standards and practices and dedicated training programmes for employees.

As part of our Privacy Risk Management, we consider the identification and management of privacy risks as an integral part of our operational processes. For processes that use personal data, we carry out Data Protection Impact Assessments (DPIAs) to allow early identification of risk areas and ensure they are appropriately managed over the project lifecycle.

Privacy champions have been identified across the Group and will dedicate a portion of their time to deal with privacy related topics.

In 2022, we approved a Group-wide Data Protection Policy. This policy creates a "blueprint" to support local compliance efforts with the DPMP across the entire Group. The blueprint provides a tool for identifying data privacy risks in business processes and addressing those risks by mapping them to standard controls. We monitor privacy governance activities and processes across our operating entities through a robust process, which includes site visits, reviews of compliance documents and quarterly working group sessions.

Achievements for 2022

- Establishment of a Data Processing Agreement applicable across all business units within the Group.
- Implementation of a Data Privacy tool, Collibra, for streamlining data privacy operations across global regulations for compliance in all the territories we operate.
- Data Privacy by Design on all projects involving personal data, which includes completing Vendor Impact Assessments and Data Protection Impact Assessments.
- Data Breach tabletop simulations, reinforcing our Security Incident Response plan.
- Development of specialised training for our external Customer Engagement teams.

Looking forward 2023

Looking forward into 2023, the Group will embark on new initiatives to better consolidate processing and accessibility as well as utilise analytic tools to improve and enhance the products and services offered. To mitigate risk, the Group would continue the rollout of our DPMP with key focus being placed on:

- Continuous training and awareness of data protection compliance both at an executive and employee level.
- Data Protection Champions will be formally appointed in all business units that process personal data across the Group.
- Deploying new data protection controls for supplier management concerning the pre-selection, contracting and ongoing monitoring of data processors.
- Develop specific compliance documentation for business units in keeping their respective laws and the Group's DPMP.

Leadership

Nurturing purpose

Leadership

Board of Directors

Mr. Ian Chinapoo	Mr. Patrick Hylton	Mr. Henry Peter Ganteaume
GROUP CHIEF EXECUTIVE OFFICER/ EXECUTIVE DIRECTOR	CHAIRMAN	DEPUTY CHAIRMAN

Imtiaz Ahamad

Robert Almeida

Dennis Cohen

Patricia Ghany

Michael L. Gerrard

Michael Lee-Chin

Nicholas Lok Jack

Charles Percy

Maxim Rochester

Ravi Tewari

Group Executives

Ian Chinapoo

Group Chief Executive Officer/ Executive Director

Samanta Saugh

Group Chief Financial Officer

Richard Avery

Group General Counsel/ Corporate Secretary

Sasha Ali-Soondarsingh

Group Head Internal Audit

Karen Kelshall Lee

Group Head Compliance

Paul Traboulay

Group Chief Risk Officer

Alan Sadler

President, Guardian Shared Services Limited

Eric Hosin

Group Head Life, Health and Pension

Anand Pascal

President, Guardian Life of The Caribbean Limited

Meghon Miller-Browne

President, Guardian Life Limited

Dean Romany

President, Guardian General Insurance Limited

Karen Bhoorasingh

President, Guardian General Insurance Jamaica Limited and Chief Technical Officer (P&C Group)

Diego Frankel

President, Fatum

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Report for the year ended 31st December 2022.

The Directors acknowledge their responsibility for the preparation and fair presentation of the financial statements and other financial information contained in this Annual Report. The Directors confirm that to the best of their information and belief the accompanying financial statements have been prepared in conformity with International Financial Reporting Standards and present a true and fair view of the financial affairs of the Company. Where amounts are based on estimates and judgments, these represent the best estimate and judgment of the Directors.

Financial Highlights	2022 $'000	2021 $'000
Net income from insurance underwriting activities	1,537,214	1,061,357
Net income from investing activities	1,334,700	1,610,506
Fee and commission income from brokerage activities	156,998	144,658
Net income from all activities	3,028,912	2,816,521
Operating profit	1,256,670	979,345
Profit before taxation	1,274,422	1,013,365
Taxation	(142,761)	(215,018)
Profit for the year	1,104,751	785,801
Profit attributable to equity holders of the company	1,100,387	782,332
Total assets	34,812,066	34,577,681
Insurance contract liabilities	19,180,220	19,503,373
Equity attributable to owners of the company	5,559,521	4,974,381

Dividends

An interim dividend of TT$0.20 (twenty cents) per share was paid in 2022. At their meeting on 27th February 2023, the Directors declared a Final Dividend of TT$0.52 (fifty-two cents) per share which will be paid on 3rd April 2023 to Shareholders on the Register as at 14th March 2023. The total dividend for 2022 therefore amounts to TT$0.72 (seventy-two cents) per share.

Directors

Messrs. Henry Peter Ganteaume, Maxim Rochester and Michael Lee-Chin having attained the age of 70 years have been elected for terms expiring at this Annual Meeting, retire and Mr. Michael Lee-Chin offers himself for re-election.

Messrs. Dennis Cohen, Nicholas Lok Jack, Patrick Hylton, Ravi Tewari, Robert Almeida, Ian Chinapoo and L. Dominic Rampersad also having been elected for terms expiring at this Annual Meeting offer themselves for re-election.

The Board of Directors have recommended Mr. Dexter Maitland for appointment to the Board at this Annual Meeting, for a term of three (3) years in accordance with By Law No.1 of the Company.

The biographies of the directors proposed for election and re-election are contained in the Annual Report on pages 37 to 41.

Directors and Significant Interests

These are shown on page 53 and should be read as part of this report.

Auditors

The Auditors, PricewaterhouseCoopers, retire and being eligible, offer themselves for re-appointment.

By Order of the Board

Ravey.

Richard Avey
Corporate Secretary
Date: 27th February, 2023

Interest in Shares of the Company

DIRECTORS' AND SENIOR MANAGERS' INTERESTS

Name	Position	Ordinary Shares as at December 31, 2022	Ordinary Shares as at January 27, 2023
Mr. Patrick Hylton	Chairman	0	0
Mr. Henry Peter Ganteaume	Deputy Chairman	412,064	412,064
Mr. Ian Chinapoo	Director/Senior Manager (CEO)	0	0
Mr. Imtiaz Ahamad	Director	9,358,621	9,358,621
Mr. Robert Almeida	Director	0	0
Mr. Dennis Cohen	Director	0	0
Mr. Michael Gerrard	Director	0	0
Mrs. Patricia Ghany	Director	1,761	1,761
Mr. Michael Lee-Chin	Director	143,335,673	143,335,673
Mr. Nicholas Lok Jack	Director	9,426,637	9,426,637
Mr. Charles Percy	Director	0	0
Mr. Maxim Rochester	Director	0	0
Mr. Ravi Tewari	Director	240,416	240,416
Mr. Richard Avey	Senior Manager	68,586	68,586
Mr. Eric Hosin	Senior Manager	14,156	14,156
Mrs. Karen Kelshall Lee	Senior Manager	4,971	4,971
Mr. Alan Sadler	Senior Manager	12,363	12,363
Ms. Samanta Saugh	Senior Manager	0	0
Mr. Paul Traboulay	Senior Manager	313,081	313,081

TOP TEN SHAREHOLDERS

Shareholder Name	December 31, 2022 Ordinary Shares	%	January 27, 2023 Ordinary Shares	%
1. NCB Global Holdings Limited	143,326,379	61.77%	143,326,379	61.77%
2. Universal Investments Limited	6,528,791	2.81%	6,528,791	2.81%
3. First Citizens Asset Management Limited	5,204,020	2.24%	5,208,213	2.24%
4. Guardian Holdings ESOP Nominee Limited	4,901,282	2.11%	4,901,282	2.11%
5. RBC Trust (Trinidad and Tobago) Limited	4,097,645	1.77%	4,097,645	1.77%
6. RBC Nominee Services Caribbean Limited	3,672,436	1.58%	3,672,436	1.58%
7. Republic Bank Limited	3,295,326	1.42%	3,295,326	1.42%
8. Trinidad and Tobago Unit Trust Corporation	3,238,306	1.40%	3,238,306	1.40%
9. Fortress Mutual Fund Limited	2,548,259	1.10%	2,548,259	1.10%
10. National Insurance Board	2,440,000	1.05%	2,440,000	1.05%

Interest In Shares of the Company (Cont'd)

SUBSTANTIAL SHAREHOLDERS

Shareholder Name	December 31, 2022 Ordinary Shares	%	January 27, 2023 Ordinary Shares	%
NCB Global Holdings Limited	143,326,379	61.77	143,326,379	61.77

EMPLOYEE SHARE OWNERSHIP PLAN (ESOP)

	December 31, 2022	January 27, 2023
Ordinary Shares held	4,901,282	4,901,282

NOTES:

Note 1: The interests of Directors and Senior Managers include the interests of "connected persons." Persons deemed to be connected with a Director/Senior Manager are:

A. The Director's/Senior Manager's husband or wife.

B. The Director's/Senior Manager's minor children (these include stepchildren and adopted children) and dependents and their spouses.

C. The Director's/Senior Manager's partners.

D. Bodies corporate of which the Director/Senior Manager and/or persons connected with him/her together have control. Control of a corporation is the holding of shares which carry 50% or more of the voting rights in the corporation.

Note 2: There are no non-beneficial interests held by the Directors or Senior Managers.

Note 3: A substantial interest means one-tenth or more of the issued share capital of the Company.

Note 4: Michael Lee-Chin is the ultimate controlling shareholder (100%) of NCB Merchant Bank Trinidad and Tobago Limited which is the holding company for NCB Global Holdings Limited.

Note 5: Imtiaz Ahamad has a 1/3 interest in Universal Investments Limited (UIL).

CFO's Statement

The Group has achieved commendable results in 2022, reporting a profit after tax in excess of a billion dollars. These results were achieved despite volatility of the financial markets and global economic fallouts due in part to the Ukraine Russia War that started in quarter one of 2022. The Group's success is indicative of our continued focus and investment in people, processes and technology which demonstrates the strength and resilience of the teams and operations.

The Group also continues to be sufficiently capitalised across the business lines and compliant with all regulatory solvency ratios. Our gearing ratio moved favorably to 59%, down from 70% in 2021 and the lowest level over the last 5 years.

Solvency and Regulatory Compliance

The Group continues to be diligently focused on compliance in the respective territories in which we operate, ensuring that each business segment adheres to the standards of compliance and a strong internal governance framework.

Gearing

The historical higher average was incurred by the Group to champion various initiatives in support of growth ventures. In recent periods, transformation activities have been funded from cashflows generated by operations and not debt. At the end of the year, Group debt reduced from $3,491 million in 2021 to $3,294 million in 2022 due to continued efforts to maintain payments coupled with profitability growth.

Ms. Samanta Saugh
GROUP CHIEF FINANCIAL OFFICER

Figures are quoted in Trinidad and Tobago Dollars unless otherwise stated.

The CFO's Statement and the Management Discussion and Analysis sections, contain detailed information important to understanding the Group's result and financial condition and should therefore be read in its entirety.

FORWARD LOOKING STATEMENT – CAUTIONARY LANGUAGE

The report reviews the Group's financial condition and results of operations including its liquidity and capital resources. Historical information is presented and discussed. Where appropriate, factors that may affect future financial performance are also identified and discussed. Certain statements made in this report include "forward-looking statements". Forward-looking statements include any statement that may predict, forecast, indicate or imply future results, performance or achievements instead of historical facts and may contain words like "believe", "expect", "estimate", "project", "budget", "forecast", "anticipate", "plan", "will", "shall", "may" and other words, phrases or expressions with similar meaning. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the results contained in the forward-looking statements and the Company cannot give assurances that such statements will prove to be correct. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

GROUP OVERVIEW

Summary Consolidated Statement of Income - $ million	**2022**	**2021**
Gross written premiums	7,297	7,030
Net written premiums	4,946	4,757
Net result from insurance activities	1,537	1,061
Net income from investing activities	1,335	1,611
Fee and commission income from brokerage activities	157	145
Total net income from all activities	**3,029**	**2,817**
Net impairment losses on financial assets	(28)	(136)
Operating expenses	(1,541)	(1,501)
Finance charges	(204)	(200)
Taxation and other	(156)	(198)
Profit attributable to equity holders of the company	**1,100**	**782**

Profit attributable to equity holders of the company amounted to $1.1 billion, an increase of $318 million or 41% over 2021. Correspondingly, earnings per share increased to $4.74 from $3.37. This was driven mostly by increased net results from insurance activities and lower net impairment losses on financial assets which were partially offset by a negative net fair value movement on both bonds, equities and current year foreign exchange losses.

GROUP OVERVIEW

The following commentary elaborates on the financial highlights set out on pages 4 to 8 of this report.

The Group's net income from insurance activities increased by 45% to $1,537 million up from $1,061 million reported in 2021. The Life, Health and Pension (LHP) segment was the key contributor for this excellent performance with an after-tax profit of $1,158 million, up 40% over prior year. During the year, the Group's LHP operations achieved favourable returns from the transformation programme, as well as synergies from the alignment of our LHP operations in Trinidad and Tobago and Jamaica. These activities resulted in long-term cost savings which had the effect of creating favourable reserve movements. Our LHP insurance operations also remained committed to serving a growing number of clients, contributing to increases in our Gross Written Premiums to $7,297 million, 4% more than the $7,030 million reported for financial year 2021.

Property and Casualty including Brokerage (P&C) segment also reported increases in after tax profit of $49 million or 30% over 2021. This was partially attributable to favourable claims experienced in 2022. Prior year included exceptionally high claims due to several large losses in the Property and Marine business and flooding in Europe which did not recur in 2022.

Net income from investing activities decreased from $1,611 million in 2021 to $1,335 million in 2022, a decrease of $276 million or 17%. This decrease was primarily due to net fair value gains/losses which recorded an adverse movement of $314 million, from a gain of $163 million in 2021 to a loss of $151 million in 2022. The decrease was mainly driven by adverse movements from the Group's local and regional equity portfolios as well as Government and Corporate bond portfolios. Other investment income decreased by $183 million mainly on account of current year foreign exchange losses compared to net prior year gains. The above results were partially offset by increases in interest income, fee income and favourable movements from Investment contract benefits.

Net impairment losses decreased by $108 million year over year. This was mainly due to specific provisions included in prior year on premium receivables arising from management's relief measures, implemented in response to the COVID-19 pandemic. No such additional provisions were required in the current year.

Operating expenses increased from $1,501 million in 2021 to $1,541 million in 2022, an increase of $40 million primarily due to increased staff costs and IT expenses. As noted in prior year, the Group continues to focus on its strategic initiative to invest in and develop the tools required to advance our competitive edge through efficiency, commitment to customer ease, product innovation and technological supremacy via a structured transformation programme. Additionally, we continue to incur consultancy costs as part of our preparation for implementation of International Financial Reporting Standard (IFRS) 17 'Insurance Contracts', which is effective from 1st January 2023.

Line item Taxation and Other from the table above includes the share of after-tax profits of associated companies, amounts attributable to participating policyholders, profit attributable to non-controlling interests and taxation. Overall, there was a decrease of $42 million or 21% primarily due to the recognition of deferred tax assets as well as refinements for one of our business units.

Summary Consolidated Statement of Financial Position - $ million	**2022**	**2021**
Investment securities, investment properties and cash	26,784	27,025
Other assets	8,028	7,553
Total assets	**34,812**	**34,578**
Insurance contracts	19,180	19,503
Financial liabilities	3,305	3,522
Investment contract liabilities	2,675	2,646
Other liabilities	4,081	3,924
Equity	5,571	4,983
Total equity and liabilities	**34,812**	**34,578**

GROUP OVERVIEW (Cont'd)

The Group provides financial services through the production, distribution and administration of insurance and investment products. Significant cash inflows resulting from these financial services are then invested to meet future obligations. The Group's investable assets are allocated across different investment classes, the majority of which are debt and equity instruments.

Investment securities, investment properties and cash assets decreased by $0.2 billion, from $27.0 billion in 2021 to $26.8 billion in 2022, largely driven by net fair value losses. Other assets increased by $0.5 billion of which the main contributors were reinsurance assets, loans and receivables.

Insurance contract liabilities comprise of obligations to holders of long-term insurance and short-term non-life insurance policies, which are estimated using prudent actuarial and accounting principles. Overall, the Group's Insurance contract liabilities dipped by $0.3 billion from $19.5 billion in 2021 to $19.2 billion in 2022. The net reduction was due in part to the alignment of our Trinidad and Tobago and Jamaica operations bringing to reality operational synergies, cost savings and centres of excellence. These activities result in long-term cost savings which had the impact of creating favourable reserve movements in our LHP segment.

Financial liabilities decreased by $0.2 billion from $3.5 billion in 2021 to $3.3 billion in 2022, as a result of the Group's financing and repayment activities during 2022.

SHAREHOLDER METRICS

Shareholder Metrics - $ million	**2022**	**2021**	**2020**
Profit for the year attributed to equity holders of the Company	1,100	782	774
Comprehensive income attributed to equity holders of the Company	752	350	857

	2022	**2021**	**2020**
Earnings per share	4.74	3.37	3.34
Dividends per share declared	0.72	0.70	-
Book value per share	23.96	21.44	20.13
Market value per share (year-end)	26.99	30.00	20.90

Comprehensive income attributable to equity holders of the company includes the reported profit for the year, together with Other Comprehensive Income (OCI) which are items of income and expense that are not permitted by accounting standards to form part of profit in the Statement of Income. Examples are property revaluation gains, exchange differences on translating foreign operations, fair value differences or impairment provisions for debt securities measured at fair value through OCI, and actuarial reserve movements for post-employment benefits.

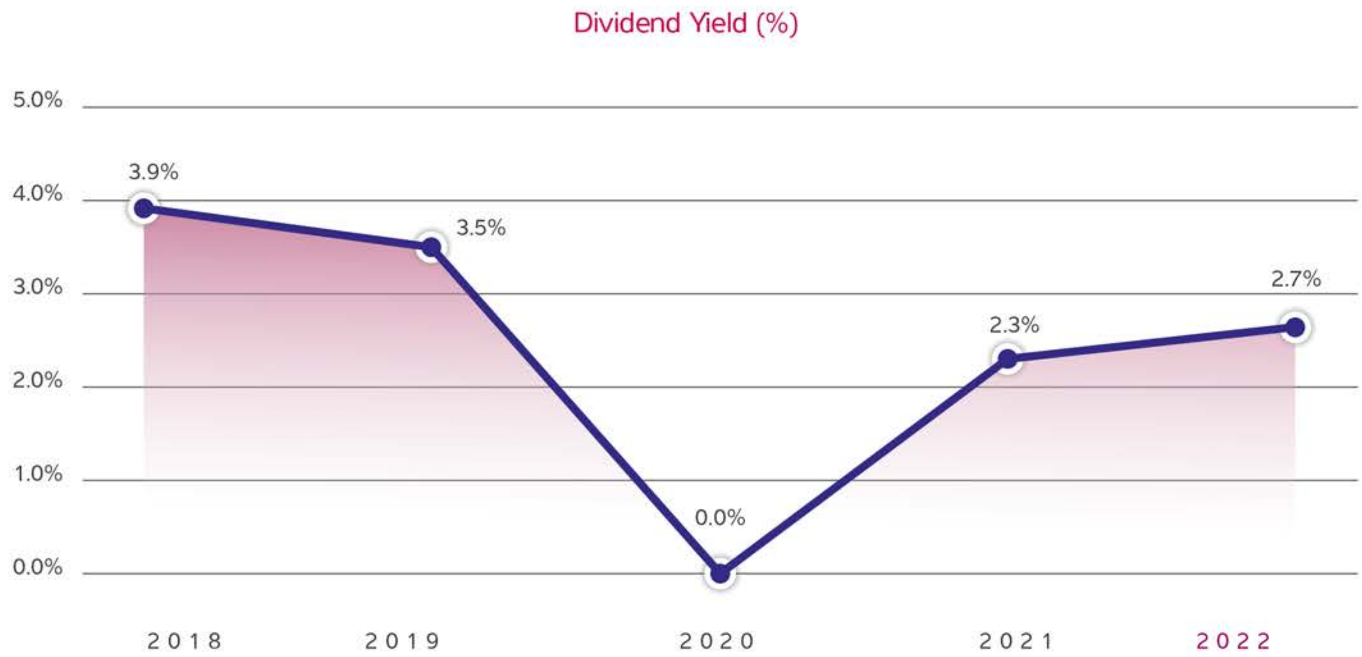
OCI increased by $84 million from a loss of $432 million in 2021 to a loss of $348 million in 2022. This movement was principally due to a decrease in net exchange losses in translating foreign operations and gains on property revaluations vs losses in the prior year, partially offset by an increase in net losses on investment securities that are measured at fair value though OCI. The Jamaican Dollar, EURO and Netherlands Antilles Guilder, all appreciated against the Trinidad and Tobago Dollar during 2022.

The Group also reported increased shareholder's value as earnings per share steadily increased from $3.34 in 2020 to $3.37 in 2021 and then to $4.74 in 2022.

The working capital balance as at December 2022 was $3.2 billion. This represents a working capital ratio of 1.5 consistent with the prior year.

GROUP OVERVIEW (Cont'd)

The Group values the investment and confidence in our management and operations. Our total dividend for 2022 of $0.72 represents a slight uptick in our dividend yield from 2.3% in 2021 to 2.7% in 2022.



Accounting Developments

There were no new standards or amendments/revisions to published standards and interpretations effective in 2022 which had any significant impact on the consolidated financial statements of the Group. The Group actively monitors developments and changes in accounting standards from the International Accounting Standards Board (IASB).

IFRS 17 'Insurance Contracts'

IFRS 17, which is effective from 1st January 2023, establishes for the first time a comprehensive insurance standard that provides guidance on the recognition, measurement, presentation and disclosures of insurance contracts. The new standard will replace the guidance in IFRS 4, Insurance Contracts and requires insurance contracts to be measured using fulfilment cash flows and for revenue to be recognised as the service is provided over the coverage period. With this new standard, the International Accounting Standards Board (IASB) aims to achieve increased transparency and consistency of insurance accounting within the insurance industry and across jurisdictions.

In comparison to its predecessor standard, IFRS 17 introduces a regime of consistency and comparability as it requires companies to measure insurance contracts on updated estimates and assumptions. These estimates and assumptions impact the timing of cash flows and reflect the uncertainty of insurance contracts at each reporting date. The new standard also provides additional guidance and clarity as well as introduces several new concepts, measurement requirements and accounting options that vary according to circumstances. One of the main changes of the standard is when profits are recognised in the income statement. Profit of insurance contracts is recognised when the insurance service is delivered and not earlier. Additionally, the standard introduces a concept of onerous contracts or unprofitable portfolios. Onerous contracts are recognised immediately to the income statement as compared to its treatment under IFRS 4 where losses could be spread over the duration of the insurance contact.

Presentation and Disclosure

The Group's 2022 results will be our last presentation under IFRS 4. All future presentations of our Financial Statements in the annual report will comply with the requirements of IFRS 17, with changes most notably reflected on the Income Statement. For example, items such as Gross Written Premiums, Revenue and Expenses will be recognised when earned or incurred and not when received or paid, though these amounts may now be disclosed in the notes to the financial statements. Further, the financial statement notes will be more detailed under the new accounting standard including reconciliations of opening and closing balances as well as disclosures of the confidence level of liabilities. At a high level, the changes to the Income Statement and Balance Sheet are illustrated in the tables below:

IFRS 4	IFRS 17
Premiums	Insurance Revenue
Investment Income	Incurred Claims and Expenses
Gross Claims and Benefits	Insurance Service Result
Change in Insurance Contract Liabilities	Investment Income
Profit or Loss	Insurance Finance Expenses
	Net Financial Result
	Profit or Loss

IFRS 4	IFRS 17	Key Changes
Assets		• Contracts that are assets are separately presented from those that are liabilities
Reinsurance Contract Assets	Reinsurance Contract Assets	
Deferred Acquisition Costs	Insurance Contract Assets	
Value of Business Acquired		
Premiums Receivable		
Policy Loans		
Liabilities		• Simplified Presentation
Insurance Contract Liabilities	Insurance Contract Liabilities	
Unearned Premiums	Reinsurance Contract Liabilities	
Claims Payable		

For Guardian Group, IFRS 17 applies to all subsidiary entities licensed as insurers. The Group's IFRS 17 implementations resulted in modifications to our technological suite, enhancements to existing accounting systems, improvements to data management and changes to the financial statements close process. This was an enormous and costly undertaking that formally ended on 31st December 2022 and on 1st January 2023, IFRS 17 became business as usual. The Group's first public presentation of its financial performance on an IFRS 17 basis will be the unaudited Q1 2023 publication. A more detailed disclosure is also included in our notes to the 2022 financial statements under note 2.1 - Significant accounting policies.

LIFE, HEALTH AND PENSION

The Group's Life, Health and Pension (LHP) segment consists of the following entities. Our geographic span includes most of the English-speaking and Dutch Caribbean:

Trinidad and Tobago Barbados St. Lucia St. Vincent and The Grenadines US Virgin Islands British Virgin Islands Turks and Caicos Cayman Islands	**Guardian Life of The Caribbean Limited (100%)**
Jamacia	**Guardian Life Limited (100%)**
Curaçao St. Maarten	**Fatum Life Insurance N.V. (100%)**
Aruba	**Fatum Life Insurance Aruba N.V. (100%)**
Trinidad and Tobago	**Bancassurance Caribbean Limited (100%)**
Grenada	**Guardian Life (OECS) Limited (100%)**
Curaçao St. Maarten	**Fatum Health N.V. (100%)**

We continue to operate in the key markets in the Caribbean and are furthering expansion of both products and markets. The use of technology would allow us to operate efficiently from both a sales and service perspective, while leveraging the scale of our regional LHP footprint.

Distribution

Our primary distribution channel measured by either Annualised Premium Income (API) or new policy applications is our tied field force. At the end of 2022, the LHP segment had 907 agents, 3% less than 2021. The salesforce complement is broken down as follows:

Guardian Life of The Caribbean Limited (GLOC)	587
Guardian Life Limited (GLL)	260
FATUM Life Insurance (Aruba and Curaçao) (FATUM)	60

Our Salesforce continues to be the driving force in the success of the LHP operations. While the restrictions in movement that had characterised the previous two years were substantially relaxed during 2022, new API written decreased in 2022 versus 2021 by 9.6%. Most of this decrease was attributed to our Trinidad and Tobago entity, GLOC. As the economic overhang of COVID-19 measures persisted, there has been a significant reduction in the sale of unregistered retirement planning products to an increase in the sale of core life protection products. Life products generally carry a much lower API per policy than unregistered annuity products.

We have continued our journey to update our infrastructure that will enhance our ability to service clients, either through their respective agents or within our Customer Service Centres. This has also been manifested in improvements to client portals. Our customer service infrastructure will be further enhanced during the coming years with further client facing features as well as implementation of common administration platforms across all the LHP business units.

Products

Life Insurance

Our products mainly consist of Unit Linked Life Insurance, Term Life and Endowments. Within this category we also include products with living benefits, i.e., Critical Illness. There are also Group versions targeted primarily at employer groups.

Health Insurance

Our Health Insurance plans are available for both individuals and groups. These cover both major medical along with customisable vision, dental and medical features, which are mainly offered through a provider network model. However, in Trinidad and Tobago, there is a significant portfolio that uses a reimbursement type plan.

Pension

- Unit Linked Annuities: These products offer growth potential, death benefit features and income protection features. Unit linked annuities are distributed primarily through our tied field force and brokers.

- Fixed Annuities: Products include deferred annuities, immediate annuities and single premium annuities.

- Savings Benefit Pension Plan: A Defined Contribution type of pension plan where the employer contributes a percentage (%) of the salary of the employee as premium. This pension plan is sold in the Dutch Caribbean.

- Deposit Administration Contracts and Pension Administration services are also provided to corporate clients.

Business Strategy

"To put the customer at the heart of everything that we do." This remains the strategy of the LHP segment. During the past year, we have begun the implementation of new processes and systems with the sole aim of improving our Customer Experience (CX) regardless of the customer's preference of channel. The initial pilots have proven very successful and we have started scaling throughout the entire segment.

We have also made substantial progress in upgrading our on-boarding and underwriting platforms, with most of the impact being experienced in 2023. This will likely enhance ease of doing business for our customers as a result of significant efficiency improvements.

The Caribbean region remains, unfortunately, one of the most under-insured populations in the world. Guardian Group is committed to changing this and will play a leading role in raising awareness and education on the significant risks that insurance is able to manage on behalf of our customers and the wider public.

Competition

The competitive landscape has remained relatively stable in the past twelve months. The region has other Pan-Caribbean life insurers along with local competitors in the respective territories. We have also seen growing competition from banks offering simple issue type products.

Given these trends, our strategy above, has been conceived to ensure our leadership position in our key markets.

Outlook and Challenges

The economic challenges posed by the COVID-19 pandemic continue to present operational challenges and are likely to continue in the foreseeable future. We have seen this manifested by the increasing number of lapsed policies within our portfolios, although the impacts are still within tolerable levels. The major macro-economic headwinds of the last few years still remain:

1. Lack of access to long-term investment instruments to improve the matching of assets and liabilities.

2. Increasingly complex regulatory environment combined with a lack of harmonisation across the multiple Caribbean jurisdictions in which we operate.

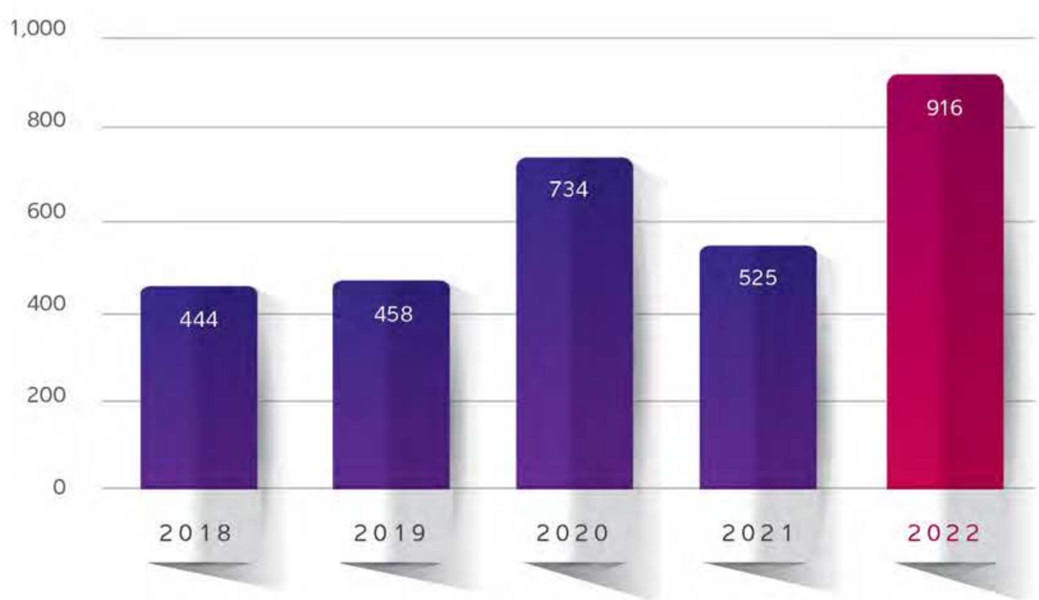
Legislative/Regulatory Changes

Effective 1st January 2023, a new accounting standard for Insurance Contracts, IFRS 17, will be applicable for Guardian Group. This is the most significant accounting standard change in the history of insurance and required several years of work and planning. It will change fundamentally the financial reporting on insurance contracts and consequently the future presentation and content of financial statements. As of the time of writing, local regulators have not yet fully revised their regulatory and capital requirements for insurance companies in the region, but we expect this to be completed by the first half of 2023.

Financial Update

The LHP segment performance significantly improved over the prior year. Profit after tax grew by 40% to $1.2 billion, despite some of the challenges highlighted earlier.

Net results from insurance activities (TT$ million)



Net results from insurance activities increased by 75% from 2021 to $916 million. As part of our transformation journey, we reviewed our operating models and structures during 2022. Implemented changes allowed the LHP entities to improve per policy expenses which had a favourable impact on the valuation of reserves held for policyholder liabilities. However, some of these changes are not likely to impact future years to the same extent.

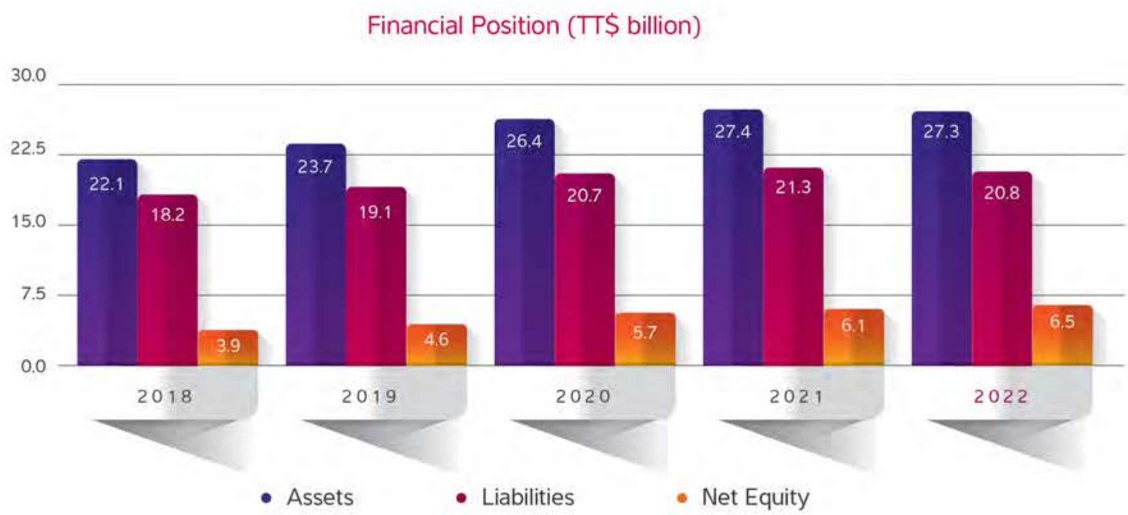
Financial Update (Cont'd)

Gross Written Premiums (GWP) increased by 5% to $4.2 billion in 2022. This growth is built on the sale of new products throughout the region, with a sizeable acquisition of a portfolio of annuities in Curaçao. While we have seen an increase in the number of lapsed policies compared to prior year, our sales teams have been able to overall increase our total in-force portfolio.

The net result from investing activities fell by $174 million or 13% to $1.2 billion. The majority of the decline was due to falling Caribbean and international equity markets in 2022. This was offset though, by increases in investment income as a result of the strategy to acquire more long-dated bond instruments.

Operating expenses and finance charges increased by 2% over the period to $790 million. This compares favourably to our increase in revenue and reflects the efficiency gains through the consolidation of back-office services within the LHP segment.

Overall, the LHP segment declared net profits after taxes of $1.2 billion, which was 40% higher than 2021.



The asset base of the LHP group at the close of the year fell marginally by $69 million to $27.3 billion, a 0.3% decrease from 2021. This was attributed to the change in fair values, primarily in our equity portfolios.

Shareholders' equity improved by 6% to $6.5 billion. The LHP group achieved an 18% return on average capital employed for 2022. This is a 31% improvement over the 14% in 2021.

The LHP entities' regulatory capital remains well in excess of minimum standards set by their respective regulators. In addition, GLOC's A.M. Best Rating of A-Excellent was reaffirmed during the year for the 20th successive year.

PROPERTY AND CASUALTY

The Group's Property and Casualty (P&C) segment consists of the following ten entities with operations spanning twenty-four territories collectively:

GHL's Property and Casualty (P&C) segment

Territories	Entity
Anguilla Antigua and Barbuda Bahamas Barbados Belize British Virgin Islands Cayman Islands Guyana Monserrat St. Kitts and Nevis St. Lucia St. Vincent and The Grenadines Trinidad and Tobago Turks and Caicos Islands United States Virgin Islands	Guardian General Insurance Limited (100%)
Jamacia	Guardian General Insurance Jamaica Limited (100%)
Curaçao Bonaire St. Maarten St. Eustatius Saba Netherlands	Fatum General Insurance N.V. (100%)
Netherlands	Guardian Group Nederland N.V. (100%)
Aruba	Fatum General Insurance Aruba N.V. (100%)
Aruba Curaçao	Fatum Brokers Holding B.V. (100%)
Netherlands	Thoma Exploitatie B.V. (100%)
Grenada	Guardian General Insurance (OECS) Limited (100%)
Bahamas	RoyalStar Assurance Limited - Bahamas (26%)
Worldwide	Guardian Re (S.A.C.) Limited (100%)

Our geographic span includes the entire English-speaking, Dutch Caribbean and the Netherlands markets. This geographical span helps us to balance our portfolio and establish a strong presence in key markets.

Among the traditional products currently offered by Guardian Group's P&C operations are Property, Motor, Casualty, Marine, Bonding & Crime and Personal Accident business. However, the companies are well-positioned to secure an insurance solution to any non-traditional business.

Business in the Caribbean is distributed via a growing network of Brokers and Agents as well as through direct channels. Additionally, Guardian Group Fatum's business in the Netherlands is secured by managing general agents.

Guardian Group Fatum, capitalised and incorporated a 100% daughter company in the Netherlands (Guardian Group Nederland N.V.). On 26th October 2022, the Dutch Central Bank (De Nederlandsche Bank) granted this entity a license to operate as an insurer within the meaning of Section 2:27(1) DFSA. Consequently, the Dutch portfolio of Guardian Group Fatum was transferred to Guardian Group Nederland N.V. as at 1st January, 2023.

Business Strategy

Our Strategic Pillars

Focus on Fostering Relationships

Engagement of key stakeholders to develop unique experiences tailored to our customers' needs.

Sustainable and Profitable Growth

Exploration of new and profitable lines of business, geographies and emerging customer segments. Capitalise on inorganic growth opportunities and maximise synergies.

Analytical Insights

Utilise data to enhance risk selection and portfolio assessment, which facilitates robust Monotoring standards for the improvement of underwriting returns.

Reinsurance Optimisation

Group P&C cultivates strong relationships with quality reinsurers. This protects our balance sheet from losses arising from the increasing number and intensity of catastrophic events, and the resulting severity of individual risk losses.

Claims Excellence

Our business model boasts of an optimised claims segmentation and an efficient claims management process. This fosters improved claims handling and reduced claims leakages, thus enhancing the experience of our customers.

Technology & Innovation

Group P&C invests our resources into creating innovative products that add value to the lives of our customers, and our dedicated team of producers and employees.

Achievements

We are on a solid path to realise our aspiration to be the most customer-centric and profitable general insurance provider within the Caribbean region. We aim to be the employer of choice, able to recruit and retain the brightest and best. Our strategic investment in new technologies (automation, digitisation, predictive analytics and artificial intelligence) will continue to drive significant business value through improvements in our operational efficiencies, employee engagement, customer experience, producer relationships and geographic reach.

In 2022, our Property and Casualty segment maintained stable growth and grew premium income by 1% year on year. Overall, we improved our net claims ratio by almost 4% and our combined ratio by more than 10%.

A.M. Best Rating

A.M. Best reaffirmed Guardian General Insurance Limited's rating of A-Excellent in August 2022, which demonstrates our financial strength, commitment to risk management and focus on delivering business value for our key stakeholders.

Living our Aspiration

Organisational Structure and Organisational Health

One of our pinnacles of success is ensuring that we are never complacent and that an optimal organisational structure exists to meet our customers' evolving needs. We are building upon our leadership development and investing in our talent management. We expect that this would generate a more consultative and collaborative culture and by extension boost morale and motivation. We aim for a culture of appreciation and work/life balance, as this is key to organisational health.

We continued our drive to upskill employees, salesmen and agents through soft-skills, technical and data analytics tools training as well as product training. This is to better support the customer retention drive and new business sales process.

The well-being of our employees is important to us, so we continued to execute our reward and recognition programmes for employees. Employees were encouraged to engage in several virtual activities to showcase and celebrate their unique skills throughout the year, build camaraderie and engage in healthy competition. Across all operating companies and within departments, various team building sessions were conducted.

Guardian General Insurance Limited has developed in-house training programmes that are accredited by the Trinidad and Tobago Insurance Institute, which allows salesmen and agents to attend for re-certification.

The Power of Service

We continued to focus our efforts to secure greater and continuous customer feedback during 2022 and celebrated our customers during Customer Service Week during the 3rd to 7th October 2022, with the theme being "Celebrate Service".

Guardian Group values our customers, salespersons, stakeholders and by extension the communities they belong to. To show our appreciation and form deeper relationships, Guardian General hosted various clients and stakeholders and held award ceremonies for agents and salespersons to recognise their hard work. Moreover, we conducted various activities including "Rock your Hamper", "ShoeBox" and "Community Caravan" to give back to the community.

Digital Distribution Channel and Customer Engagement Center (CEC)

Our digital distribution channel continues to provide our current and prospective clients 24/7 access to our services. We have worked assiduously to expand offerings so that customers can submit their motor and home claims online, in addition to accessing quotes, renewing and paying their homeowners and private motor business. This allows for the solidification of our reputable claims service. In September 2022, the Jamaica Digital Portal was launched which allows both current and potential clients to easily obtain motor quotations as well as view their portfolio online. Additionally, policyholders are provided with the ease of renewing their motor and home policies online.

The customer's voice is one we strive continuously to be attuned to, therefore we have implemented a "Link to Value" survey. This tool identifies key supporters and detractors to the customer's experience at each stage. Moreover, coaches have been assigned to Guardian General Insurance Limited and trained to impart their knowledge to the teams whose goal is to improve the customer's journey.

LIVING OUR ASPIRATION (CONT'D)

Digital Distribution Channel and Customer Engagement Center (CEC)

Rising inflation has highlighted that many of our customers may be under-insured, placing them at significant risk. Our "Are You Adequately Insured" campaign is geared towards educating our policyholders of this and ways in which they can continue to adequately protect themselves. This campaign began in September 2022 and utilises various forms of media to communicate this message to all clients and stakeholders.

Analytical Insights

Guardian Group aspires to be the analytical Centre of Excellence and continues to improve on its analytical capabilities to detect and mitigate fraud, refine pricing, create innovative products and use data to inform client behaviour via machine learning and predictive applications.

During 2022, we continued to deploy new dashboards to our self-developed performance management workspace for our underwriting and claims teams to assist in their robust management of our underwriting cycles and our business. We have even built dashboards to manage the Company's receivables.

Process Optimisation

To ensure our customers' experience is enjoyable, we have revisited the automation of back-end processes and digitised our customer-facing processes. Both the underwriting and claims processes were reviewed to increase efficiency and effectiveness. The COUNT (Collect Once and Use Numerous Times) principle was also adopted for customer data.

Our core functional areas of underwriting and claims continue to automate routine tasks and implement straight-through processing where applicable.

Cross Sales

Guardian Group continues to embed our Group Cross Sales Initiative to ensure we offer comprehensive and complete offerings for the benefit of our customers. We continue to look for various opportunities to cross-sell and offer bundled products in the Dutch Caribbean.

Refining Distribution Channels

Bsure is a strategic alliance with the largest bank Maduro & Curiel Bank (MCB) in Curaçao, which provides bancassurance in the Dutch Caribbean. This concept includes Aruba, Bonaire and St. Maarten.

Guardian Group Fatum will further develop applications to facilitate straight-through-processing for new business in the Dutch Caribbean.

Guardian Group Fatum invested heavily in the portal. As a result, new products have been included on the platform such as motor, motorcycle insurance, short & multi-travel, basic home insurance & home insurance contents and liability & personal accidents.

In the Netherlands market, we are expanding our reach by strengthening our brokerage network.

Climate Change and Climate Risk Insurance

The adverse weather events associated with climate change continues to pose a challenge for general insurers in recent years, spurred by the rising unpredictability of the frequency and severity of catastrophic events and accompanying losses.

The Caribbean region experienced an active hurricane season in 2022. However, there was not a large influx of claims from these catastrophic events to the Group. In 2022, Group P&C joined the Climate Risk Adaptation and Insurance In The Caribbean (CRAIC) project team with the objective of upscaling Parametric Insurance / Micro-Insurance in the Caribbean. We are looking forward to the launch of this project in 2023.

Competition and Challenges

Guardian Group is at the forefront of the Caribbean insurance industry and we are a top-tier performer in almost every major market.

Top 5 Market Players

Anguilla	Antigua and Barbuda	Aruba
Belize	British Virgin Islands	Curaçao
Grenada	Jamaica	Montserrat
Trinidad and Tobago	Turks & Caicos	United States Virgin Islands

Top 10 Market Players

Bahamas	Barbados
Cayman Islands	St. Kitts and Nevis
St. Lucia	St. Vincent and The Grenadines

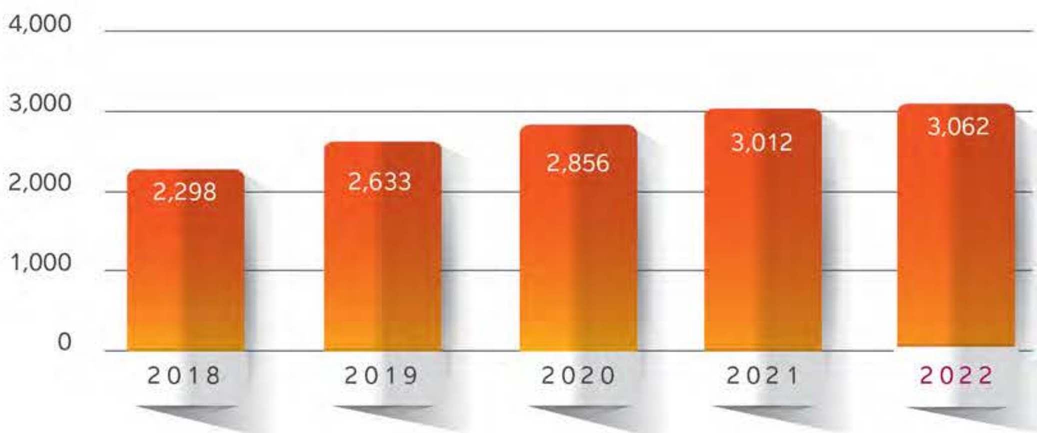
We continue to proactively innovate and employ strategies to further increase our market share. However, although our position in the industry is admirable, the ultimate goal is to bring value to the lives of our customers with excellent customer service and sustainable underwriting practices.

Continuous evolution to strengthen our relationships with our producers and direct clients – that is what drives Guardian Group to our unwavering position as the region's premier Group of insurers.

Financial Performance

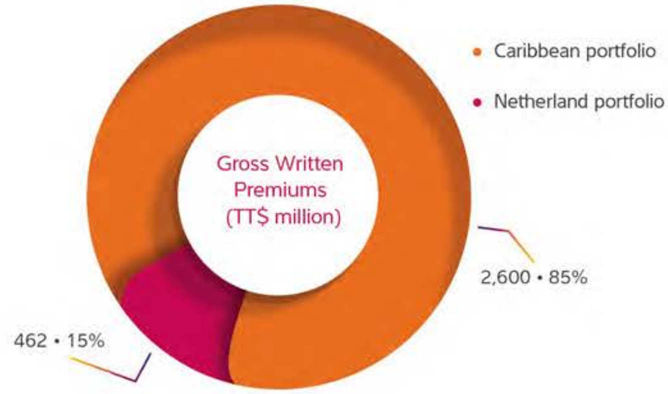
Total Gross Written Premiums across Guardian Group were $3.1 billion, representing 2% growth or an increase of $50 million compared to $3.0 billion in 2021. This was facilitated through growth of our Caribbean business over prior year and across mainly Property business.

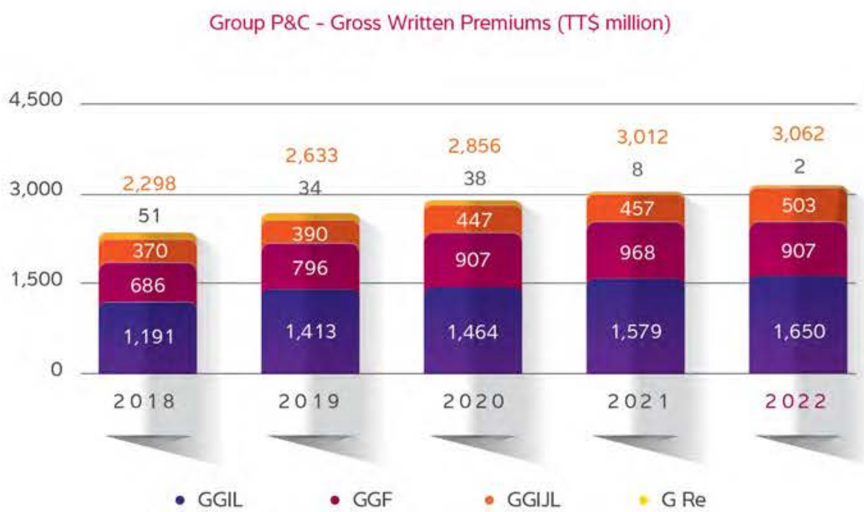
Gross Written Premiums (TT$ million)



Financial Performance (Cont´d)

Guardian General Insurance Limited contributed the most premiums i.e., 54% to the Group P&C Division, while Guardian Group Fatum garnered 30% and Guardian General Insurance Jamaica Limited 16%.





Our Caribbean portfolio continues to make up the majority of our premiums with an 85% share, while our Netherlands business in Guardian Group Fatum makes up a 15% share.

In terms of premium increases between 2021 and 2022, the following table shows the changes:

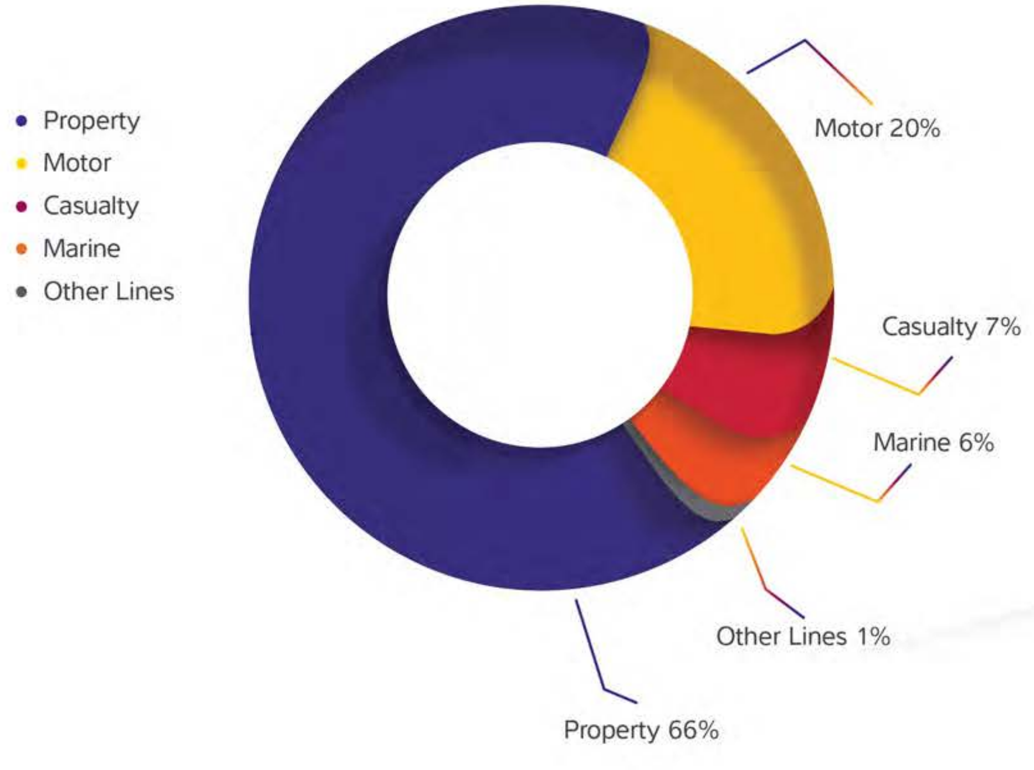
Company	Dec-21	Dec-22	Increase (TT$M)	Percentage Increase (%)
Guardian General Insurance Limited	1,579	1,650	71	4%
Guardian Group Fatum	968	907	(61)	(6%)
Guardian General Insurance Jamaica Limited	457	503	46	10%
Guardian Re	8	2	(6)	(72%)
Total	**3,012**	**3,062**	**50**	**2%**

Financial Performance (Cont'd)

The main contributors of premium growth in Guardian General Insurance Limited were rate increases, continued strengthening of our network partner relationships and improvements in our product offerings. Also, the portfolio mix remains predominantly Property and Motor business. The reduction in Guardian Re premiums arose from a discontinuation of one of our international portfolios.

As at December 2022, our Property business covered close to US$50 billion in aggregates, the majority of which were from Guardian Group Fatum. The following table shows details of 2022 Gross Premiums split by each company and major lines of business.

Portfolio Mix of Business (%)



The following table shows details of 2022 Gross Premiums split by each company and major lines of business.

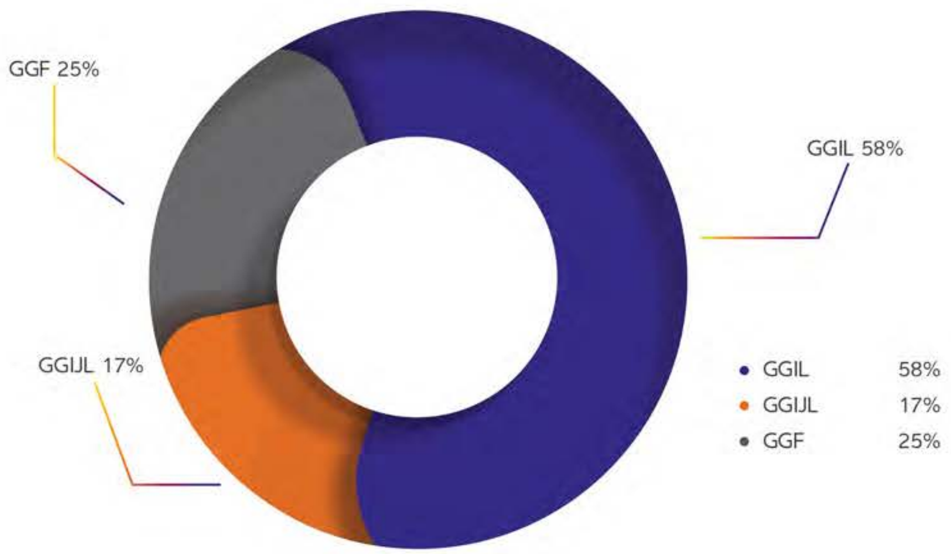
TT$M	Property	Motor	Casualty	Marine	Other	Total	Share
Guardian General Insurance Limited	1,129	271	101	139	10	1,650	54%
Guardian Group Fatum	522	241	74	46	24	907	30%
Guardian General Insurance Jamaica Limited	368	80	49	6	0	503	16%
Guardian Re	2	0	0	0	0	2	0%
Total	**2,021**	**592**	**224**	**191**	**34**	**3,062**	**100%**

Financial Performance (Cont'd)

More than half of the premiums for the Guardian Group Fatum business come from the Netherlands portfolio. By providing incentives, we encouraged the growth of quality business by the managing general agents.

At Guardian Group, we provide Motor Insurance coverage for more than 160,000 vehicles in the Caribbean and over 95,000 vehicles in the Netherlands. For the Caribbean business, Guardian General Insurance Limited currently controls the largest share of the Motor portfolio (58%) while our team at Guardian Group Fatum has scored the second largest portion of the business (25%). Trinidad and Tobago continues to be our leading Caribbean Motor market.

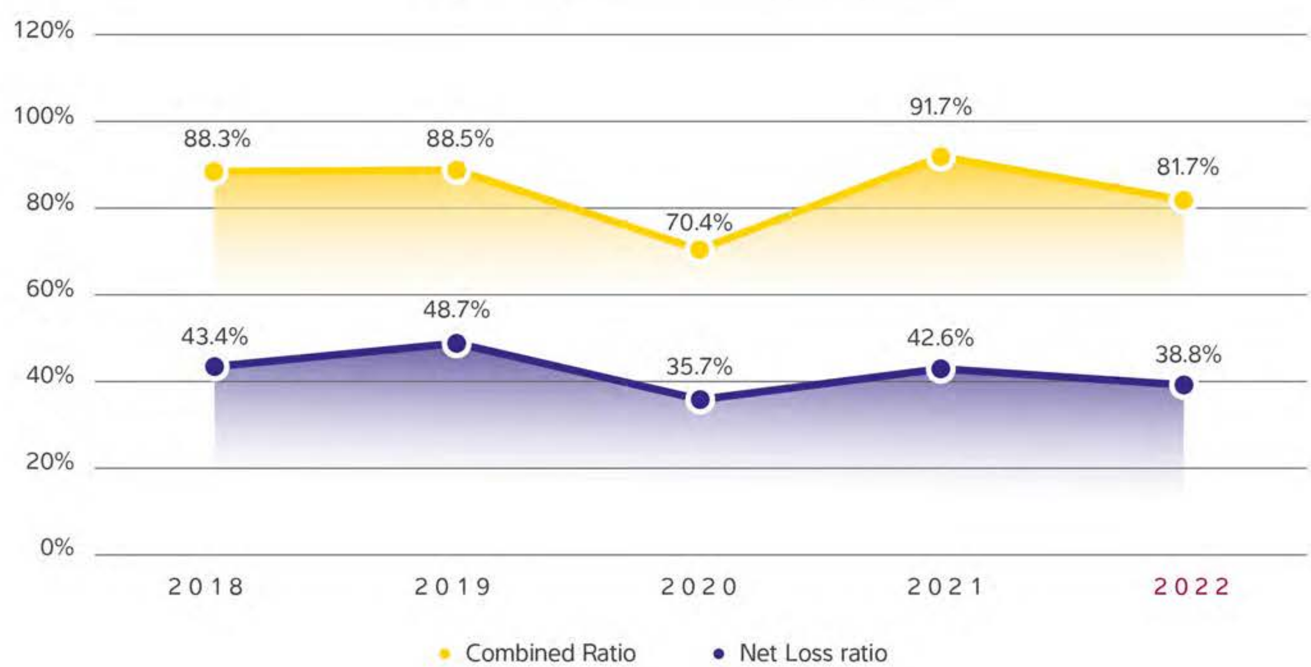
Share of Vehicle Count by Company (Caribbean motor market)



Key Financial Ratios

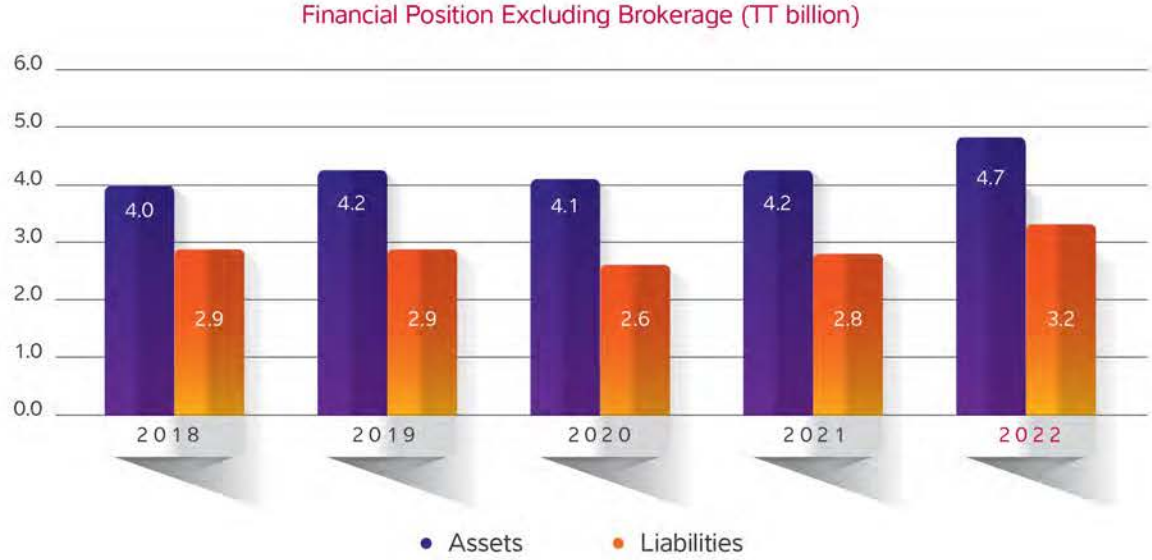
A review of the key financial ratios shows our net loss ratio improved by 3.8% in 2022, with Guardian Group P&C's overall combined ratio closing at 81.7%.

Key Financial Ratios (excluding brokerage)



Financial Performance (Cont'd)

Guardian Group's P&C Balance Sheet, excluding brokerage, remains stable with $4.7 billion in assets and approximately $3.2 billion in liabilities. Our use of reinsurance allows us to deploy capital in more strategic operational avenues.



Outlook

Climate Events

Guardian Group aims to thrive in this new environment where major disruptions are now the norm. Our business is exposed to the unpredictable impact of climate events and it is at these times clients need us the most. We continue to refine our business continuity preparedness and pay even more attention to our detailed stress and scenario testing to ensure adequate reinsurance protection in more extreme events so that we can quickly pay our clients' claims. Despite the hardening reinsurance market, we remain steadfast in our risk management strategy, and continue to seek the best reinsurance structure that allows us to support our customers long after the initial occurrence of catastrophes or major events.

Reinsurance Market

The reinsurance market is hardening, forcing all insurers to analyse their exposures and underwriting performance. We have already implemented strategies to deal with this while still securing a robust reinsurance programme with high-rated security.

Customer Experience

Our critical objective is ensuring a positive and world class customer experience. Guardian Group aims to improve the customer's journey and enhance their satisfaction. Due to the state of the economy, the Company will continue to educate the public on important matters such as under-insurance.

For 2023, we will also focus on a series of educational videos to assist customers in understanding the benefits covered under their policy as well as what to do when they have a claim. These short videos will be circulated via social media and also emailed to our clients. We shall continue to seek and action our customers' feedback to drive our business and process changes during 2023 and beyond.

Our People and Processes

Improving organisational health is key to becoming a global insurer and we have focused on creating a more engaging and rewarding experience for all members of staff. As such, we will continue to invest in the development, training of our teams and strategic talent acquisition. We will continue our thrust to improve our work and corporate environments which will enable us better to achieve our targets and serve all stakeholders.

In 2022, employees were supported at all levels throughout the organisation as they pursued initiatives to improve our customer service, organisational efficiency and innovation. Whilst we have derived substantial benefits to date in our underwriting and claims functions, our journey is that of continuous improvement, for the ultimate benefit of our customers. We are very excited to further build on these advancements and improve claims handling, create a more efficient and effective underwriting process and further embed digitisation and automation into our functions.

We continue to work on the facilitation of claims excess and contribution payments on our portal as well as implement the automation of claims stats notifications.

Business Intelligence and Technology

Guardian Group continues to invest in our analytical capabilities, through our Analytics Centre of Excellence. This investment will be continued in 2023 as we integrate these technology tools to further improve our operational efficiencies and create and/or amend our existing product suite to better please a broader customer base. Moreover, dashboards, artificial intelligence and machine learning will continue to be utilised to further improve on the analyses done.

In the Dutch Caribbean market, a major campaign, "Take the Next Step," was launched, focusing on gathering client data and client on-boarding to assist with new sales initiatives. There are also plans to optimise, automate and integrate various systems and interfaces into the Motor claims process. The result will be a reduction in cost and an increase in customer satisfaction.

New Products & Distribution

At Guardian Group, we know the importance of our customer's mobile devices. As such, we have begun seeking approval for a new product called "Mobile Guard" to provide coverage in the event the mobile device is lost or damaged.

ASSET MANAGEMENT

Guardian Asset Management (GAM), the Group's asset management division, comprising the following, aims to be the top choice to create innovative investment and financing solutions to help build and preserve wealth for both retail and corporate clients. Our products and services include our suite of Mutual Funds, Private Wealth Portfolio Management Services, Private Wealth Brokering and Trading Services, Loans and Merchant Banking Services.

- Guardian Asset Management & Investment Services Limited – 100%
- Guardian Group Trust Limited – 100%
- Guardian Financing Limited – 100%

Business Strategy

GAM maintained its strategic focus throughout 2022, however, rationalisation within the Group's business lines resulted in the management of the Guardian Life of The Caribbean Limited's investment portfolio reverting into their business unit in the final quarter. The transformation process which began in 2019 continued to be rolled out which resulted in new products and renewed emphasis on complementary lines of business.

Our main drivers of growth going forward will be built on the following:

Customer and Service Excellence - GAM will continue its drive to be customer centric, to provide innovative financial solutions and excellent service. The increase in activity across all our business lines necessitates improvement in our operational efficiencies to enhance our customers' experience.

Product Suite – In 2022, despite the volatile market conditions and lingering COVID-19 restrictions, GAM was able to launch two new TTD Floating Mutual funds to the local market which provide exposure to bonds and equities in the local and regional market and allows customers to strategically allocate their investments between asset classes to meet their risk appetite and investment goals. We will continuously monitor and review our products and services to ensure an optimum mix that meets the needs of customers and fits well into the markets in which we operate. We continue to offer personalised portfolio management based on customers' unique factors and risk appetites. Additionally, we are paying increased attention to our bond trading activities to provide customers with higher yielding investment opportunities.

Digital to the Core – The local version of our Genius© product was launched in May with the aim of assisting a range of clientele, from busy professionals to novice investors to obtain unbiased investment solutions to meet their personalised investment goals. Genius© is an automated wealth-building portfolio management solution via our electronic platform. This fintech solution is now available in both TTD and USD and stands alongside our G-Trade© online brokerage platform which allows for real time trading on the international equity and fixed income capital markets. We continue to take steps to further our digital presence and will introduce complementary fintech solutions to further penetrate the market.

Third-Party Business - GAM has increased its focus on growing third-party business from both retail and corporate customers. As we build and rationalise our product suite, we expect to build our third-party business line. In tandem with the launch of our Pension Plan unit, our corporate customers were invited to participate in two Pension Plan seminars. These sessions were aimed at regulatory and good governance education for employers, individual and corporate trustees and other stakeholders in the Pension Industry. As we seek to expand our Pension Plan Asset Management footprint, we will be targeting key institutional clients and working with key stakeholders to enhance our representation during bids.

Merchant Banking – In March 2022, a key development was that Guardian Group Trust Limited was added to the Ministry of Finance's list of financial institutions to receive Request for Proposals for Central Government and Government Guaranteed financing arrangements. The unit continued along its growth path both in terms of performance and activities arranging over $1.6 billion in bonds and loans, an increase of 73% over the prior year, with one of the main highlights being the successful co-arrangement with NCB Merchant Bank (Trinidad and Tobago) Limited in raising a $1 billion bond for the Government of the Republic of Trinidad and Tobago. In addition to this, the unit also traded just under $1 billion in securities over the secondary market and successfully repackaged and sold a further $480 million in assets in 2022. The unit was also instrumental in assisting the Group in its debt restructuring efforts during the year. The team continues to expand and will provide substantial revenue generating opportunities for the company via syndicated loans, innovative originated structures and securitisations.

Building Relationships - As we seek to expand market share in our various lines of business, we are focusing on creating new alliances and building on existing relationships both for distribution and funding activities. Our alliance with Guardian Life of The Caribbean Limited and their cross-sell agents provides a significant opportunity for distribution of our mutual fund offerings as well as a feeder for our other wealth creation and merchant banking services. While we have had success in achieving growth in sales, there has been an offsetting effect due to redemptions and withdrawals from accounts. As such, we intend to be more aggressive on developing our retention strategies.

Distribution

Guardian Asset Management has limited brick and mortar distribution channels and relies heavily on our mobile Investment Advisors and Wealth Managers. Our mobile team is supplemented by our alliance with the Guardian Life of The Caribbean Limited cross-sales agents who support the distribution of our Mutual Funds and provide referral opportunities for our Private Wealth investment solutions. We continue to build on our distribution network via business partners and onboarding additional external referral agents. Our products and services are accessible physically through GAM's three locations in Westmoorings, Chaguanas and San Fernando in addition to our online and fintech solutions. As our customers continue to engage with us digitally via Guardian Group online customer portal, we have seen a marked increase in transaction requests via this channel of almost 70% when compared to 2021. We continue to listen to the voice of the customer and have enhanced some of the features of the platform during 2022 and expect to roll out the use to corporates in 2023.

Competition

Over 2022, GAM was able to capitalise on its wide scope of operations in the local financial space. This involved utilising the origination capabilities of the Merchant Banking unit and the deepening of its advisory services for pension fund management. We do note the increased level of competition in the market with other players seeking to replicate the GAM model, however, the Guardian Group/NCB relationship provides GAM with international private and public opportunities which sets it apart from other local institutions. We note that our Repo product faced competition from increasing yields on short-term USD assets given the rising US interest rate environment that occurred in 2022.

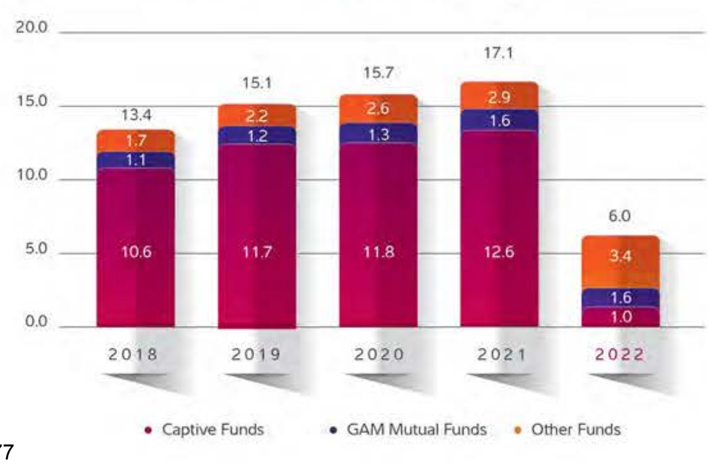
Outlook and Challenges

Geopolitical tensions and lingering issues brought on by the COVID-19 pandemic had a significant impact on global economies in 2022. These were mainly felt through rising energy prices and inflation levels which caused many countries to take monetary policy action such as increasing their respective discount rates to help stabilise their economies. The effect of these rising interest rate levels has posed a challenge to the portfolios as they effectively reduce market values, however, GAM was able to implement tactical investment decisions aimed at mitigating these effects. While the transfer of the management of the Guardian Life of The Caribbean Limited investment portfolios back into the business has reduced the scale of operations, it now allows GAM the opportunity to focus more on its third-party business of serving clients external to the Group through the provision of innovative and rewarding products with excellent service. We note that the limited supply of US dollars for investment also presents a challenge to offering investment solutions, however, we continue to work with our clients.

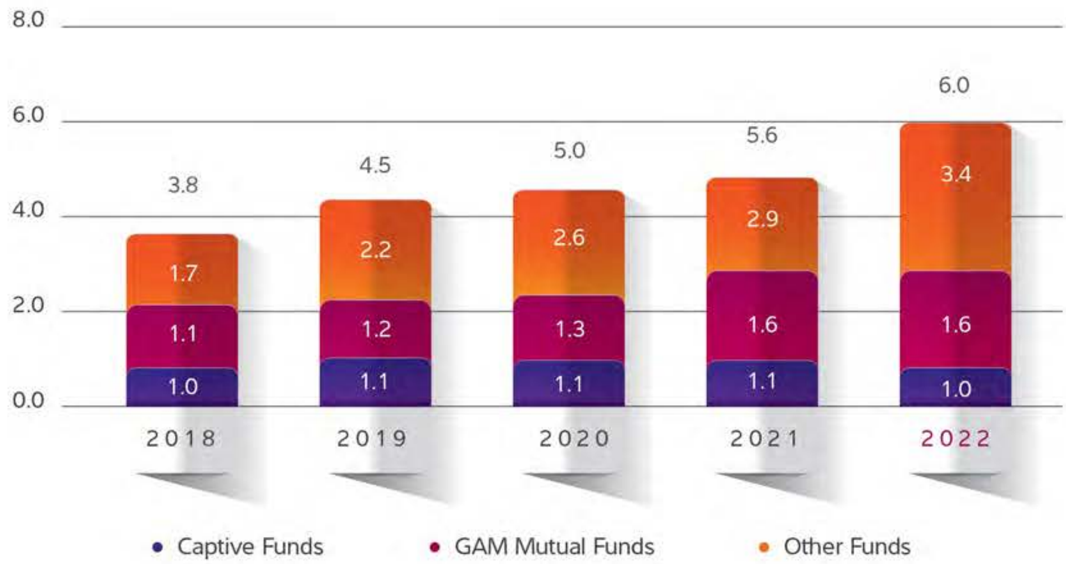
Financial Update

Given the transfer of the majority of the Captive business back to Guardian Life of The Caribbean Limited, Assets Under Management (AUM) declined by 65% to $6 billion from $17.1 billion in 2021. On a normalised basis excluding the GLOC captive business, Assets Under Management increased by 6% over the year. Revenue declined by 15% to end 2022 at $126.2 million, owing to the knock-on effect of the decline in AUM, in addition to lower trading and structuring levels.

Asset Under Management (AUM) Total



Asset Under Management (AUM) Total excluding GLOC (TT$ billion)



GAM's main business lines saw varied changes in AUM year on year. As noted, the captive business is now lower. Third-party business lines, however, remained resilient with Mutual Funds and Private Wealth managed funds increasing by $0.4 billion or 9% year on year.

GAM Financial Performance (TT$ million)

Revenue for 2022 was generally lower, led by other revenue and fee income which fell 58% and 7% respectively. These declines were as a result of the lower AUM over the period and lower trading and structuring levels. Profit after tax was also lower in 2022 given the above, as well as additional one-off expenses that occurred during the year.

Like most financial investments in 2022, our floating-NAV mutual funds experienced negative returns, as both the equity and fixed income asset classes ended 2022 in loss positions. A few of our managed portfolios fared better, achieving modest positive returns due to asset allocation decisions such as investing in shorter-term fixed income securities and near cash investments. Similarly, our Genius© product returns were impacted by the negative returns generated by equity and fixed income instruments, resulting in losses across risk profiles. Our TT and US Income Funds continued to provide solid and stable returns, with payout rates of 1.6% and 1.8% respectively, which are ranked amongst the best offered rates in the local market.

In 2022, the US Federal Reserve (Fed) embarked on the swiftest increase in interest rates seen in the recent past, hiking rates seven times consecutively from March 2022 to December 2022. Over the year the Fed increased its policy Federal Funds rate from a target range of 0.00% – 0.25% to 4.25% - 4.50%. The Central Bank of Trinidad and Tobago meanwhile maintained its repo rate at 3.50% throughout the year.

Fixed income securities globally experienced significant sell-offs in 2022, which was largely a function of the aggressive monetary policy tightening, as the Central Banks around the world engaged in a series of interest rate hikes. Consequently, Government bond yields increased to their highest levels in over a decade in 2022 while global growth slowed.

Credit valuations were also under pressure as investors factored in slowing economic growth and higher borrowing costs on corporate earnings. Investment grade bonds experienced wider credit spreads and a higher risk-free rate due to the high interest rates from government securities. The 10-year US treasury started 2022 at a yield of 1.63% and ended at 3.87% and reached a high of 4.25% in October. Similarly, the UK and German bonds also had rising yields. The TT yield curve maintained a general upward slope throughout 2022. Yields were low on the short end of the curve compared to the same tenor of the US treasury, resulting in a larger negative difference between the rates of both countries.

Globally, equity markets tumbled in 2022, as most major Central Banks raised interest rates to combat heightened inflation woes. Inflation spiked in 2022, driven by high energy prices, spurred by the conflict between Russia and Ukraine; supply shortages, exacerbated by Chinese government lockdowns in response to a COVID-19 resurgence and cost pressures from competitive labour markets as economies recovered.

In the US, all major sectors experienced losses, with the exception of Energy and Utilities which gained 64.56% and 1.57% respectively, Consumer Services and Consumer Discretionary were the worst performers falling 37.66% and 36.23% respectively. Internationally, the worst performing equity market was Russia where the main RST index fell 39.2%. Driving the plunge in Russia's financial markets was the response of most developed nations to "cut off" Russia and enact harsh economic sanctions, after its invasion of Ukraine. The best performing market in 2022 was Brazil, with the Bovespa index up 4.7%, followed closely by India's Sensex index up 4.4%.

Pessimism also existed in the Trinidad and Tobago equity market in 2022 as the composite index declined by 11.01%. This index is representative of all local as well as cross-listed entities. The All T&T index also declined by a marginal 3.69% while cross-listed stocks, which consist predominantly of Jamaican entities, registered the largest decline of 29.90%.

Trinidad and Tobago credit rating was confirmed by S&P Global Ratings ("S&P or rating agency") while the outlook changed to Stable from Negative. S&P stated that the higher price of oil, gas and petrochemicals is expected to drive economic recovery of the country and improve its economic resilience. Specifically, the rating agency expects that the higher energy prices will improve the income and revenue collection of the government and assist with limiting the growth of government debt. Releases by the Central Bank of Trinidad and Tobago confirmed the surplus energy revenue recorded in the government's fiscal accounts and the decrease in government debt outstanding. According to the Central Statistical Office ("CSO") real GDP increased by 6.6% during the second quarter of 2022. A breakdown of the sectors indicated that the non-energy sector rebounded and experienced a growth of 10.5% while the energy sector declined by 2.5%.

INSURANCE BROKERAGE

Guardian Group has been building our Insurance Brokerage segment over the last few years and most recently expanded into the English-speaking market. Our reach includes the following:

Curaçao
- Fatum Brokers Holding B.V. (100%)
- Seguros Brouwer N.V. (100%)

Aruba
- Fatum Holding Aruba VBA (100%)
- Boogaard Assurantiën N.V. (100%)

St. Maarten
- Caribbean Insurance Brokers N.V. (100%)
- Boogaard Insurances B.V. (100%)

Bonaire
- Boogaard Assurantiën Bonaire B.V. (100%)

Netherlands
- Thoma Exploitatie B.V. (100%)
- Jager Adviesbureau B.V. (100%)
- Thoma Pensioenadviseurs B.V. (100%)
- Thoma Assuradeuren B.V. (100%)
- Thoma Assurantieadviseurs B.V. (100%)
- Risiko Analyse Buro B.V. (100%)
- RAB Assuradeuren B.V. (100%)
- Kruit & Venema Assuradeuren B.V. (100%)
- Kruit Assurantiën B.V. (100%)
- Financiele Dienstverlening Snel & Partners B.V. (100%)

Cayman Islands
- Vanguard Risk Solutions Limited (67.7%)

Barbados
- Almi Holdings Limited (100%)

Business Strategy

Our Brokerage segment offers a diversification component to other divisions of Guardian Group, as it eliminates our exposure to underwriting risk. We therefore see tremendous opportunity in growing this facet of our business. We have set plans to acquire new portfolios in the Netherlands as well as grow our existing base by at least 5% each year.

Transformation initiatives have been implemented in our Dutch Caribbean Brokerage segment to make it more sales oriented. We are confident that this will improve the experience of our customers and our revenue generation. The organisational structure has been aligned to ensure this can be achieved and we anticipate a dedicated Sales Manager will be assigned to each territory.

Furthermore, we are optimising our expense management which will garner increased returns for the Group as we reduce expenses, grow income and extract synergies.

The strategy for the Netherlands market continues to be growth via acquisition of additional Managing General Agents and/or portfolios.

Achievements

The Netherlands

We have successfully amalgamated the activities of Heddema, Friso and Van de Leer into the Thoma back-office. We are still in the early stages of amalgamating the Lauckhart and Fidon portfolios which were acquired in December 2022.

The Cayman Islands

We have successfully rebranded Fidelity Insurance Cayman Limited to Vanguard Risk Solutions Limited and created a renewed focus for growth in this territory.

Barbados

We have invested in a new digital broker in Barbados and hope that this will be a new way to reach customers.

Guardian Group Fatum

Motor

In February 2022, we successfully implemented a new, more market-conformed No Claims Discount Motor table on the Aruba, Bonaire and Curaçao islands. Although there is heavy competition, we are still attracting new business. Our aim for 2023 is to focus and to maintain the better risks while trying to attract new business.

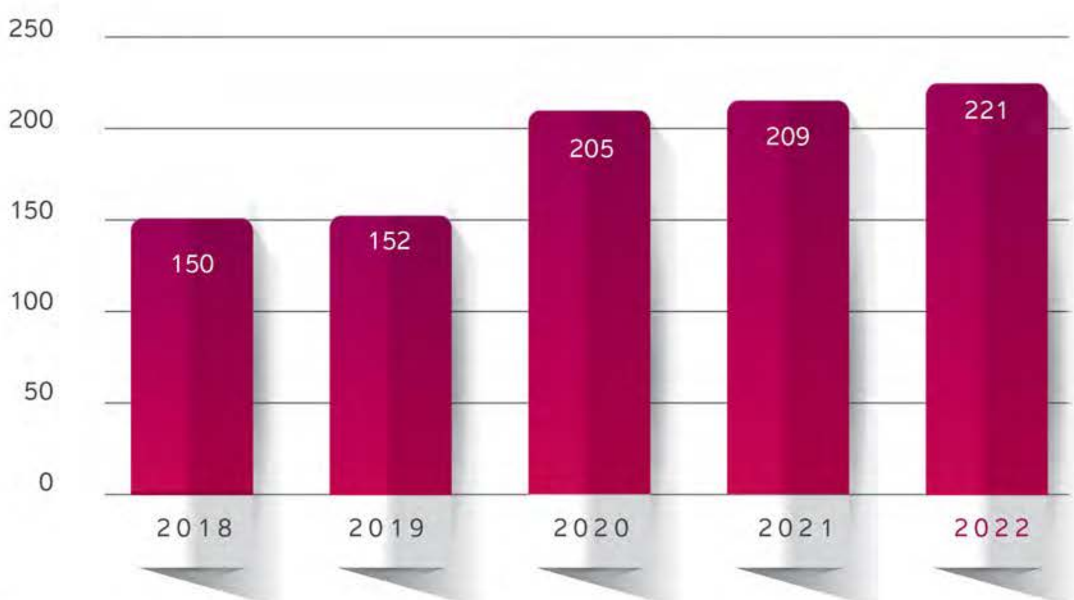
Property

In 2023 we will optimise the allocation of our capacity and improve the average rates.

Financial Performance

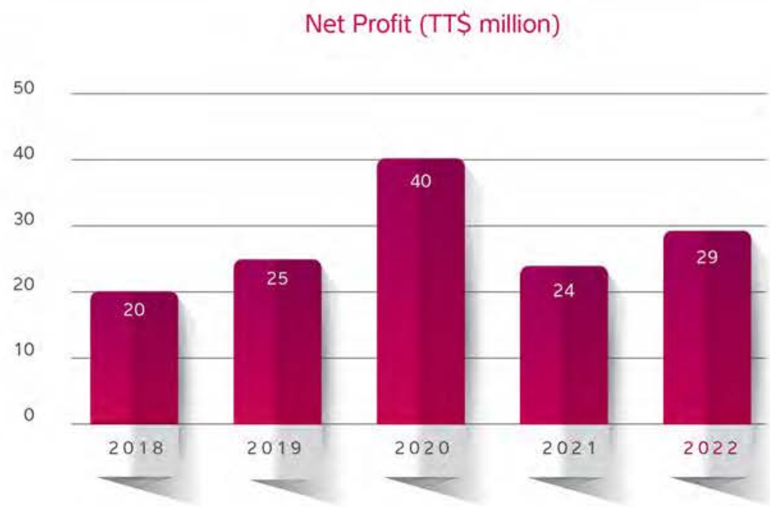
To be compliant with the rules governing the preparation of Group consolidated financial statements, the Brokerage income disclosed on the face of the Consolidated Statement of Income is net of fees and commissions earned on business placed with fellow subsidiaries engaged in underwriting business. Gross fees and commissions earned on the brokerage business amounted to $221 million (2021: $209 million).

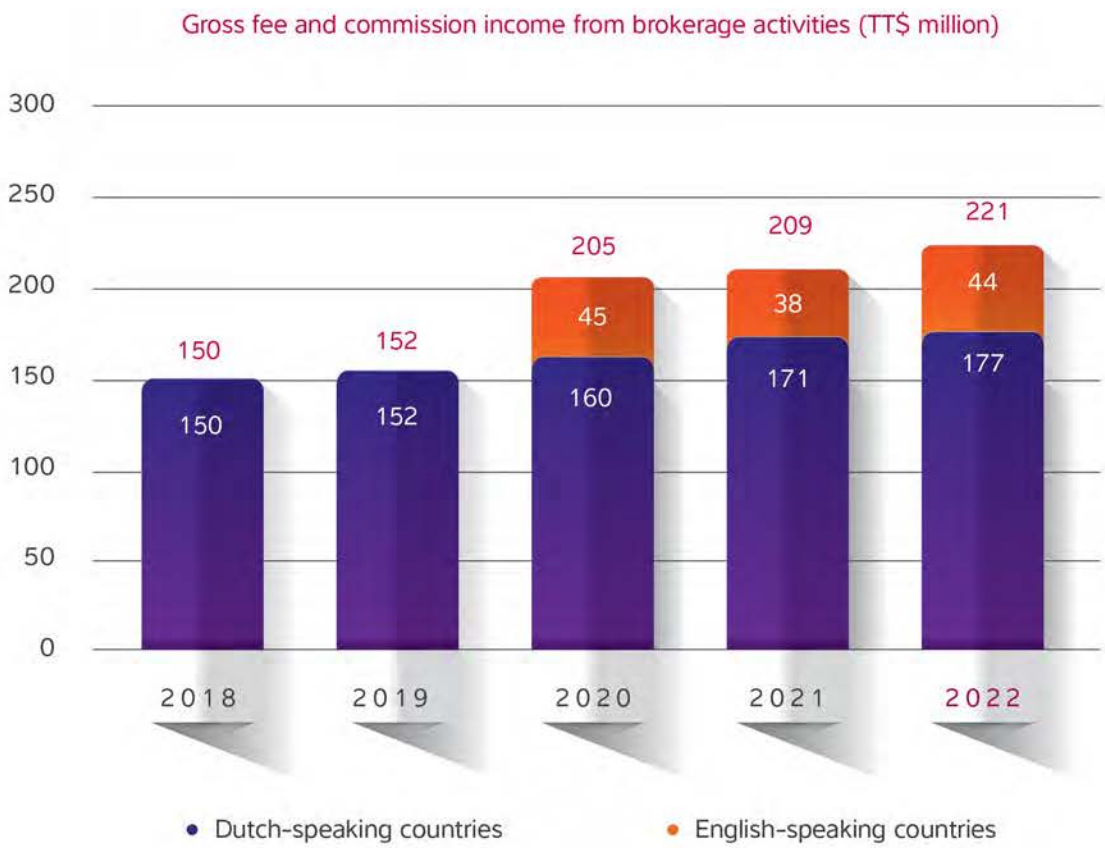
Gross fee and commission income from brokerage activities (TT$ million)



This segment earned a net profit of $29 million in 2022 compared to $24 million in 2021, an increase of $5 million or 21%.

A main benefit of growing this business segment is that Brokerage, unlike the majority of the Group's business, is not risk-exposed and hence less susceptible to inherent volatility in earnings.





Most of the income from brokerage business is generated from our Dutch business and we are looking to expand our other portfolios.

Outlook

We are excited to implement our Transformation Initiatives, which will enhance our staffing, IT capabilities, office spacing and branding. The Netherlands business is our fastest-growing distribution channel and is expected to continue expanding.

Further to the transition with Vanguard Risk Solutions and Almi Holdings Ltd we are positioning ourselves to further develop our Broking business in the English-speaking Caribbean. We continue to put procedures in place to successfully operate within stricter regulatory frameworks and adhere to applicable guidelines.

Financials

Achieving our goals, together.


2022 Annual Report

Statement of Management's Responsibilities

Management is responsible for the following :

- Preparing and fairly presenting the accompanying consolidated financial statements of GUARDIAN HOLDINGS LIMITED (the Company) and its subsidiaries (the Group) and which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act and Insurance Act; and
- Using reasonable and prudent judgment in the determination of estimates.

In preparing these audited consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date.

Management affirms that it has carried out its responsibilities as outlined above.

Ian Chinapoo
Group Chief Executive Officer
27th February 2023

Samanta Saugh
Group Chief Financial Officer
27th February 2023

Independent auditor´s report

To the Shareholders of Guardian Holdings Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Guardian Holdings Limited (the Company) and its subsidiaries (together ´the Group´) as at 31 December 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group´s consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of income 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; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

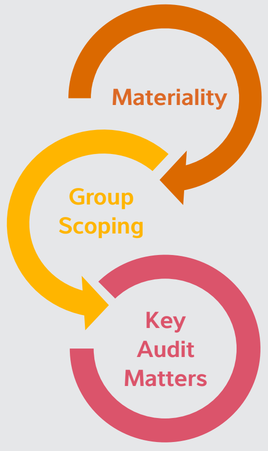
Independence

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, PO Box 550, 11-13 Victoria Avenue, Port of Spain, 100902, Trinidad, West Indies
T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt

Our audit approach

Overview



- Overall group materiality: TT$63 million, which represents 5% of profit before taxation.

- We performed full scope audits for 7 components and audits of certain financial statement line items for a further 7 components.
- Our group audit covered 92% of profit before taxation and 92% of total assets.

- Methodologies and assumptions used for determining insurance contract liabilities for life and annuity insurance contracts
- Valuation of unquoted corporate debt and government securities accounted for at fair value through profit or loss and fair value through other comprehensive income
- IFRS 9 ´Financial Instruments´ – Forward-looking information

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; 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 industries in which the Group operates.

Our group scoping was performed at the legal entity level. The following components were considered individually financially significant and were subject to full scope audits for group audit purposes:

- Fatum Life Aruba N.V.
- Fatum Life N.V.
- Fatum General Insurance N.V.
- Guardian General Insurance Limited
- Guardian General Insurance Jamaica Limited
- Guardian Life of the Caribbean Limited
- Guardian Life Limited

For seven other components, we identified account balances which were considered to be significant in size or audit risk at the financial statement line item level and performed audits over the specified balances. The Group engagement team performed analytical procedures over the remaining components that were not inconsequential. Our group scoping provided coverage of approximately 92% of profit before taxation and 92% of total assets of the Group.

Our audit approach (continued)

In establishing the overall group audit strategy and plan, we determined the type of work that is needed to be performed at the components by the Group engagement team and by component auditors. Where the work was performed by either PwC or non-PwC network firm component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained. The Group engagement team had regular interaction with the component teams during the audit process.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	TT$63 million
How we determined it	5% of profit before taxation
Rationale for the materiality benchmark applied	We chose profit before taxation as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above TT$3 million, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Methodologies and assumptions used for determining insurance contract liabilities for life and annuity insurance contracts *Refer to notes 2.15, 3 (b), 4.1 and 21 to the consolidated financial statements for disclosures of related accounting policies and balances.* As at 31 December 2022, actuarial reserves for life and annuity contracts accounted for TT$16.7 billion or 57% of total liabilities of the Group. Economic assumptions such as investment return, associated discount rates and borrowing rates, policy expenses and assumptions such as mortality and persistency are key inputs used to estimate these long term liabilities. Management used internal actuarial experts along with external independent experts to assist in determining these assumptions and in valuing these long term liabilities. We focused on this area because the valuation of the provisions for the settlement of future claims involves complex and subjective judgments about future events, both internal and external to the business, for which small changes in assumptions may significantly impact the valuation of these liabilities.	Our approach to addressing the matter, with the assistance of our actuarial expert, involved the following procedures, amongst others: • Tested, on a sample basis, the completeness, accuracy and reliability of the underlying data used by management to support the actuarial valuation by agreeing to source documents. Tested a sample of contracts to assess whether contract features and demographic data corresponded to the data file provided by management to its external actuary. • Evaluated the methodologies and assumptions used by management´s actuarial experts considering industry and component specific facts and circumstances. Specific areas of focus were economic assumptions such as investment return, associated discount rates and borrowing rates, policy expenses and assumptions such as mortality and persistency, all of which are based on entity experience or publicly available information. The results of our procedures indicated that the methodologies and assumptions used by management for determining insurance contract liabilities for life and annuity insurance contracts were not unreasonable.

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of unquoted corporate debt and government securities accounted for at fair value through profit or loss and fair value through other comprehensive income *Refer to notes 2.9, 2.11 and 10 to the consolidated financial statements for disclosures of related accounting policies and balances.* As at 31 December 2022, unquoted corporate debt and government securities classified as fair value through profit or loss and fair value through other comprehensive income accounted for TT$10.6 billion or 30% of total assets of the Group. To value these securities, management uses valuation techniques which require 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 judgment and estimation, which is subject to high estimation uncertainty.	Our approach to addressing the matter, with the assistance of our 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 key data inputs used in the valuation model, including issuance date, maturity date, coupon rate and risk premium at issuance, by performing confirmation procedures and comparison to source documents on a sample basis. • Independently developed territory specific yield curves and compared them to management's yield curves. • Tested, on a sample basis, the contractual cash flows of the underlying securities by comparing to source documentation and evaluated the impact of variations. The results of our procedures indicated that the key assumptions used by management for determining the fair value of unquoted corporate debt and government securities were not unreasonable.

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
IFRS 9 ´Financial Instruments´ – Forward looking information *Refer to notes 2.10 (a), 3 (e), 4.2.3 (e), 10 and 11 to the consolidated financial statements for disclosures of related accounting policies and balances.*	
As at 31 December 2022, the Group´s investment securities and loans and receivables subject to expected credit losses (ECL) were TT$14.6 billion and TT$2.6 billion respectively, gross of ECL. The total associated expected credit losses amounted to TT$79 million and TT$234 million respectively. In assessing impairment, IFRS 9 prescribes a forward-looking ECL impairment model which takes into account reasonable and supportable forward-looking information. Management applies an internally developed credit loss model. The estimation and application of forward-looking information requires significant judgment. 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. For both investment securities and loans and receivables, management considered forward-looking macroeconomic data by examining the future economic outlook of the countries where the instruments originate and adjusting the probability of defaults if necessary. We focused on this area due to the complexity of the credit model used and the significant management judgment required in arriving at key assumptions such as those in relation to the forward-looking macroeconomic information impacting management´s model.	Our approach to addressing the matter, with the assistance of our credit modelling specialist, involved the following procedures, amongst others: • Updated our understanding of management´s ECL model including any changes to source data and assumptions. • Assessed the reasonableness of the Group´s methodology for determining macroeconomic scenarios and the probability weightings applied. • Tested the critical data fields used in the expected credit loss model, such as the maturity date, amortised cost, accrued interest, credit rating and interest rate by tracing data back to source documents on a sample basis. • Sensitised the probability weightings used in the ECL calculation. • Tested, on a sample basis, the staging of the instruments by evaluating the accuracy of the initial credit risk and the credit risk at the reporting date. The results of our procedures indicated that the assumptions used by management for determining the forward-looking information in the ECL model were not unreasonable.

Other information

Management is responsible for the other information. The other information comprises the supplemental information showing the USD translation of the primary statements appended to the consolidated financial statements (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

Auditor´s responsibilities for the audit of the consolidated financial statements (continued)

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 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´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´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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 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.

The engagement partner on the audit resulting in this independent auditor´s report is Sean Ramirez.

PricewaterhouseCoopers

Port of Spain, Trinidad, West Indies
27 February 2023

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2022
Expressed in Trinidad and Tobago Dollars

	Notes	2022 $'000	2021 $'000
Assets			
Property, plant and equipment	5	756,153	679,813
Right-of-use assets	6	42,480	82,485
Investment properties	7	1,590,437	1,645,435
Intangible assets	8	805,548	808,844
Investment in associated companies	9	312,570	299,491
Investment securities	10	21,732,517	21,898,990
Investment securities of mutual fund unit holders	10	1,741,039	1,762,312
Loans and receivables	11	2,319,322	1,941,965
Properties for development and sale	12	96,122	101,482
Pension plan assets	13	111,909	61,610
Deferred tax assets	14	106,948	95,953
Reinsurance assets	15	1,264,745	1,100,732
Deferred acquisition costs	16	134,888	130,988
Taxation recoverable		191,563	183,007
Cash and cash equivalents	17	3,461,436	3,480,212
Cash and cash equivalents of mutual fund unit holders	17	144,389	304,362
Total assets		34,812,066	34,577,681
Equity and liabilities			
Share capital	18	1,970,043	1,970,043
Retained earnings		4,800,459	3,803,348
Reserves	19	(1,210,981)	(799,010)
Equity attributable to owners of the company		5,559,521	4,974,381
Non-controlling interest in subsidiary	20	11,155	8,997
Total equity		5,570,676	4,983,378
Liabilities			
Insurance contracts	21	19,180,220	19,503,373
Financial liabilities	22	3,305,274	3,521,703
Lease liabilities	6	54,288	96,245
Investment contract liabilities	23	2,674,875	2,645,659
Third party interests in mutual funds	24	1,563,727	1,599,412
Pension plan liabilities	13	40,294	38,459
Post-retirement medical benefit obligations	25	106,438	123,191
Deferred tax liabilities	14	249,922	272,303
Provision for taxation		274,018	275,519
Other liabilities	26	1,792,334	1,518,439
Total liabilities		29,241,390	29,594,303
Total equity and liabilities		34,812,066	34,577,681

The accompanying notes form an integral part of these consolidated financial statements.

On 27th February 2023, the Board of Directors of Guardian Holdings Limited authorised these consolidated financial statements for issue.

Director:

Director:

Consolidated Statement of Income

FOR THE YEAR ENDED 31 DECEMBER 2022
Expressed in Trinidad and Tobago Dollars

	Notes	2022 $'000	2021 $'000
Insurance activities			
Insurance premium income	27	7,242,879	7,006,913
Insurance premium ceded to reinsurers	27	(2,303,510)	(2,210,182)
Reinsurance commission income		446,125	343,241
Net underwriting revenue		5,385,494	5,139,972
Policy acquisition expenses	28	(804,762)	(768,754)
Net insurance benefits and claims	29	(3,043,518)	(3,309,861)
Underwriting expenses		(3,848,280)	(4,078,615)
Net result from insurance activities		1,537,214	1,061,357
Investing activities			
Investment income from financial assets measured at amortised cost and fair value through other comprehensive income	30	914,202	829,923
Investment income from financial assets measured at fair value through profit or loss	30	361,957	353,282
Net realised gains on other assets	31	78,600	30,068
Net fair value (losses)/gains	32	(151,296)	162,579
Fee income	33	89,729	58,952
Other income	34	86,638	269,827
Investment contract benefits	23	(45,130)	(94,125)
Net income from investing activities		1,334,700	1,610,506
Fee and commission income from brokerage activities		156,998	144,658
Net income from all activities		3,028,912	2,816,521
Net impairment losses on financial assets	35	(27,966)	(136,024)
Operating expenses	36	(1,540,899)	(1,501,420)
Finance charges	37	(203,377)	(199,732)
Operating profit		1,256,670	979,345
Share of after tax profits of associated companies	9	17,752	34,020
Profit before taxation		1,274,422	1,013,365
Taxation	38	(142,761)	(215,018)
Profit after taxation		1,131,661	798,347
Surplus attributable to participating policyholders	21.1(d)	(26,910)	(12,546)
Profit for the year		1,104,751	785,801
Profit attributable to non-controlling interests		(4,364)	(3,469)
Profit attributable to equity holders of the company		1,100,387	782,332
Earnings per share			
- Basic	39	$ 4.74	$ 3.37

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2022
Expressed in Trinidad and Tobago Dollars

		Retained earnings		Other reserves		Non-controlling interest		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
	Notes	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Profit for the year		1,100,387	782,332	–	–	4,364	3,469	1,104,751	785,801
Other comprehensive income/(loss)									
Items that may be reclassified subsequently to profit or loss:									
Exchange differences on translating foreign operations		–	–	(2,706)	(361,295)	(31)	5	(2,737)	(361,290)
Net fair value losses on debt securities at fair value through other comprehensive income		–	–	(487,301)	(135,418)	–	–	(487,301)	(135,418)
Net change in allowance for expected credit losses on debt securities at fair value through other comprehensive income	35	–	–	(2,959)	4,776	–	–	(2,959)	4,776
Net gains on debt securities at fair value through other comprehensive income reclassified to profit or loss on disposal		–	–	(660)	(652)	–	–	(660)	(652)
Taxation relating to components of other comprehensive income		–	–	44,625	16,751	–	–	44,625	16,751
Net other comprehensive income/(loss) that may be reclassified subsequently to profit or loss		–	–	(449,001)	(475,838)	(31)	5	(449,032)	(475,833)
Items that will not be reclassified subsequently to profit or loss:									
Gains/(losses) on property revaluation		–	–	65,286	(2,131)	–	–	65,286	(2,131)
Remeasurement of pension plans	13	41,341	29,683	–	–	–	–	41,341	29,683
Remeasurement of post-retirement medical benefit obligation	25	18,500	10,648	–	–	–	–	18,500	10,648
Other reserve movements		49	117	–	–	–	–	49	117
Taxation relating to components of other comprehensive income		(4,876)	5,516	(19,489)	(248)	–	–	(24,365)	5,268
Net other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss		55,014	45,964	45,797	(2,379)	–	–	100,811	43,585
Other comprehensive income/(loss) for the period, net of tax		55,014	45,964	(403,204)	(478,217)	(31)	5	(348,221)	(432,248)
Total comprehensive income/(loss) for the period, net of tax		1,155,401	828,296	(403,204)	(478,217)	4,333	3,474	756,530	353,553

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2022
Expressed in Trinidad and Tobago Dollars

	Share capital	Retained earnings	Reserves (Note 19)	Total attributable to owners of the company	Non-controlling interest	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2022	1,970,043	3,803,348	(799,010)	4,974,381	8,997	4,983,378
Total comprehensive income/(loss)	–	1,155,401	(403,204)	752,197	4,333	756,530
Transfer to/from retained earnings	–	8,767	(8,767)	–	–	–
Dividends (Note 40)	–	(167,057)	–	(167,057)	(2,175)	(169,232)
Balance at 31 December 2022	1,970,043	4,800,459	(1,210,981)	5,559,521	11,155	5,570,676
Balance at 1 January 2021	1,970,043	3,018,068	(317,746)	4,670,365	5,523	4,675,888
Total comprehensive income/(loss)	–	828,296	(478,217)	350,079	3,474	353,553
Transfer to/from retained earnings	–	(1,261)	1,261	–	–	–
Other reserve movements	–	–	(4,308)	(4,308)	–	(4,308)
Dividends (Note 40)	–	(41,755)	–	(41,755)	–	(41,755)
Balance at 31 December 2021	1,970,043	3,803,348	(799,010)	4,974,381	8,997	4,983,378

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2022
Expressed in Trinidad and Tobago Dollars

	Notes	2022 $'000	2021 $'000
Cash flows from operating activities			
Profit before taxation		1,274,422	1,013,365
Adjustment for specific items included on the accruals basis:			
- Finance charges		203,377	199,732
- Investment income		(1,301,421)	(1,210,911)
Adjustment for non-cash items	41	280,779	(76,215)
Interest received		1,202,415	1,054,162
Dividends received		87,948	110,029
Cash flows from operating profit before changes in operating assets/liabilities		1,747,520	1,090,162
Net increase in insurance liabilities		13,447	602,379
Net increase in reinsurance assets		(162,914)	(44,197)
Net increase in investment contracts		9,111	70,733
Purchase of investment securities		(8,306,883)	(8,335,358)
Proceeds from sale of investment securities		7,436,395	6,769,267
Purchase of/additions to investment properties		(69,288)	(87,446)
Proceeds from sale of investment property		229,529	206
Additions to properties for development and sale		(334)	(104)
Net increase in loans and receivables		(415,071)	(102,187)
Net decrease in other operating assets/liabilities		227,655	158,355
Cash provided by operating activities		709,167	121,810
Interest paid		(242,407)	(218,346)
Net taxation paid		(167,044)	(246,049)
Net cash provided by/(used in) operating activities		299,716	(342,585)
Cash flows from investing activities			
Acquisition of insurance portfolio		(1,680)	–
Acquisition of brokerage portfolios		(25,297)	(8,596)
Investment in associated company	9	–	(11,300)
Purchase of property, plant and equipment	5	(63,702)	(57,768)
Proceeds on sale of property, plant and equipment		1,917	2,189
Purchase of intangible assets	8	(24,079)	(50,014)
Net cash used in investing activities		(112,841)	(125,489)
Cash flows from financing activities			
Proceeds from borrowings and repurchase agreements		683,403	1,067,057
Repayments of borrowings and repurchase agreements		(890,468)	(781,193)
Payment of principal portion of lease liabilities		(15,765)	(18,455)
Dividends paid to equity holders of the company	40	(167,057)	(41,755)
Dividends paid to non-controlling interest		(2,175)	–
Redemptions from mutual funds		(855,521)	(642,172)
Subscriptions to mutual funds		885,931	982,353
Net cash (used in)/provided by financing activities		(361,652)	565,835
Net (decrease)/increase in cash and cash equivalents	17	(174,777)	97,761

The accompanying notes form an integral part of these consolidated financial statements.

1. Incorporation and principal activities of the Group

Guardian Holdings Limited (the ′Company′ and ′GHL′) is a public limited liability holding company, which was incorporated in Trinidad and Tobago on 8 November 1982. The address of its registered office is 1 Guardian Drive, Westmoorings S.E., Trinidad and Tobago. Guardian Holdings Limited and its subsidiaries (the ′Group′) constitute a diversified financial services group engaged in underwriting all classes of long-term and short-term insurance business, insurance brokerage operations, the provision of pension and asset management services and property development.

The Company is 61.77% (2021: 61.77%) owned by NCB Global Holdings Limited (′NCBGH′ and the ′Parent′), a limited liability holding company, which was incorporated in Trinidad and Tobago in December 2017. NCBGH is 100% owned by NCB Financial Group Limited (′NCBFG′). NCBFG was incorporated in Jamaica in April 2016 and is the financial holding company for the NCB Group. NCBFG is 52.72% (2021: 52.67%) owned by AIC (Barbados) Limited and the ultimate parent company is Portland Holdings Inc., incorporated in Canada. Portland Holdings Inc. is controlled by Hon. Michael A. Lee-Chin, O.J., a director of the Company. The NCB Financial Group provides a diversified range of financial services through its subsidiaries and associates.

The ordinary shares of GHL and NCBFG are listed on the Trinidad and Tobago Stock Exchange and the Jamaica Stock Exchange.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied in all the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (′IFRS′). They have been prepared under the historical cost convention, except for the following classes of assets which are stated at fair value in compliance with the relevant IFRS: land and buildings, investment properties and financial assets at fair value through profit or loss or other comprehensive income.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group′s accounting policies. Areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

(a) New standards and amendments/revisions to published standards and interpretations effective in 2022

The following amendments to published standards took effect for the Group′s accounting periods beginning on or after 1 January 2022:

IFRS 3 Business Combinations – Amendments – Reference to the Conceptual Framework

Amendments were made to IFRS 3 to update the references to the 2018 Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also clarify that contingent assets, as defined by IAS 37, do not qualify for recognition at the acquisition date.

These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments during the year.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(a) New standards and amendments/revisions to published standards and interpretations effective in 2022 (continued)

IFRS 16 Leases – Amendments – COVID-19-Related Rent Concessions beyond 30 June 2021

In May 2020, the IASB published an amendment to IFRS 16 that provided lessees with relief in the form of an optional practical expedient from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees could elect to account for qualifying rent concessions in the same way as they would if they were not lease modifications.

The practical expedient applied only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the conditions were met:

a. the change in lease payments resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b. any reduction in lease payments affected only payments originally due on or before 30 June 2021; and

c. there was no substantive change to the other terms and conditions of the lease.

The amendment to IFRS 16, issued on 31 March 2021, extends the date in condition b from 30 June 2021 to 30 June 2022.

The amendment had no material impact on the consolidated financial statements of the Group.

IAS 16 Property, Plant and Equipment – Amendments – Proceeds before intended use

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds received from sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments also clarify that contingent assets, as defined by IAS 37, do not qualify for recognition at the acquisition date.

The amendments had no impact on the consolidated financial statements of the Group.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Amendments – Onerous contract – Cost of fulfilling a contract

An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Unavoidable costs are the lower of the net cost of exiting the contract and the costs to fulfil the contract.

The amendments clarify that the direct cost of fulfilling a contract consists of both:

- The incremental costs of fulfilling the contract (e.g., the costs of direct labour and materials); and
- An allocation of other costs that relate directly to fulfilling contracts (e.g., an allocation of the depreciation charge on property, plant and equipment used in fulfilling the contract).

The amendments also clarify that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

These amendments had no material impact on the consolidated financial statements of the Group.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(a) New standards and amendments/revisions to published standards and interpretations effective in 2022 (continued)

Annual Improvements to IFRSs 2018 – 2020 Cycle:

IFRS 9 Financial Instruments – Amendments – Fees in the ′10 per cent′ test for derecognition of financial liabilities

This amendment clarifies which fees an entity includes when it applies the ′10 per cent′ test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either entity or lender on the other′s behalf.

The amendment had no impact on the consolidated financial statements of the Group.

IFRS 16 Leases – Amendments – Illustrative examples

The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

(b) New standards and amendments/revisions to published standards and interpretations effective in 2022 but not applicable to the Group

The following new IFRS amendments that have been issued do not apply to the activities of the Group:

- Annual Improvements to IFRSs 2018 – 2020 Cycle:
    - IFRS 1 First-time Adoption of International Financial Reporting Standards – Amendments – Subsidiary as a first-time adopter
    - IAS 41 Agriculture – Amendments – Taxation in fair value measurements

(c) New standards, interpretations and revised or amended standards that are not yet effective and have not been early adopted by the Group

The following is a list of new IFRS standards, interpretations and amendments issued that are not yet effective as at 31 December 2022 and have not been early adopted by the Group. The Group expects to implement these standards when they become effective.

Effective 1 January 2023:

- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 – Amendments – Disclosure of accounting policies
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments – Definition of accounting estimates
- IAS 12 Income Taxes – Amendments – Deferred tax related to assets and liabilities arising from a single transaction
- IFRS 17 Insurance Contracts

IFRS 17 will materially change the recognition and measurement of insurance contracts and the corresponding presentation and disclosures in the Group′s financial statements (See Note (d) below for additional details). All other amendments, effective 1 January 2023, are not expected to have a material impact on the Group′s financial statements. IFRS 9 has already been implemented.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(c) New standards, interpretations and revised or amended standards that are not yet effective and have not been early adopted by the Group (continued)

Effective 1 January 2024:

- IAS 1 Presentation of Financial Statements - Amendments - Classification of liabilities as current or non-current

Amendments Postponed:

- IFRS 10 and IAS 28 - Amendments - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - In December 2015, the IASB deferred the effective date of the amendments until such time it has finalised any amendments that result from its research project on the equity method of accounting.

(d) IFRS 17 Insurance Contracts

IFRS 17 Effective Date

IFRS 17, ´Insurance Contracts´ was issued in May 2017 with an original effective date of 1 January 2021. Amendments to IFRS 17 ´Insurance Contracts´ were issued in June 2020 and included a two-year deferral of the effective date to 1 January 2023. IFRS 17 will replace IFRS 4, ´Insurance Contracts´ and will materially change the recognition and measurement of insurance contracts and the corresponding presentation and disclosures in the Group´s financial statements. The Group will implement IFRS 17 effective 1 January 2023.

Transition Approach

IFRS 17 must be applied retrospectively. However, if full retrospective application to a group of contracts is impractical, the modified retrospective or fair value methods may be used. The drivers for impracticability for retrospective application relate to a lack of required data and the use of hindsight, consistent with the principles of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The transition approach can have a significant impact on the contractual service margin (“CSM”), and relatedly, on both shareholders´ equity and profits on in-force business in future reporting periods. On transition, the Group will apply the full retrospective approach to all contracts issued or held at 1 January 2022 and onwards, and the fair value approach will be applied to those contracts issued or held prior to that date.

The fair value approach will be applied only to portfolios within the Life, Health, and Pensions businesses. Within this approach, the CSM is determined to be the difference between the fair value of a group of insurance contracts measured in accordance with IFRS 13 and its free fulfillment cash flows at the transition date. Judgements will be made in estimating the fair value of groups of insurance contracts. IFRS 13 requires fair values to be determined using recent market transactions, however since this is not available, a valuation approach under IFRS 13 will be applied, with consideration to information from a market participant´s perspective. For the P&C portfolios, the fully retrospective approach will be used.

Implementation Project Structure and Status

There is a Group-wide IFRS 17 implementation programme, led by an Executive Project Sponsor, which involves significant enhancements to the Group´s IT, actuarial, and finance systems. These three (3) elements were organised into three (3) separate but highly collaborative project streams to ensure attention to detail while achieving the cohesiveness required of the programme. Key tasks within the programme included:

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(d) IFRS 17 Insurance Contracts (continued)

Implementation Project Structure and Status (continued)

- *Identifying data requirements*

  This is one of the most significant aspects of the IFRS 17 implementation. This new standard requires a higher level of granularity in cash flow and other data to appropriately measure insurance contracts and make the necessary disclosures for reporting purposes.

- *Identifying and implementing changes to systems and processes*

  As a result of the IFRS 17 implementation, new systems were acquired, and functionality of existing systems were expanded. The new systems centre around the appropriate calculation and allocation of CSM and directly attributable expenses. Functionality was expanded for accounting and reporting systems.

- *Modifying actuarial models*

  Changes to actuarial models centred around discount rates and how policies were grouped.

- *Determining the appropriate accounting policies and formulating disclosures*

  There are many accounting policy options with IFRS 17, but also many ways in which a required policy or disclosure can be formulated. Various approaches were carefully considered before the Group arrived at its final result.

An IFRS 17 Executive and Technical Committee, which includes the Group's CEOs, provides oversight and strategic direction to the implementation programme. A Finance sub-committee was also in place to provide governance over the technical interpretation and accounting policies selected, design and delivery of the programme. During 2022, the Group finalised the build and testing of new actuarial and finance systems and transitioned the new elements of the financial statement close process into its day-to-day operations. IFRS 17 will be implemented effective 1 January 2023, with further refinement and consideration of estimates and areas of judgement ongoing.

Redesignation of Financial Assets

The Group, having previously applied IFRS 9, is permitted to change its classification and designation of financial assets. This reassessment is relevant only to eligible financial assets held in connection with insurance contracts under the scope of IFRS 17. Any redesignation will be based on facts and circumstances that exist at the date of initial application of IFRS 17 and will be applied on that date. When applying the IFRS 9 transition requirements, the date of initial application is considered the date of initial application of IFRS 17. Some financial assets will be reclassified upon implementation of IFRS 17.

Level of Aggregation

For measurement purposes, IFRS 17 requires contracts to be grouped together into contracts that are managed together and have similar risk and profitability profiles, all within the same issue year. The resulting portfolios are roughly similar to that which existed under IFRS 4 for internal management reporting purposes, although the profitability and cohort grouping requirements are new. With respect to cohort grouping, the Group decided to apply annual cohorts to all portfolios where the Premium Allocation Approach ("PAA") is applied, and quarterly cohorts to all other portfolios.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(d) IFRS 17 Insurance Contracts (continued)

Scope, Definition, and Classification

All contracts classified as insurance products under IFRS 4 will continue to be defined as such under IFRS 17, and similarly, all contracts that meet the definition of an insurance contract under IFRS 17 also had done so under IFRS 4. The definition of insurance risk will also be maintained, except to add that benefits payable is determined on a present value basis. Further, there was no significant impact on the recognition and derecognition of insurance contracts under IFRS 4 as compared with IFRS 17.

Measurement Models

The standard requires that insurance liabilities be measured using the General Measurement Model ("GMM"), with modifications to this approach available for certain types of contracts. For contracts with participating features (where a substantial share of the fair value of the related investments and other underlying items is paid to policyholders), the CSM reflects the variable fee to shareholders, and therefore the Variable Fee Approach ("VFA") will be utilised. For these contracts, the CSM is adjusted to reflect the changes in economic experience and assumptions. The Premium Allocation Approach ("PAA") will be automatically applied to short-term contracts where the profit is realised within twelve months, but also to contracts with durations of up to 2 years, where the PAA eligibility criteria were successfully met. For all other contracts where the CSM is only adjusted for non-economic assumptions, the GMM will be applied.

Onerous contracts

IFRS 17 requires the identification of groups of onerous contracts. When these groups are identified, the Group is required to recognise a loss immediately in profit or loss along with an increase in the insurance contract liability known as loss component. Where the Group has reasonable and supportable information to conclude that a set of contracts will all be in the same profitability group for IFRS 17, these contracts are evaluated together based on aggregate expected profitability to determine if the insurance contracts are onerous in the reporting period in which they are first effective.

Reinsurance contracts held

Reinsurance contracts held will apply GMM or PAA, adapted to reflect the characteristics of a reinsurance contract held. For contracts applying the GMM model, the CSM reflects the expected net cost or net gain rather than unearned profit. If certain criteria are met, a loss recovery component can be recognised to offset a portion of the losses recognised on the underlying insurance contracts.

Contractual Service Margin

CSM is a new concept in IFRS 17. The contractual service margin is a component of the asset or liability for a group of insurance contracts that represents the unearned profit the entity will recognise as it provides services in the future. An entity is required to determine the contractual service margin on initial recognition of a group of insurance contracts as follows:

- For profitable business, expected profits must not be recognised on day one but instead be captured within the CSM to be released as the service is provided over the life of that business.
- For onerous contracts, expected losses must not be deferred in a negative CSM, but instead recognised in full on day one.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(d) IFRS 17 Insurance Contracts (continued)

Major Accounting Policies

Discount Rates

As allowed by IFRS 17.B80, the Group developed discount rates using the bottom-up approach.

For PAA business, no discounting will be applied to the Liability for Remaining Coverage ("LRC") or to claims and other cash flows that are expected to occur within 1 year of the reporting period.

Risk Adjustment

The Group will use a risk margin approach for the risk adjustment within the Life, Health, and Pensions business units, and will apply a cost of capital approach for the risk adjustment within the Property & Casualty business units.

For the Life companies, the risk adjustment is based on the Margins for Adverse Deviation (MfADs) already used within IFRS 4, except with the financial assumption margins excluded. MfADs meet the criteria within IFRS 17. B91 which requires a confidence interval to be attached to the level of each margin. In Curacao and Trinidad and Tobago, guidance provided by the insurance regulators, and in Jamaica, best practice, as outlined by the Canadian Institute of Actuaries, define the MfAD range to which the Group must adhere.

Insurance acquisition costs

The Group has elected not to apply the option allowed under IFRS 17.59(a) for contracts measured under the PAA to recognise insurance acquisition cash flows as an expense when incurred. Instead, these costs will be captured within the insurance contract liability and then amortised over the life of the insurance contract. Additionally, costs related to the starting, selling or underwriting of insurance contracts which are directly attributable to a portfolio are eligible to be capitalised on the statement of financial position within insurance acquisition cost as insurance acquisition cash flows and amortised over the life of the related group of insurance contracts to which they are allocated. The Group expects that this will result in additional cost being eligible to be capitalised and amortised as compared to IFRS 4.

Presentation and Disclosure

The Group has made the following presentation and disclosure decisions:

- As allowed by IFRS 17.81, the entire change in the risk adjustment for non-financial risk will be included as part of the insurance service result.
- As allowed by IFRS 17.86, income and expenses from reinsurance contracts held will be presented on a net basis in the consolidated statement of income
- As allowed by IFRS 17.89, the Group will disaggregate insurance finance income or expenses between amounts allocated to profit or loss to eliminate accounting mismatches with income and expenses in profit or loss on the underlying items held, and other amounts allocated to other comprehensive income.
- As allowed by IFRS 17.96(a), the Group will aggregate insurance contracts by type of contract or major product line for disclosure purposes. The categories will be as follows:
  - Traditional life & Interest Sensitive without Guarantees
  - Unit linked life & Interest Sensitive with Guarantees
  - Annuities
  - Short-term Group Life & Health
  - Property & Casualty

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(d) IFRS 17 Insurance Contracts (continued)

Impact on Insurance Contract Balances and Profitability

IFRS 17 introduces many new measurement criteria that will have an impact on the Group´s results, including the following:

- Insurance Revenue

  IFRS 17 measures revenue based on the delivery of services to policyholders and, importantly, excludes any premiums related to the investment elements of policies. The determination of what constitutes an investment component is an area of judgement significantly affecting amounts of recognised insurance revenue and insurance service expenses as investment components should be excluded from those. An investment component exists where the contract requires the Group to pay the policyholder even if the insured event does not occur either upon the surrender of the policy or at the request of the policyholder. The impact of this is a reduction of insurance revenue.

  Applying considerations from IFRS 17 and IFRS 15, ´Contracts with Customers´, the Group now combines fronting contracts with the related insurance policies if certain conditions are met, eliminating the premium income against the reinsurance premium expense. This adjustment will reduce insurance revenue and reinsurance expenses by a commensurate amount and therefore has no net impact to profitability.

- Insurance Service Expenses

  IFRS 17 requires the identification of all fulfilment cash flows including operating expenses and overheads that are directly attributable to the acquisition and management of insurance contracts. Such expenses have been classified within operating expenses under IFRS 4. A systematic and rational method to identify and allocate such overheads to insurance and reinsurance contracts has been implemented. These expenses will be reallocated – either directly to insurance service expenses, or initially as a reduction in the insurance contract liability, where they are then amortised to the insurance service expense over the contract duration. The result is a reduction in operating expenses, and a commensurate increase in insurance service expenses and decrease in the insurance contract liability.

- Insurance Contract Liability

  The establishment of a CSM on in-force business is expected to lead to an increase in insurance contract liabilities and a corresponding decrease in equity upon transition. The CSM represents unearned profits that are expected to amortise into income as services are provided.

  Further, the principles underlying IFRS 17 differ from the Caribbean Premium Policy Method (CPPM) that is permitted by IFRS 4. These differences include, but are not limited to:

  - *Discount Rates*

    Under IFRS 17, the discount rate used to estimate the present value of insurance contract liabilities is based on the characteristics of the liability, whereas under CPPM, the Group uses the rates of returns for current and projected assets supporting insurance contract liabilities to value the liabilities. The difference in the discount rate approach also impacts the timing of investment-related experience earnings emergence. Under CPPM, investment-related experience includes the impact of investing activities. The impact of investing activities is directly related to the CPPM methodology. Under IFRS 17, the impact of investing activities will emerge over the life of the asset and is independent of the liability measurement.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(d) IFRS 17 Insurance Contracts (continued)

Impact on Insurance Contract Balances and Profitability (continued)

- Insurance Contract Liability (continued)
  - *Discount Rates (continued)*

    Under IFRS 17, the discount rate used to present value future cashflows is disconnected from the assets the Group holds to support its insurance contract liabilities. As a result, the Group is considering electing the other comprehensive income option under IFRS 17 for insurance contract liabilities and the fair value through other comprehensive income option under IFRS 9 for fixed income assets.
  - *The Timing of Recognition of Losses and Gains*

    Under IFRS 17, new business gains are recorded on the Consolidated Statements of Financial Position (in the CSM component of the insurance contract liability) and amortised into income as services are provided. New business losses are recorded into income immediately. Under CPPM, both new business gains and new business losses are recognised in income immediately.

    Note that the above changes, while impacting the insurance contract liability, may also have consequential impacts on revenue recognition, insurance service expenses, finance expenses, and other items in the consolidated statement of income.

Overall, IFRS 17 will have a significant impact on the Group's consolidated financial statements, tax and regulatory capital positions and other financial metrics that are dependent upon IFRS accounting values. Despite these changes in recognition criteria, IFRS 17 does not impact the cash flows generated by the business, and hence, does not impact the economics of the Group's business.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

2. Significant accounting policies (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group uses the purchase method of accounting for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (see Note 2.7). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated statement of income.

All intra-group transactions and balances are eliminated on consolidation. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the Company's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

A listing of the Group's principal subsidiaries is set out in Note 46.

(b) Associated companies

The Group's investment in associated companies is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Under the equity method, the investment in associates is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is not amortised. The consolidated statement of income reflects the share of the results of operations of the associates. When there has been a change recognised directly in the equity of

2. Significant accounting policies (continued)

2.2 Consolidation (continued)

(b) Associated companies (continued)

the associates, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity.

The financial statements of the associates are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring their accounting policies in line with the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates. The Group determines at each consolidated statement of financial position date whether there is any objective evidence that the investment in associates is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value and recognises the amount in the consolidated statement of income.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale.

A listing of the Group's associates is set out in Note 46.

(c) 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, as defined in note 2.2 (a), specific funds. 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 on the consolidated statement of financial position.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments. For management purposes, the Group is organised into business units based on their products and services and has three main reportable operating segments:

(i) Life, health and pension;

(ii) Property and casualty (including insurance brokerage); and

(iii) Asset management.

All other activities of the Group that do not fall into the segments above are aggregated and reported under 'Other including consolidation adjustments'. These activities include the following: the Group's property development in Martinique, the Group's investments in RGM Limited and EIKM Holdings Limited, the Group's shared services subsidiary and the activities of the Company.

Transfer prices between operating segments are set on an arm's length basis in a manner similar to those with third parties. Segment income, expenses and results include those transfers between segments and are eliminated on consolidation.

2. Significant accounting policies (continued)

2.4 Foreign currency translation

(a) Translation of transactions in foreign currencies

The financial results of Group companies are prepared in the currency in which they conduct their ordinary course of business, which is referred to as functional currency.

Transactions occurring in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

(b) Translation to the presentation currency

In preparing the consolidated financial statements, the results and financial position of all the Group entities are translated from their respective functional currencies to Trinidad and Tobago dollars, the presentation currency, as follows:

(i) Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the end of the reporting period;

(ii) Income and expenses for each consolidated statement of income are translated at average exchange rates; and

(iii) All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to the consolidated statement of comprehensive income. When a foreign operation is sold, liquidated or wound up, such exchange differences are recognised in the consolidated statement of income as part of the gain or loss on sale.

2.5 Property, plant and equipment

Freehold properties comprise mainly offices occupied by the Group and are shown at fair value, based on periodic, but at least triennial, valuations by external independent appraisers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or 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 are charged to the consolidated statement of income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in the consolidated statement of comprehensive income. Decreases that offset previous increases of the same asset are charged to the consolidated statement of comprehensive income. All other decreases are charged to the consolidated statement of income.

Land is not depreciated. Depreciation is charged over the estimated useful lives of the assets using the following rates and methods:

Freehold building	-	straight-line method, 2% per annum
Leasehold property	-	over the period of the lease
Air-conditioning equipment	-	straight-line method, 10 - 20% per annum
Motor vehicles	-	straight-line method, 20% per annum
Other plant, machinery, office furniture & equipment	-	straight-line method, 10 - 40% per annum

2. Significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

An asset´s carrying amount is written down immediately to its recoverable amount if the asset´s carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of income. When revalued assets are sold, the amounts included in the revaluation surplus account are transferred to retained earnings.

2.6 Investment properties

Freehold or leasehold properties held for long-term rental yields that are not occupied by the Group are classified as investment properties. Investment properties comprise freehold land and buildings. They are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is based on active market prices, adjusted as necessary, for any difference in the nature, location or condition of the specified asset. Fair value is determined annually by external independent appraisers. Investment properties are not subject to depreciation. Any appreciation or diminution in value is recognised in the consolidated statement of income.

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

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

Properties 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 (Note 2.8).

2.7 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group´s share of the net identifiable assets of the acquired subsidiary/associate at the acquisition date. Goodwill on acquisition of subsidiaries is reported in the consolidated statement of financial position. Goodwill on acquisition of associates is included in investments in associates. Goodwill has an indefinite useful life and is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

(b) Customer-related intangibles

Customer-related intangibles comprise renewal rights and relationships when a business is acquired. They are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date.

2. Significant accounting policies (continued)

2.7 Intangible assets (continued)

(b) Customer-related intangibles (continued)

Subsequent to initial recognition, customer-related intangibles are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight line method to allocate the intangibles over their useful lives. The remaining useful lives of customer-related intangibles range from 2 to 15.5 years.

(c) Brands

Brands acquired through direct purchase are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of brands over their estimated useful lives. The remaining useful life of brands is 3.5 years.

(d) Computer software and website development costs

Acquired computer software licenses and website development costs are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and which will probably generate economic benefits exceeding costs beyond one year, are also recognised as intangible assets. These costs are amortised over their estimated useful lives. The remaining useful lives of computer software and website development costs range from 1 to 7 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

2.8 Properties for development and sale

Properties for sale or under construction that are intended for sale, are classified as properties for development and sale. These balances are carried at the lower of cost and net realisable values. These properties include offices, retail shops and residential units.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated selling expenses. An external valuation specialist was engaged in determining the net realisable value for the office and retail shops, and a discounted cash flow model was used as there is a lack of comparable data because of the nature of the properties. For the residential units, data from binding sales transactions are used to assess the net realisable value.

Impairment losses on properties for development and sale are recognised in the consolidated statement of income when the net realisable value is lower than cost. Subsequently, where cost is lower than the net realisable value, a reversal of any prior impairment losses is recognised in the consolidated statement of income.

Reclassification to investment properties is made when the Group enters into an operating lease with a third party. Transfers are done at fair value.

2.9 Financial assets

(a) Initial recognition and measurement

Financial assets are recognised when Group entities become a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on settlement date, the date on which the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(a) Initial recognition and measurement (continued)

At initial recognition, the Group measures financial assets at its fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of income.

The Group's financial assets include cash and short-term deposits, investment in debt and equity securities, interest receivable, receivables arising from insurance contracts and reinsurance contracts and other loans and receivables.

(b) Classification and subsequent measurement

Debt instruments

Subsequent to initial recognition, the Group's debt instruments are measured in accordance with the business models determined by the Group's respective business units for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classified its debt instruments:

(i) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The carrying amounts of these assets are adjusted by any expected credit loss allowance recognised. In addition to certain debt securities, the Group's loans and receivables are carried at amortised cost.

(ii) Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss.

(iii) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the consolidated statement of income in the period in which it arises. The Group may, on initial recognition, irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or fair value through other comprehensive income as fair value through profit or loss, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets held for trading, or are managed and whose performance is evaluated on a fair value basis, are measured at fair value through profit or loss.

The Group reclassifies debt instruments 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.

Business model assessment

The Group's business units determine their business models at the level that best reflects how it manages groups of financial assets to achieve its business objective. Factors considered by the business units in determining the business model for a group of assets include:

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(b) Classification and subsequent measurement (continued)

Debt instruments (continued)

Business model assessment (continued)

- the stated policies and objectives for the group of assets and the operation of those policies in practice. These include whether management´s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets with the duration of any related liabilities or expected cash outflows or realising cash flows through sale of the assets;
- how performance of the group of assets is evaluated and reported to management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

If cash flows after initial recognition are realised in a way that is different from original expectations, the business units do not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets.

The Solely Payment of Principal and Interest (SPPI) test

´Principal´ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). ´Interest´ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and other basic lending risks and costs, as well as a profit margin.

Where the business model is to hold assets and collect contractual cash flows or to collect contractual cash flows and sell, the Group´s business units assess whether the financial assets´ cash flows represent solely payments of principal and interest. In making this assessment, the business units consider whether the contractual cash flows are consistent with a basic lending arrangement i.e. the definition of interest. 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 fair value through profit or loss.

Equity instruments

Subsequent to initial recognition, the Group measures all equity investments at fair value, and changes in the fair value of equity instruments are recognised in the consolidated statement of income.

(c) Derecognition of financial assets

A financial asset (or when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ´pass-through´ arrangement.

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(c) Derecognition of financial assets(continued)

- The Group has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received is recognised in the consolidated statement of income. In addition, on derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to the consolidated statement of income.

(d) Modifications of financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different from that of the original asset. If the terms are substantially different, the Group derecognises the original financial asset and recognises a new financial asset at fair value. The date of modification is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. The Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the modification was driven by the debtor being unable to make the originally agreed payments.

If the cash flows of the modified asset are not substantially different, the modification does not result in derecognition of the financial asset. The Group recalculates the gross carrying amount of the financial asset based on revised cash flows, discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets), and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the consolidated statement of income.

2.10 Impairment of assets

(a) Financial assets

At each reporting date, the Group assesses, on a forward-looking basis, the Expected Credit Losses (ECL) associated with its financial assets measured at amortised cost and fair value through other comprehensive income (excluding equity instruments).

The Group measures loss allowances on its debt instruments at an amount equal to lifetime ECL, except in the following cases, for which the amount recognised is 12-month ECL:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments for which credit risk has not increased significantly since initial recognition.

2. Significant accounting policies (continued)

2.10 Impairment of assets (continued)

(a) Financial assets (continued)

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial asset, whereas 12-month ECL are the portion of ECL that results from default events that are possible within the 12 months after the reporting date.

For receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Loss allowances for ECL are presented in the consolidated financial statements as follows:

- Financial assets measured at amortised cost: the loss allowance is deducted from the gross carrying amount of the assets in the statement of financial position. Movement in ECL is recognised in the consolidated statement of income.
- Debt instruments measured at fair value through other comprehensive income: the loss allowance is recognised in the consolidated statement of income with the corresponding entry recognised in other comprehensive income.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring as at the reporting date with the risk of default occurring as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

The quantitative assessment to identify whether a significant increase in credit risk has occurred for an exposure is performed by comparing:

- the remaining lifetime probability of default as at the reporting date; with
- the remaining lifetime probability of default for this point in time that was estimated at the time of initial recognition of the exposure.

The qualitative assessment to identify whether credit risk has increased significantly since initial recognition takes into account the following:

- Actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the debtor;
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor;
- Actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant change in the debtor's ability to meet its debt obligation.

2. Significant accounting policies (continued)

2.10 Impairment of assets (continued)

(a) Financial assets (continued)

Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrated otherwise.

Despite the aforementioned, the Group assumes that the credit risk on 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 instrument is determined to have low credit risk if the financial instrument has a low risk of default, the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt instruments carried at fair value through comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor or issuer;
- A breach of contract, such as a default or past due event;
- The disappearance of an active market for a financial asset because of financial difficulties;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- Rating agencies' assessments of creditworthiness.

Definition of default

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the debtor is past due more than 90 days unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

In assessing whether a debtor is in default, the Group considers indicators that are qualitative, quantitative and based on data developed internally and obtained from external sources.

Write-off

The Group writes off financial assets, either partially or in full, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity and where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount.

2. Significant accounting policies (continued)

2.10 Impairment of assets (continued)

(a) Financial assets (continued)

Measurement of expected credit losses

The measurement of expected credit losses is a function of:

(i) Probability of default (PD) - an estimate of the likelihood of default over a given time horizon;

(ii) Loss given default (LGD) - an estimate of the loss arising in the case where a default occurs at a given time; and

(iii) Exposure at default (EAD) - an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Forward-looking information considered by the Group includes economic data and forecasts published by governmental bodies and monetary authorities, supranational organisations such as the Organization for Economic Cooperation and Development and the International Monetary Fund, and selected private-sector and academic forecasters.

Expected credit losses are measured as the present value of all cash shortfalls i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The mechanics of the expected credit losses method are summarised below:

- A financial instrument that is not credit-impaired on initial recognition, a 12-month ECL allowance is calculated. The Group calculates the 12-month ECL allowance based on the expectation of a default occurring in the twelve months following the reporting date. The expected 12-month default probability is applied to a forecast exposure at default and multiplied by the expected loss given default, and discounted by the original effective interest rate.
- When a financial instrument has shown a significant increase in credit risk since initial recognition, the Group records an allowance for life-time ECL. The mechanics are similar to 12-month ECL calculation on a financial instrument that is not credit-impaired on initial recognition, but default probability and loss given default are estimated over the life of the instrument.
- A financial instrument that is credit-impaired, but is not a purchased or originated credit-impaired financial instrument, the Group records an allowance for lifetime ECL calculated similar to lifetime ECL on a financial instrument that has shown a significant increase in credit risk since initial recognition.
- Purchased or credit-impaired financial assets are assets that are credit-impaired on initial recognition. ECL on these assets are always measured on a lifetime basis, discounted by a credit adjusted effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the basis of shared risk characteristics that include: instrument type; credit risk ratings; nature, size and industry of debtors; collateral type; and geographic location of the debtor.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

2. Significant accounting policies (continued)

2.10 Impairment of assets (continued)

(b) Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The recoverable amount is determined on an individual asset basis, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculations on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. For longer periods, a long-term growth rate is applied to project future cash flows after the third year.

Impairment losses of continuing operations are recognised in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Group makes an estimate of the recoverable amount. A previous impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of income unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill and intangible assets are tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.11 Fair value measurement

The Group measures financial instruments and non-financial assets at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

2. Significant accounting policies (continued)

2.11 Fair value measurement (continued)

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in either its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market. If there is no quoted price in an active market, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis making maximum use of market inputs and relying as little as possible on entity-specific inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level consists mainly of various freehold and investment properties, various unquoted equity securities, and the unquoted, illiquid Series G Government of Barbados debt securities. Freehold and investment properties are fair valued by professional external valuators. Unquoted equity securities are held either at cost, being the fair value of the consideration paid on acquisition, or at fair value based on valuation ratios such as book value per share, or based on indicative prices provided by external investment managers or based on recent transaction prices. The Series G debt securities are valued using a discounted cash flow model that incorporates expected cash flows and a risk adjusted yield curve issued by the Central Bank of Barbados.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of certain assets such as investment properties, freehold and leasehold properties and properties for development and sale. Involvement of external valuers is decided annually and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.12 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position only 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.

2. Significant accounting policies (continued)

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, money market placements and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, when they arise, are shown within borrowings in current financial liabilities on the consolidated statement of financial position.

2.14 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

2.15 Insurance and investment contracts

(a) Classification

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

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

A number of insurance contracts contain a Discretionary Participation Feature (DPF), 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.

(b) Recognition and measurement

Insurance contracts are classified into four main categories, depending on the duration of risk and whether or not the terms and conditions are fixed.

(i) Short-term insurance contracts

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

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.

2. Significant accounting policies (continued)

2.15 Insurance and investment contracts (continued)

(b) Recognition and measurement (continued)

(i) Short-term insurance contracts (continued)

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.

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.

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

Unearned premiums represent the portion of premiums written in the current year that relate to periods of insurance subsequent to the consolidated statement of financial position date, calculated using either the three hundred and sixty-fifths method or the twenty-fourths method. Unearned premiums relating to marine cargo are calculated using 180 days after the first date of sailing.

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. The Group does not discount its liabilities for unpaid claims other than for disability claims. Liabilities for unpaid claims are estimated using techniques such as the input of assessments for individual cases reported to the Group and statistical analyses for the claims Incurred But Not Reported (IBNR), and to estimate the expected ultimate cost of more complex claims that may be affected by external factors such as court decisions. Estimates are continually revised as more information becomes available and for the effects of anticipated inflation. Adjustments arising on these revisions are recognised within claims expense in the current year.

2. Significant accounting policies (continued)

2.15 Insurance and investment contracts (continued)

(b) Recognition and measurement (continued)

(ii) Long-term insurance contracts with fixed and guaranteed terms and without DPF

These contracts insure events associated with mortality and longevity risk over a long duration. Premiums are recognised as revenue when they become payable by the policyholder. Premiums are shown before deduction of commission. Benefits are recorded as an expense when incurred.

A liability for policyholders´ benefits that are expected to be incurred in the future is established on acceptance of the insurance risk. The liability is based on the present value of estimated amounts for projected future premiums, claims, benefits, investment income and policy maintenance expenses. The liability is based on key assumptions made with respect to variables such as mortality, persistency, investment returns, expenses and expense inflation.

The liabilities are actuarially recalculated at each consolidated statement of financial position date and the change in the liability is recognised as an expense in the consolidated statement of income.

For the Trinidad and Tobago life insurance subsidiaries, actuarial liabilities are calculated using the Caribbean Policy Premium Method (CPPM) outlined in regulations issued by the Central Bank of Trinidad and Tobago. The Jamaican life insurance subsidiary uses a very similar Policy Premium Method as required under the Insurance Act 2001 of Jamaica. The calculations use current best estimates of future cash flows arising from the insurance contracts in force, with additional margins for adverse deviation for each material assumption. As experience unfolds, the resulting provisions for adverse deviations will be included in future income to the extent they are no longer required to cover adverse experience.

Effective 1 January 2021, the actuarial liabilities of the Group´s Dutch Caribbean life insurance subsidiaries are calculated using the Policy Premium Method, which is very similar to the method used by the Trinidad and Tobago life insurance subsidiaries.

Unit-linked and interest-sensitive insurance contracts

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.

Unit-linked insurance contracts

For the Jamaican life insurance subsidiary, where the insurance contracts prescribe fixed and guaranteed terms and without DPF, the portion of the premium covering the insured risk is recorded as premium income. The portion of the premium that accumulates a cash value for the policyholder is recorded as a liability and is credited to the account of the policyholder in the respective unit-linked fund to which the contract is linked.

The liabilities arising from the unit-linked contracts comprise the liability for the insured risk and the accumulated cash value. The liability for the insured risk is determined in a manner identical to the liability for contracts with fixed and guaranteed terms and is included in the policyholders´ liability balance, while the liability for the accumulated cash value is carried at fair value of the assets which fund the liabilities. The liabilities for the accumulated cash values are included in the investment contract liabilities balance. All risk and rewards accrue to the policy-holders who are invested in the unit-linked funds.

The change in the liability arising from the insurance risk is recognised as an expense in the consolidated statement of income.

2. Significant accounting policies (continued)

2.15 Insurance and investment contracts (continued)

(b) Recognition and measurement (continued)

(ii) Long-term insurance contracts with fixed and guaranteed terms and without DPF (continued)

Interest-sensitive insurance contracts

The Jamaican life insurance subsidiary issues interest-sensitive policies for which the entire premium is recorded as premium income and there is no unbundling of the premium receipt between the insurance and investment components. 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.

The change in the overall liability for the interest-sensitive policies is recognised as an expense in the consolidated statement of income.

(iii) Long-term insurance contracts without fixed terms

Unit-linked insurance contracts

For the Trinidad and Tobago life insurance subsidiary, where the insurance contracts prescribe no fixed terms, the entire premium on these contracts is recorded as premium income. The liabilities held for these contracts are actuarially calculated using the CPPM based on the expected future cash flows from these contracts. Some of the unit-linked annuity contracts contain 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.

(iv) Long-term insurance contracts with fixed and guaranteed terms and with DPF

In addition to death or life benefits, these contracts contain a DPF 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. Any changes in the total benefits due are recognised as charges in the consolidated statement of income and form part of increases in reserves for future benefits of policyholders.

(v) Investment contracts

The Group issues investment contracts including deposit administration contracts and individual deferred annuity contracts. Insurance 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.

(c) Outstanding claims

Provision for outstanding claims and the related costs of settlement are based on incidents reported before the end of the financial year and include appropriate provisions for claims incurred but not yet reported. Estimates are continually revised as more information becomes available and for the effects of anticipated inflation. Adjustments arising on these revisions are included with claims expense in the current year.

2. Significant accounting policies (continued)

2.15 Insurance and investment contracts (continued)

(d) Policyholders' benefits

Maturities and annuities are accounted for when due.

Death and disability claims and surrenders are recognised in the consolidated financial statements in the year in which they have been notified.

Differences between the estimated claims and subsequent settlements are recognised in the consolidated statement of income in year of settlement.

(e) Deferred acquisition costs

Commissions paid to agents and brokers for property, casualty and short-duration life insurance contracts that are related to securing new contracts and renewing existing contracts are expensed over the terms of the policies as premium is earned. All other costs are recognised as expenses when incurred.

(f) Liability adequacy test

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

(g) 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.

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

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

(h) Receivables and payables related to insurance contracts and investment contracts

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

2. Significant accounting policies (continued)

2.15 Insurance and investment contracts (continued)

(i) 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.

2.16 Financial liabilities

Financial liabilities in the consolidated statement of financial position comprise borrowings and repurchase agreements.

(a) Borrowings

Borrowings are recognised initially at fair value, plus directly attributable transaction costs. After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the consolidated statement of income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of income.

The Group derecognises a loan when its contractual obligations are discharged, cancelled or have expired. The Group also derecognises a loan when its terms are modified and the cash flows of the modified borrowing is substantially different, in which case a new loan based on the modified terms is recognised at fair value. On derecognition of the loan, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the consolidated statement of income.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised.

(b) Repurchase agreements

Securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions. The difference between the sale and repurchase price is treated as interest and accrued over the life of the agreements using the EIR method.

2.17 Taxation

Taxation in the consolidated statement of income comprises current and deferred income tax.

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

2. Significant accounting policies (continued)

2.18 Employee benefits

(a) Pension plans

The Group 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/fund deeds and rules and are administered in accordance with the laws of the jurisdiction in which the plan resides. Responsibility for the governance of the plans, including investment strategies, lies with the Board of Trustees/Foundation.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods.

The asset or liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the consolidated statement of financial position date less the fair value of plan assets. Plan assets exclude any insurance contracts issued by the Group.

For defined benefit plans, the pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated statement of income so as to spread the regular cost over the service lives of employees in accordance with the advice of a qualified actuary, who carries out full valuations of the plans every three years. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest), are recognised immediately through other comprehensive income in the consolidated statement of comprehensive income.

The defined benefit plans mainly expose the Group to actuarial risks such as investment risk, interest rate risk and longevity risk.

The Group´s contributions to the defined contribution pension plans are charged to the consolidated statement of income in the year to which they relate.

(b) Post-retirement medical benefit obligations

The Group´s subsidiaries in Trinidad and Tobago and the Dutch Caribbean provide post-retirement medical benefits to its permanent employees who retire from active service, their spouses and their dependents. The entitlement to these benefits is based on the employee remaining in service up to retirement age or leaving service due to ill health. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for defined benefit plans. All actuarial gains and losses are recognised immediately through other comprehensive income in the consolidated statement of comprehensive income. External qualified actuaries carry out a valuation of these obligations.

(c) Cash-based long-term performance incentive plan

The Group operates a cash-based long-term performance incentive plan for eligible executives. Accruals are made annually based on the ultimate expected payments to eligible executives.

2. Significant accounting policies (continued)

2.18 Employee benefits (continued)

(d) Employee share ownership plan (ESOP)

The employees of subsidiaries incorporated in Trinidad and Tobago have the option to receive their bonuses in cash and/or ordinary shares of the company purchased on the open market, in accordance with the terms outlined in the Trust Deed governing an approved ESOP. The Group recognises an expense within staff costs when bonuses are awarded.

(e) Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Group´s shareholders after certain adjustments. The Group recognises a provision where contractually obligated or where there is a past practice that has created a constructive obligation.

2.19 Provisions

Provisions are made when the Group has a present legal or constructive obligation as a result of past events, for which it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

2.20 Revenue recognition

Revenue comprises the fair value for services rendered after eliminating revenue within the Group. Revenue is recognised as follows:

(a) Premium income

Premium income is recognised on the accrual basis in accordance with the terms of the underlying contracts as outlined in Note 2.15.

(b) Investment income

Interest income is recognised using the effective interest method. Interest income is calculated by applying the effective interest rate method to the gross carrying amount of financial assets, except for:

- Purchased or originated credit-impaired financial assets, for which the credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- Financial assets that are not purchased or originated credit-impaired but have subsequently become credit-impaired, for which interest revenue is calculated by applying the effective interest rate to their amortised cost i.e. net of the expected credit loss provision.

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

(c) Rental Income

Rental income is recognised on an accrual basis.

(d) 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 statement of income in the period in which they arise.

2. Significant accounting policies (continued)

2.20 Revenue recognition (continued)

(d) Realised and unrealised investment gains and losses (continued)

Unrealised gains and losses on investment securities measured at fair value through other comprehensive income are recognised in other comprehensive income. On derecognition, debt securities gains and losses accumulated in other comprehensive income are reclassified to the consolidated statement of income.

(e) Commission income

Commissions are recognised on the accrual basis.

(f) Fee income

Fees are earned from the management of the assets of the segregated funds and deposit administration funds and from general policy administration and surrenders. Fees are recognised in the period in which the services are rendered.

For the asset management companies in the Group, portfolio, asset management fees and other management advisory and service fees are recognised based on the applicable service contracts over the period in which the service is provided. Management 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.

2.21 Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. This may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Group as a lessee

The Group mainly leases various office space, motor vehicles and equipment used in its operations. Rental contracts for these leases are typically made for fixed periods but may have extension options, which is described below. Some contracts contain lease and non-lease components, which are accounted for as separate components based on the stand-alone prices stated in the contracts.

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 and the leased assets may not be used as security for borrowing purposes.

The Group applies a single recognition and measurement approach to all leases, except for short-term leases and leases of low-value assets. At lease commencement date, the Group recognises a right-of-use asset and a lease liability in the consolidated statement of financial position.

The right-of-use asset is initially measured at cost, which comprises the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement

2. Significant accounting policies (continued)

2.21 Leases (continued)

The Group as a lessee (continued)

date (net of any incentives received). Subsequent to initial measurement, the right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. 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. The Group also assesses the right-of-use asset for impairment when such indicators exist. The Group does not revalue any of its right-of-use assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate 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. Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalty payments for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.

The Group remeasures the lease liability when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option. Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of income if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments. The Group did not have any variable lease payments that do not depend on an index or a rate for the period ended 31 December 2022 (2021: nil).

The Group applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. The Group recognises the lease payments associated with these leases as an operating expense on a straight line basis over the lease term.

The Group as a lessor

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Rental income arising is accounted for on a straight-line basis over the lease term and is included in other income in the consolidated statement of income.

2. Significant accounting policies (continued)

2.22 Dividend distributions

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

2.23 Finance charges

Finance charges are recognised as an expense in the period in which they are incurred except to the extent that they are capitalised when directly attributable to the acquisition, construction or production of an investment property or in developing properties for sale.

2.24 Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the period.

2.25 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 several of the Group's subsidiaries.

2.26 Subscriptions and redemptions on mutual funds portfolio

(a) 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.

(b) 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.

(c) 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.

3. Critical accounting estimates and judgments in applying accounting policies

The Group makes estimates and assumptions that may affect the reported amounts of assets and liabilities during the succeeding financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

COVID-19 Pandemic

A source of estimation uncertainty that originated in 2020 was the COVID-19 pandemic. While the worst of the health and economic effects of the pandemic have abated, some uncertainty remains about the shape of the ongoing economic recovery and many aspects of the economy have not yet recovered to 2019 levels. The Group has made forward-looking projections using the macroeconomic indicators, such as real GDP, unemployment, and inflation, which were available as at the end of the reporting period. The residual uncertainty means an increased likelihood that actual economic outcomes will vary from estimates used, resulting in differences between the current accounting estimates and the actual future results of the Group. These uncertainties predominantly affected the measurement of expected credit losses on financial assets (see Note 3(e)).

3. Critical accounting estimates and judgments in applying accounting policies (continued)

(a) The ultimate liability arising from claims made under short-term insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is an important accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims, in particular, for claims arising from motor, casualty, health and group life insurance contracts. At 31 December 2022, the carrying amount of short-term insurance claims was $1.4 billion (2021: $1.3 billion). See Note 4.1 for a detailed understanding of this estimate.

(b) Estimate of future benefit payments and premiums arising from long-term insurance contracts

The determination of the liabilities under long-term insurance contracts is dependent on estimates made by the Group. Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arises from the unpredictability of long-term changes in overall levels of future mortality, morbidity, administrative expenses, investment income and the variability in contract holder behaviour. Estimates are made as to the expected number of deaths, terminations and other events giving rise to cash flows for each of the years in which the Group is exposed to risk. The Group bases these estimates on standard actuarial tables adjusted where appropriate to reflect the Group's own experience and expectations. Although the pattern of future cash flows may be close to that indicated by past experience, some deviation in that pattern is probable.

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

Estimates are also made as to future investment income arising from the assets backing long-term insurance contracts. These estimates are based on historic yield patterns and current market returns as well as expectations about future economic and financial developments. See Note 4.1.4(d) for the sensitivity of the value of insurance liabilities to changes in assumptions used to value these liabilities.

The carrying amount of long-term insurance contracts as at 31 December 2022 was $16.7 billion (2021: $17.1 billion).

(c) 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 judgment 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 2.9(b).

3. Critical accounting estimates and judgments in applying accounting policies (continued)

(d) Fair valuation of financial assets

The fair value of debt securities that are not traded in an active market is determined by using an internally developed bond valuation model. Assumptions used in this model are validated and periodically reviewed internally by qualified personnel. Where applicable, data is calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in assumptions used in valuations could affect reported fair value of financial assets. Key assumptions are based on current market yields. At 31 December 2022, the carrying amount of debt securities that were fair valued using an internally developed bond valuation model was $9.8 billion (2021: $10.3 billion).The following table shows the effect on the profit or loss and fair value reserve to changes in the market yields.

	Effect on fair value reserve		Effect on consolidated income	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
For the Trinidadian subsidiaries:				
1% increase in market yields	(35,676)	(38,291)	(11,811)	(16,230)
1% decrease in market yields	36,684	42,524	13,114	17,678
For the Jamaican subsidiaries:				
2% increase in market yields	(273,865)	(286,108)	(38,897)	(52,775)
2% decrease in market yields	350,887	385,777	51,764	73,732
For the Dutch Caribbean subsidiaries:				
1% increase in market yields	(101,983)	(125,100)	(378)	(514)
1% decrease in market yields	117,237	144,914	392	539

(e) Impairment losses on financial assets

The measurement of ECL allowance for financial assets measured at amortised cost and fair value through other comprehensive income requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's expected credit loss calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the expected credit loss models that are considered accounting judgments and estimates include:

- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime expected credit loss basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Use of macroeconomic data for internal credit ratings and outlooks, to derive associated probabilities of default as prescribed by external rating agencies such as Standard & Poor's and Moody's
- Development of forward-looking scenarios probability weighted based on macroeconomic trends and expectations
- Determination of associations between macroeconomic scenarios and, economic inputs and the effect on probabilities of default, exposure at default and loss given default

The Group regularly reviews its internal models in the context of actual loss experience and adjusts when necessary.

3. Critical accounting estimates and judgments in applying accounting policies (continued)

(e) Impairment losses on financial assets (continued)

Forward-looking macroeconomic variables

The estimation and application of forward-looking information requires significant judgment. PD and LGD 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. The estimation of ECL on 12-month ECL and Lifetime ECL is a discounted probability-weighted estimate that considers three future macroeconomic scenarios, with macroeconomic projections varying by territory. The base case scenario assumes that a stable economic environment where current conditions, based on available macroeconomic data, will largely continue. Upside and downside scenarios are set relative to the base case scenario based on reasonably possible alternative macroeconomic conditions, considering macroeconomic forecasts and trends.

Scenarios are reassessed on at least an annual basis and more frequently if conditions warrant. Scenarios are probability-weighted separately for each territory modelled 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.

COVID-19 Pandemic

For the two previous financial years, to incorporate the economic impact of the COVID-19 pandemic, the Group made adjustments to its ECL models such as increasing the likelihood of pessimistic scenarios and overlaying a further pessimistic scenario that explicitly accounts for acute negative economic fallout. For the year ended 31 December 2022, the overlay for the acute negative scenario remains; however, the likelihood attributed to this and other pessimistic scenarios have been further reduced given the improvements in the current and expected economic environment. The resulting probability of default and losses given default were applied to all financial assets with credit risk.

Management also maintains the position that the lifetime default risk of assets with several years remaining to maturity has not significantly changed since the onset of the COVID-19 pandemic, an important factor given that IFRS 9 requires that entities assess the risk of default over the life of expected assets. Such assets account for a significant portion of the Group's investment portfolio.

The carrying amounts of expected credit loss allowance on financial assets are disclosed in Note 4.2.3(d).

(f) Taxation

The Group is subject to income taxes in numerous jurisdictions. Estimates are required in determining the provision for 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 anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

For uncertain tax positions where there is uncertainty over the tax treatment in the financial statements, management considered whether it is probable that the tax authority will accept the uncertain tax treatment. The Group measured the tax balance that is applicable for the uncertain tax position using an expected value basis.

(g) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from approved budgets and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested.

3. Critical accounting estimates and judgments in applying accounting policies (continued)

(g) Impairment of non-financial assets (continued)

The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The carrying amount of impairment provisions on non-financial assets as at 31 December 2022 was $108 million (2021: $115 million).

The fair value of the Group's investment properties are determined annually by external valuators. Refer to Note 7 for the valuation methodologies and assumptions applied.

(h) Post-employment benefits

In conducting valuation exercises to measure the effect of all post-employment benefit plans throughout the Group, the Group's external actuaries use judgment and assumptions in determining discount rates, salary increases, pension increases and health care costs. These assumptions are detailed in Note 13 and Note 25.

4. Management of Insurance and Financial 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.

4.1 Insurance risk

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.

4.1.1 Casualty insurance risks

(a) Frequency and severity of claims

The frequency and severity of claims 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).

4. Management of Insurance and Financial Risk (continued)

4.1 Insurance risk (continued)

4.1.1 Casualty insurance risks (continued)

(a) Frequency and severity of claims (continued)

The Group´s reinsurance arrangements include non-proportional excess of loss placements on a per claimant and a per occurrence basis.

(b) Sources of uncertainty in the estimation of future claim payments

Claims on casualty contracts are payable on a claims-occurrence basis. 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 IBNR. There are several variables that affect the amount and timing of cash flows 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.

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 provision for IBNR and a provision for reported claims not yet paid at the consolidated statement of financial position date.

In calculating the estimated cost of unpaid claims (both reported and IBNR), 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.

The estimation of IBNR 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. IBNR claims may not be apparent to the insurer until many years after the event that gave rise to the claims has happened. For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variability between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, 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.

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

4. Management of Insurance and Financial Risk (continued)

4.1 Insurance risk (continued)

4.1.1 Casualty insurance risks (continued)

(b) Sources of uncertainty in the estimation of future claim payments (continued)

into account the characteristics of the business class and the extent of the development of each accident year.

Note 21.2 presents the development of the estimate of ultimate claim cost for claims incurred in a given year. This gives an indication of the accuracy of the Group's estimation technique for claims payments.

4.1.2 Short-duration life insurance contracts

(a) Frequency and severity of claims

Short-duration life insurance contracts are contracts that are typically of a short tenure, with the tenure being often determined by the length of an individual's time in employment. 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.

The Group attempts to manage this risk through its underwriting and claims handling. Additionally, there is reinsurance on short-duration life insurance contracts.

(b) Sources of uncertainty in the estimation of future claim payments

There is no need to estimate mortality rates or morbidity rates for future years because these contracts have short duration. 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 reasonable 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.

4.1.3 Property insurance contracts

(a) Frequency and severity of claims

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). 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 has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claims payment limits are always included to cap the amount payable on occurrence of the insured event. The cost of rebuilding properties, of replacement or indemnity for contents 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. 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.

4. Management of Insurance and Financial Risk (continued)

4.1 Insurance risk (continued)

4.1.3 Property insurance contracts (continued)

(b) Sources of uncertainty in the estimation of future claim payments

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 IBNR is held at year end. The longer time needed to assess the emergence of a subsidence claim makes the estimation process more uncertain.

4.1.4 Long-term insurance contracts

(a) Frequency and severity of claims

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.

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 illness insurance contracts without fixed terms. It has the right to alter these charges based on its mortality experience and hence minimise its exposure to mortality risk.

The Group 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.

4. Management of Insurance and Financial Risk (continued)

4.1 Insurance risk (continued)

4.1.4 Long-term insurance contracts (continued)

(a) Frequency and severity of claims (continued)

For the Trinidadian life insurance subsidiaries:

	2022 – Total benefits insured			
	Before reinsurance		After reinsurance	
	TT$´000	%	TT$´000	%
Benefits assured per life $´000				
0 - 250 (TT$)	21,423,878	24.3%	20,961,234	30.0%
251 - 500 (TT$)	26,454,051	30.0%	23,277,345	33.3%
501 - 1,000 (TT$)	22,884,291	26.0%	17,431,722	24.9%
1,001 - 3,000 (TT$)	12,116,413	13.8%	7,390,746	10.6%
3,001 and over (TT$)	5,240,289	5.9%	865,475	1.2%
Total	88,118,922	100.0%	69,926,522	100.0%

The concentration risk in the respective bands has not changed from last year.

	2021 – Total benefits insured			
	Before reinsurance		After reinsurance	
	TT$´000	%	TT$´000	%
Benefits assured per life $´000				
0 - 250 (TT$)	21,996,376	25.2%	21,489,613	31.8%
251 - 500 (TT$)	26,105,883	30.0%	22,601,858	33.4%
501 - 1,000 (TT$)	22,396,619	25.7%	16,410,629	24.2%
1,001 - 3,000 (TT$)	11,328,131	13.0%	6,381,467	9.4%
3,001 and over (TT$)	5,309,277	6.1%	790,394	1.2%
Total	87,136,286	100.0%	67,673,961	100.0%

For the Jamaican life insurance subsidiary:

	2022 – Total benefits insured			
	Before reinsurance		After reinsurance	
	TT$´000	%	TT$´000	%
Benefits assured per life $´000				
1,000 - 5,000 (J$)	15,866,182	74.1%	15,770,726	76.6%
5,001 - 10,000 (J$)	2,891,077	13.5%	2,714,291	13.2%
10,001 - 15,000 (J$)	709,263	3.3%	602,539	2.9%
15,001 - 20,000 (J$)	577,653	2.7%	475,149	2.3%
20,001 and over (J$)	1,368,071	6.4%	1,016,230	5.0%
Total	21,412,246	100.0%	20,578,935	100.0%

The risk is concentrated in the lower value bands. This has not changed from last year.

4. Management of Insurance and Financial Risk (continued)

4.1 Insurance risk (continued)

4.1.4 Long-term insurance contracts (continued)

(a) Frequency and severity of claims (continued)

For the Jamaican life insurance subsidiary: (continued)

	2021 – Total benefits insured			
	Before reinsurance		After reinsurance	
	TT$´000	%	TT$´000	%
Benefits assured per life $´000				
1,000 – 5,000 (J$)	14,640,424	77.5%	14,521,369	80.6%
5,001 – 10,000 (J$)	2,306,393	12.2%	2,114,532	11.7%
10,001 – 15,000 (J$)	530,111	2.8%	415,032	2.3%
15,001 – 20,000 (J$)	438,569	2.3%	331,806	1.8%
20,001 and over (J$)	967,254	5.2%	624,340	3.6%
Total	18,882,751	100.0%	18,007,079	100.0%

For the Dutch Caribbean life insurance subsidiaries:

	2022 – Total benefits insured			
	Before reinsurance		After reinsurance	
	TT$´000	%	TT$´000	%
Benefits assured per life $´000				
0 – 500 (NAF)	9,504,743	88.1%	9,273,950	94.3%
501 – 1,000 (NAF)	779,919	7.2%	375,025	3.8%
1,001 – 1,500 (NAF)	242,972	2.3%	112,681	1.1%
1,501 – 2,000 (NAF)	143,743	1.3%	42,604	0.4%
More than 2,000 (NAF)	117,840	1.1%	32,277	0.4%
Total	10,789,217	100.0%	9,836,537	100.0%

The risk is concentrated in the lower value bands. This has not changed from last year.

	2021 – Total benefits insured			
	Before reinsurance		After reinsurance	
	TT$´000	%	TT$´000	%
Benefits assured per life $´000				
0 – 500 (NAF)	9,741,527	87.7%	9,523,649	94.4%
501 – 1,000 (NAF)	856,335	7.7%	386,224	3.8%
1,001 – 1,500 (NAF)	265,319	2.4%	111,594	1.1%
1,501 – 2,000 (NAF)	137,048	1.2%	34,904	0.3%
More than 2,000 (NAF)	103,174	1.0%	29,592	0.4%
Total	11,103,403	100.0%	10,085,963	100.0%

4. Management of Insurance and Financial Risk (continued)

4.1 Insurance risk (continued)

4.1.4 Long-term insurance contracts (continued)

(a) Frequency and severity of claims (continued)

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.

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.

For the Trinidadian life insurance subsidiaries:

	Total annuities payable per annum			
	2022		2021	
Annuity payable per annum per life	TT$'000	%	TT$'000	%
0 - 5,000 (TT$)	7,192	3.8%	7,021	3.7%
5,001 - 10,000 (TT$)	25,429	13.4%	25,453	13.6%
10,001 - 20,000 (TT$)	43,865	23.2%	44,040	23.5%
More than 20,000 (TT$)	112,694	59.6%	110,989	59.2%
Total	189,180	100.0%	187,503	100.0%

The greatest concentration remains at the highest band, which is consistent with the prior year.

For the Jamaican life insurance subsidiary:

	Total annuities payable per annum			
	2022		2021	
Annuity payable per annum per life	TT$'000	%	TT$'000	%
0 - 200,000 (J$)	21,187	13.9%	22,901	13.4%
200,001 - 300,000 (J$)	10,086	6.6%	12,561	7.4%
300,001 - 400,000 (J$)	9,607	6.3%	12,637	7.4%
400,001 - 500,000 (J$)	7,467	4.9%	10,548	6.2%
More than 500,000 (J$)	103,974	68.3%	112,000	65.6%
Total	152,321	100.0%	170,647	100.0%

The greatest risk concentration remains at the highest band and lowest band, which is consistent with the prior year.

4. Management of Insurance and Financial Risk (continued)

4.1 Insurance risk (continued)

4.1.4 Long-term insurance contracts (continued)

(a) Frequency and severity of claims (continued)

For the Dutch Caribbean life insurance subsidiaries:

	Total annuities payable per annum			
	2022		2021	
Annuity payable per annum per life	TT$'000	%	TT$'000	%
0 - 10,000 (NAF)	38,666	31.5%	37,704	31.3%
10,001 - 20,000 (NAF)	27,284	22.2%	26,713	22.2%
20,001 - 30,000 (NAF)	16,826	13.7%	16,393	13.6%
30,001 - 40,000 (NAF)	9,982	8.1%	9,751	8.1%
40,001 - 50,000 (NAF)	7,823	6.4%	7,506	6.2%
More than 50,000 (NAF)	22,141	18.1%	22,256	18.6%
Total	122,722	100.0%	120,323	100.0%

The risk is spread over all bands, which is consistent with the prior year.

(b) Process used to decide on assumptions

For long-term insurance contracts, the Group determines assumptions in relation to future mortality, morbidity and other contingencies, terminations, investment returns, administrative expenses and other items that are appropriate to the policies, their location and the local statutory reserving requirements. The assumptions are best estimate assumptions with appropriate provisions for adverse deviations, consistent with the use of a Policy Premium Method valuation.

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.

- **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 and expectations. For contracts that insure the risk of longevity, appropriate future mortality improvement rates are assumed based on industry standards.

- **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.

- **Investment returns**

  The computation of policyholders' liabilities takes into account projected net investment income on assets supporting policyholders' liabilities and income expected to be earned or foregone on reinvestment or financing of mismatched cash flows. In the absence of robust market information, long-term yields are determined using recent asset returns, current market expectations and relevant regulatory guidelines. Other information, such as macro-economic data and projections, is considered where available.

4. Management of Insurance and Financial Risk (continued)

4.1 Insurance risk (continued)

4.1.4 Long-term insurance contracts (continued)

(b) Process used to decide on assumptions (continued)

- **Investment returns (continued)**

  The following table summarises the rates of return used for the valuation of policyholders´ liabilities.

	2022	2021
Trinidad and Tobago	3.5% - 7.1%	3.3% - 7.7%
Jamaica	8.1% - 12.4%	7.0% - 11.2%
Dutch Caribbean	4.4% - 5.3%	4.3% - 4.6%

- **Policy maintenance expense and inflation**

  Amounts are included in policyholders´ liabilities to provide for the future costs of administering policies in force. The expense base is determined from a review of current, recent and expected Group expense levels and allowance is made for future expense inflation.

  The inflation rates assumed are summarised in the following table.

	2022	2021
Trinidad and Tobago	2.0%	3.5%
Jamaica	4.0% - 4.5%	4.0% - 4.5%
Dutch Caribbean	1.0%	1.0%

- **Tax**

  It has been assumed that current tax legislation and rates for long-term insurance companies continue unaltered.

(c) Change in assumptions

Changes have been made to the assumptions used to determine the value of long-term insurance liabilities of the life insurance subsidiaries. The following tables present the effect of these changes.

	Trinidadian life insurance subsidiaries		Jamaican life insurance subsidiary		Dutch Caribbean life insurance subsidiaries		Total	
	2022 $´000	2021 $´000	2022 $´000	2021 $´000	2022 $´000	2021 $´000	2022 $´000	2021 $´000
Long-term insurance contracts with fixed and guaranteed terms and without DPF:								
Changes in:								
Expense assumptions	(101,049)	(9,841)	3,915	(26,783)	35,748	543,692	(61,386)	507,068
Lapse assumptions	3,442	–	(1,447)	(4,314)	6,037	(181,743)	8,032	(186,057)
Investment returns	(33,882)	(42,510)	(185,421)	(51,179)	(243,398)	(625,993)	(462,701)	(719,682)
Mortality assumptions	–	–	(10,285)	2,803	–	203,197	(10,285)	206,000
Other assumptions	(11,266)	–	(125,532)	(53,325)	–	–	(136,798)	(53,325)
Decrease in liabilities	(142,755)	(52,351)	(318,770)	(132,798)	(201,613)	(60,847)	(663,138)	(245,996)

4. Management of Insurance and Financial Risk (continued)

4.1 Insurance risk (continued)

4.1.4 Long-term insurance contracts (continued)

(c) Change in assumptions (continued)

	Trinidadian life insurance subsidiaries		Jamaican life insurance subsidiary		Dutch Caribbean life insurance subsidiaries		Total	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Long-term insurance contracts with fixed and guaranteed terms and with DPF:								
Changes in:								
Expense assumptions	(1,693)	(264)	(24)	(186)	–	–	(1,717)	(450)
Lapse assumptions	(88)	–	(481)	(107)	–	–	(569)	(107)
Investment returns	(819)	(1,290)	(85)	(689)	–	–	(904)	(1,979)
Other assumptions	–	–	51	(376)	–	–	51	(376)
Decrease in liabilities	(2,600)	(1,554)	(539)	(1,358)	–	–	(3,139)	(2,912)
Long-term insurance contracts without fixed terms:								
Changes in:								
Expense assumptions	(257,159)	(57,414)	–	–	–	–	(257,159)	(57,414)
Lapse assumptions	19,673	–	–	–	–	–	19,673	–
Investment returns	(23,635)	(107,382)	–	–	–	–	(23,635)	(107,382)
Other assumptions	(39,636)	–	–	–	–	–	(39,636)	–
Decrease in liabilities	(300,757)	(164,796)	–	–	–	–	(300,757)	(164,796)

(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.

	Change in variable	Change in liability 2022 $'000	Change in liability 2021 $'000
Long-term insurance contracts with fixed and guaranteed terms and without DPF:			
For the Trinidadian life insurance subsidiaries:			
Worsening of mortality	+ 10.0%	44,210	33,571
Improvement of annuitant mortality	+ 0.5%	39,171	38,571
Lowering of investment returns	- 1.0%	222,845	225,791
Worsening of base renewal expense level	+ 5.0%	8,586	10,628
Worsening of expense inflation rate	+ 1.0%	16,582	30,435
For the Jamaican life insurance subsidiary:			
Worsening of mortality	+ 10.0%	41,219	42,417
Improvement of annuitant mortality	+ 10.0%	22,644	15,563
Lowering of investment returns	- 2.0%	420,587	408,676
Worsening of base renewal expense level	+ 5.0%	18,107	20,102
Worsening of expense inflation rate	+ 1.0%	30,544	37,746

4. Management of Insurance and Financial Risk (continued)

4.1 Insurance risk (continued)

4.1.4 Long-term insurance contracts (continued)

(d) Sensitivity analysis (continued)

	Change in variable	Change in liability 2022 $'000	Change in liability 2021 $'000
Long-term insurance contracts with fixed and guaranteed terms and without DPF: (continued)			
For the Dutch Caribbean life insurance subsidiaries:			
Worsening of mortality	+ 10.0%	621	943
Improvement of annuitant mortality	+ 10.0%	17,876	18,715
Lowering of investment returns	- 10.0%	2,671	3,764
Worsening of base renewal expense level	+ 10.0%	1,068	1,511
Long-term insurance contracts with fixed and guaranteed terms and with DPF:			
For the Trinidadian life insurance subsidiaries:			
Worsening of mortality	+ 10.0%	339	321
Lowering of investment returns	- 1.0%	5,341	6,223
Worsening of base renewal expense level	+ 5.0%	61	128
Worsening of expense inflation rate	+ 1.0%	91	287
For the Jamaican life insurance subsidiary:			
Worsening of mortality	+ 10.0%	278	231
Lowering of investment returns	- 2.0%	1,922	2,244
Worsening of base renewal expense level	+ 5.0%	125	140
Worsening of expense inflation	+ 1.0%	168	228
Long-term insurance contracts without fixed terms:			
For the Trinidadian life insurance subsidiaries:			
Worsening of mortality	+ 10.0%	69,340	67,346
Improvement of annuitant mortality	+ 0.5%	20,738	32,901
Lowering of investment returns	- 1.0%	214,981	305,306
Worsening of base renewal expense level	+ 5.0%	30,258	30,136
Worsening of expense inflation rate	+ 1.0%	50,195	79,521
For the Dutch Caribbean life insurance subsidiaries:			
Worsening of mortality	+ 10.0%	21,940	39,142
Improvement of annuitant mortality	+ 10.0%	28,966	30,790
Lowering of investment returns	- 10.0%	213,816	236,589
Worsening of base renewal expense level	+ 10.0%	22,066	36,194

The above analyses are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

4.2 Financial risk

The Group is exposed to financial risk through its financial assets, financial liabilities (investment contracts and borrowings), reinsurance assets and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance and investment contracts. The components of this financial risk are interest rate risk, equity price risk, foreign currency risk, liquidity risk and credit risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

Risk management is carried out by Executive Investment Committees and Actuarial departments of operating units under policies approved by the Group's Board of Directors. The Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

4.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk - currency risk, interest rate risk and other price risk, each of which is considered below.

(a) Currency risk

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency rates on its financial position and cash flows. The Group's main operations are in the Caribbean and in the Netherlands. The main exposure to risks are in respect to the US dollar, Antillean guilder, Jamaican dollar, Euro and the British pound. The Group's strategy for dealing with foreign exchange risk is to offset, as far as possible, foreign currency liabilities with assets denominated in the same currency.

Each subsidiary has an Executive Investment Committee, which has oversight for the management of currency risk. The Trinidad and Tobago insurance subsidiaries' exposure to currency risk is also mitigated by the requirements of the Insurance Act 2018, which does not allow more than 30% of the assets supporting policyholder liabilities to be held in currencies other than the currency of the liability.

The tables below summarise the Group's exposure to foreign currency exchange rate risk as at 31 December. The Group's assets and liabilities at carrying amounts are included in the table categorised by currency positions expressed in TT$ equivalents.

	TT $'000	US $'000	NAF $'000	JMD $'000	GBP $'000	Euro $'000	Other $'000	Total $'000
As at 31 December 2022								
Total assets	11,221,825	8,922,441	5,384,771	5,985,403	170,613	1,393,926	1,733,087	34,812,066
Total liabilities	13,787,478	2,320,066	7,069,465	4,077,124	162,604	631,136	1,193,517	29,241,390
	(2,565,653)	6,602,375	(1,684,694)	1,908,279	8,009	762,790	539,570	5,570,676
As at 31 December 2021								
Total assets	11,228,731	8,950,507	5,151,236	6,024,296	190,785	1,514,735	1,517,391	34,577,681
Total liabilities	14,213,679	2,339,741	6,860,506	4,353,763	180,900	707,226	938,488	29,594,303
	(2,984,948)	6,610,766	(1,709,270)	1,670,533	9,885	807,509	578,903	4,983,378

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.1 Market risk (continued)

(a) Currency risk (continued)

The analysis below is performed for reasonable possible movements in foreign currency exchange rates with all other variables held constant, showing the impact on the statement of income and translation reserve at the reporting date.

Change in variables	US	NAF	JMD	GBP	Euro	Other
2022	0.9%	0.9%	-3.9%	-4.4%	-3.9%	-0.4% to 3.5%
2021	0.6%	0.6%	-4.2%	7.3%	-3.2%	-1.8% to 3.5%

	US	NAF	JMD	GBP	Euro	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Impact on statement of income							
2022	64,423	–	17,250	68	(2,996)	(561)	78,184
2021	56,034	–	22,441	345	180	(1,570)	77,430
Impact on translation reserve							
2022	21,354	8,237	(135,779)	(215)	(26,740)	5,779	(127,364)
2021	13,364	5,839	(134,357)	404	(22,310)	2,247	(134,813)

(b) Interest rate risk

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The major element of interest rate risk within the Group is the risk that the interest earned on the Group's investments is insufficient to meet the interest rates credited or guaranteed to policyholders. This applies to traditional life insurance policies and the deposit administration plans.

Exposure is managed largely by the use of natural hedges that arise by matching interest-sensitive assets with liabilities of a similar nature. The Group also mitigates the effect of interest rate risk of the investment portfolio through the functioning of an Executive Investment Committee and the pricing of products by the actuarial function. The investment portfolio return is continually monitored by the Investment Committees. The results of these reviews inform the pricing of products and interest rates to be credited to the respective policies and plans.

The sensitivity analysis for interest rate risk illustrates how changes in the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date. For the sensitivity analysis, a 1% movement in interest rates was used for 2022 for the Trinidadian market (2021 - 1%), a 2% movement was used for 2022 for the Jamaican market (2021 - 2%) and a 1% movement for 2022 was used for the Dutch Caribbean (2021 - 1%). The following table shows the estimated effect of an increase or decrease in the above rates on the profit or loss and fair value reserve.

	Effect on fair value reserve		Effect on consolidated income	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Increase in interest rates	(422,597)	(468,827)	(41,450)	(55,463)
Decrease in interest rates	531,451	597,711	54,404	76,667

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.1 Market risk (continued)

(c) Other price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as fair value through profit or loss. The Group manages its price risk by limiting the amount of its investments in equities and by monitoring movements in equity prices.

The sensitivity analysis for equity price risk illustrates how changes in the fair value of equity securities will fluctuate because of changes in market prices at the reporting date. The following table shows the estimated effect of reasonably possible changes in equity prices on the consolidated statement of income and equity.

	Change in equity prices		Effect on consolidated income	
	2022	2021	2022	2021
	%	%	$'000	$'000
Stock exchanges and markets				
Trinidad and Tobago	4.0%	5.0%	61,852	84,315
Jamaica	10.0%	10.0%	78,739	91,922
Dutch Caribbean	1.0%	1.0%	3,515	3,428
Other	2.0%-8.0%	1.0% - 9.3%	30,417	47,354
			174,523	227,019

4.2.2 Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due, at a reasonable cost. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

Certain of the Group's contracts have features that allow them to be terminated at short notice creating a potential liquidity exposure. The Group monitors liquidity on a regular basis. An internally constituted Executive Investment Committee sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover claims.

There are no individual contracts or policyholders who have the potential to influence the withdrawal of a significant amount of liabilities.

The following tables analyse the insurance and financial liabilities of the Group into relevant maturity groupings based on the remaining period to the contractual or expected maturity date. Financial liabilities are at contractual undiscounted cash flows, and insurance contracts and investment contracts are at expected undiscounted cash flows.

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.2 Liquidity risk (continued)

		Contractual/Expected Undiscounted Cash Flows		
	Carrying amount	Less than one year	One – five years	Over five years
	$'000	$'000	$'000	$'000
Insurance and financial liabilities				
As at 31 December 2022				
Long-term insurance contracts	16,681,695	647,519	3,529,862	37,839,269
Short-term insurance contracts	2,498,525	2,018,390	454,533	25,602
Investment contracts	2,674,875	57,025	1,400,065	1,217,785
Financial liabilities	3,305,274	439,617	3,145,003	297,898
Lease liabilities	54,288	16,874	34,241	13,062
Third party interests in mutual funds	1,563,727	1,563,727	–	–
Other liabilities	1,792,334	1,776,897	15,437	–
Total	28,570,718	6,520,049	8,579,141	39,393,616
As at 31 December 2021				
Long-term insurance contracts	17,136,073	586,486	3,421,325	37,691,864
Short-term insurance contracts	2,367,300	1,908,985	373,116	85,199
Investment contracts	2,645,659	69,900	1,394,849	1,180,910
Financial liabilities	3,521,703	377,388	2,691,809	1,198,062
Lease liabilities	96,245	29,388	67,834	21,946
Third party interests in mutual funds	1,599,412	1,599,412	–	–
Other liabilities	1,518,439	1,518,439	–	–
Total	28,884,831	6,089,998	7,948,933	40,177,981

4.2.3 Credit risk

Credit risk is defined as the potential for loss that can occur as a result of an individual, counterparty or issuer being unable or unwilling to honour its contractual obligations to the Group. Each subsidiary in the various jurisdictions has an Executive Investment Committee (EIC) that sets credit limits and monitors exposure by constraining the magnitude and tenor of the exposure to counterparties and issuers. Some of the credit risk mitigation techniques include, where appropriate, the right to require initial collateral or margin, the right to terminate transactions, and the right to obtain collateral (including guarantees) should unfavourable events occur.

Collateral held as security for mortgage loans and other loans includes physical or tangible residential and commercial edifices as well as legal rights to insurance portfolio and other assets of the respective borrowers. The EIC initiates regular portfolio reviews, monitors counterparty creditworthiness and evaluates potential transaction risks with a view towards early problem identification and protection against unacceptable credit-related losses.

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.3 Credit risk (continued)

(a) Assets bearing credit risk

Below is an analysis of assets bearing credit risk.

	Gross exposure		Net carrying amount	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Investment securities measured at fair value through profit or loss (excluding equity instruments)	5,384,405	5,468,729	5,384,405	5,468,729
Investment securities measured at fair value through other comprehensive income	5,863,017	6,162,848	5,863,017	6,162,848
Investment securities measured at amortised cost	8,746,435	8,153,630	8,697,493	8,104,368
Loans and receivables	2,552,849	2,293,618	2,319,322	1,941,965
Reinsurance assets	1,264,745	1,100,732	1,264,745	1,100,732
Cash and cash equivalents	3,621,898	3,800,445	3,605,825	3,784,574
	27,433,349	26,980,002	27,134,807	26,563,216

(b) Credit quality of reinsurance and financial assets

The Group actively monitors the financial status of its reinsurers both by reference to publicly available information and the Financial Strength Ratings of A.M. Best. All of the Group's reinsurers are rated superior by A.M. Best. A rating of superior is assigned to reinsurance companies that have, in the opinion of A.M. Best, a superior ability to meet their ongoing obligations to the primary insurer.

The credit quality of financial assets can be assessed by reference to external credit ratings, if available, or to a rating assigned by the investment manager using an approach consistent with that used by Standard and Poor's.

AAA

An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

AA

An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment is very strong.

A

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

BBB

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.3 Credit risk (continued)

(b) Credit quality of reinsurance and financial assets (continued)

Below BBB

Obligations rated ´Below BBB´ are regarded as having significant speculative characteristics. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

Not Rated

This indicates that there is insufficient information on which to base a rating. These balances are current and are monitored regularly for impairment. This classification mainly includes obligations due from individuals and short-term securities.

The following tables set out the credit quality analysis for financial assets measured at amortised cost and fair value through other comprehensive income.

		Lifetime ECL			
	12-month ECL	Not credit impaired	Credit impaired	Purchased credit impaired	Total
	$´000	$´000	$´000	$´000	$´000
Investment securities measured at fair value through other comprehensive income					
As at 31 December 2022					
AAA	59,129	–	–	–	59,129
AA	458,550	–	–	–	458,550
A	993,281	–	–	–	993,281
BBB	1,786,626	–	–	–	1,786,626
Below BBB	2,272,493	41,582	1,418	233,032	2,548,525
Not rated	–	16,801	105	–	16,906
Carrying value	5,570,079	58,383	1,523	233,032	5,863,017
As at 31 December 2021					
AAA	77,785	–	–	–	77,785
AA	316,556	–	–	–	316,556
A	1,043,006	–	–	–	1,043,006
BBB	1,837,125	–	–	–	1,837,125
Below BBB	2,544,916	58,218	–	211,383	2,814,517
Not rated	–	73,859	–	–	73,859
Carrying value	5,819,388	132,077	–	211,383	6,162,848

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.3 Credit risk (continued)

(b) Credit quality of reinsurance and financial assets (continued)

	12-month ECL $'000	Lifetime ECL Not credit impaired $'000	Lifetime ECL Credit impaired $'000	Purchased credit impaired $'000	Total $'000
Investment securities measured at amortised cost					
As at 31 December 2022					
AA	33,314	–	–	–	33,314
A	67,505	–	–	–	67,505
BBB	6,083,857	–	–	–	6,083,857
Below BBB	2,431,081	77,334	14,507	27,849	2,550,771
Not rated	5,766	2,907	2,315	–	10,988
Gross carrying amount	8,621,523	80,241	16,822	27,849	8,746,435
Loss allowance	(32,167)	(11,797)	(4,978)	–	(48,942)
Net carrying amount	8,589,356	68,444	11,844	27,849	8,697,493
As at 31 December 2021					
A	67,566	–	–	–	67,566
BBB	4,973,970	–	–	–	4,973,970
Below BBB	2,977,622	80,174	14,374	27,870	3,100,040
Not rated	3,556	6,115	2,383	–	12,054
Gross carrying amount	8,022,714	86,289	16,757	27,870	8,153,630
Loss allowance	(30,687)	(10,455)	(8,120)	–	(49,262)
Net carrying amount	7,992,027	75,834	8,637	27,870	8,104,368

	Loans 12-month ECL $'000	Lifetime ECL Loans Not credit impaired $'000	Lifetime ECL Loans Credit impaired $'000	Lifetime ECL Premiums and other receivables $'000	Total $'000
Loans and receivables					
As at 31 December 2022					
AAA	–	–	–	10	10
AA	–	–	–	72	72
A	3,261	–	–	214,968	218,229
BBB	41,687	–	–	72,114	113,801
Below BBB	452,671	28,756	–	180,504	661,931
Not rated	446,575	186,673	21,668	903,890	1,558,806
Gross carrying amount	944,194	215,429	21,668	1,371,558	2,552,849
Loss allowance	(24,149)	(28,468)	(427)	(180,483)	(233,527)
Net carrying amount	920,045	186,961	21,241	1,191,075	2,319,322

4. **Management of Insurance and Financial Risk (continued)**

4.2 **Financial risk (continued)**

4.2.3 **Credit risk (continued)**

(b) **Credit quality of reinsurance and financial assets (continued)**

	Loans 12-month ECL $'000	Lifetime ECL Loans Not credit impaired $'000	Lifetime ECL Loans Credit impaired $'000	Lifetime ECL Premiums and other receivables $'000	Total $'000
Loans and receivables					
As at 31 December 2021					
AAA	–	–	–	10	10
AA	–	–	–	448	448
A	369	–	–	157,397	157,766
BBB	27,032	–	–	11	27,043
Below BBB	408,617	25,616	–	58,574	492,807
Not rated	399,994	179,558	28,790	1,007,202	1,615,544
Gross carrying amount	836,012	205,174	28,790	1,223,642	2,293,618
Loss allowance	(15,263)	(27,904)	(463)	(308,023)	(351,653)
Net carrying amount	820,749	177,270	28,327	915,619	1,941,965

	12-month ECL $'000	Lifetime ECL Not credit impaired $'000	Lifetime ECL Credit impaired $'000	Total $'000
Cash and cash equivalents				
As at 31 December 2022				
AA	38,379	–	–	38,379
A	733,898	–	–	733,898
BBB	1,362,956	–	–	1,362,956
Below BBB	1,206,242	–	–	1,206,242
Not rated	280,423	–	–	280,423
Gross carrying amount	3,621,898	–	–	3,621,898
Loss allowance	(16,073)	–	–	(16,073)
Net carrying amount	3,605,825	–	–	3,605,825
As at 31 December 2021				
AA	24,484	–	–	24,484
A	606,560	–	–	606,560
BBB	1,390,768	–	–	1,390,768
Below BBB	1,539,734	–	–	1,539,734
Not rated	238,899	–	–	238,899
Gross carrying amount	3,800,445	–	–	3,800,445
Loss allowance	(15,871)	–	–	(15,871)
Net carrying amount	3,784,574	–	–	3,784,574

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.3 Credit risk (continued)

(b) Credit quality of reinsurance and financial assets (continued)

The following table sets out the credit quality analysis for reinsurance assets and financial assets (excluding equity instruments) measured at fair value through profit or loss.

	AAA $'000	AA $'000	A $'000	BBB $'000	Below BBB $'000	Not rated $'000	Total $'000
As at 31 December 2022							
Investment securities at fair value through profit or loss (excluding equities)	–	166,588	18,584	2,960,820	2,155,773	82,640	5,384,405
Reinsurance assets	–	–	1,264,723	–	–	22	1,264,745
	–	166,588	1,283,307	2,960,820	2,155,773	82,662	6,649,150
As at 31 December 2021							
Investment securities at fair value through profit or loss (excluding equities)	58,083	226,226	17,126	2,942,239	2,172,525	52,530	5,468,729
Reinsurance assets	–	–	1,098,477	–	–	2,255	1,100,732
	58,083	226,226	1,115,603	2,942,239	2,172,525	54,785	6,569,461

(c) Credit-impaired reinsurance and financial assets and collateral held

Assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below.

	Gross exposure $'000	Net carrying amount $'000	Fair value of collateral held $'000
As at 31 December 2022			
Investment securities measured at fair value through other comprehensive income	236,157	233,137	–
Investment securities measured at amortised cost	48,858	39,305	12,644
Loans and receivables	72,275	21,241	47,754
	357,290	293,683	60,398
As at 31 December 2021			
Investment securities measured at fair value through other comprehensive income	211,383	211,383	–
Investment securities measured at amortised cost	49,206	36,507	14,186
Loans and receivables	90,852	29,728	66,716
	351,441	277,618	80,902

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.3 Credit risk (continued)

(d) Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial asset. Reconciling items include the following:

- New assets originated or purchased, which reflect the allowance related to assets newly recognised during the period.
- Assets derecognised, which reflect the allowance related to assets derecognised during the period without a credit loss being incurred, including those assets that were derecognised following a modification of terms.
- Net transfer to/(from) 12-month ECL and lifetime ECL, which are presumed to occur before any corresponding remeasurement of the allowance.
- Remeasurements, which comprise the impact of changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions; changes in the measurement following a transfer between 12-month ECL and lifetime ECL; and unwinding of the time value discount due to the passage of time.

		Lifetime ECL			
	12-month ECL $'000	Not credit impaired $'000	Credit impaired $'000	Purchased credit impaired $'000	Total $'000
Investment securities measured at fair value through other comprehensive income					
Year ended 31 December 2022					
Balance at beginning of year	21,800	11,182	–	–	32,982
New assets originated or purchased	820	–	–	–	820
Transfer to 12-month ECL	309	(309)	–	–	–
Transfer to lifetime ECL - credit impaired	(201)	–	201	–	–
Remeasurements	(1,778)	(4,857)	2,856	–	(3,779)
Exchange rate adjustments	6	(1)	–	–	5
Balance at end of year	20,956	6,015	3,057	–	30,028
Year ended 31 December 2021					
Balance at beginning of year	20,647	7,559	–	–	28,206
New assets originated or purchased	5,735	–	–	–	5,735
Transfer to 12-month ECL	1,881	(1,881)	–	–	–
Transfer to lifetime ECL - not credit impaired	(4,922)	4,922	–	–	–
Remeasurements	(1,541)	582	–	–	(959)
Balance at end of year	21,800	11,182	–	–	32,982

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.3 Credit risk (continued)

(d) Loss allowance (continued)

	12-month ECL $'000	Lifetime ECL Not credit impaired $'000	Lifetime ECL Credit impaired $'000	Purchased credit impaired $'000	Total $'000
Investment securities measured at amortised cost					
Year ended 31 December 2022					
Balance at beginning of year	30,687	10,455	8,120	–	49,262
New assets originated or purchased	6,471	–	–	–	6,471
Assets derecognised (excluding write-offs)	(740)	(113)	–	–	(853)
Transfer to 12-month ECL	1,159	(1,159)	–	–	–
Transfer to lifetime ECL - not credit impaired	(1,959)	1,959	–	–	–
Remeasurements	(4,535)	619	(3,075)	–	(6,991)
Amounts recovered	33	–	–	–	33
Exchange rate adjustments	1,051	36	(67)	–	1,020
Balance at end of year	32,167	11,797	4,978	–	48,942
Year ended 31 December 2021					
Balance at beginning of year	33,250	13,503	3,061	–	49,814
New assets originated or purchased	4,999	–	–	–	4,999
Assets derecognised (excluding write-offs)	(317)	(579)	–	–	(896)
Transfer to 12-month ECL	6,842	(6,842)	–	–	–
Transfer to lifetime ECL - not credit impaired	(5,877)	6,599	(722)	–	–
Transfer to lifetime ECL - credit impaired	(510)	–	510	–	–
Remeasurements	(7,475)	(2,229)	5,227	–	(4,477)
Exchange rate adjustments	(225)	3	44	–	(178)
Balance at end of year	30,687	10,455	8,120	–	49,262

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.3 Credit risk (continued)

(d) Loss allowance (continued)

	Loans 12-month ECL $'000	Lifetime ECL Loans Not credit impaired $'000	Lifetime ECL Loans Credit impaired $'000	Lifetime ECL Premiums and other receivables $'000	Total $'000
Loans and receivables					
Year ended 31 December 2022					
Balance at beginning of year	15,263	27,904	463	308,023	351,653
New assets originated or purchased	3,890	–	–	–	3,890
Assets derecognised (excluding write-offs)	(65)	(67)	–	(92)	(224)
Transfer to 12-month ECL	583	(561)	(22)	–	–
Transfer to lifetime ECL - not credit impaired	(158)	158	–	–	–
Transfer to lifetime ECL - credit impaired	(75)	–	75	–	–
Remeasurements	5,353	837	(88)	21,150	27,252
Amounts written-off	(589)	–	–	(148,198)	(148,787)
Amounts recovered	–	–	–	3,250	3,250
Exchange rate adjustments	(53)	197	(1)	(3,650)	(3,507)
Balance at end of year	24,149	28,468	427	180,483	233,527
Year ended 31 December 2021					
Balance at beginning of year	20,467	27,284	10,421	180,130	238,302
New assets originated or purchased	2,470	–	–	–	2,470
Assets derecognised (excluding write-offs)	–	–	–	(20)	(20)
Transfer to 12-month ECL	605	(605)	–	–	–
Transfer to lifetime ECL - not credit impaired	(3,114)	3,114	–	–	–
Transfer to lifetime ECL - credit impaired	(220)	(8)	228	–	–
Remeasurements	(4,896)	(845)	(1,253)	140,825	133,831
Amounts written-off	(53)	–	(8,933)	(8,040)	(17,026)
Amounts recovered	–	–	–	2,183	2,183
Exchange rate adjustments	4	(1,036)	–	(7,055)	(8,087)
Balance at end of year	15,263	27,904	463	308,023	351,653

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.3 Credit risk (continued)

(d) Loss allowance (continued)

Cash and cash equivalents

Impairment on cash and cash equivalents measured at amortised cost has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group uses a similar approach for the assessment of expected credit losses for cash and cash equivalents to those used for debt securities.

The impairment allowance on cash and cash equivalents as at 31 December 2022 is $16,073,000 (2021: $15,871,000). The Group recognised a net impairment loss of $303,000 for the year ended 31 December 2022 (2021: net impairment gain of $5,575,000).

Credit Risk – Economic Variable Assumptions

The most significant period-end assumptions used for the ECL estimate as at 31 December 2022 and 2021 are set out below.

The PDs and LGDs are impacted by long-term changes in the various data sets gathered from external rating agencies such as Moody's. Macroeconomic variables used in the Group's ECL models also include, but are not limited to, gross domestic product growth, inflation rates, national budget deficits, debt to GDP ratios for the various territories. Refer to the table below for the ranges applied to each scenario for the two most significant assumptions. The weighting assigned to each scenario vary by jurisdiction.

	2022 Assumptions			2021 Assumptions		
	GDP growth	Inflation	Weights	GDP growth	Inflation	Weights
Scenario						
Base	Stable	Positive	50% - 65%	Stable	Positive	15% - 50%
Optimistic	Positive	Positive	7.5% - 40%	Positive	Positive	40% - 70%
Pessimistic	Negative	Negative	5% - 25%	Negative	Negative	5% - 10%
Acute pessimistic	Negative	Negative	5% - 7.5%	Negative	Negative	5%

Refer to Note 3(e) for descriptions of the scenarios.

Credit Risk – Sensitivity analysis

Set out below are the changes in ECL allowance at the reporting date that would result from a reasonably possible change in the PDs used by the Group.

	Actual PDs applied 2022	Actual PDs applied 2021	Change in PD	Impact on ECL 2022 $'000	Impact on ECL 2021 $'000
Investment securities measured at fair value through other comprehensive income	0.00% - 20.26%	0.00% - 7.94%	+/- 20%	3,299	5,537
Investment securities measured at amortised cost	0.01% - 33.12%	0.00% - 33.31%	+/- 20%	6,673	6,727
Loans and receivables	0.21% - 32.57%	0.22% - 32.47%	+/- 20%	4,596	3,844
Cash and cash equivalents	0.00% - 7.47%	0.04% - 7.50%	+/- 20%	3,777	4,015
				18,345	20,123

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.3 Credit risk (continued)

(e) Financial assets subject to ECL

The following tables show an analysis of changes in the gross carrying amount of investment securities and loans subject to ECL.

	12-month ECL $'000	Lifetime ECL Not credit impaired $'000	Lifetime ECL Credit impaired $'000	Purchased credit impaired $'000	Total $'000
Investment securities measured at fair value through other comprehensive income					
Year ended 31 December 2022					
Balance at beginning of year	5,819,388	132,077	–	211,383	6,162,848
New assets originated or purchased	2,043,394	–	–	9,996	2,053,390
Assets derecognised (excluding write-offs)	(1,799,790)	(56,482)	–	(504)	(1,856,776)
Transfer to 12-month ECL	11,388	(11,388)	–	–	–
Transfer to lifetime ECL - credit impaired	(13,653)	–	13,653	–	–
Other movements	(506,489)	(5,793)	(12,129)	12,166	(512,245)
Exchange rate adjustments	15,841	(31)	(1)	(9)	15,800
Balance at end of year	5,570,079	58,383	1,523	233,032	5,863,017
Year ended 31 December 2021					
Balance at beginning of year	5,318,001	56,401	–	169,706	5,544,108
New assets originated or purchased	2,612,653	–	–	39,350	2,652,003
Assets derecognised (excluding write-offs)	(1,689,505)	(7,542)	–	–	(1,697,047)
Transfer to 12-month ECL	15,284	(15,284)	–	–	–
Transfer to lifetime ECL - not credit impaired	(107,171)	107,171	–	–	–
Other movements	(187,731)	(8,675)	–	1,464	(194,942)
Exchange rate adjustments	(142,143)	6	–	863	(141,274)
Balance at end of year	5,819,388	132,077	–	211,383	6,162,848
Investment securities measured at amortised cost					
Year ended 31 December 2022					
Balance at beginning of year	8,022,714	86,289	16,757	27,870	8,153,630
New assets originated or purchased	2,089,844	–	–	–	2,089,844
Assets derecognised (excluding write-offs)	(1,512,793)	(7,972)	–	–	(1,520,765)
Transfer to 12-month ECL	28,989	(28,989)	–	–	–
Transfer to lifetime ECL - not credit impaired	(29,516)	29,516	–	–	–
Amounts recovered	33	–	–	–	33
Other movements	15,413	1,210	389	–	17,012
Exchange rate adjustments	6,839	187	(324)	(21)	6,681
Balance at end of year	8,621,523	80,241	16,822	27,849	8,746,435

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.3 Credit risk (continued)

(e) Financial assets subject to ECL (continued)

		Lifetime ECL			
	12-month ECL $'000	Not credit impaired $'000	Credit impaired $'000	Purchased credit impaired $'000	Total $'000
Investment securities measured at amortised cost (continued)					
Year ended 31 December 2021					
Balance at beginning of year	7,795,655	91,471	3,061	26,500	7,916,687
New assets originated or purchased	1,160,313	–	–	–	1,160,313
Assets derecognised (excluding write-offs)	(820,933)	(24,236)	–	–	(845,169)
Transfer to 12-month ECL	38,088	(38,088)	–	–	–
Transfer to lifetime ECL - not credit impaired	(54,818)	55,540	(722)	–	–
Transfer to lifetime ECL - credit impaired	(14,374)	–	14,374	–	–
Other movements	538	1,496	–	–	2,034
Exchange rate adjustments	(81,755)	106	44	1,370	(80,235)
Balance at end of year	8,022,714	86,289	16,757	27,870	8,153,630

		Lifetime ECL		
	12-month ECL $'000	Not credit impaired $'000	Credit impaired $'000	Total $'000
Loans				
Year ended 31 December 2022				
Balance at beginning of year	836,012	205,174	28,790	1,069,976
New assets originated or purchased	297,778	–	–	297,778
Assets derecognised (excluding write-offs)	(158,144)	(14,934)	(6,523)	(179,601)
Transfer to 12-month ECL	13,415	(10,529)	(2,886)	–
Transfer to lifetime ECL - not credit impaired	(38,383)	41,342	(2,959)	–
Transfer to lifetime ECL - credit impaired	(3,962)	(1,357)	5,319	–
Amounts written-off	(589)	–	–	(589)
Other movements	81	431	–	512
Exchange rate adjustments	(2,014)	(4,698)	(73)	(6,785)
Balance at end of year	944,194	215,429	21,668	1,181,291
Year ended 31 December 2021				
Balance at beginning of year	797,563	197,578	33,213	1,028,354
New assets originated or purchased	164,250	–	–	164,250
Assets derecognised (excluding write-offs)	(86,463)	(5,370)	(1,617)	(93,450)
Transfer to 12-month ECL	16,443	(13,852)	(2,591)	–
Transfer to lifetime ECL - not credit impaired	(45,414)	42,583	2,831	–
Transfer to lifetime ECL - credit impaired	(3,977)	(1,546)	5,523	–
Amounts written-off	(53)	–	(8,933)	(8,986)
Other movements	(1,968)	281	359	(1,328)
Exchange rate adjustments	(4,369)	(14,500)	5	(18,864)
Balance at end of year	836,012	205,174	28,790	1,069,976

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.3 Credit risk (continued)

(f) Concentrations of risks of reinsurance and financial assets with credit risk exposure

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group´s performance to developments affecting a particular industry.

The following table breaks down the Group´s main credit risk exposure as categorised by the industry sectors of its counterparties.

	2022 $´000	2021 $´000
Financial services	7,696,944	7,958,131
Manufacturing	249,299	293,155
Real estate	1,214,537	1,150,683
Wholesale and retail trade	228,024	214,599
Public sector	13,273,422	12,749,744
Insurance and reinsurance	2,053,399	1,800,040
Consumers/individuals	716,627	618,629
Transportation storage	433,636	504,725
Utilities	546,429	698,425
Other industries	722,490	575,085
	27,134,807	26,563,216

4.2.4 Capital management

The Group´s principal capital resources are as follows:

	2022 $´000	2021 $´000
Shareholders´ equity	5,559,521	4,974,381
Borrowings and repurchase agreements	3,294,373	3,491,038
Total	8,853,894	8,465,419

The movements in shareholders´ equity are presented in the consolidated statement of changes in equity and the movements in borrowings and repurchase agreements are disclosed in Note 22.

The Group´s objectives when managing capital are:

- To comply with the capital requirements required by the regulators of the markets where the Group operates;
- To safeguard the Group´s ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk.

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.

4. Management of Insurance and Financial Risk (continued)

4.2 Financial risk (continued)

4.2.4 Capital management (continued)

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2022.

The table below summarises the minimum required capital across the main territories in the Group. The Group has complied with these minimum capital requirements. These figures are an aggregate number, being the sum of the statutory capital and surplus for each insurance subsidiary in each country subject to local regulatory requirements (current or prospective), which may differ from jurisdiction to jurisdiction.

	Minimum regulatory capital	
	2022	2021
	$'000	$'000
Guardian Re (SAC) Limited	65,294	67,582
Guardian General Insurance (OECS) Limited	12,465	12,829
Guardian Life (OECS) Limited	3,274	1,806
Guardian General Insurance Limited	142,484	73,327
Guardian General Insurance Jamaica Limited	158,368	163,023
Guardian Life Limited	570,118	565,442
Trinidad Life Insurance Companies	733,750	734,574
Dutch Caribbean Insurance Companies	542,401	515,183

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.

5. Property, plant and equipment

	Freehold and leasehold properties $'000	Office furniture, plant and equipment $'000	Motor vehicles $'000	Capital work in progress $'000	Total $'000
Year ended 31 December 2022					
Balance at beginning of year	479,901	141,300	11,636	46,976	679,813
Revaluation surplus	65,286	–	–	–	65,286
Additions	214	22,368	9,328	31,792	63,702
Disposals and adjustments	–	(1,516)	(1,562)	–	(3,078)
Transfers	5,008	(11)	903	(5,900)	–
Depreciation charge	(13,588)	(33,202)	(4,794)	–	(51,584)
Exchange rate adjustments	1,760	(122)	80	296	2,014
Balance at end of year	538,581	128,817	15,591	73,164	756,153
At 31 December 2022					
Cost or valuation	633,999	625,601	38,272	73,164	1,371,036
Accumulated depreciation	(95,418)	(496,784)	(22,681)	–	(614,883)
Balance at end of year	538,581	128,817	15,591	73,164	756,153
Year ended 31 December 2021					
Balance at beginning of year	500,659	146,617	15,354	38,538	701,168
Revaluation loss	(2,131)	–	–	–	(2,131)
Additions	3,951	27,493	3,055	23,269	57,768
Disposals and adjustments	(1,336)	(366)	(952)	–	(2,654)
Transfers	1,428	4,615	–	(6,043)	–
Re-classification from investment properties (Note 7)	–	6,683	–	–	6,683
Re-classification to intangible assets (Note 8)	–	(12,432)	–	(7,658)	(20,090)
Depreciation charge	(13,818)	(29,436)	(5,203)	–	(48,457)
Exchange rate adjustments	(8,852)	(1,874)	(618)	(1,130)	(12,474)
Balance at end of year	479,901	141,300	11,636	46,976	679,813
At 31 December 2021					
Cost or valuation	583,623	634,888	43,006	46,976	1,308,493
Accumulated depreciation	(103,722)	(493,588)	(31,370)	–	(628,680)
Balance at end of year	479,901	141,300	11,636	46,976	679,813

The following are the dates of the last valuation of properties in the Group:

Guardian Life of the Caribbean Limited	-	September 2022
Bancassurance Caribbean Limited	-	September 2022
Guardian Life Limited	-	December 2022
Guardian General Insurance Limited	-	December 2022
Guardian Shared Services Limited	-	December 2022
Fatum Holding N.V.	-	Between July 2022 and September 2022

Valuations were made on the basis of open market value by external independent appraisers, who are accredited in the territory that they serve. Valuations are based on active market prices, adjusted for any difference in the nature, location or condition of the specific property.

Depreciation expense of $51,584,000 (2021 - $48,457,000) has been charged in operating expenses.

5. Property, plant and equipment (continued)

If freehold and leasehold properties were stated on a historical cost basis, the amounts would be as follows:

	2022 $'000	2021 $'000
Cost	449,554	444,015
Accumulated depreciation	(220,260)	(209,903)
Net book value	229,294	234,112

6. Leases

The following tables provide information for leases where the Group is a lessee.

(a) Right-of-use assets

	Leasehold properties $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Year ended 31 December 2022				
Balance at beginning of year	70,150	90	12,245	82,485
Additions	2,005	–	2,122	4,127
Disposals and adjustments	–	–	(205)	(205)
Modification of lease term	(24,040)	–	(1,714)	(25,754)
Depreciation charge	(14,089)	(33)	(3,979)	(18,101)
Exchange rate adjustments	(52)	1	(21)	(72)
Balance at end of year	33,974	58	8,448	42,480
At 31 December 2022				
Cost	89,420	430	20,304	110,154
Accumulated depreciation	(55,446)	(372)	(11,856)	(67,674)
Balance at end of year	33,974	58	8,448	42,480
Year ended 31 December 2021				
Balance at beginning of year	80,853	20	12,958	93,831
Additions	1,604	97	3,550	5,251
Modification of lease term	5,812	–	–	5,812
Depreciation charge	(17,787)	(27)	(4,198)	(22,012)
Exchange rate adjustments	(332)	–	(65)	(397)
Balance at end of year	70,150	90	12,245	82,485
At 31 December 2021				
Cost	126,105	429	23,614	150,148
Accumulated depreciation	(55,955)	(339)	(11,369)	(67,663)
Balance at end of year	70,150	90	12,245	82,485

6. Leases (continued)

(b) Lease liabilities

	2022 $'000	2021 $'000
Balance at beginning of year	96,245	103,669
Additions	4,127	5,251
Interest expense (Note 37)	5,071	7,038
Lease payments	(20,677)	(25,268)
Effect of modification to lease terms	(30,372)	5,796
Exchange rate adjustments	(106)	(241)
Balance at end of year	54,288	96,245
Current	14,733	22,386
Non-current	39,555	73,859
	54,288	96,245

(c) Amounts recognised in the consolidated statement of income

	2022 $'000	2021 $'000
Interest expense on lease liabilities	5,071	7,038
Depreciation charge of right-of-use assets	18,101	22,012
Expense relating to short-term leases	8,282	6,923
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	1,687	1,799
	33,141	37,772

(d) Amounts recognised in the consolidated statement of cash flows

The Group had total cash outflows for leases of $30,639,000 in 2022 (2021: $34,008,000).

7. Investment properties

	2022 $'000	2021 $'000
Investment properties (excluding Pointe Simon)	1,172,316	1,202,938
Pointe Simon	418,121	442,497
	1,590,437	1,645,435
Investment properties (excluding Pointe Simon)		
Balance at beginning of year	1,202,938	1,152,090
Additions	68,834	84,927
Fair value adjustments (Note 32)	59,681	40,325
Disposals	(173,386)	(890)
Fair value adjustments directly related to the unit-linked funds	3,485	(11,109)
Exchange rate adjustments	10,764	(62,405)
Balance at end of year	1,172,316	1,202,938
Residential properties	362,998	369,669
Commercial properties	809,318	833,269
	1,172,316	1,202,938

7. Investment properties (continued)

	2022 $´000	2021 $´000
Investment properties (excluding Pointe Simon) (continued)		
Rental income	45,610	33,091
Operating expenses incurred in respect of investment properties that generated rental income during the year	3,344	3,947
Operating expenses incurred in respect of investment properties that did not generate rental income during the year	711	666

Pointe Simon

Pointe Simon is a mixed-use commercial and residential urban re-development project in Fort de France, Martinique.

	2022 $´000	2021 $´000
Investment property	418,121	442,497
Properties for development and sale (Note 12)	96,122	101,482
	514,243	543,979
Balance at beginning of year	543,979	635,651
Additions	788	2,623
Re-classification to fixed assets (Note 5)	–	(6,683)
Exchange rate adjustments	(30,524)	(87,612)
Balance at end of year	514,243	543,979

The Group has both commercial and residential investment properties in the following territories: Jamaica, Barbados, Trinidad and Tobago, Grenada and Martinique.

Valuations are conducted by external valuators. All valuators are accredited in the territory that they serve, specialising in the valuation of commercial, residential and mixed use properties.

Residential properties are mainly revalued using the comparable sales approach, which estimates the fair value based on sale prices of properties of similar nature or in similar locations with price adjustments being made for any notable differences between the sample and subject properties such as location, size, and quality of improvements.

Commercial properties are primarily valued using the income and sales comparison approach, the direct capitalisation of income approach, or the profit tests or accounts approach. The income and sales comparison approach involves determining the value of the properties by applying an appropriate valuation model to convert the expected future cash flows into present values. Discount rates applied to this model throughout the Group range from 7.15% to 7.90% (2021: 5.75% to 6.50%) as deemed most appropriate by the valuators in the respective territories.

Both the direct capitalisation of income and profit tests or accounts approach apply a valuation model that converts monthly rental income and expenses into market values through the use of a capitalisation rate. The capitalisation rates within these models, as applied by external professional valuators, range from 8.0% to 10.5% (2021: 8.0% to 11.75%) across the Group.

In the past two financial years, many of the Group´s valuations contained a ´material valuation uncertainty´ clause due to the market disruption caused by the COVID-19 pandemic. This clause has been removed from all valuations given that property markets are now mostly functioning, with transaction volumes and other relevant evidence at levels where sufficient market evidence exists upon which to base opinions of value.

No investment property in the Group is subject to any liens or mortgages and the Group has no restrictions with regard to the transfer, resale or other use of its investment properties. The Group is not under any contractual obligation with regard to significant development, enhancement, repair or maintenance of any investment properties.

7. Investment properties (continued)

Future minimum lease payments receivable on leases of investment properties are as follows:

	2022 $'000	2021 $'000
Within one year	67,061	67,380
Between one and two years	24,269	27,335
Between two and three years	23,465	23,562
Between three and four years	21,844	23,053
Between four and five years	19,536	22,373
After five years	23,741	48,270
	179,916	211,973

8. Intangible assets

	Goodwill $'000	Customer-related intangibles $'000	Other $'000	Total $'000
Year ended 31 December 2022				
Balance at beginning of year	530,533	183,716	94,595	808,844
Acquisition of insurance brokerage portfolios (see Note (a) below)	25,318	–	–	25,318
Acquisition of insurance portfolio (see Note (b) below)	549	1,131	–	1,680
Additions	–	–	24,079	24,079
Disposals	–	–	(4,729)	(4,729)
Amortisation	–	(21,937)	(19,617)	(41,554)
Exchange rate adjustments	(8,768)	561	117	(8,090)
Balance at end of year	547,632	163,471	94,445	805,548
At 31 December 2022				
Cost	548,762	327,072	169,511	1,045,345
Accumulated impairment and amortisation	(1,130)	(163,601)	(75,066)	(239,797)
Balance at end of year	547,632	163,471	94,445	805,548
Year ended 31 December 2021				
Balance at beginning of year	544,990	214,884	37,920	797,794
Acquisition of brokerage portfolios (see Note (c) below)	4,012	4,584	–	8,596
Additions	–	–	50,014	50,014
Re-classification from property, plant and equipment (Note 5)	–	–	20,090	20,090
Other movements	–	2,787	–	2,787
Amortisation	–	(22,302)	(13,235)	(35,537)
Exchange rate adjustments	(18,469)	(16,237)	(194)	(34,900)
Balance at end of year	530,533	183,716	94,595	808,844
At 31 December 2021				
Cost	531,666	325,601	150,644	1,007,911
Accumulated impairment and amortisation	(1,133)	(141,885)	(56,049)	(199,067)
Balance at end of year	530,533	183,716	94,595	808,844

8. Intangible assets (continued)

(a) During 2022, the Group acquired four insurance brokerage portfolios through its subsidiary Thoma Exploitatie B.V., for cash consideration of $25,297,000. The Group recognised goodwill of $25,318,000 on acquisition of these portfolios. The Group is in the process of measuring the fair value of the identifiable assets and liabilities of these portfolios, which in accordance with IFRS 3 Business Combinations, will be completed within 12 months of the acquisition date.

(b) On 1 January 2022, the Group acquired an insurance portfolio through its subsidiaries Fatum Life N.V. and Fatum Life Aruba N.V. for cash consideration of $1,680,000. The Group recognised goodwill of $549,000 and customer-related intangibles of $1,131,000 on acquisition of this portfolio.

(c) During 2021, the Group acquired two insurance brokerage portfolios through its subsidiaries Thoma Exploitatie B.V. and Fatum Brokers Holding B.V., for cash consideration of $8,596,000. The Group recognised goodwill of $4,012,000 and customer-related intangibles of $4,584,000 on acquisition of these portfolios.

Other intangible assets represent brand costs, computer software costs and website development costs.

Goodwill

Goodwill is assigned to the Group´s cash-generating units on acquisition. In accordance with IFRS 3 Business Combinations, all assets that gave rise to goodwill were reviewed for impairment at year end using the value-in-use method. In each case, the cash flow projections were based on financial budgets for a three-year period, approved by senior management, with a growth assumption applied for later years.

A summary of the goodwill for each cash-generating unit is presented below:

	2022 $´000	2021 $´000
Guardian General Insurance Limited	97,459	97,459
Guardian Insurance Limited	153,977	153,977
Guardian General Insurance Jamaica Limited	6,578	6,598
Vanguard Risk Solutions Limited	68,661	68,876
Thoma Exploitatie B.V.	126,191	108,571
Royal & Sun Alliance Insurance (Antilles) N.V.	26,695	26,779
Kruit en Venema Assuradeuren B.V.	9,578	10,149
Fatum Brokers Holding B.V.	57,944	58,124
Other	549	–
	547,632	530,533

The key assumptions used for value-in-use calculations are as follows:

	Discount Rate		Growth Rate	
Cash generating unit	**2022**	**2021**	**2022**	**2021**
Guardian General Insurance Limited	10.0%	6.4%	5.9%	5.0%
Guardian Insurance Limited (Trinidad and Tobago based subsidiaries)	10.0%	6.5%	10.1%	5.0%
Guardian Insurance Limited (Jamaica based subsidiary)	12.4%	6.5%	6.4%	5.0%
Guardian General Insurance Jamaica Limited	12.0%	6.4%	1.3%	5.0%
Vanguard Risk Solutions Limited	10.0%	6.4%	11.4%	10.0%
Thoma Exploitatie B.V.	10.6%	10.6%	2.0%	2.0%
Royal & Sun Alliance Insurance (Antilles) N.V.	10.0%	9.8%	2.1%	2.0%
Kruit en Venema Assuradeuren B.V.	10.6%	10.6%	2.0%	2.0%
Fatum Brokers Holding B.V.	10.5% - 11.1%	10.2%-10.8%	2.1%	2.0%

8. Intangible assets (continued)

Goodwill (continued)

Discount rates: Discount rates represent the current market assessment of the risks specific to each cash-generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates: Rates are based on published industry research and management's expected performance of each cash-generating unit.

Based on the results of the above review, no impairment expense was required for goodwill.

9. Investment in associated companies

	2022 $'000	2021 $'000
Balance at beginning of year	299,491	261,064
Investment in associated company	–	11,300
Share of after tax profits	17,752	34,020
Dividends received	(4,385)	(7,089)
Reserve and other movements	49	151
Exchange rate adjustments	(337)	45
Balance at end of year	312,570	299,491

On 26th November 2021, the Group acquired a 25% shareholding in EIKM Holdings Limited ('EIKM') for cash consideration of $11,300,000. EIKM is incorporated in Trinidad and Tobago and is engaged in the sale and distribution of pharmaceutical products. The Group recognised goodwill on the acquisition of $8,626,000, which is included in the Group's carrying value of its investment in EIKM.

The summarised financial information below, for the Group's principal associates (see Note 46), represents amounts shown in the respective associate's financial statements prepared in accordance with IFRSs (adjusted by the Group for equity accounting purposes).

	RoyalStar Holdings Limited		RGM Limited		EIKM Holdings Limited	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Total assets	736,772	695,699	887,587	876,295	7,015	10,562
Total liabilities	(304,316)	(289,131)	(321,068)	(331,356)	(160)	(96)
Equity	432,456	406,568	566,519	544,939	6,855	10,466
Group share of net assets	113,390	106,602	188,840	181,646	1,714	2,617
Goodwill on acquisition	–	–	–	–	8,626	8,626
Carrying amount of investment	113,390	106,602	188,840	181,646	10,340	11,243
Revenue	271,792	294,358	168,682	148,456	45	43
Profit/(loss) for the year	43,899	102,604	21,433	21,517	(3,608)	(229)
Other comprehensive income	–	–	147	351	–	–
Total comprehensive income/(loss)	43,899	102,604	21,580	21,868	(3,608)	(229)
Dividends received during the year	4,385	5,065	–	2,024	–	–

The associated companies had no significant contingent liabilities or capital commitments as at 31 December 2022 or 2021.

10. Investment securities

	2022 Carrying value $'000	2022 Fair value $'000	2021 Carrying value $'000	2021 Fair value $'000
Investment securities	21,732,517	22,020,461	21,898,990	22,353,446
Investment securities of mutual fund unit holders	1,741,039	1,737,598	1,762,312	1,763,207
	23,473,556	23,758,059	23,661,302	24,116,653
Investment securities mandatorily measured at fair value through profit or loss (FVPL-M)	8,913,046	8,913,046	9,394,086	9,394,086
Investment securities measured at fair value through other comprehensive income (FVOCI)	5,863,017	5,863,017	6,162,848	6,162,848
Investment securities measured at amortised cost (AC)	8,697,493	8,981,996	8,104,368	8,559,719
Total investment securities	23,473,556	23,758,059	23,661,302	24,116,653

	Carrying value FVPL-M 2022 $'000	Carrying value FVOCI 2022 $'000	Carrying value AC 2022 $'000	Fair value AC 2022 $'000
Equity securities:				
- Listed	3,219,394	–	–	–
- Unlisted	309,247	–	–	–
	3,528,641	–	–	–
Debt securities:				
- Government securities	4,469,196	2,576,731	6,114,641	6,377,264
- Debentures and corporate bonds	577,651	2,975,880	785,769	761,779
	5,046,847	5,552,611	6,900,410	7,139,043
Deposits (more than 90 days)	214,420	223,920	1,690,775	1,687,703
Other	52,120	–	–	–
	266,540	223,920	1,690,775	1,687,703
	8,842,028	5,776,531	8,591,185	8,826,746
Interest receivable	71,018	86,486	155,250	155,250
Loss allowance	–	–	(48,942)	–
	8,913,046	5,863,017	8,697,493	8,981,996
Current	554,200	1,280,083	1,255,512	
Non-current	8,358,846	4,582,934	7,441,981	
	8,913,046	5,863,017	8,697,493	

The loss allowance on investment securities measured at fair value through other comprehensive income is recognised in the statement of income and accumulated in the fair value reserve. The total loss allowance accumulated in fair value reserve is $30,026,000 (2021: $32,984,000).

The carrying amount of investment securities that were pledged as collateral for liabilities was $192,622,000 (2021: $236,267,000).

10. Investment securities (continued)

Investment securities are pledged as collateral primarily as part of sales and repurchases and securities borrowing transactions under terms that are usual and customary for such activities. In addition, as part of these transactions, the Group has received collateral that it is permitted to resell or repledge in the absence of default.

As at 31 December 2022, the fair value of investment securities accepted as collateral that the Group is permitted to sell or repledge in the absence of default was $71,434,000 (2021: $19,791,000). No securities were sold or repledged during the year.

	Carrying value			Fair value
	FVPL-M 2021	FVOCI 2021	AC 2021	AC 2021
	$'000	$'000	$'000	$'000
Equity securities:				
- Listed	3,639,052	–	–	–
- Unlisted	286,305	–	–	–
	3,925,357	–	–	–
Debt securities:				
- Government securities	4,533,769	2,715,744	5,547,672	5,970,600
- Debentures and corporate bonds	712,162	3,022,503	786,960	785,317
	5,245,931	5,738,247	6,334,632	6,755,917
Deposits (more than 90 days)	94,752	345,796	1,678,527	1,663,331
Other	54,222	–	–	–
	148,974	345,796	1,678,527	1,663,331
	9,320,262	6,084,043	8,013,159	8,419,248
Interest receivable	73,824	78,805	140,471	140,471
Loss allowance	–	–	(49,262)	–
	9,394,086	6,162,848	8,104,368	8,559,719
Current	498,916	1,150,963	694,513	
Non-current	8,895,170	5,011,885	7,409,855	
	9,394,086	6,162,848	8,104,368	

11. Loans and receivables

	2022 $´000	2021 $´000
Premiums receivable	565,346	727,799
Deposits with/balances due from reinsurers	288,179	157,098
Mortgage loans	506,665	395,617
Policy loans	53,292	47,664
Commercial and other loans	613,515	617,517
Interest receivable	8,225	9,558
Other receivables	517,627	338,365
Loss allowance	(233,527)	(351,653)
	2,319,322	1,941,965
Current	1,233,594	996,281
Non-current	1,085,728	945,684
	2,319,322	1,941,965

The carrying amounts of loans and receivables are reasonable approximations of their fair values. There were no loans and receivables pledged as collateral for liabilities at year end (2021: nil).

12. Properties for development and sale

	2022 $´000	2021 $´000
Properties for development and sale (Note 7)	96,122	101,482

Properties for development and sale comprise the Group´s investment in a multi usage complex of condominiums, offices, and retail areas of the Pointe Simon urban re-development project in Fort de France, Martinique.

During 2014, the Group sold the hotel component of the development to a Martinique incorporated company known as Sas Compagnie Hoteliere de la Pointe Simon (CHPS). As part of the sale negotiation, the Group acquired a 24% interest in CHPS for nominal consideration. The Group financed the sale to CHPS and at 31 December 2022 the outstanding balance, included in loans and other receivables, was €9.9 million (2021: €10.2 million). During 2020, the original terms of the loan were modified. The loan has three components, with terms as follows:

1. €9.8 million repayable over 6 years from June 2022, with a bullet at maturity (December 2026) of €6.4 million. Interest is based on EURIBOR 12 Months + 10% margin floored at 1.5%.
2. €0.5 million repayable over 2.5 years. Interest is based on EURIBOR 12 Months + 10% margin floored at 1.5%.
3. €0.3 million repayable at maturity (December 2026) or any date prior to maturity.

13. Pension plan assets/liabilities

The following information explains the quantification of the assets and liabilities recognised in the consolidated statement of financial position and the net income for the year in accordance with the provisions of IAS 19.

	Pension plan asset		Pension plan liability		Net pension plan asset/(liability)	
	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000
Fair value of pension plan assets	507,383	525,227	445,787	462,636	953,170	987,863
Less: Present value of funded obligations	(395,474)	(463,617)	(485,507)	(500,450)	(880,981)	(964,067)
	111,909	61,610	(39,720)	(37,814)	72,189	23,796
Less: Present value of unfunded obligations	–	–	(574)	(645)	(574)	(645)
IAS 19 Consolidated statement of financial position assets/(liabilities)	111,909	61,610	(40,294)	(38,459)	71,615	23,151

	2022	2021
	$'000	$'000
The amount in the consolidated statement of income is made up as follows:		
Net interest expense	2,136	1,037
Current service cost	(22,191)	(21,915)
Past service cost	(2,763)	(735)
Administration expenses	(1,218)	(1,222)
Total pension cost (Note 36)	(24,036)	(22,835)
The remeasurement of pension plan obligation in other comprehensive income is made up as follows:		
Actuarial gains and losses arising during the period from:		
- changes in demographic assumptions	–	(21,944)
- changes in financial assumptions	89,382	61,770
- experience adjustment	(48,041)	(10,143)
	41,341	29,683
The movement in the fair value of pension plan assets of the year is as follows:		
Balance at beginning of year	987,863	963,505
Administration expenses	(1,218)	(1,222)
Benefit payments	(44,591)	(38,626)
Company contributions	31,326	31,754
Contributions by plan participants	1,677	1,374
Remeasurement arising from experience adjustment	(74,111)	(17,803)
Interest income	53,419	47,531
Exchange rate adjustments	(1,195)	1,350
Balance at end of year	953,170	987,863

13. Pension plan assets/liabilities (continued)

	2022 $´000	2021 $´000
The movement in the obligation to plan members over the year is as follows:		
Balance at beginning of year	964,712	979,620
Current service cost	22,191	21,915
Interest cost	51,283	46,494
Past service cost	2,763	735
Contributions by plan participants	1,677	1,374
Remeasurement arising from changes in demographic assumptions	–	21,944
Remeasurement arising from changes in financial assumptions	(89,382)	(61,770)
Remeasurement arising from experience adjustment	(26,070)	(7,660)
Benefits paid	(44,591)	(38,626)
Exchange rate adjustments	(1,028)	686
Balance at end of year	881,555	964,712

The principal actuarial assumptions used for accounting purposes were:

	2022	2021
Discount rates	5.1% - 10.8%	2.9% - 12.5%
Future salary increases	0.0% - 5.0%	0.0% - 6.3%
Post-retirement mortality	GAM94/NIS2012	GAM94/NIS2012
Pre-retirement mortality	GAM94/NIS2012	GAM94/NIS2012
Withdrawal from service	Ignored/Yes	Ignored/Yes
Future pension increases	Ignored/3.5%	Ignored/3.5%
Proportion of employees opting for early retirement	Ignored	Ignored
Life expectancy of pensioners at the age of 65 - male	17.0 - 18.3 years	17.0 - 18.3 years
Life expectancy of pensioners at the age of 65 - female	21.8 - 22.1 years	21.8 - 22.1 years

The actual return on plan assets was -$20,674,000 (2021: $29,732,000).

	2022		2021	
	$´000	%	$´000	%
Pension plan assets are comprised as follows:				
Quoted investments				
Equity securities				
- Trinidad and Tobago	144,921	15.20%	144,314	14.60%
- Non-Caribbean	36,549	3.80%	33,548	3.40%
Government securities				
- Trinidad and Tobago	166,138	17.40%	165,832	16.80%
- Non-Caribbean	30,114	3.20%	48,679	4.90%
Corporate bonds				
- Trinidad and Tobago	45,689	4.80%	47,743	4.80%
- Non-Caribbean	139,959	14.70%	154,841	15.70%
Unquoted investments				
Government securities				
- Other Caribbean	84,035	8.80%	100,689	10.20%
Cash and cash equivalents	14,476	1.50%	33,037	3.30%
Property	37,050	3.90%	17,550	1.80%
Other	254,239	26.70%	241,630	24.50%
	953,170	100.00%	987,863	100.00%

13. Pension plan assets/liabilities (continued)

The defined benefit plan assets as at 31 December 2022 include investments in the Group's managed mutual funds of $10,807,000 (2021: $17,595,000). Included in the plan's assets are properties with a fair value of $37,050,000 (2021: $17,550,000), which are not occupied by the Group.

Contributions from the defined contribution plan are invested in a deposit administration contract. The deposit administration contract is part of a general fund, which is managed by a Group subsidiary.

The Group's expected contributions to its defined benefit pension plans for the year ending 31 December 2023 are $30,291,000.

The duration of the defined benefit plans obligation at the end of the reporting period is 10 to 20 years (2021: 13 to 21 years).

A quantitative sensitivity analysis for significant assumptions as at 31 December 2022 is shown below:

	Impact on the net defined benefit obligation	
	Increase	Decrease
	$'000	$'000
1% increase/decrease in discount rate	(87,119)	107,366
1% increase/decrease in future salary increases	20,461	(17,867)
1% increase/decrease in future pension increases	44,029	(37,554)
Life expectancy increase/decrease by 1 year – male	7,600	(7,821)
Life expectancy increase/decrease by 1 year – female	12,237	(12,537)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

14. Deferred taxation

The following amounts are shown in the consolidated statement of financial position:

	2022	2021
	$'000	$'000
Deferred tax assets:		
– To be recovered after more than 12 months	84,338	76,931
– To be recovered within 12 months	22,610	19,022
	106,948	95,953
Deferred tax liabilities:		
– Crystallising after more than 12 months	(233,686)	(252,344)
– Crystallising within 12 months	(16,236)	(19,959)
	(249,922)	(272,303)
Net deferred tax liability	(142,974)	(176,350)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

14. Deferred taxation (continued)

The movement on the net deferred tax account is as follows:

	2022 $'000	2021 $'000
Balance at beginning of year	(176,350)	(164,975)
Credited/charged to:		
- statement of income (Note 38)	13,944	(41,984)
- other comprehensive income	20,260	22,019
Exchange rate adjustments	(828)	8,590
Balance at end of year	(142,974)	(176,350)

The movement in the net deferred tax assets and liabilities during the year is attributable to the following items:

		Credited/(Charged) to				
	Balance at beginning $'000	Statement of income $'000	Other comprehensive income $'000	Other movements $'000	Exchange rate adjustments $'000	Balance at end $'000
2022						
Accelerated tax depreciation	(43,059)	4,128	–	–	(106)	(39,037)
Tax losses carried forward	39,049	17,023	–	–	(59)	56,013
Investments at fair value through profit or loss	(132,659)	36,861	–	(11,872)	(571)	(108,241)
Investments at fair value through other comprehensive income	(29,616)	1,470	44,435	11,872	269	28,430
Allowance for expected credit losses	14,327	(4,437)	190	–	(30)	10,050
Intangibles	(9,404)	2,385	–	–	231	(6,788)
Revaluation of properties	(21,078)	(709)	(19,489)	–	(404)	(41,680)
Insurance contracts	–	(11,959)	–	–	9	(11,950)
Investment in associated companies	(13,281)	(19,274)	–	–	55	(32,500)
Other	19,371	(11,544)	(4,876)	–	(222)	2,729
	(176,350)	13,944	20,260	–	(828)	(142,974)
2021						
Accelerated tax depreciation	(31,365)	832	–	(13,140)	614	(43,059)
Tax losses carried forward	39,964	(898)	–	–	(17)	39,049
Investments at fair value through profit or loss	(82,511)	(55,451)	–	1,561	3,742	(132,659)
Investments at fair value through other comprehensive income	(44,389)	(2,867)	16,810	–	830	(29,616)
Allowance for expected credit losses	7,846	6,469	(49)	–	61	14,327
Intangibles	(13,113)	2,865	–	–	844	(9,404)
Revaluation of properties	(25,233)	–	(248)	2,957	1,446	(21,078)
Investment in associated companies	(6,739)	(6,532)	(10)	–	–	(13,281)
Other	(9,436)	13,598	5,516	8,622	1,071	19,371
	(164,976)	(41,984)	22,019	–	8,591	(176,350)

14. Deferred taxation (continued)

There are tax losses relating to subsidiaries that are available for set-off against future chargeable profits of $531,172,000 (2021: $224,111,000). These tax losses expire over varying periods. No deferred tax asset has been recognised on tax losses carried forward of $267,882,000 (2021: $67,095,000), due to the uncertain timing of their recovery. Some of these losses have not yet been agreed with the respective tax authorities.

Deferred tax assets amounting to $31,349,000 have been recognised within subsidiaries that have suffered tax losses either in the current or previous tax periods. The Group believes that the deferred tax asset can be recognised based on expectations of future taxable profits.

15. Reinsurance assets

	2022 $'000	2021 $'000
This represents the Group's net contractual rights under reinsurance contracts:		
Long-term insurance contracts:		
With fixed and guaranteed terms	28,738	26,013
Short-term insurance contracts:		
Claims reported and loss adjustment expenses (Note 21.1(e))	532,566	468,569
Claims incurred but not reported (Note 21.1(e))	126,319	73,243
Unearned premiums (Note 21.1(f))	577,121	532,903
Group life	1	4
	1,236,007	1,074,719
Total reinsurers' share of insurance liabilities	1,264,745	1,100,732
Current	1,014,760	879,240
Non-current	249,985	221,492
Total reinsurers' share of insurance liabilities	1,264,745	1,100,732

16. Deferred acquisition costs

	2022 $'000	2021 $'000
Short-term insurance contracts:		
Balance at beginning of year	130,988	129,401
Increase in the year	136,583	135,130
Release in the year	(130,887)	(128,527)
Exchange rate adjustments	(1,796)	(5,016)
Balance at end of year	134,888	130,988

17. Cash and cash equivalents

	2022 $'000	2021 $'000
Cash at bank and in hand	2,902,268	2,753,676
Short-term deposits (90 days or less)	575,033	741,887
Cash and cash equivalents	3,477,301	3,495,563
Cash and cash equivalents in mutual funds	144,597	304,882
Loss allowance	(16,073)	(15,871)
Net cash and cash equivalents	3,605,825	3,784,574
At beginning of year	3,784,574	3,721,405
Net impairment (loss)/gain	(303)	5,575
Exchange rate adjustments	(3,669)	(40,167)
	3,780,602	3,686,813
At end of year	3,605,825	3,784,574
Net (decrease)/increase in cash used in cash flow	(174,777)	97,761

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash and cash equivalents include deposits pledged with regulatory authorities in countries in which the Group is authorised to conduct business, as security for its policyholders. These deposits are subject to regulatory restrictions and are therefore not available for general use by the Group. Cash and cash equivalents pledged as at 31 December 2022 was $40,991,000 (2021: $96,338,000).

No cash and cash equivalents are pledged as collateral for financial liabilities.

18. Share capital

	2022 $'000	2021 $'000
Authorised		
An unlimited number of ordinary shares of no par value		
An unlimited number of preferred shares of no par value		
Issued and fully paid		
232,024,923 ordinary shares of no par value (2021: 232,024,923 ordinary shares)	1,970,043	1,970,043

	Number of shares (thousands)	Share capital $'000	Total $'000
Balance at 1 January 2022	232,021	1,970,043	1,970,043
Movement in unallocated shares	–	–	–
Balance at 31 December 2022	232,021	1,970,043	1,970,043
Balance at 1 January 2021	232,021	1,970,043	1,970,043
Movement in unallocated shares	–	–	–
Balance at 31 December 2021	232,021	1,970,043	1,970,043

The number of shares in the table above is net of unallocated shares, which are units acquired by the Group's Employee Share Ownership Plan that are held in trust for future distribution to employees.

19. Reserves

	Fair value reserve $'000	Property revaluation reserve $'000	Statutory reserve $'000	Translation reserve $'000	Total $'000
Balance at 1 January 2022	105,353	223,958	22,974	(1,151,295)	(799,010)
Other comprehensive income/(loss)	(446,295)	45,797	–	(2,706)	(403,204)
Transfer to retained earnings	–	(8,767)	–	–	(8,767)
Balance at 31 December 2022	(340,942)	260,988	22,974	(1,154,001)	(1,210,981)
Balance at 1 January 2021	219,886	226,337	21,713	(785,682)	(317,746)
Other comprehensive loss	(114,533)	(2,379)	–	(361,305)	(478,217)
Other reserve movements	–	–	–	(4,308)	(4,308)
Transfer from retained earnings	–	–	1,261	–	1,261
Balance at 31 December 2021	105,353	223,958	22,974	(1,151,295)	(799,010)

20. Non-controlling interest in subsidiary

	2022 $'000	2021 $'000
Non-controlling interest in subsidiary	11,155	8,997

At the end of the year, the non-controlling interest balance represents a 32.3% shareholding in Vanguard Risk Solutions Limited.

21. Insurance contracts

	2022 $'000	2021 $'000
Long-term insurance contracts:		
With fixed and guaranteed terms and without DPF (Note 21.1(a))	10,257,869	10,418,920
With fixed and guaranteed terms and with DPF (Note 21.1 (b))	64,432	70,250
Without fixed terms (Note 21.1(c))	5,830,604	6,141,922
	16,152,905	16,631,092
Participating policyholders' share of the surplus from long-term insurance business (Note 21.1(d))	528,790	504,981
	16,681,695	17,136,073
Short-term insurance contracts:		
Property and casualty claims reported and loss adjustment expenses (Note 21.1(e))	1,030,155	986,907
Property and casualty claims incurred but not reported (Note 21.1(e))	276,890	241,769
Property and casualty unearned premiums (Note 21.1(f))	1,093,334	1,045,033
Group life (Note 21.1(g))	98,146	93,591
	2,498,525	2,367,300
Total gross insurance liabilities	19,180,220	19,503,373
Current	2,018,390	1,908,985
Non-current	17,161,830	17,594,388
	19,180,220	19,503,373

21. Insurance contracts (continued)

21.1 Movements in insurance liabilities and reinsurance assets

	2022 $'000	2021 $'000
(a) Long-term insurance contracts with fixed and guaranteed terms and without DPF		
At beginning of year	10,418,920	10,187,964
Valuation premiums received	101,261	115,676
Liabilities released for payments on death, surrender and other terminations in the year	(170,078)	(174,561)
Accretion of interest	39,816	40,434
Cash paid for claims settled in the year	(741,987)	(599,433)
Changes in outstanding claims	748,078	634,795
Changes in assumptions (Note 4.1.4(c))	(663,138)	(245,996)
Normal in-force policies movement and new policies	514,194	610,536
Other movements	8,754	(7,031)
Exchange rate adjustments	2,049	(143,464)
At end of year	10,257,869	10,418,920
(b) Long-term insurance contracts with fixed and guaranteed terms and with DPF		
At beginning of year	70,250	76,861
Changes in assumptions (Note 4.1.4(c))	(3,139)	(2,912)
Normal in-force policies movement and new policies	(2,116)	(2,477)
Other movements	(697)	–
Exchange rate adjustments	134	(1,222)
At end of year	64,432	70,250
(c) Long-term insurance contracts without fixed terms		
At beginning of year	6,141,922	5,751,286
Cash paid for claims settled in the year	(747,870)	(653,757)
Changes in outstanding claims	843,676	704,135
Changes in assumptions (Note 4.1.4(c))	(300,757)	(164,796)
Normal in-force policies movement and new policies	(91,680)	585,859
Other movements	(14,217)	(82,156)
Exchange rate adjustments	(470)	1,351
At end of year	5,830,604	6,141,922
(d) Participating policyholders' share of the surplus from long-term insurance business		
At beginning of year	504,981	494,335
Surplus attributable to participating policyholders	26,910	12,546
Other movements	(3,101)	(1,900)
At end of year	528,790	504,981

21. Insurance contracts (continued)

21.1 Movements in insurance liabilities and reinsurance assets (continued)

Short-term insurance contracts (non-life):

(e) Property and casualty claims and loss adjustment expenses/claims incurred but not reported

	2022			2021		
	Gross $'000	Reinsurance $'000	Net $'000	Gross $'000	Reinsurance $'000	Net $'000
Year ended 31 December						
Notified claims	986,907	(468,569)	518,338	938,168	(472,068)	466,100
Incurred but not reported	241,769	(73,243)	168,526	225,192	(88,119)	137,073
Total at beginning of year	1,228,676	(541,812)	686,864	1,163,360	(560,187)	603,173
Cash paid for claims settled in the year	(2,889,727)	1,816,849	(1,072,878)	(1,458,889)	552,233	(906,656)
Increase in liabilities (Note 29)	2,994,366	(1,950,129)	1,044,237	1,583,239	(567,528)	1,015,711
Exchange rate adjustments	(26,270)	16,207	(10,063)	(59,034)	33,670	(25,364)
Total at end of year	1,307,045	(658,885)	648,160	1,228,676	(541,812)	686,864
Notified claims	1,030,155	(532,566)	497,589	986,907	(468,569)	518,338
Incurred but not reported	276,890	(126,319)	150,571	241,769	(73,243)	168,526
	1,307,045	(658,885)	648,160	1,228,676	(541,812)	686,864

(f) Provisions for unearned premiums

	Gross $'000	Reinsurance $'000	Net $'000	Gross $'000	Reinsurance $'000	Net $'000
Total at beginning of year	1,045,033	(532,903)	512,130	1,049,845	(485,697)	564,148
Increase in the period	1,099,280	(580,995)	518,285	1,061,639	(540,686)	520,953
Release in the period	(1,044,868)	533,054	(511,814)	(1,038,227)	477,558	(560,669)
Exchange rate adjustments	(6,111)	3,723	(2,388)	(28,224)	15,922	(12,302)
Total at end of year	1,093,334	(577,121)	516,213	1,045,033	(532,903)	512,130

(g) Group life

	Gross $'000	Reinsurance $'000	Net $'000	Gross $'000	Reinsurance $'000	Net $'000
Total at beginning of year	93,591	(4)	93,587	100,198	–	100,198
Cash paid for claims settled in the year	(57,384)	1,613	(55,771)	(75,337)	2,041	(73,296)
Increase in liabilities	60,840	(1,611)	59,229	75,443	(2,045)	73,398
Exchange rate adjustments	1,099	1	1,100	(6,713)	–	(6,713)
Total at end of year	98,146	(1)	98,145	93,591	(4)	93,587

21.2 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.

21. Insurance contracts (continued)

21.2 Claims development tables - short-term insurance contracts (non-life) (continued)

	Total $'000
Insurance claims - gross	
- By accident year	1,066,758
- By underwriting year	240,287
Total liability (Note 21.1 (e))	1,307,045
Insurance claims - net	
- By accident year	531,861
- By underwriting year	116,299
Total liability (Note 21.1 (e))	648,160

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 above.

Insurance claims - gross

Accident year	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	Total $'000
Estimate of ultimate claims costs:							
- at end of accident year	3,222,684	1,298,314	2,041,015	1,294,595	1,292,705	1,577,635	–
- one year later	3,413,957	1,126,881	1,777,765	1,206,365	2,718,000	–	–
- two years later	3,102,259	1,119,787	1,765,940	1,210,549	–	–	–
- three years later	3,082,489	1,117,677	1,801,535	–	–	–	–
- four years later	3,092,064	1,112,181	–	–	–	–	–
- five years later	3,058,606	–	–	–	–	–	–
Current estimate of cumulative claims	3,058,606	1,112,181	1,801,535	1,210,549	2,718,000	1,577,635	11,478,506
Cumulative payments to date	(3,016,823)	(1,075,805)	(1,697,687)	(1,135,297)	(2,605,619)	(967,467)	(10,498,698)
Liability recognised in the consolidated statement of financial position	41,783	36,376	103,848	75,252	112,381	610,168	979,808
Liability in respect of prior years							86,950
Total liability							1,066,758

21. Insurance contracts (continued)

21.2 Claims development tables – short-term insurance contracts (non-life) (continued)

Insurance claims – gross (continued)

Underwriting year	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	Total $'000
Estimate of ultimate claims costs:							
- at end of underwriting year	22,315	17,136	9,111	18,940	103,193	–	–
- one year later	27,311	19,433	14,370	24,940	119,172	–	–
- two years later	26,275	18,240	13,319	22,616	–	–	–
- three years later	25,804	17,945	12,932	–	–	–	–
- four years later	25,447	17,860	–	–	–	–	–
- five years later	25,251	–	–	–	–	–	–
Current estimate of cumulative claims	25,251	17,860	12,932	22,616	119,172	–	197,831
Cumulative payments to date	(22,556)	(14,618)	(8,466)	(9,144)	(47,034)	–	(101,818)
Liability recognised in the consolidated statement of financial position	2,695	3,242	4,466	13,472	72,138	–	96,013
Liability in respect of prior years							144,274
Total liability							240,287

Insurance claims – net

Accident year							
Estimate of ultimate claims costs:							
- at end of accident year	1,533,966	980,193	1,082,717	892,063	948,088	1,140,768	–
- one year later	1,456,765	888,790	1,236,862	849,530	801,827	–	–
- two years later	1,444,371	879,360	1,229,092	843,162	–	–	–
- three years later	1,437,098	873,776	1,222,757	–	–	–	–
- four years later	1,438,315	870,182	–	–	–	–	–
- five years later	1,444,578	–	–	–	–	–	–
Current estimate of cumulative claims	1,444,578	870,182	1,222,757	843,162	801,827	1,140,768	6,323,274
Cumulative payments to date	(1,428,710)	(847,248)	(1,190,453)	(807,441)	(745,900)	(827,283)	(5,847,035)
Liability recognised in the consolidated statement of financial position	15,868	22,934	32,304	35,721	55,927	313,485	476,239
Liability in respect of prior years							55,622
Total liability							531,861

21. Insurance contracts (continued)

21.2 Claims development tables - short-term insurance contracts (non-life) (continued)

Insurance claims - net (continued)

Underwriting year	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	Total $'000
Estimate of ultimate claims costs:							
- at end of underwriting year	22,315	17,136	9,111	18,940	103,193	–	–
- one year later	27,311	19,433	14,370	24,940	119,172	–	–
- two years later	26,275	18,240	13,319	22,616	–	–	–
- three years later	25,804	17,945	12,932	–	–	–	–
- four years later	25,447	17,860	–	–	–	–	–
- five years later	25,251	–	–	–	–	–	–
Current estimate of cumulative claims	25,251	17,860	12,932	22,616	119,172	–	197,831
Cumulative payments to date	(22,556)	(14,618)	(8,466)	(9,144)	(47,034)	–	(101,818)
Liability recognised in the consolidated statement of financial position	2,695	3,242	4,466	13,472	72,138	–	96,013
Liability in respect of prior years							20,286
Total liability							116,299

22. Financial liabilities

	2022 $'000	2021 $'000
Non-current portion of financial liabilities		
Medium-term borrowings	3,001,642	3,245,019
Repurchase agreements	25,230	55,066
	3,026,872	3,300,085
Current portion of financial liabilities		
Medium-term borrowings	144,759	38,657
Short-term borrowings	–	10,313
Repurchase agreements	122,742	141,983
Total current portion of borrowings and repurchase agreements (Note 22.1)	267,501	190,953
Interest payable	10,901	30,665
	278,402	221,618
Total	3,305,274	3,521,703

The fair value of medium-term borrowings amounted to $3,282,150,000 (2021: $3,504,503,000). The fair value of medium-term borrowings is determined by applying a discounted cash flow model for the remaining term to maturity using a current yield curve for a similar debt instrument. For short-term debt, the carrying amounts approximate their fair value.

22. Financial liabilities (continued)

The repurchase agreements represent the normal activities of the asset management operations. The carrying amount of the repurchase agreements approximate their fair value.

The Group has not made any defaults of principal, interest or other breaches with respect to their borrowings during the year (2021 - Nil).

22.1 Borrowings and repurchase agreements

	2022 $'000	2021 $'000
Company	2,878,206	3,018,903
Subsidiaries	416,167	472,135
	3,294,373	3,491,038
Current	267,501	190,953
Non-current	3,026,872	3,300,085
	3,294,373	3,491,038
The movements in borrowings and repurchase agreements are summarised below:		
Balance at beginning of year	3,491,038	3,247,159
Proceeds from borrowings and repurchase agreements	686,262	1,072,825
Repayment of borrowings and repurchase agreements	(890,468)	(781,193)
Transaction costs on new borrowings capitalised	(2,859)	(5,768)
Amortisation of transaction costs, premium and discounts during the year	4,169	2,841
Exchange rate adjustments	6,231	(44,826)
Balance at end of year	3,294,373	3,491,038

Details of major borrowings outstanding as at 31 December 2022 are as follows:

Company

Facility 1 – $1 billion

This is a fixed rate 12-year bond ending in January 2023 and comprises two series. Interest is charged at 7.975% per annum and is paid semi-annually. Series 1 principal repayments commenced on 27 July 2011 by 7 equal half-yearly instalments of $3,375,000, 16 equal half-yearly instalments of $18,750,000 and a final balloon instalment of $576,375,000. Series 2 principal repayments commenced 27 January 2012 by 6 equal half-yearly instalments of $375,000, 16 equal half-yearly instalments of $2,083,333 and a final balloon instalment of $64,416,667. In December 2022 the Company made a principal repayment of $546,710,665. The principal outstanding of $94,081,003 is payable at maturity.

Facility 2 – $1.02 billion

This is a secured fixed rate 5-year bond ending in December 2025. Interest is charged at 5% per annum and is paid semi-annually. The principal is payable at maturity.

Facility 3 – $880 million

This is a secured fixed rate 6-year bond ending in December 2027. Interest is charged at 5% per annum and is paid semi-annually. The principal is payable at maturity.

Facility 4 – $680.5 million

This is a fixed rate 6-year loan ending in December 2028. The loan is drawn in tranches with $583,675,906 drawn in December 2022 and the remaining $96,824,094 drawn in January 2023. Interest is charged at 4.83% per annum and is paid semi-annually. Principal and interest will be repaid via first payment on 21 June 2023 of TT$47,027,285, then 10 semi-annual payments of TT$47,500,000 commencing December 2023, with a balloon payment of TT$301,481,685 paid at maturity.

22. Financial liabilities (continued)

Company (continued)

Facility 5 – J$13.4 billion

This is an unsecured fixed rate bond comprising of five series where interest is payable quarterly and principal is payable at maturity. Series A interest is charged at 5.75% ending in September 2022, Series B interest is charged at 6.5% ending in September 2025, Series C interest is charged at 6.75% ending in September 2026, Series D interest is charged at 7% ending in September 2027 and Series E interest is charged at 8.75% ending in September 2030. Series A was repaid in September 2022.

Facilities 1, 2 and 3 are secured by a debenture creating a charge over the fixed and floating assets of Guardian Holdings Limited.

Subsidiary

Loan 1 – US$40 million

This is an unsecured fixed rate 5-year loan ending in June 2026. Interest is charged at 3.75% and is payable semi-annually. The principal is payable at maturity. Several of the Group´s subsidiaries are guarantors on this loan.

23. Investment contract liabilities

	2022 $´000	2021 $´000
The movements in the liabilities arising from investment contracts are summarised below:		
Balance at beginning of year	2,645,659	2,696,558
Premiums received	304,888	340,035
Fees deducted from account balances	(8,634)	(15,883)
Account balances paid on surrender and other terminations in the year	(296,539)	(372,800)
Investment contract benefits credited	45,130	94,125
Other movements	(31,886)	7,406
Exchange rate adjustments	16,257	(103,782)
Balance at end of year	2,674,875	2,645,659

Investment contract liabilities carry floating rates of interest and therefore the carrying amounts approximate their fair values.

24. Third party interests in mutual funds

	2022 $´000	2021 $´000
Balance at beginning of year	1,599,412	1,301,361
Share of net income	14,394	24,052
Unrealised losses	(56,893)	(44,182)
Net change in mutual fund holder balances	30,409	340,181
Distributions	(23,595)	(22,000)
Balance at end of year	1,563,727	1,599,412

25. Post-retirement medical benefit obligations

	2022 $'000	2021 $'000
The amounts recognised in the consolidated statement of financial position are as follows:		
Present value of obligations	106,438	123,191
The amount in the consolidated statement of income is made up as follows:		
Interest cost	5,615	5,158
Current service cost	2,548	2,229
Cost for the year (Note 36)	8,163	7,387
The movement in the liability is as follows:		
Balance at beginning of year	123,191	131,425
Remeasurement of obligation (actuarial gains)	(18,500)	(10,648)
Employer contributions	(6,220)	(4,919)
Expense as per above	8,163	7,387
Exchange rate adjustments	(196)	(54)
Balance at end of year	106,438	123,191

	2022	2021
The principal actuarial assumptions used were as follows:		
Discount rate	5.1% - 13.0%	2.9% - 8.0%
Healthcare cost escalation	2.6% - 8.5%	2.0% - 8.0%
Retiree premium escalation:		
Existing retirees	0.0% - 6.0%	0.0% - 5.6%
Future retirees	0.0% - 6.0%	0.0% - 5.6%
Pre-retirement mortality	NIS2012	NIS2012
Post-retirement mortality	GAM94	GAM94

A quantitative sensitivity analysis for significant assumptions as at 31 December 2022 is shown below:

	Impact on the obligation Increase $'000	Decrease $'000
1% increase/decrease in discount rate	(13,665)	17,101
1% increase/decrease in medical cost trend rate	17,290	(14,041)

Expected contributions to post-retirement medical benefit plans for the year ending 31 December 2023 are $6,301,000.

26. Other liabilities

	2022 $'000	2021 $'000
Deposits and premiums received in advance	182,116	155,549
Amount due to reinsurers	647,411	427,191
Accounts payable and accruals	962,807	935,699
	1,792,334	1,518,439
Current	1,776,897	1,518,439
Non-current	15,437	–
	1,792,334	1,518,439

The carrying amounts of other liabilities approximate their fair value.

27. Net premium income

	2022 $′000	2021 $′000
(a) Insurance premium income		
Long-term insurance contracts	3,128,768	2,976,770
Short-term insurance contracts:		
- premiums receivable	4,168,523	4,053,555
- change in unearned premium provision	(54,412)	(23,412)
	7,242,879	7,006,913
(b) Insurance premium ceded to reinsurers		
Long-term reinsurance contracts	(110,999)	(101,052)
Short-term reinsurance contracts:		
- premiums payable	(2,240,452)	(2,172,258)
- change in unearned premium provision	47,941	63,128
	(2,303,510)	(2,210,182)

28. Policy acquisition expenses

	2022 $′000	2021 $′000
Commissions	724,202	722,641
Other expenses for the acquisition of insurance and investment contracts	80,560	46,113
	804,762	768,754

29. Net insurance benefits and claims

	2022 $′000	2021 $′000
Insurance benefits - gross	2,045,901	2,332,979
Insurance benefits - recovered from reinsurers	(46,620)	(38,829)
Insurance claims and loss adjustment expenses - gross (Note 21.1(e))	2,994,366	1,583,239
Insurance claims and loss adjustment expenses - recovered from reinsurers (Note 21.1(e))	(1,950,129)	(567,528)
	3,043,518	3,309,861

29. Net insurance benefits and claims (continued)

	Gross $'000	Reinsurance $'000	Net $'000
Insurance benefits			
Year ended 31 December 2022			
Long-term insurance contracts with fixed and guaranteed terms and without DPF:			
- death, maturity and surrender benefits	959,368	(5,960)	953,408
- decrease in liabilities	(134,645)	–	(134,645)
Long-term insurance contracts without fixed terms:			
- death, maturity and surrender benefits	1,095,839	(39,049)	1,056,790
- change in unit prices	58,808	–	58,808
Long-term insurance contracts with fixed and guaranteed terms and with DPF:			
- death, maturity and surrender benefits	4,539	–	4,539
- increase in liabilities	1,152	–	1,152
Short-term insurance contracts - group life	60,840	(1,611)	59,229
Total cost of policyholder benefits	2,045,901	(46,620)	1,999,281
Year ended 31 December 2021			
Long-term insurance contracts with fixed and guaranteed terms and without DPF:			
- death, maturity and surrender benefits	907,317	(1,635)	905,682
- increase in liabilities	357,111	–	357,111
Long-term insurance contracts without fixed terms:			
- death, maturity and surrender benefits	858,611	(35,149)	823,462
- change in unit prices	131,842	–	131,842
Long-term insurance contracts with fixed and guaranteed terms and with DPF:			
- death, maturity and surrender benefits	1,274	–	1,274
- increase in liabilities	1,381	–	1,381
Short-term insurance contracts - group life	75,443	(2,045)	73,398
Total cost of policyholder benefits	2,332,979	(38,829)	2,294,150

30. Investment income

	2022 $'000	2021 $'000
Interest income from:		
- Fair value through other comprehensive income investment securities	359,505	312,477
- Amortised cost investment securities	468,095	449,857
- Loans and receivables	73,689	55,936
- Cash and cash equivalents	12,913	11,653
	914,202	829,923
Interest income from fair value through profit or loss debt securities	303,656	278,048
Dividend income from fair value through profit or loss equity securities	83,563	102,940
Investment expenses	(25,262)	(27,706)
	361,957	353,282
Total investment income	1,276,159	1,183,205

31. Net realised gains/(losses) on other assets

	2022 $´000	2021 $´000
Investment securities measured mandatorily at fair value through profit or loss	8,249	17,968
Investment securities measured at fair value through other comprehensive income	13,872	11,839
Investment securities measured at amortised cost	337	938
Gain / (loss) on dispoal of investment property	56,142	(677)
	78,600	30,068

32. Net fair value (losses)/gains

	2022 $´000	2021 $´000
Investment securities measured mandatorily at fair value through profit or loss	(196,583)	146,306
Net loss on third party interests in mutual funds	(14,394)	(24,052)
Fair value adjustment on investment properties (Note 7)	59,681	40,325
	(151,296)	162,579

33. Fee income

	2022 $´000	2021 $´000
Policy administration and asset management services:		
- Insurance contracts	12,413	10,327
- Investment contracts without a discretionary participation feature	30,323	30,172
Surrender charges – insurance contracts	38,278	10,069
Other	8,715	8,384
	89,729	58,952

34. Other income/(loss)

	2022 $´000	2021 $´000
Rental income	75,027	63,825
Foreign exchange (losses)/gains	(32,208)	97,231
Other income	43,819	108,771
	86,638	269,827

35. Net impairment gains/(losses) on financial assets

	2022 $´000	2021 $´000
Investment securities measured at fair value through other comprehensive income	(2,959)	4,776
Investment securities measured at amortised cost	(520)	522
Loans and receivables	31,142	136,301
Cash and cash equivalents	303	(5,575)
	27,966	136,024

36. Operating expenses

	2022 $´000	2021 $´000
Staff cost	764,419	705,692
Depreciation and amortisation	111,239	106,006
Auditors´ remuneration	15,626	12,306
Directors´ fees	12,538	12,643
Other expenses	637,077	664,773
	1,540,899	1,501,420
Staff cost includes:		
Wages, salaries and bonuses	562,550	522,138
Health and medical	14,350	17,024
Staff training	4,873	2,964
National insurance	50,754	50,294
Pension costs - defined contribution plans	29,583	23,924
Pension costs - defined benefit plans (Note 13)	24,036	22,835
Post-retirement medical benefit obligations (Note 25)	8,163	7,387
Termination benefits	15,587	11,233
Other	54,523	47,893
	764,419	705,692

37. Finance charges

	2022 $´000	2021 $´000
Interest on borrowings and repurchase agreements	198,306	192,694
Interest on leasing arrangements (Note 6(b))	5,071	7,038
	203,377	199,732

38. Taxation

	2022 $'000	2021 $'000
Current tax	230,980	181,814
Business levy	2,125	1,920
Prior year taxation adjustment	(76,400)	(10,700)
Deferred tax (Note 14)	(13,944)	41,984
	142,761	215,018

The tax on the profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the company as follows:

	2022	2021
Profit before taxation	1,274,422	1,013,365
Prima facie tax calculated at domestic corporation tax rate of 30%	382,327	304,010
Effect of different tax rate of life insurance companies	(55,977)	(51,020)
Effect of different tax rate in other countries	(107,333)	(63,216)
Income not subject to tax	(353,622)	(469,562)
Expenses not deductible for tax purposes	359,806	457,251
Net adjustment to recognised and unrecognised tax losses	–	(2,334)
Tax reliefs and deductions	(14,539)	(10,340)
Business levy	2,125	1,920
Prior year taxation adjustment	(76,400)	(10,700)
Tax on dividend	15,556	–
Other	(9,182)	59,009
Tax charge for the year	142,761	215,018

The Group's life insurance subsidiaries based in Trinidad and Tobago are subject to a tax rate of 15% on its life and unapproved annuities portfolios and 0% on its approved annuity portfolios. Should these subsidiaries pay dividends, additional taxes of 10% is levied on those distributed profits deemed to be related to life and unapproved annuity portfolios, and of 25% on its approved annuity portfolios.

39. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding at the consolidated statement of financial position date.

	2022 $'000	2021 $'000
Net profit attributable to ordinary shareholders	1,100,387	782,332

	Number of shares ('000)	
Weighted average number of ordinary shares in issue (thousands)	232,021	232,021

	$	$
Basic earnings per ordinary share	4.74	3.37

40. Dividends

	2022 $'000	2021 $'000
Final dividend for 2021 - 52¢ per share (2020 - 0¢ per share)	120,652	–
Interim dividend for 2022 - 20¢ per share (2021 - 18¢ per share)	46,405	41,755
	167,057	41,755

On 27 February 2023, the Board of Directors declared a final dividend of 52 cents per share (2021: 52 cents), a total dividend to be paid of $121 million (2021: $121 million). These consolidated financial statements do not reflect the final dividend which will be accounted for as an appropriation of retained earnings in the year ending 31 December 2023.

41. Adjustment for non-cash items in operating profit

	2022 $'000	2021 $'000
Share of profit after tax from associated companies (Note 9)	(17,752)	(34,020)
Net fair value losses/(gains) on financial and other assets (Note 32)	196,583	(146,306)
Third party share of net income of mutual funds (Note 24)	14,394	24,052
Net realised gains on financial and other assets	(22,458)	(30,745)
Net impairment of financial assets (Note 35)	27,966	136,024
Net loss for the year on post-employment benefits	32,199	30,222
Depreciation and amortisation (Note 36)	111,239	106,006
Loss/(gain) on disposal of property, plant & equipment	1,007	(4)
Change in fair value of other investment properties (Note 7)	(59,681)	(40,325)
(Gain)/loss on disposal of investment property	(56,142)	677
Foreign exchange losses/(gains)	53,424	(121,762)
Other non-cash income	–	(34)
	280,779	(76,215)

42. Fair value measurement

The following table provides the fair value measurement of the Group's assets and liabilities that are disclosed at fair value in the statement of financial position.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
At 31 December 2022				
Assets measured at fair value:				
Freehold properties	–	–	523,525	523,525
Investment properties	–	–	1,590,437	1,590,437
Investment securities at fair value through profit or loss:				
Equity securities	3,153,424	64,100	311,117	3,528,641
Government securities	392,979	4,076,217	–	4,469,196
Debentures & corporate bonds	83,842	493,809	–	577,651
Deposits (more than 90 days)	337	214,083	–	214,420
Other	5,094	39,811	7,215	52,120
Investment securities at fair value through other comprehensive income:				
Government securities	387,463	2,091,161	98,107	2,576,731
Debentures & corporate bonds	223,302	2,752,578	–	2,975,880
Deposits (more than 90 days)	116,628	107,292	–	223,920
	4,363,069	9,839,051	2,530,401	16,732,521
At 31 December 2021				
Assets measured at fair value:				
Freehold properties	–	–	460,834	460,834
Investment properties	–	–	1,645,435	1,645,435
Investment securities at fair value through profit or loss:				
Equity securities	3,510,420	107,650	307,287	3,925,357
Government securities	385,059	4,148,710	–	4,533,769
Debentures & corporate bonds	138,376	573,786	–	712,162
Deposits (more than 90 days)	7,385	87,367	–	94,752
Other	5,779	40,998	7,445	54,222
Investment securities at fair value through other comprehensive income:				
Government securities	173,950	2,449,277	92,517	2,715,744
Debentures & corporate bonds	155,131	2,867,372	–	3,022,503
Deposits (more than 90 days)	227,363	118,433	–	345,796
	4,603,463	10,393,593	2,513,518	17,510,574

42. Fair value measurement (continued)

There were no transfers between level 1 and level 2 during the period.

Reconciliation of movements in level 3 assets measured at fair value

The following table shows a reconciliation of the opening and closing recorded amount of Level 3 assets and which are recorded at fair value.

	Freehold properties	Investment properties	Investment securities: Equity securities	Investment securities: Government securities	Investment securities: Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2022						
Balance at beginning of year	460,834	1,645,435	307,287	92,517	7,445	2,513,518
Total gains or (losses):						
in profit or loss	(9,004)	115,823	(7,209)	–	(19)	99,591
in other comprehensive income	65,286	–	–	1,673	–	66,959
Purchases	412	69,288	13,973	4,161	–	87,834
Sales	–	(229,529)	(29,784)	–	–	(259,313)
Other movements	4,190	3,485	–	–	–	7,675
Transfers into level 3	–	–	34,205	–	–	34,205
Transfers out of level 3	–	–	(3,221)	–	–	(3,221)
Exchange rate adjustment	1,807	(14,065)	(4,134)	(244)	(211)	(16,847)
Balance at end of year	523,525	1,590,437	311,117	98,107	7,215	2,530,401
At 31 December 2021						
Balance at beginning of year	477,528	1,670,156	204,230	85,906	7,484	2,445,304
Total gains or (losses):						
in profit or loss	(9,412)	39,648	64,620	–	(175)	94,681
in other comprehensive income	(2,131)	–	–	908	–	(1,223)
Purchases	4,221	87,446	61,241	5,246	–	158,154
Sales	(810)	(206)	(27,935)	–	–	(28,951)
Other movements	401	(17,792)	–	–	–	(17,391)
Transfers into level 3	–	–	7,901	–	–	7,901
Exchange rate adjustments	(8,963)	(133,817)	(2,770)	457	136	(144,957)
Balance at end of year	460,834	1,645,435	307,287	92,517	7,445	2,513,518

42. Fair value measurement (continued)

Total gains or losses (realised and unrealised) for the year in the above table are presented in the consolidated statement of income and other comprehensive income as follows:

	2022 $'000	2021 $'000
Total gains or (losses) recognised in consolidated statement of income		
Net realised gains/(losses) on other assets	56,142	(677)
Net fair value gains	52,453	104,770
Operating expenses	(9,004)	(9,412)
	99,591	94,681
Total gains or (losses) recognised in consolidated statement of comprehensive income		
Net fair value gains on debt securities at fair value through other comprehensive income	1,673	908
Gains/(losses) on property revaluation	65,286	(2,131)
	66,959	(1,223)

Total unrealised gains/(losses) for the period included in consolidated statement of income for assets and liabilities held at end of year:

	2022 $'000	2021 $'000
Assets measured at fair value:		
Investment properties	59,681	40,325
Investment securities:		
Equity securities	(7,209)	64,620
Other	(19)	(175)
	52,453	104,770

For properties classified as level 3, an increase/decrease in the discount rates or capitalisation rates, will result in a decrease/increase in the property values.

The Group's equity securities classified as level 3 would increase/decrease in value by $15,550,000 (2021: $15,379,000) should there be a 5% increase/decrease in value.

The Series G Government of Barbados debt securities classified as level 3 were valued using a yield of 5.34% (2021: 6.99%). A 1% increase/decrease in this yield would result in a decrease/increase in the fair value of these assets of $8,717,000 and $26,839,000 respectively (2021: $14,904,000 and $18,450,000).

42. Fair value measurement (continued)

The following table provides the fair value measurement of the Group's assets and liabilities that are not measured at fair value in the consolidated statement of financial position but whose fair values are disclosed in the notes to the accounts.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
At 31 December 2022				
Assets for which fair values are disclosed:				
Investment securities measured at amortised cost:				
Government securities	286,613	6,084,408	6,243	6,377,264
Debentures & corporate bonds	4,357	757,328	94	761,779
Deposits (more than 90 days)	–	1,680,542	7,161	1,687,703
	290,970	8,522,278	13,498	8,826,746
Liabilities for which fair values are disclosed:				
Medium-term borrowings	–	3,282,150	–	3,282,150
At 31 December 2021				
Assets for which fair values are disclosed:				
Investment securities measured at amortised cost:				
Government securities	207,629	5,755,246	7,725	5,970,600
Debentures & corporate bonds	1,720	783,503	94	785,317
Deposits (more than 90 days)	–	1,658,087	5,244	1,663,331
	209,349	8,196,836	13,063	8,419,248
Liabilities for which fair values are disclosed:				
Medium-term borrowings	–	3,504,503	–	3,504,503

43. Segment information

The segment results for the year ended 31 December 2022 are as follows:

	Life, health and pension business $'000	Property and casualty business $'000	Asset management $'000	Other including consolidation adjustments $'000	Total $'000
Year ended 31 December 2022					
Insurance activities					
Insurance premium income	4,231,691	3,011,188	–	–	7,242,879
Insurance premium ceded to reinsurers	(216,502)	(2,087,008)	–	–	(2,303,510)
Commission income	39,364	406,761	–	–	446,125
Net underwriting revenue	4,054,553	1,330,941	–	–	5,385,494
Policy acquisition expenses	(453,480)	(375,354)	–	24,072	(804,762)
Net insurance benefits and claims	(2,684,803)	(358,715)	–	–	(3,043,518)
Underwriting expenses	(3,138,283)	(734,069)	–	24,072	(3,848,280)
Net result from underwriting activities	916,270	596,872	–	24,072	1,537,214

43. Segment information (continued)

The segment results for the year ended 31 December 2022 are as follows: (continued)

	Life, health and pension business $'000	Property and casualty business $'000	Asset management $'000	Other including consolidation adjustments $'000	Total $'000
Investing activities					
Investment income from financial assets measured at amortised cost and fair value through other comprehensive income	813,086	53,372	94,176	(46,432)	914,202
Investment income from financial assets measured at fair value through profit or loss	348,840	4,817	8,219	81	361,957
Net realised gains/(losses) on other assets	61,528	(343)	29,824	(12,409)	78,600
Net fair value gains/(losses)	(114,449)	(4,250)	(42,819)	10,222	(151,296)
Fee income	60,719	7,577	36,796	(15,363)	89,729
Other income	47,464	(334)	2,203	37,305	86,638
Investment contract benefits	(45,130)	–	–	–	(45,130)
Net income/(loss) from investing activities	1,172,058	60,839	128,399	(26,596)	1,334,700
Fee and commission income from brokerage activities	–	178,562	–	(21,564)	156,998
Net income/(loss) from all activities	2,088,328	836,273	128,399	(24,088)	3,028,912
Net impairment gains/(losses) on financial assets	(33,653)	3,781	3,168	(1,262)	(27,966)
Operating expenses	(786,899)	(567,760)	(87,206)	(99,034)	(1,540,899)
Finance charges	(2,759)	(4,866)	(6,275)	(189,477)	(203,377)
Operating profit/(loss)	1,265,017	267,428	38,086	(313,861)	1,256,670
Share of after tax profits of associated companies	–	11,510	–	6,242	17,752
Profit/(loss) before taxation	1,265,017	278,938	38,086	(307,619)	1,274,422
Taxation	(79,735)	(67,334)	(10,703)	15,011	(142,761)
Profit/(loss) after taxation	1,185,282	211,604	27,383	(292,608)	1,131,661
Surplus attributable to participating policyholders	(26,910)	–	–	–	(26,910)
Profit/(loss) for the year	1,158,372	211,604	27,383	(292,608)	1,104,751
Depreciation and amortisation included in operating expenses	47,387	40,460	2,386	21,006	111,239

Inter-segment revenues are eliminated upon consolidation and reflected in the other including consolidation adjustments column.

43. Segment information (continued)

The segment results for the year ended 31 December 2021 are as follows:

	Life, health and pension business $'000	Property and casualty business $'000	Asset management $'000	Other including consolidation adjustments $'000	Total $'000
Year ended 31 December 2021					
Insurance activities					
Insurance premium income	4,018,181	2,988,732	–	–	7,006,913
Insurance premium ceded to reinsurers	(203,443)	(2,006,739)	–	–	(2,210,182)
Commission income	18,003	325,238	–	–	343,241
Net underwriting revenue	3,832,741	1,307,231	–	–	5,139,972
Policy acquisition expenses	(415,991)	(378,637)	–	25,874	(768,754)
Net insurance benefits and claims	(2,891,842)	(418,019)	–	–	(3,309,861)
Underwriting expenses	(3,307,833)	(796,656)	–	25,874	(4,078,615)
Net result from underwriting activities	524,908	510,575	–	25,874	1,061,357
Investing activities					
Investment income from financial assets measured at amortised cost and fair value through other comprehensive income	750,045	43,752	85,917	(49,791)	829,923
Investment income from financial assets measured at fair value through profit or loss	343,914	4,458	7,199	(2,289)	353,282
Net realised gains/(losses) on other assets	20,722	713	20,640	(12,007)	30,068
Net fair value gains/(losses)	163,715	18,568	(379)	(19,325)	162,579
Fee income	18,439	7,428	43,262	(10,177)	58,952
Other income	142,860	14,076	8,993	103,898	269,827
Investment contract benefits	(94,125)	–	–	–	(94,125)
Net income from investing activities	1,345,570	88,995	165,632	10,309	1,610,506
Fee and commission income from brokerage activities	–	166,883	–	(22,225)	144,658
Net income from all activities	1,870,478	766,453	165,632	13,958	2,816,521
Net impairment losses on financial assets	(118,126)	(5,967)	(2,304)	(9,627)	(136,024)
Operating expenses	(765,352)	(564,195)	(77,576)	(94,297)	(1,501,420)
Finance charges	(6,677)	(7,262)	(6,396)	(179,397)	(199,732)
Operating profit/(loss)	980,323	189,029	79,356	(269,363)	979,345
Share of after tax profits of associated companies	–	26,905	–	7,115	34,020
Profit/(loss) before taxation	980,323	215,934	79,356	(262,248)	1,013,365
Taxation	(142,155)	(53,243)	(20,978)	1,358	(215,018)
Profit/(loss) after taxation	838,168	162,691	58,378	(260,890)	798,347
Surplus attributable to participating policyholders	(12,546)	–	–	–	(12,546)
Profit/(loss) for the year	825,622	162,691	58,378	(260,890)	785,801
Depreciation and amortisation included in operating expenses	47,331	34,849	1,989	21,837	106,006

43. Segment information (continued)

The segment assets and liabilities are as follows:

	Life, health and pension business $'000	Property and casualty business $'000	Asset management $'000	Other including consolidation adjustments $'000	Total $'000
Year ended 31 December 2022					
Assets					
Intangible assets	299,148	200,895	–	305,505	805,548
Investment in associated companies	–	113,389	–	199,181	312,570
Investment securities	20,375,145	1,199,449	345,469	(187,546)	21,732,517
Investment securities of mutual fund unit holders	97,444	–	1,743,515	(99,920)	1,741,039
Loans and receivables	1,622,589	681,736	28,221	(13,224)	2,319,322
Properties for development and sale	–	–	–	96,122	96,122
Reinsurance assets	39,433	1,225,312	–	–	1,264,745
Deferred acquisition costs	6,139	128,749	–	–	134,888
Cash and cash equivalents of mutual fund unit holders	318,045	52,286	144,389	(370,331)	144,389
Other assets	4,570,963	1,714,577	197,253	(221,867)	6,260,926
Total assets	27,328,906	5,316,393	2,458,847	(292,080)	34,812,066
Liabilities					
Insurance contracts	16,978,161	2,202,059	–	–	19,180,220
Other liabilities	3,861,397	1,301,674	2,206,629	2,691,470	10,061,170
Total liabilities	20,839,558	3,503,733	2,206,629	2,691,470	29,241,390
Capital expenditure	112,038	51,387	70	20,906	184,401
Year ended 31 December 2021					
Assets					
Intangible assets	289,608	197,839	–	321,397	808,844
Investment in associated companies	–	106,601	–	192,890	299,491
Investment securities	20,581,795	1,204,006	294,590	(181,401)	21,898,990
Investment securities of mutual fund unit holders	103,607	–	1,764,074	(105,369)	1,762,312
Loans and receivables	1,299,087	530,223	42,179	70,476	1,941,965
Properties for development and sale	–	–	–	101,482	101,482
Reinsurance assets	35,583	1,065,149	–	–	1,100,732
Deferred acquisition costs	5,344	125,644	–	–	130,988
Cash and cash equivalents of mutual fund unit holders	492,984	45,197	304,365	(538,184)	304,362
Other assets	4,589,733	1,519,513	328,862	(209,593)	6,228,515
Total assets	27,397,741	4,794,172	2,734,070	(348,302)	34,577,681
Liabilities					
Insurance contracts	17,422,650	2,080,723	–	–	19,503,373
Other liabilities	3,832,938	993,370	2,449,229	2,815,393	10,090,930
Total liabilities	21,255,588	3,074,093	2,449,229	2,815,393	29,594,303
Capital expenditure	127,547	50,179	773	36,729	215,228

43. Segment information (continued)

Capital expenditure consists of additions of property, plant and equipment, investment properties, intangible assets, investment in associated companies, properties for development and sale, acquisition of insurance portfolios and insurance brokerage portfolios.

	Total revenue from external customers		Non current assets	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Trinidad and Tobago	2,929,782	2,960,979	1,126,936	1,148,273
Jamaica	1,560,846	1,777,710	1,248,915	1,217,677
Barbados	180,107	173,350	48,955	44,358
Dutch Caribbean	1,419,369	1,274,479	347,407	362,169
Other Countries	832,218	802,743	831,097	845,073
	6,922,322	6,989,261	3,603,310	3,617,550

The total revenue information above consists of net underwriting revenue, investment income, net realised gains/losses, net fair value gains/losses, fee income, other income and commission income from brokerage activities. Revenue is based on locations of the customer and there are no transactions with a single customer that amount to more than 10% of total revenue.

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, investment properties, intangible assets, investment in associated companies and properties for development and sale.

44. Contingent liabilities

Legal proceedings

Group companies are defendants and plaintiffs in various legal actions. In the opinion of the Directors, after taking legal advice, the outcome of such actions will not give rise to any material loss.

45. Commitments

Capital commitments

As at the year end, contracts and agreements have been entered into in respect of a property development project, renovations of a property and upgrade of an insurance system. The commitments not recognised in these consolidated financial statements are as follows:

	2022	2021
	$'000	$'000
Property development	27,729	25,154
Property renovations	7,215	6,287
Intangibles asset - insurance system upgrade	11,183	24,605
	46,127	56,046

Credit commitments

Loan commitments not yet disbursed by the Group	231,868	130,587

46. Related party disclosures

The consolidated financial statements include the financial statements of GHL and its subsidiaries and associated companies listed in the following table.

Name	Country of Incorporation	Percentage of interest held 2022	2021
Guardian General Insurance Limited	Trinidad and Tobago	100.0	100.0
Guardian Life of the Caribbean Limited	Trinidad and Tobago	100.0	100.0
Guardian Group Trust Limited	Trinidad and Tobago	100.0	100.0
Guardian Asset Management and Investment Services Limited	Trinidad and Tobago	100.0	100.0
Bancassurance Caribbean Limited	Trinidad and Tobago	100.0	100.0
Laevulose Inc. Limited	Trinidad and Tobago	100.0	100.0
Fatum Holding N.V.	Curaçao	100.0	100.0
Fatum Accident & Health N.V.	Curaçao	100.0	100.0
Fatum General Insurance Aruba N.V.	Aruba	100.0	100.0
Fatum General Insurance N.V.	Curaçao	100.0	100.0
Fatum Life Aruba N.V.	Aruba	100.0	100.0
Fatum Life N.V.	Curaçao	100.0	100.0
Thoma Exploitatie B.V.	Netherlands	100.0	100.0
Vanguard Risk Solutions Limited	Cayman Islands	67.7	67.7
Guardian Life Limited	Jamaica	100.0	100.0
Guardian General Insurance Jamaica Limited	Jamaica	100.0	100.0
Guardian Resorts (Jamaica) Limited	Jamaica	100.0	100.0
Guardian Re (SAC) Limited	Bermuda	100.0	100.0
Guardian General Insurance (OECS) Limited	Grenada	100.0	100.0
Guardian Life (OECS) Limited	Grenada	100.0	100.0

Associated companies	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held 2022	2021
RoyalStar Holdings Limited	Property and Casualty Insurer	Bahamas	26.2%	26.2%
RGM Limited	Property Development & Facilities Management	Trinidad and Tobago	33.3%	33.3%
EIKM Holdings Limited	Distribution and sale of pharmaceutical products	Trinidad and Tobago	25.0%	25.0%
Sas Compagnie Hoteliere de la Pointe Simon	Hotel Operations	Martinique	24.0%	24.0%

A number of transactions are entered into with related parties in the normal course of business.

46. Related party disclosures (continued)

	2022 $'000	2021 $'000
The following transactions were carried out with related parties:		
(a) Sales of insurance contracts and other services:		
- Parent company	2,700	2,705
- Other related parties	37,273	42,086
(b) Interest income from:		
- Key associates	10,200	14,435
- Parent company	2,456	1,852
- Other related parties	7,553	6,282
(c) Interest expense charged by related parties	20,240	25,294
(d) Dividend income from:		
- Key associates	4,385	7,089
- Parent company	–	1,425
- Other related parties	5,935	5,760
(e) Dividend paid to parent company	103,195	25,799
(f) Financial assets of:		
- Key associates	327,164	339,246
- Parent company	283,888	417,242
- Other related parties	684,227	604,831
(g) Key management personnel compensation:		
- Salaries and other short-term employee benefits	113,240	125,736
- Termination benefits	–	1,617
- Post-employment benefits	13,492	24,906
- Other long-term benefits	6,098	12,349
(h) Receivables balance arising from sales of products and services:		
- Parent company	–	1,862
- Other related parties	1,524	1,129
(i) Payables balance arising from purchases of products and services:		
- Other related parties	21,608	26,497
(j) Borrowings from related parties	281,067	290,797
(k) Loans to related parties:		
Loans to key management of the Group:		
Balance at beginning of year	29,365	32,539
Loans advanced during the year	6,936	3,675
Loan repayments received	(7,787)	(6,851)
Interest charged	974	1,069
Interest received	(974)	(1,067)
Balance at end of year	28,514	29,365
Loans to key associates:		
Balance at beginning of year	84,089	97,545
Loan repayments received	(1,820)	(676)
Interest charged	1,168	1,372
Interest received	(3,412)	(672)
Exchange rate adjustments	(4,721)	(13,480)
Balance at end of year	75,304	84,089
Loans to other related parties:		
Balance at beginning of year	503	503
Interest charged	31	15
Interest received	(31)	(23)
Exchange rate adjustments	(2)	8
Balance at end of year	501	503

46. Related party disclosures (continued)

There was no provision for doubtful debts at the reporting date and no bad debt expense in the year (2021: Nil).

Financial assets of key associates comprise multiple corporate bonds plus interest receivable and preference shares issued by RGM to the Group. The preference shares held by the Group are cumulative, non-convertible and redeemable. The corporate bonds carry fixed interest rates and principal and interest are payable semi-annually. All bonds are secured by mortgages on various properties.

Financial assets of other related parties comprise debt, equity and other investments issued by entities controlled by related parties, in the ordinary course of business.

Borrowings from related parties consist of an affiliated company's participation in Series A, B, C and D of the Group's J$13.4 billion bond. Details of the bond are disclosed in Note 22.

Loans to key management and other related parties of the Group are secured and settlement occurs in cash. The details of the loan advanced to CHPS are disclosed in Note 12.

47. Assets under management

Assets under management, which are not beneficially owned by the Group, but which the Group manages on behalf of investors are listed below:

	Carrying Amount	
	2022	2021
	$'000	$'000
Amounts not included in the consolidated statement of financial position		
Cash and short-term investments	435,266	216,893
Investments	4,615,437	4,268,948
Interest and other receivables	42,540	81,657
	5,093,243	4,567,498

48. Pledged assets

The Group has deposited certain assets with the regulatory authorities in the countries in which it is authorised to conduct business as security for its policyholders. The type and values of these assets are in accordance with the legal requirements of the countries concerned. The carrying value of pledged assets is:

	2022	2021
	$'000	$'000
Statutory deposits/funds	445,371	438,111

49. Reclassifications

(1) Reinsurance contracts held by one of the Group's general insurance companies was previously reported with a gross impact on reinsurance premiums and commission instead of net impact as per the terms of the contract. This treatment resulted in an overstatement of the individual financial statement line items in the prior year i.e. reinsurance premiums and reinsurance commissions. The Group has reclassified $130,772,000 from reinsurance commission income to insurance premiums ceded to reinsurers in the prior year financial statements, to correct this misclassification. This reclassification had no impact on the Group's profit or equity.

(2) For one of the Group's life insurance companies, there has been a change in the classification of estimates for tax obligations on future distributions in accordance with IAS 12 and IFRIC 23 of $195,487,000 from deferred tax liabilities to provision for taxation in the prior year financial statements. This had no impact on the total liability in the consolidated statement of financial position as both amounts are contained within the liabilities section.

Supplemental Information
Financials Expressed in US Dollars

31 DECEMBER 2022

The Group´s Consolidated Statement of Financial Position, Consolidated Statement of Income and Consolidated Statement of Comprehensive Income expressed in US dollars appears below. The purpose of this publication is to provide readers of the Group´s Annual Report, a number of whom are from jurisdictions outside of Trinidad and Tobago, with a quick and convenient overview of the Group´s financial performance, referenced against a major international currency. The exchange rate used for this purpose is TT$6.74145 to US$1.00.

Consolidated Statement of Financial Position

	2022 US$´000	2021 US$´000
Assets		
Property, plant and equipment	112,165	100,841
Right-of-use assets	6,301	12,235
Investment properties	235,919	244,077
Intangible assets	119,492	119,981
Investment in associated companies	46,365	44,425
Investment securities	3,223,716	3,248,409
Investment securities of mutual fund unit holders	258,259	261,414
Loans and receivables	344,039	288,063
Properties for development and sale	14,258	15,053
Pension plan assets	16,600	9,139
Deferred tax assets	15,864	14,233
Reinsurance assets	187,607	163,278
Deferred acquisition costs	20,009	19,430
Taxation recoverable	28,416	27,147
Cash and cash equivalents	513,456	516,241
Cash and cash equivalents of mutual fund unit holders	21,418	45,148
Total assets	5,163,884	5,129,114
Equity and liabilities		
Share capital	292,228	292,228
Retained earnings	712,081	564,174
Reserves	(179,632)	(118,522)
Equity attributable to owners of the company	824,677	737,880
Non-controlling interest in subsidiary	1,655	1,335
Total equity	826,332	739,215
Liabilities		
Insurance contracts	2,845,118	2,893,053
Financial liabilities	490,291	522,395
Lease liabilities	8,053	14,277
Investment contract liabilities	396,780	392,447
Third party interests in mutual funds	231,957	237,250
Pension plan liabilities	5,977	5,705
Post-retirement medical benefit obligations	15,789	18,274
Deferred tax liabilities	37,072	40,392
Provision for taxation	40,647	40,869
Other liabilities	265,868	225,237
Total liabilities	4,337,552	4,389,899
Total equity and liabilities	5,163,884	5,129,114

Supplemental Information

Financials Expressed in US Dollars (continued)

31 DECEMBER 2022

Consolidated Statement of Income

	2022 US$'000	2021 US$'000
Insurance activities		
Insurance premium income	1,074,380	1,039,378
Insurance premium ceded to reinsurers	(341,694)	(327,850)
Reinsurance commission income	66,176	50,915
Net underwriting revenue	798,862	762,443
Policy acquisition expenses	(119,375)	(114,034)
Net insurance benefits and claims	(451,463)	(490,972)
Underwriting expenses	(570,838)	(605,006)
Net result from insurance activities	228,024	157,437
Investing activities		
Investment income from financial assets measured at amortised cost and fair value through other comprehensive income	135,609	123,107
Investment income from financial assets measured at fair value through profit or loss	53,691	52,404
Net realised gains on other assets	11,659	4,460
Net fair value (losses)/gains	(22,443)	24,116
Fee income	13,310	8,745
Other income	12,852	40,025
Investment contract benefits	(6,694)	(13,962)
Net income from investing activities	197,984	238,895
Fee and commission income from brokerage activities	23,288	21,458
Net income from all activities	449,296	417,790
Net impairment losses on financial assets	(4,148)	(20,177)
Operating expenses	(228,571)	(222,715)
Finance charges	(30,168)	(29,627)
Operating profit	186,409	145,271
Share of after tax profits of associated companies	2,633	5,046
Profit before taxation	189,042	150,317
Taxation	(21,177)	(31,895)
Profit after taxation	167,865	118,422
Surplus attributable to participating policyholders	(3,992)	(1,861)
Profit for the year	163,873	116,561
Profit attributable to non-controlling interests	(647)	(515)
Profit attributable to equity holders of the company	163,226	116,046
Earnings per share		
- Basic	$ 0.70	$ 0.50

Supplemental Information
Financials Expressed in US Dollars (continued)

31 DECEMBER 2022

Consolidated Statement of Comprehensive Income

	2022 US$'000	2021 US$'000
Profit for the year	163,873	116,561
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	(406)	(53,592)
Net fair value losses on debt securities at fair value through other comprehensive income	(72,284)	(20,087)
Net change in allowance for expected credit losses on debt securities at fair value through other comprehensive income	(439)	708
Net gain on debt securities at fair value through other comprehensive income reclassified to profit or loss on disposal	(98)	(97)
Taxation relating to components of other comprehensive income	6,619	2,485
Net other comprehensive loss that may be reclassified subsequently to profit or loss	(66,608)	(70,583)
Items that will not be reclassified subsequently to profit or loss:		
Gains/(losses) on property revaluation	9,684	(316)
Remeasurement of pension plans	6,132	4,403
Remeasurement of post-retirement medical benefit obligations	2,744	1,579
Other reserve movements	7	17
Taxation relating to components of other comprehensive income	(3,614)	781
Net other comprehensive income that will not be reclassified subsequently to profit or loss	14,953	6,464
Other comprehensive loss for the period, net of tax	(51,655)	(64,119)
Total comprehensive income for the period, net of tax	112,218	52,442
Comprehensive income attributable to non-controlling interest	(643)	(515)
Comprehensive income attributable to equity holders of the company	111,575	51,927

Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of Shareholders of Guardian Holdings Limited for 2023 will be held in the Atrium, Guardian Corporate Centre, 1 Guardian Drive, Westmoorings, Trinidad and Tobago on Thursday 4th May 2023 at 1:30 in the afternoon, in a hybrid format whereby Shareholders may attend the Meeting in person or via a live webcast, for the following purposes:

1. To review and consider the Audited Financial Statements of the Company for the year ended 31^{st} December 2022 and the Reports of the Directors and Auditors.
2. To elect and re-elect Directors for specified terms and if thought fit, to pass the following Resolutions:
   (a) That Mr. Michael Lee- Chin be re-elected a Director of the Company for a term of one (1) year expiring at the close of the first Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No. 1;
   (b) That Mr. Dennis Cohen be re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No. 1;
   (c) That Mr. Ian Chinapoo be re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No.1;
   (d) That Mr. Nicholas Lok Jack be re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No. 1;
   (e) That Mr. Patrick Hylton be re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No.1;
   (f) That Mr. Ravi Tewari be re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No.1;
   (g) That Mr. Robert Almeida be re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No.1;
   (h) That Mr. L. Dominic Rampersad be re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No.1; and
   (i) That Mr. Dexter Maitland be elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No.1.
3. To re-appoint PricewaterhouseCoopers as Auditors of the Company and that the Directors be authorised to fix their remuneration for the ensuing year.

By Order of the Board

Mr. Richard Avey
Corporate Secretary
27^{th} February 2023

Notes to the Notice of Annual Meeting

1. **MEETING REQUIREMENTS**

Members are asked to observe the following requirements of the By-Laws of the Company for attendance and voting at the Annual Meeting.

Persons Entitled to Notice

In accordance with Section 110(2) of the Companies Act Ch. 81:01 the Record Date for the determination of Shareholders who are entitled to receive Notice of the Annual Meeting is 13th March 2023. Only Shareholders on record as at the close of business on 13th March 2023 are therefore entitled to receive Notice of the Annual Meeting. A list of such Shareholders will be available for examination by Shareholders at the Company's Registered Office during usual business hours and at the Annual Meeting.

Proxies

Members of the Company entitled to attend and vote at the Meeting are entitled to appoint one or more proxies to attend and vote instead of them. A proxy need not also be a Member. Where a proxy is appointed by a corporate member, the form of proxy should be executed under seal or be signed by its attorney, in fact.

Members who return completed proxy forms are not precluded, if subsequently they so wish, from attending and voting at the Meeting instead of their proxies.

Any Shareholder who wishes to appoint a proxy may also visit the GHL website at https://trinidad.myguardiangroup.com/companies/guardian-holdings-limited::shareholder-announcements and the JSE website at https://www.jamstockex.com from 12th April 2023 to download a proxy form.

Representatives of Corporations

Corporate members are entitled to attend and vote by a duly authorised representative who need not be a Member. Such appointment must be by resolution of the Board of Directors of the corporate member.

Delivery to the Company

Any instrument appointing a proxy (including an instrument evidencing the authority pursuant to which it is executed) or evidencing the authority of a representative of a corporate member, must be completed and deposited with the Secretary at the Company's Registered Office, 1 Guardian Drive, Westmoorings, Trinidad and Tobago not less than 48 hours before the time for holding the meeting or adjourned meeting.

Electronic Participation

Shareholders on record as at 13th March 2023 may participate in the meeting electronically and are required to pre-register during the period 27th April 2023 to 2nd May 2023 to remotely attend the meeting. Once you have pre-registered and are confirmed as a Shareholder as at 13th March 2023, you will receive an email with a Zoom username and password to attend the meeting via a live webcast on 4th May 2023. A proxy holder can then be authorised by the Shareholder to use the login credentials to attend the meeting on behalf of the Shareholder. Further details to pre-register and attend via live webcast are included in the enclosed *Guidelines for Shareholders' Pre-Registration and Online Attendance at Guardian Holdings Limited Annual Meeting 2023* (which forms part of this Notice of Meeting).

Proof of Identity

Members are also reminded that the By-Laws provide that the Directors may require that any Member, proxy or duly authorised representative, provide satisfactory proof of identity before being admitted to the Annual Meeting.

2. **DIRECTORS' CONTRACTS**

There were no contracts for the year ended 31st December 2022 in which a director of the Company is or was materially interested and which is or was significant in relation to the Company's business.

There were no service contracts between any director and the Company or any subsidiary company, which has a term of 10 years or more and which cannot be determined without payment of compensation.

Notes to the Notice of Annual Meeting (continued)

3. **ELECTION OF DIRECTORS**

The Board of Directors have recommended the election of Mr. Dexter Maitland as an Independent director with effect from the close of the Annual General Meeting. Mr. Maitland's biography is provided hereunder for the information of Shareholders.

Biography of Mr. Dexter Maitland

Mr. Dexter Maitland is an accomplished financier who has been active in the City of London since 1998. During that time he has built a world class multi-billion United States dollar project financing business for a major Asian bank, and continues to perform at the frontier of financial innovation. Apart from his proven financial expertise, he brings extensive experience in market penetration and navigating regulatory environments, in both developed and emerging markets.

Mr. Maitland is an alumnus of the University of the West Indies where he read for both a BSc. and a MSc. in Economics before obtaining a MBA from London Business School in the United Kingdom.

Guidelines for Shareholders' Pre-Registration and Online Attendance at Guardian Holdings Limited Annual Meeting 2023

CONVENING OF ANNUAL MEETING 2023

The Annual Meeting of Shareholders of Guardian Holdings Limited for 2023 will be held in the Atrium, Guardian Holdings Limited, Guardian Corporate Centre, 1 Guardian Drive, Westmoorings, Trinidad and Tobago on Thursday 4th May 2023 at 1:30 in the afternoon, in a hybrid format whereby Shareholders may attend the Meeting in person or via a live webcast.

PRE-REGISTRATION

To attend the meeting online, Shareholders are required to pre-register during the period 27th April 2023 to 2nd May 2023 via the following steps:

- Visit www.ghl-agm.com.
- Complete the form by typing in full name, address, valid identification number (ID Card, Passport or Driver's Permit) and valid email address in the spaces provided.
- Click 'Submit' to complete your request.

Once you are confirmed as a Shareholder or proxy on record as at 13th March 2023, you will receive a confirmation email with a Zoom username and password to attend the meeting via a live webcast on 4th May 2023.

ATTENDANCE AT ANNUAL MEETING 2023 ON 4th MAY 2023

- Shareholders on the register as at 13th March 2023 who have pre-registered will be able to login to attend the live webcast of the Annual Meeting of the Shareholders of Guardian Holdings Limited.
- You do not need to create a Zoom account to attend the meeting on the day of the event (4th May 2023), but you will need to download the Zoom app, as **voting can only be done from the Zoom app.**
- Click on the Zoom link (it will look something like this: https://otago.zoom.us/j/123456789) (this is not the link, just an example)
- If a pop-up appears on your computer asking to open the link in the Zoom app, select "Allow".
- Please enter the Meeting I.D.
- Enter your full name (first name and surname)
- Enter your password
- As an attendee via the live webcast, you will **NOT** be able to unmute your microphone or camera. You will **NOT** be able to see or message other attendees. You will have the ability to see and hear the Chairman of the meeting, as well as any presentations made at the meeting. You will be able to vote on the resolutions put before the meeting, and you will be able to post questions during the question-and-answer segment.
- For security reasons, you will **NOT** be able to login and view the meeting on more than one device at a time.
- If switching devices, you will need to log out of the current device first.
- The invitation link received, will only work on one device, so please do not share this link.
- You will have an opportunity to ask questions via the Q&A section of your Zoom app when prompted by the Chairman.
- To return to the meeting after asking a question press "Close".
- Do not use the "Hands Up" feature for this meeting as it will not be acknowledged.

Guidelines for Shareholders´ Pre-Registration and Online Attendance at Guardian Holdings Limited Annual Meeting 2023 (continued)

- When it is time to vote on the Resolutions, a pop-up screen will appear stating the Resolution number e.g., Resolution 1 and the text of the resolution. Simply click (press for touch screens) on the button next to the word "For" or "Against" depending on your vote.
- Please select carefully as you cannot change your vote or vote multiple times.
- Please be advised that the use of the Zoom app requires either a working smart phone/tablet or a working computer and an internet connection.
- Remember, internet browsers do not support voting, so you must download the Zoom app on your computer or smart phone/tablet before the event.
- We recommend the use of a high-speed internet connection and a fully charged mobile device. If on a Wi-Fi network, limit the amount of video streaming from other devices.
- Guardian Holdings Limited is **NOT** responsible for the reliability of Shareholders devices or internet connection speed.

Management Proxy Circular

Name of Company: GUARDIAN HOLDINGS LIMITED

Company No. G – 967 (C)

I. Particulars of Meeting:

Annual Meeting of the Company to be held in the Atrium, Guardian Corporate Centre, 1 Guardian Drive, Westmoorings, Trinidad and Tobago on Thursday 4th May 2023 at 1:30 in the afternoon, in a hybrid format whereby Shareholders may attend the Meeting in person or via a live webcast.

II. Solicitation:

It is intended to vote the proxy solicited hereby (unless the Shareholder directs otherwise) in favour of all resolutions specified therein.

III. Any director's statement submitted pursuant to section 76 (2):

No statement has been received from any Director pursuant to Section 76 (2) of the Companies Act, Ch. 81:01.

IV. Any auditor's statement submitted pursuant to section 171 (1):

No statement has been received from the Auditors of the Company pursuant to Section 171 (1) of the Companies Act, Ch. 81:01.

V. Any Shareholder's proposal submitted pursuant to sections 116 (a) and 117 (2):

No proposal has been received from any Shareholder pursuant to Sections 116 (a) and 117 (2) of the Companies Act, Ch. 81:01.

Date	Name and Title	Signature
27th February 2023	Richard Avey Corporate Secretary	

Guardian Group

Form of Proxy

REPUBLIC OF TRINIDAD AND TOBAGO
THE COMPANIES ACT, CH 81:01
[SECTION 143 (1)]

1. Name of Company: **GUARDIAN HOLDINGS LIMITED** Company No. G - 967 (C)
2. Annual Meeting of the Company to be held in the Atrium, Guardian Corporate Centre, 1 Guardian Drive, Westmoorings, Trinidad and Tobago, on Thursday 4th May 2023 at 1:30 in the afternoon, in a hybrid format whereby Shareholders may attend the Meeting in person or via a live webcast.

I/We (block capitals please) [NAME] ______________________________ being Shareholder(s) in the above Company **(or in the case of an owner whose shares are held in a Clearing Agency being authorised by the Clearing Agency to do so)** appoint the Chairman of the Meeting, or failing him,

[NAME] ______________________________

of [ADDRESS] ______________________________

to be my/our Proxy to attend and vote for me/us on my/our behalf at the above Meeting and any adjournment thereof as indicated below on the Resolutions to be proposed in the same manner, to the same extent and with the same powers as if I/we were present at the said Meeting or such adjournment or adjournments thereof.

Please indicate with an "X" in the spaces below how you wish your Proxy to vote on the resolutions referred to. If no such indication is given the Proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting:

	FOR	AGAINST
RESOLUTION 1: BE IT RESOLVED THAT the Audited Financial Statements of the Company for the year ended 31st December 2022 and the Reports of the Directors and Auditors thereon be received and adopted.		
RESOLUTION 2:		
(a) BE IT RESOLVED That Mr. Michael Lee- Chin be and is hereby re-elected a Director of the Company for a term of one (1) year expiring at the close of the first Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No. 1;		
(b) BE IT RESOLVED That Mr. Dennis Cohen be and is hereby re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No. 1;		
(c) BE IT RESOLVED That Mr. Ian Chinapoo be and is hereby re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No.1;		
(d) BE IT RESOLVED That Mr. Nicholas Lok Jack be and is hereby re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No. 1;		
(e) BE IT RESOLVED That Mr. Patrick Hylton be and is hereby re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No.1;		
(f) BE IT RESOLVED That Mr. Ravi Tewari be and is hereby re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No.1;		
(g) BE IT RESOLVED That Mr. Robert Almeida be and is hereby re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No.1;		
(h) BE IT RESOLVED That Mr. L. Dominic Rampersad be and is hereby re-elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No.1; and		
(i) BE IT RESOLVED That Mr. Dexter Maitland be and is hereby elected a Director of the Company for a term of three (3) years expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-Law No.1.		

Guardian Group

Form of Proxy (continued)

RESOLUTION 3: BE IT RESOLVED THAT PricewaterhouseCoopers be re-appointed as Auditors of the Company and that the Directors be authorised to fix their remuneration for the ensuing year.		

Signature(s) ______________________ **Date:** ______________

NOTES:

1. If it is desired to appoint a proxy other than the Chairman of the Meeting, the necessary deletion must be made and initialed and the name of the proxy inserted in the space provided.
2. In the case of joint holders, the signature of any holder is sufficient but the names of all joint holders should be stated.
3. If the appointor is a corporation this form must be under its common seal or under the hand of its attorney, in fact.

Mail or deliver to:

The Corporate Secretary
Guardian Holdings Limited
P.O. Box 88
1 Guardian Drive, Westmoorings, 110612
Trinidad and Tobago

For official use only	
Folio Number	
No. of Shares	

Guardian Group

Guardian Holdings Limited