We'll help you find a way!

DIRECTORS' REPORT & FINANCIAL STATEMENTS 2024

JN at a Glance

Group **Profile**

The Jamaica National Group Limited represents one of Jamaica's pre-eminent and most recognizable brands with over 14 decades of history in Jamaica and overseas. The Group is comprised of several world-leading entities which provide a wide array of financial, technology, creative and fleet management services, among others.

On February 1, 2017, the 142-year old Jamaica National Building Society (JNBS) was restructured and The Jamaica National Group Limited established and the deposit-taking arm of the building society was converted to JN Bank.

With membership as the ethos of its operations, the Group is committed to being a leading performer among mixed conglomerates in the region and that its performance directly benefits the people and communities that its subsidiaries serve.

The Jamaica National Group is also committed to the success and growth of its members while using business as a force for good so that, together, we can improve the outcome of Jamaicans globally.

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Mutuality **Statement**

Founded on the principle of "**mutuality**" in 1874, **The Jamaica National Group's main goal is to** create long-term value for our members and assist them to achieve their best outcomes.

Based on trust and benefit, "**mutuality**: means that we are owned by the savers and borrowers of JN Bank and their interests are safeguarded by us.

We strive to manage our members' affairs prudently and to satisfy their needs by offering products and services at the best rates, delivered by a highly competent team and supported by cutting-edge technology.

Our business conduct is guided by our principle of mutuality: one member, one vote, regardless of the level of savings of each member; or business conducted with entities in The Jamaica National Group. Therefore, the interest of all members are protected, whether large or small.

All mankind is tied together; all life is interrelated, and we are all caught in an inescapable network of mutuality, tied to a single garment of destiny. Whatever affects one directly, affects all indirectly. For some strange reason I can never be what I ought to be until you are what you ought to be. And you can never be what I ought to be until I am what I ought to be – this is the interrelated structure of reality."

-Martin Luther King Jr, 1967

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE is hereby given that, pursuant to the Order of the Supreme Court of Judicature of Jamaica granted on Monday, March 17, 2025 in claim number SU2025CD00108, the 7th Annual General Meeting of members of The Jamaica National Group Limited ("the Company") will be held on Thursday, May 22, 2025 at 3:00 p.m. (UTC/GMT -5 hours) in a hybrid format, that is, both at The Jamaica National Group Limited Corporate Office, 6A Oxford Road, Kingston 5 and by live-streaming for the following purposes:

- To receive, consider and adopt the following:
  - The Directors' Report for the year ended March 31, 2024
  - The Auditors' Report for the year ended March 31, 2024
  - The Financial Statements for the year ended March 31, 2024;
- To appoint auditors and authorise the Directors to fix their remuneration;
- To re-elect Directors; and
- To transact any other business permissible by the Articles of Incorporation at an Annual General Meeting.

By Order of the Board of Directors
Dated April 24, 2025

Tasha Manley, CBMBA, LEC, LLB. (Hons), BSc (Hons)
General Legal Counsel & Corporate Secretary
2-4 Constant Spring Road
Kingston 10, Jamaica, W.I.

Special instructions to participate in the 7th Annual General Meeting (AGM) of The Jamaica National Group Limited

The AGM will be held using technology or electronic means which will allow Members to participate in a similar manner as an in-person meeting, while also accommodating a few Members at The Jamaica National Group Limited Corporate Office, 6A Oxford Road, Kingston 5 (hybrid meeting). Members will be able to participate remotely via live-stream and will be able to vote on matters arising at the meeting once they register to attend the AGM. All registered Members, regardless of geographic location, will therefore have an equal opportunity to participate in the AGM. However, only those Members who have registered or their valid proxy received will be able to vote on resolutions. Voting on all resolutions by registered Members will also be facilitated electronically.

As a Member you may appoint a proxy to attend and vote at this meeting in your stead. A proxy need not be a member of the Company, and the Form of Proxy should bear stamp duty of $100.00 which may be paid by adhesive stamp(s) affixed to the Form of Proxy and cancelled by the person signing the Proxy. The Proxy Form shall be provided by the Company Secretary on request and is also available at **www.jngroup.com**. The completed Proxy Form shall be signed by the Member and delivered to the Company Secretary at the registered office of the Company (2-4 Constant Spring Road, Kingston 10, Jamaica, W.I.) **not less than 48 hours** before the date and time appointed in this Notice for the holding of the AGM.

We encourage Members to monitor our website for all updates and information regarding the AGM. Information on how to access the AGM via live-stream and all other relevant matters will be provided on our website at **www.jngroup.com**.

Members are encouraged to submit their questions in advance of the AGM by sending an email to **agm@jngroup.com**. These questions will be addressed during the AGM as deemed reasonably practicable in the Chairman's discretion.

Voting Procedures

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands and by count of votes received electronically unless a poll is (before or on the declaration of the result of the show of hands or counting of votes received electronically) demanded:-

(a) by the Chairman; or

(b) by at least five Members present in person or by proxy.

The demand for a poll may be withdrawn.

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

Votes of Members

One Vote per Member

Every Member shall have one vote.

Representation in Person or by Proxy

On a poll, votes may be given either personally or by proxy.

Extracted from the Articles of Incorporation of The Jamaica National Group.

Value Statement

We value all our stakeholders
and promise to be:

Dependable

Authentic

Respectful

Transparent

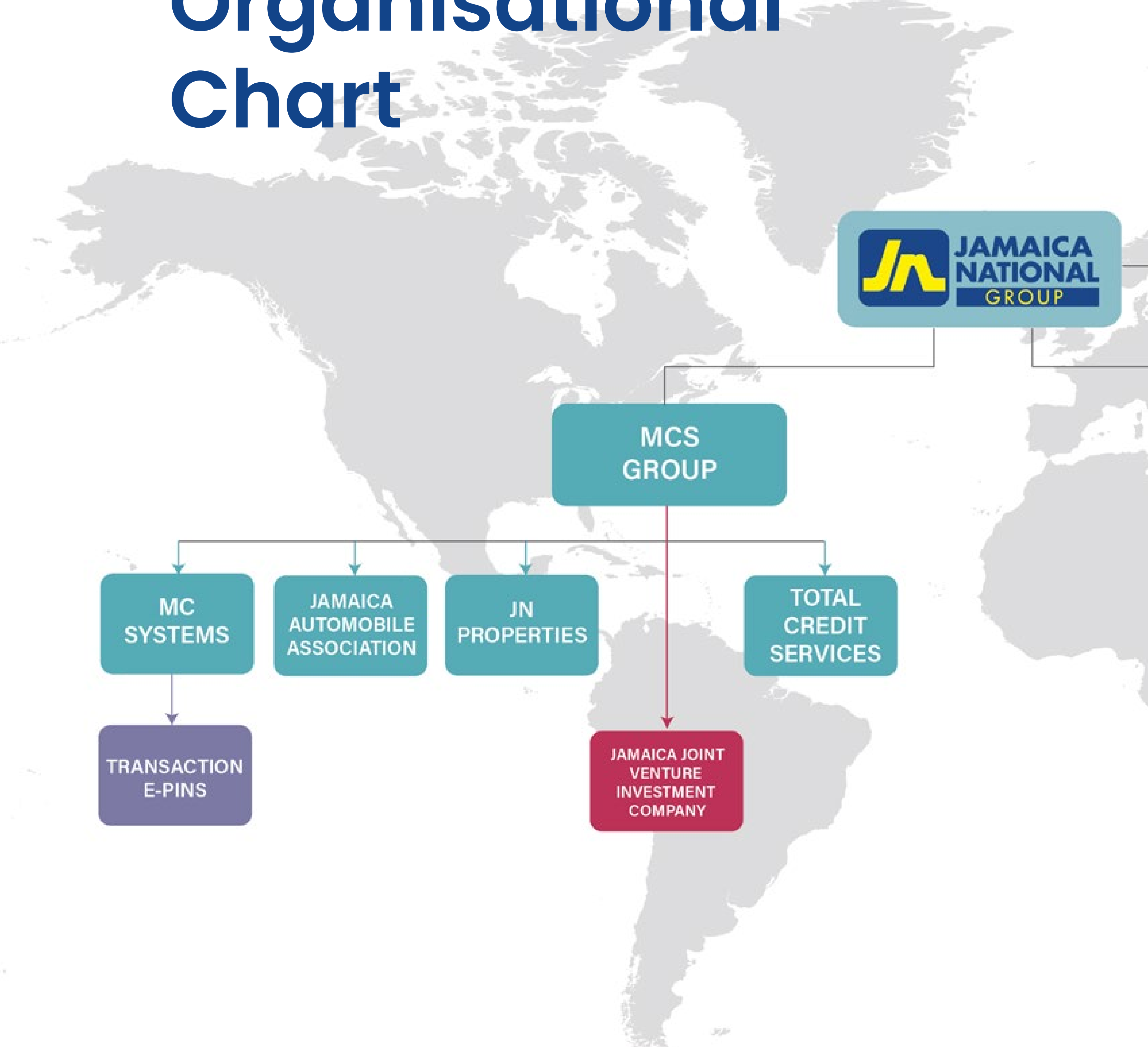
Mission Statement

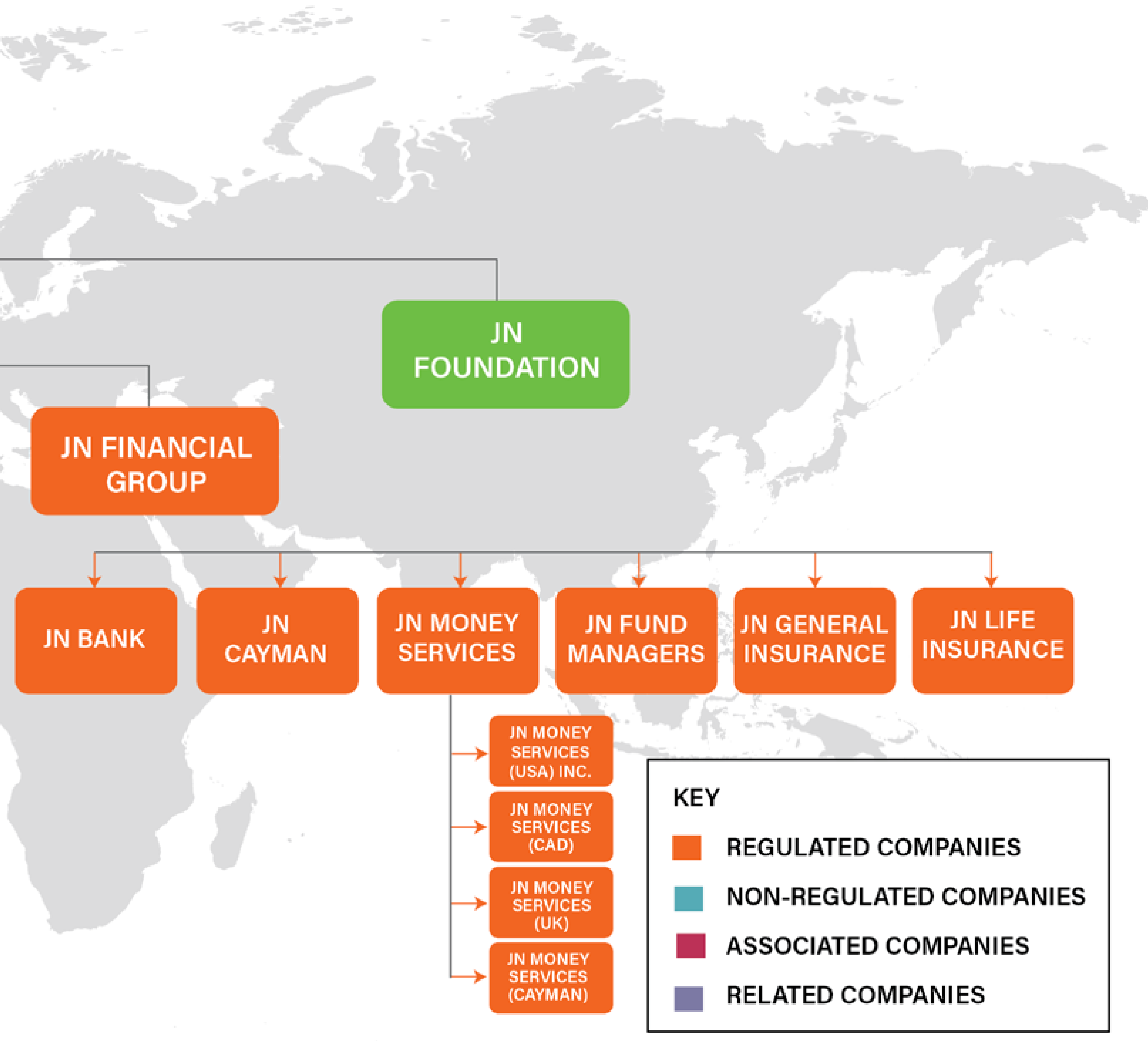
Using innovative solutions to unleash the potential of our people.

Vision Statement

A globally respected brand - boldly finding ways to enrich lives and build communities.

Organisational Chart





JN FOUNDATION
JN FINANCIAL GROUP
JN BANK
JN CAYMAN
JN MONEY SERVICES
JN FUND MANAGERS
JN GENERAL INSURANCE
JN LIFE INSURANCE
JN MONEY SERVICES (USA) INC.
JN MONEY SERVICES (CAD)
JN MONEY SERVICES (UK)
JN MONEY SERVICES (CAYMAN)
KEY
REGULATED COMPANIES
NON-REGULATED COMPANIES
ASSOCIATED COMPANIES
RELATED COMPANIES

Financial Highlights

Total Operating Revenue (J$M)

2024

43,683

17.8%

2023

2020	2021	2022	2023
22,404	31,498	27,862	37,097

Total Equity (J$M)

2024

32,785

-6.4%

2023

2020	2021	2022	2023
33,586	42,241	40,699	35,021

Total Assets (J$M)

2024

367,023

24.5%

2023

2020	2021	2022	2023
232,698	270,498	300,348	294,864

Total Surplus before Taxes (J$M)

2024

-3,363

45.4%

2023

2020	2021	2022	2023
1,376	7,947	145	2,313

Total Loan Balance (J$M)

2024

171,705

19.4%

2023

2020	2021	2022	2023
110,831	116,961	130,244	143,763

Total Customer Deposits (J$M)

2024

267,752

32.7%

2023

2020	2021	2022	2023
139,866	171,650	193,284	201,817

Business in Brief

THE JAMAICA NATIONAL GROUP → SERVING MEMBERS SINCE **1874**

21 COMPANIES WITH

2,366 EMPLOYEES

1,298,950 CUSTOMERS IN **94** COUNTRIES

$367B IN TOTAL ASSETS AND **$32.8B** TOTAL EQUITY

2.9M VISITS TO OUR WEBSITES LAST YEAR

831.0k 85.0k 181.5k 30.2k 37.3k

INDUSTRY COVERAGE

(# of customers touched)

INVESTMENTS	7.9k
TRANSPORT	35.6k
REMITTANCE	349.5k
TECHNOLOGY	0.75k
DEBT COLLECTION	10k
INSURANCE	24.6k
DEPOSITS	870.6k
PROPERTY MANAGEMENT	0.01k
LOANS	82.3k

Business in Brief cont'd

FINANCIAL GROUP

The reorganisation of The Jamaica National Group in 2017 also involved the establishment of the JN Financial Group Limited, which owns all the companies in the Group which offer financial services.

Bank

100%

Held by savers and borrowers

JN Bank Limited is Jamaica's first mutually-owned commercial bank, 100 per cent held by its savers and borrowers. JN Bank is committed to the success of Jamaicans, through bold initiatives, products and services that instill confidence and create extraordinary experiences.

CAYMAN

Rebranded in

2015

JN Cayman
In 2002, the former Jamaica National Building Society acquired majority ownership of the National Building Society of Cayman, which was rebranded as JN Cayman in 2015. JN Cayman offers saving and fixed deposit accounts, loans and mortgages.

25

Years of financial solutions

JN Fund Managers Limited has been providing innovative solutions for more than 25 years, offering financial security, personalized service and sound financial advice.

$1.3B

Assets in 2023

JN Life Insurance Company Limited has provided affordable life insurance solutions since 2013 for Jamaicans who own a home, borrow from micro financing companies, or are employers who desire life insurance coverage for their employees.

47,000

Policies

JN General Insurance Company Limited (JNGI) offers motor, business and homeowners insurance and remains committed to delivering exceptional customer service and swift and equitable claims settlement.

US$490M

Remittances 2023-2024

JN Money Services Limited, which trades as JN Money, is a global remittance brand which originated in Jamaica. The brand upholds international standards in its facilitation of money transfers between several countries across the world.

JN Foundation was established in 1990 as the charitable arm of The Jamaica National Group, with the mandate to manage and execute the philanthropic efforts of the Group, and contribute to the developmental needs of Jamaica. JN Foundation gives back to the Jamaican people and communities across the island, by providing financial and technical support to projects and programmes both at the community and at the national level.

20

Community Projects

1,298

Participants in financial literacy sessions

Business in Brief cont'd

The MCS Group is the non-financial holding company and parent of the unregulated entities within The Jamaica National Group.

100

Years

The Jamaica Automobile (Services) Association Limited (JAA) has been providing services to road users for over 100 years. Today, the JAA remains the country's premier motoring body, continuing its lobbying and advocacy role and providing roadside and emergency services, as well as other road services.

137

Properties under management

JN Properties Limited has managed the JN Group property portfolio for many years. Known for providing superior quality service, today the JN Properties team has expanded to provide property development and management, project management and real estate services to external clients.

65%

Growth

MC Systems Limited, which has been operating for more than 50 years, provides leading edge technology solutions for businesses in the Caribbean. The first authorized Microsoft Solution provider in the English- speaking Caribbean, MC Systems developed and implemented an internet-based monetary transfer financial system, still in use by JN Money Services. Its award-winning BizPay Central.com was the first payroll service of its type in Jamaica.

$67M

Debt recovered

Total Credit Services Limited (TCS) is a professional debt management company with proven expertise to recover debts, collect outstanding payments and improve cash flows. The TCS Contact Centre provides customer and retail banking support services; inbound and outbound calls, remote customer service, sales development and multi-channel support.

WE VALUE OUR STAKEHOLDERS

DEPENDABILITY

We will be available to our members, always helping them find a way.

AUTHENTICITY

We value down-to-earth genuineness, faithful to the empowerment of our members and community.

RESPECT

We are committed to making all members feel respected and treated with courtesy.

TRANSPARENCY

We are inclusive, sharing information and listening to our members to build trust.

Chairman's Report

ELIZABETH ANN JONES, CD, FCA, FCCA
Chairman

This year, our annual report is presented within the context of our 150-year milestone as an organisation. We have evolved over the years, experiencing significant changes in our operations as we metamorphosised from a small, rural organisation into an entity with global reach. This growth has been supported by technological advances that enable our members to maintain strong connections with us no matter where they reside in the world.

As we acknowledge the 150th anniversary of this great organisation, we remain steadfast in our quest to be a *globally respected brand boldly finding ways to enrich lives and build communities*, while *using innovative solutions to unleash the potential of our people*.

This is the seventh Annual General Meeting (AGM) and the fourth year that we are meeting in a hybrid format, both online and in person. This format has become the norm because it allows our members who reside in Jamaica and several other countries across the Jamaican Diaspora to participate.

The Jamaican courts granted special permission to extend the period for holding the 2024 AGM beyond the legally required timeframe. This was due to widespread internet disruptions across Jamaica on the date of the planned AGM which would have disenfranchised a significant number of members who attend virtually.

Review

On behalf of the Board of Directors, I present this report, including the audited financial statements, for 2023/2024. This follows a year that can be described as an inflection point, as companies and entities struggle to regain traction in their business operations. The global business environment has been incredibly unpredictable. The pace of change and the increasing complexity we see in the world around us are relentless - and that unpredictability shows no signs of improving.

Regulatory oversight has increased significantly, resulting in intensified supervision and complex enforcement activities which have impacted business operations. This increased oversight by the regulators is due to significant turmoil in the global economy and our experience with our investments outside of Jamaica. The challenging global landscape with sustained geopolitical tensions has affected global financial markets and economies and subdued economic growth.

The board and management team developed a plan to place the Group on a path to recovery and long-term strategic profitability. The plans will deliver immediate and sustained results. We also refined our strategy to improve customer service and drive positive returns for more growth, while embedding a culture of improved performance, supported by a stronger governance structure.

The strategic imperatives for the year were focused on managing risks and the capital demands of the member companies, satisfying and maintaining the regulatory requirements of the subsidiaries, and meeting the needs of our customers and members.

The overview of the annual Board Retreat is highlighted elsewhere in the report. The principal objective was to improve efficiency and customer experience while optimising the use of our capital. Initiatives were explored to increase market share, facilitate expansion into new markets, and improve brand awareness in key business lines, as well as strengthen the risk framework and foster greater collaboration amongst companies.

The impact of the external factors on our operations was evident with the March 2024 ratings by regional rating agency, Caribbean Information and Credit Rating Services Limited (CariCRIS). It assigned an adequate creditworthiness rating, which means the company enjoys investment-grade categorisation with a low risk of default, and confirms that our ability to satisfy our debt obligations was considered good and adequate regionally, while the national ratings were assessed as high and good.

Despite the increased capital demands, the Group's capital levels remained above regulatory requirements, buttressed by its governance structure and risk management practices. The assessment confirmed that the Group's business risk profile was stable supported by its geographic diversification and digitisation initiatives.

We are cognisant that internal cost containment must remain a priority as the Group's cost-to-income ratio remains elevated based on consecutive reported losses by some subsidiaries. The cost income ratio was also affected by lower revenues. While we are working to reflect improvements in the financial performance of all subsidiaries, it is expected that this position will continue into the following financial year.

Additionally, the continued challenges faced at JN Bank UK, particularly the issues associated with its financial performance, have adversely impacted the overall Group rating. The cost of exiting the UK also impacted the performance of the Group. During the fourth quarter of the financial year, intense efforts were made to identify investment partners for the bank to help mitigate the significant capital call demands and ensure regulatory compliance.

After the end of the financial year and stringent regulatory review, JN Financial Group Limited, which is the parent company of JN Bank UK, sold most of its shareholdings in the bank to Step One Money UK Limited, a UK-based entity. This resulted in leadership changes at the board and management levels as the new owners assumed control of the entity. The JN Group's level of interest in the bank is now less than 20 per cent.

Governance

The Board acknowledges our responsibility for the integrity of the Group's external reporting mechanisms. As a Board, we are committed to maintaining a strong, robust and effective corporate governance framework which is explained elsewhere in this report.

The Board's Nominations Committee is also mindful of the changing environment and, having identified skills gaps, is working to fill the needs. Consistent with international best practices, Board members participate in an evaluation exercise as well as annual training programmes focused on Anti-Money Laundering /Counter-Financing of Terrorism. Cyber Security, Basel III and Corporate Governance training were also undertaken by Directors to ensure all are apprised of the various frameworks which govern the Group and its member companies and their responsibilities.

I take this opportunity to thank all the directors of the boards of companies within the JN Group for their commitment to supporting the growth and success of the Group and, by extension, our members and the customers we serve.

In keeping with Sections 97 and 98 of the Articles of Incorporation of The Jamaica National Group Limited, the directors retiring by rotation this year are the Hon. Dorothy Pine-McLarty and Mr Parris Lyew-Ayee, and being eligible, offer themselves for re-election.

I also want to thank the following directors who served faithfully and with distinction, and have moved on from the Group:

- Mrs Kathleen Moss who retired from the JN Group
- Mr Asif Ahmad and Miss Paulette Simpson whose tenure as directors of JN Bank UK ended with the sale, and
- Miss Michelle Clarke who resigned from the board of JN Money Services Limited.

Mr Keith Levy was appointed as Chair of JN Bank Limited on the retirement of Mrs Moss, and Mr Colin Mander as executive chairman of JN Bank UK, having previously served as non-executive chairman. We also welcome Mr Ricardo Bonitto who was appointed as a director of the JN Money Services Limited subsidiaries in the USA and Canada.

Auditors

We register thanks to the auditing firm, KPMG, Chartered Accountants, and by the Articles of Incorporation of The Jamaica National Group Limited, acknowledge their retirement and, being eligible, recommend their re-appointment.

Moving Forward

I thank the directors and employees of all the companies in the JN Group for staying the course during this difficult period. I also thank our members for your continued faith in us and the responsibilities entrusted to us as a Group. We remain committed to providing a clear perspective of the Group's strategy, governance, performance and prospects, even as we navigate the current environment to create and protect value in the organisation for the benefit of you, our members.

Elizabeth Ann Jones

Elizabeth Ann Jones, CD

Chairman

Board of **Directors**

ELIZABETH ANN JONES, CD, FCA, FCCA
Chairman

Ms Elizabeth Ann Jones joined the board of the Jamaica National Building Society in 2014 and was appointed chairman of JN Fund Managers Limited in 2015. In February 2017, she was appointed director of JN Bank Limited (Jamaica), JN Financial Group Limited and The Jamaica National Group Limited. In April 2019, she was appointed chairman of the JN Financial Group Limited and co-deputy chair of The Jamaica National Group Limited. She was also appointed a director of JN Bank Limited in the UK in 2019. In May 2020, she assumed the role of chairman of The Jamaica National Group Limited, the parent company of all the companies in the JN Group. Ms Jones is a Fellow of the Association of Chartered Certified Accountants and of the Institute of Chartered Accountants of Jamaica. She is a retired Senior Partner of KPMG in Jamaica and previous Chairman of KPMG CARICOM. In 2015, she was conferred with the Order of Distinction, Commander Class, by the Government of Jamaica.

DHIRU TANNA, PhD, MA
Deputy Chairman

Dr Dhiru Tanna has been a member of the Board of the Jamaica National Building Society since 1981. He is deputy chairman of The Jamaica National Group Limited and serves as a director of JN Fund Managers Limited, JN Bank Limited (Jamaica) and the MCS Group.

Dr Tanna is also a long-standing member of the Finance and Investment Board Committee, now renamed the Risk Committee. Dr. Tanna is also the Executive Chairman of Blue Power Group Limited.

Hon. **EARL JARRETT,** OJ, CD, JP, CStJ, Hon. LL.D, Hon. EdD, Hon. Univ, FCA, MSc
Deputy Chairman & Chief Executive Officer
The Jamaica National Group

Hon. Earl Jarrett was appointed Chief Executive Officer of The Jamaica National Group Limited in 2017. He was previously General Manager of the Jamaica National Building Society from 1999 to 2016. He is a director on the boards of all member companies in the JN Group. In May 2020, he was appointed deputy chairman of the parent company, The Jamaica National Group Limited. He serves on the boards of several international and local organisations, including the Federation Internationale de l'Automobile (FIA) Foundation, Jamaica Cancer Society and the Mona Geoinformatics Institute. Mr Jarrett has been a member of the Electoral Commission of Jamaica since 2013 and was appointed Chairman in 2020. He has been awarded four honorary doctorates, and was conferred with the Order of Distinction, in the rank of Commander (CD) in 2008 and the Order of Jamaica (OJ) in 2018 by the Government of Jamaica for exceptional contribution to the banking and financial sectors, public service and volunteerism.

Hon. **DOROTHY PINE-MCLARTY,** OJ, Hon. LL.D

Hon. Dorothy Pine-McLarty has been director of the Jamaica National Building Society (JNBS) and JN Money Services since 1998. She was appointed to the boards of The Jamaica National Group Limited and the JN Financial Group Limited in 2017. A practicing Attorney-at-law for some 50 years, she retired from the partnership of Myers, Fletcher & Gordon, but remains a Consultant. Mrs McLarty is also a former Chairman of the Electoral Commission of Jamaica. She was awarded the Order of Jamaica by the Government of Jamaica in 2007 for outstanding public service and received the Gleaner Company Honour Award for Public Service in 2016. She was also conferred with an honorary Doctorate in Business Administration by the University of the Commonwealth Caribbean (UCC) in 2019.

JENNIFER MARTIN, JP

Jennifer Martin, an Attorney-at-Law, has been a Director of the Jamaica National Building Society since its merger with the Jamaica Savings & Loan Building Society in 2001. She previously served as a Director of the Jamaica Savings & Loan Building Society. She was appointed a director of The Jamaica National Group Limited and JN Bank Limited (Jamaica) in 2017 and is a Director of the JN Foundation and a Trustee of the JN Group Pension Plan.

Mrs Martin has extensive experience in conveyancing and is a partner with the law firm Robinson, Phillips & Whitehorne. She is also a member of the Jamaican Bar Association and the Northern Jamaica Law Society.

PETER MORRIS, MBA, BSc (Hons)

Peter Morris joined the Board of the Jamaica National Building Society in 1993. In 2017, he was appointed to the Boards of The Jamaica National Group Limited, JN Financial Group Limited and JN Bank Limited (Jamaica). He is Chairman of JN General Insurance Company, JN Life Insurance Company and JN Mutual Funds. He is also a director of JN Fund Managers Limited.

Mr. Morris has more than 25 years of business experience at the management and Board level in Jamaica, the United Kingdom and the United States of America.

Board of **Directors**

PARRIS A. LYEW-AYEE, CD, BSc, M.Eng.

Parris A. Lyew-Ayee was appointed to the Board of the Jamaica National Building Society in 2007. He has been a director of the JN Foundation since 2007 and was appointed Chairman in 2018. He has been Chairman of JN Small Business Loans from 2009 and is a member of The Jamaica National Group Limited board of directors since 2017. He also serves as a director of the Mona GeoInformatics Institute and as Chairman of the Caribbean Cement Company. A geologist and mineral engineer, Mr. Lyew-Ayee worked at the Jamaica Bauxite Institute since its inception in 1976 and was Executive Director for 23 years, retiring in 2018. For his service to the bauxite/alumina industry he was conferred with the Order of Distinction (Rank of Officer) in 1988, and the Order of Distinction (Rank of Commander) in 2007 by the Government of Jamaica.

AMBASSADOR ROCKY R. MEADE, CD, JP, PHD

Appointed to the board of The Jamaica National Group in June 2022, **Ambassador Dr Rocky Meade** retired earlier that year as Jamaica's Chief of Defence Staff (CDS), in the rank of Lieutenant General, after 38 years of service.

In February 2023, he was appointed as Ambassador Plenipotentiary with responsibility for national strategic initiatives and projects across Ministries, Departments and Agencies within Government with a view to ensuring their timely and effective implementation.

During his military service, before being appointed CDS, he conceptualized and/or implemented a number of projects, including the Flight Safety Programme, the Jamaican Military Museum, the JDF Language Lab, the JDF Farm, the JDF Technical Training Institute AND the Caribbean Grand Strategy Seminars. AS CDS, he enhanced the JDF's personnel, resources and infrastructure, from a Brigade to a Division, launched Caribbean Military Academy, the Jamaica National Service Corps and the Caribbean Journal of Strategic and Security Studies.

RAPHAEL GORDON, FCA (Ja), FCCA (UK), FCMA (UK), CGMA (UK & USA)

Raphael Gordon, retired Managing Partner of KPMG Jamaica and Chairman of KPMG CARICOM, joined the Board of the Jamaica National Building Society in 2009. He was appointed a director of The Jamaica National Group Limited, JN Financial Group Limited and JN Bank Limited (Jamaica) in 2017. He is Chairman of the MCS Group and Chairman of the Audit Committee for The Jamaica National Group, JN Financial Group Limited and JN Bank Limited. He is also Chairman of the JNBS Pension Fund Trustees Nominee Limited and the JN Group Pension Fund. A Chartered, Certified and Global Cost and Management Accountant, Mr. Gordon is a current member of the Public Accountancy Board; past President of the Institute of Chartered Accountants of Jamaica (ICAJ); and a former Director of the Institute of Chartered Accountants of the Caribbean. In recognition of his outstanding contribution to the accounting profession, Mr. Gordon received the Institute of Chartered Accountants of Jamaica Distinguished Member Award in 2008.

HON. TERRENCE FORRESTER, OJ, MBBS, DM, FRCP, PHD

Professor the Hon. Terrence Forrester joined the board of The Jamaica National Group Limited in September 2021. He is Chief Scientist for UWI SODECO (Solutions for Developing Countries) and Professor of Experimental Medicine, Faculty of Medical Sciences, The University of the West Indies (UWI).

Professor Forrester is a clinical scientist with a longstanding interest in cardiovascular disease and was founding Director of the Tropical Medicine Research Institute. He has received several awards, including the Vice Chancellor's Award for Excellence in Research at UWI (2003), the prestigious Anthony N. Sabga Caribbean Awards for Excellence (2006) and the Boehrigher Ingleheim Award for Hypertension Research in Developing Countries (2006). He was awarded National Honors, the Order of Jamaica, in 2012 for his sterling contribution to medical research in Jamaica. He has served in an advisory capacity to several health organisations, including the Pan American Health Organisation, the World Health Organisation, Caribbean Community's Caribbean Commission of Health and Development and the U.S. Centers for Disease Control and Prevention. Professor Forrester has held directorships in the National Commercial Bank and the National Health Fund and is now a Director of the Nuttall Memorial Hospital.

GLADSTONE 'TONY' LEWARS, CD, FCA, MSc, BSc

Gladstone 'Tony' Lewars is a retired partner from PricewaterhouseCoopers (PwC), where he was the Leader of the Advisory division of the firm and Human Capital Leader for the federation of eight PwC Caribbean territories. In 2015, he was conferred with the honour of The Order of Distinction (Commander Class) in recognition of invaluable service to the public and private sectors of Jamaica.

He sits on the Board of JN Money Services Limited, and Chairs the Boards of JN Cayman and JN Money Services (Cayman) Limited. He was appointed to The Jamaica National Group Board in September 2021 and chairs the Nominations Committee.

He is a member of the Board of Governors of Alpha Academy and served as a Commissioner of the Police Services Commission. He now sits on the Police Civilian Oversight Authority and serves as Secretary/Director for the Jamaica College Trust. He holds the Masters in Economics, the Masters in Accounting and the BSc in Economics (Honours) with The University of the West Indies.

TASHA MANLEY, CBMBA, LEC, LLB, BSc

General Legal Counsel and Corporate Secretary

An accomplished Attorney-at-Law and Chartered Banker, **Tasha Manley** was appointed Corporate Secretary of The Jamaica National Group in February 2024. She retains her duties as General Legal Counsel. Miss Manley joined the Jamaica National Building Society as Executive for Compliance in 2011, leading the global Anti-Money Laundering programme and the broader regulatory compliance framework for the JN Group. She was appointed General Legal Counsel in 2016.

Former Crown Counsel in the Attorney General's Department, Miss Manley has represented the Government of Jamaica in all local courts and has appeared before the Judicial Committee of the Privy Council in the UK on two occasions. She has worked as an International Fellow at the Commodities Futures Trading Commission in Washington DC.

She holds a Legal Education Certificate from the Norman Manley Law School, a Bachelor of Laws and a BSc in Political Science (First Class Honours) from The University of the West Indies and has also completed the Chartered Banker MBA from Bangor University in Wales. She served as a Director on a number of public sector Boards, including the Development Bank of Jamaica; the Chase Fund (later serving as Corporate Secretary); the Jamaica Civil Aviation Authority and the Water Resources Authority.

Board of **Directors**

TERRENCE HARVEY, BSc
Staff Director (2024-2025)

Terrence Harvey, an experienced IT Professional, was elected Staff Director of The Jamaica National Group in February 2024. A proficient people manager, his multifaceted skill set includes managing IT projects and continuous process improvement to enhance user experience.

He joined the Jamaica National Building Society in 2005 as a HEART Trainee at the St Ann's Bay branch and was promoted to Teller and then Processor in the Internal Processing Centre. He transitioned to the User Support department as a Service Desk Analyst in 2009 and five years later, was promoted to Supervisor, and then made a lateral move as Asset Management Supervisor in 2017. He was promoted to User Support Assistant Manager, JN Bank and in 2023 as User Support Manager, JN Group.

A graduate of the University of Technology, Jamaica, Mr Harvey completed a Bachelor of Science in Computing Information Technology and Information Systems in 2016. He also holds a certificate in IT Service Management from the Information Technology Infrastructure Library Foundation.

FABIAN E. SANCHEZ, JP, BBA, MBA
Staff Director (2025-2026)

Fabian Sanchez has been employed to the JN Group since April 2012, when he joined what was then the Jamaica National Building Society (JNBS) as a Compliance Specialist. In 2018, he was promoted to Senior Manager, Compliance with JN Money Services Limited (JN Money).

As the Senior Manager of Compliance, he is charged with ensuring a culture of compliance is established and enforced across the organisation, including its subsidiary operations in Canada, the Cayman Islands, the United States of America, and the United Kingdom.

Academically, Fabian has earned a Bachelor and a Master of Business Administration Degrees from the University of Technology, Jamaica, and The University of the West Indies, and professional certifications in the areas of Anti-Money Laundering, Risk Management, and Information Privacy.

Outside of his substantive role at JN Money, he creates anti-money laundering related content through blog post and podcast episodes to his website fabian-sanchez.com. He is a self-published author of two books - Musings of the Mind: Prose to Encourage, Inspire and Uplift, and Seeds of Tears Harvest of Joy: A Journey Through Grief. He is a Justice of the Peace for the parish of St. Andrew, and current Chairman of his former primary institution, St. Martin de Porres Primary and Infant School.

Membership of Boards

THE JAMAICA NATIONAL GROUP LIMITED
Elizabeth Ann Jones, CD, *Chairman*
Dhiru Tanna, PhD, *Deputy Chairman*
Hon. Earl Jarrett, OJ, CD, JP, *Deputy Chairman*
Hon. Dorothy Pine-McLarty, OJ
The Hon. Prof. Terrence Forrester, OJ
Ambassador Rocky Meade, CD, PhD
Parris Lyew-Ayee, CD
Gladstone Lewars, CD
Jennifer Martin, JP
Peter Morris
Raphael Gordon
Kathleen A.J. Moss *(retired November 30, 2024)*
Terrence Harvey *(Staff Director February 2024- January 2025)*
Fabian Sanchez *(Staff Director February 2025 – January 2026)*

JN FINANCIAL GROUP LIMITED
Elizabeth Ann Jones, CD, *Chairman*
Hon. Dorothy Pine-McLarty, OJ
Hon. Earl Jarrett, OJ, CD, JP
Dhiru Tanna, PhD
Raphael Gordon
Parris Lyew-Ayee, CD
Jennifer Martin, JP
Peter Morris
Prof. Gunjan Mansingh, PhD
Keith Levy
Kathleen A.J. Moss *(retired November 30, 2024)*
Curtis Martin, *Managing Director*

MCS GROUP LIMITED
Raphael Gordon, *Chairman*
Dhiru Tanna, PhD
Hon. Molly Rhone, OJ
Hon. Earl Jarrett, OJ, CD, JP
Wendell Smith
Rachel McLarty
Dan Theoc
Rakesh Goswami
Philip Bernard
Dwayne Russell, *Managing Director (appointed April 1, 2024)*

JN BANK LIMITED
Keith Levy, Chairman *(appointed December 12, 2024)*
Kathleen A.J. Moss, former Chairman *(retired November 30, 2024)*
Dhiru Tanna, PhD
Hon. Earl Jarrett, OJ, CD, JP
Jennifer Martin, JP
Peter Morris
Raphael Gordon
Elizabeth Ann Jones, CD
Gladstone Lewars, CD
Mariame McIntosh Robinson
Curtis Martin
Leesa Kow, *Managing Director*

JN SMALL BUSINESS LOANS LIMITED
Parris Lyew-Ayee, CD, *Chairman*
Hon. Earl Jarrett, OJ, CD, JP
Mary Allen Smith
Cosma Earle
Randolph Cheeks
Pansy Johnson

JN MONEY SERVICES LIMITED
Gladstone Lewars, CD, *Chairman*
Hon. Dorothy Pine-McLarty, OJ
Hon. Earl Jarrett, OJ, CD, JP
David Jessop
Angella Rainford
Bridgett Michelle Clarke *(resigned February 16, 2025)*
Horace Hines, *General Manager*

JN MONEY SERVICES (CAYMAN) LIMITED
Gladstone Lewars, CD, *Chairman*
Hon. Earl Jarrett, OJ, CD, JP
Monique Hamaty- Simmonds
Curtis Martin
Horace Hines, *Managing Director*

JN MONEY SERVICES (USA) LIMITED
Hon. Earl Jarrett, OJ, CD, JP, *Chairman*
Mr. Derryck Cox
Curtis Martin
Ricardo Bonitto *(appointed June 20, 2024)*
Horace Hines, *Managing Director*

JN MONEY SERVICES (CANADA)
Limited Hon. Earl Jarrett, OJ, CD, JP, *Chairman*
Ricardo Bonitto *(appointed June 20, 2024)*
Horace Hines, *Managing Director*

JN MONEY SERVICES (UK) LIMITED
Hon. Earl Jarrett, OJ, CD, JP, *Chairman*
Paulette Simpson, CBE
Horace Hines, *Managing Director*

JN FUND MANAGERS LIMITED
Elizabeth Ann Jones, CD, *Chairman*
Hon. Earl Jarrett, OJ, CD, JP
Dhiru Tanna, PhD *(resigned May 10, 2024)*
Caryl Fenton
Peter Morris
Monica Ladd
Sonja Salmon
Curtis Martin
Keith Levy
Keith Senior *(retired March 31, 2024)*
Brando Hayden, *Managing Director (resigned August 9, 2024)*
Hugh Miller *(Acting Managing Director)*

JN LIFE INSURANCE COMPANY LIMITED
Peter Morris, *Chairman*
Hon. Earl Jarrett, OJ, CD, JP
Christopher Barnes
Kay Osborne
Lancelot Henry
Curtis Martin
Hon. Miss Justice Hilary Phillips *(Retired)*, KC
Hugh Reid, *Managing Director (appointed January 15, 2025)*

J.N. PROPERTIES LIMITED
Dwayne Russell, *Chairman (appointed March 15, 2024)*
Hon. Earl Jarrett, OJ, CD, JP
Joy Brady
Rakesh Goswami
Elizabeth Stair, CD
Garfield Prendergast, *Managing Director (appointed March 15, 2024)*

TOTAL CREDIT SERVICES LIMITED
Dwayne Russell, *Chairman (appointed May 8, 2024)*
Hon. Earl Jarrett, OJ, CD, JP
Leon Mitchell
Carlton Earl Samuels, CD
Joy Brady
Rakesh Goswami
Howard Lawrence
Lowenfield Alleyne, *Managing Director (resigned December 17, 2024)*
Nasheen Wilson, Managing Director *(effective January 14, 2025)*

THE JAMAICA AUTOMOBILE ASSOCIATION (SERVICES) LIMITED
Dwayne Russell, Chairman *(appointed April 29, 2024)*
Hon. Earl Jarrett, OJ, CD, JP
Philip Bernard
Phillip Powe
Wendell Smith
Rakesh Goswami

MANAGEMENT CONTROL SYSTEMS LIMITED
Dwayne Russell, *Managing Director*, *Chairman (appointed March 6, 2024)*
Hon. Earl Jarrett, OJ, CD, JP
Hon. Molly Rhone, OJ
Shereen Jones
Wendell Smith
Dianne Smith-Sears
Rakesh Goswami

JN GENERAL INSURANCE COMPANY LIMITED
Peter Morris, *Chairman*
Kathleen A.J. Moss *(retired November 30, 2024)*
Hon. Earl Jarrett, OJ, CD, JP
Wendell Smith
Hon. Shirley Tyndall, OJ, CD
Sethuraman Kumaraswamy
Sherry Ann McGregor
Prof. Daniel Coore, PhD
Curtis Martin
Thomas Smith, *Managing Director*

JN CAYMAN
Gladstone Lewars, CD, *Chairman*
Hon. Earl Jarrett, OJ, CD, JP
Derek Jones
Marcus Simmonds
Sharon Braithwaite
Jermaine Deans, *Managing Director*

JAMAICA NATIONAL BUILDING SOCIETY FOUNDATION
Parris Lyew-Ayee, CD, *Chairman*
Hon. Earl Jarrett, OJ, CD, JP
Jennifer Martin, JP
Mary Allen Smith

Composition of Board Committees

Audit Committee

Members

Raphael Gordon - Chairman
Sethuraman Kumaraswamy
Kathleen A.J. Moss (*Retired November 2024)*

Compensation, Governance and Nomination Committee

Members

Dhiru Tanna, PhD - Chairman
Hon. Earl Jarrett, OJ, CD
Elizabeth Ann Jones, CD
Peter Morris

Conduct Review Committee

Members

Hon. Miss Justice Hilary Phillips (Retired), KC – Chairman (*Appointed September 4, 2023)*
Caryl Fenton (*Resigned March 7, 2023)*
Hon. Shirley Tyndall, OJ, CD
Hon. Earl Jarrett, OJ, CD
Peter Morris
Christopher Barnes
Kay Osborne
Kathleen A.J. Moss (*Retired November 2024)*
Tasha Manley

Group Board Risk Committee

Members

Colin Mander - Chairman
Elizabeth Ann Jones, CD
Hon. Earl Jarrett, OJ, CD
Raphael Gordon
Peter Morris
Kathleen A.J. Moss (*Retired November 2024)*

Nominations Committee

Members

Gladstone Lewars, CD - Chairman
Hon. Earl Jarrett, OJ, CD
Elizabeth Ann Jones, CD
Parris Lyew-Ayee, CD

Proxy Committee

Members

Elizabeth Ann Jones, CD - Chairman
Dhiru Tanna, PhD
Hon Dorothy Pine-McLarty, OJ
Hon Earl Jarrett, OJ, CD
Jennifer Martin, JP
Peter Morris

Training of Board Directors

Training Session	Topic	Presenter
Cybersecurity Awareness Training February 17, 2023	Cybersecurity Threat Landscape	Brad Curtis & John Horner, Mandiant Consulting David Phillips, Consultant from Castra-Technologies (CISSP, CDPSE) & Dwayne Brown – Executive, Cybersecurity, JN Financial Group Limited
JN Financial Group and Local Subsidiaries Annual Board Mandatory Training November 21, 2023	Anti-Money Laundering / Counter-Financing of Terrorism/ Proliferation Financing	Mrs. Peta-Gaye Fairclough – Chief Risk and Compliance from Group Risk & Compliance Unit

Board Retreat 2024 Highlights

The 2024 Board Retreat, held on February 12-13, 2024, brought together directors and senior leaders from the management team under the theme, "Navigating Troubled Waters."

Mariame McIntosh Robinson, JN Bank director, converses with CEO, Earl Jarrett.

Long-standing JN Group director, Dorothy Pine McLarty and JN Bank Managing Director, Leesa Kow, listen intently.

The retreat served as a critical forum to address key challenges, evaluate risks, and chart a strategic course for the Group's sustainability and growth.

The two-day retreat featured engaging discussions on the Group's operational landscape, market dynamics and evolving global and local economic conditions. It was a pivotal opportunity for the board and executive team to align on the Group's strategic direction, positioning the organisation for continued success in a rapidly changing environment.

Key presentations included insights from Dr. Peter Henry Blair, who highlighted important macroeconomic factors, including the commendable reduction in debt-to-GDP and the urgent need to improve national productivity. He also emphasized the crucial role of infrastructure in driving social returns and the potential of the digital economy as a growth engine. Dr. Blair challenged the Group to think critically and stressed the importance of reducing the cost of doing business in Jamaica.

Shirley Eaton led a session on the evolving role of the board, underscoring the importance of robust monitoring of business performance, strategy development and CEO succession planning. She also reinforced the need for board independence, diversity and a collaborative relationship between the board and the executive team. Ms. Eaton encouraged directors to adopt an owner's mindset, set clear priorities for the next three to five years and to ensure that the board remains fully informed and engaged in key decision-making.

Shirley Ann Eaton, Attorney-at-Law and Lecturer, Finance and Accounting at the Mona School of Business, presented on the topic, "Navigating Leadership, Governance Dynamics and Enhancing the Role of the Board".

JN Life Insurance director, Lancelot Henry, greets Hugh Reid, General Manager, JN Life Insurance, as Rakesh Goswami, Executive, Financial and Operational Efficiency, JN Group, looks on.

In-depth analysis of economic and environmental factors provided further context to the Group's strategic focus. Discussions highlighted both the positive impacts, such as declining debt-to-GDP, booming tourism and infrastructure development, as well as challenges such as high-interest rates and inflation. These insights informed the Group's approach to navigating the complexities of the current economic landscape.

Several key areas and companies within the Group presented their growth strategies and showcased operational excellence aimed at driving profitability in an increasingly complex market. These presentations reflected the Group's commitment to innovation, risk management, and aligning its business model with emerging opportunities.

With clear priorities set and strategic direction aligned, the board continues to drive the organisation's mission forward, positioning the Group for a strong and sustainable future.

Corporate Governance Report

The Jamaica National Group Limited ("JN Group" or "the Company") has established a solid corporate governance framework which ensures that there is a clear separation of powers and responsibilities; and robust systems which promote compliance, transparency and accountability. We are committed to compliance with local statutory and regulatory obligations, as well as international corporate governance best practices, procedures, standards and guidelines.

The Board of Directors

The role of the Board is to provide general oversight, including setting the strategic direction for the conglomerate of companies within its organisational structure ("the Group"); and to exercise reasonable business judgment on behalf of the Group. The activities of the Group are closely monitored by the Board through a well-established governance structure.

Over the 2023/24 financial year, thirteen professionals made up The Jamaica National Group Limited's Board of Directors, including one staff member. Seven meetings were held during the financial year. Three meetings were attended by ten Directors, two meetings were attended by thirteen Directors; one meeting was attended by twelve; and one by nine Directors.

Board Committees

(i) Audit Committee

The Audit Committee is responsible for monitoring compliance with the Group's risk management policies and procedures; providing oversight of internal audit and the relationship with the external auditors; and ensuring integrity of financial reporting. The Committee is comprised of three independent members:

- Raphael Gordon – Chairman
- Sethuraman Kumaraswamy
- Kathleen A.J. Moss (retired November 2024)

Five meetings of the Committee were held during the 2023/2024 financial year with all three members attending three meetings and two members attended two meetings.

(ii) Group Board Risk Committee

The Group Board Risk Committee ("BRC") supports the Board's oversight function by, inter alia, establishing the Group's risk policies; supervising the risk management framework and monitoring adherence to limits; ensuring that appropriate credit and risk policies are in place across the Group; reviewing monthly financial statements; monitoring the performance of each company against established targets; and reviewing financial forecasts, budgets, capital expenditure, expense management and performance.

The Committee is comprised of five Directors appointed by the Board. It is assisted in its deliberations by the Chief Executive Officer. The members are:

- Colin Mander – Chairman
- Elizabeth Ann Jones, CD
- Raphael Gordon
- Professor Daniel Coore
- Professor Gunjan Mansingh
- Hon. Earl Jarrett, OJ, CD

The Committee convened three meetings during the financial year of which five members attended two meetings and four members attended one meeting. The Committee is assisted in its deliberations by the Group Chief, Risk & Compliance Officer.

(iii) Compensation, Governance and Nomination Committee

The Compensation, Governance and Nomination Committee is responsible for evaluating the Group's Executive team. It also has oversight of Board and Executive compensation systems and succession planning. The Committee is comprised of:

- Dr Dhiru Tanna – Chairman
- Elizabeth Ann Jones, CD
- Hon. Earl Jarrett, OJ, CD
- Peter Morris

The Committee is assisted in its deliberations by the Executive, People and Culture.

(iv) Conduct Review Committee

The principal purpose of the Conduct Review Committee is to review and regulate matters dealing with key stakeholders' conduct including related party transactions, conflict of interest, fraud, sexual harassment, and whistleblowing. The Committee Members are:

- Hon. Miss Justice Hilary Phillips, CD, KC (Retired) - Chairman
- Hon. Earl Jarrett, OJ, CD
- Hon. Shirley Tyndall, OJ, CD
- Christopher Barnes
- Peter Morris
- Kathleen A.J. Moss
- Kay Osborne

During the 2023/2024 financial year, the Committee met three times with all seven members being in attendance.

Corporate Governance Report cont'd

(v) Proxy Committee

The Proxy Committee is a special Committee of the Board, and its remit is to consider and approve the appointment of general proxies with respect to meetings of the members of the Company. The Committee is comprised of the following:

- Elizabeth Ann Jones, CD – Chairman
- Dr Dhiru Tanna
- Hon. Earl Jarrett, OJ, CD
- Hon. Dorothy Pine-McLarty, OJ
- Jennifer Martin
- Peter Morris

During the 2023/2024 financial year, the Committee met once, and all six members were in attendance.

(vi) Nominations Committee

The primary objective of the Nominations Committee is to establish a transparent procedure for the nomination of members for the Group and subsidiary Boards. The Committee is also charged with overseeing the evaluation of the performance of the Boards and Committees across the Group. The Committee is comprised of the following members:

- Gladstone "Tony" Lewars, CD – Chairman
- Elizabeth Ann Jones, CD
- Hon. Earl Jarrett, OJ, CD
- Parris Lyew-Ayee, CD

The Committee is assisted in its activities by the General Legal Counsel.

During the 2023/24 financial year, the Committee met on two occasions. All four Committee members attended the meetings held during the reporting periods.

Audit Committee Report

We are pleased to present the report of the Group Audit Committee's activities for the financial year ended March 31, 2024.

The Audit Committee assists the Boards of Directors in fulfilling their oversight responsibilities for accounting and financial reporting processes and audits of the financial statements of the respective companies, in The Jamaica National Group (TJNG). It rigorously monitors the effectiveness of the internal control systems, internal and external audit processes, and the integrity of financial statements. Additionally, the Committee evaluates matters related to accounting policies and judgements and reporting issues. It also receives updates on the progress of programmes aimed at strengthening internal controls across the Group's business lines. When necessary, the Committee convenes meetings with the Chief Internal Auditor and external auditors to ensure that the Group achieves its corporate objectives through prudent decision-making and compliance with regulatory requirements.

The Committee has full access to the Group's documents and information, as well as to its management team and the external auditors. Minutes of Audit Committee meetings are included in submissions to the Boards of Directors; and the chairman of the Audit Committee reports to the respective Boards on significant issues arising in Committee meetings.

Audit Committee Responsibilities

The Committee discharges its responsibilities with regard to the following key functions and responsibilities:

- Review and discuss accounting and financial reporting issues with management and the external auditors.
- Annually, before submitting the audit report to the Bank of Jamaica or other regulatory bodies, review and discuss reports from the external auditors.
- Consider the effectiveness of internal control systems including information technology security and controls.
- Review the plans, activities, staffing, staff qualifications and organisational structure of the internal audit function with management, the external auditors and the chief internal auditor, along with any recommended changes.
- Meet with the external auditors to discuss their independence, proposed audit planning, scope, staffing and approach, and coordination of activities with the Internal Audit department.
- Review the effectiveness of the system for monitoring compliance with laws and regulations.
- Meet with management to review the company's major financial risk exposures and steps taken to monitor and control such exposures, including the company's risk assessment and risk management policies.
- Regularly report Committee activities, issues and related recommendations to the Boards of Directors.
- Annually review the Committee's own performance.
- Annually evaluate the Internal Audit department.

The effectiveness of Internal Controls

The main objectives of the internal controls system are to:

a. Ensure adherence to management's policies and directives in order to achieve the organisation's objectives efficiently and economically;
b. Safeguard assets;
c. Secure the relevance, reliability and integrity of information, thereby ensuring, as far as possible, the completeness and accuracy of records; and
d. Ensure compliance with regulatory and statutory requirements.

Training and Development

Members of the Internal Audit department hold internationally recognized professional designations and regularly participate in professional development training to stay updated on current developments in the auditing field.

Audit Committee's Review 2023/2024

During the 2023/2024 financial year, the Committee engaged in the following activities and received regular updates in relation to the effective execution of the audit exercise:

- **External Auditors & Audited Financial Statements -** Meetings and discussions were conducted with the external auditors to address significant audit issues and recommendations contained in the management letters.

Audit Committee Report cont'd

No major issues were identified from the 2022/2023 audit, but points raised in the external auditors' management letters were monitored. The status of the implementation of their recommendations was shared with the respective Boards. A 2024 audit planning meeting was held to discuss the auditors' responsibilities for the efficient execution of the audit exercise. The external auditors' independence was evaluated, and the Committee is satisfied that they have maintained their independence as required by The International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code).

Thirty-eight (38) audited financial statements as at and/or for years ended December 31, 2022 and March 31, 2023 for TJNG and all its subsidiaries and related entities were reviewed and approved. The December 2023 financial statements for the JNBS Foundation were also approved.

- **Internal Audit** - The Committee reviewed and approved the Group's audit plan for the year ended March 31, 2024. It also received and reviewed quarterly reports from the Group's Chief Internal Auditor who periodically assesses whether the purpose, authority, and responsibilities of the internal audit function continue to enable it to accomplish its objectives. The results of assessments done during the year were communicated to the Committee and included a reconfirmation of the continued validity of the charter of the internal audit function. The Committee also conducted an evaluation of the quality, efficiency and effectiveness of the internal audit function including the competence, qualifications and expertise of team members. In addition, Ernst & Young was engaged to perform an External Quality Assessment (EQA) of the internal audit function.

- **Risk Management & Controls** - The Committee reviewed reports on risks, controls and assurance, in order to monitor the effectiveness of the procedures for internal control over financial reporting, compliance and operational matters. The Committee also discussed compliance with applicable external, legal and regulatory requirements.

Group Review
Internal audit reviews were conducted at entities within the Group during the year, as per the internal audit plan. The scope of the reviews included post-audit follow up to assess the status of prior recommendations, as well as new reviews to cover significant areas of risks identified by the business along with those required based on regulatory and other mandates. Matters discussed in respect of JN Fund Managers Limited (JNFM) and other group subsidiaries, which do not have their own audit committees, were submitted to the Corporate Secretary for submission to the respective Boards. Meetings were held quarterly for JN General Insurance Company Limited and JN Life Insurance Company Limited. Summaries of the issues discussed were included in the reports to the boards of The Jamaica National Group (TJNG) and JN Financial Group (JNFG). Reports for other entities were discussed at TJNG, JN Bank or JNFG Audit Committee meetings, and assurances made that issues raised in the audit reports were addressed or are being addressed satisfactorily by management.

Based on the work undertaken during the year and the implementation of the recommendations made by the management team, the Internal Audit department can provide reasonable assurance that the Group has adequate and effective governance and internal control processes in place. Some compliance issues and non-adherence to policies were identified and communicated to the respective teams, and these are being monitored by the management team, Internal Audit and the Risk & Compliance department to avoid recurrence.

Raphael Gordon

Chairman of the Audit Committee
April 1, 2024

Conduct Review Committee Report

The principal mandate of the Group Conduct Review Committee (GCRC) is to review and regulate matters concerning conduct across the JN Group, with oversight responsibilities for related party transactions, conflicts of interest, fraud, sexual harassment, and whistle-blowing activities. The Committee's establishment has strengthened the governance framework by aligning the activities of the various Conduct Review Committees (CRCs) operating within regulated subsidiaries, thereby ensuring a consistent approach to governance across the Group.

During the financial year under review, the GCRC continued to focus on enhancing corporate conduct policies, mitigating risk exposure, and embedding a culture of integrity and accountability across the Group.

Committee Composition
The GCRC is comprised of Directors drawn from across the Group's Boards, with membership automatically extended to members of the CRCs of JN General Insurance Company Limited, JN Fund Managers Limited, JN Life Insurance Company Limited, and JN Bank Limited.

The members for the period were:
Hon. Miss Justice Hilary Phillips (Retired), KC (Chairman)
Hon. Earl Jarrett, OJ, CD, JP
Peter Morris
Kay Osborne
Christopher Barnes
Kathleen Moss
Hon. Shirley Tyndall, OJ

Following the resignation of former Chairman, Caryl Fenton, in March 2023, the Hon. Miss Justice Hilary Phillips (Retired) was appointed Chairperson in September 2023.

Three meetings of the GCRC were convened during the period: June 5, 2023, September 24, 2023 And March 5, 2024

Strategy and Goals
The GCRC's strategic priorities for the reporting period included:

1. Strengthening the Group's governance framework through the approval and implementation of updated policies aligned to evolving legal and regulatory standards.

2. Monitoring and evaluating issues arising from conduct-related matters reported by the entities.

3. Providing proactive oversight on related party transactions to safeguard the Group's integrity and stakeholders' interests.

4. Embedding a culture of transparency, accountability, and ethical behaviour among staff and Directors.

Through the coordination of existing CRCs under one governance umbrella, the GCRC has enhanced consistency and promotes a Group-wide standard in dealing with matters of employee conduct, compliance, and ethical risks.

Policies Reviewed and Approved
During the year, the GCRC approved and/or reviewed the following key policies:

1. Sexual Harassment Prevention Policy: Protects staff and third parties from harassment within and outside the workplace, aligned with the Sexual Harassment Act of Jamaica.

2. Safeguarding Policy: Governs the behaviour of employees in contact with minors, protecting minors against grooming and inappropriate conduct, with reporting and disciplinary frameworks established.

3. Conflict of Interest Policy: Provides a framework for identifying, preventing, and managing conflicts of interest among employees and directors, particularly in relation to related party transactions.

4. Director's Agreement: A standardized agreement outlining expectations, duties and standards to be signed upon a Director's onboarding.

5. Anti-Bribery Policy: A comprehensive review was conducted and enhancements recommended to strengthen the Group's defenses against bribery and corruption.

6. Whistle-Blower Policy: Approved to ensure confidential reporting of misconduct, with clear protection for whistle-blowers and the defendants, and also to establish investigative procedures.

7. These policies have further reinforced the Group's commitment to maintaining high ethical standards and ensuring a safe and respectful environment for all stakeholders.

Key Activities
The GCRC's work over the financial year focused on receiving and considering reports from the entities on a range of conduct issues, including:

(i) Sexual harassment incidents: Reports were received and addressed in accordance with the Sexual Harassment legislation and internal policy.

(ii) Fraud cases: Incidences were minimal across the Group. All fraud cases were addressed under the Group's fraud policy with appropriate disciplinary or legal action taken where necessary.

Conduct Review Committee
Report cont'd

Key Activities cont'd

(iii) Disciplinary matters: Conduct breaches were reviewed with consistent application of policies and sanctions.

(iv) AML/CFT (Anti-Money Laundering/Counter-Financing of Terrorism) Training: Reports indicated compliance across the Group with mandatory training requirements.

(v) Related party activities: Quarterly reports confirmed that all entities operated within the regulatory limits for related party transactions.

(vi) Customer complaints: Monitoring customer feedback allowed for trend analysis and recommendations for service and conduct improvements.

The GCRC remained vigilant in assessing all reports with a view to ensuring corrective actions were taken and that all regulatory and Group standards were upheld.

Conclusion

The Group Conduct Review Committee is pleased to report a productive year in which we made significant strides in strengthening the corporate governance framework of The Jamaica National Group Limited and its subsidiaries. The Committee remains committed to upholding fostering the highest standards of integrity and ethical conduct across the JN Group. The Committee's focus on monitoring conduct risks through a disciplined and structured approach is reflective of this commitment.

As the Group continues to evolve, the Group Conduct Review Committee will remain agile in its governance role, ensuring that the JN Group maintains a culture of trust, accountability, and respect for all its stakeholders and, thereby, enabling the organisation to achieve its mission of creating long-term value for its members and helping them achieve their best outcome.

Hon. Miss Justice Hilary Phillips (Retired), KC
Chairman

Group Board Risk Committee Report

The Group Board Risk Committee (GBRC) was established in 2022 under the authority of the Board of The Jamaica National Group Limited to provide guidance, advice and recommendations to the consolidated Group Boards and individual company boards on all matters pertaining to current and future risk strategies. The purpose of the GBRC is to take decisions within its delegated authority, including those involving outsourced activities relating to risk management.

The principal risks covered within this remit include credit risk, fraud risk, market risk, liquidity risk, IT risk, operational risk, modelling risk, regulatory compliance, anti-money laundering and the counter-financing of terrorism, and people risk as well as other risks which may arise from time to time.

The GBRC assists the Boards to foster a culture within the Group that encourages enterprise risk management through balanced stewardship in how risk is assessed and quantified; and emphasizes and demonstrates the benefits of a risk-based approach to internal control and lending/investment/exposure management. It is also responsible for reviewing and recommending to the Board an appropriate risk appetite by assessing:

- Category
- Entity – Considering the country of incorporation, portfolio and products offered
- Exposure – established limits, loss, revenue margin
- Resilience – Security, Efficiency, Productivity and Continuity
- Stress Testing

In addition, the GBRC establishes the methodology of analysis, quantification, maximum limits, control and review both at the committee and functional level. It also reviews the risk exposure of the companies in the JN Financial Group (JNFG) and MCS Group and sets appropriate risk limits across all business lines.

The GBRC has an oversight of the Group Enterprise Risk Management (ERM) framework and the adoption of an ERM culture across the Group, as well as sign off on all risk rating and pricing related models utilised in the quantification and tradeoff between revenue and loss exposure. The GRC also assesses the overall compliance framework across the financial entities and continuously assesses regulatory risk. It is also responsible for the review of reports from the management committees - the JNFG Assets and Liability Committee (ALCO) and the Enterprise Design Authority (EDA) and may make recommendations to the respective JN Group boards regarding those submissions.

The Committee is comprised of the following directors

- Mr Colin Mander (independent director and Chair)
- Hon. Earl Jarrett (CEO, The Jamaica National Group)
- Ms Elizabeth Ann Jones (independent director)
- Mr Raphael Gordon (independent director)
- Professor Daniel Coore (Independent director)
- Professor Gunjan Mansingh (independent director)
- Mr. Curtis Martin (Managing Director, JN Financial Group)

Mr Mander previously served as Chair of the Committee and was reappointed to the role following a brief hiatus, during which the Hon. Earl Jarrett served as Acting Chair.

The GBRC met six (6) times during the year to agree on policies which were recommended by the appropriate management committees on applicable risk-related matters. All policies recommended in 2024 were approved by the Committee. Reports were presented to the Committee on key risks affecting the respective entities across the Group and emerging risks with detailed assessments and stress tests completed as required. Executives with responsibilities for key risk areas were required to attend and present as required by the Committee. In addition, critical policies such as Group Risk, Anti-Money Laundering and Counter-Financing of Terrorism, Vendor Management and Business Continuity were presented to the Committee for approval and recommendation for adoption by the entities across the Group.

Focus for 2024

The Committee will be focused on the following for the next financial year:

- The macroeconomic environment and continuous assessment of the impact on the Group
- Assessment and monitoring of the credit portfolio quality on an ongoing basis
- Assessment of the Capital Adequacy and Liquidity of the JN Financial Group Limited and the JNFG member companies
- Risk appetite metrics and performance against those
- Impact of additional regulatory requirements (particularly Basel III requirements).
- Assessment of the strategies and performance of individual companies
- Consolidate stress test for the Financial Group.
- Monitoring the performance of key projects and strategic initiatives

Nominations Committee Report

Introduction and Committee Composition
The Nominations Committee of The Jamaica National Group Limited ("TJNGL" or "the Board") is a Board-appointed committee tasked with overseeing the nomination and governance processes for the JN Group of companies. During the reporting period, the Committee comprised four seasoned members of the Board, including the Group Chief Executive Officer, namely:

- **Mr. Gladstone "Tony" Lewars**, CD
- **Ms Elizabeth Ann Jones**, CD
- **Hon. Earl Jarrett**, OJ, CD, JP
- **Mr Parris Lyew-Ayee**, CD

The Committee operated in accordance with its mandate to strengthen the Group's governance by recommending qualified individuals for leadership roles and guiding succession plans. Its work is conducted with the highest level of transparency and professionalism in line with corporate governance best practices.

Committee Objectives
The Committee's objectives for the year were clearly defined, focusing on sustaining robust governance across TJNGL and its subsidiaries. Key objectives included:

- **Transparent Nominations Process**: Establishing a transparent and clear procedure for the nomination of Board Members (and senior executive management), ensuring that all appointments are made on merit and through due process.

- **Board Diversity:** Ensuring the Board is sufficiently diverse in terms of capabilities, experience, and knowledge. The Committee values a mix of skills and backgrounds to enrich discussions and decision-making.

- **Leadership Succession & Competitiveness:** Assessing current and future leadership needs of the organization and formulating succession plans to ensure continuity and maintain the Group's competitiveness in the financial services industry. This involves identifying potential leaders and providing development opportunities to prepare them for advanced roles.

- **Board Structure and Compensation Review:** Reviewing the structure, size, and composition of the Board and committees of TJNGL and its key subsidiaries. This also includes reviewing the compensation packages for Board members to ensure they are fair, aligned with market standards, and reflective of the responsibilities, thereby helping to attract and retain high-caliber directors.

- **Candidate Identification for Vacancies:** Proactively identifying and nominating suitable candidates to fill Board vacancies as they arise. The Committee maintains a pipeline of prospective directors/executives and uses a rigorous vetting process to recommend individuals who meet the JN Group's strategic and governance needs.

- **Skills and Experience Gap Evaluation:** Evaluating the collective skill set of the Boards and executive management and addressing gaps in expertise, experience, or diversity. Where the evaluation finds deficiencies in certain areas (for example, legal expertise, financial acumen, or gender diversity), the Committee takes action either through new appointments, training initiatives, or the use of external advisors to bolster Board competence.

These objectives guided the Committee's activities throughout the year, ensuring that every recommendation and decision was aligned with strengthening the Group's leadership and governance framework.

Meetings and Key Agenda Items
During the period under review, the Nominations Committee convened two meetings to execute its mandate. The meetings were held on July 16, 2023; and March 8, 2024. Each meeting was attended by all four Committee members, and minutes were recorded by the Corporate Secretary.

Succession Planning and Talent Management
Succession planning was a major focus of the Nominations Committee during 2023/24. Early in the period, the Committee implemented a Succession Planning Strategy aimed at bringing in new talent and ensuring leadership continuity across the Group. This strategy was formulated in recognition of upcoming retirements and the evolving needs of the organization's leadership. The Committee took a proactive approach, first identifying key leadership roles within TJNGL and its subsidiaries that are critical to long-term success and then assessing the readiness of potential successors for those roles.

As part of the implementation, the Committee worked closely with the Group CEO and the Human Resources leadership to create a talent pipeline for both Board and executive positions. Internal candidates were evaluated for development opportunities, and external candidates were researched for any gaps that could not be filled internally. For instance, recognizing the need for fresh perspectives and specific expertise (such as digital innovation and international business experience), the Committee directed searches to find individuals who could meet these needs.

Throughout the year, the Committee reviewed succession readiness for critical positions at each meeting. Progress was tracked on mentorship and training programmes for internal talent, ensuring that high-potential executives received the exposure and experience necessary to step into greater roles when needed. The Committee also ensured that emergency succession plans were in place, so that interim leadership could be appointed smoothly if any unexpected vacancies arose in key management positions.

The fruits of this succession planning were evident in some of the appointments made during the year. New talent was infused into the organisation at the Board level (see Appointments section below), and those appointments were directly aligned with the skills and leadership qualities identified as priorities in the succession plan. By year-end, the Committee reported that TJNGL had a stronger bench of leadership talent than at the start of the year, positioning the Group to remain competitive and resilient. The Committee remains committed to updating and refining the succession plan annually, to adapt to changing business challenges and to maintain robust leadership continuity.

Nominations Committee Report cont'd

Board Evaluation and Outcomes
An important initiative overseen by the Committee this year was a comprehensive Board Evaluation of TJNGL and its major subsidiaries. In keeping with its mandate to evaluate the performance of the Board, the Committee engaged Mr. Richard L. Downer, CD, FCA – a respected external governance consultant – to conduct an independent review. The Board Evaluation found that overall, the Group's governance was robust, with a strong commitment to ethical conduct and oversight. Those areas identified for improvement have largely been addressed and other recommendations continue to be implemented.

Board Appointments and Replacements
During the year under review, the Nominations Committee played a pivotal role in recommending and approving several key appointments and replacements on the boards of TJNGL and its subsidiaries. These changes were aimed at strengthening leadership, filling identified gaps, and ensuring alignment across the Group's governance structure. Below is an overview of the significant appointments and replacements made between April 2023 and March 31, 2024:

- **Mr. Ricardo O. Bonitto – Appointed to JN Money Services (USA) Limited and JN Money Services (Canada) Limited:** Mr. Bonitto was nominated and approved as a director on the boards of JNMS (USA) and JNMS (Canada). Mr. Bonitto brings to these boards a wealth of experience in international finance and compliance, crucial for navigating the regulatory environments in the United States and Canada.

- **Mr. Gladstone "Tony" Lewars, CD – Appointed to JN Money Services (JNMS):** In addition to chairing the Nominations Committee at the Group level, Mr. Lewars assumed a more direct role in the remittance subsidiary with his appointment to the Board of JN Money Services Limited. He was later appointed to the Board of JN Bank Limited in Jamaica. Mr. Lewars is a retired senior partner from PricewaterhouseCoopers and an experienced chartered accountant.

- **Hon. Miss Justice Hilary G. Phillips, CD, KC – Appointed Committee Chair for Policy Advisory and Conduct Review:** One of the most notable governance enhancements this year was the appointment of Hon. Hilary Phillips to senior oversight roles within the Group. Justice Phillips (Retired Court of Appeal Judge) joined the JN Group in 2022 as Chair of the Policy Advisory Commission. In 2023, she was further appointed as a member of the JN Life Board and as Chairman of the JN Group Conduct Review Committee.

- **Mr. Keith Levy, MSc, BSc – Appointed to the Board of JN Bank Limited:** Mr Keith Levy was appointed to the Board of Directors of JN Bank, the Group's flagship banking subsidiary, as part of the refresh of the subsidiary boards. A seasoned international banker with over 25 years of experience, Mr Levy joined the JN Financial Group board in 2022 and has been serving on the boards of JN Fund Managers and JN Bank.

The Board approved all recommendations put forward by the Committee. Collectively, these changes have refreshed the leadership of key entities within the JN Group, addressing the needs identified in our succession plans and board evaluation. They also exemplify the Committee's commitment to board diversity and effective governance: notably, with Justice Phillips' appointment, there is greater gender and professional diversity, and with Mr. Levy's and Mr. Bonitto's appointments, increased international perspective and youthfulness in the boards' deliberations.

Alignment of Subsidiary Governance with Parent Group
A core theme for the Nominations Committee this year was ensuring that the governance of all subsidiary companies is firmly aligned with the standards and strategic direction of the parent, The Jamaica National Group. With TJNGL's expansive structure – encompassing JN Bank, JN Money Services, JN Life Insurance, JN Fund Managers, the JN Foundation, and other entities – the Committee recognizes that cohesive governance practices are vital to maintain trust, brand integrity, and effective oversight.

During the period, the Committee undertook a thorough review of subsidiary board structures and practices. Through these measures, the Committee ensured that subsidiary governance is not operating in silos but is integrated with the Group's governance ethos. This alignment was particularly important as the Group pursues a strategy of **"One JN"**, whereby members and customers experience a unified standard of service and accountability. The Committee will continue to monitor subsidiary boards, using tools like annual joint meetings and continuous policy updates to maintain alignment.

Youth Advisory Council Initiative
In an effort to inject fresh perspectives into the Group's strategic deliberations and to increase the JN brand's relevance among younger generations, the Nominations Committee has championed the introduction of a Youth Advisory Council. This initiative was conceptualized during the year and is in the planning stages, with an expected launch in the next financial year. The Youth Advisory Council ("YAC") represents an innovative approach to governance for the Group, recognising that engaging youth is critical for future sustainability. The primary goal of the YAC, therefore, is to bring the voice of youth and young professionals into the conversation at the Board and senior management level.

As of March 31, 2024, the Youth Advisory Council framework is being finalized. The Committee has allocated the initial half of the 2024/25 year to select members and formally inaugurate the Council. The Committee looks forward to reporting on the contributions of the Youth Advisory Council in the coming year.

Conclusion
The Nominations Committee is pleased to report a productive year in which we have strengthened the governance fabric of The Jamaica National Group. Through diligent effort, the Committee established clearer nomination processes, enhanced the diversity and expertise of boards, and laid the groundwork for future leadership through succession planning and the forthcoming Youth Advisory Council.

Moving forward into 2024/25, the Committee remains committed to upholding the highest standards of transparency and diligence in carrying out its mandate. The Committee extends thanks to the Board of Directors, executive management, and all those who supported our work throughout the year. Together, we will ensure that The Jamaica National Group's governance remains a model of excellence, enabling the organisation to achieve its mission of creating long term value for its members and helping them achieve their best outcome.

Gladstone Lewars, CD
Chairman, Nominations Committee

Chief Executive Officer's Report

HON. EARL JARRETT
OJ, CD, JP, CSTJ, HON. LLD, HON. ED, HON. UNIV, FCA, MSC

Deputy Chairman & Chief Executive Officer

The 2023/2024 financial year was a time for both reflection and expectations- reflection on the accomplishments of the past year and expectations for JN's next 150 years. This resulted in keen introspection, as we looked carefully at our organisation, reassessed some of our strategic priorities, and embarked on a reorganisation of some components of our operations.

Strategic Intent

A principal focus was to assess the performance of our entities, manage our capital allocation and, where necessary, employ a divestment strategy as part of the reorganisation thrust to strengthen the core operations of the JN Group.

The performance of the Group's investment in a bank in the United Kingdom fell below expectations and increased the Group's exposure to risk, resulting in a decision to reduce our share ownership and to adopt a partnership model for the continued ownership of the bank. As stated in the Chairman's report, we sold the majority of our shareholding and transitioned to having an investment interest in the entity. We are pleased to report that the bank is on a path of growth and has been performing creditably and is earmarked to become profitable in the coming financial year.

A divestment approach was also considered for other subsidiaries in the Group. The increased motor claims liability and the resultant need for additional capital, and a less than profitable motor insurance portfolio resulted in the decision to explore the possibility of identifying a purchaser for JN General Insurance Company Limited (JNGI). After the end of the financial year, discussions began with a local insurance entity which expressed an interest in acquiring the company. Following an assessment, the decision was made to proceed with British Caribbean Insurance Company Limited (BCIC). The process is now far advanced for the sale of the company. Concurrently, plans are also underway to establish a JN insurance agency to act as a third-party agent to book business for the new owners and earn commissioned fees.

A similar approach was taken with JN Fund Managers Limited (JNFM) to strengthen the capital base of the JN Financial Group. Several Jamaican and regional entities expressed a keen interest in purchasing the company. An advisory services company was engaged to manage the divestment process, and significant progress has been made with the expectation that the sale will be completed in a few months.

An assessment was also done of our asset portfolio, and the decision was taken to adjust the Group's strategy of directly owning and maintaining a large property portfolio.

Select properties owned by some of our companies were sold and, in some instances, an arrangement entered into with the new owners for continued occupation of some of the properties. This approach enabled us to unlock the value of our real estate portfolio and release internal funding for use in supplementing the capital needs of the companies.

Delivering Service

Operationally, we continue to make progress in the promotion of our digitalisation strategy. Improved customer experience and operational efficiency are key priorities. We remain committed to delivering on the elements of our three-prong strategy – digitalisation, sustainability and 'people first'. We continue to use technology as a driving force to enhance the way we interact with our members and make doing business with us easier for a large segment of our member base. We have been in development mode for several months as we continue to invest in new technology to satisfy our more than one million customers and assist others in keeping with our promise, "We'll help you find a way!"

We made significant strides with our ONE JN Passport app which was rolled out to the public in November 2023. The app allows customers to provide their Know Your Customer (KYC) data and have the information validated by cross-referencing the information to independent data sources; and thereafter, seamlessly and conveniently, start and/or maintain a relationship with JN, including applying for loans and have them approved within minutes. Within weeks of its launch, more than 16,000 members used the app to update their customer information, open new savings accounts and initiated more than 1,900 loans.

We continue to strengthen our digital offerings and use data analytics to assess our offerings and support the build-out and enhancement of our members' and customers' experiences with us. Through the flagship projects we have undertaken, we are pursuing constant innovation and adopting technological practices and partnerships to ensure optimal benefits for our members and customers.

We have also implemented a groupwide risk management framework which has helped to specifically streamline the Group's risk operations and ensure that all risk components are assessed as part of the effective decision-making process.

An in-depth overview of the performance of the companies in the Group can be found in the Financial and Operational Report.

Leadership Changes

During the year, there were leadership changes across some companies as we sought to refine and improve our governance structure and performance at the management level. Brando Hayden resigned as Managing Director of JNFM and Hugh Miller, the Group's Chief Investment Officer, was appointed to the position in an interim capacity.

In tandem with the sale of the Group's majority interest in the UK Bank, Paul Noble, Chief Executive Officer, resigned, which facilitated the appointment of new directors and a CEO. I express my thanks to Paul for leading the bank over the year and supporting the divestment process. Following his resignation, Chris Waring, who previously served as chief commercial director, was appointed managing director.

Succession planning is a critical component of our operations, and we remain focused on ensuring that we engage and retain the most suitable, competent teams to support the leadership of the Group.

I extend my sincere thanks to the entire staff complement across the JN Group for their support and commitment to continued performance improvement and delivering on our strategic objectives. Despite the challenges, we have made some progress; however, there is more to be done. As a team, we understand that we have an obligation to address our members' and customers' needs and actively manage and serve them using the full power of the Group's ecosystem. The ONE JN philosophy, supported by our DART values of Dependability, Authenticity, Respect and Trust, remain core to our purpose in this regard. This is a new phase which requires a new level of thinking and support; therefore, every member of our team is vital and must work together to accomplish our objectives and further strengthen the Jamaica National movement.

The Path Ahead

We do not expect that the challenges will disappear, but we move forward with confidence that past experiences will help to strengthen our Group. We are committed to overcoming the challenges and achieving our strategic goals in the coming years. Although we recognise our limited control over the external factors impacting our business, internally, we are committed to ensuring we deliver exceptional products and services to those we serve. As an organisation, we are being intentional about leveraging our talents and resources to strengthen our collective performance and provide our members and customers with greater value.

Hon. Earl Jarrett
OJ, CD, JP, CSTJ, HON. LLD, HON. ED, HON. UNIV, FCA, MSC

Deputy Chairman & Chief Executive Officer

Financial and Operational Report

The financial year ending March 31, 2024, was a challenging one for the JN Group. Many of the challenges were concentrated in the JN Financial Group (JNFG) as it grappled with the impact of the global economies with slower than anticipated growth and higher than planned interest rates, which affected the value of our investments which has to be accounted for at fair value.

The financial group includes JN Bank Limited Jamaica, JN Bank UK Limited, JN Money Services Limited, JN General Insurance Company Limited, JN Cayman, JN Life Insurance Company Limited and JN Fund Managers Limited.

The Financial Group's audited financial statements reported a consolidated loss of $2.5 billion which was the same as the previous year, while the company, JN Financial Group Limited reported a loss of $1.2 billion compared to $3.1 billion in 2023. The company's consolidated total assets grew from $291.2 billion in 2023 to $364.4 billion, while the liabilities of $332.5 billion constituted primarily deposits in deposit-taking institutions.

The MCS Group, which consist of JN Properties Limited, Jamaica Automobile Association (Services) Limited, MC Systems Limited and Total Credit Services Limited, reported consolidated after-tax profit of $1 billion in 2024 compared to $960 million in the previous year. Revenue was derived from distribution rights of software, computer and equipment sales, network and information technology solutions, property development and other services.

The Jamaica National Group's total liabilities moved from $259.8 billion to $334.2 billion signifying an overall increase of approximately $74.4 billion or 28 per cent. Customer deposits grew by $66 billion, moving from $201.8 billion to $267.8 billion, while the number of accounts increased by approximately 69,000 to 1.1 million accounts. The Group ended the financial year with consolidated total assets of $367 billion, reflecting an increase of more than $72.1 billion.

The 11.5 per cent or $8.5 billion decrease in investments from $92 billion to $82.5 billion was attributed to fair value losses in Government of Jamaica securities and Treasury bills, while Certificates of Deposits rose from $3.1 billion to $9.8 billion. The loan portfolio also moved from $143.8 billion to $171.7 billion.

Operating expenses increased by $2.7 billion, moving from $25.3 billion in 2023 to $28 billion in 2024, with the main contributors being an approximate 25 per cent increase in legal and other professional fees. The Group's overall performance during the year resulted in a net loss position of $2.5 billion versus the $3.7 billion loss reported in 2023. The loss was due to several factors such as the sub-optimal performance by some member companies and losses realized on the performance of some investments.

JN Bank Jamaica declared pre-tax profit of $467.9 million for the year compared to $1.5 billion for the previous year. JN Fund Managers realised a pre-taxation loss of $894.1 million compared to $28.1 million in the previous year, while JN Bank UK also recorded a pre-tax loss of £11.0 million for the year compared to £12.7 million for 2023.

Operational Performance

The operational performance of the companies during the period under review demonstrate resilience in the face of difficulties which has become the hallmark of Jamaica National over its 150-year existence. Despite the increasing impact of geopolitical events and other external forces, the companies have displayed tenacity reflecting the Group's strategic pillars of Sustainability, Digitalisation and People First in their operations.

Customer service remains a strong area of focus to ensure continued improvement of service to customers and members to our 1.3 million customers who reside in approximately 94 countries. This is in keeping with our people-focused strategic objectives. We widened the options through which customers and members can enjoy a new level of convenience by putting access to our financial products and services at their fingertips. This includes using the ONE JN Passport app to open a JN Bank savings account or apply for an unsecured loan.

The primary benefit of the ONE JN Passport app is the one-time submission of customers' current personal information and supporting documentation, such as an approved form of identification and proof of address. Once a customer's identity is established, it becomes his/her JN identity across all JN financial companies. We are excited about this as the launch of the app stands out as a significant accomplishment for us and our members appreciate this ease of doing business with JN.

We have also commenced the phased rolled out the JN Pay Wallet which is a fast, secure, and convenient way to store and manage digital funds. JN Pay Wallet enables the transfer of funds to pay utility bills, and deposit to and withdraw from JN Bank accounts and JN Smart ATMs. The JN Pay Wallet also utilises the Central Bank of Jamaica's digital currency (CBDC) to make payments and transfer funds. We are extremely proud of the fact that we have the capabilities internally through MC Systems Limited to develop and accelerate affordable access to mobile banking solutions such as the JN Pay Wallet.

Significant work has been done to revamp the JN Rewards portal, www.jnrewards.com. Through the programme, JN members can access up to 20 per cent discounts from approximately 100 discount partners with the use of any JN card or earn cash back and JN Rewards points based on the use of their JN Bank VISA credit card.

Financial and Operational Report cont'd

Digital advancements have intensified competition among companies as entities vie for a larger segment of an increasingly digital customer base who demand more non-traditional avenues for transacting their financial affairs. With the increasing use of digital platform options, we are vigilant in safeguarding the digital activities of our customers and members by introducing two-factor authentication and the use of authenticator software to access our JN Bank online services. JN recognises the risks associated with digital transactions and this has led to continuous reviews and improvements of our platforms and sites, particularly those that enable safe access to clients' funds online.

Company Performance

JN Bank has introduced initiatives which are aimed at reducing the waiting time in our locations. These include implementing a Branch Self Check-in and Appointment System and 'Place-in-line' SMS notifications. More people are being encouraged to use the JN Bank LIVE online platform and ATMs. During the year the bank experienced a 10 per cent growth in its customer deposit base, moving from $181.6 billion to approximately $200 billion for the year.

Twenty-two (22) properties owned by JN Bank were sold and thereafter leased under a five-year leaseback programme. The transaction resulted in a net gain of $1.4 billion, of which approximately $800 million was used to offset the write off a portion of the Bank's unsecured loan portfolio.

JN Money Services, through its JN Money brand, has been expanding its services through the opening of new branches and agent locations. The company is also finalising a remittance app to extend its reach in underserved markets. It is also working to establish a physical presence in four new states in the USA while work is underway to expand its network and partnerships in at least six new countries.

During the year, the company served more than 133,000 customers who were responsible for approximately 1.5 million transactions used to send money to Jamaica, valued at US$490 million. The JNMS Group, which consists of subsidiaries in the USA, UK, Canada, Jamaica and the Cayman Islands, recorded a profit of $40.3 million for the period under review compared to a profit of $240.8 million for the previous year.

We are making progress in the provision of life insurance services through JN Life Insurance. We are extremely proud of the company which began operations in 2013 and now provides individual and group life insurance coverage for more than 82,000 lives with sums assured of more than $145 billion. The company's agents have also performed at the highest level in the life insurance industry with approximately 40 per cent of the sales team members achieving The Million Dollar Round Table designation, which is a global, independent association of top-performing life insurance and financial services professionals. This momentum has helped to increase the company's profitability and the Group's return on its investment. For the period ended December 31, 2023, the company reported increased profits of $145.5 million over the $109.5 million realised in the previous year.

At JN General Insurance, the team continued its efforts to identify workable solutions to address the concerns identified with the management of the claims reserves. A significant amount of time and resources were invested in reviewing the existing claims portfolio to determine a path for improving the management of claims. The initiatives implemented resulted in some success with net claims incurred moving from $2.6 billion in 2022 to $1.6 billion in 2023. The company reported a loss for the year of $527.5 million compared to a loss of $238.1 million for the prior year.

The business of JN Cayman continues to be impacted by challenges which have affected its financial viability. Given the limited scope by legislation in Section 19 of The Cayman Islands Building Societies Act (2014) to grow its deposit book relative to its mortgage portfolio, there has been a broadening of the business strategy to incorporate a structuring/referral programme where the bank can generate fee income for sourcing transactions for other entities. The company reported a loss of CI$1.25 million in the year under review compared to a loss of CI$1.40 million for the previous year.

The performance of JN Fund Managers during the period was impacted by a write down of its investment in Niquan Energy Limited, a gas company in Trinidad, and Pemex, an oil company in Mexico. Both entities experienced financial and operational difficulties which led to their inability to meet their obligations to bondholders. This resulted in rating agencies downgrading and adjusting the net asset value of the bonds. The significant decrease in the value of the bonds impacted JNFM's capital base and, subsequently, a default was declared in respect of Niquan.

The non-financial companies in the MCS Group, JN Properties, Jamaica Automobile Association, Total Credit Services and MC Systems continue to manage their operations creditably.

JN Properties Limited, the property management company, is principally responsible for refurbishing, upgrading and rental of real estate properties, and manages over 550,000 square feet of property. The company obtained a real estate dealer's licence and has widened its scope of offerings to the public and we are seeing the benefits of this added service. The company reported an after-tax profit of $628.3 million compared to $367.1 million for the previous year. The current year's profit was due to the sale of its interest in an associated company.

The Jamaica Automobile Association (JAA) generated profit of $13 Million for the period under review. The profit is attributed to the fleet management services provided through the Advance Card and its transportation services. As part of its corporate social responsibly, and with the support of the JN Foundation, the company has been engaged in initiatives to strengthen the road safety fabric of the nation by encouraging the use of helmets by motor cyclists.

Financial and Operational Report cont'd

The JAA is also supporting improvements in driving skills through advanced driver training for corporate organisations including the use of a driving simulator, learner driver education sessions in schools, and the establishment of a crash reconstruction and reporting department to enhance its service offering of accident investigation capabilities.

The company also obtained a Domestic Tours license from the Tourism Product Development Company (TPDCo) to offer tours within Jamaica, and its drivers have received the requisite training and certification. In response to growing customer need for charging stations, an electric vehicle (EV) charging station was established at its Central Avenue location and has included vehicle diagnostic scanning to its member services, offering free scans and discounted rates to members.

Our full-service information and communications technology company, MC Systems Limited, designs innovative products and services for companies within the Group and for external organisations within financial, telecommunications, and government sectors. It maintains the ATMs and point-of-sale machines for several financial institutions in Jamaica and provides technology support for companies across the region.

The company has expanded its reach with the introduction of its BizPay Payroll & Workforce Management solutions into St. Kitts & Nevis and the Cayman Islands. It is also responsible for managing the Group's core banking application Phoenix and has provided technological product development expertise in the design and development of the Group's digital wallet and the JN Money mobile app. The company reported a profit of $34.5 million versus $13.9 million for the previous year.

Total Credit Services Limited provides debt management services and operates a call centre for the JN Group. It plays a critical role in the Group's customer service architecture by handling more than 770,000 calls annually, a 17 per cent increase over the number received in the prior year. The company has focused on improving its effectiveness by extracting the benefits of the Katabat debt collection software to improve the efficiency of its operations. The company performed well with its debt collection services as collections for the period amounted to $3.8 billion which resulted in gross revenue of approximately $956.2 million for the year and a net profit of $74.9 million compared to $30.7 million for the previous year.

The Path Ahead

Subsequent to the end of the financial year, the JN Group has taken steps to improve the capital base which was utilised in some subsidiaries in the financial group. It completed the sale of its majority interest in JN Bank UK and JNGI. In addition, the Group has initiated the sale of 100 per cent of its interest in JNFM. Significant interest has been expressed and the process of reviewing and subsequently determining the preferred entity is underway.

As we look ahead, we are focused on strengthening our competitiveness, expanding our various business lines to return the Group to high levels of profitability. Internal and external factors stymied the positive performance desired, and so we are implementing new initiatives and revitalising others to ensure that we can address these areas and enhance our delivery of products and services.

We remain committed to continuously refining our businesses to ensure our members and customers receive the high-quality service they expect and deserve. Therefore, we acknowledge and appreciate the honest feedback we receive about our service levels, and we will also continue to make significant investments in our people and resources to make the necessary adjustments. We are confident that with the capabilities and fortitude that lie within the Group, we will work and further strengthen the JN Group.

FOUNDATION

JN Foundation, is the vehicle through which The Jamaica National Group makes meaningful contributions and societal interventions aimed at driving community growth. In 2023, JN Foundation continued to enrich lives and build communities through engagement and capacity building programmes focused on financial literacy, climate action and education. These activities support our corporate social responsibility (CSR) to invest sustainably in our people.

Youth and Education

The JN Primary Exit Profile scholarship programme (PEP) offers students at the primary level an opportunity to receive a five-year scholarship award. The award is granted on merit and encourages academic excellence at the secondary level and beyond. Thirty-seven scholars were selected in 2023, joining some 135 who were previously enrolled. The award was presented in three categories: outstanding parish scholars, outstanding county scholars and outstanding children of staff. Along with the 37 new PEP scholars awarded, 10 students were gifted a one-time grant from JN Money Services for their exceptional 2023 PEP results. The Top of the Class Luncheon and Awards Ceremony was introduced in December 2023 to honour the top performing scholar from each year group.

In 2023, the JN Scholarship programme celebrated its 40th year. Through activities designed to build character and improve relationships, the programme engaged all 170 scholars attending 34 secondary schools across the island. The first staging of the Parent and Child Empowerment (PACE) Seminar was held with more than 50 JN Scholars and their parents participating in the virtual session. Two additional sessions were hosted online to update parents of scholars on the activities happening within the programme. Feedback from the parents in attendance revealed unanimous interest in the JN mentorship programme.

The JN Foundation partnered with the British High Commission, administrators of the prestigious Chevening Scholarship from the UK, to introduce the Chevening/Oliver F. Clarke Scholarship, the first collaborative Chevening award to emerge from the Caribbean. The award was named in honour of the late former chairman of The Jamaica National Group, Hon. Oliver F. Clarke, who passed in 2020.

The Foundation continued its drive to support the JN Group's financial inclusion strategy through the expansion of the JN Financial Academy in 2023, with approximately 1,300 persons across the island being engaged through virtual and face-to-face financial literacy sessions and workshops. The majority of the sessions were delivered online, engaging a diverse audience of entrepreneurs, civil servants, churches, JN Scholars, community advocates, JN Group employees and students.

In collaboration with the Tourism Enhancement Fund (TEF), entrepreneurs and artisans based at the Falmouth Pier in Trelawny attended a workshop hosted by the JN Financial Academy. The face-to-face sessions provided 35 entrepreneurs with knowledge and resources on how to better manage and grow their businesses. A third session, held virtually, was requested based on additional topics to be covered. A six-month follow-up is scheduled to track any improvements in the participants' financial journey.

Development is underway for the Financial Academy's first formal course offering, the Smarter Credit course. The course takes a deep dive into recommended credit management practices. JN members will be invited to register for the online course, set to be launched in 2024, which will offer self-paced learning as well as live sessions with financial experts. One-on-one financial coaching will also be extended to select participants.

The second annual financial literacy summer camp hosted by the JN Financial Academy targeted students at the secondary level. The three-day virtual camp recorded an attendance of 260 students who were engaged in discussions around financial literacy and provided insights and financial best practices. Fifteen students and their parents were invited to participate in a tour of the Bank of Jamaica Money Museum, followed by a luncheon at the JN Group Corporate Office with the JN Foundation's Chairman, Parris Lyew-Ayee, JN Group CEO, Hon. Earl Jarrett and Group executives.

The Microsoft Leap programme was introduced to the Caribbean for its inaugural cohort in 2023, through partnership with MC Systems and JN Foundation. Microsoft Leap combines in-classroom learning with practical experience for persons with basic knowledge of the technical field. Ten apprentices were selected and invited to pursue a career path as a software engineer. After 16 weeks of virtual learning, the programme ended with the presentation of a 'social tech' concept from each participant. The concepts were designed with the objective of using technology to identify solutions to challenges in the areas of Food Security & Sustainable Agriculture, Youth Empowerment, Environmental Cleanup & Restoration and Substance Abuse Prevention. Following a review of the concepts by MC Systems, a cost benefit analysis will be done to identify feasible solutions.

FOUNDAT!ON

Environment and Community Development

In celebration of Jamaica's 60th year of independence, JN Foundation launched a capacity-building in photography and community advocacy initiative: the Photo Advocacy Competition. Photographers were invited to submit compelling images taken in our local communities. Since then, more than 400 entries were received from upcoming and seasoned photographers. The competition ran for 10 months, with 50 candidates selected to receive training via face-to-face capacity-building workshops led by lead trainer, Stuart Reeves. Internationally renowned documentary photographer, Radcliffe "Ruddy" Roye, served as the subject matter expert. Donnette Zacca, Shanti Persaud, Mikhail Taylor and Garfield Robinson were also enlisted as competition judges.

An exhibition was mounted with 20-30 images from the competition and an awards ceremony held to announce and award the top photographers. The event also featured a 75-minute masterclass by photographer Ruddy Roye on the use of photography as a tool for advocacy, sharing insights based on his own experiences as a travelling photographer.

The JN member-led community advocacy initiative, JN Circle, completed implementation of seven grant projects in communities across six parishes in 2022. A follow-up assessment completed in 2023 revealed that in all seven grant projects, the objectives were achieved, and six out of the seven projects identified additional benefits. The programme continued in 2023 with the selection of 15 grant projects from 23 submissions by nine local JN Circle chapters. The projects addressed issues under two themes, Youth & Education and Environment & Climate Change. Site visits were conducted in early 2024 for each submitted proposal to verify project scope and budget, after which disbursement of funds will begin.

JN Foundation continues to advocate for safer streets through direct and online engagement. Weekly messages across social media platforms encourage road users within the 100,000+ collective fan base to adhere to speed limits and consistently wear seatbelts. In November 2023, 10 social media influencers were invited to a Road Safety Luncheon to engage in discussions around safe road use. During the engagement, attendees shared their own unfortunate experiences as road users and made recommendations of changing how we communicate road safety messaging to make it resonate more with target audiences, using colloquial language and weaving it into everyday tasks.

In August 2023, an agreement was signed for the establishment of the National Helmet Wearing Coalition (NHWC) project, in collaboration with the National Road Safety Council (NRSC) and the FIA Foundation (International Automobile Federation). A part of the project's goal is to establish more acceptable helmet standards in Jamaica.

A NHWC project steering committee was established and meets monthly to advance the efforts of the project, with a focus on generating awareness of the importance of helmet use through the establishment of a helmet wearing coalition. The members of the coalition include representatives from biker communities and government officials. The coalition also advocates for policy changes in favour of the safety of motorcycle users. The FIA, based in the United Kingdom, is the international regulator for motor sports and an active supporter of road safety projects in developing countries.

JN Foundation's five-year Water Project, in collaboration with the Inter-American Development Bank, ended in August 2023. The project sought to raise awareness about water scarcity and to encourage JN members to practice water conservation, through methods such as rainwater harvesting and using water-efficient devices. At the 2023 staging of World Water Day, JN Foundation's booth welcomed more than 600 visits from the event's attendees. The showcase involved demonstration of a rainwater harvesting model and distribution of homeowner's guides and water efficiency kits. Students and adults alike participated in the booth's activities and giveaways centred around the topic of water conservation. A three-month digital campaign was also executed across social media with focused efforts on pushing the project's agenda using popular social media influencers, which created nearly 500,000 impressions online and resulted in persons openly sharing their commitment to integrating the recommended water conservation practices.

Assistant General Managers

SHEREEN JONES, MSc (Hons)
BSc (1st class Hons)
Group Chief Information Officer

CARLTON EARL SAMUELS, CD, JP, FCA, FCCA, MBA
Chief Development Financing Officer

KEITH SENIOR
Office of the Chief Executive Officer

Executives

JOSCELYN CAMPBELL, CFE
Corporate Integrity

BELINDA CLARKE ROBINSON
MBA, ACCA
Finance

ERNEST EDWARDS, MSC, BSC
Software Development

Executives

RAKESH GOSWAMI, FCA, ACCA, BA
Financial and Operational Efficiency

TONYA GRANT, FCA, FCCA, CPA, CIA
Chief Internal Auditor

PETAL HALL, JP, MBA, BBA
Group Sales

G. ANDRE LATTY, MSc, BSc (Hons)
People and Culture

DIANE SMITH-SEARS
Payment Systems

SANIAH SPENCER, MBA, BA, MCIM (UK)
Group Marketing

Executives

CONT'D

MARIE STEWART LEWIN, JP
MBA (Laureate), MA, BA
Special Assistant to the CEO

NIGEL THOMAS, DipEng
Chief Technology Officer

SHELLY-ANN WALKER, LLB, MBA, BSC
Data Protection

Senior **Managers**

CASITA BURTE, MSc, BSc
Directors & Executive
Compensation and Benefits

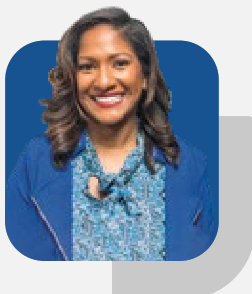
KEVIN DALEY, MSc, BSc
I.T. Customer Support

EVERALD DEWAR, MSc, BSc
Taxation

PAULA DYKE, MSc, BA, CIM
Corporate Affairs &
Communication, UK

Senior **Managers**

CARLENE EDWARDS, MBA, BSc
Group Marketing - Promotions & Sponsorship



GILLIAN JACKSON, MSc, BSc
Data Analytics

JENNIFER JONES D'AGUILAR
MBA, BSc
Website & Digital Media
Corporate Communications

SHEREE LEE, MBA, ACCA
Corporate Reporting & Special Projects
JN Group CEO's Office

SHARON LEWIS
MBA, BSc, FLMI
IT Business, Special Projects

SOAN MADDEN
MSc, ACCA
Internal Audit

GARETH MANNING
MA, BA (Hons)
Corporate Communications

JERMAINE NAIRNE, MSc, BSc
Talent, Performance and Culture
People & Culture

MITZIE SAMUELS, BSc
Industrial Relations
People & Culture

JOSETTE SMITH-SCOTT
MSc, BSc
Group Marketing - Product and Brand Management

KAREN WILSON
JP, LLM, LLB, MClarb
Senior Legal Officer

Group Corporate Office, Member **Companies and JN Foundation**

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www.jnmoneyonline.com

CURTIS MARTIN, MBA, BSc
Managing Director, JN Financial Group

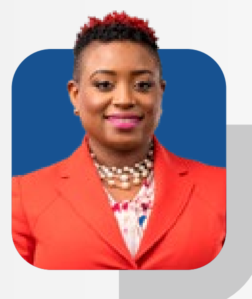
Curtis Martin was appointed Managing Director of JN Financial Group in July 2022. He also assumed the role of Chief Investment Officer of the JN Group with responsibility for the Group's treasury and investment functions. Mr Martin joined the Jamaica National Building Society in 2013 as Assistant General Manager, Treasury and Investments. He was appointed Chief Financial Officer of The Jamaica National Group Limited on February 1, 2017 and became Managing Director of JN Bank Limited in December 2017.

He has operated as a Senior Executive in areas such as finance, treasury and investments management and merchant and commercial bank management for over 30 years at several major financial institutions. As Chairman of the Jamaica Stock Exchange & Jamaica Central Securities Depository (2006-2011), he led the diversification of the organisation's revenue stream through the development and launch of the Junior Stock Market, JSE Trustee Services, JSE E-Learning Institute and the Caribbean Exchange Network (CXN). He is Chairman of the Island Traffic Authority, a director of the Jamaica Central Security Depository (JCSD), a JCSD Trustee Services Member and a Member of the Kingston College Old Boys' Association.

DWAYNE BROWN
MSc (Hons), BSc (Hons)
Executive, Cybersecurity

NATOYA BROWN, MSc, BSc
Executive, Operational Risk

PETA-GAYE FAIRCLOUGH
LLB (Hons), BA (Hons)
Group Chief, Compliance and Risk Officer



YANIQUE BANTON WALKER
BSc (Hons), ACCA
Executive, Accounting and Financial Reporting

LASHAUNA BURTON
MSc, BSc (Hons)
Risk Framework Policy and Reporting

TINASHE CHIRUME
FCCA, ACMA(UK), CGMA, ECIPM (UZ), ACCA, CA, FMVA, Cert. ESG
Accounting and Financial Reporting

OWEN FISHER
MSc, BSc (Hons), FMVA, FRM
Financial Risk

JEROME HENRY, ACCA
Credit Concentration Risk

JN Bank

LEESA KOW, MSc, BSc (Hons)
Managing Director

An experienced financial professional and business developer, Leesa Kow was appointed Managing Director of JN Bank in July 2022. She previously served as Deputy Managing Director for JN Bank (2017-2022). She began her career at the Jamaica National Building Society in 2003 as Senior Manager for Remittances. She was promoted in 2006 to Executive, Marketing, Sales and Promotion and two years later to General Manager of JN Money Services Limited (JNMS), which now trades as JN Money. During her leadership of JNMS, the company became the largest remittance brand from the Caribbean, expanding from some 200 branches and agents to more than 8,000, spanning three continents, over a three-year period.

Ms Kow served as president of the Jamaica Money Remitters Association from 2012 to 2017. She was elected chair of the Caribbean Association of Banks (CAB) in 2022 and previously served as a director and chairperson of the CAB Advocacy Committee.

GILLIAN HYDE, MSc, BSc
Deputy Managing Director

RICARDO DYSTANT, MBA, BSc
Chief – Digital Transformation & Special Projects

HOWARD LAWRENCE, MBA, BSc
Chief – Credit Risk Management

KEISHA MELHADO-FORREST
MBA, BSc
Chief Lending Officer

DIANNE TOMLINSON-SMITH
FCA, FCCA, BSC, FPAC
Chief – Finance

AUDREY WILLIAMS, MBA, BA
Chief – Treasury & Investment

JN FINANCIAL GROUP

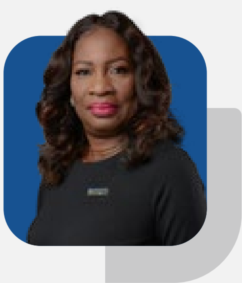
JN Fund Managers Ltd.

HUGH MILLER, BSc, CFA, PMP
Interim Managing Director

An accomplished senior executive with diverse experience in complex financial services groups, Hugh Miller assumed the position of Interim Managing Director, JN Fund Managers in August 2024. He retains his role as Executive, Chief Treasury and Investment Officer with The Jamaica National Group, providing strategic leadership for multi-currency treasury and investment operations, as well as guiding financial reporting and business process efficiency across the Group.

Mr. Miller joined JN Fund Managers as Head, Asset Management in August 2020 and was promoted to Executive, Chief Treasury and Investment Officer at The Jamaica National Group in December 2023. He has previously worked with other financial institutions in a number of roles, including Chief Operating Officer, Vice President, Treasury and Senior Manager, Pensions and Asset Management.

SHARON WHITELOCKE, MMIS, BSc
Deputy General Manager



DELORIES JONES, MBA
Senior Vice President
Sales and Marketing

NATALIE BROWN, MBA
Head, Investment Banking

PATRICK BLAKE, FCCA
Senior Manager
Accounting

JN GENERAL INSURANCE

THOMAS SMITH, JP, CPCU
Managing Director

An expert insurance professional, with over 35 years management experience and 45 years general insurance experience, Thomas Smith joined the JN General Insurance Company as Managing Director in November 2023.

Mr Smith has an extensive knowledge of worldwide insurance standards and trends, with in-depth knowledge of service delivery standards as influenced by modern IT techniques. With strong sales skills and highly developed negotiation skills, he has been consistently successful in closing major accounts in an increasingly tight market.

He started his career with British Caribbean Insurance Company and has also worked with Dyoll Insurance Company, International Insurance Brokers and CGM Insurance Brokers (Jamaica). He joined MGI Insurance Brokers in 2007 as Managing Director and following the company's merger with Billy Craig Insurance, was CEO of the rebranded BCMG Insurance Brokers since 2021.

Mr Smith holds a Chartered Property and Casualty Underwriter Designation (CPCU) from the Insurance Institute of America and completed an Insurance Diploma with the Insurance Institute of Jamaica. He has completed other courses in Communications, Marketing, Management, Strategic Planning Leadership and Insurance Management.

An avid sportsman, Mr Smith is currently Captain of the Wanderers Gun Club. He is a member of the Kingston Cricket Club, where he has served as Honorary Treasurer; a member of the Constant Spring Golf Club where he has served as Club Captain; and has been a member of the Jamaica Skeet Club, previously serving as Secretary.

He is a past member of both the Kiwanis Club of Kingston and the Jamaica Insurance Brokers Association, where he has previously served as President. He is a Justice of the Peace for the parish of St Andrew and Past President of the Richmond Home Owners' Association.

JOSEPH HOLNESS, ACII, CIP
Assistant General Manager
Reinsurance & Underwriting

LYNFORD REECE, MBA, CPCU
Senior Manager, Distribution

JN FINANCIAL GROUP

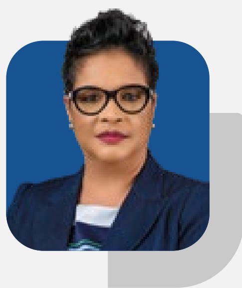
JN Life Insurance COMPANY LIMITED

HUGH REID, FCA, FCCA, MSc, BSc
Managing Director

Hugh Reid was appointed General Manager of JN Life Insurance Company in December 2020. He is an experienced financial services executive and entrepreneur, with a track record of success in general management, customer service, sales management, investments, life insurance, mortgage finance, financial services and real estate industries. He joined The Jamaica National Group in 2018 as a Consultant and was appointed Executive in the JN Group Accounting and Financial Reporting Unit in 2019. Mr Reid is Chairman of the Board of Perishables Limited; Director of the Kingston College Development Trust Fund and the Kiwanis Foundation of Jamaica; and Vice Chair, Association of Chartered Certified Accountants (ACCA) Jamaica Chapter. He has had a long association with the Kiwanis Club of North St. Andrew where he has been awarded Kiwanian of the Year; is a Past Distinguished President 2000-2001 and Kiwanis Hixson Fellow. He was elected 2021-22 Lt. Governor Elect, Eastern Canada and Caribbean District, Division 23 Central.

KEISHA BENT, FCA, FCCA
Chief Financial Officer

OTHNEIL BLAGROVE
BSc, LUTCF, FSCP
Senior Manager
Sales



SUSAN HOLNESS, JP, FLMI, FALU
Senior Manager Underwriter and
Manager New Business

SANDRINA WATKINS
JP, MBA, MSc, BSc
Senior Manager Customer
Experience, Operations and
Product Development

JN FINANCIAL GROUP

JN Money

HORACE HINES, MBA, BSc
General Manager

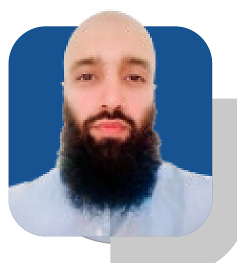
A strong team player and professional with more than 20 years of experience as part of the JN family, Horace Hines was appointed General Manager of JN Money Services in 2017. He has supported the growth and development of JNMS since 2003, significantly contributing to the remittance company becoming a global brand for money transfer and payment solutions. He has served in several capacities at the Jamaica National Building Society for over 20 years.

Mr. Hines holds a BSc in Management and a Masters in Business Administration. He has received other certifications in industry-related fields and is also a Certified Anti-Money Laundering Specialist.

Actively involved in the wider community, Horace Hines is a member of the Lions Club of St Andrew and the Kingston Cricket Club. He has served as Staff Director at Jamaica National Building Society and Chairman of the JNBS Sports and Social Club..

SANYA WALLACE, MBA
Assistant General Manager
Strategic Planning,
Marketing & Sales

HARRY BHOORASINGH
MSc, CAMS
Senior Country Manager
JNMS (USA) Inc - North East



BABER IHSAN
Territory Manager
JNMS (UK) Ltd.

GLENROY HENRY
MSc, LLB (Hons)
Country Manager
JNMS (Cayman) Ltd.

RAKAR WILLIAMS
JP, DBA, FCA, FCCA, MA
Chief Financial Officer

MAXINE HINDS, BSc
Regional Manager
JNMS (USA) Inc - South East

CLAUDE THOMPSON
MBA, ACIM, DipM
Regional Manager
JNMS (Canada) Ltd

FABIAN SANCHEZ, JP, MBA, BBA
Senior Manager
Compliance

CAYMAN

JERMAINE DEANS, MBA, BSc
Managing Director

Experienced team leader, deal maker and strategist, **Jermaine Deans**, was appointed Managing Director of JN Cayman in 2019. He joined The Jamaica National Group in 2016 as Deputy General Manager, JN Fund Managers, with responsibility for Corporate Finance Advisory, Capital Markets and Institutional Sales, Credit, Treasury & Trading. Mr Deans has over 17 years of experience in Global Financial Markets, Capital Markets, Credit, Commercial Banking, Treasury Management, FX Trading, Bond Trading, Company Financial Analysis and Corporate Strategy Re-engineering, Balance Sheet Restructuring, Monetary and Fiscal Policies, Economics and Central Government Management, Supervision of Financial Institutions and Market Risk Assessment.

BEVERLEY PRESCOD
MBA, PMP, ICA Intl. Dip. (GRC), CAMS
Assistant Vice President
Operations

DWAYNE RUSSELL, ACCA
Managing Director

Dwayne Russell Dwayne Russell assumed responsibility as Managing Director of the MCS Group in April 2024, while retaining the role of General Manager of MC Systems Limited, one of the leading technology companies in the Caribbean, a member company of the JN Group. Mr Russell, who joined MC Systems in 1995, was appointed General Manager in 2016. In his more than two decades at the company, he has held several leadership roles in finance, sales and marketing and business development and was instrumental in improving efficiencies, reducing bad debts and increasing cash reserves. As Assistant General Manager, with responsibility for the company's Electronic Phone Card Division, his team fused marketing, sales, information technology and customer service strategies to make their division the most profitable in the company.

He holds the ACCA certification and a Diploma in Business Administration, Accounting major, from the University of Technology. He also holds certificates in Project Management, Business Analysis, Data Analytics and Unix Database Administration.

HEATHER CAMPBELL, FCA, FCCA, MBA
Chief Financial Officer

DWAYNE RUSSELL, ACCA
General Manager

COLIN MCGANN, BSc
Assistant General Manager - Head of Product

KEVIN CUSHNIE, BSc
Director of Engineering

DMITRI DAWKINS
Commercial Director

SALOMIE LYLE-SCOTT, MSc, BSc
Chief Technology Officer

DODGRY NEWELL, MIB, BSc
Director of Operations

WAYNE PALMER, BSc
Financial Planning and Analysis Manager

JAMAICA AUTOMOBILE ASSOCIATION

OWEN SMITH, JP
General Manager

Owen Smith assumed the role of General Manager of the Jamaica Automobile Association (JAA) in July 2022. He previously served as Deputy Managing Director (DMD) at the Jamaica Urban Transit Company (JUTC), managing depot operations, road operations, accident administration, information technology, franchise protection, marketing and the security department. Prior to this appointment, as a General Manager at the JUTC, he had oversight for operations at the Rockfort Depot. As Operations Manager and Head of Service at Appliance Traders Limited, he had direct oversight and management of ATL's transportation logistics, general operations, property management and customer engagement protocols.

A trained Urban and Regional Planner, Owen Smith participated in a professional development course in the Design of Urban Transport Systems for Small Island Development States from Nanyang Technological University in Singapore. He also holds numerous professional certifications in urban planning, physical planning and geographic information systems. He is a former member of the Jamaica Defence Force National Reserves and mentors at-risk youth in his spare time.

ANDREA MARTIN, MBA, BA (Hons)
Deputy General Manager
Operations

Lieutenant Colonel (Retired)
GARFIELD SEAN PRENDERGAST, JP, MSc, MA, rcds, psc
Managing Director

Lieutenant Colonel (Retired) G S Prendergast joined the Jamaica National Building Society in January 2014 as Executive, Administration and was appointed General Manager of JN Properties in 2017. He served as a Commissioned Officer in the Jamaica Defence Force (JDF) for over 30 years and was seconded from the JDF to the post of Commissioner of Corrections, Department of Correctional Services for three years.
He has held a number of major military appointments, including Infantry Company Commander, Battalion Intelligence Officer, HQ JDF Assistant Staff Officer (Personnel), acted as the Training Major for the Third Battalion the Jamaica Regiment (National Reserve) and Commanding Officer of an Infantry Battalion. He was appointed Standards Officer for the Caribbean Junior Command and Staff Course in 2002 and again in 2003. He has completed military training courses in the UK, USA, India and Jamaica and received the Medal of Honour for Meritorious Service to the Jamaica Defence Force.

ANDREW WILSON, EMBA, B.Ed
Head, Facilities & Projects

KERRY X. SCOTT, JP, MBA, CBA
Head, Real Estate & Properties

TOTAL CREDIT SERVICES LTD.

NASHEEN WILSON, BSc, DipHRM
Managing Director

Nasheen Wilson assumed the role of Managing Director, Total Credit Services, effective January 14, 2025.

As Managing Director, she is tasked with overseeing the operations of the Contact Centre – identifying key strategic and collaborative opportunities for TCS Limited with all member companies under the JN Group Limited.

Ms Wilson is described as a driven individual with almost 25 years in the Financial Industry & over nine years in the Business Process Transformation space. She has proven success in improving profitability, performance and efficiency for different companies.

Having most recently served as Director of Operations at Hinduja Global Solutions, she previously served contact centres for Scotiabank, Dehring Bunting & Golding and Sutherland Global Services. Mrs Wilson possesses the essential experience to seamlessly continue and enhance the ongoing work at our TCS Contact Centre.

She holds a Bachelor of Science Degree, Business Administration from the University College of the Caribbean along with professional certifications in Human Resources, Customer Service and Leadership Management.

She was also awarded a 'Top Achiever's Award' from First Global Bank for multiple years along with awards for 'Outstanding Performance' from DB&G and Citibank respectively.

FOUNDAT!ON

CLAUDINE ALLEN, MSc, BA (Hons)
Member Ombudsman
General Manager

Claudine Allen has been General Manager of the JN Foundation since December 2020. She leads the Foundation's efforts to contribute to the developmental needs of Jamaica and also drives programmes that nurture oneness with JN Group members so that together we may leverage our relationships and resources to enrich lives and build communities. As Member Ombudsman, she will continue to champion the interests of members and lead efforts to resolve customer issues, facilitate measurement and analysis of customer experience and leverage member feedback to inform the direction of the Group.

She was appointed Executive for the JN Enterprise Contact Centre and Member Ombudsman in January 2015. In 2017, she was appointed Executive – Member Relations and Quality Assurance and Member Ombudsman for The Jamaica National Group. Ms Allen is a Director of the Jamaica Customer Service Association.

Pictorial Highlights

Eco Champs- Pre Labour-Day Activity
JN Bank Half Way Tree team members handed out seedlings in support of the island's national tree planting initiative to distribute over 700 seedlings. Looking on is Mark Harvey, Acting Extension Officer at the Rural Agricultural Development Authority. The gathering took place at the JN Bank Half Way Tree branch on May 19, 2023.

Environment

JN Group transforms Jamaica Combined Cadet Force resource centre
Lowenfield Alleyne (centre), former Managing Director of Total Credit Services, plants a shade tree with the assistance of Christopher Maitland (left), Sergeant Major of the Jamaica Combined Cadet Force, as Claudine Allen, General Manager of the JN Foundation, looks on. The Labour Day project, spearheaded by The Jamaica National Group, aimed to enhance the landscaping at Up Park Camp on May 23, 2023.

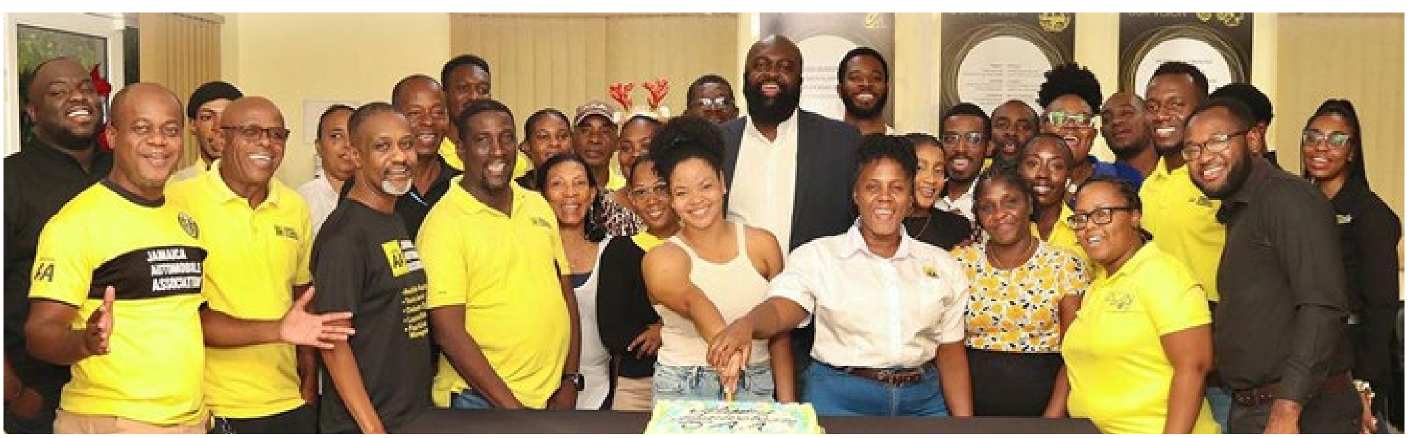
JN Sports & Social Club Labour Day Project at Port Morant
Michelle Webster Gauntlette (right), Corporate Banking Specialist at JN Bank and JN Sports and Social Club (JNSCC) Vice President for social activities, along with Marlene Gordon, Procurement and Administration clerk at JN Bank, were among the volunteers who participated in 2023 Labour Day activities at the home of Beverly Mattison in St Thomas. JNSCC raised $4 million in cash and kind to construct a home for Ms. Mattison after her board dwelling became unlivable.

Social Corporate

Insurance Association of the Caribbean (IAC) Conference Cocktail
Joseph Holness (left), Assistant General Manager for Reinsurance and Underwriting, JN General Insurance (JNGI), has the rapt attention of Andre Maver (centre) and Jerneja Dolnicar, both of Triglav Reinsurance, during the JNGI-sponsored cocktail reception at the Insurance Association of the Caribbean Conference held at the Hyatt Zilara Hotel in Rose Hall, Montego Bay on June 5, 2023. The meet and greet session provided an opportunity for JNGI to foster greater collaboration with reinsurers and to discuss the impact of climate change on the insurance industry.

US Ambassador visit to JN Group Corporate Office
Earl Jarrett (left), Chief Executive Officer, The Jamaica National Group; Curtis Martin (centre), Managing Director of the JN Financial Group and United States Ambassador to Jamaica, Nick Perry, at The Jamaica National Group Corporate Office in New Kingston on July 11, 2023. The courtesy call provided an opportunity for discussions on key challenges, such as correspondent banking issues, affecting the banking sector.

Courtesy Call with Her Excellency, Judith Slater, British High Commissioner
Hon. Earl Jarrett, CEO, The Jamaica National Group, shares a light moment with Her Excellency, Judith Slater, British High Commissioner, during a luncheon held at the JN Group Corporate Office on October 24, 2023.



JAA celebrates 99 years
Jamaica Automobile Association (JAA) Dispatch Supervisor Shana-Kay Dennis along with a JAA member, Jinelle Jones (centre) cut a celebratory cake for the Association's 99th anniversary on December 15, 2023 at its Central Avenue head office in Kingston. Sharing in the occasion are Owen Smith (centre, second row), General Manager of the JAA and other employees and Association members.

Community Support

JN makes donation to Women's Centre
Dahlia Moseley Henriques (second right), Employee Engagement and Culture Manager at The Jamaica National Group, presents a donation cheque to Marlene Murray-Brown, Guidance Counsellor at the Women's Centre of Jamaica Foundation on April 21, 2023. The funds were raised by members of staff at the JN Group in celebration of International Women's Day in March 2023. Sharing in the moment are JN Foundation team members.

JN Life Insurance 10 year anniversary church service
Audrey Deer Williams, rector's warden at the Church of the Transfiguration, accepts a donation from Hugh Reid, General Manager of JN Life Insurance, to assist with the church's various outreach programmes. The occasion was the celebration of JN Life Insurance 10th anniversary, marked with a church service which was held at the Church of the Transfiguration in Meadowbrook on May 28, 2023.

As a part of their 10th anniversary celebrations, the JN Life Insurance team worships with the Church of the Transfiguration in Meadowbrook on May 28, 2023.

Finding Home: A Windrush Story Film screening & In Conversation
JN Bank UK was pleased to host a London summer screening of the short film 'Finding Home: A Windrush Story' on July 16, 2023. Pictured are JN team members in the UK with Howard Gardner, co-author (second row left); Alford Gardner, co-author (centre) and representatives of Jacaranda Books.

Montreal 40th Jamaica Day Celebrations
Tanisha Wallace (right), Member Service Representative at the JN Bank Canada Representative Office, going through the New Account Checklist with a visitor at the JN booth during the Montreal 40th Jamaica Day Celebrations, held at the Martin Luther King on July 22, 2023.

Community Support

JESA Reception & Retreat Ceremony
JN Bank UK hosted the Jamaica Ex-Soldiers Association (JESA) UK Chapter for a Reception and Retreat Ceremony to honour veterans from Jamaica who have bravely served their homeland and allies in former years. Major Heleda Thompson, JP, MSc, Director of Veterans Affairs, Guest Speaker, represented the JDF's Chief of Staff - Rear Admiral Antonette Wemyss Gorman, CD. She applauded fellow veterans in attendance for their continuous support to each other. The event was held at JN Bank UK on October 16, 2023.

An Intimate Celebration for Angie Le Mar
Paulette Simpson, (CBE) Deputy Chief Executive Officer, JN Bank UK, welcomed Angie Le Mar, multi-award-winning comedian, author and writer at JN Bank UK on October 24, 2023.

JN Sports & Social Club & RCOK Blood Drive
Jamar Howell, Chairman of the JN Sports and Social Club and Toni-Moy Stewart, Immediate Past President of the Rotaract Club of Kingston (RCOK), speak with Rotaractor, Shari Watson (seated), as she prepares to donate blood at the 2023 staging of the RCOK's Christmas Blood Drive, held at the JN Bank Chief Office in Half Way Tree on December 10, 2023.

Caroling on the steps of JN Bank Chief Office
Members of the National Chorale of Jamaica belted familiar and favourite carols from the steps of JN Bank Half Way Tree on December 13, 2023.

JN Circle Christmas Luncheon and Grant Announcement
Pixley Irons (third right), president of JN Circle Ocho Rios, Port Maria and Gayle, receives the grant funding for the chapter's projects from Claudine Allen (right), general manager, JN Foundation, at a luncheon in St Ann on December 16, 2023. Also present for the occasion were (from left) Pamella Richmond, Winsome McNeish Ricketts, Fredrick Young, Orlene McNeish and Ingrid Edwards.

Comfort for Christmas Donations

Mustard Seed Community
Ann-Marie Adams (left), assistant administrator at Mustard Seed Communities, Jerusalem location in Spanish Town, St Catherine, is happy to receive diapers, milk products, a pressure cooker and printer from the JN Foundation. Making the presentation were JN Foundation representatives Sydoney Preddie (centre), Project Manager and Chevanese Peters, project coordinator, on December 18, 2023. Members of staff of The Jamaica National Group contributed to the 'Comfort for Christmas' initiative, which involved donating cases of children and adult diapers to six Mustard Seed Communities across the island.

Sophie's Place
Ann-Marie Adams (right), assistant administrator at Sophie's Place, an arm of the Mustard Seed Communities, is presented with gifts from the JN Foundation. Making the presentation were Candice Nichols (second left), Social Impact Assessment Officer at the JN Foundation and Mickalia Grant (left), IT Business Manager, JN Group IT. The presentation took place at Sophie's Place in Gordon Town on December 20, 2023.

Road Safety

Agreement to Promote Helmet Wearing
Earl Jarrett (left), Chief Executive Officer, The Jamaica National Group; Aggie Krasnolucka (centre), programmes director of the FIA Foundation; and Dr. Lucien Jones, Vice-Chairman of the National Road Safety Council, sign an agreement to execute a project which will see the establishment of a National Helmet Wearing Coalition, mandated to advocate for increased helmet wearing among riders and pillions. Looking on (from left, standing) are JN Foundation team members, Kenya-Amber Beek, Project Coordinator; Claudine Allen, General Manager and Omar Wright, Lead, environment and community development programmes. The signing took place at the JN Corporate Office on August 10, 2023

Transport Operators Development Sustainable Services (TODSS) Workshop
Hon. Daryl Vaz, Minister of Science, Energy, Telecommunications and Transport, steers during a theoretical and simulator test drive session on the new simulator of the offices of Jamaica Automobile Association (JAA) on August 31, 2023. Participating in the simulation are James Taylor (from right), Manager, JAA Driving Academy; Owen Smith, General Manager, JAA and Egerton Newman, President of Transport Operators Development Sustainable Services.

Social Media Influencers' meeting to boost road safety advocacy
The JN Foundation has engaged social media influencers to explore how they can leverage their platforms to effectively deliver road safety messages. Claudine Allen (fifth from left, front row), General Manager of the JN Foundation, takes a group photo with the social media influencers at the JN Group Corporate Office on November 15, 2023. Sharing in the moment are representatives of the Jamaica Automobile Association (JAA) and the JN Foundation, as well as Sergeant Craig Bonitto (fourth right, back row) of the Public Safety and Traffic Enforcement Branch at the Jamaica Constabulary Force 3.

Education

Read Across Jamaica Day at Liberty Hall
Claudine Allen (right), General Manager of the JN Foundation, shares a delightful moment after receiving a unique reading experience from Amina Blackwood Meeks, award-winning storyteller during the Read Across Jamaica Day at Liberty Hall in Kingston on May 5, 2023.

Amina Blackwood Meeks, award-winning storyteller, reads to students during the Read Across Jamaica Day at Liberty Hall in Kingston on May 5, 2023.

Read Across Jamaica Day at Tower Hill Primary School
Claudia Kennedy, Broker Liaison Officer, JN General Insurance, shares lens with students at the Tower Hill Primary School in St James, following a reading session on Read Across Jamaica Day, which was observed on May 9, 2023. Read Across Jamaica Day is an annual event observed across the country and is aimed at encouraging children to develop the habit of reading.

JN Financial Academy-Summer Camp: Bank of Jamaica Tour & Luncheon
Claudine Allen (second right), General Manager of the JN Foundation, in conversation with Justin Stoney (left); Joshua Welcom and Taghjaun Ford, participants in the summer camp luncheon held at the JN Group Corporate Office on July 26, 2023.

JN Financial Academy-Summer Camp: Bank of Jamaica Money Museum Tour & Luncheon
Students who attended the JN Financial Academy Summer Camp were invited to tour the Bank of Jamaica Money Museum, accompanied by JN Foundation team members, on July 26, 2023.

Education

Students who participated in the Graduates Can Fly Competition were invited to the JN Group Corporate Office in St. Andrew on August 16, 2023 to collect their prizes. JN Group Brand Ambassador (left back row), Jeffrey 'Agent Sasco' Campbell and Alvin Day (back row, second right), author of the book, If Caterpillars can Fly, share the special moment.

Accounting & Finance Management Seminar
Ricardo Dystant, Chief of Digital Transformation and Special Projects, JN Bank, addresses students on the topic, 'The Impact of Digital Transformation in Finance and Management' at the Portmore Community College during the institution's Accounting/Finance and Management Seminar on August 17, 2023.

STATHS Back-to-School Handover from JN Money
Students from the St Andrew Technical High School (STATHS) were outfitted with backpacks and stationery from JN Money, through a partnership with one of its agents, remittance services company The Service Pharm. The handover took place at the STATHS library on September 6, 2023. Sasha-Kaye McCalla, Marketing Specialist at JN Money, shares a photo moment with some members of the football team and principal of the institution, Dr Worrell Hibbert (right), after the donation.

JADE Courtesy Call
High school students from the Jamaican Association for Debating and Empowerment (JADE) Secondary Level Gold Club paid a courtesy call on JN Foundation at the JN Group Corporate Office on September 19, 2023. Pictured are Claudine Allen (2nd from left, front row), general manager, JN Foundation with Germaine Barret, founder and executive director of JADE (3rd from left, front row). Others in the photo are representatives of JADE, JN Foundation and students.

National Debaters Week
Germaine Barrett (center), Founder and Executive Director of the Jamaican Association for Debating and Empowerment (JADE), leads a conversation with Shanna Kaye Wright Vaughn (left), then Youth and Education Programmes lead at JN Foundation and Dr Kasan Troupe, Permanent Secretary in the Ministry of Education and Youth, at the launch event for National Debaters Week at the Faculty of Law at the Mona Campus of the University of the West Indies on September 28, 2023. Dr Troupe committed to having further dialogue with JADE about the future of debating in schools. JN Foundation is supporting JADE with its activities to mark National Debaters Week, which runs from October 7 to 14.

AED Distribution Team Jamaica Bickle
Hon. Fayval Williams (centre), MP, then Minister of Education and Youth poses with members of Team Jamaica Bickle and representatives from the University of Technology, the Ministry of Education and Youth and local and international sponsoring corporate entities, during the handover of external defibrillator units valued at US$75 M. The handover was held at the University of Technology on October 18, 2023.

Education

Omar Wright (centre), Lead, Environment & Community Development Programmes, at the JN Foundation, presents an Automated External Defibrillator (AED) kit to Vicky Dawson, teacher at Merl Grove High School at the University of Technology on October 18, 2023. The occasion was the distribution of AED machines to several educational institutions by Team Jamaica Bickle. Since 2014, Team Jamaica Bickle has donated more than 100 AED units to schools and trained more than 400 school administrators on how to use the kits. An AED is a portable medical device that analyzes a person's heart rhythm during cardiac arrest.

PEP Scholarship Award and Reception
JN PEP Scholarship recipients take a group photo after the awards ceremony at The Summit in Kingston on Sunday, November 12, 2023.

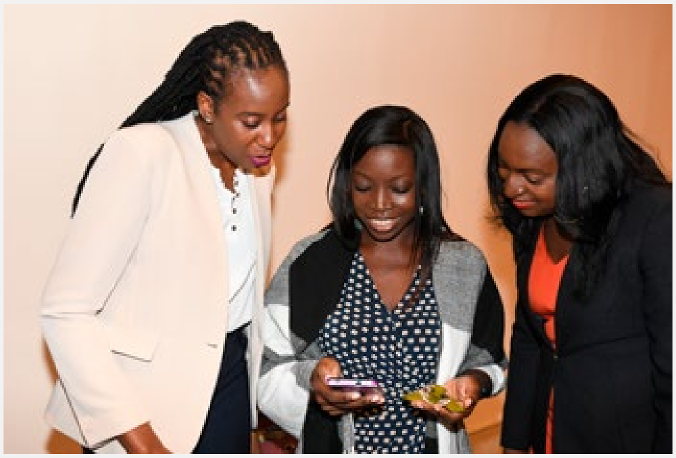
JAA and the Optimist Club of West St Andrew donate to Danny Williams School for the Deaf
Students of the Danny Williams School for the Deaf will benefit from the donation of a smart television and laptop which will aid in fostering instructional learning in the classroom. The donation was presented by representatives of the Optimist Club of West St Andrew and the Jamaica Automobile Association (JAA) on December 13, 2023.

PEP Scholarship Award and Reception
Claudine Allen (right), General Manager of the JN Foundation, gives words of advice to Mykah Roberts, parish scholarship recipient for Clarendon at the JN PEP Scholarship awards reception at The Summit in Kingston on November 12, 2023.

PEP scholars awarded grants from JN Money
Cedrica Reid, Sales and Marketing Specialist at JN Money, presents a JN PEP scholar with a backpack and other school supplies at the annual JN Foundation Scholarship awards held on November 12, 2023.

Courtesy Call - Most. Hon. PJ Patterson
JN Scholar for Westmoreland, Renae Smith (centre), is presented with a copy of 'My Political Journey' by former Prime Minister, the Most Honourable P.J. Patterson. Sharing in the moment is Chevanese Peters, Project Coordinator, JN Foundation. Renae, an avid reader, was previously gifted a copy of the book, which was lost in a fire that damaged her family home. Having learned of the loss, the former Prime Minister presented a signed copy of the book during a courtesy call at The University of the West Indies campus on January 31, 2024.

Entrepreneurship



Capacity building workshop for Artisans
Lori-Rene Letts (centre), Chief Executive Officer of Moni Voice, shows a sample of her business product and her Instagram page to Saniah Spencer (right), Executive, Marketing and Josette Smith-Scott, Senior Manager, Product & Brand Management at The Jamaica National Group. The occasion was a capacity building training workshop for 47 artisans between the ages of 25-65 years who will operate shops in the Artisan Village at the Falmouth Pier, Trelawny. The workshop was organised by the JN Foundation in collaboration with the Tourism Enhancement Fund and was held at the JN Group Corporate Office on the afternoon of September 20, 2023.

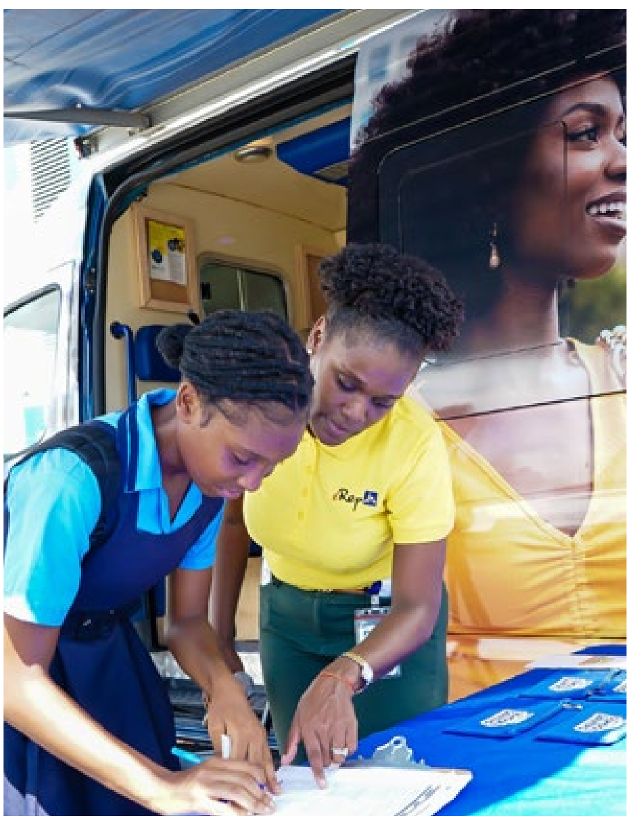
MSME Business Roadshow
Minister of Industry, Investment and Commerce (MIIC), Senator the Honourable Aubyn Hill (left) engages Gillian Hyde (centre), Deputy Managing Director at JN Bank and Lorenzo Escondeur, Chief of Operations at the Inter-American Development Bank, at the third leg of the MSME Business Roadshow held at Sandals Ocho Rios, on November 1, 2023

JN Mall
Vanessa Gilchrist (left), owner of Bedazzled Crocs, shows Saniah Spencer, JN Group Marketing Executive, her Instagram business page, Bedazzled Crocs Ja, at the mingle on the grounds of JN Bank Chief Office, on December 7, 2023. This event saw the JN Group lending its support to entrepreneurs, to help them to gain exposure, market their business and create sales.

Vendors at the JN Mall held at the JN Bank Chief Office on December 15, 2023.

Financial Literacy

JN Financial Academy Summer Camp
Students show off their certificates that were presented to them by Chevanese Peters (second right, back row), project coordinator, JN Foundation, at the conclusion of the JN Financial Academy Summer Camp on August 8, 2024.



JN WAY 2 SAVE School Savers' Tour at Manning's High
Shanae Morris (centre), Assistant Manager, Partnerships & Engagement, Youth Banking, at JN Bank, assists a student at Manning's High School with onboarding of an account on October 11, 2023. The JN Youth Banking Unit promotes financial literacy among students in primary and high school and facilitates the opening of accounts.

JN WAY 2 SAVE School Savers' Tour at Ferncourt High
Diamond King, Youth Banking Coordinator, JN Bank, in action at Ferncourt High School, on October 24, 2023, as students listens attentively to the benefits of saving.

Walk & Talk for Prostate Cancer

Paulette Simpson CBE, then Deputy CEO, JN Bank UK & Director, engages the JN Bank UK team and supporters at the Walk/Talk Prostate Cancer 5k Run. The Errol McKellar Foundation hosted its sponsored walk for 2023 at the Gladstone Park in the borough of Brent on April 30, 2023. The JN Bank UK team were really pleased to be a part of this worthwhile programme (for the third time) which seeks to raise awareness and much needed funds to establish a Mobile PSA testing unit.

Relay for Life 2023

Hon. Earl Jarrett (in purple), Chairman of the Jamaica Cancer Society and Chief Executive Officer (CEO) of The Jamaica National Group, poses with JN Group team members before the first lap around the track at Relay for Life at the Police Officer's Club on Hope Road, St Andrew on June 10, 2023. The event, staged annually, serves to raise funds to help cancer survivors and their families to cope.

Michael Leslie (far right), Acting Executive Director of the Jamaica Cancer Society (JCS) and Hon. Earl Jarrett (beside him), Chief Executive Officer (CEO) of The Jamaica National Group and Chairman of the JCS, joined cancer survivors, clad in green, for the first lap around the track at Relay for Life 2023 at the Police Officer's Club on Hope Road, St Andrew on June 10, 2023.

Health

Power of Pink 2023
A volunteer onboards participants at the annual JN Group Power of Pink breast cancer awareness campaign, at the Jamaica Cancer Society in St. Andrew, to commemorate World Mammography Day on October 20, 2023. The offer, courtesy of the JN Group, catered to 150 free screenings to women across the island.

"Take the Brave Steps!"- JN Group employees decked in pink showing their support for the fight against breast cancer at the entrance to the JN Bank Half Way Tree branch on October 20, 2023.

JN Group Power of Pink Ribbon
Employees of The Jamaica National Group form a human pink ribbon, boldly displaying support for the fight against breast cancer at the entrance to the JN Bank Half Way Tree branch on October 20, 2023.

Sports

Racers Grand Prix Launch
Minister of Culture, Gender, Entertainment and Sport, Hon. Olivia Grange (right), and President of the Racers Track Club, Glen Mills (middle) give ear to Carlene Edwards, Head, Promotions & Sponsorship at The Jamaica National Group, at the Racers Grand Prix press launch held at The Jamaica Pegasus Hotel on April 4, 2023. The Jamaica National Group was named as one of several sponsors of the track meet.

Jamaica Rugby Tournament
Sanya Wallace, (middle) Assistant General Manager, Strategy, Marketing & Sales at JN Money Services, is flanked by the members of the Jamaica Under-19 Rugby team in a photo opp on July 12, 2024 at The University of the West Indies (UWI) Mona Bowl. JN Money sponsored the Jamaica Rugby Football Union's participation in the Rugby Americas North competition which took place from July 12-16 at The UWI.

Technology

The Jamaica Bankers' Association (JBA) 12th Annual Anti-Fraud Seminar

Dwayne Russell (left), General Manager of MC Systems, presents on the advances of fintech in Jamaica. Looking on is Dimitri Dawkins, Commercial Director for MC Systems, during the Jamaica Bankers' Association (JBA) 12th Annual Anti-Fraud Seminar held at Terra Nova All Suite Hotel on July 13, 2023.

First Cohort of Microsoft Leap As A Service

Dwayne Russell, General Manager, MC Systems, interacts with Microsoft Leap participants, while Nathaniel Nation, Software Development Manager, MC Systems, (second from right, standing) looks on at the JN Group Corporate Office on Belmont Road on October 5, 2023.

Microsoft Dinner at Terra Nova Hotel

Nathaniel Nation (second right), Software Development Manager, MC Systems, tells Dmitri Dawkins (left), Commercial Director of MC Systems, about his company's participation in the Microsoft Leap As A Service programme while at a dinner hosted by MC Systems at the Terra Nova Hotel in St Andrew on October 5, 2023. Also joining in the discussion were Abigail Gawronski, Business Programme Manager, Microsoft Leap and Luigi Allen (right), Senior Customer Success Account Manager, Microsoft.

EGov Jamaica Technology Showcase

Senator Dr Dana Morris Dixon (right), then Minister without Portfolio in the Office of the Prime Minister with oversight for Skills and Digital Transformation, visits the MC Systems booth at the E-Gov Technology Showcase at the AC Hotel on November 29, 2023. Strycen Williams (left) Product Manager, MC Systems, greets Siim Seekut, (second right) former Chief Information Officer, Estonia.

Annual General Meeting 2023
JN Foundation Chairman, Parris Lyew Ayee, greets JNGI Managing Director, Thomas Smith, at the JN Group AGM held on December 12, 2023.

Governance

Annual General Meeting

Tarun Handa, Senior Partner at KPMG, talks with former Assistant General Manager of the JN Group, Joy Brady, at the JN Group Annual General Meeting.

Staff Meetings

JN Connect Montego Bay
JN staff members share their feedback at a JN Connect staff meeting held at the Montego Bay Cultural Centre on April 13, 2023.

JN Group CEO, Earl Jarrett, greets Rose Mathurah, Operations Support Officer, JN Bank Highgate during the JN Connect staff meeting held at the Montego Bay Cultural Centre on April 13, 2023.

JN Connect St Ann
JN Bank team members, Shernette Callam, Head of Branches - Western and Ricardo Williams, Head of Branches - Eastern (front row), are happy to be at the JN Connect staff meeting for the Port Antonio and Ocho Rios region at Bettinos at the Marina Village, Drax Hall Estate, St. Ann on April 26, 2023.

JN Connect Kingston
JN Group CEO, Earl Jarrett, interacts with JN Group staff members at a JN Connect staff meeting, held at the Girl Guide Headquarters on Waterloo Road in Kingston on July 18, 2023.

Auditors' Report & Financial Statements

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INDEPENDENT AUDITORS' REPORT

To the Members of
THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Jamaica National Group Limited ("the Company") comprising the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries ("the Group"), set out on pages 86 to 277 which comprise the Group's and Company's statements of financial position as at March 31, 2024, the Group's and Company's statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at March 31, 2024, and of the Group's and Company's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Jamaican Companies Act.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended March 31, 2024, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

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

- 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.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

KPMG

Chartered Accountants
Kingston, Jamaica

March 14, 2025

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Consolidated Statement of Financial Position
March 31, 2024

	Notes	2024 $'000	2023 $'000 Restated*	2022 $'000 Restated*
ASSETS				
Cash resources	6	78,339,359	30,930,967	33,349,683
Securities purchased under resale agreements	7	6,227,723	3,362,873	14,707,855
Investments	8	82,510,079	92,035,688	99,808,678
Taxation recoverable		2,203,033	1,671,367	1,458,528
Interest in associates	11	40,151	670,521	634,400
Loans	12, 40(c)	171,704,739	143,763,378	130,244,283
Other assets	13	4,759,172	3,775,314	2,827,027
Assets held for sale	14	-	33,467	84,232
Investment property	15	1,734,510	1,338,240	1,161,552
Property, plant and equipment	16	5,504,354	6,071,526	6,295,249
Goodwill and other intangible assets	17	5,669,866	5,256,237	4,308,785
Deferred tax assets	18	5,104,387	4,101,881	3,332,560
Right-of-use assets	27(a)(i)	1,520,422	1,058,720	1,054,408
Insurance contract assets	25(a)	88,483	6,155	-
Reinsurance contract assets	25(b)	1,617,158	787,906	1,080,732
Total assets		367,023,436	294,864,240	300,347,972
LIABILITIES				
Bank overdraft	6(d)	-	39,564	404
Due to specialised financial institutions	23	2,757,903	2,441,461	4,278,683
Customer deposits	19, 40(c)	267,752,145	201,817,130	193,283,773
Due to related entities	9(b)	168,171	157,242	154,540
Securities sold under repurchase agreements	20, 40(c)	32,497,473	30,383,059	34,733,613
Other payables	21, 40(c)	9,169,447	7,615,047	7,367,622
Margin loan payable	22	2,216,038	2,086,716	-
Taxation payable		568,680	634,023	349,131
Deferred tax liabilities	18	-	38,192	84,743
Employee benefits obligation	24(a)	1,198,998	797,845	1,413,169
Insurance contract liabilities	25(a)	7,351,080	5,493,563	4,433,948
Long-term loans	26	7,301,507	7,099,860	12,349,726
Lease liabilities	27(a)(ii)	3,256,551	1,239,190	1,200,050
Total liabilities		334,237,993	259,842,892	259,649,402
EQUITY				
Reserve fund	28	7,782,851	7,656,668	7,600,000
Contractual savings reserve	29	14,223	14,223	14,223
Other reserves	30	4,698,930	4,052,259	6,471,034
Retained earnings		20,222,503	23,235,161	26,532,637
Total equity attributable to equity holders of the Company		32,718,507	34,958,311	40,617,894
Non-controlling interest	31	66,936	63,037	80,676
Total equity		32,785,443	35,021,348	40,698,570
Total liabilities and equity		367,023,436	294,864,240	300,347,972

The financial statements on pages 86 to 277 were approved for issue by the Board of Directors on March 14, 2025, and signed on its behalf by:

Director Director Director

Elizabeth Jones, CD — Dhiru Tanna, PhD — Hon. Earl Jarrett, OJ, CD, JP, CStJ

* See note 50

To be read in conjunction with the accompanying notes to the financial statements.

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Company Statement of Financial Position
March 31, 2024

	Notes	2024 $'000	2023 $'000
ASSETS			
Cash resources	6, 40(c)	237,518	162,159
Due from related entities	9(a)	173,088	408,039
Taxation recoverable		2,199	2,154
Interest in subsidiaries	10	12,334,620	11,294,030
Loans	12, 40(c)	264,684	133,395
Other assets	13, 40(c)	251,698	264,387
Property, plant and equipment	16	161,362	208,206
Goodwill and other intangible assets	17	153,708	172,886
Right-of-use assets	27(a)(i)	85,744	127,999
Deferred tax asset	18	95,738	63,300
Total assets		13,760,359	12,836,555
LIABILITIES			
Due to related entities	9(b)	353,915	332,640
Other payables	21, 40(c)	739,248	674,083
Taxation payable		350,024	350,024
Long-term loans	26, 40(c)	1,068,911	604,216
Lease liabilities	27(a)(ii)	100,823	143,321
Total liabilities		2,612,921	2,104,284
EQUITY			
Other reserves	30	150,293	149,041
Retained earnings		10,997,145	10,583,230
Total equity		11,147,438	10,732,271
Total liabilities and equity		13,760,359	12,836,555

The financial statements on pages 86 to 277 were approved for issue by the Board of Directors on March 14, 2025, and signed on its behalf by:

Elizabeth Ann Jones Director
Elizabeth Jones, CD

Director
Dhiru Tanna, PhD

Director
Hon. Earl Jarrett , OJ, CD, JP, CStJ

To be read in conjunction with the accompanying notes to the financial statements.

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Statements of Profit or Loss
Year ended March 31, 2024

	Notes	Group 2024 $'000	Group 2023 $'000 Restated*	Company 2024 $'000	Company 2023 $'000
Interest income revenue calculated using the effective interest method:					
Interest on loans	40(d)	14,675,131	12,315,202	7,623	93,765
Interest on investments	40(d)	6,530,872	5,062,640	-	-
		21,206,003	17,377,842	7,623	93,765
Interest expense	32,40(d)	(6,890,754)	(4,150,935)	(100,092)	(142,153)
Net interest income		14,315,249	13,226,907	(92,469)	(48,388)
Net finance expenses from insurance contracts	34	319,152	171,380	-	-
Net finance income from reinsurance contracts	34	(125,521)	(2,038)	-	-
Total insurance/reinsurance finance expenses		193,631	169,342	-	-
Insurance revenue	35	8,666,203	6,852,941	-	-
Insurance services expenses	37	(5,726,587)	(4,854,431)	-	-
Net expenses from reinsurance contracts		(3,557,892)	(2,623,778)	-	-
Net insurance services results		(618,276)	(625,268)	-	-
Impairment losses on financial instruments	42(b)(ii)(B)(6)	(2,750,881)	(2,655,308)	-	-
Impairment losses on investment in subsidiaries	10	-	-	(238,410)	-
Net gain/(loss) on investments	33	23,805	(51,537)	-	-
Other finance (cost)/income		(4,315)	3,037	-	-
Other operating income	36, 40(d)	13,468,312	12,692,282	5,256,252	10,036,370
Operating expenses	37, 40(d)	(28,000,410)	(25,254,779)	(4,547,260)	(4,974,466)
Operating (loss)/profit		(3,372,885)	(2,495,324)	378,113	5,013,516
Share of profit of associates	11	961	36,121	-	-
Loss on loan modification	26(iii)	(144,985)	-	-	-
Unrealised foreign exchange gain/(loss)		153,625	146,511	3,364	(23,059)
(Loss)/profit before taxation		(3,363,284)	(2,312,692)	381,477	4,990,457
Taxation	38	826,103	(1,394,064)	32,438	(831,087)
(Loss)/profit for the year		(2,537,181)	(3,706,756)	413,915	4,159,370
Attributable to:					
Equity holders of the Company		(2,529,086)	(3,694,303)	413,915	4,159,370
Non-controlling interest		(8,095)	(12,453)	-	-
		(2,537,181)	(3,706,756)	413,915	4,159,370

* See note 50
To be read in conjunction with the accompanying notes to the financial statements.

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Statements of Profit or Loss and Other Comprehensive Income
Year ended March 31, 2024

	Notes	Group 2024 $'000	Group 2023 $'000 Restated*	Company 2024 $'000	Company 2023 $'000
(Loss)/profit for the year		(2,537,181)	(3,706,756)	413,915	4,159,370
Other comprehensive income:					
Items that are or may be reclassified to profit or loss:					
Exchange differences on translation of foreign subsidiaries' balances		(17,259)	(320,043)	-	-
Increase/(decrease) in fair value through other comprehensive income (FVOCI) investment securities, net of impairment losses		312,204	(3,234,407)	-	-
Realised losses on investments recognised in the statement of profit or loss	33	16,717	338	-	-
Deferred tax on FVOCI investment securities and expected credit loss (ECL)	18	(93,120)	1,010,922	-	-
Net finance expenses from insurance/reinsurance contracts	34(A)	9,495	47,201	-	-
Deferred tax on insurance and reinsurance contracts	18	(2,374)	(11,800)	-	-
Revaluation gain on transfer of property, plant and equipment	15, 30	266,870	-	-	-
		492,533	(2,507,789)	-	-
Items that will never be reclassified to profit or loss:					
Remeasurement of employee benefits obligation	24(d)	(288,738)	813,251	-	-
Deferred tax on employee benefits obligation	18	96,246	(271,083)	-	-
		(192,492)	542,168	-	-
Total other comprehensive income/(loss) for the year		300,041	(1,965,621)	-	-
Total comprehensive (loss)/income for the year		(2,237,140)	(5,672,377)	413,915	4,159,370
Attributable to:					
Equity holders of the Company		(2,241,056)	(5,658,882)	413,915	4,159,370
Non-controlling interest		3,916	(13,495)	-	-
		(2,237,140)	(5,672,377)	413,915	4,159,370

* See note 50
To be read in conjunction with the accompanying notes to the financial statements.

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Group Statement of Changes in Equity
Year ended March 31, 2024

	Reserve fund $'000 (note 28)	Contractual savings reserve $'000 (note 29)	Other reserves $'000 (note 30)	Retained earnings $'000	Total $'000	Non - controlling interest $'000 (note 31)	Total equity $'000
Balances at March 31, 2022, as previously reported	7,600,000	14,223	6,870,643	25,692,727	40,177,593	80,676	40,258,269
Prior year adjustment (note 50)	-	-	(399,609)	399,609	-	-	-
Adjustment on initial application of IFRS 17, net of tax (note 50)	-	-	-	440,301	440,301	-	440,301
Balances as at March 31, 2022, as restated	7,600,000	14,223	6,471,034	26,532,637	40,617,894	80,676	40,698,570
Total comprehensive income/(loss) for the year:							
Loss for the year as previously stated	-	-	-	(3,982,050)	(3,982,050)	(12,453)	(3,994,503)
Prior year adjustments (note 50)	-	-	-	287,747	287,747	-	287,747
Loss for the year, as restated	-	-	-	(3,694,303)	(3,694,303)	(12,453)	(3,706,756)
Other comprehensive income							
Translation of foreign subsidiaries' balances	-	-	(319,287)	-	(319,287)	(756)	(320,043)
Decrease in fair value of fair value through other comprehensive income (FVOCI) investments, net of deferred tax	-	-	(1,849,173)	-	(1,849,173)	(538)	(1,849,711)
Realised gains on investments recognised in the statement of profit or loss	-	-	338	-	338	-	338
Remeasurement of employee benefits obligation, net of deferred tax	-	-	-	541,916	541,916	252	542,168
Net finance income from reinsurance instruments	-	-	35,401	-	35,401	-	35,401
Total other comprehensive (loss)/income, previously reported	-	-	(2,132,721)	541,916	(1,590,805)	(1,042)	(1,591,847)
Prior year adjustment (note 50)	-	-	(373,774)	-	(373,774)	-	(373,774)
Total comprehensive loss, as restated	-	-	(2,506,495)	(3,152,387)	(5,658,882)	(13,495)	(5,672,377)
Transactions with owners							
Dividend paid [note 31(b)]	-	-	-	-	-	(17)	(17)
Change in non-controlling interest	-	-	-	4,127	4,127	(4,127)	-
Claims on dormant accounts by customers [note 30(d)])	-	-	(4,828)	-	(4,828)	-	(4,828)
	-	-	(2,511,323)	(3,148,260)	(5,659,583)	(17,639)	(5,677,222)
Movement between reserves:							
Transfer from credit loss reserve	56,668	-	-	(56,668)	-	-	-
Transfer from retained earnings reserve	-	-	92,548	(92,548)	-	-	-
Balances at March 31, 2023, as restated	7,656,668	14,223	4,052,259	23,235,161	34,958,311	63,037	35,021,348
Total comprehensive income/(loss) for the year:							
Loss for the year	-	-	-	(2,529,086)	(2,529,086)	(8,095)	(2,537,181)
Other comprehensive income							
Translation of foreign subsidiaries' balances	-	-	(18,122)	-	(18,122)	863	(17,259)
Decrease in fair value of fair value through other comprehensive income (FVOCI) investments, net of deferred tax	-	-	207,998	-	207,998	11,086	219,084
Realised gains on investments recognised in the statement of profit or loss	-	-	16,717	-	16,717	-	16,717
Remeasurement of employee benefits obligation, net of deferred tax	-	-	-	(192,554)	(192,554)	62	(192,492)
Increase in value of property, plant and equipment at fair value	-	-	266,870	-	266,870	-	266,870
Net finance income from insurance and reinsurance contracts, net of deferred tax	-	-	7,121	-	7,121	-	7,121
Total other comprehensive income/(loss)	-	-	480,584	(192,554)	288,030	12,011	300,041
Total comprehensive income/(loss)	-	-	480,584	(2,721,640)	(2,241,056)	3,916	(2,237,140)
Transactions with owners							
Dividend paid [note 31(b)]	-	-	-	-	-	(17)	(17)
Claims on dormant accounts by customers [note 30(d)])	-	-	1,252	-	1,252	-	1,252
	-	-	481,836	(2,721,640)	(2,239,804)	3,899	(2,235,905)
Movement between reserves:							
Transfer from credit loss reserve	-	-	164,835	(164,835)	-	-	-
Transfer from retained earnings reserve	126,183	-	-	(126,183)	-	-	-
Balances at March 31, 2024	7,782,851	14,223	4,698,930	20,222,503	32,718,507	66,936	32,785,443

To be read in conjunction with the accompanying notes to the financial statements.

Company Statement of Changes in Equity
Year ended March 31, 2024

	Other reserves $'000 (note 30)	Retained earnings $'000	Total $'000
Balances at March 31, 2022	153,869	6,423,860	6,577,729
Total comprehensive income for the year			
Profit for the year, being total comprehensive income	-	4,159,370	4,159,370
Transactions with owners recorded directly in equity			
Claims on dormant accounts by customers [note 30(d)]	(4,828)	-	(4,828)
Balances at March 31, 2023	149,041	10,583,230	10,732,271
Total comprehensive loss for the year			
Profit for the year, being total comprehensive income	-	413,915	413,915
Transactions with owners recorded directly in equity			
Claims on dormant accounts by customers [note 30(d)]	1,252	-	1,252
Balances at March 31, 2024	150,293	10,997,145	11,147,438

To be read in conjunction with the accompanying notes to the financial statements.

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Group Statement of Cash Flows
Year ended March 31, 2024

	Notes	2024 $'000	2023 $'000 Restated*
Cash flows from operating activities			
Loss for the year		(2,537,181)	(3,706,756)
Adjustments to reconcile loss to net cash (used in)/provided by operating activities:			
Depreciation - property, plant and equipment	16	677,131	683,313
Amortisation of intangible assets	17	499,095	393,634
Depreciation on right-of-use assets	27(a)(i)	508,909	338,941
Write-off of intangible assets	17	(56,682)	3,007
Gains on disposal of property, plant and equipment		(2,465,447)	(607,318)
Write-off of property, plant and equipment		2,726	(105)
Losses on loan modification		144,985	-
Increase in fair value of investment		(32,408)	(186,599)
Gains on disposal of investments		(23,805)	338
Gains on disposal of assets held for sale		(135)	(6,101)
Loss on disposal of interest in an associate	11	127,750	-
Gains on foreign exchange rate changes		(76,298)	(670,569)
Unrealised loss on fair value through profit or loss on investment securities		-	60,638
Translation differences		12,424	46,535
Dividend income	36	(66,959)	(267,022)
Share of profits of associates	11	(961)	(36,121)
Interest income		(21,206,003)	(17,377,842)
Interest expense	32	6,731,131	4,090,681
Interest expenses on lease liabilities	27(a)(iii), 32	159,623	60,254
Current tax expense	38(a)(i)	213,313	1,483,193
Deferred taxation	18, 38(a)(ii)	(1,039,416)	(89,129)
Benefits paid	24(b)	(16,500)	(19,814)
Current service cost	24(b)	26,570	81,712
Interest cost	24(b)	102,345	136,030
Impairment losses on financial instruments	42(b)(ii)(B)(6)	2,750,881	2,655,307
		(15,564,912)	(12,933,793)
Changes in operating assets and liabilities:			
Cash reserves with Bank of Jamaica	6	(2,895,527)	450,683
Net additions to loans		(29,315,073)	(16,503,235)
Other assets		(1,616,242)	(985,191)
Net receipts from customer deposits		62,944,762	11,096,798
Due to related entities		10,929	2,702
Insurance contract liabilities	25(a)	1,857,517	1,059,615
Insurance and reinsurance contract assets	25(a),(b)	(902,085)	333,872
Other payables		1,543,122	267,288
Interest in associates		13,586	-
Margin loan payable		129,322	2,086,716
		16,205,399	(15,124,545)
Interest paid		(5,070,794)	(4,360,198)
Interest received		14,474,081	12,295,062
Income tax paid		(810,322)	(1,411,139)
Net cash provided by/(used in) operating activities (page 93)		24,798,364	(8,600,820)

* See note 50

To be read in conjunction with the accompanying notes to the financial statements.

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Group Statement of Cash Flows (Continued)
Year ended March 31, 2024

	Notes	2024 $'000	2023 $'000 Restated*
Net cash used in operating activities (page 92)		24,798,364	(8,600,820)
Cash flows from investing activities			
Purchase of investments		(103,945,114)	(72,644,686)
Interest received		6,383,530	4,955,274
Dividend received		66,959	267,022
Assets held for sale		14,411	19,158
Acquisition of securities purchased under resale agreements		(330,841,913)	(358,384,734)
Proceeds from securities purchased under resale agreements		328,161,413	369,654,449
Acquisition of intangible assets	17	(918,196)	(1,382,557)
Acquisition and transfer of property, plant and equipment	16	(1,280,227)	(589,409)
Acquisition of investment property		(201,870)	-
Increase in right-of-use assets due to sale and lease back		(571,372)	-
Proceeds from disposal of investment property		230,000	-
Proceeds from disposal of investment in associates		489,995	-
Proceeds from sale of assets held for sale		19,191	37,708
Proceeds from disposal of property, plant and equipment		3,500,020	721,982
Proceeds from disposal of intangible assets		57,047	18,394
Proceeds from disposal of investments		114,606,763	76,003,680
Net cash provided by investing activities		15,770,637	18,676,281
Cash flows from financing activities			
Repayment of long-term loans		(1,174,617)	(10,546,682)
Proceeds from long-term loans		1,231,279	5,296,523
Proceeds from specialised financial institutions		803,037	-
Repayments to specialised financial institutions		(486,595)	(1,837,222)
Repayment of securities sold under repurchase agreements		(155,238,219)	(136,563,101)
Proceeds from issuance of securities sold under repurchase agreements		156,882,773	132,436,463
Increase in lease liability due to sale and lease back		2,190,964	-
Dividend paid to non-controlling interest		(17)	(17)
Claims on dormant accounts		1,252	(4,828)
Payment of lease liabilities	27(a)(iv)	(732,465)	(364,367)
Net cash provided by/(used in) financing activities		3,477,392	(11,583,231)
Net increase/(decrease) in cash and cash equivalents		44,046,393	(1,507,770)
Cash and cash equivalents at the beginning of the year		16,172,109	18,172,539
Effects of exchange rate changes on cash and cash equivalents		503,065	(492,660)
Cash and cash equivalents at the end of the year		60,721,567	16,172,109
Comprised of:			
Cash and cash equivalents	6	60,721,567	16,211,673
Bank overdraft		-	(39,564)
		60,721,567	16,172,109

* See note 50

To be read in conjunction with the accompanying notes to the financial statements.

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Company Statement of Cash Flows
Year ended March 31, 2024

	Notes	2024 $'000	2023 $'000
Cash flows from operating activities			
Profit for the year		413,915	4,159,370
Adjustments to reconcile profit to net cash provided by/(used in) operating activities:			
Depreciation – property, plant and equipment	16	63,591	93,809
Amortisation of intangible assets	17	102,109	43,723
Depreciation on right-of-use assets	27(a)(i)	39,776	41,694
Gains on disposal of property, plant and equipment		(1,517)	(2,187)
Write-off of property, plant and equipment		-	(105)
Interest income		(7,749)	(93,765)
Dividend income	36	(1,058,000)	(761,000)
Interest expense	32	88,340	130,068
Interest expense on lease liability	27(a)(iii), 32	11,752	12,085
Impairment losses on investment in subsidiaries	10	238,410	-
Current tax expense	38(a)(ii)	-	350,180
Deferred taxation	18, 38(a)(ii)	(32,438)	480,907
		(141,811)	4,454,779
Changes in operating assets and liabilities:			
Due from related entities		234,951	(276,443)
Taxation recoverable		(45)	(179)
Net additions to loans		(131,433)	8,524,818
Other assets		12,689	(67,523)
Due to related entities		21,275	178,100
Other payables		65,165	287,763
		60,791	13,101,315
Interest paid		(88,340)	(130,068)
Interest received		7,893	87,335
Net cash (used in)/provided by operating activities		(19,656)	13,058,582
Cash flows from investing activities			
Interest in subsidiaries		(1,279,000)	(6,030,000)
Dividend received from subsidiaries		1,058,000	761,000
Acquisition of intangible assets	17	(83,279)	(167,750)
Acquisition of property, plant and equipment	16	(19,316)	(14,773)
Proceeds from disposal of property, plant and equipment		4,434	7,200
Net cash used in investing activities		(319,161)	(5,444,323)
Cash flow from financing activities			
Proceeds from long-term loans		500,000	600,000
Repayment of long-term loans		(35,305)	(8,279,317)
Repayment of lease liabilities	27(a)(iv)	(51,771)	(49,245)
Claims on dormant accounts		1,252	(4,828)
Net cash provided by/(used in)financing activities		414,176	(7,733,390)
Net increase/(decrease) in cash and cash equivalents		75,359	(119,131)
Cash and cash equivalents at the beginning of the year		162,159	281,290
Cash and cash equivalents at the end of the year	6	237,518	162,159

To be read in conjunction with the accompanying notes to the financial statements.

1. The Company

The Jamaica National Group Limited ("the Company") was incorporated on December 16, 2016, under the Jamaican Companies Act, as a public company limited by guarantee and having share capital. The number of shares which the Company is authorised to issue is unlimited and is comprised of two classes, namely, membership shares and preference or deferred shares.

The registered office of the Company is located at 2-4 Constant Spring Road, Kingston 10. Its principal activity is that of an investment holding company.

The Company is the ultimate holding company with two direct subsidiaries, MCS Group Limited (MCSG) and JN Financial Group Limited (JNFG). Both entities are incorporated in Jamaica under the Jamaican Companies Act.

"Group" refers collectively to the Company and its subsidiaries. The Group also has an interest in associates and a joint venture.

Subsidiaries	Country of incorporation	Percentage Ownership 2024	2023	Nature of business
JN Financial Group Limited and its subsidiaries	Jamaica	100	100	Financial holding company.
JN Bank Limited	Jamaica	100	100	Banking services.
JN Bank UK Limited	United Kingdom	100	100	Banking services.
JN Cayman	Cayman Islands	95.89	95.89	Mortgage lending on residential properties and other financial services.
JN Fund Managers Limited (JNFM)	Jamaica	100	100	Provision of investment services, pension management and administrative services, credit facilities, investment banking and stock brokerage services.
JN Money Services Limited and its subsidiaries:	Jamaica	100	100	Money transfer services, including remittances, bill payments, mobile credit top up and sale of foreign currencies.
JN Money Services (UK) Limited	England	100	100	Money transfer services, including remittances, bill payments and mobile credit top up.
JN Money Services (USA) Inc.	United States of America	100	100	Money transfer services, including remittances, bill payments and mobile credit top up.
JN Money Services (Canada) Limited	Canada	100	100	Money transfer services, including remittances, bill payments and mobile credit top up.
JN Money Services (Cayman) Ltd[1].	Cayman Islands	100	100	Money transfer services, including remittances, bill payments and mobile credit top up.

1. The Company (continued)

Subsidiaries (continued)	Country of incorporation	Percentage Ownership 2024	2023	Nature of business
JN Financial Group Limited (continued)				
JN Life Insurance Company Limited (JNLIC)	Jamaica	100	100	Life insurance services.
JN General Insurance Company Limited (JNGI)	Jamaica	99.64	99.64	General insurance services.
JN Small Business Loans Limited (JNSBL)[2]	Jamaica	100	100	Granting of loans to small and micro business for periods not exceeding 260 weeks.
MCS Group Limited	Jamaica	100	100	Holding company.
Management Control Systems Limited	Jamaica	97.31	97.31	Sale of technology products, software and implementation services.
The Jamaica Automobile Association (Services) Limited	Jamaica	100	100	Automobile road safety, fleet management and allied services.
JN Properties Limited	Jamaica	100	100	Property management, maintenance, refurbishing and rental services.
Total Credit Services Limited	Jamaica	100	100	Debt recovery services.
The Creative Unit Limited	Jamaica	100	100	Creative advertisement, event management and printing services.
Building Societies Development Limited (BSDL)[3]	Jamaica	70	70	Housing development services.
Associates and Joint Ventures				
Jamaica Joint Venture Investment Company Limited	Jamaica	50	50	Owners of commercial buildings.
Knutsford Holdings Limited[4]	Jamaica	-	40	Owners of commercial buildings.
Transaction ePins Limited	Jamaica	19.50	19.50	Distribution of electronic prepaid airtime.

1 JN Bank Limited holds the remaining 20% shareholding in JN Money Services (Cayman) Limited, making it a wholly-owned subsidiary of JN Financial Group Limited.
2 The operations of JNSBL were integrated into JN Bank Limited as part of a wider JN Group strategy effective July 1, 2022.
3 The results of BSDL are not considered material to these financial statements and have not been consolidated.
4 The Group disposed of its 40% interest in Knutsford Holdings Limited during the year (see note 11).

1. The Company (continued)

Other related entities:

Jamaica National Building Society (JNBS) Foundation ("The Foundation") was incorporated under the laws of Jamaica on July 11, 1990 as a company limited by guarantee and not having a share capital, with the liability of each of the 10 members limited to $1. It is a charitable organisation which aims to assist, through grants or otherwise, with the development of affordable housing throughout Jamaica and, in particular, rural Jamaica, as well as to develop and promote, for the benefit of the public, study and research into housing and the management of savings. It is funded principally by contributions from the Group. In 2018, $181,676,342 [note 9(b)] representing unclaimed funds were transferred to the Foundation consequent on the restructuring of the JN Group. As part of the arrangement, 50% of the unclaimed funds was distributed to the Foundation. Unclaimed funds are accounts with dormancy exceeding 15 years. The funds are to be utilised to assist with educational programmes. The Foundation is an approved charitable organisation for purposes of Section 13(i)(q) of the Income Tax Act, and is exempt from income tax under Section 12(h) of that Act.

2. Licence and regulation

JN Bank Limited is licensed, and its financial statements are delivered, under the Banking Services Act, 2014 and the Banking Services Regulations 2015, which became effective on September 30, 2015. JN Bank UK Limited is an authorised institution under the Financial Services and Markets Act 2000 of the United Kingdom and is required to submit its financial statements to its regulators annually.

JN Money Services Limited (JNMS) is licensed under section 22G(2) of the Bank of Jamaica Act. JN Fund Managers Limited is designated as a primary dealer by the Bank of Jamaica and is licensed and authorised by the Financial Services Commission. JN General Insurance Company Limited and JN Life Insurance Company Limited are licensed by the Financial Services Commission and registered under the Insurance Act 2001. JN Cayman is licensed by Cayman Islands Monetary Authority.

3. Statement of compliance and basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the relevant provisions of the Jamaican Companies Act.

This is the first set of the Group's annual financial statements in which IFRS 17 *Insurance Contracts* have been applied. The related changes to material accounting policies are described in note 49. Details of the Group's material accounting policies are included in note 48.

New and amended standards that became effective during the year:

Certain new and amended standards came into effect during the current financial year. The Group has assessed them and has adopted those which are relevant to the financial statements. Details of the Group's material accounting policies, including changes during the year, are included in notes 48 and 49.

3. Statement of compliance and basis of preparation (continued)

(b) Basis of preparation:

The financial statements are prepared on the historical cost basis, except for the following:

- Financial instruments classified as at fair value through profit or loss and at fair value through other comprehensive income are measured at fair value;
- The liability for defined-benefit obligations is recognised as the present value of the defined-benefit obligations; and
- Investment property is measured at fair value, subsequent to initial recognition, with any change there in recognised as profit or loss.
- Insurance and reinsurance contracts are measured at fulfilment cashflows.

The preparation of the financial statements in conformity with IFRS assumes that the Company will continue in operational existence for the foreseeable future. This means that the statements of financial position and profit or loss and other comprehensive income assume no intention or necessity to liquidate or curtail the scale of operations. This is commonly referred to as the going concern basis.

(c) Functional and presentation currency:

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The financial statements are presented in Jamaica dollars ($), which is the functional currency of the Company. The financial statements of other entities included in the consolidated financial statements that have different functional currencies are translated into Jamaica dollars in the manner set out in note 48(q). Amounts are rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates, assumptions and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make estimates, assumptions and judgements that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Although these estimates are based on management's best knowledge of current events and actions, actual amounts could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 4.

4. Accounting estimates and judgements

(a) Key sources of estimation uncertainty:

The key assumptions about the future and other major sources of estimation uncertainty that have a significant risk of the carrying amounts of assets and liability at the reporting date being materially adjusted in the year ending March 31, 2025, are follows:

(i) Post-retirement benefits:

The amounts recognised in the statements of financial position and statements of profit or loss and profit or loss and other comprehensive income for certain post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include the discount rate used to determine the present value of estimated future cash flows required to settle the post-retirement obligations and the expected rate of increase in medical costs for post-retirement medical benefits.

The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the Group's obligation. In the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. The estimate of expected rate of increase in medical costs is determined based on inflationary factors. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

(ii) Allowance for impairment losses:

Measurement of the expected credit loss (ECL) allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). The explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in note 42(b), which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Establishing the criteria for determining whether credit risk has increased significantly since initial recognition;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

4. Accounting estimates and judgements (continued)

(a) Key sources of estimation uncertainty (continued):

(ii) Allowance for impairment losses (continued):

Measurement of the expected credit loss (ECL) allowance (continued)

Detailed information about the judgements and estimates made by the Group in the above areas is set out in note 42(b).

Sensitivity of ECL to future economic conditions

The ECL are sensitive to judgements and assumptions made regarding formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations. Management performs a sensitivity analysis on the ECL recognised on material classes of its assets.

(iii) Insurance and reinsurance contracts

Applicable from April 1, 2023

Areas of potential judgement	**Applicable to the general insurance subsidiary**
For insurance contracts issued measured under the Premium Allocation Approach (PAA), management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.	This area of judgement is applicable to the general insurance indirect subsidiary which sets premiums considering recent experience. There are no recent circumstances where there have been onerous contracts. In 2022 and 2023, the general insurance indirect subsidiary reviewed gross combined ratios which indicated that contracts are expected to be profitable. All contracts measured by the general insurance indirect subsidiary in 2022 and 2023 under the PAA were determined to be non-onerous on initial recognition.
An entity can use judgement to determine which cash flows within the boundary of insurance contracts are those that relate directly to the fulfilment of the contracts.	The general insurance indirect subsidiary performs regular expense studies and uses judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance contracts.

In applying IFRS 17 measurement requirements, certain inputs and methods were used that include significant estimates. These include estimates of future cash flows to fulfil insurance contracts, mortality, morbidity and persistency assumptions rates, discount rates including any illiquidity premiums, risk adjustment for non-financial risk and assumptions used in the measurement of contractual service margin (CSM).

4. **Accounting estimates and judgements (continued)**

(a) Key sources of estimation uncertainty (continued):

(iii) Insurance and reinsurance contracts (continued)

Applicable from April 1, 2023 (continued)

I. Fulfilment cash flows (FCF)

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts. The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Estimates of future cash flows

Included in the measurement of each group of contracts within the scope of IFRS 17 are all of the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Group estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Group uses information about past events, current conditions and forecasts of future conditions. The Group's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows.

The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis, such as activity-based costing method. The Group has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature.

Uncertainty in the estimation of future claims and benefit payments and premium receipts arises primarily from the unpredictability of changes in the mortality rates, the variability in policyholder behaviour, and uncertainties regarding future inflation rates and expenses growth. Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

4. Accounting estimates and judgements (continued)

(a) Key sources of estimation uncertainty (continued):

(iii) Insurance and reinsurance contracts (continued)

Applicable from April 1, 2023 (continued)

I. Fulfilment cash flows (FCF) (continued)

Estimates of future cash flows (continued)

The Group projects estimates of future expenses relating to fulfilment of contracts within the scope of IFRS 17 using current expense levels adjusted for inflation. Possible increases in expense assumptions increase estimates of future cash outflows and thus decrease the Contractual Service Margin (CSM) within the Liability for Remaining Coverage (LRC) for contracts measured under the General Measurement Model (GMM), and they increase the Liability for Incurred Claims (LIC) for contracts measured under the Premium Allocation Approach (PAA).

Contract boundaries

The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Group's substantive rights and obligations under the contract.

The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Group's substantive rights and obligations under the contract.

Mortality and morbidity

The Group derives mortality and morbidity rate assumptions from credible mortality and morbidity tables published by actuarial institutes including the Canadian Institute of Actuaries. An investigation into the Group's experience is performed, and statistical methods are used to adjust the assumptions tables to produce the probability-weighted expected rates in the future over the duration of the insurance contracts. Rates are differentiated between policyholder groups, based on gender. A possible increase in mortality rates increases estimates of future cash outflows and thus decreases the CSM.

Persistency

The Group derives assumptions about lapse and surrender rates based on Group and industry experience. Historical lapse and surrender rates are derived from the Group's policy administration data. An analysis is then performed of the Group's historical rates in comparison to the assumptions previously used. Statistical methods are used to derive adjustments to reflect the Group's own experience and any trends in the data, to arrive at the probability-weighted expected lapse and surrender rates. Possible increases in lapse and surrender rates could increase or decrease estimates of future cash outflows and thus decrease or increase the CSM.

The following assumptions about lapse and surrender rates were used:

	2024	2023
Life risk	**0-18%**	**0-18%**

4. Accounting estimates and judgements (continued)

(a) Key sources of estimation uncertainty (continued):

(iii) Insurance and reinsurance contracts (continued)

Applicable from April 1, 2023 (continued)

I Fulfilment cash flows (FCF) (continued)

Discount rates

For the life insurance subsidiary, the top-down approach was used to derive the discount rates. Under this approach, the discount rate is determined as the yield implicit in the fair value of a reference portfolio adjusted for differences between the reference portfolio of assets and respective liability cash flows (known as an 'illiquidity premium'). The risk-free yield is derived using Government of Jamaica bond rates available in the market denominated in the same currency as the product being measured. For the general insurance subsidiary, the bottom-up approach. The Group's portfolio comprises Government of Jamaica (GOJ) bonds. The assets were selected in order to match the liability cash flows. The yield from the reference portfolio was adjusted to remove both expected and unexpected credit risk, and to reflect the illiquidity of insurance contracts. These adjustments were estimated using information from observed historical levels of default relating to the bonds included in the reference portfolio and observed corporate bond spreads over GOJ bonds.

Observable market information is available for up to 20 years for the life insurance subsidiary. For the unobservable period, the yield curve was interpolated the last observable point and an ultimate spot rate at 60 years using linear interpolation.

The yield curves that were used to discount the estimates of future cash flows are as follows:

	2024				
Product	1 year	5 years	10 years	20 years	30 years
Life risk (issued and reinsurance held)	7.54%	5.12%	6.26%	9.41%	8.31%

	2023				
Product	1 year	5 years	10 years	20 years	30 years
Life risk (issued and reinsurance held)	5.68%	5.02%	5.19%	8.74%	7.81%

Methods used to measure general insurance contracts

Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. Estimates are performed on an accident year basis.

4. Accounting estimates and judgements (continued)

(a) Key sources of estimation uncertainty (continued):

(iii) Insurance and reinsurance contracts (continued)

Applicable from April 1, 2023 (continued)

I Fulfilment cash flows (FCF) (continued)

Methods used to measure general insurance contracts (continued)

In its claims incurred assessments, the company uses internal data consisting of historical paid claims, case reserves, and allocated claims expenses. This information is used to develop ultimate incurred claims and allocated claim adjustment expense estimates by accident year. The Incurred Development, Bornhuetter-Ferguson and Expected Loss Ratio methods are used to arrive at the estimates of incurred but not reported claims, which are industry standards for this type of claim.

The Incurred Development method projects current reported incurred claims to their ultimate values by accident year based on historical incurred development patterns. The Bornhuetter-Ferguson gives some weight to historically based development patterns and the balancing weight to historically based expected ultimate loss ratios.

The Expected Loss Ratio method derives the ultimate incurred losses by applying the expected loss ratios to the earned premium. This method gives no weight to the losses reported as at the valuation date.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates. The Group does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

For the life insurance subsidiary, the margin method was used to derive the risk adjustment for non-financial risk at the contract level. In the margin method, the risk adjustment is determined by applying margins to actuarial assumptions relating to non-financial risk. The risk adjustment is calibrated to a confidence level using the Life Insurance Capital Adequacy Test (LICAT) method. The LICAT method maps the relevant shocks for non-financial risks from the Jamaican LICAT capital framework to an 85th confidence level.

For the general insurance subsidiary, the risk adjustment was calculated at a line of business level and then allocated down to each group of contracts in accordance with their risk profiles. The confidence level method was used to derive the risk adjustment for non-financial risk.

4. Accounting estimates and judgements (continued)

(a) Key sources of estimation uncertainty (continued):

(iii) Insurance and reinsurance contracts (continued)

Applicable from April 1, 2023 (continued)

I Fulfilment cash flows (FCF) (continued)

Risk adjustment for non-financial risk (continued)

In the confidence level method, the risk adjustment is determined by bootstrapping the loss distribution of the company's historical claims data. A correlation matrix was used to aggregate the risk adjustments to the entity level.

For the life insurance subsidiary, the resulting amount of the calculated risk adjustment corresponds to the confidence level of 88% (2023: 88%). For the general insurance subsidiary, the calculated risks adjustment corresponds to the confidence level of 75% (2023: 75%). The methods and assumptions used to determine the risk adjustment for non-financial risk were not changed in 2024.

II. Contractual service margin (CSM)

Determination of coverage units and period

The amount of the CSM recognised in profit or loss for insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected insurance coverage period of the group of insurance contracts based on coverage units. The coverage period is defined as a period during which the entity provides insurance contract services.

For individual and creditor life contracts, the coverage period corresponds to the insurance coverage.

The total number of coverage units in a group is the quantity of service provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

a. the quantity of benefits provided by contracts in the group;
b. the expected coverage period of contracts in the group; and
c. the likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits with respect to insurance coverage. The Group reflects the time value of money in the allocation of the CSM to coverage units, using discount rates determined at initial recognition.

4. Accounting estimates and judgements (continued)

(a) Key sources of estimation uncertainty (continued):

(iv) Outstanding claims:

Outstanding claims comprise estimates of the amount of reported losses and loss expenses plus a provision for losses incurred but not reported based on historical experience. The loss and loss expense reserves have been determined by the indirect subsidiary companies' actuaries using their past loss experience and industry data. Amounts recoverable in respect of claims from reinsurers are estimated in a manner consistent with the underlying liabilities.

Management believes, based on the analysis completed by the actuaries, that the provision for outstanding losses and loss expenses will be adequate to cover the ultimate net cost of losses incurred up to the reporting date. However, the provision is an estimate and may, ultimately, be settled for a significantly greater or lesser amount. Any subsequent differences arising are recorded in the period in which they are determined.

Note 48(n) gives information about the assumptions and uncertainties relating to insurance liabilities and discloses the risk factors in these contracts.

(v) Goodwill:

Goodwill is tested annually for impairment. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

(vi) Impairment of indirect subsidiary:

Impairment reviews may occur if there are any triggering events or changes in circumstances which may indicate that the carrying amount of the investment in subsidiary is not recoverable. The assessment of recoverable amount requires management to make assumptions to determine estimate of expected future cash flows and appropriate discount rate in order to calculate present value. Impairment losses are calculated on a cash generating unit (CGU) basis. An impairment arises when the recoverable amount of the CGU is less than the carrying amount of the CGU.

(vii) Measurement of fair values:

The Group's accounting policy on fair value measurements is set out in accounting policy note 48(b).

When measuring the fair value of an asset or liability, the Group uses market-observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

4. Accounting estimates and judgements (continued)

(a) Key sources of estimation uncertainty (continued):

(vii) Measurement of fair values: (continued)

- Level–1 - Quoted market price (unadjusted) in an active market for identical assets or liabilities.

- Level 2 - Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data

- Level 3 - Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument.

Valuation techniques include net present value and discounted cashflow models, comparison to similar instruments for which market-observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk free and benchmark interest rates, credit spreads and other risk premia used in estimating discount rates.

Judgment is required in interpreting market data to arrive at estimates of fair values for levels 2 and 3. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period in which the change has occurred.

(b) Critical accounting judgements (other than these involving estimation) that management has made in applying accounting policies and that have the most significant effect on amounts recognised in these financial statements:

(i) Classification of financial assets:

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding requires management to make certain judgements on its business operations.

In classifying financial assets, management makes judgements about whether the criteria are met. For example, the determination of whether a security may be classified as amortised cost or whether a security's fair value may be classified as 'Level 1' in the fair value hierarchy requires judgement as to whether a market is active.

4. Accounting estimates and judgements (continued)

(b) Critical accounting judgements (other than these involving estimation) that management has made in applying accounting policies and that have the most significant effect on amounts recognised in these financial statements (continued):

(ii) Impairment of indirect subsidiary:

The valuation of a company is not an exact science and ultimately depends on what the company is worth to a serious investor or buyer. Profit and cash flow forecasts necessarily depend on subjective judgement, the company's underlying business continuing as a going concern and involves determining the company's relevant earnings and then capitalizing those relevant earnings at a rate which reflects the expected risks of achieving those earnings.

(iii) Insurance and reinsurance contracts

Applicable from April 1, 2023

A number of significant judgements are made in relation to the following:

- Classification of insurance and reinsurance contracts: assessing whether the contract transfers significant insurance risk;
- Level of aggregation of insurance and reinsurance contracts: identifying portfolios of contracts and determining groups of contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently;
- Measurement of insurance and reinsurance contracts: determining the techniques for estimating risk adjustments for non-financial risk and the coverage units provided under a contract;

Detailed information about the judgements made by the Group in the above areas is set out in [note 48(n)]

(iv) Transitioning to IFRS 17

In transitioning to IFRS 17, management determines whether sufficient reasonable and supportable information is available to apply a full or modified retrospective approach or fair value approach. This is further described in note 49.

5. Responsibilities of the appointed actuaries and external auditors

Xavier Benarosch of Eckler Partners Limited, Constance Dalmadge Hall of Eckler Limited and Niala Saith-Deschamps of PricewaterhouseCoopers LLP, have been appointed actuaries by the Board of Directors pursuant to the Insurance Act 2001 or the requirement of IAS 19 where applicable. With respect to the preparation of financial statements, the actuary is required to carry out an actuarial valuation of management's estimate of the indirect insurance subsidiaries' policy liabilities and one of the indirect banking subsidiaries' group health and group life liabilities and report thereon to the shareholders and members. Actuarially determined policy liabilities consist of the provisions for, less reinsurance recovery of, unpaid claims and adjustment expenses on insurance policies in force, including provisions for salvage and subrogation. The valuations are made in accordance with accepted actuarial practice, as well as any other matter specified in any directive made by regulatory authorities. The actuary's report outlines the scope of his/her work and opinion. An actuarial valuation is prepared annually.

5. Responsibilities of the appointed actuaries and external auditors (continued)

The external auditors have been appointed by the shareholders pursuant to the Jamaican Companies Act to conduct an independent and objective audit of the financial statements of the indirect subsidiaries in accordance with International Standards on Auditing, and report thereon to the shareholders. In carrying out their audit, the auditors also make use of the work of the actuaries and his/her report on the indirect subsidiaries' actuarially determined policy liabilities, and post-employment and other obligations. The auditors' report outlines the scope of their audit and their opinion.

6. Cash resources

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Cash and cash equivalents for statements of cashflow [see (a)]	60,721,567	16,211,673	237,518	162,159
Restricted cash [see (c)]	96,428	93,457	-	-
	60,817,995	16,305,130	237,518	162,159
Cash reserves with Bank of Jamaica [see (b)]	17,521,364	14,625,837	-	-
	78,339,359	30,930,967	237,518	162,159

(a) Cash and cash equivalents represent cash on hand and balances with banks. Included in this amount is £242.67 million held at a central bank by an overseas banking subsidiary and cash of $27.78 million (2023: $28.53 million) received from National Housing Trust (NHT) for NHT members' contribution refund.

(b) Statutory reserves, required by regulation to be held at Bank of Jamaica ("BOJ"), comprise cash reserves not available for use by JN Bank Limited and are determined by the percentage of average prescribed liabilities stipulated by the BOJ.

At March 31, 2024, the required percentage of average prescribed liabilities was 6% (2023: 5%) for Jamaica dollar liabilities and 14% (2023: 13%) for foreign currency liabilities. At March 31, 2024 and 2023 the local banking subsidiary met the cash reserve requirements.

(c) The foreign indirect banking subsidiary had an amount of $96.43 million (2023: $93.46 million) held as a restricted deposit for minimum collateral deposit by a financial institution.

(d) Unsecured and secured overdraft facilities amounting to $145 million (2023: $145 million) and $Nil (2023: $ Nil), respectively, are held by indirect subsidiaries with a commercial bank. At the reporting date, the amount drawn under the secured overdraft facility was $ Nil (2023: $39.56 million) for the Group and $Nil (2023: $Nil) for the Company.

(e) The expected credit loss on these balances is immaterial.

7. Securities purchased under resale agreements

	Group	
	2024	2023
	$'000	$'000
Principal	5,986,352	3,305,852
Interest receivable	241,371	57,021
	6,227,723	3,362,873

At March 31, 2024, securities obtained and held under resale agreements for the Group had a fair value of $9,482.54 million (2023: $6,271.86 million). The balance is shown net of expected credit losses of $0.19 million (2023: $0.51 million) [see note 42(b)(ii)].

The movement in expected credit losses on securities purchased under resale agreements is as follows:

	Group	
	2024	2023
	$'000	$'000
At beginning of year	514	468
(Decrease)/Increase in allowance	(324)	46
Balance at end of year	190	514

Securities purchased under resale agreements, excluding interest receivable, are due, from the reporting date, as follows:

	Group	
	2024	2023
	$'000	$'000
Within 3 months	1,613,404	2,171,860
3 months to 1 year	4,372,948	1,133,992
	5,986,352	3,305,852

8. Investments

	Group	
	2024	2023
	$'000	$'000
Amortised cost		
Treasury bills	3,474,794	7,858,114
Corporate bonds	53,354	1,170,675
Certificates of deposit [see (iv), (v), (vii) below]	9,800,492	3,095,920
Balance carried forward	13,328,640	12,124,709

8. Investments (continued)

	Group	
	2024	2023
	$'000	$'000
Balance brought forward	13,328,640	12,124,709
Fair value through other comprehensive income		
Corporate and sovereign bonds	12,093,179	13,030,479
Government of Jamaica securities [see (iii), (viii) below]	51,138,255	58,364,708
Treasury bills	3,915,460	6,378,962
Promissory note	-	49,829
Quoted equities	201,062	275,222
Unquoted equities [see (i) below]	19,608	19,608
	67,367,564	78,118,808
Fair value through profit or loss		
Quoted equities	461,997	447,198
Mutual funds	289,460	268,610
	751,457	715,808
Sub-total	81,447,661	90,959,325
Interest receivable	1,068,272	1,105,280
	82,515,933	92,064,605
Less expected credit losses on amortised cost investments [note 42(b)(ii)B(6)]	(5,854)	(28,917)
	82,510,079	92,035,688

Movement in expected credit loss on investments measured at amortised cost and FVOCI are as follows:

	Group	
	2024	2023
	$'000	$'000
At beginning of year	321,290	295,541
Translation adjustments	(631)	-
Increase/(decrease) in allowance [note 42(b)(ii)B(6)]:		
Securities at amortised cost	2,822	(10,426)
Securities at FVOCI	132,181	36,175
Balance at end of year	455,662	321,290

(i) Unquoted equities comprise 5,020,000 (2023: 5,020,000) units of shares held by JN Bank Limited in Automated Payments Limited, an automated clearing house operator. These shares are classified as fair value through other comprehensive income.

8. Investments (continued)

Movement in expected credit loss on investments measured at amortised cost and FVOCI are as follows (continued):

(ii) Investments, excluding interest receivable and expected credit losses, are due, from the reporting date, as follows:

	Group	
	2024	2023
	$'000	$'000
No specific maturity	972,127	1,010,638
Within 3 months	12,575,699	15,192,322
3 months to 1 year	6,889,507	17,191,878
1 year to 5 years	23,478,506	12,270,422
5 years and over	37,531,822	45,294,065
	81,447,661	90,959,325

(iii) Investments of the general and life insurance indirect subsidiaries, totalling $160.57 million (2023: $162.69 million), are held to the order of the Financial Services Commission (FSC) as required by the Insurance Act 2001.

(iv) The Group's USA-based indirect subsidiary, a money transmitter, is licensed in the States of New York, Maryland, Connecticut, New Jersey, Georgia, Florida, California and Massachusetts and in The District of Columbia. The regulations require a total minimum net worth of US$3.22 million (2023: US$3.35 million). In addition, the regulations require surety bonds in favour of, and/or pledged funds to, the Superintendent of Banking of US$5.43 million (2023: US$5.53 million).

(v) An amount of US$0.03 million (2023: US$0.03 million) is held with Ghana Merchant Bank, in respect of the provision of remittance services, by an indirect subsidiary and accordingly restricted.

(vi) At March 31, 2024, investments that are pledged by the Group as collateral for securities sold under repurchase agreements had a carrying value of $37.75 billion (2023: $35.30 billion) (note 20).

(vii) An indirect banking subsidiary pledged certificates of deposit amounting to $3.05 million (2023: $3.03 million) with a commercial bank to cover a third-party guarantee.

(viii) An indirect banking subsidiary pledged investments amounting to $883.98 million (2023: $768.49 million) to facilitate settlement of Multilink transactions. This represents the pledge of amounts to J.E.T.S Limited. It represents a proportional amount of the indirect banking subsidiary's multilink transactions and is to cover J.E.T.S Limited due to delayed/overnight and over weekend settlement by all financial institutions on the multilink network.

9. Due from/to related entities

(a) This represents amounts due from subsidiaries and other related entities in the ordinary course of business. The amounts are unsecured, interest free and due within three (3) months.

(b) This represents net amounts due to the JN Foundation by the Group, which are unsecured, interest free and payable within three (3) months.

10. Interest in subsidiaries

	Company	
	2024	2023
	$'000	$'000
At beginning of year	11,294,030	5,264,030
Increase in interest in subsidiaries	1,279,000	6,030,000
Less: impairment provision	(238,410)	-
Balance at end of year	12,334,620	11,294,030

Impairment losses are calculated on a cash generating unit (CGU) basis. An impairment arises when the recoverable amount of the CGU is less than the carrying amount of the CGU, a single CGU identified for assessment being JN Financial Group Limited. The recoverable amount is the higher of fair value less costs to sell (FVLCS) and value in use (VIU) where FVLCS is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal and the VIU being the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

The recoverable amount of the cash-generating unit was computed using a market approach for the purposes of determining the equity value at the valuation date, specifically a P/B ratio and a discounted cash flow approach, and taking an average of both methods to provide an indication of fair value. Using projections over a five (5) year period ended 2029, the profit after taxes was discounted at the cost of equity. The P/B multiples were then used to determine an equity value based on the net assets of the subsidiary. Thereafter, an average of the results for both the discounted cash flow approach and the P/B multiple approach were used to generate an indicative fair value of the equity of the subsidiary.

The carrying value of the equity investment in a subsidiary exceeded its fair value, as determined using this approach, resulting in an impairment charge of $238.41 million (2023: $nil) being recognized.

11. Interest in associates

	Group	
	2024	2023
	$'000	$'000
Shares, net (see note 1)	52,499	52,499
Group's share of reserves	605,331	604,369
Debentures	13,652	13,653
	671,482	670,521
Disposal of shares	(1)	-
Disposal of Group's share of reserves	(617,745)	-
Loan reclassified to loan receivable (note 12)	(13,585)	-
	40,151	670,521

11. Interest in associates (continued)

The group disposed of its 40% interest in Knutsford Holding Limited during the year and the loan was reclassified to loan receivable (note 12). Loss arising from the disposal was $127.75 million (note 36).

The following table summarises the financial information of the associates, which are equity-accounted for, as included in their own financial statements, after fair value adjustments on acquisition and elimination of differences in accounting policies and intercompany transactions. The latest financial information for Jamaica Joint Venture Investment Company Limited is as at and for the year ended March 31, 2024 (2023: March 31, 2023) and that of Knutsford Holdings Limited is as at and for the period ended November 30, 2023 (2023: year ended December 31, 2022), which is the date the Group sold its stake in its associate. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these associates.

	Jamaica Joint Venture Investment Company Limited		Knutsford Holdings Limited		Total	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Percentage ownership interest	**50%**	**50%**	**40%**	**40%**		
Non-current assets	3,137	225,272	-	972,933	3,137	1,198,205
Current assets	102,641	372,257	-	174,183	102,641	546,440
Non-current liabilities	(1,164)	(1,164)	-	(64,166)	(1,164)	(65,330)
Current liabilities	(24,311)	(20,086)	-	(50,407)	(24,311)	(70,493)
Net assets (100%)	80,303	576,279	-	1,032,543	80,303	1,608,822
Group's share of net assets, being carrying amount of equity-accounted investees	40,151	191,352	-	413,017	40,151	604,369
Revenue	36	7,473	85,477	155,464	85,513	162,937
Admin expenses	(40,972)	(30,841)	(14,977)	(16,084)	(55,949)	(46,925)
Income tax charge	-	(21)	(16,928)	(19,843)	(16,928)	(19,864)
Profit and total comprehensive (loss)/income (100%)	(40,936)	(23,389)	53,572	119,537	12,636	96,148
Group's share of profit or loss and total comprehensive (loss)/income	(20,468)	(11,694)	21,429	47,815	961	36,121
Dividend received by the Group	-	226,125	-	-	-	226,125

Interest in associates includes a 19.5% holding in Transactions ePins Limited, which is not accounted for using the equity method as the Group is not considered to have significant influence. Shares are shown net of provision for impairment of $93.60 million (2023: $93.60 million) representing the full carrying value of the Group's holding in Transaction ePins Limited. The impairment provision is made as there was no return on the investment to date and projected negative cash flows.

12. Loans

(a) Loans, less allowances for losses, are as follows:

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Mortgage loans – principal [see 12(a)(i)]	113,408,733	92,734,647	-	-
Term loans	1,974,073	11,670,890	-	-
Due from Knutsford Holdings Limited [see note 11 and 12(a)(ii)])	13,585	-	-	-
Other loans [see 12(a)(iii)]	55,391,321	38,641,864	239,725	108,292
	170,787,712	143,047,401	239,725	108,292
Accrued interest	917,027	715,977	24,959	25,103
	171,704,739	143,763,378	264,684	133,395

The Group's mortgage loan agreements include the right to call mortgages at any time with six months' notice except for new loans, for which the notice to call may not be issued until after the expiration of six months from the issue date.

(i) Included in mortgage loans for the Group are balances due from directors and companies controlled by directors amounting to $Nil (2023: $Nil) and interest due on these loans of $Nil (2023: $Nil).

(ii) Included in other loans is an amount due from Knutsford Holdings Limited which bears interest at 35% per annum with no formal agreement in respect of the terms of repayment. The loans were repaid in full in April 2024.

(iii) Other loans in the Company represent the balance on secured and unsecured loan facilities with indirect subsidiaries. Interest is receivable at 7.5% and 4% per annum, with the loans maturing in 2027 and 2029, respectively.

(b) Loans, less allowance for losses and excluding accrued interest, are due, from the reporting date, as follows:

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Within 3 months	3,720,717	5,838,745	2,387	5,420
3 months to 1 year	6,323,537	1,619,625	7,306	7,787
1 year to 5 years	37,482,824	36,234,915	230,032	41,209
5 years and over	123,260,634	99,354,116	-	53,876
	170,787,712	143,047,401	239,725	108,292

(c) The Group's loan portfolio, including accrued interest and less allowance for losses, is concentrated as follows:

	Number of accounts 2024	Number of accounts 2023	Value 2024 $'000	Value 2023 $'000
Professional and other services	14,357	12,656	6,283,940	3,867,133
Individuals	76,629	65,177	139,181,532	123,029,364
Corporations	146	196	26,239,267	16,866,881
	91,132	78,029	171,704,739	143,763,378

12. Loans (continued)

(d) The Company's loan portfolio, including accrued interest and less allowance for losses, is concentrated as follows:

	Number of accounts		Value	
	2024	2023	2024	2023
			$'000	$'000
Corporations	3	2	264,684	133,395

Loans and advances on which interest is no longer accrued amounted to $12,419.86 million (2023: $12,489.12 million) for the Group and $Nil million (2023: $Nil) for the Company. This represents 7.07% (2023: 8.29%) of the gross loan portfolio of the Group. These loans are included in the financial statements, net of allowance for losses.

(e) Impairment losses on loans are as follows:

	Group	
	2024	2023
	$'000	$'000
At beginning of year	5,782,692	3,256,169
Increase in allowance made during the year [note 42(b)(ii) B. (6)]	1,965,261	2,667,459
Translation adjustment	459,311	(39,326)
Write-offs during the year [note 42(b)(ii) B. (6)]	(3,361,293)	(101,610)
At end of year [note 42(b)(ii) B. (6)]	4,845,971	5,782,692

(f) Provisions made in accordance with Bank of Jamaica and other provisioning requirements are as follows:

	Group	
	2024	2023
	$'000	$'000
Specific provision	4,024,906	4,687,922
General provision	1,569,678	1,678,548
	5,594,584	6,366,470

The total provision is broken down as follows:

	Group	
	2024	2023
	$'000	$'000
Provision as per IFRS [note 42(b)(ii) B. (6)]	4,845,971	5,782,692
Additional provision based on Bank of Jamaica provisioning requirements [note 30(c)]	748,613	583,778
	5,594,584	6,366,470

13. Other assets

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
		Restated *		
Other receivables [see (ii) below]	4,029,177	3,333,863	217,817	132,863
Bond principal receivable (net of ECL) [see (iii) below]	481,461	-	-	-
Deposits on property, plant and equipment	33,881	268,427	33,881	131,524
Inventories	214,653	173,024	-	-
	4,759,172	3,775,314	251,698	264,387

(i) The balances are reflected net of expected credit loss allowance as follows:

	Group	
	2024	2023
	$'000	$'000
At beginning of the year	112,220	150,120
Write off	(59,353)	-
Translation adjustment	(1,605)	-
Increase/(decrease) in allowance [note 42(b)(ii) B. (6)]	650,617	(37,900)
	701,879	112,220

(ii) An indirect banking subsidiary pledged other assets amounting to $49.10 million (2023: $47.35 million) for bid collateral related to guarantees issued by other banks.

(iii) The Niquan Energy Trinidad Ltd 11% Secured Bond, which matured in 2023, and for which a new maturity date was not approved by the bondholders, was reclassified to 'other assets' at amortised cost. This is shown, net of expected credit loss of $610,986,000. All the other amounts are due to be recovered within 12 months.

14. Assets held for sale

	Group	
	2024	2023
	$'000	$'000
Foreclosed properties	-	490,376
Less: Impairment losses (see note below)	-	(456,909)
	-	33,467

Note: Movement on impairment losses is as follows:

	Group	
	2024	2023
	$'000	$'000
At beginning of year	456,909	466,488
Write-off, being net movement for the year	(456,909)	(9,579)
At end of year	-	456,909

* See note 50

14. Assets held for sale (continued)

JN Bank Limited acquired real properties through foreclosure on collateral held as security against loans. Foreclosed properties should be disposed of within 3 years of acquisition, in accordance with Section 53(1) of the Banking Services Act, 2014 [see note 48(i)].

Impairment loss of $456.9M (2023: $9.6M) for write-downs of the assets held for sale to the lower of it carrying amount and its fair value less cost to sell have been included in "operating expenses" (see note 37).

15. Investment property

(a) Reconciliation of carrying amount:

	Group
	$'000
Balance at March 31, 2022	1,161,552
Change in fair value (note 36)	186,599
Translation adjustment	(9,911)
Balance at March 31, 2023	1,338,240
Addition	201,870
Disposal	(230,000)
Change in fair value (note 36)	32,408
Transfer to property, plant and equipment (note 16)	(190,000)
Transfer from property, plant and equipment (note 16)	313,655
Increase in value of investment property at transfer to property, plant and equipment (note 30)	266,870
Translation adjustment	1,467
Balance at March 31, 2024	1,734,510

(b) Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 5 years. Subsequent renewals are negotiated with the lessee and historically the average renewal period is four years. Further information about these leases is included in note 27.

Changes in fair values are recognised in profit or loss and included in 'other operating income' or 'operating expenses'. All gains or losses are unrealised.

(c) Amounts recognised in profit or loss

The property rental income earned by the Group from some of its investment property which are leased under operating leases amounted to $43.94 million (2023: $47.71 million). Direct operating expenses, arising from the investment property that generated rental income during the year amounted to $17.72 million (2023: $19.15 million).

(d) Measurement of fair values

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio every three years and estimate the changes in fair value in the intervening periods.

15. Investment property (continued)

(d) Measurement of fair values (continued)

Fair value hierarchy (continued)

The fair value measurement for all of the investment properties has been categorised as a Level 2 and 3 fair value based on the inputs to the valuation technique used.

Valuation techniques – Land and building	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Income approach: The valuation model examines the price an investor would be prepared to pay for the right to receive a certain income stream. The model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, and current rental rates. The estimated net cash flows are discounted using current yields. Among other factors, the yield estimation considers the quality of a building and its location, tenants' credit quality and lease terms.	• Expected market rental growth yields (7%- 8.5%) • Occupancy rate (75%- 65%) • Risk adjusted discount rate (9%)	The estimated fair value would increase/(decrease) if: • Expected market rental growth were higher/(lower); • The occupancy rates were higher/(lower); • Rent-free periods were shorter/(longer); or • Yields were lower/(higher).
Sales comparison method: The method considers transactions of comparable properties in the area and similar areas for which the price, size of the property, terms and conditions of sales are known.	Per square feet value was derived based on similar property values. The value of a square feet in the property portfolio ranges from $10,000 to $12,000.	The estimated fair value would increase/(decrease) if comparable property value was higher /(lesser).

16. Property, plant and equipment

	Group					
	Freehold land and buildings $'000	Leasehold land and buildings $'000	Computers and office equipment $'000	Motor vehicles $'000	Work-in-progress $'000	Total $'000
Cost:						
March 31, 2022	4,351,762	1,019,510	6,328,954	1,055,955	959,524	13,715,705
Additions	405,115	149,957	696,677	52,677	(715,017)	589,409
Disposals	(97,401)	(59,023)	(145,728)	(132,195)	-	(434,347)
Transfers from work-in-progress	-	14,169	22,131	-	(36,300)	-
Translation adjustments	(10,318)	(12,731)	(23,315)	(1,215)	-	(47,579)
March 31, 2023	4,649,158	1,111,882	6,878,719	975,222	208,207	13,823,188
Additions	464,089	16,530	498,099	11,333	290,176	1,280,227
Disposals	(1,583,470)	(20,523)	(123,337)	(88,461)	(127,484)	(1,943,275)
Transfers from work-in-progress	-	1,092	2,010	-	(3,102)	-
Transfers to investment property (note 15)	(472,134)	-	-	-	-	(472,134)
Transfers from investment property (note 15)	190,000	-	-	-	-	190,000
Write -offs	-	-	(5,875)	-	-	(5,875)
Translation adjustments	11,970	11,102	9,303	706		33,081
March 31, 2024	3,259,613	1,120,083	7,258,919	898,800	367,797	12,905,212
Depreciation:						
March 31, 2022	1,151,101	820,283	4,655,046	794,026	-	7,420,456
Charge for the year	110,652	58,748	402,114	111,799	-	683,313
Write -off	-	-	(105)	-	-	(105)
Translation adjustments	(3,257)	(12,166)	(16,429)	(467)	-	(32,319)
Eliminated on disposals	(32,650)	(52,770)	(126,575)	(107,688)	-	(319,683)
March 31, 2023	1,225,846	814,095	4,914,051	797,670	-	7,751,662
Charge for the year	104,453	66,247	426,733	79,698	-	677,131
Write-off	-	-	(3,149)	-	-	(3,149)
Transfers to investment property (note 15)	(158,479)	-	-	-	-	(158,479)
Translation adjustments	4,616	8,519	32,125	(2,865)	-	42,395
Eliminated on disposals	(733,560)	(20,433)	(68,964)	(85,745)	-	(908,702)
March 31, 2024	442,876	868,428	5,300,796	788,758	-	7,400,858
Net book values:						
March 31, 2024	2,816,737	251,655	1,958,123	110,042	367,797	5,504,354
March 31, 2023	3,423,312	297,787	1,964,668	177,552	208,207	6,071,526

Include in freehold land and building is the cost of land at $109,438,000 (2023: $127,904,000).

16. Property, plant and equipment (continued)

	Company		
	Computers and office equipment $'000	Motor Vehicles $'000	Total $'000
Cost:			
March 31, 2022	398,007	199,890	597,897
Additions	14,773	-	14,773
Disposals	-	(29,209)	(29,209)
March 31, 2023	412,780	170,681	583,461
Additions	19,316	-	19,316
Disposals	(3,747)	(13,130)	(16,877)
March 31, 2024	428,349	157,551	585,900
Depreciation:			
March 31, 2022	171,066	134,525	305,591
Charge for the year	62,290	31,519	93,809
Eliminated on disposals	-	(24,040)	(24,040)
Write-off	(105)	-	(105)
March 31, 2023	233,251	142,004	375,255
Charge for the year	46,477	17,114	63,591
Eliminated on disposals	(1,178)	(13,130)	(14,308)
March 31, 2024	278,550	145,988	424,538
Net book values:			
March 31, 2024	149,799	11,563	161,362
March 31, 2023	179,529	28,677	208,206

17. Goodwill and other intangible assets

	Group							
	Customer relationships $'000	Trademarks $'000	Goodwill $'000	Licence $'000	Software $'000	Non-compete agreement $'000	Work-in-progress $'000 Restated*	Total $'000
Cost:								
March 31, 2022	422,926	147,613	1,088,137	305,996	3,809,747	37,710	1,188,135	7,000,264
Additions	287	-	-	-	160,514	-	1,221,756	1,382,557
Disposals	-	-	-	-	(154,712)	-	54,326	(100,386)
Write-offs	-	-	-	-	-	-	(3,007)	(3,007)
Translation adjustments	-	(1,091)	-	(5,673)	(26,731)	-	-	(33,495)
March 31, 2023	423,213	146,522	1,088,137	300,323	3,788,818	37,710	2,461,210	8,245,933
Additions	-	-	-	-	757,381	-	160,815	918,196
Disposals	-	-	-	-	(59,548)	-	(964)	(60,512)
Transfer	-	-	-	-	1,477,679	-	(1,477,679)	-
Translation adjustments	(270)	(2,49)	-	(2,574)	(2,368)	-	-	(5,461)
March 31, 2024	422,943	146,273	1,088,137	297,749	5,961,962	37,710	1,143,382	9,098,156
Amortisation and impairment losses:								
March 31, 2022	116,440	5,954	-	41,434	2,489,941	37,710	-	2,691,479
Charge for the year	24,657	14,206	-	10,979	343,792	-	-	393,634
Elimination on disposals	-	-	-	-	(81,992)	-	-	(81,992)
Translation adjustments	-	(252)	-	(1,098)	(12,075)	-	-	(13,425)
March 31, 2023	141,097	19,908	-	51,315	2,739,666	37,710	-	2,989,696
Charge for the year	16,433	11,451	-	11,547	459,664	-	-	499,095
Elimination on disposals	-	-	-	-	(3,465)	-	-	(3,465)
Adjustments for write-off	-	-	-	-	(56,682)	-	-	(56,682)
Translation adjustments	-	171	-	(995)	470	-	-	(354)
March 31, 2024	157,530	31,530	-	61,867	3,139,653	37,710	-	3,428,290
Net book values:								
March 31, 2024	265,413	114,743	1,088,137	235,882	2,822,309	-	1,143,382	5,669,866
March 31, 2023	282,116	126,614	1,088,137	249,008	1,049,152	-	2,461,210	5,256,237

* See note 50

17. Goodwill and other intangible assets (continued)

	Company Software $'000
Cost:	
March 31, 2022	77,441
Additions	167,750
March 31, 2023	245,191
Additions	83,279
Disposal	(3,813)
March 31, 2024	324,657
Depreciation:	
March 31, 2022	28,582
Charge for the year	43,723
March 31, 2023	72,305
Charge for the year	102,109
Eliminated on disposal	(3,465)
March 31, 2024	170,949
Net book value:	
March 31, 2024	153,708
March 31, 2023	172,886

(a) Goodwill

Goodwill is attributable to the acquisition of Manufacturers Credit and Information Services Limited (MCIS) and QuikCash.

(b) Impairment assessment

In testing intangible assets for impairment, recoverable amounts of cash-generating units (CGUs) were estimated based on value in use. Where the recoverable amounts exceed the carrying amounts, no impairment allowance is made. The recoverable amounts of the CGUs for MCIS and QuikCash, were arrived at by estimating their future cash flows and discounting those cash flows using long-term discount rates applicable to Jamaica and Cayman Islands, as relevant. The fair value measurement was categorised as Level 3 fair value based on inputs used in the valuation. Future sustainable cash flows were estimated based on the most recent forecasts, based on past experience and management's plans.

These projections included specific estimates for five (5) years for Quick cash and four (4) years for MCIS and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumption that a market participant would make.

17. Goodwill and other intangible assets (continued)

(b) Impairment assessment (continued)

The key assumptions used in the discounted cash flow projections were as follows:

	Group			
	2024		2023	
	QuikCash	MCIS	QuikCash	MCIS
	%	%	%	%
Discount rates – Cayman Islands and Jamaica, respectively	16	22	15	23
Growth rates	4	5	4	5
Jamaica dollar devaluation rate	-	5	-	5

The estimated recoverable amount of QuikCash exceeded its carrying amount by approximately CI$0.36 million as at March 31, 2024 (2023: CI$0.68 million). Management has identified that a reasonably possible change of the amount shown in the following key assumptions could cause the estimated recoverable amount of goodwill to be reduced to its carrying amount:

	Group	
	2024	2023
	%	%
Discount rate	17.37	16.98
Growth rate	0.98	(4.57)

18. Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Group					
	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
		Restated*				Restated*
Other assets	20,724	39,140	-	(11,231)	20,724	27,909
Interest receivable	62,814	(117,726)	-	-	62,814	(117,726)
Property, plant and equipment	4,203	273,221	-	(4,270)	4,203	268,951
Employee benefits obligation	403,347	265,926	-	-	403,347	265,926
Other payables	208,654	206,411	-	6,434	208,654	212,845
FVOCI investment securities	2,936,188	2,725,836	-	-	2,936,188	2,725,836
Contractual savings reserve	(4,741)	(4,741)	-	-	(4,741)	(4,741)
Tax losses carried forward	487,625	407,522	-	-	487,625	407,522
Impairment losses on other assets	42,833	19,738	-	-	42,833	19,738
Impairment losses on investment securities at FVOCI	1,440	74	-	-	1,440	74
Intangible assets	95,138	35,144	-	(29,033)	95,138	6,111
Right-of-use assets	(345,814)	(134,533)	-	-	(345,814)	(134,533)
Lease liabilities	869,513	153,484	-	453	869,513	153,937
Unrealised foreign exchange (loss)/gain	26,770	(22,253)	-	(545)	26,770	(22,798)
Impairment losses on loans	279,012	261,470	-	-	279,012	261,470
IFRS 17 adjustment	45,805	50,894	-	-	45,805	50,894
Fair value acquired loan portfolio	(14,950)	(45,926)	-	-	(14,950)	(45,926)
Insurance finance reserve	(14,166)	(11,800)	-	-	(14,166)	(11,800)
Reinsurance finance reserve	(8)	-	-	-	(8)	-
Net deferred tax assets/(liabilities)	5,104,387	4,101,881	-	(38,192)	5,104,387	4,063,689

18. Deferred tax assets/(liabilities) (continued)

	Company	
	2024	2023
	$'000	$'000
Interest receivable	(6,240)	(6,276)
Property, plant and equipment	(11,220)	30,972
Other payables	34,103	31,875
Right-of-use assets	(21,436)	(32,000)
Lease liabilities	25,206	35,830
Unrealised foreign exchange (loss)/gain	(841)	2,899
Tax losses carried forward	76,166	-
Net deferred tax assets	95,738	63,300

Movement in net temporary differences during the year are as follows:

	Group				
	2024				
	Balances at April 1, 2023	Recognised in profit	Recognised in other comprehensive income	Currency translation	Balances at March 31, 2024
	$'000	$'000 [Note 38(a)(ii)]	$'000	$'000	$'000
Other assets	27,909	(7,185)	-	-	20,724
Interest receivable	(117,726)	180,540	-	-	62,814
Property, plant and equipment	268,951	(264,748)	-	-	4,203
Employee benefits obligation	265,926	41,175	96,246	-	403,347
Other payables	212,845	(4,191)	-	-	208,654
FVOCI Investment Securities	2,725,836	303,472	(93,120)	-	2,936,188
Contractual savings reserve	(4,741)	-	-	-	(4,741)
Tax losses carried forward	407,522	80,103	-	-	487,625
Impairment losses on other assets	19,738	23,095	-	-	42,833
Impairment losses on investment securities at FVOCI	74	1,366	-	-	1,440
Intangible assets	6,111	89,027	-	-	95,138
Right-of-use assets	(134,533)	(211,281)	-	-	(345,814)
Lease liabilities	153,937	715,576	-	-	869,513
Unrealised foreign exchange (loss)/gain	(22,798)	49,038	-	530	26,770
Impairment losses on loans	261,470	17,542	-	-	279,012
IFRS 17 adjustment	50,894	(5,089)	-	-	45,805
Fair value acquired loan portfolio	(45,926)	30,976	-	-	(14,950)
Insurance finance reserve	(11,800)	-	(2,366)	-	(14,166)
Reinsurance finance reserve	-	-	(8)	-	(8)
Net deferred tax assets	4,063,689	1,039,416	752	530	5,104,387

18. Deferred tax assets/(liabilities) (continued)

Movement in net temporary differences during the year are as follows (continued):

	Group				
	2023				
	Balances at April 1, 2023	Recognised in profit	Recognised in other comprehensive income	Currency translation	Balances at March 31, 2023
	$'000	$'000 [Note 38(a)(ii)]	$'000	$'000	$'000 Restated*
Other assets	77,789	(47,989)	-	(1,891)	27,909
Interest receivable	(88,350)	(29,376)	-	-	(117,726)
Property, plant and equipment	294,659	(26,303)	-	595	268,951
Employee benefits obligation	471,057	65,952	(271,083)	-	265,926
Other payables	173,144	39,701	-	-	212,845
FVOCI investment securities	1,010,385	704,529	1,010,922	-	2,725,836
Contractual savings reserve	(4,741)	-	-	-	(4,741)
Tax losses carried forward	681,605	(274,083)	-	-	407,522
Impairment losses on other assets	24,130	(4,392)	-	-	19,738
Impairment losses on investment securities at FVOCI	3,593	(3,519)	-	-	74
Intangible assets	(27,509)	33,620	-	-	6,111
Right-of-use assets	(152,814)	18,281	-	-	(134,533)
Lease liabilities	174,260	(20,323)	-	-	153,937
Unrealised foreign exchange losses	(11,093)	(11,705)	-	-	(22,798)
Impairment losses on loans	578,389	(316,919)	-	-	261,470
IFRS 17 adjustment	43,313	7,581	-	-	50,894
Fair value acquired loan portfolio	-	(45,926)	-	-	(45,926)
Insurance finance reserve	-	-	(11,800)	-	(11,800)
Net deferred tax assets	3,247,817	89,129	728,039	(1,296)	4,063,689

	Company		
	2024		
	Balances at April 1, 2023	Recognised in profit	Balances at March 31, 2024
	$'000	$'000 [Note 38(a)(ii)]	$'000
Interest receivable	(6,276)	36	(6,240)
Property, plant and equipment	30,972	(42,192)	(11,220)
Other payables	31,875	2,228	34,103
Right-of-use assets	(32,000)	10,564	(21,436)
Lease liabilities	35,830	(10,624)	25,206
Unrealised foreign exchange (loss)/gain	2,899	(3,740)	(841)
Tax losses carried forward	-	76,166	76,166
Net deferred tax assets	63,300	32,438	95,738

*See note 50

18. Deferred tax assets/(liabilities) (continued)

Movement in net temporary differences during the year are as follows (continued):

	2023		
	Balances at April 1, 2022 $'000	Recognised in profit $'000 [Note 38(a)(ii)]	Balances a March 31, 2023 $'000 Restated*
Interest receivable	(4,922)	(1,354)	(6,276)
Property, plant and equipment	1,611	29,361	30,972
Other payables	24,874	7,001	31,875
Right-of-use assets	(42,423)	10,423	(32,000)
Lease liabilities	45,120	(9,290)	35,830
Unrealised foreign exchange gain	719	2,180	2,899
Tax losses carried forward	519,228	(519,228)	-
Net deferred tax assets	544,207	(480,907)	63,300

19. Customer deposits

	Group	
	2024 $'000	2023 $'000
Deposits	266,174,462	201,429,924
Accrued interest	1,577,683	387,206
	267,752,145	201,817,130

Customer deposits are due, from the reporting date, as follows:

	Group	
	2024 $'000	2023 $'000
Within 3 months	180,227,769	165,341,465
From 3 months to 1 year	45,746,246	23,746,658
Over 1 year	41,778,130	12,729,007
	267,752,145	201,817,130

The Group's customer deposits portfolio is concentrated as follows:

	Number of accounts		Value	
	2024	2023	2024 $'000	2023 $'000
Public authorities	626	663	4,851,526	3,245,267
Financial institutions	380	311	11,231,855	7,405,976
Commercial and business	9,851	9,796	17,552,144	14,853,565
Individuals	1,163,484	1,094,498	234,116,620	176,312,322
	1,174,341	1,105,268	267,752,145	201,817,130

*See note 50

20. Securities sold under repurchase agreements

	Group	
	2024	2023
	$'000	$'000
Principal	31,927,565	30,283,011
Interest payable	569,908	100,048
	32,497,473	30,383,059

Securities sold under repurchase agreements, excluding interest payables, are due from the reporting date, as follows:

	Group	
	2024	2023
	$'000	$'000
Within 3 months	19,380,520	21,225,953
From 3 months to 1 year	12,547,045	9,057,058
	31,927,565	30,283,011

At March 31, 2024, securities obtained under resale agreements and certain investments have been pledged by the Group as collateral for repurchase agreements. These financial instruments have a carrying value of $37,729.83 million (2023: $35,287.18 million).

21. Other payables

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000 Restated*	$'000	$'000
Deferred income	1,274,253	849,627	123,765	58,525
Staff-related accruals	784,856	437,825	-	-
Insurance payable	344,001	863,128	-	-
Customers' and other deposits (i)	1,638,163	1,203,441	-	-
Trade payables	2,512,436	2,151,290	198,314	123,896
Accruals	800,515	954,698	248,516	371,918
TEF loans liability	215,219	-	-	-
Other payables	1,600,004	1,155,038	168,653	119,744
	9,169,447	7,615,047	739,248	674,083

(i) Customers' and other deposits include $27.78 million (2023: $28.53 million) received from National Housing Trust (NHT) for members' contribution refund.

* See note 50

22. Margin loan payable

Margin loan payable represents a short-term debt facility provided by a brokerage firm to a banking indirect subsidiary to acquire securities on its own account. At year end, this amounted to $2.2 billion (2023: $2.09 billion). The facility bears interest at 6.5% (2023: 6 %) per annum. During the year, the indirect banking subsidiary pledged global bonds amounting to US$15 million (2023: $15 million) for the facility.

23. Due to specialized financial institutions

	2024	2023
	$'000	$'000
National Housing Trust (NHT) (i)	2,406,964	1,821,123
The National Export-Import Bank (EXIM) (ii)	301,254	461,429
Development Bank of Jamaica (DBJ) (iii)	49,685	158,909
	2,757,903	2,441,461

(i) The NHT, in pursuance of its statutory function to, inter alia, make available to its contributors' loans to assist in the purchase, building, maintenance, repair or improvement of houses and makes arrangements with mortgage lending institutions (the Financial Partners/FPs) to originate, underwrite, fully finance, disburse and administer loans, representing the NHT contributors housing benefit.

(ii) The EXIM loan facility is available for on-lending to qualified Micro and Small and Medium sized Enterprise (MSME). Loans distributed under this facility are for a period of forty-eight (48) months.

(iii) The terms of the agreement are to offer funds for on-lending to qualified sub-borrowers in the Micro Small and Medium sized Enterprise (MSME) Sectors for eligible projects.

24. Employee benefits obligation

The Group provides for several post-retirement pension benefits through a defined-contribution scheme which replaced a prior defined-benefit pension scheme for employees within the Group. The pensioners in the defined-benefit scheme were transferred to a defined-contribution scheme, with the guarantee of their pension payments, and active members started to contribute on a defined-contribution basis. The scheme is funded by contributions from the Group and employees in accordance with the rules of the scheme.

Under the defined-contribution scheme, retirement benefits are based on the Group's and employees' accumulated contributions, plus interest and, therefore, the Group has no further obligation to fund pension benefits.

During a prior period, the trustees of the scheme purchased annuities for the transferring pensioners in the scheme, thereby removing the obligation of the guarantee of the pension payments from the scheme.

24. Employee benefits obligation (continued)

The following indirect subsidiaries participate in defined-contribution pension schemes in their respective jurisdictions:

	Indirect subsidiary	Pension scheme
(i)	JN Cayman	Cayman National Pension Plan
(ii)	JN Money Services (USA) Inc.	401K retirement plan managed by Legg Mason Global Asset Management
(iii)	JN Money Services (Canada) Limited	Registered retirement services plan managed by Manulife Financial Corporation
(iv)	JN Money Services (Cayman) Limited	Cayman Islands Chamber of Commerce
(v)	JN Money Services (UK) Limited	Legal & General Assurance Society Limited Pension Plan
(vi)	JN Bank UK Limited	Scottish Widows Group Personal Pension Plan

The total contributions made for the year are included in employee costs (note 39).

The Group provides group life and post-retirement health insurance benefits to retirees who have met certain minimum service requirements.

The amounts recognised in the statement of financial position for employee benefits in respect of the group life and health insurance plans are as follows:

(a) Employee benefits obligation:

	Group	
	2024	2023
	$'000	$'000
Present value of unfunded obligations	1,196,580	795,530
Supplementary benefit [note 24(i)]	2,418	2,315
	1,198,998	797,845

24. Employee benefits obligation (continued)

(b) Movement in the present value of unfunded obligations and supplementary benefits:

	Group	
	2024	2023
	$'000	$'000
At beginning of year	797,845	1,413,169
Benefits paid	(16,500)	(19,814)
Service costs [note 24(c)]	26,570	81,712
Interest cost [note 24(c)]	102,345	136,030
Actuarial (gain)/loss arising from:		
Experience adjustments	(59,192)	(140,688)
Demographic assumption	(34,555)	96,540
Financial assumptions	382,485	(769,104)
Balance at end of year	1,198,998	797,845

(c) Expenses recognised in the statement of profit or loss:

	Group	
	2024	2023
	$'000	$'000
Current service costs	26,570	81,712
Interest cost on obligation	102,345	136,030
	128,915	217,742

(d) Items recognised in other comprehensive income:

	Group	
	2024	2023
	$'000	$'000
Remeasurement loss/(gain) on obligation	288,738	(813,251)

(e) Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Group	
	2024	2023
	%	%
Discount rate at March 31	10.5	13.0
Health cost inflation rate	6.5	6.5
Interest on contributions	10.5	13.0

(f) Sensitivity of projected benefit obligation to movements in assorted rates:

The calculation of the projected benefit obligation is sensitive to the assumptions used. The table below summarises how the projected benefit obligation measured at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percentage point. In preparing the analyses for each assumption, all others were held constant. The economic assumptions are somewhat linked as they are all related to inflation.

24. Employee benefits obligation (continued)

(f) Sensitivity of projected benefit obligation to movements in assorted rates (continued):

	Group			
	2024		2023	
	1 % Increase $'000	1 % Decrease $'000	1 % Increase $'000	1 % Decrease $'000
Discount rate	(166,916)	217,233)	(93,628)	118,282
Health inflation rate	223,996	(149,520)	123,900	(98,448)
Interest on contributions	37,261	(27,780)	17,389	(14,395)

(g) At March 31, 2024, the weighted average duration of the defined benefit obligation was $20.7 years (2023: 17.5 years).

(h) As mortality continues to improve, estimates of life expectancy are expected to increase. An increase of one year in life expectancy is expected to impact the employee benefit obligation as follows:

- Post-retirement health insurance plan: increase of $16.38 million (2023: $18.36 million).
- Group life plan: decrease of $11.79 million (2023: $10.07 million).

(i) Supplementary pension benefit:

This represents the defined benefit obligation in respect of supplementary pension provided by an indirect subsidiary for 2 (2023: 2) pensioners.

25. Insurance and reinsurance contracts

	2024			2023		
	Contracts not measured under PAA $'000	Contracts measured under PAA $'000	Total $'000	Contracts not measured under PAA $'000	Contracts measured Under PAA $'000	Total $'000
(a) Insurance contracts						
Insurance contracts liabilities:						
Insurance contracts balance	342,188	7,008,986	7,351,174	292,196	5,201,430	5,493,626
Assets for insurance acquisition cash flows	(94)	-	(94)	(63)	-	(63)
	342,094	7,008,986	7,351,080	292,133	5,201,430	5,493,563
Insurance contracts assets:						
Insurance contracts balances	84,711	-	84,711	2,578	-	2,578
Assets for insurance acquisition cash flows	3,772	-	3,772	3,577	-	3,577
	88,483	-	88,483	6,155	-	6,155
(b) Reinsurance contracts						
Reinsurance contract assets	645	1,616,513	1,617,158	370	787,536	787,906

25. Insurance and reinsurance contracts (continued)

(i) The following table sets out the carrying amounts of insurance and reinsurance contracts expected to be (recovered)/settled more than 12 months after the reporting date.

	2024	2023
	$'000	$'000
Insurance contract assets	(453,976)	(203,896)
Insurance contract liabilities	(6,733,624)	(4,925,510)
Reinsurance contract assets	1,567,896	711,515
Reinsurance contract liabilities	-	36

(ii) At 31 March 2024, the maximum exposure to credit risks from insurance contracts is $79.23 million (2023: $53.62 million), which primarily relates to premiums receivable for services that the Group has already provided, and the maximum exposure to credit risk from reinsurance contract is $0.89 million (2023: $56.54 million).

A. Movements in insurance and reinsurance contract balances

Movement in insurance contract balances

	$'000
Carrying amounts at April 1, 2023	4,699,502
Premiums received	4,322,962
Claims and expenses paid	(1,201,725)
Acquisition cash flows	(2,365,672)
Insurance revenue	(3,478,488)
Insurance service expenses	3,913,047
Insurance finance expenses	(203,096)
Currency and other changes	(41,091)
Carrying amounts at March 31, 2024	5,645,439

The reconciliations in the following tables show how the net carrying amounts of insurance and reinsurance contracts in the reporting segment changed during the year as a result of cash flows and amounts recognised in statement of profit or loss and OCI.

The Group presents a table that separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the statement of profit or loss and OCI.

It separately analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the contract service margin (CSM).

For an explanation of how contracts were measured under the full retrospective approach and under the fair value approach on transition to IFRS 17, see note 49.

25. Insurance and reinsurance contracts (continued)

A. Movements in insurance and reinsurance contract balances (continued)

(i) Insurance contracts not measured under PAA

Analysis by remaining coverage and incurred claims

	2024			
	Liabilities for remaining coverage			
	Excluding loss component	Loss component	Liabilities for incurred claims	Total
	$'000	$'000	$'000	$'000
Opening assets	(7,523)	4,706	(3,338)	(6,155)
Opening liabilities	260,334	-	31,799	292,133
Net opening balance	252,811	4,706	28,461	285,978
Changes in the statement of profit or loss and OCI:				
Insurance revenue (note 35)	(346,506)	-	-	(346,506)
Insurance service expenses:				
Incurred claims and other insurance service expenses	-	(9,250)	100,386	91,136
Amortisation of insurance acquisition cash flows	29,026	-	-	29,026
Losses and reversals of losses on onerous contracts	-	12,944	-	12,944
Adjustments to liabilities for incurred claims	-	-	(12,191)	(12,191)
	29,026	3,694	88,195	120,915
	(317,480)	3,694	88,195	(225,591)
Insurance service result:				
Net finance expenses from insurance contracts (note 34)	10,197	397	-	10,594
Finance expenses from insurance contracts issued recognised in OCI	(9,464)	-	-	(9,464)
Total changes in the statement of profit or loss and OCI	(316,747)	4,091	88,195	(224,461)
Insurance acquisition cash flows assets	(8,996)	-	-	(8,996)
Pre-recognition cash flows derecognised and other changes	8,769	-	32	8,801
Cash flows				
Premiums received	415,079	-	-	415,079
Claim and other insurance service expenses paid, including investment components	-	-	(77,754)	(77,754)
Insurance acquisition cash flows	(145,036)	-	-	(145,036)
Total cash flows	270,043	-	(77,754)	192,289
Net closing balance	205,880	8,797	38,934	253,611
Represented by:				
Closing assets	(101,475)	8,797	4,195	(88,483)
Closing liabilities	307,355	-	34,739	342,094
Net closing liabilities balance	205,880	8,797	38,934	253,611

25. Insurance and reinsurance contracts (continued)

A. Movements in insurance and reinsurance contract balances (continued)

(i) Insurance contracts not measured under PAA (continued)

Analysis by remaining coverage and incurred claims (continued)

	2023			
	Liabilities for remaining coverage			
	Excluding loss component $'000	Loss component $'000	Liabilities for incurred claims $'000	Total $'000
Opening assets	-	-	-	-
Opening liabilities	285,398	-	31,572	316,970
Net opening balance	285,398	-	31,572	316,970
Changes in the statement of profit or loss and OCI:				
Insurance revenue (note 35)	(205,418)	-	-	(205,418)
Insurance service expenses:				
Incurred claims and other insurance service expenses	-	(66)	85,748	85,682
Amortisation of insurance acquisition cash flows	6,198	-	-	6,198
Losses and reversals of losses on onerous contracts	-	4,778	-	4,778
Adjustments to liabilities for incurred claims	-	-	(9,590)	(9,590)
	6,198	4,712	76,158	87,068
	(199,220)	4,712	76,158	(118,350)
Insurance service result:				
Net finance expenses from insurance contracts (note 34)	8,189	(6)	-	8,183
Finance expenses from insurance contracts issued recognised in OCI	(47,201)	-	-	(47,201)
Total changes in the statement of profit or loss and OCI	(238,232)	4,706	76,158	(157,368)
Insurance acquisition cash flows assets	(8,701)	-	-	(8,701)
Pre-recognition cash flows derecognised and other changes	8,330	-	(282)	8,048
Cash flows				
Premiums received	310,067	-	-	310,067
Claim and other insurance service expenses paid, including investment components	-	-	(78,987)	(78,987)
Insurance acquisition cash flows	(104,051)	-	-	(104,051)
Total cash flows	206,016	-	(78,987)	127,029
Net closing balance	252,811	4,706	28,461	285,978
Represented by:				
Closing assets	(7,523)	4,706	(3,338)	(6,155)
Closing liabilities	260,334	-	31,799	292,133
Net closing liabilities balance	252,811	4,706	28,461	285,978

25. Insurance and reinsurance contracts (continued)

A. Movements in insurance and reinsurance contract balances (continued)

(i) Insurance contracts not measured under PAA (continued)

Analysis by measurement component-contracts not measured under the PAA

	2024					
			Contractual service margin			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contracts under fair value transaction approach	Other contracts	Subtotal	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Opening assets	(259,740)	138,354	92,907	22,324	115,231	(6,155)
Opening liabilities	226,059	31,514	15,521	19,039	34,560	292,133
Net opening balance	(33,681)	169,868	108,428	41,363	149,791	285,978
Changes in the statement of profit or loss and OCI:						
Changes that relate to current services:						
CSM recognised for services provided (note 35)	-	-	(20,823)	(34,861)	(55,684)	(55,684)
Change in risk adjustment for non-financial risk for risk expired	-	(56,071)	-	-	-	(56,071)
Experience adjustments	(119,293)	-	-	-	-	(119,293)
	(119,293)	(56,071)	(20,823)	(34,861)	(55,684)	(231,048)
Changes that relate to future services:						
Contracts initially recognised in the year [note 25C (i)]	(331,628)	151,739	-	186,912	186,912	7,023
Changes in estimates that adjust the CSM	(20,855)	(6,326)	20,305	6,876	27,181	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	4,194	1,727	-	-	-	5,921
	(348,289)	147,140	20,305	193,788	214,093	12,944
Changes that relate to past services:						
Adjustments to liabilities for incurred claims	(10,159)	(2,032)	-	-	-	(12,191)
Experience adjustments – arising from premiums received in the period that relates to past service	4,704	-	-	-	-	4,704
	(5,445)	(2,032)	-	-	-	(7,487)
	(473,037)	89,037	(518)	158,927	158,409	(225,591)
Insurance service result						
Net finance expenses from insurance contracts (note 34)	(8,490)	8,772	2,613	7,699	10,312	10,594
Finance expenses from insurance contracts issued recognised in OCI	(13,081)	3,617	-	-	-	(9,464)
Total changes in the statement of profit or loss and OCI	(494,608)	101,426	2,095	166,626	168,721	(224,461)
Insurance acquisition cash flows assets	(8,996)	-	-	-	-	(8,996)
Pre-recognition cash flows derecognised and other changes	8,801	-	-	-	-	8,801
Cashflows						
Transfer to other items in the statement of financial position	192,289	-	-	-	-	192,289
Net closing balance	(336,195)	271,294	110,523	207,989	318,512	253,611
Represented by:						
Closing assets	(578,416)	237,230	99,139	153,564	252,703	(88,483)
Closing liabilities	242,221	34,064	11,384	54,425	65,809	342,094
Net closing balance at end of year	(336,195)	271,294	110,523	207,989	318,512	253,611

25. Insurance and reinsurance contracts (continued)

A. Movements in insurance and reinsurance contract balances (continued)

(i) Insurance contracts not measured under PAA (continued)

Analysis by measurement component-contracts not measured under the PAA (continued)

	2023					
			Contractual service margin			
	Estimates of present value of future cashflows $'000	Risk adjustment for non-financial risk $'000	Contracts under fair value transaction approach $'000	Other contracts $'000	Subtotal $'000	Total $'000
Opening assets	-	-	-	-	-	-
Opening liabilities	98,260	138,943	79,767	-	79,767	316,970
Net opening balance	98,260	138,943	79,767	-	79,767	316,970
Changes in the statement of profit or loss and OCI:						
Changes that relate to current services:						
CSM recognised for services provided (note 35)	-	-	(22,007)	(4,270)	(26,277)	(26,277)
Change in risk adjustment for non-financial risk for risk expired	-	(37,139)	-	-	-	(37,139)
Experience adjustments	(52,973)	-	-	-	-	(52,973)
	(52,973)	(37,139)	(22,007)	(4,270)	(26,277)	(116,389)
Changes that relate to future services:						
Contracts initially recognised in the year [note 25C (i)]	(180,359)	97,535	-	84,934	84,934	2,110
Changes in estimates that adjust the CSM	7,526	(14,169)	48,028	(41,385)	6,643	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	2,412	256	-	-	-	2,668
	(170,421)	83,622	48,028	43,549	91,577	4,778
Changes that relate to past services:						
Adjustments to liabilities for incurred claims	(7,992)	(1,598)	-	-	-	(9,590)
Experience adjustments – arising from premiums received in the period that relates to past service	2,851	-	-	-	-	2,851
	(5,141)	(1,598)	-	-	-	(6,739)
	(228,535)	44,885	26,021	39,279	65,300	(118,350)
Insurance service result						
Net finance expenses from insurance contracts (note 34)	(1,211)	4,670	2,640	2,084	4,724	8,183
Finance expenses from insurance contracts issued recognised in OCI	(28,571)	(18,630)	-	-	-	(47,201)
Total changes in the statement of profit or loss and OCI	(258,317)	30,925	28,661	41,363	70,024	(157,368)
Insurance acquisition cash flows assets	(8,701)	-	-	-	-	(8,701)
Pre-recognition cash flows derecognised and other changes	8,048	-	-	-	-	8,048
Cashflows						
Transfer to other items in the statement of financial position	127,029	-	-	-	-	127,029
Net closing balance	(33,681)	169,868	108,428	41,363	149,791	285,978
Represented by:						
Closing assets	(259,740)	138,354	92,907	22,324	115,231	(6,155)
Closing liabilities	226,059	31,514	15,521	19,039	34,560	292,133
Net closing balance at end of year	(33,681)	169,868	108,428	41,363	149,791	285,978

25. Insurance and reinsurance contracts (continued)

A. Movements in insurance and reinsurance contract balances (continued)

(ii) Reinsurance contracts not measured under PAA

Analysis by remaining coverage and incurred claims

	2024			
	Assets for remaining coverage			
	Excluding loss component $'000	Loss component $'000	Assets for incurred claims $'000	Total $'000
Opening assets	(161)	531	-	370
Opening liabilities	-	-	-	-
Net opening balance	(161)	531	-	370
Changes in the statement of profit or loss and OCI:				
CSM recognised for the services received	40	-	-	40
Expected incurred claims and other directly attributable expenses recovery	261	-	-	261
Amounts recoverable from reinsurers:				
Recoveries of incurred claims and other insurance service expenses	-	(373)	(1,743)	(2,116)
Recoveries of losses on onerous underlying contracts on initial recognition	-	1,342	-	1,342
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(151)	-	(151)
Changes that relate to past service i.e. changes in the FCF relating to incurred claims recovery	(268)	-	-	(268)
Effect of changes in non-performance risk of reinsurers	(162)	-	-	(162)
Net expenses from reinsurance contracts:	(129)	818	(1,743)	(1,054)
Insurance service result:				
Net finance expenses from insurance contracts (note 34)	(10)	107	-	97
Effect of movements in exchange rates	31	-	-	31
Total changes in the statement of profit or loss and OCI	(108)	925	(1,743)	(926)
Other pre-recognised cash flow derecognised and other changes	-	-	138	138
Cash flows				
Insurance acquisition cash flows	352	-	711	1,063
Total cash flows	352	-	711	1,063
Net closing balance	83	1,456	(894)	645
Represented by:				
Closing assets at end of year	83	1,456	(894)	645
Closing liabilities at end of year	-	-	-	-
Net closing (assets)/liabilities balance	83	1,456	(894)	645

25. Insurance and reinsurance contracts (continued)

A. Movements in insurance and reinsurance contract balances (continued)

(ii) Reinsurance contracts not measured under PAA (continued)

Analysis by remaining coverage and incurred claims (continued)

	2023			
	Assets for remaining coverage			
	Excluding loss component $'000	Loss component $'000	Assets for incurred claims $'000	Total $'000
Opening assets	-	-	-	-
Opening liabilities	-	-	-	-
Net opening balance	-	-	-	-
Changes in the statement of profit or loss and OCI:				
CSM recognised for the services received	19	-	-	19
Expected incurred claims and other directly attributable expenses recovery	32	-	-	32
Amounts recoverable from reinsurers:				
Recoveries of incurred claims and other insurance service expenses	-	(47)	-	(47)
Recoveries of losses on onerous underlying contracts on initial recognition	-	418	-	418
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	160	-	160
Changes that relate to past service i.e. changes in the FCF relating to incurred claims recovery	(82)	-	-	(82)
Effect of changes in non-performance risk of reinsurers	(46)	-	-	(46)
Net expenses from reinsurance contracts:	(77)	531	-	454
Insurance service result:				
Net finance expenses from insurance contracts (note 34)	(84)	-	-	(84)
Effect of movements in exchange rates	-	-	-	-
Total changes in the statement of profit or loss and OCI	(161)	531	-	370
Other pre-recognised cash flow derecognised and other changes	-	-	-	-
Cash flows				
Insurance acquisition cash flows	-	-	-	-
Total cash flows	-	-	-	-
Net closing balance	(161)	531	-	370
Represented by:				
Closing assets at end of year	(161)	531	-	370
Closing liabilities at end of year	-	-	-	-
Net closing (assets)/liabilities balance	(161)	531	-	370

25. Insurance and reinsurance contracts (continued)

A. Movements in insurance and reinsurance contract balances (continued)

(ii) Reinsurance contracts not measured under PAA (continued)

Analysis by measurement component

	2024					
			Contractual service margin			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contracts under fair value transaction approach	Other contracts	Subtotal	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Opening (assets)	72	1,048	-	(750)	(750)	370
Opening liabilities	-	-	-	-	-	-
Net opening balance	72	1,048	-	(750)	(750)	370
Changes in the statement of profit or loss and OCI:						
Changes that relate to current services:						
CSM recognised for services provided	-	-	-	40	40	40
Change in risk adjustment for non-financial risk for risk expired	-	(162)	-	-	-	(162)
Experience adjustments	(380)	-	-	-	-	(380)
Changes that relate to future services:						
Contracts initially recognised in the year [note 25C (i)]	(568)	1,474	-	436	436	1,342
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	(429)	(429)	(429)
Changes in estimates that adjust the CSM	(11)	(351)	-	362	362	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	80	550	-	-	-	630
Changes that relate to past services:						
Adjustments to liabilities for incurred claims	(1,743)	-	-	-	-	(1,743)
Net finance expenses from insurance (contracts note 34)	(20)	148	-	-	-	128
Total changes in the statement of profit or loss and OCI	(2,642)	1,659	-	409	409	(574)
Other pre-recognised cash flows derecognised and other changes	138	-	-	-	-	138
Cash flows [note 25A(i)]	711	-	-	-	-	711
Net closing balance	(1,721)	2,707	-	(341)	(341)	645
Represented by:						
Closing assets	(1,721)	2,707	-	(341)	(341)	645
Closing liabilities	-	-	-	-	-	-
Net closing(assets)/liabilities balance	(1,721)	2,707	-	(341)	(341)	(645)

25. Insurance and reinsurance contracts (continued)

A. Movements in insurance and reinsurance contract balances (continued)

(ii) Reinsurance contracts not measured under PAA (continued)

Analysis by measurement component (continued)

	2023					
			Contractual service margin			
	Estimates of present value of future cashflows	Risk adjustment for non-financial risk	Contracts under fair value transaction approach	Other contracts	Subtotal	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Opening (assets)	-	-	-	-	-	-
Opening liabilities	-	-	-	-	-	-
Net opening balance	-	-	-	-	-	-
Changes in the statement of profit or loss and OCI:						
Changes that relate to current services:						
CSM recognised for services provided	-	-	-	19	19	19
Change in risk adjustment for non-financial risk for risk expired	-	(46)	-	-	-	(46)
Experience adjustments	(97)	-	-	-	-	(97)
Changes that relate to future services:						
Contracts initially recognised in the year [note 25C (i)]	(668)	1,848	-	(762)	(762)	418
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	54	106	-	-	-	160
Changes in estimates that adjust the CSM	-	-	-	-	-	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	-	-	-	-	-	-
Changes that relate to past services:						
Adjustments to liabilities for incurred claims	-	-	-	-	-	-
Net finance expenses from insurance contracts (note 34)	783	(860)	-	(7)	(7)	(84)
Total changes in the statement of profit or loss and OCI	72	1,048	-	(750)	(750)	370
Other pre-recognised cash flows derecognised and other changes	-	-	-	-	-	-
Cash flows [note 25A(i)]	-	-	-	-	-	-
Net closing balance	72	1,048	-	(750)	(750)	370
Represented by:						
Closing assets	72	1,048	-	(750)	(750)	370
Closing liabilities	-	-	-	-	-	-
Net closing(assets)/liabilities balance	72	1,048	-	(750)	(750)	370

25. Insurance and reinsurance contracts (continued)

A. Movements in insurance and reinsurance contract balances (continued)

(iii) Insurance contracts measured under PAA

Analysis by remaining coverage and incurred claims

	2024					2023				
		Liabilities for incurred claims					Liabilities for incurred claims			
			Contracts under PAA					Contracts under PAA		
	Liabilities for remaining coverages $'000	Loss component $'000	Estimates of present value of future cashflow $'000	Risk adjustment for non-financial risk $'000	Total $'000	Liabilities for remaining coverages $'000	Loss component $'000	Estimates of present value of future cashflow $'000	Risk adjustment for non-financial risk $'000	Total $'000
Opening liabilities	1,589,535	-	3,408,783	203,112	5,201,430	1,379,714	-	2,584,411	152,980	4,117,105
Changes in the statement of profit or loss and OCI:										
Insurance revenue – Contracts measured under PAA (note 35)	(8,319,697)	-	-	-	(8,319,697)	(6,647,523)	-	-	-	(6,647,523)
Insurance service expenses:										
Incurred claims and other insurance service expenses	-	-	4,151,220	103,033	4,254,253	-	-	3,984,402	60,562	4,044,964
Amortisation of insurance acquisition cash flow	1,427,899	-	-	-	1,427,899	784,978	-	-	-	784,978
Adjustments to liabilities for incurred claims	-	-	(63,807)	(12,673)	(76,480)	-	-	(52,149)	(10,430)	(62,579)
	1,427,899	-	4,087,413	90,360	5,605,672	784,978	-	3,932,253	50,132	4,767,363
Insurance service result:	(6,891,798)	-	4,087,413	90,360	(2,714,025)	(5,862,545)	-	3,932,253	50,132	(1,880,160)
Net finance expenses/(income) from insurance contracts	-	-	(329,746)	-	(329,746)	-	-	(179,563)	-	(179,563)
Effect of movements in exchange rates	(40,727)	-	-	-	(40,727)	(24,883)	-	-	-	(24,883)
	(40,727)	-	(329,746)	-	(370,473)	(24,883)	-	(179,563)	-	(204,446)
Total changes in the statement of profit or loss and cash flows	(6,932,525)	-	3,757,667	90,360	(3,084,498)	(5,887,428)	-	3,752,690	50,132	(2,084,606)
Cash flows										
Premiums received	8,906,628	-	-	-	8,906,628	6,880,706	-	-	-	6,880,706
Claims and other insurance service expenses paid, including investment components	(1,465,494)	-	(2,549,080)	-	(4,014,574)	(783,457)	-	(2,928,318)	-	(3,711,775)
Total cash flows	7,441,134	-	(2,549,080)	-	4,892,054	6,097,249	-	(2,928,318)	-	3,168,931
Closing /liabilities balance	2,098,144	-	4,617,370	293,472	7,008,986	1,589,535	-	3,408,783	203,112	5,201,430

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Notes to the Financial Statements (Continued)
March 31, 2024

25. Insurance and reinsurance contracts (continued)

A. Movements in insurance and reinsurance contract balances (continued)

(iv) Reinsurance contracts measured under PAA

Analysis by remaining coverage and incurred claims

	2024				2023			
	Assets for remaining coverage				Assets for remaining coverage			
	Assets for remaining coverage $'000	Estimates of present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	Total $'000	Assets for remaining coverage $'000	Estimates of present value of future cash flows $'000	Risk adjustment for-non financial risk $'000	Total $'000
Opening assets	477,464	283,248	26,825	787,537	798,551	255,434	26,747	1,080,732
Changes in the statement of profit or loss and OCI:								
Allocation of reinsurance premiums paid	(5,371,733)	-	-	(5,371,733)	(2,922,422)	-	-	(2,922,422)
Amounts recoverable from reinsurers:								
Recoveries of incurred claims and other insurance service expenses	-	1,828,111	52,999	1,881,110	-	361,659	2,470	364,129
Adjustments to assets for incurred claims	2,746	(65,591)	(3,371)	(66,216)	-	(63,547)	(2,392)	(65,939)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-	-	-
Net expenses from reinsurance contracts:	(5,368,987)	1,762,520	49,628	(3,556,839)	(2,922,422)	298,112	78	(2,624,232)
Insurance service result:								
Net finance expenses from insurance contracts	-	(125,618)	-	(125,618)	-	(1,954)	-	(1,954)
Effect of movement in exchange rates	-	-	-	-	1,678	-	-	1,678)
	-	(125,618)	-	(125,618)	1,678	(1,954)	-	(276)
Total changes in the statement of profit or loss and OCI	(5,368,987)	1,636,902	49,628	(3,682,457)	(2,920,744)	296,158	78	(2,624,508)
Cash flows								
Premiums paid	5,182,463	-	-	5,182,463	2,599,657	-	-	2,599,657
Recoveries from reinsurance	-	(671,030)	-	(671,030)	-	(268,344)	-	(268,344)
Total cash flows	5,182,463	(671,030)	-	4,511,433	2,599,657	(268,344)	-	2,331,313
Net closing balance	290,940	1,249,120	76,453	1,616,513	477,464	283,248	26,825	787,537

25. Insurance and reinsurance contracts (continued)

B. Assets for insurance acquisition cash flows

	2024 $'000	2023 $'000
Balance at beginning of year	28,809	18,648
Amounts incurred during the year	53,868	53,572
Amounts derecognised and included in the measurement of insurance contracts	(24,148)	(43,411)
Balance at end of year	58,529	28,809
Assets for insurance acquisition cash flows are presented in the carrying amount of the related portfolio of insurance contracts as follows:		
Insurance contract assets	48,643	28,746
Insurance contract liabilities	94	63

(i) Expected timing of derecognition of insurance acquisition cash flows asset:

	Number of years until expected derecognition		
	1 year	2 years	3 years
As at March 31, 2024	58,529	-	-
As at March 31, 2023	28,809	-	-

C. Effect of contracts initially recognised in the year

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts not measured under the PAA in the year.

(i) Insurance contracts not measured at PAA

	2024			2023		
	Profitable contracts issued $'000	Onerous contracts issued $'000	Total $'000	Profitable contracts issued $'000	Onerous contracts issued $'000	Total $'000
Insurance acquisition cash flows	120,517	4,066	124,583	64,079	3,056	67,135
Estimates of present value of cash outflows	650,416	32,988	683,404	424,892	23,406	448,298
Estimates of present value of cash inflows	(1,100,865)	(38,751)	(1,139,616)	(664,298)	(31,495)	(695,793)
Risk adjustment for non-financial risk	143,020	8,720	151,740	90,393	7,142	97,535
CSM	186,912	-	186,912	84,934	-	84,934
	(120,517)	2,957	(117,560)	(64,079)	(946)	(65,025)
Losses recognised on initial recognition	-	7,023	7,023	-	2,110	2,110

25. Insurance and reinsurance contracts (continued)

C. Effect of contracts initially recognised in the year (continued)

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts not measured under the PAA in the year (continued).

(ii) Insurance contracts not measured at PAA (continued)

	2024			2023		
	Contracts initiated without loss recovery components $'000	Contracts initiated with loss recovery components $'000	Total $'000	Contracts initiated without loss recovery components $'000	Contracts initiated with loss recovery components $'000	Total $'000
Estimates of present value of cash inflows	-	(5,451)	(5,451)	-	(10,148)	(10,148)
Estimates of present value of cash inflows	-	6,019	6,019	-	9,480	9,480
Risk adjustment for non-financial risk	-	(1,474)	(1,474)	-	(1,848)	(1,848)
CSM	-	2,042	2,042	-	1,180	1,180

D. Contractual service margin

The following table sets out when the Group expects to recognise the remaining CSM in profit or loss after the reporting date for contracts not measured under the PAA.

	Less than 1 year $'000	1 to 2 years $'000	2 to 3 years $'000	3 to 4 years $'000	4 to 5 years $'000	5 to 10 years $'000	More than 10 years $'000	Total $'000
March 31, 2024								
Insurance contract	56,696	46,021	36,405	28,688	22,186	63,260	65,256	318,512
Reinsurance contract	(51)	(44)	(39)	(35)	(30)	(101)	(41)	(341)
March 31, 2023								
Insurance contract	26,583	21,252	16,831	13,025	10,234	28,994	32,872	149,791
Reinsurance contract	(64)	(55)	(49)	(45)	(42)	(179)	(316)	(750)

26. Long-term loans

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
JN Bank Ltd (i)	-	-	968,632	604,216
Total Credit Services Limited (ii)	-	-	100,279	-
Unsecured bond (iii)	6,632,507	6,430,860	-	-
Subordinated debt (iv)	669,000	669,000	-	-
	7,301,507	7,099,860	1,068,911	604,216

(i) This represents loans secured by debenture notes that bear interest at a rate of 9.5% per annum, with minimum principal of $20.00 million repayable on each anniversary date until maturity on December 22, 2027, February 15, 2028 and May 31, 2028. Interest is payable quarterly from the issue date of the loans.

(ii) This represents an unsecured loan which bears interest at a rate of 6.00% per annum, with principal repayable upon maturity on March 14, 2025. Interest is repayable monthly.

(iii) This represents an unsecured bond which bears interest at 7.75% per annum, with principal repayable upon maturity on September 30, 2024. Interest is repayable quarterly. The loan is disclosed net of deferred transaction cost, which is amortised over the life of the loan, $29.25 million of which was paid to a subsidiary at the outset.

On August 16, 2022, an additional facility of $4 billion was acquired which bears interest at 10.30% per annum, with principal repayable in equal amounts semi-annually on interest payment dates, after an eighteen-month moratorium, until maturity on August 16, 2025. Interest is repayable semi-annually. The loan is disclosed net of deferred transaction cost, which is amortised over the life of the loan, $10 million of which was paid to a subsidiary at the outset.

During the year the maturity date of the loan was extended to August 16, 2028 and the interest rate increased to 12% per annum, resulting in a loss on modification of $145 million being recognised. The amortised cost of the loan before modification was $3.95 billion.

Compliance with a financial loan covenant was assessed after the year-end based on the financial results as at March 31, 2024, for an unsecured bond issued by a subsidiary. The covenant was not achieved and the subsidiary has notified the trustees of the planned action being taken, to include the execution of strategic initiatives to improve profitability within the cure period. As at December 31, 2024 the JNFG met the ratios except the Return on Assets (ROA), and was granted forbearance to meet the ROA until September 30, 2025.

(iv) This represents subordinated debt obligations maturing on September 30, 2026. The debt obligations were issued on March 31, 2022 at an interest rate of 7.75% per annum for 5.5 years. The obligations are secured by a basket of securities and have fixed quarterly coupon payments and bullet payments of principal at maturity. This qualifies as Tier 2 capital in keeping with the requirements of the FSC for the indirect investment management subsidiary.

27. Leases

(a) The Group leases properties. These leases typically run for periods of five and three years, respectively, with an option to renew the lease after the relevant dates. Lease payments are renegotiated at the time of lease renewal to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases that are short-term and/or leases of low-value items.

Information about leases for which the Group is the lessee is presented below:

(i) Right-of-use assets	Group	Company		
	Land and buildings	Buildings	Motor Vehicles	Total
	$'000	$'000	$'000	$'000
Cost:				
March 31, 2022	1,888,309	83,201	140,204	223,405
Additions	386,537	-	-	-
Translation adjustments	(43,284)	-	-	-
March 31, 2023	2,231,562	83,201	140,204	223,405
Additions	961,759	3,200	11,350	14,550
Translation adjustment	24,437	-	-	-
Lease termination adjustments	(245,811)	(16,885)	(15,994)	(32,879)
March 31, 2024	2,971,947	69,516	135,560	205,076
Depreciation:				
March 31, 2022	833,901	12,805	40,907	53,712
Charge for the year	338,941	13,653	28,041	41,694
March 31, 2023	1,172,842	26,458	68,948	95,406
Charge for the year	508,909	12,208	27,568	39,776
Translation adjustment	14,993	-	-	-
Lease termination adjustment	(245,219)	(6,254)	(9,596)	(15,850)
March 31, 2024	1,451,525	32,412	86,920	119,332
Net book values:				
March 31, 2024	1,520,422	37,104	48,640	85,744
March 31, 2023	1,058,720	56,743	71,256	127,999

27. Leases (continued)

(a) (Continued)

Information about leases for which the Group and Company are lessees is presented below (continued):

(ii) Lease liabilities

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Lease liabilities included in the statements of financial position	3,256,551	1,239,190	100,823	143,321
Lease liabilities are classified as follows:				
Current	655,888	303,463	41,734	41,400
Non-current	2,600,663	935,727	59,089	101,921
	3,256,551	1,239,190	100,823	143,321
Maturity analysis of contractual Undiscounted cash flows:				
Less than one year	860,110	322,572	53,207	50,366
One to five years	1,929,256	703,910	65,886	115,102
More than five years	1,169,690	387,613	-	-
	3,959,056	1,414,095	119,093	165,468

(iii) Amounts recognised in statements of profit or loss

	Group 2024	Group 2023	Company 2024	Company 2023
Interest expense on lease liabilities (note 32)	159,623	60,254	11,752	12,085
Depreciation on right-of-use assets	508,909	338,941	39,776	41,694
Expenses related to short-term leases	21,099	49,755	-	-

(iv) Amounts recognised in statements of cash flows:

	Group 2024	Group 2023	Company 2024	Company 2023
Total cash outflow for leases	732,465	364,367	51,771	49,245

(v) Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liabilities of $99.58 million (2023: $56.57 million).

27. Leases (continued)

(b) The Group as lessor

The Group leases out property and equipment. The Group has classified these as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group was $43.94 million (2023: $47.71 million), see note 15(c).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2024	2023
	$'000	$'000
Less than one year	47,713	300,856
One to five years	274,883	173,516
	322,596	474,372

The Company does not have any lease as lessor.

28. Reserve fund

In accordance with the Banking Services Act, 2014 and regulations, under which one of the indirect subsidiaries operates, the entity is required to make transfers to the reserve fund of a minimum of 15% of net profits, until the amount in the fund is equal to 50% of the paid-up capital of the subsidiary, and thereafter 10% of the net profits until the fund is equal to its paid-up capital.

29. Contractual savings reserve

Under a previously operated scheme, the members of the predecessor entity, the Society, after meeting certain criteria, including saving a contracted sum at a fixed interest rate of 3% per annum which is maintained by an indirect subsidiary, became eligible to apply for a mortgage loan at a fixed interest rate of 5% per annum. The reserve was established in anticipation of the shortfall in interest income in future years, from the provision of this facility. Management continually monitors the adequacy of the reserve and makes appropriate adjustments, as necessary.

30. Other reserves

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000 Restated*	$'000	$'000
Capital reserve	83,076	83,076	-	-
Translation reserve [see (a)]	595,987	614,109	-	-
Investment revaluation reserve [see (b)]	(4,319,433)	(4,544,148)	-	-
Credit loss reserve [see (c)]	748,613	583,778	-	-
Unclaimed funds reserves [see note (d)]	150,293	149,041	150,293	149,041
Other reserves	8,002	8,002	-	-
Property revaluation reserve [see (f)]	266,870	-	-	-
Retained earnings reserve [see (g)]	7,123,000	7,123,000	-	-
Insurance finance reserve[see (e)]	42,522	35,401	-	-
	4,698,930	4,052,259	150,293	149,041

* See note 50

30. Other reserves (continued)

(a) Translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries to Jamaica dollars for consolidation purposes.

(b) This represents unrealised losses on the revaluation of investments classified as FVOCI, net of deferred tax and expected credit losses.

(c) This is a non-distributable reserve representing the excess of regulatory and other provisions over the IFRS allowance for loan losses [note 12(f)].

(d) This reserve was created in the ompany on February 1, 2017 under a scheme of arrangement to meet possible claims from customers with dormant accounts exceeding 15 years who may come forward.

(e) The insurance finance reserve comprises the cumulative finance income and expenses recognised in other comprehensive income on insurance and reinsurance contracts.

(f) This represents fair value gains arising from the reclassification of property and equipment to investment properties (note 15).

(g) The Banking Services Act, 2014 permits transfers from net profits to retained earnings reserve for a banking indirect subsidiary, which constitutes a part of the capital base of that subsidiary. Transfers to the retained earnings reserve are made at the discretion of the Board of Directors. Such transfers must be notified to the Bank of Jamaica and any transfer from the reserve must also be approved by the Bank of Jamaica. During the year a banking indirect subsidiary transferred Nil (2023: Nil) from retained earnings to retained earnings reserve.

31. Non-controlling interest

(a) Non-controlling interest

	Group	
	2024	2023
	$'000	$'000
Share capital	3,612	3,612
Share of profits and reserves	63,324	59,425
	66,936	63,037

This represents the non-controlling interest in the following indirect subsidiaries:

	Non-controlling interest holding	
	2024	2023
	%	%
JN Cayman	4.11	4.11
Management Control Systems Limited	2.69	2.69
JN General Insurance Company Limited	0.36	0.36

(b) Dividends to shareholders

	2024	2023
	$'000	$'000
Interim dividends paid to non-controlling interest	17	17

31. Non-controlling interest (continued)

At the Board of Directors meeting held on November 14, 2023 (2023: December 22, 2022) the directors of an indirect subsidiary declared interim dividends of which $0.017 million (2023: $0.017 million) were paid to shareholders with non-controlling interest.

32. Interest expense

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Specialised financial institutions	61,741	83,380	-	-
Customer deposits	3,179,700	1,442,078	-	-
Securities sold under repurchase agreements	2,637,995	1,747,708	-	-
Long-term loans	825,486	724,504	88,061	11,244
Lease liabilities [note 27(b)(iii)]	159,623	60,254	11,752	12,085
Other	26,209	93,011	279	118,824
	6,890,754	4,150,935	100,092	142,153

33. Net gains/(losses) on investment

	Group	
	2024	2023
	$'000	$'000 Restated*
Unrealised gains/(losses) on fair value through profit or loss (FVTPL) on investment securities	40,522	(51,199)
Loss on disposal of fair value through other comprehensive income (FVOCI) investment securities	(16,717)	(338)
	23,805	(51,537)

*See note 50

34. Net financial result

The following table analyses the Group's net financial result in profit or loss and OCl.

	Group	
	2024	2023
	$'000	$'000
Investment return:		
Interest revenue calculated using the effective interest method	14,471,623	13,351,062
Other investment revenue/(expense)	23,805	(51,537)
Expected credit loss adjustment on financial assets	(2,759,206)	(2,662,549)
Amounts recognised in OCI	328,921	(3,234,069)
Total investment returns	12,065,143	7,402,907
Net finance expenses from insurance contracts:		
Interest accreted	319,152	171,380
Effect of changes in interest rates and other financial assumptions	9,464	47,201
Total net finance expenses from insurance contracts	328,616	218,581

34. Net financial result (continued)

The following table analyses the Group's net financial result in profit or loss and OCl (continued).

	Group	
	2024	2023
	$'000	$'000
Net finance income from reinsurance contracts:		
Interest accreted	(125,587)	(1,954)
Other	97	(84)
Total net finance income from reinsurance contracts	(125,490)	(2,038)
	12,268,269	7,619,450
Represented by:		
Amounts recognised in profit or loss	11,929,853	10,806,318
Amounts recognised in OCI	338,416	(3,186,868)
	12,268,269	7,619,450
A. Insurance finance income and expenses:		
Net finance expenses from insurance contracts:		
Net finance expenses from reinsurance contracts-recognised	319,152	171,380
Net finance expenses from reinsurance contracts-recognised in in OCI	9,464	47,201
	328,616	218,581
Net finance income from reinsurance contracts:		
Net finance expenses from reinsurance contracts-recognised	(125,521)	(2,038)
Net finance expenses from reinsurance contracts-recognised in in OCI	31	-
	(125,490)	(2,038)
B. Net finance income from reinsurance contracts:		
Investments measured at fair value through other comprehensive income (FVOCI)	538,529	391,606
Investments measured at amortised cost	233,287	252,649
Staff loans measured at amortised cost	363	469
	772,179	644,724

On transition to IFRS 17, for certain groups of insurance and reinsurance contracts in the life risk and life savings segments, the Group determined the cumulative insurance finance income and expenses recognised in OCI at April 1, 2023 using the fair value approach (see note 50). The movement in the fair value reserve for the debt investments at FVOCI financial assets related to those groups of contracts was as follows:

	2024	2023
	$'000	$'000
		Restated*
Balance at beginning of year	10,394	30,203
Net change in fair value	4,475	(26,326)
Net amount reclassified to profit or loss related income tax	(1,246)	6,517
Balance at end of year	13,623	10,394

35. Insurance revenue

	Group	
	2024	2023
	$'000	$'000 Restated*
Contracts not measured under the PAA:		
Amounts relating to changes in liabilities for remaining coverage:		
CSM recognised for services provided [note 25A(i)]	55,684	26,277
Change in risk adjustment for non-financial risk for risk expired	55,846	39,141
Expected incurred claims and other insurance service expenses	205,950	133,802
Other - experience adjustments arising from premiums received in the period other than those that relate to future service		
Recovery of insurance acquisition cash flows	29,026	6,198
Total insurance revenue for contracts not measured under PAA [note 25A(i)]	346,506	205,418
Contracts measured under the PAA [note 25A(iii)]	8,319,697	6,647,523
Total insurance revenue	8,666,203	6,852,941

36. Other operating income

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000 Restated*	$'000	$'000
Fees and commission:				
Commission income	56,344	133,235	-	-
Transaction fees	955,700	879,197	-	-
Loan fees	862,256	673,698	-	-
Money transfer fees	1,691,699	2,098,791	-	-
Mobile credit top up	12,777	13,000	-	-
Asset management fees	196,324	184,129	-	-
Corporate finance and advisory fees	148,380	30,053	-	-
Other fees and commission	94,854	112,206	-	-
Total fees and commission	4,018,334	4,124,309	-	-
Sundry:				
Realised gains on foreign exchange trading	3,604,901	3,874,436	-	-
Management fees	-	-	2,332,921	1,494,233
Gains on extinguishment of liability	-	943,222	-	-
Dividends	66,959	267,022	1,058,000	761,000
Increase in fair value of investment property (note 15)	32,408	186,599	-	-
Rendering of services [note 48(w)]	2,936,402	2,025,199	1,865,205	2,134,641
Gain on disposal of property	2,466,774	629,551	-	-
Gain on purchase of mortgage receivable portfolio	-	-	-	5,646,496
Loss on disposal of interest in an associate (note 11)	(127,750)	-	-	-
Other	470,284	641,944	126	-
Total sundry	9,449,978	8,567,973	5,256,252	10,036,370
Total other operating income	13,468,312	12,692,282	5,256,252	10,036,370

* See note 50

37. Operating expenses

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
		Restated *		
Administrative	5,098,999	4,756,704	638,303	643,580
Employee costs (note 39)	14,797,520	14,015,274	2,827,909	2,570,643
Advertising and promotion	710,580	577,893	100,687	128,808
Audit fees – current year	442,878	369,417	16,099	14,636
– Prior year	-	7,618	-	7,618
Bad debts written-off for loans and other receivables	590,553	328,753	35,000	-
Directors' fees	225,982	185,825	42,731	42,226
Directors' remuneration	102,058	99,388	102,058	99,388
Depreciation and amortisation	1,652,384	1,372,844	205,690	179,121
Legal and other professional fees	6,016,596	4,815,537	578,783	1,288,446
Impairment on asset held for sale	7,614	-	-	-
Insurance claims and benefits	4,039,863	3,568,981	-	-
Losses on onerous contracts	12,944	4,778	-	-
Amortization of insurance acquisition cashflows	29,026	6,198	-	-
	33,726,997	30,109,210	4,547,260	4,974,466
Represented by:				
Insurance service expenses	5,726,587	4,854,431	-	-
Other operating expenses	28,000,410	25,254,779	4,547,260	4,974,466
	33,726,997	30,109,210	4,547,260	4,974,466

38. Taxation

(a) Taxation is based on the profit for the year, as adjusted for income tax purposes, and is made up as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
		Restated*		
(i) Current tax expense:				
On profit for the year	285,307	1,649,384	-	513,332
Employment tax credit	(15,634)	(174,092)	-	(163,152)
Adjustments in respect of prior year	(56,360)	7,901	-	-
	213,313	1,483,193	-	350,180
(ii) Deferred taxation (note 18):				
Origination and reversal of temporary differences	(959,313)	(363,212)	43,728	(38,321)
Unrecognised tax losses	(80,103)	274,083	(76,166)	519,228
	(1,039,416)	(89,129)	(32,438)	480,907
Total taxation in statements of profit or loss	(826,103)	1,394,064	(32,438)	831,087

* See note 50

38. **Taxation (continued)**

(b) Reconciliation of effective tax charge:

Income tax is computed at rates of 25% for the Company, 15%, 33⅓% and 25% for local direct and indirect subsidiaries and 19%, 26½% and 40% for certain foreign indirect subsidiaries. Dividends received from local subsidiaries and companies external to the Group are subject to withholding tax at 0% and 15%, respectively.

Tax is computed on income at 0% for Cayman Islands indirect subsidiaries. The effective tax rate for 2024 was a tax credit of 24.56% of loss before taxation (2023: a tax charge of 60.28% of loss before taxation) for the Group and a tax credit of 8.50% of profit before taxation (2023: a tax charge of 16.65% of profit before taxation) for the Company.

The actual charge differs from the "expected" tax charge for the year, as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000 Restated *	$'000	$'000
(Loss)/profit before taxation	(3,363,284)	(2,312,692)	381,477	4,990,457
Computed "expected" tax expense at 15% & 19%	7,566	3,350	-	-
Computed "expected" tax expense at 25%	394,175	1,476,138	95,369	1,247,614
Computed "expected" tax expense at 26½ %	157,989	9,537	-	-
Computed "expected" tax expense at 33⅓% & 40%	(698,460)	766,534	-	-
	(138,730)	2,255,559	95,369	1,247,614
Tax effect of difference between profit for financial statements and tax reporting purposes on -				
Depreciation charge and capital allowances	215,916	48,910	70,746	(11,148)
Loss/(gain) on disposal of property, plant and equipment	(611,587)	3,482	(2,248)	-
Unfranked and exempt income	(212,473)	(593,255)	-	(190,250)
Loss/(gain) on disposal of investments	4,961	354	-	-
Disallowed expenses, net	(157,347)	(226,948)	(194,973)	16,786
Employment tax credit	(15,634)	(174,092)	-	(163,152)
Tax losses	(113,627)	(15,589)	-	(74,228)
Reversal of impairment losses on loan	-	204,588	-	-
Other	258,778	(116,846)	(1,332)	5,465
	(769,743)	1,386,163	(32,438)	831,087
Prior year under provision	(56,360)	7,901	-	-
Actual tax (credit)/expense, net	(826,103)	1,394,064	(32,438)	831,087

(c) At March 31, 2024, taxation losses of the Company and local indirect subsidiaries available for relief against future taxable profits, subject to the agreement of the Commissioner General, Tax Administration Jamaica, aggregated approximately $4,997.05 million (2023: $4,500.00 million) for the Group and $723.81 million (2023: $Nil) for the Company.

Effective January 1, 2014, tax losses may be carried forward indefinitely. However, the amount that can be utilised in any one year is restricted to 50% of the taxable profits for the year. This became applicable for the Company and its direct subsidiaries as of April 1, 2023, as they were within their first five years of assessment following the year of assessment in which they commenced business.

* See note 50

38. Taxation (continued)

(d) At March 31, 2024, a deferred tax liability of approximately $3,800.00 million (2023: $3,560.00 million), relating to investment in certain indirect subsidiaries and associated companies, has not been recognised as the Company controls, or significantly controls, whether any liability will be incurred and management is satisfied that it will not be incurred in the foreseeable future.

39. Employee costs

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Salaries	11,142,095	10,294,162	2,205,523	2,033,691
Group life, pension and health insurance contributions	1,135,904	1,052,334	229,721	200,404
Statutory payroll contributions	1,203,441	1,097,341	243,629	201,791
Staff welfare	389,357	482,785	-	-
Other	926,723	1,088,652	149,036	134,757
Total (note 37)	14,797,520	14,015,274	2,827,909	2,570,643

40. Related party balances and transactions

(a) Definition of related party:

A related party is a person or entity that is related to the Group.

A. A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or a parent of the Group.

B. An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled, or jointly controlled, by a person identified in A.

(vii) A person identified in A(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

40. Related party balances and transactions (continued)

(a) Definition of related party (continued):

B An entity is related to the Group if any of the following conditions applies (continued):

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group [or to the parent of the Group].

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(b) Identity of related parties:

The Company has a related party relationship with its subsidiaries, indirect subsidiaries, associates, the JN Group Pension Scheme, directors, companies owned by directors, other key management personnel and JN Foundation.

(c) The statements of financial position include balances, arising in the ordinary course of business, with related parties, as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Cash resources				
Other related entities	-	-	237,518	162,159
Loans				
Other key management personnel	250,361	281,610	-	-
Other related entities	-	-	264,684	133,395
Other assets				
Other related entities	-	-	173,088	408,039
Customer deposits				
Directors	303,453	246,734	-	-
Other key management personnel	84,942	99,897	-	-
Other related entities	37,949	49,969	-	-
Securities sold under repurchase agreements				
Directors	31,197	87,695	-	-
Other related entities	304,943	438,464	-	-
Other payables				
Other related entities	168,171	157,242	353,915	332,640
Long-term loans				
Other related entities	-	-	1,068,911	604,216

40. Related party balances and transactions (continued)

(d) The statements of profit or loss include income earned from, and expenses incurred in, transactions with related parties in the ordinary course of business, as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Subsidiaries:				
Dividend income	-	-	(1,058,000)	(761,000)
Interest income	-	-	(3,229)	-
Management fees income	-	-	(54,215)	(1,494,233)
Fee income	-	-	(5,133)	-
Management fees expense	-	-	60,973	23,579
Directors:				
Interest expense	6,330	5,115		-
Other related parties:				
Interest income	-	-	(4,492)	(94,429)
Management fees income	-	-	(2,278,706)	-
Fee income	-	(75,281)	(1,783,445)	(2,105,464)
Management fee expense	-	-	23,956	25,952
Interest expense	57,811	24,455	89,560	12,616
Insurance expense	-	-	37,229	14,951
Contribution to pension scheme	259,638	328,016	104,313	82,905
Contribution to JN Foundation	72,514	59,762	19,205	29,000

(e) Compensation paid to or in respect of key management personnel (directors and senior executives) included in employee costs (note 39) is as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Short-term benefits	541,377	471,409	211,174	202,902
Post-employment benefits	21,080	16,029	8,213	7,874
	562,457	487,438	219,387	210,776

41. Managed funds

An indirect subsidiary acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. The Group has no legal or equitable right or interest in these funds and, accordingly, these funds and the assets in which they are invested have been excluded from these financial statements. at March 31, 2024, these funds amounted to $50.77 billion (2023: $40.91 billion).

42. Financial risk management

(a) Overview:

The Group has exposure to the following financial risks from its operations and the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

42. Financial risk management (continued)

(a) Overview (continued):

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and its management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board and management have established the Finance Committee, the Group Risk and Compliance Unit and Group Audit Committee, which are responsible for developing and monitoring risk management policies in their specified areas. These committees have both executive and non-executive members and report to the Board of Directors on their activities.

The Group's risk management policies are established to identify, assess and measure the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The focus of financial risk management for the Group is ensuring that the Group has adequate economic capital and that the proceeds from its disposal of financial assets are sufficient to fund the obligations arising from its deposit base and other contractual liabilities. The goal of the investment management process is to, within the policy guidelines, optimise the after-tax investment income and total return by investing in a diversified portfolio of securities and other financial assets, whilst ensuring that the assets and liabilities are managed on a cash flow and duration basis.

A key aspect of the management of the Group's financial risk is matching the timing of cash flows relating to assets and liabilities. The Group actively manages its investments using an approach that balances quality, diversification, liquidity and return. The portfolio is reviewed on a periodic basis, as are investment guidelines and limits, with the objective of ensuring that the Group can always meet its obligations without undue cost and in accordance with the Group's internal and regulatory capital requirements.

The Group Audit Committee is responsible for monitoring compliance with the Group's risk management policies and procedures. The Group Audit Committee is assisted by the Group Internal Audit Department which undertakes cyclical reviews of risk management controls and procedures, the results of which are reported to the heads of the Group Risk and Compliance Unit, the Group Audit Committee and the Board of Directors.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions, and products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Credit risk:

Credit risk is the risk of financial loss should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. Credit risk arises mainly from interbank, commercial and consumer loans and advances, and loan commitments arising from such lending activities, financial guarantees, letters of credit, endorsements and acceptances. The Group is also exposed to credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures') including non-equity trading portfolio assets as well as settlement balances with market counterparties and reverse repurchase agreements.

42. Financial risk management (continued)

(b) Credit risk (continued):

Credit risk is the single largest risk for the Group's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control functions are centralised in the credit risk and treasury management teams which report regularly to the appropriate board committee.

(i) Credit risk management

A. Loans and advances (including loan commitments and guarantees)

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

Credit risk grading

The Group uses internal credit risk gradings that reflect its assessment of the creditworthiness of individual counterparties. Borrower and loan specific information collected at the time of application (such as age, total debt service ratio, type of employment, net worth, and level of collateral for retail exposures; turnover and industry type for wholesale exposures) is fed into the rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the model enables expert judgement from management to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade.

The table below reflects the Group's internal rating classification currently used only to determine the applicant's credit worthiness:

Credit classification	Credit score	Credit risk rating
Excellent	789 – 866	R1
Very good	712 – 788	R2
Good	634 – 711	R3
Acceptable	557 – 633	R4
Marginal	479 – 556	R5
Potential problem	401 – 478	R6
Substandard	324 – 400	R7
NPL doubtful	246 – 323	R8

42. Financial risk management (continued)

(b) Credit risk (continued):

(i) Credit risk management (continued)

B. Investments

For debt securities in the Treasury portfolio, external rating agency credit grades are used.

These published grades are continually monitored and updated. The PD's associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

The Group's rating method comprises 20 rating levels for instruments not in default (1 to 20) and three default levels (21 to 23). The master scale assigns each rating category a specified range of probabilities of default, which is stable over time. The rating methods are subject to an annual validation and recalibration so that they reflect the latest projections in the light of all actually observed defaults.

The Group's internal rating scale, mapped to external ratings, are set out below:

Group's internal rating	TTC PD as a percentage (Corporate)	TTC PD as a percentage (Sovereign)	S & P	Moody's	Description of Grade
1	0.03%	0.00%	AAA	Aaa	Investment Grade
2	0.10%	0.00%	AA+	Aa1	
3	0.10%	0.00%	AA	Aa2	
4	0.10%	0.00%	AA-	Aa3	
5	0.10%	0.01%	A+	A1	
6	0.10%	0.01%	A	A2	
7	0.10%	0.01%	A-	A3	
8	0.20%	0.08%	BBB+	Baa1	
9	0.20%	0.08%	BBB	Baa2	
10	0.20%	0.08%	BBB-	Baa3	
11	1.10%	0.42%	BB+	Ba1	Speculative Grade
12	1.10%	0.42%	BB	Ba2	
13	1.10%	0.42%	BB-	Ba3	
14	3.00%	2.44%	B+	B1	
15	3.00%	2.44%	B	B2	
16	3.00%	2.44%	B-	B3	
17	6.80%	12.61%	CCC+	Caa1	
18	6.80%	12.61%	CCC	Caa2	
19	6.80%	12.61%	CCC-	Caa3	
20	25.00%	12.61%	CC	Ca	
21	25.00%	12.61%	C	C to D	Default
22	100.00%	100.00%	D		
23	100.00%	100.00%	SD		

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement

A. Credit impairment modelling

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1

A financial instrument that is not credit-impaired on initial recognition is classified in ‘Stage 1’ and has its credit risk continually monitored by the Group.

Stage 2

If a significant increase in credit risk (‘SICR’) since initial recognition is identified but the financial instrument is not yet deemed to be credit-impaired, the financial asset is moved to ‘Stage 2’.

Stage 3

Purchased or originated credit-impaired (POCI) financial assets are those financial assets that are credit-impaired on initial recognition. POCI financial assets and financial assets for which there has been a significant increase in credit risk since initial recognition such that the financial assets are determined to be credit impaired are moved to ‘Stage 3’.

Change in credit quality since initial recognition

Stage 1	**Stage 2**	**Stage 3**
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Significant increase in credit risk and assets deemed credit-impaired)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 42(b)(ii) B(4) includes an explanation of how the Group has incorporated this in its ECL models.

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard relating to the determination of ECL are presented below:

(1) *Significant increase in credit risk (SICR)

- Loans

  The Group considers a loan to have experienced a significant increase in credit risk when the following occurs:

  - There are qualitative factors that will negatively impact the borrower.
  - The loan is 30 days past due.

- Investments

  External credit rating grades are used as the basis for the assessment of increases in credit risk of investment instruments. Movements within investment grade are not construed as significant increases in credit risk of investment instruments; however, exceptional conditions may be taken into consideration. A movement by two notches will trigger a migration from Stage 1 to Stage 2.

  A significant increase in credit risk is determined to have occurred if, for both Corporate and Sovereign portfolios, the borrower or issuer is on the Watchlist and/or the instrument meets one or more of the following criteria:

  - Significant increase in credit spread;
  - Significant adverse changes in business, financial and/or economic conditions in which the borrower operates;
  - Actual or expected forbearance or restructuring;
  - Actual or expected significant adverse change in operating results of the borrower;
  - Significant change in collateral value (secured facilities only) which is expected to increase risk of default;
  - Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/loans.

For both loans and investments, the assessment of SICR for incorporates forward-looking information and is performed on a quarterly basis at a portfolio level for all retail financial instruments held by the Group. In relation to Corporate and Sovereign financial instruments, where a Watchlist is used to monitor credit risk, this assessment is performed at the counterparty level and on a periodic basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(1) Significant increase in credit risk (SICR) (continued)

Backstop:

Regardless of the other criteria listed above for determining whether there has been a significant increase in credit risk, delinquency is applied as a backstop, thus the financial instrument is considered to have experienced a significant increase in credit risk if the borrower or issuer is more than 30 days past due on its contractual payments.

The Group has used the low credit risk exemption for intragroup exposures in the years ended March 31, 2024 and 2023.

(2) Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

(1) The borrower is more than 90 days past due on its contractual payments (other number of days below 90 days in the case of small business and remittance entities in the Group).

(2) The borrower meets unlikeliness-to-pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance;
- The borrower is deceased;
- The borrower is insolvent;
- The borrower is in breach of financial covenant(s);
- An active market for that financial asset has disappeared because of financial difficulties;
- Concessions have been made by the lender relating to the borrower's financial difficulty;
- It is becoming probable that the borrower will enter bankruptcy;
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD for the Group's expected credit loss calculations.

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(2) Definition of default and credit-impaired assets (continued)

An instrument is considered to no longer be in default (i.e. default has been cured) when it no longer meets any of the default criteria for a period of three (3) consecutive months. This period of three months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

(3) Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition, but without the asset being impaired, or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD, defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(3) Measuring ECL - Explanation of inputs, assumptions and estimation techniques (continued)

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition but without the asset being impaired throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type, as follows:

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month period or lifetime basis.
- For revolving products, the exposure at default is predicted by taking the current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type, as follows:

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

- For unsecured products, LGD is typically set at product level due to the limited differentiation in recoveries achieved across different borrowers.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type.

The assumptions underlying the ECL calculation, such as the underwriting terms, performance of the portfolio and changes in market conditions, are monitored and reviewed on an annual basis.

There have been no significant changes in estimation techniques or significant assumptions during the reporting period.

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(4) Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. The economic variables for each jurisdiction in which the Group operates (the "base economic scenario") were provided by the Group's Business Advisory Services Unit and are reviewed on an annual basis. The macro-economic variables provided were then estimated against each entity's NPL ratios within the JN Group. The macro-economic variables that were statistically significant with NPLs were then weighted and calibrated to the Through the Cycle (TTC) PDs of each entity by using the Vasicek Model. This model takes into consideration the effects of the business cycle to capture the changes in the macro-environment. Expert judgement was utilised in the process to help determine the impact the change in the macro- environment will have on the components of LGD and EAD. Forecasts provided by the International Monetary Fund along with historical assessments of losses during down times, informed the possible impact on the Group's credit portfolio default rates.

In addition to the base economic scenario, the Group Risk and Compliance unit also provided other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed on an annual basis.

At March 31, 2024 and 2023, the Group concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes of which each chosen scenario is representative. The assessment of SICR is performed using the Lifetime PD under each of the base and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators.

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(4) Forward-looking information incorporated in the ECL models (continued)

This determines whether the whole financial instrument is in Stage 1, Stage 2 or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Group measures ECL as either a probability-weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs). As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Economic variable assumptions

The most significant assumptions used for the ECL estimate as at March 31, 2024 and 2023 are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

The weightings assigned to each economic scenario were as follows:

	Base	Upside	Downside
March 31, 2024			
Loans	50%	30%	20%
Investments	60%	30%	10%
March 31, 2023			
Loans	60%	30%	10%
Investments	10%	10%	80%

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(4) Forward-looking information incorporated in the ECL models (continued)

Management used the Vasicek model to apply forward looking information.

In incorporating the forward - looking information (FLI), the Group assessed the correlation of the following economic variables against its annual non-performing loan (NPL) ratios for the period 2010-2027:

- Real GDP
- Unemployed rate
- Interest rate
- Inflation rate

Annual projections of these variables were incorporated for the period 2023-2028. The variables that indicated moderate correlation to the Group's NPL ratios were inflation and interest rates. These variables were weighted and included in the Group's Vasicek Model. Linear regression analyses were performed under the different scenarios of base, best and worst cases in the Vasicek Model to determine the standardized Lagged Z Scores. The unstandardized Z Scores were then determined by multiplying the standard deviation of the NPL ratios and adding the mean of the NPL ratios over the period 2010 – 2028. The unstandardized Z scores were then weighted by each economic variable to determine the overall Z Scores for each scenario. The Z Scores for each economic scenario were then calibrated to the Through the Cycle (TTC) PDs to determine the Point in Time (PIT) PDs. The table below lists the macroeconomic assumptions used in the base, best and worse scenarios over the forecast period for variables that indicated moderate correlation to the Group's NPL.

The table below lists the macroeconomic assumptions used in the base, best and worse scenarios over the forecast period for variables that indicated moderate correlation to the Group's NPL.

Probability Weighted Scenarios					
Base Case					
Macro Variables	Z score (standardized)	Z score	Sector DR	Weighting	Z score Weighted
Real GDP	-0.123	-0.329	4.062%	2.97%	-0.010
Unemployment rate	0.456	-0.099	3.327%	36.67%	-0.036
Inflatiom rate	-1.300	-0.796	5.958%	26.46%	-0.211
Interest rate	-0.195	-0.357	4.161%	33.91%	-0.121
					-0.37773
Best Case					
Macro Variables	Z score (standardized)	Z score	Sector DR	Weighting	Z score Weighted
Real GDP	0.221	-0.192	3.611%	2.97%	-0.006
Unemployment rate	1.138	0.173	2.606%	36.67%	0.063
Inflatiom rate	0.748	0.018	3.000%	26.46%	0.005
Interest rate	0.368	-0.133	3.431%	33.91%	-0.045
					0.01710
Worst Case					
Macro Variables	Z score (standardized)	Z score	Sector DR	Weighting	Z score Weighted
Real GDP	-0.617	-0.525	4.787%	2.97%	-0.016
Unemployment rate	-1.041	-0.694	5.492%	36.67%	-0.254
Inflatiom rate	-1.300	-0.796	5.958%	26.46%	-0.211
Interest rate	-0.195	-0.357	4.161%	33.91%	-0.121

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(5) Grouping of instruments for losses measured on a collective basis

For expected credit loss allowances modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes.

The Group's credit portfolio is segmented by product type due to similar characteristics. These groupings are detailed below by credit portfolio:

- Mortgage loans
- Corporate loans
- Micro finance loans
- Auto loans
- Personal loans
- Staff loans
- Credit card

(6) Management of credit risk

The Group manages credit risk associated with loans by evaluating the borrowers' ability to repay loans, ensuring that:

(i) where collateral is held against an outstanding loan, it is sufficiently insured;

(ii) loan loss provisioning is in keeping with regulatory guidelines;

(iii) loans are not concentrated in one individual, company or group; and

(iv) strong underwriting and credit administration systems are in place.

Counterparty credit risk

With the exception of Government of Jamaica securities, there is no significant concentration of credit risk related to liquid funds and debt securities. Further, locally issued Government of Jamaica notes are held with the Jamaica Central Securities Depository (JCSD), while global bonds issued by the Government of Jamaica and other investment assets are held with financial institutions which management regards as reputable and sound. These entities are regularly reviewed, and risk-rated by the Group's Risk and Compliance Unit.

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

Credits to borrowers

Credit facilities to customers and other borrowers primarily comprise mortgage and other loans. The management of this type of credit risk is carried out through the use of a tiered approval framework within the Credit Risk Management Unit and the Loan Committee of the Board. This framework allows for the evaluation of proposed credits, and the formal approval of those commitments. The Board of Directors has the responsibility for the oversight of the Group's credit risk and the development of credit policies.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the customers' financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured, it remains in this category irrespective of satisfactory performance after restructuring. At March 31, 2024, the outstanding principal balances on loans that were restructured for the Group amounted to $3.58 billion (2023: $2.9 billion). The amortised cost before the modification, the net modification gain recognised and the loss allowance measured at an amount equal to lifetime expected credit losses, and for which the loss allowance has charged during the year to an amount equal to 12- month expected credit losses are as follows:

	2024	2023
	$'000	$'000
Amortised cost before modification	2,351,126	402,423
Net modification gain	185,135	62,629
Loss allowance changed to an amount equal to 12-month ECL	12,505	11,308

Impaired credits to borrowers

Impaired credits to customers and other borrowers are credits for which management determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the credit.

Past due but unimpaired credits to borrowers

Past due but unimpaired credits to borrowers are credits where contractual interest or principal payments are past due, but they are not considered impaired based on the quality and value of security available or the stage of collection of amounts owed by debtors.

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

Write-off policy

The Group writes off credits to borrowers (and any related allowances for impairment losses) when it determines that the balances are uncollectible. This determination is usually made after considering information such as changes in the borrower's financial position, or that proceeds from collateral will not be sufficient to pay back the entire exposure. Credits to borrowers for write-off must be submitted to the Credit Committee and/or the Board of Directors for approval.

The Group writes off financial assets, in whole or in part, 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 (i) ceasing enforcement activity and (ii) 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.

The Group may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amount of such assets written off during the year ended March 31, 2024 was $3,370.00 million (2023: $357.02 million). The Group still seeks to recover in full amounts it is legally owed, but which have been wholly or partially written off due to no reasonable expectation of full recovery.

Concentration by class and geographical area

The Group limits its exposure to credit risk by investing only with counterparties that have high credit ratings and in Government of Jamaica securities. Therefore, management does not expect any counterparty to fail to meet its obligations.

The Group has documented investment policies in place, which guide in managing credit risk on cash resources, securities purchased under resale agreements, investment securities, loans, and a portion of other assets (excluding inventory). The Group's exposure and the credit ratings of its counterparties are continually monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties based on their credit ratings and limits set.

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

Concentration by class and geographical area (continued)

The Group significant concentration of credit exposure, as at the reporting date, by geographic area was as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Jamaica	242,015,887	225,152,849	753,900	967,980
United States of America	9,524,839	7,338,552	-	-
United Kingdom	80,137,150	28,824,407	-	-
Canada	2,266,154	4,314,612	-	-
Ghana	1,929	1,869	-	-
Barbados	13,463	30,746	-	-
Bahamas	9,082	30,651	-	-
Turks and Caicos Islands	93,796	48,207	-	-
Cayman Islands	8,006,016	6,936,303	-	-
Trinidad & Tobago	1,178,020	899,475	-	-
Philippines	2,100	5,142	-	-
Dominican republic	-	24,481	-	-
Belize	-	77,254	-	-
Grenada	128	-	-	-
Antigua	22,389	957	-	-
Anguilla	-	968	-	-
St. Kitts	1,089	1,068	-	-
British Virgin Island	236	7,655	-	-
South Africa	51,005	-	-	-
St. Maartin	227	-	-	-
St. Lucia	569	-	-	-
St. Vencent & The Grenadines	414	-	-	-
Puerto Rico	1,926	-	-	-
	343,326,419	273,695,196	753,900	967,980

Credit quality of loans

The credit quality of the loans is summarised as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Neither past due nor impaired	147,132,951	127,491,482	264,684	133,395
Past due but not impaired:				
Below 30 days	15,058,136	9,818,253	-	-
30 to 60 days	5,698,902	3,380,826	-	-
60 to 90 days	1,689,765	1,783,224	-	-
Individually impaired:				
90-180 days	4,570,100	1,874,330	-	-
180-365 days	1,526,129	1,705,515	-	-
12-18 months	562,762	960,281	-	-
18 months and over	311,965	2,532,159	-	-
Balance carried forward (page 92)	176,550,710	149,546,070	264,684	133,395

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

Credit quality of loans (continued)

The credit quality of the Group's and Company's loans is summarised as follows (continued):

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Balance brought forward from page (91)	176,550,710	149,546,070	264,684	133,395
Less allowance for losses [note 12(e)]	(4,845,971)	(5,782,692)	-	-
Total loans [note 12(a)]	171,704,739	143,763,378	264,684	133,395
Unused credit limit	-	1,712,634	-	-
Loan commitments	10,006,902	5,665,404	-	-
Total credit exposure	181,711,641	151,141,416	264,684	133,395

Exposure to credit risk

The maximum credit risk exposure is the amount of loss that the Group would suffer if all counterparties to which the Group is exposed were to default at once. This is represented substantially by the carrying amount of financial assets shown on the statements of financial position, without taking account of the value of any collateral held.

The maximum exposure to credit risk is represented by the amount of financial assets in the statement of financial position, including off-balance sheet assets and unused credit limits.

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	Loans 2024 ECL staging			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Standard monitoring	157,331,587	16,972	2,374	157,350,933
Special monitoring	4,415,257	17,647,313	-	22,062,570
Default	-	-	7,144,109	7,144,109
Gross credit exposure	161,746,844	17,664,285	7,146,483	186,557,612
Loss allowance	(1,368,841)	(231,046)	(3,246,084)	(4,845,971)
Total credit exposure	160,378,003	17,433,239	3,900,399	181,711,641

	Loans 2023 ECL staging			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Standard monitoring	130,992,690	115,843	5,703	131,114,236
Special monitoring	6,394,625	12,009,580	-	18,404,205
Default	-	-	7,405,667	7,405,667
Gross credit exposure	137,387,315	12,125,423	7,411,370	156,924,108
Loss allowance	(1,545,299)	(544,124)	(3,693,269)	(5,782,692)
Total credit exposure	135,842,016	11,581,299	3,718,101	151,141,416

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

Information on how the Expected Credit Loss (ECL) is measured and how the three stages above are determined is included in note 42(b)(ii) ‘Expected credit loss measurement’.

The maximum exposure to credit risk for financial assets not subject to impairment is the carrying amount of the financial assets classified as FVTPL (see note 8).

Collateral and other credit enhancements held against financial assets

The Group holds collateral against credits to borrowers primarily in the form of mortgage interests over property. Estimates of fair values are based on the value of such collateral assessed at the time of borrowing and are generally not updated except when credits to borrowers are individually assessed as impaired. Other forms of collateral used by the indirect subsidiaries include, but are not limited to, insurance policies, properties, motor vehicles and personal or corporate guarantees.

The Group does not generally hold collateral over balances with banks or broker/dealers, except when securities are held under resale agreements.

The Group employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

Collateral and other credit enhancements held against financial assets (continued)

The fair value of collateral held against loans to borrowers and others is shown below:

	Group			
	Loans and advances		Securities purchased under resale agreements	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Against neither past due nor impaired financial assets:				
Properties	139,432,775	142,223,786	-	-
Debt securities	9,065,267	49,063	9,502,619	6,285,080
Liens on motor vehicles	19,737	7,430,072	-	-
Hypothecation of deposits	2,604,010	2,290,469	-	-
Subtotal	151,121,789	151,993,390	9,502,619	6,285,080
Against past due but not impaired financial assets:				
Properties	35,382,788	26,088,790	-	-
Liens on motor vehicles	1,300,237	839,843	-	-
Other	-	-	-	-
Subtotal	36,683,025	26,928,633	-	-
Against past due and impaired financial assets:				
Properties	8,153,396	5,215,478	-	-
Liens on motor vehicles	257,792	183,550	-	-
Hypothecation of deposits	2,603	601	-	-
Subtotal	8,413,791	5,399,629	-	-
Grand total	196,218,605	184,321,652	9,502,619	6,285,080

The Group prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable; and
- Charges over financial instruments such as debt securities and equities.

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

Collateral and other credit enhancements held against financial assets (continued)

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period.

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

	Group			
	2024			
	Gross Exposure	Impairment allowance	Carrying amount	Fair value of collateral held
	$'000	$'000	$'000	$'000
Credit-impaired assets				
Loans				
Credit cards	100,409	(60,575)	39,834	-
Term loans	4,038,667	(3,019,070)	1,019,597	257,792
Mortgages	2,957,675	(141,452)	2,816,223	8,155,999
Other	49,539	(24,987)	24,552	-
Total for credit impaired assets	7,146,290	(3,246,084)	3,900,206	8,413,791

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

Collateral and other credit enhancements held against financial assets (continued)

	Group			
	2023			
	Gross exposure	**Impairment allowance**	**Carrying amount**	**Fair value of collateral held**
Credit-impaired assets	$'000	$'000	$'000	$'000
Loans				
- Credit cards	103,980	(59,687)	44,293	-
- Term loans	4,898,538	(3,453,143)	1,445,395	183,550
- Mortgages	2,377,715	(168,746)	2,208,969	5,215,479
- Other	31,137	(11,693)	19,444	-
Totals for credit-impaired assets	7,411,370	(3,693,269)	3,718,101	5,399,029

Loss allowance

Loss allowance recognised in profit or loss and other comprehensive income during the year is summarised below:

	Group	
	2024	2023
	$'000	$'000
Loans (note 12)	1,965,261	2,667,459
Investments at amortised cost (note 8)	2,822	(10,426)
Investments at FVOCI (note 8)	132,181	36,175
Other financial assets (note 13)	650,617	(37,900)
	2,750,881	2,655,308

The loss allowance recognised in the year is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the year, as well as releases for financial instruments derecognised in the year;
- Discount unwound within ECL due to the passage of time, as ECL is measured on a present value basis;

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

Loss allowance (continued)

- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the year and write-offs of allowances related to assets that were written off during the year.

The following tables explain the changes in the loss allowance between the beginning and the end of the year due to these factors:

	Group			
	2024			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Loss allowance as at April 1, 2023	**1,545,299**	**544,124**	**3,693,269**	**5,782,692**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(52,483)	52,483	-	-
Transfer from Stage 1 to Stage 3	(78,813)	-	78,813	-
Transfer from Stage 2 to Stage 1	39,364	(39,364)	-	-
Transfer from Stage 2 to Stage 3	-	(124,191)	124,191	-
Transfer from Stage 3 to Stage 2	-	54,332	(54,332)	-
Transfer from Stage 3 to Stage 1	21,775	-	(21,775)	-
New financial assets originated or purchased	584,328	-	1,481,551	2,065,879
Financial assets derecognised during the year	(1,225,268)	(282,379)	(88,956)	(1,596,603)
Net remeasurement of loss allowance	113,186	221,831	1,207,466	1,542,483
FX and other movements	(29,529)	(12,437)	(4,532)	(46,498)
Loss allowance recognised in profit or loss (note 12)	**(627,440)**	**(129,725)**	**2,722,426**	**1,965,261**
Other movements:				
Translation adjustment (note 12)	459,311	-	-	459,311
Write-offs against provision (note 12)	(8,329)	(183,353)	(3,169,611)	(3,361,293)
Loss allowance as at March 31, 2024	**1,368,841**	**231,046**	**3,246,084**	**4,845,971**

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

Loss allowance (continued)

The following tables explain the changes in the loss allowance between the beginning and the end of the year due to these factors (continued):

	Group			
	2023			
	Stage 1	Stage 2	Stage 3	
Loans	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance as at April 1, 2022	1,025,770	321,248	1,909,151	3,256,169
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(58,446)	58,446	-	-
Transfer from Stage 1 to Stage 3	(48,305)	-	48,305	-
Transfer from Stage 2 to Stage 1	43,697	(43,697)	-	-
Transfer from Stage 2 to Stage 3		(79,637)	79,637	-
Transfer from Stage 3 to Stage 2		70,229	(70,229)	-
Transfer from Stage 3 to Stage 1	17,047	-	(17,047)	-
Impact of changes due to update in methodology for estimation	157,939	25,420	949,503	1,132,862
New financial assets originated or purchased	664,410	265,207	407,238	1,336,855
Financial assets derecognised during the year	(133,589)	(63,014)	(53,382)	(249,985)
Other movements	(84,352)	(9,194)	541,273	447,727
Loss allowance recognised in profit or loss (note 12)	558,401	223,760	1,885,298	2,667,459
Other movements:				
Translation adjustment (note 12)	(38,819)	(507)	-	(39,326)
Write-offs against provision (note 12)	(53)	(377)	(101,180)	(101,610)
Loss allowance as at March 31, 2023	1,545,299	544,124	3,693,269	5,782,692

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

Loss allowance (continued)

Significant changes in the gross carrying amount of financial assets that contributed to changes in the loss allowance were as follows:

- The high volume of new loans originated during the year, aligned with the Group's strategy.
- The write-off of loans with a total gross carrying amount of $3,370.00 million (2024: $357.02 million) resulted in the reduction of the Stage 3 loss allowance by the same amount.

The following table further explains changes in the gross carrying amount of the loans portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as described above:

	2024			
	Stage 1	Stage 2	Stage 3	
	12-month ECL $'000	Lifetime ECL $'000	Lifetime ECL $'000	Total $'000
Gross carrying amount as at April 1, 2023	**137,387,315**	**12,125,423**	**7,411,370**	**156,924,108**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(11,344,634)	11,344,634	-	-
Transfer from Stage 1 to Stage 3	(1,888,556)	-	1,888,556	-
Transfer from Stage 2 to Stage 3	-	(2,138,678)	2,138,678	-
Transfer from Stage 3 to Stage 2	-	601,159	(601,159)	-
Transfer from Stage 3 to Stage 1	119,499	-	(119,499)	-
Transfer from Stage 2 to Stage 1	1,487,094	(1,487,094)	-	-
New financial assets originated or purchased	56,498,981	16,972	(12,729)	56,503,224
Financial assets derecognised during the year	(20,317,906)	(2,759,171)	(703,652)	(23,780,729)
Other movements:				
Translation adjustment (note 10)	82,387	128,189	74,613	285,189
Write-offs against provision (note 10)	(277,336)	(167,149)	(2,929,695)	(3,374,180)
Gross carrying amount as at March 31, 2024	**161,746,844**	**17,664,285**	**7,146,483**	**186,557,612**

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

Loss allowance (continued)

The following table further explains changes in the gross carrying amount of the loans portfolio, loan commitments and credit cards to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above (continued):

	Group			
	2023			
	Stage 1	Stage 2	Stage 3	
Loans	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount as at April 1, 2022	124,434,604	11,084,784	5,234,377	140,753,765
Transfers:				
Transfer from Stage 1 to Stage 2	(4,739,419)	4,739,419	-	-
Transfer from Stage 1 to Stage 3	(2,066,165)	-	2,066,165	-
Transfer from Stage 2 to Stage 3	-	(1,362,413)	1,362,413	-
Transfer from Stage 3 to Stage 2	-	502,201	(502,201)	-
Transfer from Stage 3 to Stage 1	145,116	-	(145,116)	-
Transfer from Stage 2 to Stage 1	2,529,398	(2,529,398)	-	-
New financial assets originated or purchased	42,437,680	1,716,838	364,524	44,519,042
Financial assets derecognised during the year	(25,352,084)	(2,008,095)	(631,503)	(27,991,682)
Write-offs	(1,815)	(17,913)	(337,289)	(357,017)
Gross carrying amount as at March 31, 2023	137,387,315	12,125,423	7,411,370	156,924,108

The total amount of undiscounted ECL at initial recognition for purchased or originated credit-impaired financial assets recognised during the period was $30 million (2023: $288.08 million).

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

Loss allowance (continued)

Investments

The following table explains the changes in loss allowances between the beginning and the end of the year due to these factors set out on page:

	2024			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Loss allowance as at April 1, 2023	227,166	94,124	-	321,290
Movements with P&L impact				
Transfers:				
Transfer from Stage 2 to Stage 1	25,528	(25,528)	-	-
Financial assets derecognised during the year	(153,006)	-	-	(153,006)
New assets originated or purchased	34,564	253,445	-	288,009
Net P&L charge during the year	(92,914)	227,917	-	135,003
Foreign exchange and other movements	(631)	-	-	(631)
Loss allowance as at March 31, 2024	133,621	322,041	-	455,662

	Group			
	2023			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Loss allowance as at April 1, 2022	267,457	28,084	-	295,541
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(23,006)	23,006	-	-
New financial assets originated or purchased	11,760	2,522	-	14,282
Foreign exchange and other movements	(29,045)	40,512	-	11,467
Loss allowance recognised in profit or loss (note 8)	(40,291)	66,040	-	25,749
Loss allowance as at March 31, 2023	227,166	94,124	-	321,290

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

At the reporting date the Group had investments and securities purchased under resale agreements carried as follows:

	2024					
	Amortised cost		Carried at FVOCI		Total	
	Investments	Reverse Repos	Investments	Reverse Repos	Investments	Reverse Repos
	$'000	$'000	$'000	$'000	$'000	$'000
Investment grade	3,240,463	-	11,817,836	-	15,058,299	-
Speculative grade	10,088,177	5,986,352	55,549,728	-	65,637,905	5,986,352
	13,328,640	5,986,352	67,367,564	-	80,696,204	5,986,352
ECL provision at year end	5,854	190	449,808	-	455,662	190

	2023					
	Amortised cost		Carried at FVOCI		Total	
	Investments	Reverse Repos	Investments	Reverse Repos	Investments	Reverse Repos
	$'000	$'000	$'000	$'000	$'000	$'000
Investment grade	8,555,344	-	16,987,040	-	25,542,384	-
Speculative grade	3,569,365	3,305,852	61,131,768	-	64,701,133	3,305,852
	12,124,709	3,305,852	78,118,808	-	90,243,517	3,305,852
ECL provision at year end	28,917	514	292,373	-	321,290	514

Speculative grade includes Government of Jamaica securities of $51.14 billion (2023: $58.36 billion) (see note 8).

There was no change during the year in the nature of the exposure to credit risk to which the Group is subject or its approach to measuring and managing the risk.

The following table sets out information about the credit quality of reinsurance contract assets for the general insurance subsidiary

	AA	A	B	Not rated	Total
	$'000	$'000	$'000	$'000	$'000
March 31, 2024					
Reinsurance contract assets	693,499	721,112	-	154,389	1,569,000
March 31, 2023					
Reinsurance contract assets	314,490	327,012	-	70,013	711,515

42. Financial risk management (continued)

(b) Credit risk (continued):

(ii) Expected credit loss measurement (continued)

B. Key judgments and assumptions in determining impairment (continued)

(6) Management of credit risk (continued)

The following table sets out information about the credit quality of reinsurance contract assets and financial instruments measured at FVTPL for the life insurance subsidiary:

	AA	A	B	Not rated	Total
	$'000	$'000	$'000	$'000	$'000
March 31, 2024					
Financial instruments:					
Mutual funds	-	-	-	22,308	22,308
Quoted equities	-	-	-	30,381	30,381
Reinsurance contract assets	48,158	-	-	-	48,158
March 31, 2023					
Financial instruments:					
Mutual funds	-	-	-	19,236	19,236
Quoted equities	-	-	-	31,582	31,582
Reinsurance contract assets	76,391	-	-	-	76,391

(c) Liquidity risk

Liquidity risk is the potential for loss to the Group arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable costs or losses. Liquidity risk is broken down into two primary categories:

(i) *Funding liquidity risk* - the risk that the Group will not be able to meet the expected and unexpected current and future cash flows and collateral needs without affecting either its daily operations or its financial condition; and

(ii) *Asset/market liquidity risk* – the risk that the Group will not be able to liquidate assets in an orderly fashion without incurring loss on liquidation. This usually stems from illiquid markets or market disruptions.

Management of liquidity risk

The general insurance indirect subsidiaries also manage this risk by keeping a substantial portion of its financial assets in liquid form, in accordance with regulatory guidelines. The indirect subsidiary is subject to a liquidity limit imposed by the regulator. The key measurement used for assessing liquidity risk is the ratio of liquid assets (as defined) to total liabilities. The actual ratio at the reporting date was 77% (2023: 113%). The level set by the regulator is 95%.

42. Financial risk management (continued)

(c) Liquidity risk (continued):

Management of liquidity risk (continued)

The amounts payable on demand and the carrying amount of the respective groups of contracts are presented in the following table:

	Amount payable on demand $'000	Carrying amount $'000
March 31, 2024	-	514,931
March 31, 2023	-	465,662

For subsidiaries, liquidity risk is measured using a framework that takes account of the nature of the business and applicable regulatory requirements. For example, the key measurement used for assessing a banking indirect subsidiary's liquidity risk is the ratio of liquid assets (as defined by regulatory requirements) to total liabilities. The liquidity ratios are set according to the currency in which the liabilities are determined. At the reporting date for the Group they were as follows:

Denomination of liabilities	Requirement		Actual	
	2024	2023	2024	2023
	%	%	%	%
Jamaica Dollar	6	5	18	18
United States of America Dollar	14	13	21	17
Canadian Dollar	14	13	89	80
Pound Sterling	4	13	66	60

There was no change during the year in the nature of the exposure to liquidity risk to which the Group is subject or its approach to measuring and managing the risk.

An analysis of the undiscounted cash flows required to settle the Group's financial liabilities and unrecognised loan commitments on the basis of their earliest possible contractual maturity is presented below. The analysis provided is by estimating the timing of the settlement of the amounts recognised in the statement of financial position. The Group does not expect that its customers will demand the payment of funds at the earliest date possible.

42. Financial risk management (continued)

(c) Liquidity risk (continued):

Management of liquidity risk (continued)

An analysis of the undiscounted cash flows required to settle the Group's financial liabilities and unrecognised loan commitments on the basis of their earliest possible contractual maturity is presented below. The analysis provided is by estimating the timing of the settlement of the amounts recognised in the statement of financial position. The Group does not expect that its customers will demand the payment of funds at the earliest date possible.

In evaluating liquidity risk, the Group uses the profile of undiscounted cash flows, as set out in the table below:

	Group						
	2024						
			Contractual undiscounted cash flows				
	Carrying amount $'000	Total cash outflow $'000	Less than 3 months $'000	3-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Financial Assets							
Cash resources	78,339,359	77,854,890	60,233,076	17,621,814	-	-	-
Securities purchased under resale agreements	6,227,723	6,596,399	1,813,809	4,762,566	20,024	-	-
Investments	82,510,079	81,324,108	14,060,312	5,221,808	9,211,858	13,150,965	39,679,165
Loans	171,704,739	168,784,045	1,189,477	7,804,831	13,891,042	26,485,262	119,413,433
Other assets	2,985,921	3,338,419	3,338,419	-	-	-	-
Insurance and reinsurance contracts assets	1,705,641	3,188,453	-	1,694,237	109,628	300,317	1,084,271
Total financial assets	343,473,462	341,086,314	80,635,093	37,105,256	23,232,552	39,936,544	160,176,869
Financial Liabilities							
Due to specialised financial institutions	2,757,903	2,976,680	23,336	96,782	103,337	256,554	2,496,671
Customer deposits	267,752,145	277,224,923	181,741,099	46,718,216	47,950,544	804,673	10,391
Due to related entities	168,171	168,171	168,171	-	-	-	-
Securities sold under repurchase agreements	32,497,473	33,868,747	20,796,226	13,072,521	-	-	-
Other payables	7,895,198	8,548,328	8,544,041	4,287	-	-	-
Margin loan payable	2,216,038	2,216,038	2,216,038	-	-	-	-
Long-term loans	7,301,507	10,804,565	74,242	2,786,499	1,171,058	6,772,766	-
Lease liabilities	3,256,551	4,054,197	66,772	937,625	984,805	988,548	1,076,447
	323,844,986	339,861,649	213,629,925	63,615,930	50,209,744	8,822,541	3,583,509
Unrecognised loan commitments	-	16,978,823	16,978,823	-	-	-	-
Insurance contract liabilities	7,351,080	8,492,009	-	4,983,649	942,714	1,202,492	1,363,154
	331,196,066	365,332,481	230,608,748	68,599,579	51,152,458	10,025,033	4,946,663
On statement of financial position gap, being total liquidity gap	12,277,396	(24,246,167)	(149,973,655)	(31,494,323)	(27,919,906)	29,911,511	155,230,206
Cumulative gap	-	-	(149,973,655)	(181,467,978)	(209,387,884)	(179,476,373)	(24,246,167)

42. Financial risk management (continued)

(c) Liquidity risk (continued):

Group 2023 — Contractual undiscounted cash flows

	Carrying amount $'000	Total cash outflow $'000	Less than 3 months $'000	3-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Financial Assets							
Cash resources	30,930,967	30,934,999	30,934,999	-	-	-	-
Securities purchased under resale agreements	3,362,873	3,435,988	2,243,948	1,192,040	-	-	-
Investments	92,035,688	94,145,503	16,376,134	17,996,119	3,135,150	9,405,449	47,232,651
Loans	143,763,378	155,532,181	4,570,247	1,737,905	9,880,199	29,640,598	109,703,232
Other assets	3,602,289	3,602,289	3,602,289	-	-	-	-
Insurance and reinsurance contract asset	794,061	3,640	-	181	249	618	2,592
Total financial assets	274,489,256	287,654,600	57,727,617	20,926,245	13,015,598	39,046,665	156,938,475
Financial Liabilities							
Bank overdraft	39,564	39,564	39,564	-	-	-	-
Due to specialised financial institutions	2,441,461	2,618,406	82,591	220,519	241,169	446,685	1,627,442
Customer deposits	201,817,130	203,343,369	166,687,975	23,833,539	7,978,540	4,819,433	23,882
Due to related entities	157,242	157,242	157,242	-	-	-	-
Securities sold under repurchase agreements	30,383,059	31,661,031	22,399,173	9,261,858	-	-	-
Other payables	5,372,897	5,372,897	5,372,897	-	-	-	-
Margin loan payable	2,086,716	2,211,919	2,211,919	-	-	-	-
Long-term loans	7,099,860	10,664,234	4,026,731	357,223	5,441,584	838,696	-
Lease liabilities	1,239,190	1,312,065	58,587	409,793	424,701	205,896	213,088
	250,637,119	257,380,727	201,036,679	34,082,932	14,085,994	6,310,710	1,864,412
Unrecognised loan commitments	-	12,039,381	12,039,381	-	-	-	-
Insurance contract liabilities	5,493,563	6,275,967	-	3,153,632	759,736	1,028,409	1,334,190
On statement of financial	256,130,682	275,696,075	213,076,060	37,236,564	14,845,730	7,339,119	3,198,602
position gap, being total liquidity gap	18,358,574	11,958,525	(155,348,443)	(16,310,319)	(1,830,132)	31,707,546	153,739,873
Cumulative gap	-	-	(155,348,443)	(171,658,762)	(173,488,894)	(141,781,348)	11,958,525

Company 2024 — Contractual undiscounted cash flow

	Carrying amount $'000	Total cash outflow $'000	Less than 3 months $'000	3-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Financial assets							
Cash resources	237,518	237,518	237,518	-	-	-	-
Due from related entities	173,088	173,088	173,088	-	-	-	-
Loans	264,684	369,777	1,937	8,105	11,620	348,115	-
Other assets	251,698	251,698	251,698	-	-	-	-
Total financial assets	926,988	1,032,081	664,241	8,105	11,620	348,115	-
Financial liabilities							
Due to related entities	353,915	353,915	353,915	-	-	-	-
Other payables	615,483	615,483	615,483	-	-	-	-
Long-term loans	1,068,911	1,232,836	44,508	88,828	136,000	963,500	-
Lease liabilities	100,823	119,093	12,190	41,017	33,809	32,077	-
Total financial liabilities	2,139,132	2,321,327	1,026,096	129,845	169,809	995,577	-
On statement of financial position gap, being total liquidity gap	(1,212,144)	(1,289,246)	(361,855)	(121,740)	(158,189)	(647,462)	-
Cumulative gap	-	-	(361,855)	(483,595)	(641,784)	(1,289,246)	(1,289,246)

42. Financial risk management (continued)

(c) Liquidity risk (continued):

	Company						
	2023						
	Contractual undiscounted cash flows						
	Carrying amount $'000	Total cash outflow $'000	Less than 3 months $'000	3-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Financial assets							
Cash resources	162,159	162,159	162,159	-	-	-	-
Due from related entities	408,039	408,039	408,039	-	-	-	-
Loans	133,395	144,106	1,937	9,684	11,620	34,861	86,004
Other assets	264,387	264,387	264,387	-	-	-	-
Total financial assets	967,980	978,691	836,522	9,684	11,620	34,861	86,004
Financial liabilities							
Due to related entities	332,640	332,640	332,640	-	-	-	-
Other payables	615,558	615,558	615,558	-	-	-	-
Long-term loans	604,216	768,938	9,916	165,022	165,600	428,400	-
Lease liabilities	143,321	165,468	12,422	37,944	51,575	63,527	-
Total financial liabilities	1,695,735	1,882,604	970,536	202,966	217,175	491,927	-
On statement of financial position gap, being total liquidity gap	(727,755)	(903,913)	(134,014)	(193,282)	(205,555)	(457,066)	86,004
Cumulative gap	-	-	(134,014)	(327,296)	(532,851)	(989,917)	(903,913)

(d) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the value of the Group's assets, the amount of its liabilities and/or the Group's income. Market risk arises in the Group due to fluctuations in the value of liabilities and the value of investments held. The Group is exposed to market risk on all of its financial assets.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of market risk

The Board Finance Committee manages market risks in accordance with its Investment Policy. The Committee reports regularly to the Board of Directors on its activities. For each of the major components of market risk, the Group has policies and procedures in place which detail how each risk should be monitored and managed. The management of each of these major components of risk and the exposure of the Group at the reporting date to each major risk are addressed below.

There was no change during the year in the nature of the exposure to market risk to which the Group is subject, or its approach to measuring and managing the risk.

(i) Interest rate risk:

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group manages this risk by regularly re-evaluating the yield, duration and modified duration on given financial instruments.

42. Financial risk management (continued)

(d) Market risk (continued):

Management of market risk (continued)

(i) Interest rate risk (continued):

The interest rate risk analysis shows significant excess of short-term interest-bearing liabilities over short-term interest-earning assets. This is a direct consequence of the nature of the Group's business, a significant component of which involves granting long-term loans (up to 30 years) funded by customers' deposits, which are withdrawable on demand or at short notice. The Group may, provided that one month's notice is given, change the interest rates on variable rate mortgages. In addition, mortgages may be called after six months' notice. Customer deposits have been stable and are expected to remain so.

The Group's deposit-taking indirect subsidiaries manage risk by monitoring their customers' deposits, taking steps to ensure the stability and by adjusting interest rates to the extent practicable within the overall policy of encouraging long term savings and facilitating home ownership.

The following table summarises the carrying amount of recognised financial assets and financial liabilities to arrive at the Group's interest rate gap based on the earlier of contractual repricing and maturity dates. There were no off-balance-sheet financial instruments giving rise to interest rate risk.

	Group						
	2024						
	Immediately rate sensitive	Within 3 months	3 to 12 months	Over 1 year	Non-rate sensitive	Total	Weighted average interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	%
Financial Assets							
Cash resources	49,029,501	8,084,262	2,032	-	21,223,564	78,339,359	0.04
Securities purchased under resale agreements	-	1,593,324	4,393,028	-	241,371	6,227,723	7.36
Investments	-	12,559,527	6,905,679	61,004,474	2,040,399	82,510,079	4.40
Loans	-	3,298,773	7,773,952	153,456,977	7,175,037	171,704,739	8.20
Insurance and reinsurance contract assets	1,658,128	-	-	-	47,513	1,705,641	7.84
Other assets	-	29,453	-	-	2,956,468	2,985,921	-
Total financial assets	50,687,629	25,565,339	19,074,691	214,461,451	33,684,352	343,473,462	
Financial Liabilities							
Due to specialised financial institutions	-	21,754	95,264	2,640,885	-	2,757,903	3.04
Customer deposits	1,859,011	176,791,075	45,746,246	41,778,130	1,577,683	267,752,145	0.96
Due to related entities	-	-	-	-	168,171	168,171	-
Securities sold under repurchase agreements	-	19,380,520	12,547,045	-	569,908	32,497,473	-
Other payables	4,287	113,315	-	-	7,777,596	7,895,198	-
Margin loan payable	-	2,216,038	-	-	-	2,216,038	-
Insurance contract liabilities	7,178,243	-	-	-	172,837	7,351,080	7.84
Long-term loans	-	20,000	2,000,576	5,189,704	91,227	7,301,507	11.94
Lease liabilities	-	636,532	799,277	1,582,178	238,564	3,256,551	6.00
Total financial liabilities	9,041,541	199,179,234	61,188,408	51,190,897	10,595,986	331,196,066	
On-statement-of-financial - position gap, being total interest rate sensitivity gap	41,646,088	(173,613,895)	(42,113,717)	163,270,554	23,088,366	12,277,396	
Cumulative gap	41,646,088	(131,967,807)	(174,081,524)	(10,810,970)	12,277,396	-	

42. Financial risk management (continued)

(d) Market risk (continued):

Management of market risk (continued)

(i) Interest rate risk (continued):

	Group 2023						
	Immediately rate sensitive	Within 3 months	3 to 12 months	Over 1 year	Non-rate sensitive	Total	Weighted average interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	%
Financial Assets							
Cash resources	1,784,611	11,117,458	-	-	18,028,898	30,930,967	0.1
Securities purchased under resale agreements	-	2,158,639	1,147,213	-	57,021	3,362,873	5.2
Investments	-	15,317,734	17,452,582	57,291,038	1,974,334	92,035,688	4.3
Loans	-	5,323,611	2,150,137	135,550,722	738,908	143,763,378	9.0
Other assets	-	-	-	-	3,602,289	3,602,289	0.0
Insurance and reinsurance contract asset	718,040	-	-	-	76,021	794,061	7.8
Total financial assets	2,502,651	33,917,442	20,749,932	192,841,760	24,477,471	274,489,256	
Financial Liabilities							
Bank overdraft	39,564	-	-	-	-	39,564	0.0
Due to specialised financial institutions	-	79,211	216,936	2,145,314	-	2,441,461	2.0
Customer deposits	979,074	164,459,100	23,746,658	12,245,092	387,206	201,817,130	0.8
Due to related entities	-	-	-	-	157,242	157,242	0.0
Securities sold under repurchase agreements	-	21,225,953	9,057,058	-	100,048	30,383,059	7.0
Other payables	-	4,287	-	-	5,368,610	5,372,897	0.0
Margin facilities	-	2,086,716	-	-	-	2,086,716	0.0
Long-term loans	-	-	996,888	6,039,507	63,465	7,099,860	3.7
Lease liabilities	-	29,450	204,959	927,395	77,386	1,239,190	6.0
Insurance contract liabilities	5,215,740	-	-	-	277,823	5,493,563	7.8
Total financial liabilities	6,234,378	187,884,717	34,222,499	21,357,308	6,431,780	256,130,682	
On-statement-of-financial -position gap, being total interest rate sensitivity gap	(3,731,727)	(153,967,275)	(13,472,567)	171,484,452	18,045,691	18,358,574	
Cumulative gap	(3,731,727)	(157,699,002)	(171,171,569)	312,883	18,358,574	-	

	Company 2024						
	Immediately rate sensitive	Within 3 months	3 to 12 months	Over 1 year	Non-rate sensitive	Total	Weighted average interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	
Financial Assets							
Cash resources	237,518	-	-	-	-	237,518	0.10
Due from related entities	-	-	-	-	173,088	173,088	-
Loans	-	2,387	7,306	230,032	24,959	264,684	3.3
Other assets	-	-	-	-	251,698	251,698	-
Total financial assets	237,518	2,387	7,306	230,032	449,745	926,988	
Financial Liabilities							
Due to related entities	-	-	-	-	353,915	353,915	-
Other payables	-	-	-	-	615,483	615,483	-
Long-term loan	-	20,000	140,000	900,000	8,911	1,068,911	9.2
Lease liabilities	-	11,168	30,566	59,089	-	100,823	6.0
Total financial liabilities	-	31,168	170,566	959,089	978,309	2,139,132	
On statement-of-financial -position gap, being total interest rate sensitivity gap	237,518	(28,781)	(163,260)	(729,057)	(528,564)	(1,212,144)	
Cumulative gap	237,518	208,737	45,477	(683,580)	(1,212,144)	-	

42. Financial risk management (continued)

(d) Market risk (continued):

Management of market risk (continued)

(i) Interest rate risk (continued):

	Company						
	2023						
	Immediately rate sensitive	Within 3 months	3 to 12 months	Over 1 year	Non-rate sensitive	Total	Weighted average interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	
Financial Assets							
Cash resources	162,159	-	-	-	-	162,159	0.1
Due from related entities	-	-	-	-	408,039	408,039	-
Loans	-	5,420	7,787	95,085	25,103	133,395	3.3
Other assets	-	-	-	-	264,387	264,387	-
Total financial assets	162,159	5,420	7,787	95,085	697,529	967,980	
Financial Liabilities							
Due to related entities	-	-	-	-	332,640	332,640	-
Other payables	-	-	-	-	615,558	615,558	-
Long-term loan	-	-	124,216	480,000	-	604,216	7.3
Lease liabilities	-	9,876	31,525	101,920	-	143,321	6.0
Total financial liabilities	-	9,876	155,741	581,920	948,198	1,695,735	
On statement-of-financial -position gap, being total interest rate sensitivity gap	162,159	(4,456)	(147,954)	(486,835)	(250,669)	(727,755)	
Cumulative gap	162,159	157,703	9,749	(477,086)	(727,755)	-	

Sensitivity to interest rate movements:

Fair value sensitivity for fixed rate instruments:

The sensitivity of the Group's financial assets and financial liabilities to interest rate risk is monitored using the impact on profit and reserves of a reasonable possible in interest rates change at the reporting date as set out in the following scenarios:

	Increase in interest rate		Decrease in interest rate	
	Basis points		Basis points	
	2024	2023	2024	2023
J$ denominated instruments	25	300	25	50
US$ denominated instruments	25	150	25	50

An increase/decrease, using the above scenarios, would adjust reserves and profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

42. Financial risk management (continued)

(d) Market risk (continued):

Management of market risk (continued)

(i) Interest rate risk (continued):

Sensitivity to interest rate movements (continued):

Fair value sensitivity for fixed rate instruments (continued):

	Group			
	2024		2023	
	Increase	Decrease	Increase	Decrease
	$'000	$'000	$'000	$'000
Other comprehensive income:				
J$	(594,003)	432,243	(830,696)	755,573
US$	(1,516,442)	778,853	(2,974,787)	1,565,530

The Company does not hold any fixed rate instruments.

Sensitivity of insurance contracts and related financial investments to interest rate movements:

An analysis of the indirect life insurance subsidiary's sensitivity to a 100 basis point increase or 100 basis point decrease in market interest rates at the reporting date, assuming that all other variables remain constant, is presented below.

	1% increase in interest rates				1% decrease in interest rates			
			Impact on:				Impact on:	
	Net insurance contacts balance	Investment assets	Profit or loss	Equity	Net insurance contacts balance	Investment assets	Profit or loss	Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
March 31, 2024	(378,288)	773,788	30,126	22,595	(378,288)	773,788	(47,309)	(35,482)
Marc 31, 2023	(383,118)	712,914	24,854	18,640	(383,118)	712,914	(36,630)	(27,472)

The Company has no financial instruments carried at fair value. Therefore, a change in interest rate will not impact the carrying value of the Company's financial instruments.

Cash flow sensitivity analysis for variable rate instruments:

An increase/decrease using the above scenarios would adjust reserves and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group	
	Effect on profit	
	Increase	Decrease
	$'000	$'000
March 31, 2024		
Variable rate instruments	33,519	(33,519)
March 31, 2023		
Variable rate instruments	32,691	(23,475)

The Company had no variable rate financial instruments at the reporting date.

42. Financial risk management (continued)

(d) Market risk (continued):

Management of market risk (continued)

(ii) Equity price risk:

Equity price risk arises from equity instruments at FVOCI held by the Group as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primary goal of the Group's investment strategy is to maximise risk-adjusted investment returns.

A 6% (2023: 6%) increase and a 3% (2023: 6%) decrease in the market prices at the reporting date would result in an increase, and decrease, in reserves for the Group of $12.06 million (2023: $16.51 million) and $6.03 million (2023: $16.51 million), respectively.

The Company does not hold any equity securities.

(iii) Foreign currency risk:

Foreign currency risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions that are denominated in a currency other than the Jamaica dollar. The main currencies giving rise to this risk are the United States dollar, Canadian dollar, Cayman dollar, Euro and Pound sterling.

The Group ensures that the net exposure is kept to an acceptable level by daily monitoring its cost of funds against market price so as to ensure that a consistent positive spread is maintained between the buying and selling prices of the traded currencies. Foreign currency liabilities are generally backed by foreign currency assets.

At the reporting date, net foreign currency assets/(liabilities) were as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
United States dollars	(27,447)	6,872	1,678	2,339
Canadian dollars	(29)	(1,992)	(48)	4
Pound sterling	(3,533)	(8,189)	(755)	634
Euro	-	179	-	-
Cayman dollars	5,721	5,967	-	-
Trinidad & Tobago dollars	4,489	3	-	-

The Bank of Jamaica's weighted average exchange rates ruling at the year-end are shown at note 48(q).

42. Financial risk management (continued)

(d) Market risk (continued):

Management of market risk (continued)

(iii) Foreign currency risk (continued):

Sensitivity to movements in exchange rates:

A 4% (2023: 4%) weakening of the Jamaica dollar against the major currencies in which the Group undertakes transactions at March 31 would have increased profit for the year by the amounts shown. A 1% (2023: 1%) strengthening of the Jamaica dollar against these currencies at March 31 would have had the opposite effect as shown in the table. The analysis assumes that all other variables, in particular, interest rates, remain constant.

The analysis was done on the same basis for 2023.

	Group				Company			
	2024		2023		2024		2023	
	4%	1%	4%	1%	$'000	$'000	$'000	$'000
United States dollars	(169,074)	42,269	41,490	(10,339)	10,330	(2,583)	14,075	(3,519)
Canadian dollars	(132)	33	(8,924)	2,232	(218)	55	20	(5)
Pounds sterling	(27,240)	6,818	(61,253)	15,314	(5,824)	1,456	2,839	(710)
Euro	-	-	1,192	(299)	-	-	-	-
Cayman dollars	42,965	(10,755)	43,917	(10,979)	-	-	-	-
Trinidad & Tobago dollars	4,085	(1,032)	3	(1)	-	-	-	-

(e) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors, other than credit, market and liquidity risks, such as those arising from natural and man-made disasters and from the need to comply with legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Group's objective is to manage operational risk to achieve the optimal balance between the Group's financial viability and its performance against the requirements of an effective operational risk management framework.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the Group Risk and Compliance Unit, centrally, and, in daily operations, to the senior management team.

There was no change during the year to the Group's approach to operational risk management.

This responsibility is supported by the development of overall Group standards for the management of operational risk that at meet the following requirements:

- risk policies/guidelines for assisting management to understand the ways in which risks can be measured, managed, identified and controlled;
- appropriate segregation of duties, including the independent authorisation of transactions;
- reconciliation and monitoring of transactions;

42. Financial risk management (continued)

(e) Operational risk (continued):

This responsibility is supported by the development of overall Group standards for the management of operational risk that at meet the following requirement (continued):

- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- reporting of operational losses and proposed remedial actions;
- development of business continuity programmes including contingency plans, testing and training;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

The Group Risk and Compliance Unit conducts frequent operational risk reviews of business lines in keeping with established policies and is supported with independent reviews undertaken by Group Internal Audit. The results of all operational risk reviews are discussed with the management of the business unit to which they relate and the recommendations and required actions agreed. Summaries of the operational risk reviews are submitted to the Group Audit Committee and to the Board of Directors.

(f) Capital management:

General

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Group. This is supported by the annual Group Internal Capital Adequacy Assessment Process which seeks to ensure that all subsidiaries, on a stand-alone and on a Group basis, are adequately capitalised.

Regulatory capital

Banking indirect subsidiaries

The main regulator of JN Bank Limited (the Bank) is the Bank of Jamaica, which monitors compliance with the capital requirements for the Bank. The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Bank. This is supported by the annual Bank Internal Capital Adequacy Assessment Process which seeks to ensure that the Bank is adequately capitalised.

42. Financial risk management (continued)

(f) Capital management (continued):

Regulatory capital (continued)

Banking indirect subsidiaries (continued)

The Bank of Jamaica requires the local indirect bank subsidiary to maintain a prescribed ratio of total capital to total risk weighted assets of 10% (2023: 10%). During the year, BOJ has requested that the subsidiary increase its capital adequacy ratio from 10% to 15% [note 52(d)] to be met within the shortest possible time. The actual ratio of total capital to total risk weighted assets at March 31, 2024, was 12.5% (2023: 15%).

The Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) are the primary bodies which regulate the banking industry in the UK. The UK banking subsidiary manages its capital in accordance with Capital Requirements Regulation (CRR) and Capital Requirements Directive (together referred to as CRD IV). The framework is enforced by the Prudential Regulation Authority (PRA). The PRA sets and monitors the Bank's capital requirements.

The PRA's approach to the measurement of capital adequacy is primarily based on monitoring the relationship of the capital resources requirement to available capital resources. The regulator sets Total Capital Requirement (TCR) for each bank in excess of the minimum resources requirement of 8% of risk weighted assets. A key input to the TCR setting process is the Bank's Internal Capital Adequacy Assessment Process (ICAAP).

Common Equity Tier 1 (CET1) capital as at March 31, 2024 was £8.2 million (2023: £8.10 million) and exceeded the regulatory minima set by the PRA, and the CET1 capital ratio was 19.2% (2023: 16.3%) which exceeded the regulatory minima.

The UK indirect banking subsidiary met the regulatory requirements for the reporting years ended March 31, 2024 and March 31, 2023.

General insurance indirect subsidiary

General insurers must maintain at least a minimum level of assets, capital and surplus to meet their liabilities as required by their regulator, the Financial Services Commission (FSC). The primary measure used to assess capital adequacy is the Minimum Capital Test (MCT) which is used by the FSC to determine solvency of the company. A revised test to calculate MCT came into effect on December 22, 2022 following on the signing of the amended Insurance Regulations, 2022. The revised test stipulated a required MCT of 150% for 2023 and 175% for 2022.

The MCT ratio attained by the subsidiary at December 31, 2023 was 261% (December 31, 2022: 267%), with minimum required MCT ratio of 150% (December 31, 2022: 175%).

Life insurance indirect subsidiary

The entity's regulator is the FSC which monitors the capital requirements for the subsidiary. The FSC requires the entity to maintain a minimum capital of $150 million. The entity is in compliance with this capital requirement.

42. Financial risk management (continued)

(f) Capital management (continued):

Regulatory capital (continued)

Life insurance indirect subsidiary (continued)

To assist in evaluating the current business and strategic opportunities, a risk-based approach is one of the core measures of financial performance. The risk-based assessment measure which has been adopted is the Life Insurance Capital Adequacy Test (LICAT) as defined by the FSC and dictated by the Insurance Regulations 2001. Under those regulations, the minimum standard recommended for companies is a LICAT ratio of 100%. Prior to January 1, 2023, the Minimum Continuing Capital and Surplus Requirement (MCCSR) standard was in effect. Under those regulations, the minimum standard recommended for companies was a MCCSR ratio of 150%.

The LICAT/MCCSR attained by the subsidiary at December 31 is set out below:

	LICAT 2023	MCCSR 2022
Regulatory capital held ($`000)	1,006,226	602,094
Minimum regulatory capital ($`000)	595,749	217,256
LICAT/ MCCSR ratio (%)	168.9%	277.1%

There was no change during the year in the manner in which the subsidiary manages capital.

Investment management indirect subsidiary

The investment management indirect subsidiary's regulator is the FSC, which monitors the entity's regulatory capital position. The FSC's benchmark capital ratios and the ratios attained by the subsidiary for the current and prior year are shown in the table below.

	FSC Benchmark	2024 Attained	2023 Attained
Capital ratios:			
Total regulatory qualifying capital expressed as a percentage of total risk weighted assets	Minimum 10%	19.27%	20.96%
Total Tier 1 capital expressed as a percentage of total qualifying capital	Greater than 50%	82.67%	85.00%
Total regulatory capital expressed as a percentage of total assets	Minimum of 6%	12.92%	15.29%

The entity is in compliance with the above-listed externally imposed capital requirements.

42. Financial risk management (continued)

(f) Capital management (continued):

Regulatory capital (continued)

Indirect foreign subsidiary

An indirect subsidiary is subject to regulatory capital requirements established by the Cayman Islands Monetary Authority (CIMA). Failure to meet minimum regulatory capital requirements can initiate certain actions by CIMA that, if undertaken, could have a direct material effect on the indirect subsidiary's financial statements. Under capital adequacy guidelines used by CIMA, the indirect subsidiary must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The indirect subsidiary's regulatory capital amounts and classification are also subject to qualitative judgements by CIMA about components and risk weightings.

As at March 31, 2024 and 2023, the indirect subsidiary's regulatory capital amount and its risk asset ratio, as well as CIMA's minimum requirements are presented in the following table:

	Actual	2024 minimum for regulatory capital and capital adequacy purposes	Actual	2023 minimum for regulatory capital and capital adequacy purposes
Regulatory capital (CI$)	3,618,972	3,313,919	4,871,289	2,891,052
Risk asset ratio	26%	15%	29%	15%
Liquidity ratio	26%	10%	10%	10%

Money transmission services indirect subsidiaries

The Bank of Jamaica requires the indirect subsidiary to maintain a net worth of US$0.01 million or its equivalent in Jamaica dollars. The indirect subsidiary group's and company's net worth as at March 31, 2024 amounted to the Jamaican equivalent of US$18.35 million (2023: US$19.87 million) and US$4.90 million (2023: US$5.45 million), respectively.

CIMA requires one of the indirect subsidiaries to maintain a net worth of CI$0.03 million (2023:CI$0.03 million). Its net worth as at March 31, 2024 amounted to CI$3.76 million (2023: CI$4.06 million).

The regulatory capital requirement for the indirect subsidiary registered in The United States of America (USA) is described at note 8(iv).

The Financial Conduct Authority requires a United Kingdom indirect subsidiary to maintain a net worth of €0.14million. The indirect subsidiary's net worth as at March 31, 2024 amounted to €0.14 million or 0.12 million) (2023: €0.62 million or £0.63 million).

42. Financial risk management (continued)

(f) Capital management (continued):

Regulatory capital (continued)

Money transmission services indirect subsidiaries (continued)

An indirect subsidiary, which is regulated by the Financial Transactions and Report Analysis Centre of Canada, is not subject to any externally imposed capital requirements.

There has been no change during the year in the manner in which capital is managed within the Group.

43. Fair value of financial instruments

The fair values of financial assets that are traded in an active market are based on quoted market prices. For all other financial assets, the Group determines fair values using other valuation techniques as detailed in note 45(b).

The fair values of cash resources, securities purchased under resale agreements, customer deposits, due to/from related entities, other assets, securities sold under repurchase agreements, insurance and reinsurance contract assets, insurance contract liabilities and other payables are considered to approximate their carrying values due to their relatively short-term nature.

The estimated fair value of loans is calculated using the discounted cash flow method, incorporating a credit spread that reflects the risk profile of the portfolio. This model estimates the future expected cash flows of the loans, net of any credit loss allowances, and discounts these cash flows to their present value using a risk-adjusted discount rate. This rate is derived by combining the risk-free rate with an appropriate credit spread, which represents the additional risk premium specific to the loans. The credit spread is determined based on market data for comparable financial instruments, ensuring that the valuation accurately reflects prevailing market conditions and credit risks.

The fair value of long-term loan having specific maturity after one year, is determined by discounting future cash flows using reporting date yields of similar instruments.

(a) Accounting classifications and fair values:

The following table shows the carrying amounts (excluding interest) and fair values of financial assets, including their levels in the fair value hierarchy. Where the carrying amounts of financial assets are measured at fair value, their levels in the fair value hierarchy are also shown. Where the carrying amounts of financial assets are not measured at fair value, and those carrying amounts are a reasonable approximation of fair value, fair value information (including amounts and levels in the fair value hierarchy) is not disclosed.

43. Fair value of financial instruments (continued)

(a) Accounting classifications and fair values (continued):

	Group 2024								
	Carrying amount					Fair value			
	Amortised cost $'000	Fair value through other comprehensive income $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:									
Corporate and sovereign (other than GOJ) bonds	-	12,093,179	-	-	12,093,179	-	12,093,179	-	12,093,179
Quoted equities	-	201,062	461,997	-	663,059	663,059	-	-	663,059
Unquoted equities	-	19,608	-	-	19,608	-	19,608	-	19,608
Government of Jamaica securities	-	51,138,255	-	-	51,138,255	-	51,138,255	-	51,138,255
Treasury bills	-	3,915,460	-	-	3,915,460	-	3,915,460	-	3,915,460
Mutual funds	-	-	289,460	-	289,460	-	289,460	-	289,460
	-	67,367,564	751,457	-	68,119,021	663,059	67,455,962	-	68,119,021
Financial assets not measured at fair value:									
Cash resources	78,339,359	-	-	-	78,339,359	-	78,339,359	-	78,339,359
Securities purchased under resale agreements	6,227,723	-	-	-	6,227,723	-	9,482,539	-	9,482,539
Investments	13,328,640	-	-	-	13,328,640	-	13,328,640	-	13,328,640
Loans	171,704,739	-	-	-	171,704,739	-	-	171,704,739	171,704,739
Other assets	2,985,921	-	-	-	2,985,921	-	-	2,985,921	2,985,921
Insurance and reinsurance contract assets	1,705,641	-	-	-	1,705,641	-	1,705,641	-	1,705,641
Total financial assets	274,292,023	-	-	-	274,292,023	-	102,856,179	174,690,660	277,546,839

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43. Fair value of financial instruments (continued)

(a) Accounting classifications and fair values (continued):

	Group 2024								
	Carrying amount					Fair value			
	Amortised cost $'000	Fair value through other comprehensive income $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial liabilities not measured at fair value:									
Due to specialised financial institutions	-	-	-	2,757,903	2,757,903	-	-	2,757,903	2,757,903
Customer deposits	-	-	-	267,752,145	267,752,145	-	-	267,030,061	267,030,061
Due to related entities	-	-	-	168,171	168,171	-	-	168,171	168,171
Securities sold under repurchase agreements	-	-	-	32,497,473	32,497,473	-	-	32,497,473	32,497,473
Other payables	-	-	-	7,895,198	7,895,698	-	-	7,895,198	7,895,198
Margin loan payable	-	-	-	2,216,038	2,216,038	-	-	2,216,038	2,216,038
Insurance contract liability	-	-	-	7,351,080	7,351,080	-	-	7,351,080	7,351,080
Long-term loan	-	-	-	7,301,507	7,301,507	-	-	7,301,507	7,301,507
Lease liability	-	-	-	3,256,551	3,256,551	-	-	3,256,551	3,256,551
	-	-	-	331,196,066	331,196,066	-	-	330,473,982	330,473,982

The Company has no financial assets or financial liabilities measured at fair value.

	Group 2023								
	Carrying amount					Fair value			
	Amortised cost $'000	Fair value through other comprehensive income $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:									
Corporate and sovereign (other than GOJ) Bonds	-	13,030,479	-	-	13,030,479	-	13,030,479	-	13,030,479
Quoted equities	-	275,222	447,198	-	722,420	722,420	-	-	722,420
Unquoted equities	-	19,608	-	-	19,608	-	19,608	-	19,608
Government of Jamaica securities	-	58,364,708	-	-	58,364,708	-	58,364,708	-	58,364,708
Treasury bills	-	6,378,962	-	-	6,378,962	-	6,378,962	-	6,378,962
Mutual funds	-	-	268,610	-	268,610	-	268,610	-	268,610
Promissory note	-	49,829	-	-	49,829	-	49,829	-	49,829
	-	78,118,808	715,808	-	78,834,616	722,420	78,112,196	-	78,834,616

43. Fair value of financial instruments (continued)

(a) Accounting classifications and fair values (continued):

The following table sets out the fair values of financial instruments not measured at fair value and analyzes them by the level in the fair value hierarchy into which each value measurement is categorised.

	Group 2023								
	Carrying amount					Fair value			
	Amortised cost $'000	Fair value through other comprehensive income $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets not measured at fair value:									
Cash resources	30,930,967	-	-	-	30,930,967	-	30,930,967	-	30,930,967
Securities purchased under resale agreements	3,362,873	-	-	-	3,362,873	-	6,271,859	-	6,271,859
Investments	12,124,709	-	-	-	12,124,709	-	12,124,709	-	12,124,709
Loans	143,763,378	-	-	-	143,763,378	-	-	125,673,374	125,673,374
Other assets	9,937,301	-	-	-	9,937,301	-	-	9,937,301	9,937,301
Total financial assets	200,119,228	-	-	-	200,119,228	-	49,327,535	135,610,675	184,938,210
Financial liabilities not measured at fair value:									
Bank overdraft	-	-	-	39,564	39,564	-	-	39,564	39,564
Due to specialised financial institutions	-	-	-	2,441,461	2,441,461	-	-	2,441,461	2,441,461
Customer deposits	-	-	-	201,817,130	201,817,130	-	-	201,817,130	201,817,130
Due to related entities	-	-	-	157,242	157,242	-	-	157,242	157,242
Securities sold under repurchase agreements	-	-	-	30,383,059	30,383,059	-	-	30,383,059	30,383,059
Other payables	-	-	-	9,361,501	9,361,501	-	-	9,361,501	9,361,501
Long-term loan	-	-	-	2,086,716	2,086,716	-	-	2,086,716	2,086,716
Lease liability	-	-	-	7,099,860	7,099,860	-	-	7,099,860	7,099,860
	-	-	-	1,239,190	1,239,190	-	-	1,239,190	1,239,190
	-	-	-	254,625,723	254,625,723	-	-	254,625,723	254,625,723

43. Fair value of financial instruments (continued)

(b) Valuation techniques for investment securities classified as Level 2:

The following table shows the valuation techniques used in measuring the fair value of investment securities classified as Level 2.

Type	Valuation techniques
US$ denominated GOJ securities, sovereign and corporate bonds	• Obtain bid price provided by a recognised broker/dealer. • Apply price to estimate fair value.
J$ denominated securities issued or guaranteed by GOJ	• Obtain bid price provided by a recognised pricing source (which uses Jamaica-market-supplied indicative bids). • Apply price to estimate fair value.
Units in mutual funds	• Obtain net asset value (NAV) per unit published by Fund Manager. • Apply price to estimate fair value.
Unquoted equities	• Price obtained from third party valuations. • Apply price to estimate fair value.
Promissory note	• Obtain bid price provided by a recognised pricing source (which uses Jamaica-market-supplied indicative bids). • Apply price to estimate fair value
Foreign exchange forward contracts	• Obtain forward foreign exchange rates. • Apply rates to estimate fair value.

There are no significant unobservable inputs used in computing the fair values.

44. Insurance risk management

Applicable for 2024 and 2023

(a) Key risks arising from insurance and reinsurance contracts issued

The primary insurance activity carried out by the Group is the transfer of risk from persons or entities that are directly subject to the risk, by means of the sale of insurance policies. As such, the Group is exposed to uncertainty surrounding the timing, frequency and severity of claims under these policies.

The nature and extent of the underwriting and financial risks arising from the insurance contracts are determined by the contract design. The risks are evaluated for risk management purposes in conjunction with the risks mitigated by related reinsurance contracts and the risks arising from financial assets held to fund the settlement of the liabilities.

44. Insurance risk management (continued)

Applicable for 2024 and 2023 (continued)

(a) Key risks arising from contracts issued (continued)

The principal types of contracts written by the Group are:

- Property insurance
- Liability insurance
- Motor insurance
- Life insurance

For property insurance contracts, the frequency and severity of claims are affected by the occurrence of extreme weather events (e.g. floods and hurricanes) and other natural catastrophes (e.g. earthquakes). In particular, the cost of rebuilding or repairing a property, together with the cost of business interruption, is a significant feature in the overall value of claims in this portfolio. In addition, increasing climate risk could potentially introduce material uncertainty in assumptions and result in inaccurate pricing of insurance risk.

For liability and motor insurance contracts, these contracts are subject to legislative and regulatory changes. Although this portfolio does not contain a large number of individually significant claims, a high frequency of claims can be a risk.

(b) Underwriting risk

Underwriting risk comprises insurance risk, policyholder behaviour risk and expense risk.

- Insurance risk: the risk transferred from the policyholder to the company, other than financial risk. Insurance risk arises from the inherent uncertainty about the occurrence, amount or timing of claims.

- Policyholder behaviour risk: the risk that a policyholder will cancel a contract (i.e. lapse or persistency risk), increase or reduce premiums.

- Expense risk: the risk of unexpected increases in the administrative costs associated with the servicing of a contract (rather than in the costs associated with insured events).

(i) Management of underwriting risk

The Group's management of insurance and financial risk is a critical aspect of the business. The Group manages insurance risk through its underwriting policy that includes, *inter alia*, authority limits, approval procedures for transactions that exceed set limits, pricing guidelines and the centralised management of reinsurance.

The Group actively monitors insurance risk exposures both for individual and portfolio types of risks. These methods include internal risk measurement, portfolio modelling and analyses.

The Group seeks to underwrite a balanced portfolio of risks at rates and on terms that will produce an underwriting result consistent with its long term objectives.

44. Insurance risk management (continued)

Applicable for 2024 and 2023 (continued)

(b) Underwriting risk (continued)

(i) Management of underwriting risk (continued)

The Board of Directors approves the underwriting strategy, which is set out in an annual business plan, and management is responsible for the attainment of the established objectives.

Property insurance contracts:

The risks relating to property contracts are managed primarily through the pricing process. The Group re-prices each contract to reflect the continually evolving risk profile. The Group uses strict underwriting criteria to ensure that the risk of losses is acceptable.

Liability insurance contracts:

Risks arising from liability insurance are managed primarily through pricing, product design, risk selection, rating and reinsurance. The Group monitors and reacts to changes in the general economic and commercial environment in which it operates to ensure that only liability risks which meet its criteria for profitability are underwritten.

Motor insurance contracts:

The risks relating to motor contracts are managed primarily through the pricing process. The Group monitors and reacts to changes in trends of injury awards, litigation and the frequency of claims.

(ii) Reinsurance strategy:

The Group reinsures a portion of the risks it underwrites in order to protect capital resources and to limit its exposure to variations in the projected frequency and severity of losses.

The Group manages reinsurance risk by selecting reinsurers which have the established capability to meet their contractual obligations and which have favourable credit ratings as determined by a reputable rating agency.

Ceded reinsurance results in credit risk. The Group monitors the financial condition of re-insurers on an ongoing basis and reviews its reinsurance arrangements periodically. The Board of Directors is responsible for setting the minimum security criteria for accepting reinsurance and monitoring the purchase of reinsurance against those criteria and for monitoring its adequacy on an ongoing basis. [note 42(b)].

(iii) Sensitivity analysis

For the life insurance subsidiary, the table below analyses the sensitivity of the CSM, profit or loss and equity to changes in valuation assumptions. This analysis assumes that all other assumptions remains constant.

44 Insurance risk management (continued)

(b) Underwriting risk (continued)

(iii) Sensitivity analysis (continued)

	2024								
	FCF as at December 31 $'000	CSM as at December 31 $'000	Total $'000	Impact of FCF $'000	Impact on CSM $'000	Total Increase/ (decrease) in insurance contact liabilities $'000	Remaining CSM $'000	Impact on profit before income tax $'000	Impact on equity $'000
Insurance contract liabilities as at March 31									
Net insurance contracts balance	136,186	149,792	285,978	-	-	-	-	-	-
Reinsurance contract assets	(1,120)	750	(370)	-	-	-	-	-	-
Net insurance contract liabilities	**135,066**	**150,542**	**285,608**	-	-	-	-	-	-
Mortality rate – 10% increase									
Net insurance contracts balance	-	-	-	64,599	(47,679)	16,920	102,112	(16,920)	(12,690)
Reinsurance contract assets	-	-	-	(1,158)	1,126	(32)	1,877	32	24
Net insurance contract liabilities	-	-	-	**63,441**	**(46,553)**	**16,888**	**103,989**	**(16,888)**	**(12,666)**
Mortality rate – 10% decrease									
Net insurance contracts balance	-	-	-	(66,574)	56,151	(10,423)	205,943	10,423	7,817
Reinsurance contract assets	-	-	-	1,140	(1,109)	31	-	-	-
Net insurance contract liabilities	-	-	-	**(65,434)**	**55,042**	**(10,392)**	**205,585**	**10,392**	**7,794**
Morbidity rate – 10% increase									
Net insurance contracts balance	-	-	-	39,943	(33,081)	6,862	116,711	(6,862)	(5,146)
Reinsurance contract assets	-	-	-	4	(4)	-	746	-	-
Net insurance contract liabilities	-	-	-	**39,947**	**(33,085)**	**6,862**	**117,457**	**(6,862)**	**(5,146)**
Morbidity rate – 10% decrease									
Net insurance contracts balance	-	-	-	(39,481)	32,765	(6,716)	182,557	6,716	5,037
Net insurance contract assets	-	-	-	(10)	10	-	761	-	-
Net insurance contract liabilities	-	-	-	**(39,491)**	**32,775**	**(6,716)**	**183,318**	**6,716**	**5,037**
Lapse/surrender rates – 10% increase									
Net insurance contracts balance	-	-	-	10,083	(9,295)	788	140,497	(788)	(591)
Reinsurance contract assets	-	-	-	42	(41)	1	709	(1)	(1)
Net insurance contract liabilities	-	-	-	**10,125**	**(9,336)**	**789**	**141,206**	**(789)**	**(592)**
Lapse/surrender rates – 10% decrease									
Net insurance contracts balance	-	-	-	(9,340)	10,105	765	159,896	(765)	(574)
Reinsurance contract assets	-	-	-	(38)	37	(1)	788	1	1
Net insurance contract liabilities	-	-	-	**(9,378)**	**10,142**	**764**	**160,684**	**764**	**573**
Expenses – 10% increase									
Net insurance contracts balance	-	-	-	18,534	(15,133)	3,401	134,658	(3,401)	(2,551)
Reinsurance contract assets	-	-	-	(5)	5	-	755	-	-
Net insurance contract liabilities	-	-	-	**(18,429)**	**15,128**	**(3,401)**	**135,413**	**3,401**	**2,551**
Expenses – 10% increase									
Net insurance contracts balance	-	-	-	(18,484)	15,134	(3,350)	164,925	3,350	2,513
Reinsurance contract assets	-	-	-	8	(8)	-	743	-	-
Net insurance contract liabilities	-	-	-	**(18,476)**	**15,126**	**(3,350)**	**165,668**	**3,350**	**2,513**

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44. Insurance risk management (continued)

(b) Underwriting risk (continued)

(iii) Sensitivity analysis (continued)

	2023								
	FCF as at March 31 $'000	CSM as at March 31 $'000	Total $'000	Impact of FCF $'000	Impact on CSM $'000	Total Increase/ (decrease) in insurance contact liabilities $'000	Remaining CSM $'000	Impact on profit before income tax $'000	Impact on equity $'000
Insurance contract liabilities as at March 31									
Net insurance contracts balance	237,203	79,767	316,970	-	-	-	-	-	-
Reinsurance contract assets	-	-	-	-	-	-	-	-	-
Net insurance contract liabilities	**237,203**	**79,767**	**316,970**	-	-	-	-	-	-
Mortality rate – 10% increase									
Net insurance contracts balance	-	-	-	36,044	(16,474)	19,570	63,293	(19,570)	(14,677)
Reinsurance contract assets	-	-	-	(425)	435	10	435	(10)	(8)
Net insurance contract liabilities	-	-	-	**35,619**	**(16,039)**	**19,580**	**63,728**	**(19,580)**	**(14,685)**
Mortality rate – 10% decrease									
Net insurance contracts balance	-	-	-	(37,165)	31,071	(6,094)	110,837	6,094	4,570
Reinsurance contract assets	-	-	-	420	(430)	(10)	(431)	10	8
Net insurance contract liabilities	-	-	-	**(36,745)**	**30,641**	**(6,104)**	**110,406**	**6,104**	**4,578**
Morbidity rate – 10% increase									
Net insurance contracts balance	-	-	-	27,129	(22,972)	4,157	56,795	(4,125)	(3,118)
Reinsurance contract assets	-	-	-	-	-	-	-	-	-
Net insurance contract liabilities	-	-	-	**27,129**	**(22,972)**	**4,157**	**56,795**	**(4,125)**	**(3,118)**
Morbidity rate – 10% decrease									
Net insurance contracts balance	-	-	-	26,816	(22,691)	(4,125)	102,457	4,125	3,094
Net insurance contract assets	-	-	-	-	-	(1)	-	-	-
Net insurance contract liabilities	**-**	**-**	**-**	**26,816**	**22,691**	**(4,126)**	**102,457**	**4,125**	**3,094**
Lapse/surrender rates – 10% increase									
Net insurance contracts balance	-	-	-	1,330	(1,567)	(237)	78,199	237	178
Reinsurance contract assets	-	-	-	42	(49)	(1)	(49)	1	1
Net insurance contract liabilities	**-**	**-**	**-**	**1,372**	**(1,616)**	**(238)**	**78,150**	**238**	**179**
Lapse/surrender rates – 10% decrease									
Net insurance contracts balance	-	-	-	(506)	841	335	80,607	(335)	(251)
Reinsurance contract assets	-	-	-	(44)	45	1	45	(1)	(1)
Net insurance contract liabilities	**-**	**-**	**-**	**(550)**	**886**	**336**	**80,652**	**(336)**	**252**
Expenses – 10% increase									
Net insurance contracts balance	-	-	-	16,004	(13,164)	2,840	66,603	(2,840)	(2,130)
Reinsurance contract assets	-	-	-	(5)	5	-	5	-	-
Net insurance contract liabilities	**-**	**-**	**-**	**(15,999)**	(13,159)	**2,840**	**66,608**	(2,840)	**(2,130)**
)Expenses – 10% increase									
Net insurance contracts balance	-	-	-	(15,894)	13,063	2,831	92,830	2,831	2,123
Reinsurance contract assets	-	-	-	5	(5)	-	(5)	-	-
Net insurance contract liabilities	**-**	**-**	**-**	**(18,889)**	**13,058**	**(2,831)**	**92,825**	**2,831**	**2,123**

44. Insurance risk management (continued)

(b) Underwriting risk (continued)

(iii) Sensitivity analysis (continued)

For the general insurance subsidiary, the table below analyses how the profit or loss and equity would have increased/(decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

	2024		Restated* 2023	
	Profit or loss		Equity	
	Gross	Net	Gross	Net
	$'000	$'000	$'000	$'000
Ultimate claims (10% increase)	121,345	115,420	141,520	134,601
Ultimate claims (10% decrease)	(124,815)	(118,875)	(147,152)	(140,014)

(c) Terms and conditions of general and life insurance contracts:

The table below provides an overview of the terms and conditions of general and life insurance contracts written by the Group and the key factors upon which the timing and uncertainty of future cash flows of these contracts depend:

Type of contract	Terms and conditions	Key factors affecting future cash flows
Liability	Under these contracts, compensation is paid for injury suffered by individuals, including employees or members of the public. The main liability exposures are in relation to bodily injury.	The timing of claim reporting and settlement is a function of factors such as the nature of the coverage and the policy provisions. The majority of bodily injury claims have a relatively long tail. In general, these claims involve higher estimation uncertainty.
Property	Property insurance indemnifies, subject to any limits or excesses, the policyholder against the loss or damage to their own material property and business interruption arising from this damage.	The risk on any policy varies according to many factors such as location, safety measures in place and the age of the property. The event giving rise to a claim for damage to buildings or contents usually occurs suddenly (as for fire and burglary) and the cause is easily determinable. Therefore, claims are generally notified promptly and can be settled without delay. Property business is therefore classified as "short-tailed" and expense deterioration and investment return are of less importance in estimating provisions.

44. Insurance risk management (continued)

(c) Terms and conditions of general and life insurance contracts (continued):

The table below provides an overview of the terms and conditions of general and life insurance contracts written by the Group and the key factors upon which the timing and uncertainty of future cash flows of these contracts depend (continued):

Type of contract	Terms and conditions	Key factors affecting future cash flows
Property (cont'd)		The cost of repairing or rebuilding assets, of replacement or indemnity for contents and the time taken to restart or resume operations to original levels for business interruption losses are the key factors influencing the level of claims under these policies.
Motor	Motor insurance contracts provide cover in respect of policyholders' motor vehicles and their liability to third parties in respect of damage to property and bodily injury. The exposure on motor insurance contracts is normally limited to the replacement value of the vehicle and a policy limit in respect of third party damage.	In general, claims reporting lags are minor and claim complexity is relatively low. The frequency of claims is affected by excessive speeding, the deteriorating condition of the road network, failure of some motorists to obey traffic signals and the road code and an overall increase in the incidence of motor vehicle accidents. The number of claims is also correlated with economic activity, which also affects the amount of traffic activity. The bodily injury claims have a relatively long tail. In general, these claims involve higher estimation uncertainty.
Life	Life insurance contracts insure human life for death, critical illness or permanent disability over short and long durations. These insurance contracts protect the policy holder from the consequence of events such as death or disability that would affect the ability of the customer or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policy-holder. There are no maturity or surrender benefits.	For the contracts where death is the insured risk, the most significant factors that could increase the overall frequency and severity of claims are epidemics (such as AIDS) and wide-ranging lifestyle changes such as eating, smoking and exercise habits resulting in earlier or more claims than expected.

44. Insurance risk management (continued)

(c) Terms and conditions of general and life insurance contracts (continued):

Liability contracts:

Risks arising from liability insurance are managed primarily through pricing, product design, risk selection, rating and reinsurance. The Group monitors and reacts to changes in the general economic and commercial environment in which it operates to ensure that only liability risks which meet its criteria for profitability are underwritten.

Property contracts:

The risks relating to property contracts are managed primarily through the pricing process. The Group reprices each contract to reflect the continually evolving risk profile. The Group uses strict underwriting criteria to ensure that the risk of losses is acceptable.

Motor contracts:

The risks relating to motor contracts are managed primarily through the pricing process. The Group monitors and reacts to changes in trends of injury awards, litigation and the frequency of claims.

(d) Claims development for general insurance:

Claims development information is disclosed in the table below in order to illustrate the insurance risk inherent in the Group (gross and net). The top part of the table shows how the estimates of total claims for each accident year develop over time. The estimates are increased or decreased as losses are paid and more information becomes known about the severity of unpaid claims. The lower part of the table provides a reconciliation of the total provision included in the statement of financial position and the estimate of cumulative claims.

44. Insurance risk management (continued)

(d) Claims development for general insurance (continued):

Analysis of gross claims development:

	2014 $'000	2015 $'000	2016 $'000	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	Total $'000
Net of reinsurance											
Estimate of cumulative claim at end of financial	805,271	935,384	1,168,836	1,113,423	1,022,795	1,069,797	1,188,693	1,263,976	1,825,246	1,267,557	
One years later	736,189	928,782	1,142,456	1,145,958	1,054,169	1,188,508	1,271,159	1,505,149	1,938,694		
Two years later	710,918	912,764	1,177,974	1,220,699	1,171,655	1,311,370	1,320,433	1,602,566			
Three years later	720,379	939,272	1,215,308	1,321,563	1,245,417	1,417,676	1,340,900				
Four years letter	723,974	963,322	1,264,737	1,377,165	1,309,656	1,522,464					
Five years Later	729,442	992,492	1,309,247	1,436,767	1,384,205						
Six years later	757,419	1,014,285	1,359,409	1,441,669							
Seven years later	787,386	1,051,824	1,405,885								
Eight years later	790,011	1,104,655									
Nine years later	821,913										
Estimate of cumulative claims	821,913	1,104,655	1,405,885	1,441,669	1,384,205	1,522,464	1,340,900	1,602,566	1,938,694	1,267,557	13,830,508
Cumulative payments to date	757,067	1,011,910	1,278,761	1,285,239	1,154,276	1,190,419	1,005,275	1,078,805	1,113,537	360,121	10,235,410
Net outstanding claims liability	64,846	92,745	127,124	156,430	229,929	332,045	335,625	523,761	825,157	907,436	3,595,098
Prior years' claims liability											157,949
Provision for unallocated loss adjustment expenses											378,249
Discounting											(683,879)
Risk adjustment											207,213
Net outstanding claims liability											**3,654,630**

44. Insurance risk management (continued)

(e) Reinsurance limits for general and life insurance subsidiaries for years ended 2024 and 2023.

(i) In the life insurance subsidiary, coverage in excess of the below retention limits is ceded to reinsurers up to the treaty limit. The retention limits used by the Group are summarised below:

Types of insurance contract	Retention limit
Group creditor life contract	JMD 7,500,000; USD 60,000; CAD 75,000; GBP 42,000 of coverage per life insured. Treaty limits apply
Group life contract	JMD 3,000,000 of coverage per life insured. Treaty limits apply
Term Plan	JMD 10,000,000 of coverage per life insured. Treaty limits apply

The benefits assured for the Creditor Life policies, distributed by retained amounts and by reinsured amounts at December 31 are shown below:

	2023		
Band	Total amount	Total amount reinsured	Total amount retained
$'000	$'000	$'000	$'000
0 - 1,000	14,904	-	14,904
1,000 - 2,000	11,723	-	11,723
2,000 - 5,000	44,371	2,399	41,972
5,000 - 10,000	34,641	8,218	26,423
10,000 and over	41,039	27,713	13,326
	146,678	38,330	108,348

	2023		
Band	Total amount	Total amount reinsured	Total amount retained
$'000	$'000	$'000	$'000
0 - 1,000	12,696	25	12,671
1,000 - 2,000	11,189	29	11,160
2,000 - 5,000	40,303	971	39,332
5,000 - 10,000	30,157	6,732	23,425
10,000 and over	30,408	19,235	11,173
	124,753	26,992	97,761

44. Insurance risk management (continued)

(f) Discount rates

The settlement of the Group's current outstanding claims is expected to occur within the period for which observable market information is available to determine the IFRS 17 discount rates.

The yield curves (spot rates) that were used to discount the estimates of future cash flows are as follows:

	2023					2022				
Product	**1 year**	**5 years**	**10 years**	**15 years**	**20 years**	**1 year**	**5 years**	**10 years**	**15 years**	**20 years**
General insurance (issued and reinsurance held)	6.93%	6.82%	7.78%	9.80%	10.55%	6.68%	6.02%	6.19%	8.72%	9.74%

45. Concentration of insurance risks

Policy applicable before April 1,2023

A key aspect of the insurance risk faced by the Group is the extent of concentration of insurance risk which may exist where a particular event or series of events could impact significantly upon its liabilities. Such concentration may arise from a single insurance contract or through a portfolio of related contracts.

The main concentration risk to which the Group is exposed is natural disasters. By their nature, the timing and frequency of these events are uncertain. They represent a significant risk to the Group because the occurrence of an event could have a significantly adverse effect on its cash flows.

The Group's two key methods of managing these risks are as follows:

(a) Firstly, the risk is managed through the establishment of an appropriate underwriting strategy and its implementation by means of the Group's underwriting policy [note 41(a)].

(b) Secondly, the risk is managed through the use of reinsurance [note 41(b)]. The Group arranges proportional reinsurance at the risk level and purchases excess of loss cover for liability and property business. The Group assesses the costs and benefits associated with the reinsurance programme on a regular basis.

(c) The carrying amounts of the indirect general insurance subsidiary insurance contracts (net of reinsurance) are analysed below by type of product.

	2024	Restated* 2023
	$'000	$'000
Property	1,336,872	713,082
Liability	731,956	541,903
Motor	3,117,488	3,109,553
Other	80,833	(48,152)
	5,267,149	4,316,386

46. Commitments

(a) At March 31, 2024 the Group had:

(i) Undisbursed approved loans of approximately $16.77 billion (2023: $12.04 billion).

(ii) Capital commitments for capital expenditure approved and contracted for was $89.60 million (2023: $37.36 million).

(iii) Sponsorship commitments for sponsorship expenditures amounted to $123.20 million (2023: $79.50 million).

(b) In the prior year, the Company pledged its commitment to provide financial support, if required, to fund the activities of one of its indirect subsidiaries for a period of twelve months from the dates of signing of the financial statements.

(c) In prior year, JNFG pledged its commitment to provide financial support to fund the activities of one of its subsidiaries.

(d) An indirect subsidiary has given guarantees amounting to $0.6 million ($2023: $0.6 million) in respect of bank guarantees issued to the Collector and Commissioner of Customs.

47. Contingent liabilities

(i) There are several claims which have been brought against the Group in respect of damages for alleged breach of contract and other matters. It is the opinion of the directors, on the advice of the Group's Legal Counsel, that, in the unlikely event that these claims are successful, liability would not be significant.

(ii) In the ordinary course of business, the general insurance indirect subsidiary seeks to reduce the loss that may result from catastrophe or other events that cause unfavourable underwriting results by reinsuring certain levels of risk with other insurers. These reinsurers are chosen based on their international rating, with no one reinsurer accounting for more than 15% of the indirect subsidiary's aggregates. Reinsurance ceded does not discharge the indirect subsidiary's liability as the principal insurer. Failure of reinsurers to honour their obligation could result in losses to the Group. Consequently, a contingent liability exists inasmuch as an assuming reinsurer may be unable to meet its obligations.

48. Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these financial statements, except as otherwise mentioned.

In addition, the Group adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2*) from April 1, 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. Although these amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in respect of certain policies.

48. Material accounting policies (continued)

(a) Financial assets and financial liabilities:

(i) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

The transaction price is usually the best evidence of fair value at initial recognition, represented by the fair value of the consideration given or received in exchange for the financial instrument.

If the Group determines that the fair value differs from the transaction price, the financial instrument is nevertheless recorded at initial recognition at fair value and the difference between the transaction price and fair value is a Day 1 gain or loss, accounted for in a manner that is based on the level in the hierarchy that the fair value falls, that is:

1) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised in profit or loss as a Day 1 gain or loss.

2) When the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, the difference is deferred and the timing of recognition of the deferred Day 1 gain or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

(ii) Classification and subsequent measurement

A. Financial assets

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

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

1) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and government and corporate bonds.

48. Material accounting policies (continued)

(a) Financial assets and financial liabilities (continued):

(ii) Classification and subsequent measurement (continued)

A. Financial assets (continued)

The classification requirements for debt and equity instruments are described below (continued):

1) Debt instruments (continued)

Classification and subsequent measurement of debt instruments depend on:

- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- *Amortised cost*: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 39(b). Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- *Fair value through other comprehensive income (FVOCI)*: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net gains/(losses) on derecognition of financial assets measured at amortised cost'. Interest income from these financial assets is included in 'interest income' using the effective interest rate method.

- *Fair value through profit or loss*: Assets that do not meet the criteria for amortised cost or FVOCI 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 and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'net trading revenue' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading,

48. Material accounting policies (continued)

(a) Financial assets and financial liabilities (continued):

(ii) Classification and subsequent measurement (continued)

A. Financial assets (continued)

1) Debt instruments (continued)

- *Fair value through profit or loss*: (continued)
  in which case they are presented separately in ‘Net gains/(losses) on derecognition of financial assets measured at amortised cost’. Interest income from these financial assets is included in ‘Interest income’ using the effective interest rate method.

Assessment of business model: the business model reflects how the Group manages the assets in order to generate cash flows. The measurement category (from the three above) that the Group selects for a particular debt instrument depends on the business model applicable to that instrument. There are three business models, namely, ‘hold to collect’, ‘hold to collect and sell’ and ‘other’. The Group determines whether its objective is solely to collect the contractual cash flows from the assets or it is to collect both the contractual cash flows and cash flows arising from the sale of the assets

If neither of these is applicable, (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of ‘other’ business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset’s performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

For example, the Group’s business model for the mortgage portfolio is to hold to collect contractual cash flows. Another example is the liquidity portfolio of assets, which is held by the Group as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the ‘other’ business model and measured at FVTPL.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI): Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments’ cash flows represent solely payments of principal and interest (the ‘SPPI test’). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. If so, the debt instrument is classified and measured at amortised cost. 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 FVTPL.

48. Material accounting policies (continued)

(a) Financial assets and financial liabilities (continued):

(ii) Classification and subsequent measurement (continued)

A. Financial assets (continued)

1) Debt instruments (continued)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

2) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidences a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequent to initial recognition measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Gains and losses on equity investments at FVTPL are included in the 'Other operating income' line in the statement of revenue and expenses.

B. Financial liabilities

The Group classifies it financial liabilities as 'at fair value through profit or loss (FVTPL)' if they are held for trading, or designated by the entity as being at FVTPL (if the specified conditions are met); otherwise, they are classified as 'at amortised cost'.

Financial liabilities classified as at FVTPL are initially recognised at fair value and are thereafter carried at fair value. Financial liabilities classified as at amortised cost are initially recognised at fair value less transaction costs and are thereafter carried at amortised cost using the effective interest method.

48. Material accounting policies (continued)

(a) Financial assets and financial liabilities (continued):

(iii) Measurement methods

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts, fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets - assets that are credit-impaired [see definition at note 39(b)(ii)] at initial recognition - the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

(iv) Derecognition of financial assets and financial liabilities

Financial assets

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired (which may apply on a modification [see (a)(v)below], or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

48. Material accounting policies (continued)

(a) Financial assets and financial liabilities (continued):

(iv) Derecognition of financial assets and financial liabilities (continued)

Where the Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them (as in the cases of securities lending and sale-and-repurchase transactions), the transferred assets are not derecognised.

Where the Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards, these transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

1) has no obligation to make payments unless it collects equivalent amounts from the assets;

2) is prohibited from selling or pledging the assets; and

3) has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Group retains a subordinated residual interest.

Financial liabilities

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

(v) Modification of financial assets and financial liabilities

Financial assets

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

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cashflows to amounts the borrower is expected to be able to pay.

48. Material accounting policies (continued)

(a) Financial assets and financial liabilities (continued):

(v) Modification of financial assets and financial liabilities (continued)

Financial assets (continued):

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

- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired and the Group derecognises the original financial asset [see (a)(iv) above] and recognises a 'new' asset at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

A new effective interest rate for the asset is then calculated. The date of renegotiation 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. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

48. Material accounting policies (continued)

(a) Financial assets and financial liabilities (continued):

(v) Modification of financial assets and financial liabilities (continued)

Financial assets (continued)

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(vi) Identification and measurement of impairment

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

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

Note 42(b)(ii)B(6) provides more details of how the expected credit loss allowance is measured.

48. Material accounting policies (continued)

(a) Financial assets and financial liabilities (continued):

(vi) Identification and measurement of impairment (continued)

Allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- Loan commitments and financial guarantee contracts: generally, as a provision.
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss is recognised in profit or loss as a reclassification from OCI.

(vii) Recognition and measurement of financial guarantee contracts and loan commitments

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

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

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

The Group has not made any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

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

48. Material accounting policies (continued)

(b) Fair value measurement:

'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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price, that difference is accounted for as described in note 48(a)(i).

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk and that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(c) Basis of consolidation:

[i] Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain or bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities, in which case they are deducted from the proceeds.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts, generally, are recognised in profit or loss.

48. Material accounting policies (continued)

(c) Basis of consolidation (continued):

[i] Business combinations (continued)

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain or bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities, in which case they are deducted from the proceeds.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts, generally, are recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in fair value of the contingent consideration are recognised in profit or loss.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired entity; plus
- if the business combination is achieved in stages, the fair value of the pre-existing interest in the acquired entity; less
- the net recognised amount (generally, fair value) of the identifiable assets acquired and liabilities assumed.

[ii] Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiary companies are listed in note 1 and are referred to as “subsidiaries” or “subsidiary” in the financial statements. The consolidated or Group financial statements comprise the financial results of the Company and its direct and indirect subsidiaries prepared to March 31, except for JN General Insurance Company Limited and JN Life Insurance Company Limited, whose financial statements are prepared to December 31, annually (note 1). Consequently, the consolidated results include the results of these subsidiaries for the year ended December 31, 2023 (2023: December 31, 2022), updated for significant transactions to March 31, 2024 (2023: March 31, 2023), if any.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of all entities in the Group have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

48. Material accounting policies (continued)

(c) Basis of consolidation (continued):

[iii] Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interest to have a deficit balance.

[iv] Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

[v] Interest in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to $Nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations, or made payments on behalf of an associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of profits equals the share of losses not recognised.

Book value accounting is used to recognise transfer of investments in associates between investors under common control. The result of the transaction is recognised in equity as arising from a transaction with shareholders. Any difference between the amount paid and the carrying amount of the investee, that is, excess consideration is recognised as an additional investment and any deficit is recorded as dividends received.

48. Material accounting policies (continued)

(c) Basis of consolidation (continued):

[vi] Jointly controlled operations

A jointly controlled operation is a joint venture carried on by a venturer using its own assets in pursuit of the joint operation. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation and expenses that the Group incurs and its share of the income that it earns from the joint operation.

[vii] Transactions eliminated on consolidation

Intra-group balances and transactions, any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(d) Property, plant and equipment:

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses [see note 48(t)]. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be reliably measured. The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Property, plant and equipment, with the exception of artwork and freehold land, on which no depreciation is provided, are depreciated on the straight-line basis at annual rates to write down the assets to their estimated residual values over their estimated useful lives and is generally recognised in profit or loss. Leasehold properties are amortised in equal instalments over the shorter of the lease term and the properties' estimated useful lives.

The depreciation rates are as follows:

Freehold buildings	2½%
Leasehold buildings	Shorter of lease term and useful life
Leasehold improvements	Shorter of lease term and useful life
Computer hardware	33⅓%
Furniture, fixtures and office equipment	10%
Motor vehicles	20%

The depreciation methods, useful lives and residual values are reassessed at each reporting date.

48. Material accounting policies (continued)

(e) Securities purchased/sold under resale/repurchase agreements:

Securities purchased under resale agreements ("Reverse repo") and securities sold under repurchase agreements ("Repo") are short-term transactions whereby securities are bought/sold with simultaneous agreements to resell/repurchase the securities on a specified date and at a specified price. Reverse repos and repos are accounted for as short-term collateralised lending and borrowing, respectively, and are measured at amortised cost less, for reverse repos, impairment.

The difference between the purchase/sale and resale/repurchase considerations is recognised on the accrual basis over the period of the agreements, using the effective yield method, and is included in interest income and expense, respectively.

(f) Cash resources:

Cash resources are measured at amortised cost. They comprise cash balances and cash reserve at the Bank of Jamaica, cash in hand and short-term, highly liquid investments where original maturities do not exceed three months from the reporting date, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term commitments. Bank overdrafts are repayable on demand. Bank overdrafts that form an integral part of the Group's cash management for financing operations are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(g) Investment property:

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

(h) Goodwill and other intangible assets:

[i] Goodwill:

Goodwill represents amount arising on acquisition of subsidiaries and other business ventures. It comprises the excess of the cost of the acquisition over the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. Negative goodwill arising on acquisition is recognised directly in profit or loss.

[ii] Other intangible assets:

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

48. Material accounting policies (continued)

(h) Goodwill and other intangible assets (continued):

[ii] Other intangible assets (continued):

Expenditure on intangible assets subsequent to initial acquisition is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is charged to profit or loss on the straight-line basis over the estimated useful lives of intangible assets, unless such lives are infinite. Goodwill and other intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Customer relationships represent the carrying value of acquired customer relationships, primarily for insurance business and is measured at cost less impairment losses. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Trademarks	5 years
Software	3 years
Non-compete agreement	5 years
Licences	7 years
Customer relationships	20 years

[iii] Distribution rights of software:

Distribution rights of software represent expenditure incurred for the exclusive right to distribute the Phoenix software object code to specific territories in South America, the Caribbean and parts of Africa.

Distribution right of software has finite useful life and is measured at cost less accumulated amortisation and any accumulated impairment (see note 17).

[iv] Customer relationships:

Customer relationships represent expenditure incurred to acquire contracts for customers who utilise the Phoenix software in the Caribbean, South America and parts of Africa.

(i) Assets held for sale:

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale, rather than continuing use, are classified as held for sale. Assets held for sale are measured at the lower of their carrying amount and fair values less cost to sell.

Impairment losses on initial reclassification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, property, plant and equipment are no longer depreciated.

(j) Other assets:

Other assets are measured at amortised cost less impairment losses.

48. Material accounting policies (continued)

(k) Employee benefits:

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, statutory payroll contributions, annual vacation leave, and non-monetary benefits such as medical care and housing; post-employment benefits such as pension; and other long-term employee benefits such as termination benefits.

The Group provides post-retirement pension and health insurance benefits to employees who have satisfied certain minimum service requirements.

Employee benefits that are earned as a result of past or current service are recognised in the following manner:

[i] Short-term employee benefits:

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

[ii] Defined-contribution plans:

The obligation for contributions to defined-contribution plans is expensed as the related services are provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

[iii] Defined-benefit plans:

Employee benefits, comprising post-employment obligations included in the financial statements, have been actuarially determined by a qualified independent actuary appointed by management, using the projected unit credit method. The actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuation is conducted in accordance with IAS 19, and the financial statements reflect the Group's post-employment benefit obligations as computed by the actuary. In carrying out their audit, the auditors rely on the actuary's report.

The defined-benefit plan provides benefits for retired employees of the Jamaica National group entities. In the financial statements of the sponsor (JN Bank) and the Group, the plan is accounted for as a defined-benefit plan, as described below, while in the financial statements of the individual participating group companies, the plan is accounted for as a defined-contribution plan, that is, contributions by each group entity, is expensed as they become due. The reasons for this are that (1) although the plan exposes the participating group entities to actuarial risks associated with current and former employees of group entities, there is no stated policy for charging the net defined benefit cost among group entities, and (2) all residual interest in the plan remains with JN Bank.

48. Material accounting policies (continued)

(k) Employee benefits (continued):

[iii] Defined-benefit plans (continued):

The Group's net obligation in respect of its defined-benefit plans (note 23) is calculated by estimating the amounts of future benefits that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is determined by reference to the yield at the reporting date on long-term government instruments of terms approximating those of the Group's obligation.

Remeasurements of the net defined-benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. The Group determines the net interest expense on the net defined-benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the then-net defined benefit liability, taking into account any changes in the net defined-benefit liability during the year as a result of the contributions and benefit payments. Net interest expense and other expenses related to defined-benefit plans are recognised in profit or loss.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined-benefit plan when the settlement occurs.

[iv] Other long-term employee benefits:

The Group's net obligation in respect of long-term employee benefits is the amounts of future benefits that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

[v] Termination benefits:

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises cost for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(l) Loans payable:

Loans payable are recognised initially at cost, being their issue proceeds less attributable transaction costs incurred. Subsequent to initial recognition, they are stated at amortised cost, with any difference between net proceeds and redemption value being recognised in profit or loss on the effective interest rate basis. The associated costs are included in interest expense.

48. Material accounting policies (continued)

(m) Contingencies:

The Group recognises a contingent liability in the financial statements when it is probable that a future event confirming the existence of a liability at the reporting date will occur and the amount of economic benefit required to settle it is reasonably estimable. When the Group has a possible obligation (where it is yet to be confirmed whether an outflow of economic benefits will occur) or where the Group has a present obligation but it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

(n) Insurance and reinsurance contract:

Policy applicable from April 1, 2023

A. Classification

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. The Group uses judgement to assess whether a contract transfers insurance risk and whether the accepted insurance risk is significant. Insurance and reinsurance contracts also expose the Group to financial risk. The Group does not accept insurance risk from other insurers.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Group or acquired in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Group, unless otherwise stated.

All of the Group's insurance contracts transfer significant insurance risk except for the investment riders which have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk. Investment riders are classified as investment contracts, and they follow financial instruments accounting under IFRS 9. Other riders representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts, form part of a single insurance contract with all of the cash flows within its boundary. The Group does not issue insurance contracts with direct or indirect participating features.

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

The Group measures insurance contracts issued and reinsurance contracts held by applying either the General Measurement Model ("GMM") or the Premium Allocation Approach ("PAA").

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

A. Classification (continued)

(i) Separating components from insurance and reinsurance contracts

Separation of components

At inception the Group assesses whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and accounted for under another standard. The Group only has one product the new term-life investment rider that is separated and measured under IFRS 9. The Group does not issue or hold any other insurance contracts that contain investment components.

Combination of contracts

Many of the Group's products offer riders, where the rider has its own contract that is embedded within the base contract as a separate section. The riders are priced separately and often protect against a different insurance risk than the base coverage. However, all the riders offered by the Group cannot exist without the base contract, cannot be purchased on their own, and will terminate on the surrender or cancellation of the base contract. Therefore, the rider cannot be separated from the host contract.

(ii) Aggregation and recognition of insurance and reinsurance contracts

Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together.

The Group manages insurance contracts issued by product lines, where each product line includes contracts that are subject to similar risks and are managed together. All insurance contracts within a product line represent a portfolio of contracts.

Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are:

(i) contracts that are onerous at initial recognition;
(ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
(iii) a group of remaining contracts.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

A. Classification (continued)

(ii) Aggregation and recognition of insurance and reinsurance contracts (continued)

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered. Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

Before a group of insurance contracts is recognised, the Group could recognise assets or liabilities for cash flows related to a group of insurance contracts other than insurance acquisition cash flows, either because of the occurrence of the cash flows or because of the requirements of another IFRS. Cash flows are related to the group of insurance contracts if they would have been included in the fulfilment cash flows at initial recognition of the group if they had been paid or received after that date. Such assets or liabilities (referred to as 'other pre-recognition cash flows') are included in the carrying amount of the related portfolios of insurance contracts issued or in the carrying amount of the portfolios of reinsurance contracts held.

Cash flows that are not directly attributable to a portfolio of insurance contracts are recognised in other operating expenses as incurred.

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

For contracts measured using the PAA, the Group assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

A. Classification (continued)

(ii) Aggregation and recognition of insurance and reinsurance contracts (continued)

Reinsurance contracts

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of:

(i) contracts for which there is a net gain at initial recognition;
(ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
(iii) remaining contracts in the portfolio.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Group tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

Reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:

    i. the beginning of the coverage period of the group; and
    ii. the initial recognition of any underlying insurance contract;

- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held;

Unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

B. Classification (continued)

(iii) Insurance acquisition cash flows

The Group defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts and that are directly attributable to the portfolio of insurance contracts to which the group belongs. Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

a. to that group; and
b. to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

Before a group of insurance contracts is recognised, the Group could pay for directly attributable acquisition costs to originate them. Such balances are recognised as insurance acquisition cash flows assets within the carrying amount of insurance contracts issued and are subsequently derecognised when respective groups of insurance contracts are recognised and the insurance acquisition cash flows are included in the group's measurement. The amounts allocated to groups of insurance contracts yet to be recognised are revised at each reporting date, to reflect any changes in assumptions that determine the inputs to the method of allocation used.

Insurance acquisition cash flows assets not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired.

Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

A. Classification (continued)

(iv) Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows:

Insurance contracts

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services.

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows:

A substantive obligation ends when:

a. the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or

b. both of the following criteria are satisfied:

   i. the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and

   ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included. Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

A. Classification (continued)

Reinsurance contracts

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Group 's substantive rights and obligations and, therefore, may change over time.

B. Measurement

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

Insurance contracts issued	**Measurement model**
Individual life	General measurement model ("GMM")
Group single premium creditor life	GMM
Group life	Premium Allocation Approach ("PAA")
Investment riders	Financial liabilities measured at FVTPL under IFRS 9
Reinsurance contracts held	
Individual Life	GMM
Group Life	PAA

The company uses the PAA for measuring contracts with a coverage period of one year or less. For contracts with longer periods, the PAA simplification would produce a measurement of the liability for remaining coverage (LRC) that would not differ materially from the one that would be produced by applying the General Measurement Model (GMM) based on qualitative assessment.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

(B) Measurement (continued)

(i) Contracts measured under GMM

Insurance contracts

For insurance contracts issued, on initial recognition the Group measures a group of insurance contracts as the total of:

a. the fulfilment cash flows (FCF), which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and

b. the contractual service margin (CSM).

For contracts issued, at the end of each reporting date subsequent to initial recognition the carrying amount of a group of insurance contracts is the sum of:

a. the liability for remaining coverage, comprising:

   (i) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods, and
   (ii) any remaining CSM at that date;
   and

b. (LRC) and the liability for incurred claims (LIC).

The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

Fulfilment cash flows

The fulfilment cash flows are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

a. are based on a probability-weighted mean of the full range of possible outcomes;
b. are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
c. reflect conditions existing at the measurement date.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

(B) Measurement (continued)

(i) Contracts measured under GMM (continued)

Insurance contracts (continued)

The estimates of future cash flows:

a. are based on a probability-weighted mean of the full range of possible outcomes;
b. are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
c. reflect conditions existing at the measurement date.

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

The fulfilment cash flows are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates. The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

a. changes that relate to current or past service are recognised in profit or loss; and
b. changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

The fulfilment cash flows are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates. The way in which the changes in estimates of the FCF are accounted for depends on which estimate is being updated:

a. changes that relate to current or past service are recognised in profit or loss; and
b. changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

(B) Measurement (continued)

(ii) Contracts measured under GMM (continued)

Insurance contracts (continued)

Contractual service margin (CSM)

The Contractual service margin ("CSM") is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future. At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

a. the initial recognition of the fulfilment cashflows (FCF);
b. cash flows arising from the contracts in the group at that date;
c. the derecognition of any insurance acquisition cash flows asset; and
d. the derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognized.

The following adjustments relate to future service and thus adjust the CSM:

a. experience adjustments – arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows;

b. changes in estimates of the present value of future cash flows in the LRC; and

c. changes in the risk adjustment for non-financial risk that relate to future service.

The following adjustments do not adjust the CSM:

a. changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;

b. changes in the FCF relating to the LIC;

c. experience adjustments – arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows; and

d. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

B. Measurement (continued)

(i) Contracts measured under GMM (continued)

Insurance contracts (continued)

Contractual service margin (CSM) (continued)

For insurance contracts issued, at the end of each reporting period the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

a. The effect of any new contracts added to the group.

b. Interest accreted on the carrying amount of the CSM.

c. Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent that the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.

d. The effect of any currency exchange differences.

e. The amount recognised as insurance revenue for insurance contract services provided during the period, determined after all other adjustments above.

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows. If more contracts are added to the existing groups in the subsequent reporting periods, the Group revises these discount curves by calculating weighted-average discount curves over the period during which the contracts in the group are recognised. The weighted-average discount curves are determined by multiplying the new CSM added to the group and their corresponding discount curves over the total CSM.

The amount of the CSM recognised in profit or loss for insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected insurance coverage period of the group of insurance contracts based on coverage units. The coverage period is defined as a period during which the entity provides insurance contract services.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

B. Measurement (continued)

(i) Contracts measured under GMM (continued)

Insurance contracts (continued)

Contractual service margin (CSM) (continued)

The total number of coverage units in a group is the quantity of service provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

a. the quantity of benefits provided by contracts in the group;
b. the expected coverage period of contracts in the group; and
c. the likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits with respect to insurance coverage. The Group reflects the time value of money in the allocation of the CSM to coverage units, using discount rates determined at initial recognition.

Loss component

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the liability remaining coverage (LRC) for the respective group of contracts, based on the ratio of the loss component to the fulfilment cash flows relating to the expected future cash outflows:

a. expected incurred claims and other directly attributable expenses for the period;
b. changes in the risk adjustment for non-financial risk for the risk expired; and
c. finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses. Decreases in the fulfilment cash flows in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the fulfilment cash flows in subsequent periods increase the loss component.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

B. Measurement (continued)

(i) Contracts measured under General measurement model (GMM)

Reinsurance contracts

The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises:

(a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods; and
(b) any remaining CSM at that date.

In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain fulfilment cash flows at the portfolio level or higher and then allocates such estimates to groups of contracts. The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

(ii) Contracts measured under PAA

The Group uses the PAA for measuring contracts with a coverage period of one year or less.

Insurance contracts

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

B. Measurement (continued)

(ii) Contracts measured under PAA

Insurance contracts (continued)

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

a. the LRC; and

b. the liability for incurred claims ("LIC"), comprising the fulfilment cash flows related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each reporting date subsequent to initial recognition, the LRC is:

a. increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC; and
b. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period:

For insurance contracts issued, insurance acquisition cash flows allocated to a group are expensed when incurred.

The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money. For LIC, the estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Group increases the carrying amount of the LRC to the amounts of the fulfilment cash flows with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the fulfilment cash flows relating to the future service and the carrying amount of the LRC without the loss component. Where applicable, resulting changes in the loss component are recognized as insurance service expenses.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

B. Measurement (continued)

(ii) Contracts measured under PAA (continued)

Insurance contracts (continued)

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the company expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. It reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

Unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

Reinsurance contracts

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows. The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

a. the remaining coverage; and
b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

B. Measurement (continued)

(ii) Contracts measured under PAA (continued)

Reinsurance contracts (continued)

For reinsurance contracts held, at each reporting date subsequent to initial recognition, the remaining coverage is:

a. increased for ceding premiums paid in the period;
b. increased for broker fees paid in the period; and
c. decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

The Group adjusts the assets for reinsurance contracts held for the effect of the risk of reinsurer's non-performance. In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

Where applicable, changes in the loss-recovery component are recognized as net income from reinsurance contracts held.

For reinsurance contracts held, broker fees are recognised over the coverage period of contracts in a group.

C. Derecognition and contract modification

An insurance contract is derecognised when it is:

- extinguished; or
- the contract is modified and additional criteria discussed below are met

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the Fulfilment Cash Flows (FCF), unless the conditions for the derecognition of the original contract are met.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

C. Derecognition and contract modification (continued)

The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

a. if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:

   i. is not within the scope of IFRS 17;

   ii. results in different separable components;

   iii. results in a different contract boundary; or

   iv. belongs to a different group of contracts.

b. the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When an insurance contract accounted for under the GMM is derecognised from within a group of insurance contracts, the Group:

a. adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the Group;

b. adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the Liability for Remaining Coverage ("LRC") of the group) in the following manner, depending on the reason for the derecognition:

   i. if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;

   ii. if the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party; or

   iii. if the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (i) adjusted for the premium that the Group would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

   iv. when recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received; and

   v. adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

C. Derecognition and contract modification (continued)

When an insurance contract measured under PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

a. if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;

b. if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or

c. if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

D. Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under [48A(iii)] are included in the carrying amount of the related portfolios of contracts.

The Group disaggregates amounts recognised in the statement of profit or loss and OCI into:

- an insurance service result, comprising insurance revenue and insurance service expenses; and
- insurance finance income and expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

D. Presentation (continued)

(i) Insurance service expenses

Insurance service expenses include the following:

a. incurred claims and benefits, reduced by loss component allocations;

b. other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;

c. insurance acquisition cash flows amortisation;

d. changes that relate to past service – changes in the fulfilment cash flows relating to the LIC; and

e. changes that relate to future service – changes in the fulfilment cash flows that result in onerous contract losses or reversals of those losses; and

f. insurance acquisition cash flows assets impairment

For contracts measured under the GMM, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time. Other expenses not meeting the above categories are included in other operating expenses in the statement of profit or loss.

(ii) Net expenses from reinsurance contracts

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

a. reinsurance expenses;
b. incurred claims recovery, reduced by loss – recovery component allocations;
c. other incurred directly attributable expenses;
d. changes that relate to past service – changes in the FCF relating to incurred claims recovery;
e. effect of changes in the risk of reinsurers' non-performance; and
f. amounts relating to accounting for onerous groups of underlying insurance contracts issued.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

D. Presentation (continued)

(iii) Net expenses from reinsurance contracts (continued)

The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services. The Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts. Broker fees are included within reinsurance expenses.

(iv) Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

a. the effect of the time value of money and changes in the time value of money; and
b. the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

a. interest accreted on the FCF and the CSM;
b. the effect of changes in interest rates and other financial assumptions; and
c. foreign exchange differences.

For contracts measured under the PAA, the only amounts within insurance finance income or expenses are foreign exchange differences.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

The Group applies the OCI option to disaggregate insurance finance income or expenses between profit or loss and OCI. The effect of changes in the time value of money and changes in financial risk on the LIC for insurance contracts issued and reinsurance contracts held are reflected in OCI in order to minimise accounting mismatches between the accounting for financial assets and insurance contract liabilities. The remainder of insurance finance income and expenses are reflected in profit or loss using locked-in assumptions.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable from April 1, 2023 (continued)

E. Transition

The full retrospective approach was applied to the insurance contracts measured under the PAA that were in force at the transition date. The fair value approach was applied to insurance contracts measured under the GMM that were in force at the transition date [note 44].

Policy applicable before April 1, 2023

[i] Insurance contracts:

Insurance contracts are accounted for in compliance with the recommendations and practices of the insurance industry, and comply with the provisions of the Insurance Act 2001.

Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. The Group defines insurance risk as significant if an insured event could cause an insurer to pay significant additional benefits in a scenario that has a discernible effect on the economics of the transaction.

For the life insurance indirect subsidiary, the insurance contracts insure human life for death or permanent disability over short and long durations. These life insurance contracts protect the indirect subsidiary's customer from the consequence of events such as death or disability that would affect the ability of the customer or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policy holder. There are no maturity or surrender benefits.

The underwriting results are determined after making provision for, inter alia, outstanding claims.

Gross written premiums

For the general insurance indirect subsidiary, gross premiums reflect business written during the year, and include adjustments to premiums written in previous years. The earned portion of premiums is recognised as revenue. Premiums are earned from the effective date of the policy.

For the life insurance indirect subsidiary, gross premiums are recognised as revenue when due. When premiums are recognised, the related actuarial liabilities are computed, resulting in benefits and expenses being matched with revenue.

48. Material accounting policies (continued)

(n) Insurance and reinsurance contract (continued):

Policy applicable before April 1, 2023 (continued)

[i] Insurance contracts:

Unearned premiums

Unearned premiums represent that proportion of the premiums written up to the reporting date which is attributable to subsequent periods and is calculated on the "twenty-fourths" basis on the total premiums written.

Unexpired risks

Unexpired risks represent the amount set aside, in addition to unearned premiums, in respect of risks to be borne by the indirect subsidiary under contracts of insurance entered into before the end of the financial year and is actuarially determined.

Outstanding claims

Outstanding claims comprise estimates of the amount of reported losses and loss expenses, plus a provision for losses incurred but not reported based on the historical experience of the indirect subsidiaries involved. The loss and loss expense reserves have been reviewed by the indirect subsidiary's actuary using the past loss experience of the indirect subsidiaries and industry data. Amounts recoverable in respect of claims from reinsurers are estimated in a manner consistent with the underlying liabilities.

Management believes that, based on the analysis completed by the actuary, the provision for outstanding losses and loss expenses will be adequate to cover the ultimate net cost of losses incurred up to the reporting date. However, the provision is an estimate and may, ultimately, be settled for a significantly greater or lesser amount. Any subsequent differences arising are recorded in the period in which they are determined.

Deferred acquisition cost and deferred commission income

Commission income and expense are deferred on a basis consistent with that used for deferring premium income.

48. Material accounting policies (continued)

(n) Insurance contract recognition and measurement (continued):

[ii] Reinsurance assets:

In the ordinary course of business, the indirect subsidiaries seek to reduce the loss that may result from catastrophe or other events that cause unfavourable underwriting results by reinsuring certain levels of risk with other insurers. Reinsurance ceded does not discharge the indirect subsidiaries' liability as the principal insurer. Failure of reinsurers to honour their obligations could result in losses to the subsidiaries and the Group. Consequently, a contingent liability exists inasmuch as an assuming reinsurer may be unable to meet its obligations [see note 44(ii)].

Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with reinsured policies. Unearned reinsurance premiums on business ceded up to the reporting date, which are attributable to subsequent periods, are calculated substantially on the "twenty-fourths" basis on the total premiums ceded.

Reinsurance assets are assessed for impairment at each reporting date. A reinsurance asset is deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the subsidiaries may not recover all amounts due, and that event has a reliably measurable impact on the amounts that the indirect subsidiaries will receive from the reinsurer. Impairment losses on reinsurance assets are recognised in profit or loss.

[iii] Insurance receivable and insurance payable:

Amounts due from and to policyholders, brokers, agents and reinsurers are financial instruments and are included in insurance receivables and payables and not in insurance contract provisions or reinsurance assets.

(o) Other payables:

Other payables are measured at amortised cost.

(p) Taxation:

Income tax on the profit or loss for the year comprises current and deferred income tax. Income tax is recognised in profit or loss, except to the extent that it relates to a business combination or to items recognised directly in equity or in other comprehensive income.

[i] Current income tax:

Current tax comprises expected tax payable on the taxable income or loss for the year, as adjusted for tax purposes, using tax rates substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

48. Material accounting policies (continued)

(p) Taxation (continued):

[ii] Deferred income tax (continued):

Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries, to the extent that it is probable that they will not reverse in the foreseeable future.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset can be realised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversal of existing temporary differences, are considered based on the business plans for the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted as at the reporting date. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(q) Foreign currencies:

Monetary foreign currency balances at the reporting date are, for the major foreign currencies in which the Group transacts business, translated at the Bank of Jamaica's weighted average rate of US$1.00 = J$153.9124 (2023: J$150.4386), UK£1.00 = J$192.8560 (2023: J$186.9137) and Cdn$1.00 = J$113, (2023: J$111.9488), being the rates of exchange ruling on that date. Other foreign currency balances at the reporting date have been translated using indicative rates provided by the Bank of Jamaica of Euro1.00 = J$166.5808 (2023: J$166.5808) and Cayman Dollar 1.00 = J$187.6898 (2023: J$184.1097). Transactions in foreign currencies are converted at the rates of exchange ruling on the dates of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the financial currency at the exchange rate at the reporting date.

Realised and unrealised gains and losses arising from fluctuations in exchange rates are included in profit or loss, except for differences arising on the re-translation of fair value through other comprehensive income equity investments [note 48(b)] and foreign operations.

48. Material accounting policies (continued)

(q) Foreign currencies (continued):

For the purpose of consolidating the financial statements of the Group's foreign subsidiaries, each statement of financial position is translated at the closing rate and each statement of profit or loss at the average rate of exchange for the year. Translation differences are recognised in other comprehensive income and presented in the translation reserve in equity [note 30(a)].

(r) Allowance for credit losses:

The allowance for credit losses is maintained at a level considered adequate to provide for expected credit losses and is based on management's evaluation of individual loans in the credit portfolio. The evaluation takes all relevant matters into consideration, including prevailing and anticipated business and economic conditions, the collateral held, the debtor's ability to repay the loan, the matters required by IFRS 9 to be taken into account in computing expected credit losses [as set out in note 42(b)], and regulatory guidance provided in the jurisdictions in which the Group operates, which requires that appropriate provision be made for all loans on which interest payments and principal repayments are ninety or more days in arrears. Amounts are written-off from the allowance whenever management has concluded that such amounts may not be recovered.

General provisions for credit losses are established against the portfolio where a prudent assessment by the Group of adverse economic trends and losses inherent in its portfolio suggest that losses may occur, but such losses cannot be determined on an item-by-item basis. This provision is maintained by an indirect banking subsidiary at levels in excess of the minimum ½% established by the Bank of Jamaica.

IFRS 9 only permits specific loan loss provision and a general provision based upon the Group's actual credit loss experience. It also requires that the expected future cash flows of impaired loans be discounted with any subsequent increase in the present value being reported as interest income. The credit loss allowance required under the Regulations (note 2) that is in excess of the amount computed in accordance with the requirements of IFRS is treated as an appropriation of retained earnings and included in a non-distributable credit loss reserve [note 30(c)].

(s) Interest income and expense:

Interest income and expense are calculated by applying the effective interest rate to the gross carrying amount of financial assets or liabilities, except for:

[i] POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset; and

[ii] Financial assets that are not 'POCI' but have subsequently become credit-impaired (i.e 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss allowance).

The "effective interest rate" is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments to its gross carrying amount of the financial asset or the amortised cost of the liability.

48. Material accounting policies (continued)

(s) Interest income and expenses (continued):

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset when the asset is not credit-impaired. For financial assets that are credit-impaired, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial asset. The Group reverts to the gross basis if the asset is no longer credit-impaired.

(t) Impairment of non-financial assets:

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists for any asset, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(u) 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 uses the definition of a lease in IFRS 16.

48. Material accounting policies (continued)

(u) Leases (continued):

[i] The Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

48. Material accounting policies (continued)

(u) Leases (continued):

[i] The Group as a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and the corresponding obligation as 'lease liabilities' in the statement of financial position.

[ii] The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on the straight-line basis over the lease term.

(v) Revenue recognition:

Revenue from the provision of services is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer and the consideration can be reliably measured. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, or material associated costs on the possible return of goods.

Money transfer fees are recognised when funds are transmitted on behalf of customers. Foreign exchanges fees are recognised as earned based on the value remittances.

Revenue from membership fees is recognised over the term of the membership. Revenue received in advance is deferred to match the revenue with the future costs associated with providing the service.

48. Material accounting policies (continued)

(v) Revenue recognition (continued):

Media revenue is recognised when the related advertisement or commercial appears before the public. Production revenue is recognised by reference to the stage of completion of the project.

Policy applicable before April 1, 2023

The accounting policies for the recognition of revenue from insurance contracts in respect of gross premiums written are disclosed in note 48(n)[i].

Reinsurance commission is recognised on a basis that is consistent with the recognition of the costs incurred on the acquisition of the underlying insurance contracts (see note 48(n)[i]). Commission income in respect of reinsurance contracts is recognised on the accrual basis.

Investment income arises from financial assets and is comprised of interest and dividends and recognised gains/losses on financial assets. Dividend income is recognised when the right to receive income is established.

The accounting policy for interest income is described at note 48(s).

(w) Fees and commission:

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of service	*Nature and timing of satisfaction of performance obligations, including significant payment terms.*	*Revenue recognition under IFRS 15*
Servicing fees	The local indirect banking subsidiary provides administrative services to its customers in respect of service delivery within its branch network. Fees are determined based on the service provided. Performance obligation is satisfied upon completion of delivery of the service.	Revenue from service is recognised over time as the service is provided.
Commission fees	The local indirect banking subsidiary provides services to its clients based on duly executed client agreements. Performance obligation is satisfied and therefore fees earned when agreed services provided to client's satisfaction. Fees are charged on a monthly basis and are based on fixed rates agreed.	Revenue from service fees is recognised over time as the services are provided.
	Other indirect subsidiaries recognise fees and commission as the related services are performed in accordance with agreed terms.	Revenue from fees and commission are recognised when the entity transfers control over a service to a customer.

48. Material accounting policies (continued)

(w) Fees and commission (continued):

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of service	*Nature and timing of satisfaction of performance obligations, including significant payment terms.*	*Revenue recognition under IFRS 15*
Money transmitting	Performance obligations are considered satisfied when the indirect subsidiary has transmitted money to the customer, the customer has accepted the service, and collectability of the related receivable is reasonably assured.	Revenue from this service is recognised at the point in time when money is transmitted by the sender.
Mobile top up	Performance obligation is satisfied and therefore fees earned when the indirect subsidiary sells phone credit to customers.	Revenue from mobile top up is recognised at the point when the service is delivered.
Bill payments	Performance obligation is satisfied and therefore fees are earned when the indirect subsidiary transacts bill payment services on behalf of customers.	Revenue is recognised at the point in time that the transactions are completed.
Sale of foreign currency	Performance obligation is satisfied when the currency is delivered to the customer, the customer has accepted the currency and collectability of receivable is reasonably assured.	Revenue from sale of currency is recognised at the point the currency is delivered to the customer.
Syndication fees	Performance obligations satisfied when the syndication services have been provided by the local banking subsidiary to, and accepted by, corporate clients in accordance with the agreed mandate. Fees are charged based on the nature of the transaction, which varies from client to client.	Revenue from services is recognised at the successful execution of each transaction.
Administrative fees	The Group's investment indirect subsidiary provides trustee and other administrative services, including physical custody of securities, based on executed client agreements along with the management of members' database and pension contributions. Performance obligation is satisfied, and fees earned when services delivered to, and accepted by, clients in accordance with agreements. Fees are calculated based on a fixed percentage of the value of the assets and are charged quarterly.	Revenue from trustee service is recognised over time as the service is provided.

48. Material accounting policies (continued)

(w) Fees and commission (continued):

Type of service	*Nature and timing of satisfaction of performance obligations, including significant payment terms.*	*Revenue recognition under IFRS 15*
Asset management fees	The Group's investment indirect subsidiary provides portfolio and investment management services to its clients based on duly executed client agreements. Performance obligation is satisfied, and fees earned when services delivered to, and accepted by, clients in accordance with agreements Fees are charged on a monthly basis at the fixed rates agreed.	Revenue from service fees is recognised over time as the services are provided.
Corporate finance & advisory fees	Performance obligation satisfied when the advisory services are provided by the indirect subsidiary to, and accepted by, its corporate clients in accordance with agreed mandate. Fees are charged based on the nature of the transaction, which varies from client to client, and are paid at the successful execution of each transaction.	Revenue from services is recognised at the successful execution of each transaction.
Sale of computer hardware and software	Customers obtain control of goods when the goods are delivered to and accepted by them. Invoices are usually payable within 30 days. Generally, no discounts are provided for the sale of computer hardware and software.	Revenue is recognised at the point in time when the goods are delivered to, and have been accepted by, the customers.
The installation of computer equipment, the provision of computer services and software programming and the provision of network solutions	The sale contract does not permit the customer the right of return, except in instances where the agreed goods were not initially supplied, in which case, if the incorrect item is returned within 7 days, the item is exchanged for the correct item.	Revenue is recognised at the point in time when the performance obligation is met, i.e. the installation of computer equipment, the provision of computer services and software programming and the provision of network solutions complete and delivered to, and accepted by, the customer following their own User Acceptance Testing (UAT).

48. Material accounting policies (continued)

(w) Fees and commission (continued):

Type of service	*Nature and timing of satisfaction of performance obligations, including significant payment terms.*	*Revenue recognition under IFRS 15 .*
	Invoices for the installation computer equipment, the provision of computer services and software programming and the provision of network solutions are generated at each milestone as agreed in the contract. Invoiced amounts are not recognised as revenue but are accounted for as deferred revenue until the conditions for revenue recognised are achieved i.e., when the user, after UAT confirms the performance obligation have been satisfied. Some service contracts include an annual maintenance service component. The price of this is quoted separately in the contract and is invoiced to the customer on a monthly basis. Invoices are usually payable within 30 days.	Revenue is recognised as the service is provided, i.e. in equal monthly instalments over the contract service period.
Distribution and maintenance of Phoenix software	Performance obligation satisfied as service is provided in accordance with agreed maintenance schedule. Invoices for the maintenance of the Phoenix Software are generated at the start of the maintenance period and the revenue deferred and recognised each month.	Revenue is recognised as the service is provided, i.e. in equal monthly instalments over the contract service period.
	Revenue related to specific service requests are billed on completion or progressively based on satisfaction of the performance obligation.	Revenue is recognised at the point in time when the performance obligation is met.

48. Material accounting policies (continued)

(w) Fees and commission (continued):

Type of service	*Nature and timing of satisfaction of performance obligations, including significant payment terms.*	*Revenue recognition under IFRS 15*
Property management fees	An indirect subsidiary provides property management services to certain customers. Performance obligation is satisfied when services are completed for, and accepted by, customers. Fees are charged on a monthly basis and are based on fixed rates agreed.	Revenue from property management fees is recognised over time as the services are provided.
Maintenance income	Performance obligation is met when maintenance services by the indirect subsidiaries are provided to and accepted by tenants, in accordance with the rental agreements. Maintenance fees are billed on a monthly basis and are based on fixed rates agreed.	Revenue from maintenance income is recognised over time as the services are provided.
Membership fee income	An indirect subsidiary charges membership fees to its customers on a yearly basis. These are based on fixed rates agreed.	Revenue from membership fees is recognised over time as the services are provided.
Service income	The Group charges fees to customers for the following services: chauffeur services, driver training and fleet service on a monthly basis based on the terms of contract.	Revenue from service is recognised over time as the services are provided.

(x) New and amended standards and interpretations that are not yet effective:

Certain new and amended standards and interpretations have been issued which are not yet effective for the current year and which the Group has not early-adopted. The Group has assessed the relevance of all such new standards, amendments and interpretations with respect to the Group's operations and has determined that the following amendments are not likely to have a significant impact on the financial statements:

- *Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to IAS 1)*
- *Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)*
- *Lack of Exchangeability (Amendments to IAS 21)*
- *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)*
- *Presentation and Disclosure in Financial Statements (IFRS 18)*
- *General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)*
- *Climate-related Disclosures (IFRS S2)*

49. Change in material accounting policies

New and amended standards that became effective during the year:

Certain new and amended standards came into effect the during the current financial year, except for IFRS 17 and IFRS Practice Statement 2, none of which had any significant impact on these financial statements.

The Group has initially applied IFRS 17 and amendments to IAS 1 an IFRS Practice Statement 2, including any consequential amendments to other standards, from April 1, 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and accounting policy information disclosed in the financial statements. As a result, the Group has restated certain comparative amounts and presented a third statement of financial position as at April 1, 2023.

Except for the changes below, the Group has consistently applied the accounting policies as set out in note 48 to all periods presented in these financial statements.

The nature and effects of the key changes in the Group's accounting policies resulting from its adoption of IFRS 17 are summarised below.

(a) IFRS 17 *Insurance Contracts*

(i) Recognition, measurement and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM.

Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows.

The Group no longer applies shadow accounting to insurance-related assets and liabilities.

Insurance finance income and expenses, disaggregated between profit or loss and OCI are presented separately from insurance revenue and insurance service expenses.

The Group applies the Premium Allocation Approach (PAA) to simplify the measurement of group life insurance and reinsurance contracts except for groups of acquired contracts that do not qualify for the PAA. When measuring liabilities for remaining coverage, the PAA is similar to the Group's previous accounting treatment. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

49. Change in material accounting policies (continued)

New and amended standards that became effective during the year (continued):

(a) IFRS 17 *Insurance Contracts (continued)*

(i) Recognition, measurement and presentation of insurance contracts (continued)

Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs') until those costs were included in profit or loss and OCI. Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

For an explanation of how the company accounts for insurance and reinsurance contracts under IFRS 17 [note 48(n)].

(ii) Transition

The Group has adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable.

The full retrospective approach was applied to the insurance contracts measured under the PAA that were in force at the transition date. This is because the contracts have short contract boundaries, such that data does not need to be retrieved from significantly far in the past.

Under the full retrospective approach, at April 1, 2023, the Group:

- identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied, except that the recoverability assessment in [note 48(n)(A)(iii)] was not applied before April 1, 2023;
- derecognised previously reported balances that would not have existed if IFRS 17 had always been applied. These included some deferred acquisition costs for insurance contracts, insurance receivables and payables. Under IFRS 17, they are included in the measurement of the insurance contracts; and
- recognised any resulting net difference in equity.

49. Change in material accounting policies (continued)

New and amended standards that became effective during the year (continued)

(a) IFRS 17 *Insurance Contracts (continued)*

(ii) Transition (continued)

The Group has determined that it would be impracticable to apply the full retrospective approach where any of the following conditions existed:

a. The effects of the full retrospective application were not determinable;

b. The full retrospective application required assumptions that would have been made in an earlier period; or

c. The full retrospective application required significant estimates of amounts, and it was impossible to distinguish objectively between information about those estimates that provided evidence of circumstances that:

(i) existed on the date at which those amounts were to be recognised, measured or disclosed; and

(ii) would have been available when the financial statements for that prior period were authorized for issue, and other information.

The fair value approach was applied to insurance contracts measured under the GMM that were in force at the transition date.

Under the fair value approach, the pre-transition fulfilment cash flows and experience are not considered. The Group determined the contractual service margin to be the difference between the fair value of a group of insurance contracts and its fulfilment cash flows at the transition date.

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

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

a. only future cash flows within the boundaries of the insurance contracts were included in the fair value estimation, excluding future renewals and new business that would be outside the contract boundary of the contracts under IFRS 17;

b. assumptions about expected future cash flows and risk allowances were adjusted for the market participant's view, as required by IFRS 13; and

49. Change in material accounting policies (continued)

New and amended standards that became effective during the year (continued)

(a) IFRS 17 *Insurance Contracts (continued)*

(ii) Transition (continued)

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

c. expected compensation was included to reflect what a market participant would require for accepting obligations under insurance contracts, beyond the risk adjustment for non-financial risk.

The effects of adopting IFRS 17 on the Group financial statements at March 31, 2022 are presented in the statement of changes in equity.

50. Prior year adjustments

During the year, the Group identified errors in the prior year financial statements. The errors have been corrected by restating each of the affected financial statements line items or disclosures for prior periods. In addition, the Group has adopted IFRS 17 *Insurance Contracts* effective April 1, 2023. The following tables summarise the impact on the Group's financial statements:

(a) Effects on the Group's Statement of Financial Position:

	March 31, 2023				
	As previously reported $'000	Adjustments on adoption of IFRS 17 $'000	Adjustments due to misstatements $'000	Total adjustments $'000	As restated $'000
Other assets [(iii), (note 49)]	9,937,301	(4,019,386)	(2,142,601)	(6,161,987)	3,775,314
Intangible assets (iii)	3,113,636	-	2,142,601	2,142,601	5,256,237
Deferred tax assets [(v), (note 49)]	4,276,329	39,094	(213,542)	(174,448)	4,101,881
Insurance contract assets (note 49)	-	6,155	-	6,155	6,155
Reinsurance contract assets (note 49)	-	787,906	-	787,906	787,906
Others	280,936,747	-	-	-	280,936,747
Total assets	298,264,013	(3,186,231)	(213,542)	(3,399,773)	294,864,240
Other payables (note 49)	9,361,501	(1,746,454)	-	(1,746,454)	7,615,047
Insurance contract provisions (note 49)	7,501,156	(7,501,156)	-	(7,501,156)	-
Insurance contract liabilities (note 49)	-	5,493,563	-	5,493,563	5,493,563
Retained earnings [(i), (v), (note 49)]	22,107,504	532,415	595,242	1,127,657	23,235,161
Reserves [(i), (note 49)]	4,825,642	35,401	(808,784)	(773,383)	4,052,259
Others	254,468,210	-	-	-	254,468,210
Total liabilities and equity	298,264,013	(3,186,231)	(213,542)	(3,399,773)	294,864,240

50. Prior year adjustments (continued)

(a) Effects on the Group's Statement of Financial Position (continued):

	April 1, 2022				
	As previously reported $'000	Adjustments on adoption of IFRS 17 $'000	Adjustments due to misstatements $'000	Total adjustments $'000	As restated $'000
Other assets [(iii), (note 49)]	7,334,241	(3,417,456)	(1,089,758)	(4,507,214)	2,827,027
Intangible assets (iii)	3,219,027	-	1,089,758	1,089,758	4,308,785
Deferred tax assets (note 49)	3,289,247	43,313	-	43,313	3,332,560
Reinsurance contract assets (note 49)	-	1,080,732	-	1,080,732	1,080,732
Others	288,798,868	-	-	-	288,798,868
Total assets	302,641,383	(2,293,411)	-	(2,293,411)	300,347,972
Other payables (note 49)	8,386,285	(1,018,663)	-	(1,018,663)	7,367,622
Insurance contract provisions (note 49)	6,148,997	(6,148,997)	-	(6,148,997)	-
Insurance contract liabilities (note 49)	-	4,433,948	-	4,433,948	4,433,948
Retained earnings [(i), (note 49)]	25,692,727	440,301	399,609	839,910	26,532,637
Other reserves (i)	6,870,643	-	(399,609)	(399,609)	6,471,034
Others	255,542,731	-	-	-	255,542,731
Total liabilities and equity	302,641,383	(2,293,411)	-	(2,293,411)	300,347,972

50. Prior year adjustments (continued)

(b) Effects on the Group's Statement of Profit or Loss and Other Comprehensive Income

	March 31, 2023				
	As previously reported $'000	Adjustments on adoption of IFRS 17 $'000	Adjustments due to misstatements $'000	Total adjustments $'000	As restated $'000
Interest revenue calculated using the effective interest method:					
Interest on loans	12,315,202	-	-	-	12,315,202
Interest on investments [(i), (note 49)]	4,385,251	63,626	613,763	677,389	5,062,640
	16,700,453	63,626	613,763	677,389	17,377,842
Interest expense	(4,150,935)	-	-	-	(4,150,935)
Net interest revenue	12,549,518	63,626	613,763	677,389	13,226,907
Net finance expense from insurance contracts (note 49)	-	171,380	-	171,380	171,380
Net finance income from reinsurance contracts (note 49)	-	(2,038)	-	(2,038)	(2,038)
	-	169,342	-	169,342	169,342
Insurance revenue (note 49)	-	6,852,941	-	6,852,941	6,852,941
Insurance service expense (note 49)	-	(4,854,431)	-	(4,854,431)	(4,854,431)
Net expense from reinsurance contracts (note 49)	-	(2,623,778)	-	(2,623,778)	(2,623,778)
Net insurance revenue	-	(625,268)	-	(625,268)	(625,268)
Other finance cost (note 49)	-	3,037	-	3,037	3,037
Other operating income (note 49)	13,649,484	(957,202)	-	(957,202)	12,692,282
Operating expenses (note 49)	(26,749,655)	1,494,876	-	1,494,876	(25,254,779)
Unrealised losses on FVTPL investments (note 49)	(60,638)	(61,491)	-	(61,491)	(122,129)
Impairment losses (note 49)	(2,652,922)	(2,386)	-	(2,386)	(2,655,308)
Gain/loss on disposal of investments	70,592	-	-	-	70,592
Other	182,632	-	-	-	182,632
Loss before taxation	(3,010,989)	84,534	613,763	698,297	(2,312,692)
Taxation [(i), (v), (note 49)]	(983,514)	7,580	(418,130)	(410,550)	(1,394,064)
Loss for the year	(3,994,503)	92,114	195,633	287,747	(3,706,756)
Other comprehensive loss:					
Items that are or may be reclassified to profit or loss:					
Net finance expense from insurance contracts (note 49)	-	47,201	-	47,201	47,201
Decrease in fair value of FVOC investment securities, net of impairment loss (i)	(2,691,574)	-	(613,763)	(613,763)	(3,305,337)
Deferred tax on FVOCI investment securities and Expected Credit Loss (ECL) (i)	806,334	-	204,588	204,588	1,010,922
Deferred taxation insurance and reinsurance Contracts (note 49)	-	(11,800)	-	(11,800)	(11,800)
Others	(248,775)	-	-	-	(248,775)
	(2,134,015)	35,401	(409,175)	(373,774)	(2,507,789)
Items that will never be reclassified to profit or loss	542,168	-	-	-	542,168
Total other comprehensive loss for the year	(1,591,847)	35,401	(409,175)	(373,774)	(1,965,621)
Total comprehensive loss for the year	(5,586,350)	127,515	(213,542)	(86,027)	(5,672,377)

50. Prior year adjustments (continued)

(c) Effects on the Group's Statement of Cash Flows

	March 31, 2023				
	As previously reported $'000	Adjustments on adoption of IFRS 17 $'000	Adjustments due to misstatements $'000	Total adjustments $'000	As restated $'000
Cash flows from operating activities					
Profit for the year [(i), (v), (note 49)]	(3,994,503)	92,114	195,633	287,747	(3,706,756)
Adjustments to reconcile profit to net cash used in operating activities:					
Interest income [(i), (note 49)]	(16,700,453)	(63,626)	(613,763)	(677,389)	(17,377,842)
Deferred taxation [(i), (v), (note 49)]	(499,678)	(7,579)	418,128	410,549	(89,129)
Current tax expense	1,483,192	-	1	1	1,483,193
Gain on disposal of investment (ii)	(70,592)	-	70,930	70,930	338
Insurance contract provisions (note 49)	1,352,159	(1,352,159)	-	(1,352,159)	-
Other assets [(iii), (note 49)]	(2,639,965)	601,930	1,052,844	1,654,774	(985,191)
Other payables (note 49)	995,078	(727,791)	1	(727,790)	267,288
Net reinsurance contract assets (note 49)	-	333,872	-	333,872	333,872
Net insurance contract liabilities (note 49)	-	1,059,615	-	1,059,615	1,059,615
Impairment of financial instruments (note 49)	2,652,922	2,385	-	2,385	2,655,307
Others	7,758,487	(2)	-	(2)	7,758,485
Net cash used in operating activities	(9,663,353)	(61,241)	1,123,774	1,062,533	(8,600,820)
Cash flows from investing activities					
Investments, net (ii)	(9,395,885)	-	9,395,885	9,395,885	-
Acquisition of investments (ii)	-	-	(72,644,686)	(72,644,686)	(72,644,686)
Interest received [(i), (note 49)]	4,277,885	63,626	613,763	677,389	4,955,274
Proceeds from disposal of investments (ii)	13,441,959	-	62,561,721	62,561,721	76,003,680
Securities purchased under resale agreements (ii)	11,269,714	-	(11,269,714)	(11,269,714)	-
Acquisition of securities purchased under resale agreements (ii)	-	-	(358,384,734)	(358,384,734)	(358,384,734)
Proceeds from sale of securities purchased under resale agreements (ii)	-	-	369,654,449	369,654,449	369,654,449
Acquisition and transfers of intangible assets (ii)	(329,714)	-	(1,052,843)	(1,052,843)	(1,382,557)
Others	474,855	-	-	-	474,855
Net cash outflows from investing activities	19,738,814	63,626	(1,126,159)	(1,062,533)	18,676,281
Cash flows from financing activities					
Securities sold under repurchase agreements (ii)	(4,126,930)	-	4,126,930	4,126,930	-
Repayment of loan liabilities (ii)	(6,263,407)	-	(4,283,275)	(4,283,275)	(10,546,682)
Proceeds from loan liabilities (ii)	1,013,540	-	4,282,983	4,282,983	5,296,523
Proceeds from issuance of securities sold under repurchase agreements(ii)	-	-	132,436,463	132,436,463	132,436,463
Repayment of securities sold under repurchase agreements (ii)	-	-	(136,563,101)	(136,563,101)	(136,563,101)
Others	(2,206,434)	-	-	-	(2,206,434)
Net cash outflows from financing activities	(11,583,231)	-	-	-	(11,583,231)
Net decrease in cash and cash equivalents	(1,507,770)	2,385	(2,385)	-	(1,507,770)

50. Prior year adjustments (continued)

(d) Fair value of financial instruments (see note 43)

	March 31, 2023		
	As previously reported $'000	Adjustments $'000	As restated $'000
Financial assets not measured at fair value:			
Loans (iv)	143,763,378	(18,090,004)	125,673,374

(i) During the year, the Group determined that the effective interest on global and corporate bonds was inappropriately calculated. The necessary corrections have been implemented to reflect the accurate effective interest rate.

(ii) During the year, the Group identified errors in the presentation of cash flows under investing and financing activities:

- Securities purchased under resale agreements was presented in net rather than presenting as gross receipts and gross payments
- Securities sold under repurchase agreements was presented in net rather than presenting as gross receipts and gross payments
- The amounts presented as “investments, net” and “proceeds from disposal of investments” were not accurate as an indirect subsidiary was not reflecting their purchase of investment and had the incorrect amount for proceeds from disposal of investments.
- Repayment of loan liabilities was presented in net rather than presenting as gross proceeds and gross payments.

The comparative figures in 2023 were corrected for these errors.

(iii) The “expenditure on IT projects in progress” which meet the definition of intangible assets, was incorrectly classified as “Other Assets” rather than as “Intangibles” in the prior year. The errors have been corrected by restating each of the affected financial statement line items for the earliest prior period presented.

(iv) The Group also identified that the prior year disclosure of fair value of the loans was different than their carrying amount. The comparative disclosure in 2023 was corrected for this error.

(v) During the year the Group identified that deferred tax amounting to $213.54 million was erroneously adjusted against deferred tax assets instead of the tax charge in the Group’s statement of profit or loss. The error is being corrected as a prior year adjustment and the Group’s statement of financial position, profit or loss and other comprehensive income, changes in equities and cashflows restated accordingly.

Restatement (v) only affected the prior year and therefore no restatement was necessary in the third statement of financial position as at April 1, 2022.

51. Analysis of changes in financing during the year

Reconciliation of movements of liabilities to cash flows arising from financing activities:

		Group				
		2024				
	Note	Securities sold under repurchase agreements $'000	Lease liabilities $'000	Due to specialised financial institutions $'000	Loans payable $'000	Total $'000
Balance at April 1, 2023		30,383,059	1,239,190	2,441,461	7,099,860	41,163,570
Proceeds from the issuance of repurchase agreements	20	156,882,773	-	-	-	156,882,773
Repayment of repurchase agreements		(155,238,219)	-	-	-	(155,238,219)
Payment of lease liabilities	15(a)(iv)	-	(732,465)	-	-	(732,465)
Sale and leaseback and other lease		-	2,190,964	-	-	2,190,964
Proceeds from due to specialised financial institutions	23	-	-	803,037	-	803,037
Payments to specialised financial institutions	23	-	-	(486,595)	-	(486,595)
Proceeds from long-term loan	26	-	-	-	1,231,279	1,231,279
Payments on long-term loan	26	-	-	-	(1,174,617)	(1,174,617)
Total changes from financing cash flows		1,644,554	1,458,499	316,442	56,662	3,476,157
Liability-related						
Interest expense	32	2,637,995	-	61,741	825,486	3,525,222
Interest expense on lease liabilities	15(a)(iii)	-	159,623	-	-	159,623
Interest paid		(2,168,135)	-	(61,741)	(825,486)	(3,055,362)
Other changes		-	399,239	-	144,985	544,244
Balance at March 31, 2024		32,497,473	3,256,551	2,757,903	7,301,507	45,813,434

51. Analysis of changes in financing during the year (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities (continued):

	Note	Group 2023 Securities sold under repurchase agreements	Lease liabilities	Due to specialised financial institutions	Loans payable	Total
		$'000	$'000	$'000	$'000	$'000
Balance at April 1, 2022		34,733,613	1,200,050	4,278,683	12,349,726	52,562,072
Proceeds from the issuance of repurchase agreements	20	132,436,463	-	-	-	132,436,463
Repayment of repurchase agreements		(136,563,101)	-	-	-	(136,563,101)
Payment of lease liabilities	15(a)(iv)	-	(364,367)	-	-	(364,367)
Payments to specialised financial institutions	23	-	-	(1,837,222)	-	(1,837,222)
Proceeds from long-term loan	26	-	-	-	5,296,523	5,296,523
Payments on long-term loan	26	-	-	-	(10,546,682)	(10,546,682)
Total changes from financing cash flows		**(4,126,638)**	**(364,367)**	**(1,837,222)**	**(5,250,159)**	**(11,578,386)**
Liability-related						
Interest expense	32	1,747,708	-	83,380	724,504	2,555,592
Interest expense on lease liabilities	15(a)(iii)	-	60,254	-	-	60,254
Interest paid		(1,971,624)	-	(83,380)	(724,211)	(2,779,215)
Other changes		-	343,253	-	-	343,253
Balance at March 31, 2023		**30,383,059**	**1,239,190**	**2,441,461**	**7,099,860**	**41,163,570**

	Note	Company 2024 Lease Liabilities	Loans payable	Total
		$'000	$'000	$'000
Balance at April 1, 2023		143,321	604,216	747,537
Payment of lease liabilities		(51,771)	-	(51,771)
Proceeds from long-term loan		-	500,000	500,000
Payments on long-term loan		-	(35,305)	(35,305)
Total changes from financing cash flows		**(51,771)**	**464,695**	**412,924**
Liability-related				
Interest expense	32	-	88,061	88,061
Interest expense on lease liabilities	32	11,752	-	11,752
Interest paid		-	(88,061)	(88,061)
Other changes		(2,479)	-	(2,479)
Balance at March 31, 2024		**100,823**	**1,068,911**	**1,169,734**

51. Analysis of changes in financing during the year (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities (continued):

	Note	Company		
		2023		
		Lease Liabilities	Loans payable	Total
		$'000	$'000	$'000
Balance at April 1, 2022		180,481	8,283,533	8,464,014
Payment of lease liabilities		(49,245)	-	(49,245)
Proceeds from long-term loan		-	600,000	600,000
Payments on long-term loan		-	(8,279,317)	(8,279,317)
Total changes from financing cash flows	32	(49,245)	(7,679,317)	(7,728,562)
Interest expense		-	11,244	11,244
Interest expense on lease liabilities		12,085	-	12,085
Interest paid		-	(11,244)	(11,244)
Balance at March 31, 2023		**143,321**	**604,216**	**747,537**

52. Subsequent events

(a) Issue of shares

On May 20, 2024, the financial holding subsidiary injected £1.6M into JN Bank UK, funded from related party loan and internal resources. On June 26, 2024, the Company injected J$2.178 billion (£11 million) into the financial holding subsidiary and this amount was in turn used by that subsidiary to inject capital of £11 million into JN Bank UK on June 28, 2024. The investment of £11 million was made from a conditional loan which was used to satisfy part of the £20 million consideration for the sale of 80.1% JN Bank UK [note 52(b)]. These injections into the JN Bank UK resulted in the issuance of 2 ordinary shares at a premium of £12,599,988.

On September 30, 2024, £9 million [note 52(b)] was invested in JN Bank UK by an unrelated party, as part of the consideration negotiated for the divestment of that indirect subsidiary to that unrelated party. The indirect subsidiary simultaneously issued 8,986,024 ordinary shares for £9 million to the unrelated party.

(b) Divestment of interest in subsidiary

On September 30, 2024, the financial holding subsidiary transferred 80.1% of JN Bank UK for a consideration of £20 million [note 52(a)] to Step One Money UK Limited, an unrelated party. This transfer resulted in a change in immediate parent from JN Financial Group Limited to Step One Money UK Limited and change in ultimate parent from The Jamaica National Group Limited to Step One Group Limited (a company registered in Guernsey).

52. Subsequent events (continued)

(b) Divestment of interest in subsidiary (continued)

Subsequent to the year end, the Board of JN Financial Group Limited approved the divestment of two (2) of its subsidiaries to unrelated entities. An agreement was signed for the purchase of shares in JNGI from the Company by British Caribbean Insurance Company (BCIC). Negotiations are in progress for the divestment of JN Fund Managers.

(c) Unsecured debts

On May 10, 2024 and May 17, 2024, unsecured debt of J$300 million and J$350 million, respectively, were issued by the financial holding subsidiary to related parties. These facilities bear interest at rates of 12% and 12.25%, respectively, and are due for repayment within 12 months.

On May 10, 2024, the Company received an unsecured debt of US$8 million from an unrelated party and issued to the financial holding subsidiary. These facilities bear interest at a rate of 12.35%, and are due for repayment within 18 months.

On July 11, 2024, unsecured debt of US$300,000 was issued by the financial holding subsidiary to a related party. The facility bears interest at rate of 4.5%, and is due for repayment within 12 months.

(d) On February 5, 2025 the Bank of Jamaica reduced the risk-weighted capital adequacy ratio (CAR) for the local indirect bank subsidiary from 15% to 13% [note 42(f)].

Notes

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