Consolidated Financial Statements of

COLONIAL LIFE INSURANCE COMPANY (TRINIDAD) LIMITED

December 31, 2023

(Expressed in thousands of Trinidad and Tobago dollars)

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COLONIAL LIFE
INSURANCE COMPANY [TRINIDAD] LIMITED
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Statement of Management's Responsibilities
Colonial Life Insurance Company (Trinidad) Limited

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Colonial Life Insurance Company (Trinidad) Limited (CLICO) and its subsidiaries (The Group), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising material accounting policies and other explanatory information.

- Ensuring that the Group keeps proper accounting records.

- Selecting appropriate accounting policies and applying them in a consistent manner.

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud and the achievement of the Group's operational efficiencies.

- Ensuring that the system of internal control operated effectively during the reporting period.

- Producing reliable financial reporting that complies with laws and regulations, including the Companies and Insurance Acts; and

- Using reasonable and prudent judgment in the determination of estimates.

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

Further to the Central Bank exiting CLICO in November 2022 the Group continued to maintain its operations in the normal course of business and continues to operate as a going concern servicing its closed book of insurance business.

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

Name: Corrie Gómez
Title: Chief Executive Officer

Date: June 28, 2024

Name: Stacel Peters-Scipio
Title: Chief Financial Officer

Date: June 28, 2024

KPMG Chartered Accountants
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11 Queen's Park East
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Independent Auditors' Report (continued)
To the Shareholders of Colonial Life Insurance Company (Trinidad) Limited (continued)

Disclaimer Opinion

We were engaged to audit the consolidated financial statements of Colonial Life Insurance Company (Trinidad) Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Bases for *Disclaimer Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on these consolidated financial statements.

Bases for Disclaimer of Opinion

1. We were unable to obtain sufficient appropriate audit evidence over the transactions of the material subsidiary (Methanol Holdings International Limited (MHIL)) that are included in these consolidated financial statements as at and for the year ended December 31, 2023 as we were denied access to the necessary audit working papers and group reporting from the subsidiary in order to allow us to complete the required audit procedures. This subsidiary was sold near the year end. Consequently, we were unable to determine whether any adjustments might have been necessary in respect of the consolidated statements of profit or loss, other comprehensive income changes in equity and cash flows for the year then ended. The audit report on the consolidated financial statements as at and for the year ended December 31, 2022 was similarly modified and extended the modification to the statement of financial position as at December 31, 2022.

2. The Group's investment in CL World Brands limited (CLWB) is carried at $501 million as at December 31, 2023 (2022: $485 million) representing 4.16% (2022: 3.67%) of total assets. We were unable to obtain sufficient appropriate audit evidence on the financial information provided because we were denied access to the management and the auditors of CLWB. We were unable to satisfy ourselves regarding the amounts recorded through alternative means. Consequently, we were unable to determine whether any adjustments were necessary to the amounts shown in the consolidated statement of financial position as at December 31, 2023 for investments in associates and the related elements in the consolidated statements of income, other comprehensive income and cash flows for the year then ended. The audit report on the consolidated financial statements as at and for the year ended December 31, 2022 was similarly modified and extended the modification to the statement of financial position as at December 31, 2022.

Independent Auditors' Report (continued)
To the Shareholders of Colonial Life Insurance Company (Trinidad) Limited (continued)

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with International Standards on Auditing and to issue an auditors' report. However, because of the matters described in the *Bases for Disclaimer of Opinion* section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an opinion on these consolidated financial statements.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code

KPMG

Chartered Accountants

Port of Spain
Trinidad and Tobago
June 28, 2024

COLONIAL LIFE INSURANCE COMPANY (TRINIDAD) LIMITED

Consolidated Statement of Financial Position

December 31, 2023

(Expressed in thousands of Trinidad and Tobago dollars)

		2023	Restated 2022*	Restated January 1 2022*
		$'000	$'000	$'000
ASSETS				
Property, plant and equipment	8	112,872	1,673,235	1,560,791
Intangible asset	9	-	7,585	9,150
Investment properties	10	173,700	179,740	228,400
Investment in associates	11	526,644	510,735	496,389
Investment securities	12	8,268,762	8,689,352	1,890,980
Deferred tax assets	38	6,056	5,466	16,462
Taxation recoverable		86,595	86,595	86,595
Loans, leases and other receivables	14	162,068	711,916	869,188
Inventories	15	-	285,891	342,500
Cash and balances with banks and short-term deposits	16	2,639,695	826,739	769,598
Assets held for sale	17	41,000	58,000	6,979,565
Total assets		12,017,392	13,035,254	13,249,618
EQUITY				
Share capital	18	14,750	14,750	14,750
Accumulated surplus		3,181,885	1,099,383	859,821
Valuation reserves	19	248,558	691,260	707,789
Equity and reserves attributable to owners		3,445,193	1,805,393	1,582,360
Non-controlling interest	20	-	1,131,614	1,215,957
Total equity		3,445,193	2,937,007	2,798,317
LIABILITIES				
Insurance contracts liabilities	21	6,014,702	5,997,720	-
Reinsurance contracts liabilities	21	12,715	13,535	14,972
Investment contracts	22	1,368, 306	1,344,467	146,939
Provision for site restoration	23	-	351,890	336,157
End of service benefits	24	-	22,119	19,726
Deferred tax liabilities	38	-	97,778	101,708
Mutual fund obligations	25	3,632	7,012	42,661
Due to related parties	26	131,368	128,893	129,389
Loans and borrowings	27	531,892	1,271,169	1,578,081
Taxation payable		59,430	176,326	233,322
Accounts payable	28	450,154	687,338	522,132
Liabilities directly associated with assets held for sale	17	-	-	7,326,214
Total liabilities		8,572,199	10,098,247	10,451,301
Total equity and liabilities		12,017,392	13,035,254	13,249,618

*See Notes 45 and 46

The accompanying notes on pages 11 to 133 are an integral part of these consolidated financial statements.

Director J. Frederick
Jennifer Frederick
Chairman

Director S. Campbell
Sandra Kumar- Campbell
Board Audit Committee Member

COLONIAL LIFE INSURANCE COMPANY (TRINIDAD) LIMITED

Consolidated Statement of Profit or Loss

For the year ended December 31, 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2023	Restated 2022*
		$'000	$'000
Insurance revenue	29	201,423	220,141
Insurance services expenses	30	(206,447)	(192,646)
Net expenses from reinsurance contracts	21	3,541	166
Insurance service result		(1,483)	27,661
Investment income	31(b)	514,107	386,582
Net impairment loss on financial assets		(1,924)	(255)
Investment return		512,183	386,327
Net finance expense from insurance contracts	31(a)	(296,884)	(198,839)
Net finance income from reinsurance contracts	31(a)	(571)	(427)
Movement in investment contract liabilities	32	(44,457)	(40,360)
Net financial result		170,271	146,701
Gross sales of energy products	42	2,299,683	2,542,774
Cost of sale of energy products	33	(1,341,625)	(1,202,317)
Gross profit from energy operations		958,058	1,340,457
Gain on disposal of subsidiary	34	1,990,223	-
Loss on sale of investments and other assets	34	(13,124)	-
Other income	35	114,104	28,250
Loss on trading managed fund units		(5,825)	(19,709)
Administration and asset management fees		6,867	9,886
Loss on revaluation of investment properties	10	(6,040)	(1,910)
Other operating expense	36	(756,986)	(710,528)
Revaluation loss on managed fund liabilities		(49,873)	(34,497)
Finance costs	37	(61,794)	(73,640)
Finance income	37	20,904	5,656
Share of after tax profits of associated companies		16,032	14,109
Profit before tax		2,381,334	732,436
Taxation	38	(72,297)	(111,423)
Profit for the year before performance of assets held for sale		2,309,037	621,013
Profit from assets held for sale		(722)	410
Profit for the year		2,308,315	621,423

*See Note 45

The accompanying notes on pages 11 to 133 are an integral part of these consolidated financial statements.

COLONIAL LIFE INSURANCE COMPANY (TRINIDAD) LIMITED

Consolidated Statement of Other Comprehensive Income

For the year ended December 31, 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2023	Restated 2022*
		$'000	**$'000**
Profit for the year		2,308,315	621,423
Other comprehensive income			
Deferred tax adjustment	38	-	(9,462)
Items that will not be reclassified to profit or loss			
Equity investments at FVOCI			
- Net change in fair value	19	(453,876)	(6,713)
- Revaluation of property - land and buildings	19	(367)	583
		(454,243)	(6,130)
Items that are or maybe reclassified to profit or loss			
Debt instruments at FVOCI:			
Equity accounted investees - share of OCI	11	(123)	237
Total other comprehensive income, net of tax		(454,366)	(15,355)
Total comprehensive income, net of tax		1,853,949	606,068
Profit attributable to:			
Owners of the Company		2,308,315	218,763
Non-controlling interest		-	402,660
		2,308,315	621,423
Total Comprehensive Income attributable to:			
Owners of the Company		1,853,949	203,408
Non-controlling interest		-	402,660
		1,853,949	606,068

The accompanying notes on pages 11 to 133 are an integral part of these consolidated financial statements.

COLONIAL LIFE INSURANCE COMPANY (TRINIDAD) LIMITED

Consolidated Statement of Changes in Equity

For the year ended December 31, 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Share Capital $'000	Accumulated Surplus $'000	Valuation Reserves $'000	Total $'000	Non Controlling Interest $'000	Total $'000
Year ended December 31, 2023						
Restated balance at January 1, 2023	14,750	1,099,383	691,260	1,805,393	1,131,614	2,937,007
Profit for the year	-	2,082,625	-	2,082,625	225,690	2,308,315
Other comprehensive income	-	(123)	(454,243)	(454,366)	-	(454,366)
Elimination of non-controlling interest on disposal of MHIL	-	-	-	-	(1,357,304)	(1,357,304)
Total comprehensive income	-	2,082,502	(454,243)	1,628,259	(1,131,614)	496,645
Transactions with owners						
Net movement in trustee's units held in Managed Funds	-	-	11,541	11,541	-	11,541
Balance at December 31, 2023	**14,750**	**3,181,885**	**248,558**	**3,445,193**	**-**	**3,445,193**

The accompanying notes on pages 11 to 133 are an integral part of these consolidated financial statements.

COLONIAL LIFE INSURANCE COMPANY (TRINIDAD) LIMITED

Consolidated Statement of Changes in Equity

For the year ended December 31, 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Share Capital $'000	Accumulated Surplus $'000	Valuation Reserves $'000	Total $'000	Non Controlling Interest $'000	Total $'000
Year ended December 31, 2022						
Balance at January 1, 2022, as previously reported	14,750	1,749,400	(228,127)	1,536,023	1,215,957	2,751,980
Adjustment to valuation reserves (Note 46)	-	(1,096,082)	1,096,082	-	-	-
Adjustment on initial application of IFRS 17 net of tax (Note 45)	-	46,337	-	46,337	-	46,337
Adjustment for redesignation of debt instrument from FVOCI to (FVTPL Note 45)	-	160,166	(160,166)	-	-	-
Restated balance at January 1, 2022	**14,750**	**859,821**	**707,789**	**1,582,360**	**1,215,957**	**2,798,317**
Profit for the year, restated	-	218,763	-	218,763	402,660	621,423
Other comprehensive income	-	237	(15,592)	(15,355)	-	(15,355)
Reclassification of gain on disposal of equity instruments at FVOCI to accumulated surplus	-	8,501	(8,501)	-	-	-
Translation differences	-	(7,757)	-	(7,757)	784	(6,973)
Total comprehensive income, restated	-	219,744	(24,093)	195,651	403,444	599,095
Transactions with owners						
Net movement in trustee's units held in Managed Funds	-	-	27,382	27,382	-	27,382
Restatement adjustment Managed Fund (Note 45)	-	19,818	(19,818)	-	-	-
Dividends paid	-	-	-	-	(487,787)	(487,787)
	-	19,818	7,564	27,382	(487,787)	(460,405)
Restated balance at December 31, 2022	**14,750**	**1,099,383**	**691,260**	**1,805,393**	**1,131,614**	**2,937,007**

The accompanying notes on pages 11 to 133 are an integral part of these consolidated financial statements.

COLONIAL LIFE INSURANCE COMPANY (TRINIDAD) LIMITED

Consolidated Statement of Cash Flows

For the year ended December 31, 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2023	2022
		$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,381,334	732,436
Adjustments for:			
End of service costs		-	2,454
Depreciation and amortisation	8,9	5,094	186,450
Net write offs and write backs	8	(1,553)	(5,811)
Loss on revaluation of investment properties	10	6,040	1,910
Property, plant and equipment adjustment		(1,398)	(287)
Investment income		(487,838)	(463,555)
Loss on disposal of property, plant and equipment	8	-	3,617
Share of after tax profits of associated companies		(16,032)	(14,109)
Impairment loss on financial assets		1,924	255
Loss on trading Managed Fund units		55,698	54,206
Interest expense loans and borrowings		47,984	67,666
Fair value (gain) loss through profit or loss		(40,137)	73,224
Gain on disposal of subsidiary		(1,990,223)	-
		(39,107)	638,456
Changes in:			
- Insurance and reinsurance contract liabilities		16,092	35,071
- Investment contracts		29,555	27,052
- Loans, leasehold and other receivables		(948)	93,923
- Accounts payable		(26,024)	(90,072)
- Inventories		-	55,543
- Due to related parties		346	(496)
Taxes paid		(5,359)	(176,368)
Net cash (used in) from operating activities		(25,445)	583,109
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		-	(487,787)
Interest paid	27	-	(4,436)
Repayment of lease liabilities	27	-	(96,214)
Repayment of loans and borrowings	27	(500,000)	(221,887)
Net cash used in financing activities		(500,000)	(810,324)

The accompanying notes on pages 11 to 133 are an integral part of these separate financial statements.

COLONIAL LIFE INSURANCE COMPANY (TRINIDAD) LIMITED

Consolidated Statement of Cash Flows (continued)

For the year ended December 31, 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2023	2022
		$'000	$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangibles	8,9	(2,862)	(304,139)
Proceeds on sale of subsidiary, net of cash disposed and direct cost		1,562,618	-
Dividends received		75,498	7,998
Interest received		435,190	425,340
Transfer to debt service reserve current account		-	55,502
Sale of investment securities		511,643	103,465
Purchase of investment securities		(182,290)	(103,849)
Proceeds from lease receivables		-	90,983
Net cash from investing activities		2,399,797	275,300
Increase in cash and cash equivalents		1,874,352	48,085
Increase in cash and cash equivalents – Assets held for sale	17	(722)	10,910
Net increase in cash and cash equivalents		1,873,630	58,995
Effect of exchange rate changes on cash and cash equivalents		-	(1,665)
CASH AND CASH EQUIVALENTS AT START OF YEAR		766,065	708,735
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,639,695	766,065
CASH AND CASH EQUIVALENTS REPRESENTED BY			
Deposits maturing less than three months	16	1,318	1,303
Cash at bank	16	2,638,377	764,762
		2,639,695	766,065

During the year, certain assets were disposed of in the amount of $17,000 (2022: $25,900) to extinguish debt to a related entity. This transaction did not result in an exchange of cash and is omitted from the cash flows above.

The accompanying notes on pages 11 to 133 are an integral part of these consolidated financial statements.

1. General Information

Colonial Life Insurance Company (Trinidad) Limited (the Company or CLICO) is incorporated in the Republic of Trinidad and Tobago and carries on long-term, group and annuity business for customers inside and outside of Trinidad and Tobago. The registered offices of the Company are located at 29 St Vincent Street, Port of Spain.

During the year CLICO had two subsidiaries: Methanol Holdings International Limited (MHIL) and Premium Security Services Limited. Collectively, CLICO and its subsidiaries are referred to as the Group.

CLICO's principal operating subsidiary, Methanol Holdings International Limited (MHIL) was incorporated on July 7, 2004, in the Federation of St. Kitts and Nevis. It is a private exempt company, limited by shares. Its registered office is located at Law Office of Gonsalves & Hamel-Smith, Suite 26A, The Sands, George Street, Basseterre, St. Kitts. Its principal activity is that of an investment holding company. MHIL has one subsidiary, Oman Methanol Company LLC (OMC) which is registered in the Sultanate of Oman and is primarily engaged in the manufacturing and marketing of methanol. It started its commercial operations on September 1, 2007. MHIL held a 50% shareholding in OMC until 12 August 2008 and 60% thereafter.

On December 31, 2008, the CLICO was a wholly owned subsidiary of CL Financial Limited (the Parent), which is also incorporated in the Republic of Trinidad and Tobago. Effective February 13, 2009, the Central Bank of Trinidad and Tobago (CBTT or Central Bank) assumed control of the Company pursuant to the exercise of its emergency powers under section 44(D) of the Central Bank Act.

On September 10, 2009, the Government of the Republic of Trinidad and Tobago (GORTT) injected additional capital into the CLICO by the acquisition of ordinary shares and preference shares. This transaction resulted in GORTT's ownership of 49% of the share capital of the CLICO.

The Parent Company CL Financial Limited entered involuntary liquidation during the year 2018.

Effective December 1, 2022, the Central Bank relinquished emergency control of CLICO under Section 44G of the Central Bank Act.

On December 22, 2023, the sale of the subsidiary, Methanol Holdings International Limited (MHIL) to Consolidated Energy Limited (CEL) was completed pursuant to the approval of the shareholders of CLICO. CLICO sold 5,653,700 shares or 56.53% of the issued and outstanding shares in Methanol Holdings International Limited. By this transaction CLICO effectively relinquished control of MHIL and all balances from the statement of financial position was not included as at the year end.

1. General Information (continued)

Going concern

The Group continues to be cash flow positive and profitable on an operating recurring basis (after removing non-recurring and non-operating items) from its existing insurance policies and portfolio of investments. Due to the nature of the policies historically underwritten, the Group continues to achieve a high degree of matching between its valuable assets and its insurance and investment contract liabilities. Further, the Group has the ability to exercise its discretion in repaying its debt security obligations and has the ability to be able to meet all of its obligations as they fall due.

Given that the Group has the ability to continue as a going concern due to the strength of its assets and has no plans to cease operations despite the run-off of its ongoing policies in the next 18 months, the Directors have concluded that the financial statements should be prepared on a going concern basis.

The consolidated financial statements for December 31, 2023, were approved for issue on June 21, 2024, by the Board of Directors of the Group.

2. Changes in Material Accounting Policies

The Group has initially applied IFRS 17, including any consequential amendments to other standards, from January 1, 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. As a result, the Group has restated certain comparative amounts and presented a third statement of financial position as at January 1, 2022.

Except for the changes below, the Group has consistently applied the accounting policies as set out in Note 3 to all periods presented in these consolidated financial statements.

The nature and effects of the key changes in the Group's accounting policies resulting from its adoption of IFRS 17 and IFRS 9 are summarised below.

i. Recognition, measurement and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. 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 Contractual Service Margin (CSM).

2. Changes in Material Accounting Policies (continued)

(a) IFRS 17 Insurance Contracts

i. Recognition, measurement and presentation of insurance contracts (continued)

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. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

The majority of the Group's insurance business is measured under the General Measurement Model (GMM) given the coverage period for the contracts is long-term in nature and there are no discretionary cash flows to be considered. the Group applies the Premium Allocation Approach (PAA) to simplify the measurement of contracts in the short-term group life and health segment. 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.

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 Group accounts for insurance and reinsurance contracts under IFRS 17, see Note 5(i).

ii. Transition

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item. The effects of adopting IFRS 17 on the separate financial statements on January 1, 2022, are presented in the statement of changes in equity.

2. Changes in Material Accounting Policies (continued)

(a) IFRS 17 Insurance Contracts (continued)

ii. Transition (continued)

Short-term insurance contracts

These are measured under the PAA, there is no CSM to be calculated and the contract boundary is less than one year. The Group has used full retrospective approach in measuring the groups of insurance contracts measured under PAA.

Long-term insurance and reinsurance contracts

For the long-term life risk, life savings and participating segments, the Group applied the fair value approach in IFRS 17 to identify, recognise and measure certain groups of contracts at 1 January 2022 (see Note 5 (i)), because it was impracticable to apply the full retrospective approach.

To indicate the effect of applying fair value approach on the CSM, insurance revenue and insurance finance income or expenses, the Group has provided additional disclosures in Note 21.

Assets for insurance acquisition cash flows

For the long-term life risk segment, the Group also applied the fair value approach to identify, recognise and measure certain assets for insurance acquisition cash flows at January 1, 2022.

It was impracticable to apply the full retrospective approach because:

- data had not been collected with sufficient granularity;
- information required to identify fixed and variable overheads as relating to acquisition activities and to allocate them to groups of contracts was not available; or
- original assumptions about the manner in which the Group would have expected insurance acquisition cash flows to be recovered, which were required to allocate them to renewals, could not be made without the use of hindsight.

2. Changes in Material Accounting Policies (continued)

(b) IFRS 9 – Financial Instruments – Classification of financial assets

The Group has elected to reassess its classification of eligible financial assets upon the initial application of IFRS 17 – Insurance Contracts. These redesignations are based on facts and circumstances that exist at the date of initial application of IFRS 17 and are applied retrospectively using IFRS 17's transition requirements.

For a majority of debt investments, the objective of the Group's business model is to fund insurance contract liabilities. The Group undertakes significant buying and selling activity on a regular basis to rebalance its portfolio of assets and to ensure that contractual cash flows from the financial assets are sufficient to settle insurance contract liabilities. The Group determines that both collecting contractual cash flows as they come due and selling financial assets to maintain the desired asset profile are integral to achieving the business model's objective.

Previously, certain debt securities were held in separate portfolios for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Group considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows. They were classified as fair value through comprehensive income. Given the re-designation option made available through the transition provisions of IFRS 17, these assets are now designated as fair value through profit and loss to mitigate accounting mismatches that would arise given the accounting choices made by the Group.

Financial impact of assets reclassified:

	Original classification under IFRS 9	New classification Under IFRS 9	Original carrying amount under IFRS 9 $'000	New carrying amount under IFRS 9 $'000
Financial assets				
Debt securities	FVOCI	FVTPL	8,268,762	8,268,762

The impact of the change to the classification of financial instruments can be found in Note 45.

2. Changes in Material Accounting Policies (continued)

(c) Material accounting policy information

IAS 1 – Presentation of Financial Statements

The Group also adopted Disclosure of Accounting Policies (Amendments to IAS1 and IFRS Practice Statement 2) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information to users that need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 5 Material Accounting Policies (2022: Significant Accounting Policies) in certain instances in line with the amendments.

3. Basis of Preparation

(a) Basis of accounting

These consolidated financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

(b) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual amounts may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty that have a significant risk of resulting in a material change to assets and liabilities in the next financial year, and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in Note 6.

3. Basis of Preparation

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in statement of comprehensive income or as a change to other comprehensive income.

Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

3. Basis of Preparation

(c) Basis of consolidation (continued)

(ii) Non-controlling interests

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI 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.

(iv) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

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.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised 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 OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

(v) Transactions eliminated on consolidation.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

4. Functional and presentation currency

The consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Group's functional currency. Except as otherwise indicated, financial information presented in Trinidad and Tobago dollars has been rounded to the nearest thousand.

5. Material Accounting Policies

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

In addition, the Group adopted Disclosure at Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. The amendments require the disclosure at 'material' rather than 'significant' accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the account policy in information related to financial instruments disclosed in this note in certain circumstances.

(a) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(b) Property, plant and equipment

(i) Recognition and measurement

Land and buildings are shown at fair value less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Valuations are made based on current prices in an active market.

All property and equipment except artwork are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Management is of the opinion that this gives a fair indication of realisable value if these items were sold in an orderly sale.

5. Material Accounting Policies (continued)

(b) Property, plant and equipment

(ii) *Subsequent costs*

Subsequent costs are included in the asset's carrying amount or recognised as a consolidated asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount on revaluation of land and buildings are recognised in other comprehensive income and accumulated in valuation reserves. Decreases that offset previous increases of the same asset are charged against those reserves; all other decreases are charged to profit or loss.

(iii) Depreciation

Land is not depreciated. Depreciation on other assets is calculated to write off the cost of each asset to their residual values over their estimated useful life as follows:

	Method	**Rate**
Buildings	Straight line	16.7% to 2%
Plant and equipment	Straight line	33.3% to 2%
Site restoration costs	Straight line	5%
Artwork	Straight line	2%
Furniture, fixtures and office equipment	Reducing balance	10%-20%
Motor vehicles	Reducing balance	20%
Computer equipment		
- Mainframe	Reducing balance	20%
- Deferred software	Straight Line	25%
- Peripherals	Reducing balance	20%

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts. These are included in profit or loss. When revalued assets are sold, the amounts included in the valuation reserve are transferred to accumulated surplus. The transfer is not made through profit or loss.

5. Material Accounting Policies (continued)

(c) Investment properties

Properties that are not occupied by the Group and held for long-term rental yields and/or capital appreciation are classified as investment properties.

Investment properties, principally comprising office buildings, are carried at fair value and changes in fair value are recorded in profit or loss. Fair value is based on current prices in an active market for all properties. These valuations are done biennial or annually by independent professionally qualified appraisers and in intervening periods, if there are any changes in the economic environment, an assessment of the value is conducted.

If an investment property becomes owner-occupied, it is reclassified as property and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in statement of changes in equity as a revaluation of property and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to accumulated surplus; the transfer is not made through profit or loss.

(d) Financial instruments

(i) Recognition

The Group recognises deposits with financial institutions and loans and borrowings on the date on which they originated. All other financial instruments (including regular-way purchases and sales of financial assets) are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue for a financial asset or financial liability not measured at Fair Value through Profit and Loss (FVTPL). Transaction costs on financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss.

(ii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

5. Material Accounting Policies (continued)

(d) *Financial instruments* (continued)

(ii) Derecognition (continued)

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 recognized in other comprehensive income (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. Cumulative gains and losses recognised in OCI are transferred to retained earnings at disposal of an investment in an equity instrument.

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

(iii) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, unless:

(a) the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(b) the Group utilization the redesignation option offered upon the first time adoption of IFRS 17 – *Insurance contracts.*

5. Material Accounting Policies (continued)

(d) Financial instruments (continued)

(iii) Classification (continued)

Financial assets (continued)

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.

- how the performance of the portfolio is evaluated and reported to the Group's management; and

- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed.

Financial assets that are held for trading are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets or the Group employs the redesignation option offered upon first time adoption of IFRS 17- *Isurance contracts.*

Financial instruments are measured initially at fair value, including any directly attributable transaction costs, except for financial assets at fair value through profit or loss, transaction costs are included in profit or loss.

5. Material Accounting Policies (continued)

(d) Financial instruments (continued)

(iv) Measurement

Subsequent to initial recognition all financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value, based on their quoted market price at the reporting date without any deduction for transaction costs.

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would consider in pricing a transaction.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change occurred.

Financial assets at FVTPL	Measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognised in profit and loss.
Equity investments at FVOCI	Measured at fair value. Dividends are recognised as income in profit or loss unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
Financial assets at amortised cost	Measured at amortised cost using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on decrecognition is also recognised in profit or loss.

<u>Financial liabilities</u>

All non-trading financial liabilities are measured at amortised cost.

5. Material Accounting Policies (continued)

(d) Financial instruments (continued)

(v) Fair values of financial assets and liabilities

The consolidated financial statements include holdings in unquoted shares which are measured at fair value (Notes 11 to 12). Fair value is estimated using a discounted cash flow model, which includes some assumptions which are not supportable by observable market prices or rates. If the fair value of unquoted equities cannot be measured reliably, these financial assets are measured at cost, being the fair value of the consideration paid for the acquisition of the investment less impairment losses. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

(vi) Offsetting

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards, or for gains and losses arising from a group of similar transactions.

(vii) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Amortised cost is calculated on the effective interest rate method.

Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

(vii) Designation at fair value through profit or loss

Management designates financial assets and financial liabilities at fair value through profit or loss when the assets or liabilities are managed and reported internally on a fair value basis, or the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

5. Material Accounting Policies (continued)

(e) Impairment – non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets see accounting policy 5(d), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Reversals of impairment

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

(f) Cash and cash equivalents

For the purpose of the cash flow statement, cash comprises cash in hand and deposits held at call with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risk of change in values and are held for meeting short-term cash commitments rather than for investment purposes.

These comprise investments in money market instruments and short-term deposits with original maturities of three months or less, net of bank overdrafts. Cash and cash equivalents are measured at amortised cost.

(g) Inventories

Inventories Stores and spares, including goods-in-transit are valued at the lower of cost and net realisable value. The cost of stores and spares is based on the weighted average cost basis and includes expenditure incurred in acquiring and bringing them to their existing location and condition. Provision is made where necessary for obsolete, slow moving and defective items.

Inventory of methanol is valued at the lower of cost and net realisable value. The cost of methanol is based on weighted average cost and includes the cost of natural gas and other costs of production. Net realisable value is the price at which inventory can be sold in the normal course of business after allowing for the costs of realisation.

5. Material Accounting Policies (continued)

(h) Insurance and investment contracts – classification

The Group issues contracts that transfer insurance risk or financial risk or both.

Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. The Group defines as significant insurance risk as the possibility of having to pay significant additional benefits on the occurrence of an insured event, more than the benefits payable if the insured event did not occur.

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

(i) Insurance contracts

IFRS 17 replaced IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted.

Identifying contracts in the scope of IFRS 17

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of the Group's insurance contracts issued and reinsurance contracts held.

When identifying contracts in the scope of IFRS 17, in some cases the Group had to assess 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. For insurance and reinsurance contracts, the Group does not expect significant changes arising from the application of these requirements.

Level of aggregation

Under IFRS 17, insurance contracts are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines issued by the Group are in different portfolios. Each portfolio is then divided into annual cohorts (i.e. by year of issue) and each annual cohort into three groups:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

When a contract is recognised, it is added to an existing group of contracts, or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added. Groups of reinsurance contracts are established such that each group comprises a single contract.

5. Material Accounting Policies (continued)

(i) Insurance contracts (continued)

Level of aggregation (continued)

The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, which are generally deferred as a Contractual Service Margin (CSM), against losses on groups of onerous contracts, which are recognised immediately

Contract boundaries

Under IFRS 17, the measurement of a group of contracts includes all the future cash flows within the boundary of each contract in the Group. The period covered by the premiums within the contract boundary is the 'coverage period'.

Insurance contracts

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services). A substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

For all inforce individual life products, premium rates and benefit patterns are guaranteed at issue. The Group is not permitted to reassess the risk to the policyholders or make changes such as re-price the inforce contracts or reduce benefit level based on contractual rights. As such the Group is compelled to provide coverage to policyholders for the full duration of the contract.

Individual deferred annuity contracts contain a guaranteed annuity option, which allows the policyholder to convert, on maturity of the stated term, the maturity benefit into an immediately starting life-contingent annuity at a predetermined rate. The Group is contractually obligated to provide an annuity at the higher of the guaranteed rate or the current rate at the time of the maturity. The Group has assessed the contract boundary for these contracts, including the options, and concluded that, under IFRS 17, the cash flows related to the guaranteed annuity options will fall within the boundary of the contracts. This is because the Group does not have the practical ability to reprice the contract on maturity of the stated term.

5. Material Accounting Policies (continued)

(i) Insurance contracts (continued)

For group deferred annuities, the Group is obligated to provide the fixed payment annuities at retirement date and is compelled to provide coverage to policyholders until death. The contract boundary extends beyond the retirement date as the Group is obligated to provide longevity coverage.

Group life and health contracts are governed by a Group Master policy which is a contributory yearly renewable term policy. It is the Group's view that the contract boundary of each underlying coverage is therefore affected by the Group Master contract. Both substantive rights and obligations are shorter than 1 year given that the Group Master policy is yearly renewable.

For single premium group life creditor contracts the Group may not terminate the policy or adjust the premium rate. The Group therefore has a substantive obligation that extends for the full term of the loan, and the contract boundary is therefore longer than one (1) year.

Reinsurance contracts

For reinsurance contracts, the contract boundary assessment follows the same principles as the underlying direct insurance contracts. Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

Measurement – Overview

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts that are substantially investment-related service contracts under which the Group promises an investment return based on underlying items; they are contracts for which, at inception:

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

5. Material Accounting Policies (continued)

(i) Insurance contracts (continued)

Measurement – Overview (continued)

The Group did an assessment of its participating policies to ascertain whether they would meet to requirements for contracts with direct participating features. There was some level of ambiguity, in terms of interpretation and judgement, in satisfying the third requirement, and given the level of materiality of this portfolio these were measured as insurance contracts without direct participation features.

All remaining insurance contracts and all reinsurance contracts are also classified as contracts without direct participation features. Some of these contracts are measured under the PAA.

General Measurement Model (GMM)

For most of the Group's business (both groups of insurance contracts and reinsurance contracts held) the decision was taken to apply the GMM given that the coverage period for the contracts is long term in nature, and there are no discretionary cash flows to be considered.

As the Group fulfils the contracts, this measurement model is based on the estimates of the present value of future cash flows that are expected to arise, an explicit risk adjustment for non-financial risk and a CSM which is amortized over the contractual service period at initial locked in discount rates.

Premium Allocation Approach (PAA)

The Group applies the PAA to all contracts in Group Life and Health segment (including reinsurance contracts held on these contracts) at inception because these are insurance contracts and reinsurance contracts whose coverage period is one year or less.

For Group Creditor which has obligation extending beyond one year, the Company can use PAA as it produces a measurement of the liability for remaining coverage that would not differ materially from applying GMM.

5. Material Accounting Policies (continued)

(i) Insurance contracts (continued)

Measurement – Life contracts

On initial recognition, the Group will measure a group of contracts as the total of (a) the fulfilment cash flows, 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 CSM. The fulfilment cash flows of a group of contracts do not reflect the Group's non-performance 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. For generic and linear cash flows, best estimate assumptions based on industry study and historical data provide a good representation of the probability weighted cash flows. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows (i.e. nonlinearity), then the Group will use stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for variables such as interest rates and equity returns.

All cash flows are discounted using reference portfolio yield based on Central Bank of Trinidad and Tobago yield curve which is further adjusted to remove credit risk which is not relevant to the underlying estimates of cash flows. Majority of the Group's inforce products are categorized as moderately high to highly illiquid insurance contracts. One liquidity category is established for all inforce products on IFRS 17 transition. The Government of the Republic of Trinidad and Tobago (GORTT) bonds inherently include liquidity premium demanded by investors, this was deemed to be similar to the level of liquidity for the Group's insurance contracts.

The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation that the Group would require for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of contracts represents the unearned profit that the Group will recognise as it provides services under those contracts. On initial recognition of a group of contracts, the group is not onerous if the total of the following is a net inflow:

- the fulfilment cash flows;
- any cash flows arising at that date; and
- any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group including assets for insurance acquisition cash flows.

5. Material Accounting Policies (continued)

(i) Insurance contracts (continued)

Measurement – Life contracts (continued)

In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition. If the total is a net outflow, then the group is onerous and the net outflow is generally recognised as a loss in profit or loss; a loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.

Subsequently, the carrying amount of a group of contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. 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.

The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows.

Changes relating to future services	Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated future cash flows	Recognised as insurance finance income or expenses

The CSM is adjusted subsequently only for changes in fulfilment cash flows that relate to future services and other specified amounts and is recognised in profit or loss as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future service.

5. Material Accounting Policies (continued)

(i) Insurance contracts (continued)

Reinsurance contracts

Reinsurance contracts are entered into to cover both the Group's Individual Life and Group Life products. the Group will apply the GMM to measure the reinsurance on the individual life contracts, and the PAA to measure the reinsurance on the short-term group life contracts. For risk-attaching reinsurance contracts, the liability for remaining coverage using the PAA is presumed to not be materially different from the liability for remaining coverage if the general measurement model is used.

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 the fulfilment cash flows that relate to services that will be received under the contracts in future periods.

The Group will measure the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in the insurance service result in profit or loss.

The risk adjustment for non-financial risk will represent the amount of risk being transferred by the Group to the reinsurer.

Directly Attributable Expenses

Expenses are mainly attributable to acquisition and maintenance expenses. Only directly attributable expenses (i.e., those that relate to issuing and fulfilling the insurance contract) are to be included in the measurement of insurance contracts. Directly attributable expenses are included in the estimates of future cash flows and therefore impact the amount of CSM at initial recognition. Non-directly attributable expenses are excluded from the estimate of future cash flows. These expenses are instead expensed as incurred in the Statement of Profit or Loss.

Insurance acquisition expenses arise from the activities of selling, underwriting and starting a group of contracts and they are directly attributable to the portfolio of contracts to which the group belongs.

5. Material Accounting Policies (continued)

(i) Insurance contracts (continued)

Directly Attributable Expenses (continued)

Insurance maintenance expenses are directly related to servicing and fulfilling insurance contracts. Given the Group has officially ceased selling new business in 2015, maintenance expenses account for close to 100% of allocated expenses. The allocation of expenses into core functions and activities is based on the Group's internal expense allocation and subsequent allocation to directly attributable and non-directly attributable. Under IFRS 17, insurance maintenance expenses are further broken down to per policy unit expenses which are then allocated to the various groups of contracts.

In applying the premium allocation approach, the Group may:

- Choose to recognize any insurance acquisition cash flows as expenses when it incurs those costs, provided that the coverage period of each contract in the group at initial recognition is no more than one year; or
- Recognize the acquisition expense as an asset and amortize using a systematic and rational approach

Similar to business modelled under GMM, the Group's PAA business does not incur material amounts of insurance acquisition expenses. For contracts with coverage period less than one year, the Group has elected to expense the acquisition costs as incurred. As a result, any small insurance acquisition cash flows incurred before the groups of insurance contracts are recognized are expensed.

Therefore, insurance acquisition cash flows do not impact the measurement of LRC under the PAA.

Measurement – Group Life, Health and Creditor Life contracts

On initial recognition of each group of group life, health and creditor life insurance contracts, the carrying amount of the LRC is measured at the premiums received on initial recognition. the Group will elect to recognise insurance acquisition cash flows as expenses when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognised as insurance revenue for services provided. The Group expects that the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, as permitted under IFRS 17, the Group will not adjust the LRC to reflect the time value of money and the effect of financial risk.

5. Material Accounting Policies (continued)

(i) Insurance contracts (continued)

Measurement – Group Life, Health and Creditor Life contracts (continued)

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group will recognise a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows will be discounted (at current rates) if the LIC claims is also discounted (see below).

The Group will recognise the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows will be discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

The Group will apply the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

Measurement – Significant judgements and estimates

(a) Estimates of future cash flows

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts will not be considered until the change in legislation is substantively enacted.

Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

5. Material Accounting Policies (continued)

(i) ***Insurance contracts*** (continued)

Measurement – Significant judgements and estimates (continued)

(a) Estimates of future cash flows (continued)

Cash flows are attributed to other fulfilment activities and other activities at company level using activity-based costing techniques. Cash flows attributable to other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics.

(b) Discount rates

Most of the Group's cash flows do not vary based on returns of any underlying items. For groups of insurance contracts measured under the General Model approach (GMM). Therefore, the discount rates will purely reflect the liquidity characteristics of insurance contracts and be delinked from the underlying assets

For UL and FPA/Multiflex, cash flows vary, but do not vary directly with the underlying items due to the minimum interest rate guarantee. For these products, the Group uses stochastic modelling to calculate the cost of interest rate guarantee to be added on top of the Best Estimate Liability.

The coverage period is less than one year for groups of insurance contracts measured under the Premium Allocation approach (PAA). It is not subject to significant time value of money. Therefore, the Group does not apply discount rate to contracts measured under the PAA

Discount rates for reinsurance contracts held are discounted using the same discount rates compared to direct insurance contracts

The locked-in discount rate determined at transition date or initial recognition are used for interest accretion calculation on the CSM as required by the standard.

The Group measures liabilities for insurance contracts using current discount rates.

(c) Contractual Service Margin (CSM)

The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year, by identifying the coverage units in the Group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the Group, determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units will be reviewed and updated at each reporting date.

5. Material Accounting Policies (continued)

(i) Insurance contracts (continued)

Measurement – Significant judgements and estimates (continued)

(c) Contractual Service Margin (CSM) (continued)

The Group will determine the quantity of the benefits provided under each contract as follows.

(i) For insurance contracts that provide both insurance coverage and investment services, the assessment of the quantity of benefits entails determining the relative weighting of the benefits provided to the policyholder by these services, determining how the benefits provided by each service change over the coverage period and aggregating those different benefits.

(ii) To determine the relative weighting of the benefits provided by insurance coverage and investment services, the Group will generally consider the selling prices for the services had they been offered on a stand-alone basis and adjust the quantity of benefits for each service in proportion to those stand- alone selling prices. The stand-alone selling price for a service may be evidenced by observable prices when the Group sells that service separately to policyholders with similar characteristics.

Presentation and disclosure

Under IFRS 17, 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. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans will no longer be presented separately. 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) will also be presented in the same line item as the related portfolios of contracts.

Amounts recognised in the statement of profit or loss and OCI are disaggregated into:

(i) an insurance service result, comprising insurance revenue and insurance service expenses; and
(ii) insurance finance income or expenses. Amounts from reinsurance contracts will be presented separately.

(a) Insurance service result

For contracts measured using the GMM, insurance revenue for each year 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.

5. Material Accounting Policies (continued)

(i) Insurance contracts (continued)

Presentation and disclosure (continued)

(a) *Insurance service result* (continued)

For contracts measured using the PAA, insurance revenue is recognised based on an allocation of expected premium receipts to each period of coverage, which is based on the expected timing of incurred insurance service expenses for certain property contracts and the passage of time for other contracts.

Expenses that relate directly to the fulfilment of contracts will be recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment of contracts will be presented outside the insurance service result.

The Group's Life contracts do not have Investment components and therefore no consideration of amounts being included in insurance revenue and insurance service expenses under IFRS 17 is necessary.

Amounts recovered from reinsurers and reinsurance expenses will no longer be presented separately in profit or loss, because the Group will present them on a net basis as 'net expenses from reinsurance contracts' in the insurance service result, but information about these will be included in the disclosures.

The Group will disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. This disaggregation allows the Group to better match the release of risk adjustment with insurance service provided.

(b) Insurance finance income and expenses

Changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

For life risk and life savings contracts, the Group will choose to disaggregate insurance finance income or expenses between profit or loss and OCI. This is expected to reduce accounting mismatches in profit or loss, considering that many of the supporting financial assets will be debt investments measured at FVTPL under IFRS 9.

5. Material Accounting Policies (continued)

(i) Insurance contracts (continued)

Presentation and disclosure (continued)

(b) Insurance finance income and expenses (continued)

If the Group derecognises a contract without direct participation features as a result of a transfer to a third party or a contract modification, then any remaining amounts of accumulated OCI for the contract will be reclassified to profit or loss as a reclassification adjustment.

For participating and group life, health and creditor life contracts, the Group will present insurance finance income or expenses in profit or loss, considering that the supporting assets will generally be measured at FVTPL.

New extensive disclosures are required about amounts recognised in the separate financial statements, including detailed reconciliations of contracts, effects of newly recognised contracts and information on the expected CSM emergence pattern, as well as disclosures about significant judgements made when applying IFRS 17. There will also be expanded disclosures about the nature and extent of risks from insurance contracts and reinsurance contracts. Disclosures will generally be made at a more granular level than under IFRS 4, providing more transparent information for assessing the effects of contracts on the financial statements.

Transition

Changes in accounting policies resulting from the adoption of IFRS 17 are applied using a full retrospective approach to the extent practicable, except for Life contracts for which the fair value approach on transition to IFRS 17 is utilised.

(j) Investment contracts

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. The Group's investment contracts are classified as Deposit Administration Contracts, Managed Funds and Executive Flexible Premium Annuity (EFPA)/Group Advanced Protection (GAP)/Group Annuity Advanced Performance Policy (GAAPP) policies.

Deposit administration business

These are investment products issued by the Group to registered pension schemes and used for accumulating retirement benefits for employees of an entity. The funds are normally used to purchase immediate annuities for the employees upon retirement.

Deposit administration contributions are recorded directly as liabilities. Withdrawals are deducted directly from the liability.

The interest or investment return provided to contract holders is recorded as 'investment contract expenses.

5. Material Accounting Policies (continued)

(j) Investment contracts (continued)

Managed Funds business

The managed fund is a unitised fund which is sold to pension plans. The pension plans' funds as well as their subsequent net inflows/outflows of contributions, benefits and expenses are used to purchase/sell units in the managed fund. The proceeds from units purchased by the pension plans are invested in specific investments, which are pooled, and the pension plans bear the investment risk.

A valuation of the investment portfolio ascertaining the fair value of the assets and investment income earned is performed each month to determine the offer and bid prices of the units. The Group acts as a facilitator for the trading of units and can also be a holder of units at any valuation date. The units held by the Group are kept as a reserve, the value of which is separated from the pension plans units and credited to shareholders' equity. Administration and investment management fees are charged to the pension plans for services provided by the Group.

EFPA/GAP/GAAPP policies

This is a flexible single premium accumulation annuity product. GAP policies are corporate owned EFPAs and GAAPP policies formed a new group of single premium deferred accumulation annuity policies introduced in 2008. Additional premiums attracted the prevailing interest rate at the time. The interest accruing to policyholders is recorded as an investment contract expense.

The Group discontinued the sale of these products in 2010.

The Group classifies EFPA/GAP/GAAPP policies as investment contracts under IFRS 9. To ensure the adequacy of the liability to cover the minimum guarantees, the liability is calculated using a market consistent approach, based on the account value plus any additional provisions held to cover the cost of the guarantee. In addition, the account value is reviewed to ensure it is greater than the aggregate present value of projected benefits assuming the account value continues to accumulate under contractual minimum guaranteed credited rate until maturity.

Retail EFPA/GAP/GAAPP policies over the maximum contractual maturity age have been matured and the account value reallocated to outstanding claims. The outstanding balance will not accrue any further interest at the minimum guaranteed contractual rates after maturity.

The accumulated balance continues to be available for payment to non-related party policyholders.

5. Material Accounting Policies (continued)

(k) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as interest expense.

(l) Taxation

For CLICO, Corporation tax on long-term business (other than approved annuity business) is charged annually at 15% on investment income derived from the investment of the assets supporting policyholder liabilities less allowable investment expenses in relation thereto. The profits of approved annuity business are not chargeable to tax except to the extent that such profits are distributed to shareholders. Corporation tax is also due at the rate of 25% on profits of long-term insurance business and non-insurance business transferred to the account of shareholders and 30% on general insurance business.

For MHIL, the tax expense for the year comprises current and deferred taxation of the subsidiary. The current income tax charge is calculated based on the tax laws enacted at the reporting date. At the reporting date the effective rate was 15%.

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount has been reasonably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required to settle the obligation is determined by considering the class of obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item in the same class of obligations may be small.

(n) Revenue recognition

IFRS 15 *Revenue from Contracts with Customers* does not have any material impact on the accounting policies as the Group's primary activity is long-term, group and annuity insurance business.

The insurance products revenue recognition is defined in IFRS 17 (see note 5 (k)) on insurance revenue.

5. Material Accounting Policies (continued)

(n) Revenue recognition (continued)

Revenue from contracts with customers

The Group recognises revenue from contracts with customers based on the five-step model set out in IFRS 15.

Step 1: Identify the contracts with customers. A contract is an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract. A performance obligation is a unit of account and promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods and services to a customer excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligation in the contract. For a contract that has more than one performance obligation, the Group will allocate transaction price to each performance obligation that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The subsidiary of MHIL manufactures and sells methanol. Sales are recognised when control of the product has been transferred to the customer and there is no unfulfilled obligation that could affect the customer’s acceptance of the product.

Revenue is recognised on a Freight on Board (FOB) basis i.e. when the bill of lading is generated for the shipment. The control of the product is transferred to the customer when the customer has accepted the product in accordance with the sales contract. The acceptance provisions have lapsed, or the subsidiary has objective evidence that all criteria for acceptance have been satisfied. The revenue has not been disaggregated as all revenue is recognised at a point in time. Further, there is no element of financing deemed to be present.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because the passage of time is required for payment.

The subsidiary of MHIL has an incremental cost for obtaining a contract, in the form of a 4.5% marketing fee for each contract with the customer entered through Helm AG. However, since no contract exceeds one year, the subsidiary has used the practical expedient of recognizing the contract cost as an expense as and when incurred.

5. Material Accounting Policies (continued)

(n) Revenue recognition (continued)

Fee income

The Group is the advisor, manager and distributor of the Colonial Life Family of Funds. Front-end fees are charged to the customers of the Core (Series VI) and Power (Series VI) Funds. These front-end fees are for a guarantee that the Group provides to the customer for principal and for a specific interest rate of return over a specified period. This fee is accounted for in the period in which the contract is made.

Fees arising from asset management and other investment related services are recognised in the accounting period in which the services are rendered.

(i) Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

(ii) Investment income

Investment income comprises dividends, rent and loan interest for the year, and realised profits and losses on sale of investments. Dividends are recognised when the rights to receive payment are established.

(iii) Rental income

Rental income is recognised on the accrual basis.

(iv) Net trading income (income from investment securities at FVTPL)

'Net trading income' comprises gains less losses related to trading assets and liabilities, and includes all fair value changes, interest, dividends and foreign exchange differences.

5. Material Accounting Policies (continued)

(o) New, revised and amended standards interpretations 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 its financial statements:

- IFRS 17 Insurance Contract, effective for annual periods beginning on or after January 1, 2023. See Note 2 (a) for details on adoption of the standard.

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after January 1, 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

  Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

  With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

  There was no significant impact on the consolidated financial statements.

5. Material Accounting Policies (continued)

(o) New, revised and amended standards and interpretations not yet effective (continued)

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual periods beginning on or after January 1, 2023, and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

  See Note 2 (c) for impact on consolidated financial statements.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

5. Material Accounting Policies (continued)

(o) New, revised and amended standards and interpretations not yet effective (continued)

- *Amendments to IAS 8* (continued)

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and
  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

  The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

  There was no significant impact on the amendment of this standard on the consolidated financial statements.

- Amendments to IAS 12 *Income Taxes* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

  The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

  For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

5. Material Accounting Policies (continued)

(o) New, revised and amended standards and interpretations not yet effective (continued)

- Amendments to IAS 12 *Income Taxes* (continued)

  For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

  There was no significant impact on the consolidated financial statements.

- Initial application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17) are effective for annual reporting periods beginning on or after January 1, 2023. The classification overlay will apply to all financial assets regardless of whether they are, or were, held in respect of insurance activities. This means that an insurer can choose to apply this approach to all financial assets on an instrument-by-instrument basis.

  The eligibility for the classification overlay approach has been expended to those insurers that have adopted IFRS 9 before adopting IFRS 17. This would allow them to reduce any accounting mismatches relating to financial assets that are derecognized in the comparative period.

  An insurer would not be required to apply the new impairment requirements in IFRS 9 when applying the overlay approach. If an insurer does not apply the IFRS 9 impairment requirements under the overlay approach, then it would not be required to restate the impairment of financial assets as previously reported under IAS 39 *Financial Instruments: Recognition and Measurement* simply to present comparative information.

  See Note 2 (a) for impact on the adoption of this standard on the consolidated financial statements.

(p) New, revised and amended standards interpretations not yet effective

At the date of authorisation of these financial statements, certain new and amended standards and interpretations were issued which were not effective for the current year and which the Group has not early adopted. The Group has assessed them with respect to its operations and has determined that the following are relevant:

- Classification of liabilities as current or non-current (Amendments to IAS 1) are effective for annual reporting periods beginning on or after January 1, 2024, with early adoption permitted and is to be applied retrospectively. A company will classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement.

5. Material Accounting Policies (continued)

(p) New, revised and amended standards and interpretations not yet effective (continued)

Covenants with which the Company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable with 12 months after the reporting date.

The amendments also clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.

- Lease liability in a sale and leaseback (Amendments to IFRS 16) are effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted. The amendment confirms that (i) on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction; and (ii) after initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains.

  A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

- IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* are effective for annual reporting periods beginning on or after January 1, 2024. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

- IFRS S2 *Climate-related Disclosures* are effective for annual reporting periods beginning on or after January 1, 2024. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

5. Material Accounting Policies (continued)

(p) New, revised and amended standards and interpretations not yet effective (continued)

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) are effective for annual reporting periods beginning on or after January 1, 2024. The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
- Lack of Exchangeability (Amendments to IAS 21) are effective for annual reporting periods beginning on or after January 1, 2025. The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
- IFRS 18 *Presentation and Disclosure* in financial statements is effective for annual reporting periods beginning on or after January 1, 2027.

The Group is assessing the impact that these amendments and standards will have on its consolidated financial statements.

6. Use of Estimates and Judgments

The Group, at each reporting date, makes estimates and assumptions about the future, that have a significant risk of a material adjustment to the carrying amounts of assets and liabilities in the next financial year. Estimates and underlying judgments are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively (except where adoption of new standards require retrospective application).

6.1 Fulfilment cash flows

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 cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Group uses stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns.

6. Use of Estimates and Judgments (continued)

6.1 Fulfilment cash flows (continued)

Estimates of future cash flows

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not considered until the change in legislation is substantively enacted. The Group derives cost inflation assumptions from the difference between the yields on nominal and inflation-linked government bonds.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the Group belongs. Other costs that are incurred in fulfilling the contracts include:

- claims handling, maintenance and administration costs;
- recurring commissions payable on instalment premiums receivable within the contract boundary;
- costs that the Group will incur in providing investment services;
- costs that the Group will incur in performing investment activities to the extent that the Group performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs; and income tax and other costs specifically chargeable to the policyholders under the terms of the contracts and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. The Group generally allocates insurance acquisition cash flows to groups of contracts based on the total premiums for each group, claims handling costs based on the number of claims for each group, and maintenance and administration costs based on the number of in-force contracts within each group. Other costs are recognised in profit or loss as they are incurred.

6. Use of Estimates and Judgments (continued)

6.1 Fulfilment cash flows (continued)

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.

Insurance contracts	For all inforce individual life products, premium rates and benefit patterns are guaranteed at issue. The Group is not permitted to reassess the risk to the policyholders or make changes such as re-price the inforce contracts or reduce benefit level based on contractual rights. As such the Group is compelled to provide coverage to policyholders for the full duration of the contract. Individual deferred annuity contracts contain a guaranteed annuity option, which allows the policyholder to convert, on maturity of the stated term, the maturity benefit into an immediately starting life-contingent annuity at a predetermined rate. The Group is contractually obligated to provide an annuity at the higher of the guaranteed rate or the current rate at the time of the maturity. The Group has assessed the contract boundary for these contracts, including the options, and concluded that, under IFRS 17, the cash flows related to the guaranteed annuity options will fall within the boundary of the contracts. This is because The Group does not have the practical ability to reprice the contract on maturity of the stated term. For group deferred annuities, the Group is obligated to provide the fixed payment annuities at retirement date and is compelled to provide coverage to policyholders until death. The contract boundary extends beyond the retirement date as the Group is obligated to provide longevity coverage. Group life and health contracts are governed by a Group Master policy which is a contributory yearly renewable term policy. It is the Group's view that the contract boundary of each underlying coverage is therefore affected by the Group Master contract. Both substantive rights and obligations are shorter than 1 year given that the Group Master policy is yearly renewable. For single premium group life creditor contracts the Group may not terminate the policy or adjust the premium rate. The Group therefore has a substantive obligation that extends for the full term of the loan, and the contract boundary is therefore longer than one (1) year.
Reinsurance contracts	For reinsurance contracts, the contract boundary assessment follows the same principles as the underlying direct insurance contracts. Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

6. Use of Estimates and Judgments (continued)

6.1 Fulfilment cash flows (continued)

Life risk, life savings and participating contracts

Assumptions about mortality/longevity, morbidity and policyholder behaviour that are used in estimating future cash flows are developed by product type at local entity level, reflecting recent experience and the profiles of policyholders within a group of insurance contracts.

Mortality/longevity and morbidity assumptions are generally developed using a blend of national mortality data, industry trends and the local entity's recent experience. Experience is monitored through regular studies, the results of which are reflected both in the pricing of new products and in the measurement of existing contracts.

Policyholder behaviour is a key assumption in the measurement of life savings and participating insurance contracts. Each type of policyholder behaviour is estimated by product type, based on trends in recent experience.

Possible increases in lapse and surrender rates may increase or decrease estimates of future cash outflows and thus decrease or increase the CSM depending on the product specifics. For a sensitivity analysis, refer to Note 7.2

For deferred fixed annuity and universal life contracts, crediting rates and discount rates (see 'Discount rates' below) are key assumptions in measuring those contracts.

The assumed estimated crediting rates are generally based on the actual rates applied in the current year. The crediting rates applied vary between products. In the current economic environment, the amounts credited are often determined by interest rate guarantees.

Discount rates

All cash flows are discounted using reference portfolio yield based on Central Bank of Trinidad and Tobago yield curve which is further adjusted to remove credit risk which is not relevant to the underlying estimates of cash flows. The yield curve is interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. Although the ultimate forward rate is subject to revision, it is expected to be stable and would change only on significant changes to long-term expectations. It is the Group's view that the Government of the Republic of Trinidad and Tobago (GORTT) bonds inherently include liquidity premium demanded by investors, which are similar to the weighted average level of liquidity premium of the Group's insurance contracts. Therefore, there was no additional liquidity adjustment in the derivation of the discount rate.

(Expressed in thousands of Trinidad and Tobago dollars)

6. Use of Estimates and Judgments (continued)

6.1 Fulfilment cash flows (continued)

Discount rates (continued)

The tables below set out the IFRS 17 spot rates used to discount the cash flows of insurance contracts for estimates of cash flows that do not vary based on the returns of the underlying items.

	2023					2022				
	1 yr.	5 yrs.	10 yrs.	15 yrs.	20 yrs.	1 yr.	5 yrs.	10 yrs.	15 yrs.	20 yrs.
All products	1-2%	4-5%	5-6%	6-7%	6-7%	1-2%	4-5%	5-6%	6-7%	6-7%

When the present value of future cash flows is estimated by stochastic modelling, the cash flows are discounted at scenario-specific rates calibrated, on average, to be the IFRS 17 discount rates.

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk, separately for the non-life and other contracts, and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a correlation matrix technique

The Group applies a margin approach for risk adjustments for non-financial risk. The main differences between the margins applied under IFRS4 is that IFRS 17 requires disclosure of the confidence level associated with the margin approach to allow for comparability. The Company leverages assumed distributions for non-financial risks calculated under the Canadian Life Insurance Capital Adequacy Test (LICAT) capital framework to estimate the confidence level in the Group's risk adjustment.

The risk adjustment for insurance contracts held and reinsurance contracts issued corresponds to a confidence level between 80% to 90% overall.

The risk adjustments for non-financial risk are determined using the following techniques:

– life and participating contracts: a hybrid of margin and cost of capital approach.

To determine the risk adjustments for non-financial risk for reinsurance contracts, the Group applies these techniques both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results.

6. Use of Estimates and Judgments (continued)

6.1 Fulfilment cash flows (continued)

Use existing additive margins for adverse deviation (MfADs) for each non-financial assumption as a starting point. Risk adjustment is calculated as the present value of the difference between estimated future cash flows with MfADs and estimated future cash flows without MfADs. The Group will use their cost of insurance risk capital under the existing CBTT regulatory capital framework, discounted at average market participant hurdle rate, to assess the aggregate compensation requirement.

6.2 Contractual Service Margin

Determination of coverage units

The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year based on the number of coverage units provided in the year, which is determined by considering for each contract the quantity of the benefits provided and its expected coverage period (see Note 5 (j)). The coverage units are reviewed and updated at each reporting date.

The Group applied significant judgements in the determination of the coverage units and coverage period in computing the CSM amounts that were recognised in profit or loss in:

Coverage unit choice for groups measured under GMM

Product	Sum Insured Payable Upon	Coverage Unit
Par Non-Par -Ord Life	Death of the insured Morbidity of the insured (CI)	Net Amount at Risk (NAAR
Par Non-Par -Ord Life	Death of the insured	NAAR
Non-Par-UL	Death of the insured	NAAR
Annuities-Transition Immediate	Survivorship of the insured	Single Annuity Payment
Annuities-FPA Annuities-Multiflex Annuities-Group Deferred	Accumulation and annuitization	Single Annuity Payment
Reinsurance - Life	Death of the insured Covered under the reinsurance	NAAR

6. Use of Estimates and Judgments (continued)

6.3 Investment component

The Group identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs, or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

Universal life, accumulation deferred annuity, participating and non-participating whole-life and endowment contracts have explicit surrender values. The investment component excluded from insurance revenue and insurance service expenses is determined as the surrender value specified in the contractual terms less any accrued fees and surrender charges. Annuity payments within the guaranteed certain period are also investment components and are excluded from insurance revenue.

The Group's other contracts do not contain investment components.

6.4 Fair Value of insurance contracts

The Group has measured the fair value of insurance contracts when it applied the fair value approach on transition to IFRS 17. The Group has measured the fair value of insurance contracts as the sum of:

(a) the present value of the net cash flows expected to be generated by the contracts, determined using a discounted cash flow technique; and
(b) an additional margin, determined using a confidence level technique.

The cash flows considered in the fair value measurement are consistent with those that were within the contract boundary. Therefore, the cash flows related to expected future renewals of insurance contracts are not considered in determining the fair value of those contracts if they are outside the contract boundary.

The Group's approach to measuring fair value differs from the IFRS 17 requirements for measuring fulfilment cash flows in certain respects. These differences gave rise to a CSM at the date of acquisition or transition (see Notes 5 (j)). In measuring fair value the Group considers the cash flows included in the measurement of fulfilment cash flows but adjusts them to reflect the perspective of market participants.

Adjustments made to reflect market participants' view:

- expense cash flows are increased to cover a reasonable level of general overheads that are not directly attributable to fulfilling the insurance contracts but that a market participant acquiring the contracts would expect to bear;
- uses the discount rates applied in measuring fulfilment cash flows but increases the rates to reflect the effect of the Group's non-performance risk; and

6. Use of Estimates and Judgments (continued)

6.4 Fair Value of insurance contracts (continued)

- includes a margin comprising a risk premium to reflect what market participants would demand as compensation for the uncertainty inherent in the cash flows and a profit margin to reflect what market participants would require to assume the obligations to service the insurance contracts. In determining the risk premium, the Group allows for certain risks that were not reflected in the fulfilment cash flows but would be considered by market participants e.g. general operational risk.

Fair value approach

Under the fair value approach, the CSM (or the loss component) at January 1, 2022 is determined as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date. The Group measures the fair value of the contracts as defined under IFRS 13, as the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The cash flows considered in the fair value measurement is consistent with those that are within the contract boundary. Therefore, the cash flows related to expected future renewals of insurance contracts will not be considered in determining the fair value of those contracts if they are outside the contract boundary. The present value of the future cash flows considered in measuring fair value is broadly consistent with that determined in measuring the fulfilment cash flows.

Differences in the Group's approach to measuring fair value from the IFRS 17 requirements for measuring fulfilment cash flows gave rise to a CSM at January 1, 2022. In particular, in measuring fair value the Group includes what market participants would demand as compensation to assume the obligations to service the insurance contracts. In determining this compensation, the Group considers certain costs that are not directly attributable to fulfilling the contracts (e.g. general overheads) and certain risks that were not reflected in the fulfilment cash flows (e.g. general operational risk), among other factors that a market participant would consider.

For all contracts measured under the fair value approach, the Group used reasonable and supportable information available at January 1, 2022 to determine:

- how to identify groups of contracts;
- whether a contract meets the definition of a direct participating contract;
- how to identify discretionary cash flows for contracts without direct participation features; and
- whether an investment contract meets the definition of an investment contract with DPF.

6. Use of Estimates and Judgments (continued)

6.4 Fair Value of insurance contracts (continued)

Fair value approach (continued)

Some groups of contracts measured under the fair value approach contain contracts issued more than one year apart. For these groups, the discount rates on initial recognition will be determined at January 1, 2022 instead of at the date of initial recognition.

For all contracts measured under the fair value approach, the amount of insurance finance income or expenses accumulated in the insurance finance reserve at January 1, 2022 is determined to be zero.

For groups of reinsurance contracts covering onerous underlying contracts, the Group established a loss-recovery component at January 1, 2022. The Group determined the loss-recovery component with reference to the amount of the loss component that relates to the underlying contracts at January 1, 2022.

6.5 Fair value of financial and non-financial assets

The Group's accounting policy on fair value measurements is set out in Notes 5(b), (c) and (e).

The Group places the fair values that it measures in the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted market price (unadjusted) in an active market for an identical asset.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes assets valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar assets 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 assets 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 assets.

6. Use of Estimates and Judgments (continued)

6.5 Fair value of financial and non-financial assets (continued)

Fair values of assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other assets the Group determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. These valuation techniques rely on certain assumptions and inputs, and therefore uncertainty is inherent in the fair value estimated. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have an orderly disposal of assets.

Valuation Framework

The Group has an established control framework for the measurement of fair values. This framework includes the Board Committees which report to the Board of Directors and have an overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- verification of observable pricing;
- review of the performance of model valuations;
- a review and approval process for contracting external valuation specialists;
- analysis and investigation of significant monthly valuation movements; and
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with prior year.

The Group also uses prices readily available on the relevant stock exchanges or broker information.

Significant valuation issues are reported to the Board Audit and Risk Committee.

(Expressed in thousands of Trinidad and Tobago dollars)

6. Use of Estimates and Judgments (continued)

6.5 Fair value of financial and non-financial assets (continued)

The table on the below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

Financial and non-financial assets measured at fair value

	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
December 31, 2023					
Land and buildings	8	-	9,102	64,646	73,748
Investment properties	10	-	148,000	25,700	173,700
Investment securities	12	308,150	7,958,664	1,948	8,268,762
Assets held for sale	17	-	-	41,000	41,000

	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
December 31, 2022					
Land and buildings	8	-	4,498	70,357	74,855
Investment properties	10	-	72,840	106,900	179,740
Investment securities	12	436,386	8,251,012	1,954	8,689,352
Assets held for sale	17	-	-	58,000	58,000

Level 2 fair value measurements

Investment securities, investment properties, land and buildings and assets held for sale are valued using market data obtained from external, independent sources. This includes quoted prices for similar assets in active markets, prices for identical or similar assets in inactive markets.

There has been no change in the valuation techniques used for these assets.

(Expressed in thousands of Trinidad and Tobago dollars)

6. Use of Estimates and Judgments (continued)

6.5 Fair value of financial and non-financial assets (continued)

Level 3 fair value measurements

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	Land and Buildings $'000	Investment Properties $'000	Assets Held for Sale $'000	Investment Securities (unquoted equities) $'000
December 31, 2023				
Balance at January 1	70,357	106,900	58,000	1,954
Additions/ transfers	(5,344)	(75,160)	-	-
Disposals	-	-	(17,000)	-
Fair value loss	(367)	(6,040)	-	(6)
Balance at December 31	64,646	25,700	41,000	1,948

	Land and Buildings $'000	Investment Properties $'000	Assets Held for Sale $'000	Investment Securities (unquoted equities) $'000
December 31, 2022				
Balance at January 1	44,117	139,000	248,935	1,954
Additions/ transfers	25,657	(7,440)	(176,294)	-
Disposals	-	(24,000)	(11,750)	-
Fair value gains (loss)	583	(660)	(2,891)	-
Balance at December 31	70,357	106,900	58,000	1,954

6. Use of Estimates and Judgments (continued)

6.5 Fair value of financial and non-financial assets (continued)

Level 3 fair value measurements (continued)

Total (loss) gain for the year in the above table are presented in the other comprehensive income as follows:

	Land and Buildings $'000	Investment Securities (unquoted equities) $'000
2023		
Total loss recognised:		
Loss	(367)	(6)

	Land and Buildings $'000	Investment Securities (unquoted equities) $'000
2022		
Total gain recognised:		
Gain	583	-

(Expressed in thousands of Trinidad and Tobago dollars)

6. Use of Estimates and Judgments (continued)

6.5 Fair value of financial and non-financial assets (continued)

Level 3 fair value measurements (continued)

Fair Value estimation of financial instruments not measured at fair value

The table below shows the financial assets and liabilities not measured at fair value and analyses them by the level in the fair value hierarchy into which the fair value measurement is categorized. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial instruments not measured at fair value

	Notes	Level 1	Level 2	Level 3	Total Carrying Values
		$'000	$'000	$'000	$'000
December 31, 2023					
Assets					
Loans leases other and receivables	14	-	-	162,068	162,068
Cash and bank balances and short-term deposits	16	-	-	2,639,695	2,639,695
Liabilities					
Investment contracts	22	-	-	1,368,306	1,368,306
Mutual funds obligations	25	-	-	3,632	3,632
Due to related parties	26	-	-	131,368	131,368
Loans and borrowings	27	-	-	531,892	531,892
Accounts payable	28	-	-	450,154	450,154

	Notes	Level 1	Level 2	Level 3	Total Carrying Values
		$'000	$'000	$'000	$'000
December 31, 2022					
Assets					
Loans and other receivables	14	-	-	711,916	711,916
Cash and bank balances and short-term deposits	16	-	-	826,739	826,739
Liabilities					
Investment contracts	22	-	-	1,344,467	1,344,467
Mutual funds obligations	25		-	7,012	7,012
Due to related parties	26	-	-	128,893	128,893
Loans and borrowings	27	-	-	1,271,169	1,271,169
Provision for site restoration	23	-	-	351,890	351,890
End of service benefits	24	-	-	22,119	22,119
Accounts payable	28	-	-	687,338	687,338

6. Use of Estimates and Judgments (continued)

6.5 Fair value of financial and non-financial assets (continued)

Financial instruments not measured at fair value (continued)

The carrying value approximates to fair value due to its highly liquid nature and the fact that it is readily converted and is subject to insignificant risk of change in value. There were no transfers between levels within 2023.

6.6 *Site restoration*

Obligation

The subsidiary Oman Methanol Company LLC has a constructive obligation to restore the plant site at the end of the project life. The sub-usufruct contract dated 12 December 2004 between OMC and Sohar Industrial Port Company (SIPC) states that upon the expiry of the sub-usufruct term, SIPC would have the option either to repossess the land against appropriate compensation or to extend the term for a period to be determined by mutual agreement.

Estimate

However, on a prudent basis, effective 2007 a provision was made for site restoration costs of the subsidiary's plant site at Sohar Industrial area. The provision is determined by using a discounted cash flow basis at a rate of 5% to ensure that by the year 2027 this amount will be equal to the costs estimated to restore the land to its original form. The asset is depreciated in accordance with IAS 16 – Property, plant and equipment.

6.7 *Inventories*

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision for inventory obsolescence is based on management's assessment of various factors such as usability, the maintenance programmes, and normal wear and tear using its best available estimates.

7. Insurance and Financial Risk Management

Introduction and overview

The Group has exposure to the following risks from the use of financial instruments and the issuing of insurance and investment contracts:

i. Insurance risk
ii. Credit risk
iii. Liquidity risk
iv. Market risk
v. Operational risk
vi. Climate-related risk
vii. Capital management

This note presents information about the Group's exposure to each of the above-stated risks and its objectives, policies and processes for measuring and managing risk.

7.1 Risk management framework

CLICO's Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Group's Risk Management Framework. Apart from the Board establishing various Board Committees to have more direct oversight of risks within the Group, the Board has ensured the establishment of an Enterprise Risk Management System, an ERM Risk Council and Management Committees to ensure the continuous management of risks.

(a) The Board Finance, Investment and Resolution Committee is charged with the direct oversight of investments and financial risks and the internal control framework for managing these risks.

(b) The Board Audit Committee is responsible for assisting the board of directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the internal audit process, the Group's process for monitoring compliance with laws and regulations and the code of conduct.

(c) The Board Governance and Risk Committee has direct oversight over the Group's Enterprise Risk Management System, Internal Control Framework and increased oversight over the Group's Governance.

(d) The Board established an Insurance Integrity and Risk Management Committee to appropriately manage insurance operations risks, under the direct oversight of the Board Operations & Assets Recovery Committee.

(e) The day-to-day management of risk is executed by the Group's management team and day to day operational risks are managed by department managers whereas for more significant transactions Board approval is sought for risk mitigating measures and controls.

7. Insurance and Financial Risk Management (continued)

7.1 Risk management framework (continued)

(f) The Board continues to have oversight of the Enterprise Risk Management (ERM) System and ERM Risk Council. The ERM Risk Council comprises Senior Management who, collectively and severally, are responsible for the identification, assessment and management of the organization's risks.

(g) The Group continues to assess its Risk Categories to ensure all risks are considered within its Risk Management Framework; these categories are: - Strategic Risks; Compliance Risks; Credit Risk; Insurance Risk; Market and Investment Risk; Liquidity Risk; Operational Risk; Financial Risks; Hazard Risks; Governance Risks.

(h) In addition, The Group's Risk Tolerance Levels, Risk Categories, Internal Control Framework and Internal Audit's Corporate Risk Assessments are also reviewed and assessed annually as integral elements of the Group's Risk Management Framework.

The Group's ERM is a continuous process whereby risks will be continuously reviewed and assessed by Management to ensure that risks are effectively managed at varying levels and within specific contexts and risk appetite of the Group. It also provides assurance that all levels of management and employees are focusing their efforts on the most important issues facing the Group and leveraging their knowledge of risks.

7.2 Insurance risk

Key risks arising from contracts issued

The nature and extent of the underwriting and insurance risks arising from insurance contracts are determined by the contract design and policyholder experience. 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.

7. Insurance and Financial Risk Management (continued)

7.2 Insurance risk (continued)

Key risks arising from contracts issued

Life risk and life savings contract

Product	Key Risks	Risk Mitigation
Life Risk		
Term assurance and critical illness	– Mortality risk: death of policyholder earlier than expected. – Morbidity risk: diagnosis of critical illness earlier than expected. –	– Reinsurance with financially strong reinsurers
Non-participating whole-life and endowment	– Mortality risk – Interest rate risk: differences in duration and yield of assets and liabilities – Investment credit risk	– Matching of asset and liability cash flows – Investing in investment-grade assets
Participating whole-life and endowment	– Mortality risk – Interest rate risk: differences in duration and yield of assets and liabilities – Investment credit risk	– Matching of asset and liability cash flows – Investing in investment-grade assets
Life Savings		
Deferred fixed annuity (accumulation period)	– Longevity risk (if annuitisation rate is guaranteed) – Interest rate risk: insufficient return on assets to cover guaranteed minimum crediting rates – Policyholder behaviour risk	– Ability to reset crediting rates after initial period – Surrender penalties
Deferred fixed annuity (payment period)	– Longevity risk – Interest rate risk: differences in duration and yield of assets and liabilities – Investment credit risk	– Matching of asset and liability cash flows – Investing in investment-grade assets
Universal life	– Mortality risk – Interest rate risk: insufficient return on assets to cover guaranteed minimum crediting rates – Policyholder behaviour risk	– Management discretion to set crediting rates (subject to guaranteed rates) – Surrender penalties

7. Insurance and Financial Risk Management (continued)

7.2 Insurance risk (continued)

Key risks arising from contracts issued (continued)

Life risk and life savings contract (continued)

The fixed rate of interest is guaranteed for an initial period; after the initial period, the rate of interest credited to policyholders' accounts is set at the Group's discretion based on the prevailing market rates.

Universal life contracts provide policyholders with a lump sum benefit payable on death and access to an account value. The account value is credited with interest at a rate set at the Group's discretion on a periodic basis, subject to a guaranteed minimum, and debited with a charge for the death benefit. A contract typically lapses when the account value is no longer sufficient to cover the cost of insurance.
.
The guaranteed interest rates on deferred fixed annuity and universal life contracts depend on the country and date of issue and range from 1.0 to 5.0% (2022: 1.0 to 5.0%). The weighted-average guaranteed interest rate is 2.1% (2022: 2.2%).

Group health contracts and rider coverages pays benefit upon occurrence of contractual defined incidence, which are influenced by the nature of the risks covered and the behavioral habits of types of policyholders.

Non-Financial assumption Sensitivity Analysis

The table below analyzes how CSM, profit or loss and equity would have increased (decreased) if changes in non-financial risk variables that were reasonably possible at the reporting date had occurred. This is presented net of reinsurance and assuming all other variables remain constant.

Sensitivity Results as at December 31, 2023

	Marginal impact on CSM	Marginal impact on P&L	Marginal impact on Equity
	$000	$000	$000
Expenses: +10%	(32,647)	(2,082)	(2,082)
Inflation: +100bps	(27,614)	(1,814)	(1,814)
Mortality: 110% Life; 90% Annuities	(79,107)	(6,001)	(6,001)
Lapse: max (90%, 110%)	(6,630)	(485)	(485)

7. Insurance and Financial Risk Management (continued)

7.2 Insurance risk (continued)

Key risks arising from contracts issued (continued)

Non-Financial assumption Sensitivity Analysis (continued)

Sensitivity Results as at December 31, 2022

	Marginal impact on CSM	Marginal impact on P&L	Marginal impact on Equity
	$000	$000	$000
Expenses: +10%	(32,749)	(1,945)	(1,945)
Inflation: +100bps	(28,943)	(1,742)	(1,742)
Mortality: 110% Life; 90% Annuities	(78,123)	(5,666)	(5,666)
Lapse: max (90%, 110%)	(6,797)	(478)	(478)

The following tables set out when the Company expects to recognize the remaining CSM in profit or loss after the reporting date for contracts not measured under the PAA:

Expected CSM recognition as at 31 December 2023

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	More than 10 years	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Annuity	17,420	16,671	16,104	15,598	15,147	69,458	169,263	**319,661**
Non-PAR	1,718	1,578	1,443	1,319	1,202	4,289	3,764	**15,313**
PAR	468	413	363	318	281	933	746	**3,522**
Reinsurance	522	473	426	383	344	1,209	1,025	**4,382**
Total	**20,128**	**19,135**	**18,336**	**17,618**	**16,974**	**75,889**	**174,798**	**342,878**

Expected CSM recognition as at 31 December 2022

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	More than 10 years	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Annuity	16,501	16,136	15,584	15,082	14,639	68,418	186,479	**332,839**
Non-PAR	2,114	1,963	1,797	1,638	1,493	5,429	4,840	**19,274**
PAR	565	503	444	390	343	1,162	949	**4,356**
Reinsurance	563	517	467	420	378	1,353	1,184	**4,882**
Total	**19,743**	**19,119**	**18,292**	**17,530**	**16,853**	**76,362**	**193,452**	**361,351**

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk

The Group is exposed to a range of financial risks through its financial assets, financial liabilities (mutual fund obligation, accounts payable, investment contracts and debt securities issued), reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long term, its investment proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are credit risk, liquidity risk, interest rate risk, equity price risk and foreign currency risk.

7.3.1 Credit risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their contractual obligations, and arises principally from the Group's loans, mortgages, investments and related party balances.

Management of credit risk

The Board Finance Investment and Resolution Committees and the Board Operations, Procurement and Tenders Committee which report to the Board of Directors have oversight of credit risk. The Finance and Investment teams reporting to the Board Finance Investment and Resolution Committees and the Board Operations, Procurement and Tenders Committee, are responsible for managing the Group's credit risk, including the following:

- Formulating credit policies in consultation with the relevant departments, covering credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

- Limiting concentration of exposure to counterparties by issuer, credit rating band and market liquidity within regulatory and statutory requirements.

- Developing and maintaining the Group's risk grading categorise exposures according to the degree of risk of default. The responsibility for setting risk grades lies with the final approving committee as appropriate. Risk grades are subject to ~~r~~eviews by the Board Governance and Risk Committee.

- Regular reporting or reporting regularly on the credit quality of portfolios to the Board Finance Investment and Resolution Committee which may require appropriate corrective action to be taken.

- These include reports containing estimates of ECL allowances.

- Providing advice, guidance and making specialist skills available to business units to promote best practice in the management of credit risk.

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.1 Credit risk (continued)

Management of credit risk (continued)

The Group applies the IFRS 9 general approach to measuring expected credit losses on financial assets. Under the general approach, the Group considers the probability of default on initial recognition of the asset and whether there has been a significant increase in credit risk throughout each reporting period. When determining whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without under cost or effort. The Group primarily identifies whether significant increase in credit risk has occurred for an exposure by comparing external credit ratings from initial recognition to the reporting date.

Definition of default

The Group considers a financial asset to be in default when the financial asset is classified as non-performing as at reporting date. Non-performing is defined as all investments that have missed payments as at reporting date.

A summary of the assumptions underpinning the Group's expected credit loss model under the general approach is as follows:

Category	**Definition**	**Basis for recognition of expected credit loss provision**
Stage 1 (Performing)	The counterparty has low risk of default and a strong capacity to meet contractual cash flows.	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected credit losses are measured at its expected lifetime.
Stage 2 (Underperforming)	Financial assets for which there is a significant increase in credit risk since origination but no objective evidence of impairment.	Lifetime expected losses.
Stage 3 (Non-performing)	The financial asset is in default.	Lifetime expected losses.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk exposure for all financial assets.

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.1 Credit risk (continued)

Debt securities

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating of at least BBB- from Standard and Poor's and/or Ba1, Ba2, Ba3 from Moody's.

The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields and. where available, credit default swap (CDS) prices together with available press and regulatory information about debtors.

12-month and lifetime probabilities of default are based on historical data supplied by Standard and Poor's for each credit rating and are recalibrated based on current bond yields and CDS prices. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 40% except when a security is credit-impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate.

The exposure to credit risk for debt securities at FVOCI and FVTPL at the reporting date are all concentrated in Trinidad and Tobago.

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.1 Credit risk (continued)

Debt securities (continued)

The following table presents an analysis of the credit quality of debt securities at FVTPL.

	2023			2022		
	FVTPL	Amortised Cost		FVTPL	Amortised Cost	
Credit rating	12 Month $'000	Lifetime ECL- Lifetime ECL Credit Impaired $'000	Lifetime Not Credit Impaired $000	12 Month $000	Lifetime ECL- ECL- Credit Impaired $000	Not Credit Impaired $000
BBB-to AAA	7,958,478	-	-	8,250,376	-	-
D	-	-	822,206	-	-	822,206
Gross carrying amounts	7,958,478	-	822,206	8,250,376	-	822,206
Loss allowance	-	-	(822,206)	-	-	(822,206)
Carrying amounts	7,958,478	-	-	8,250,376	-	-

No impaired allowance was recognised in respect of debt securities at amortised cost during the year (2022: $NIL). Securities are the $476,206 owed by CLF and $346,000 owed by CIB. Both parties have been placed into liquidation because of significant financial difficulties.

The Group has no collateral in respect of these investments.

(Expressed in thousands of Trinidad and Tobago dollars)

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.1 Credit risk (continued)

Debt securities (continued)

There has been no allowance for impairment for debt securities at amortised cost during the year.

Cash and balances with banks and short-term deposits

The Group held cash and cash equivalents of $2,639,695 (2022: $826,739) with banks and financial institutions counterparties which are reputable in the local market. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the financial institutions they are held with.

Concentrations of credit risk

The Group does monitor concentration of credit risk. An analysis of concentrations of credit risk from investments in associates, investment in subsidiaries, investment securities, assets held for sale and loans and receivables is shown below.

	Investment securities		Assets held for sale		Loans and receivables	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Concentration by sector:						
Corporate	310,284	438,976	-	-	-	-
Government	7,958,478	8,250,376	-	-	110,098	117,474
Individuals	-	-	41,000	58,000	51,970	594,442
	8,268,762	8,689,352	41,000	58,000	162,068	711,916

(Expressed in thousands of Trinidad and Tobago dollars)

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.2 Liquidity risk (continued)

Liquidity Risk is the risk that the entity will encounter difficulty in meeting obligations associated with its financial and insurance liabilities. The Group has managed its liquidity with cash generated from its operations.

Exposure to liquidity risk

The following tables provide information about the maturity profile for the Group's financial liabilities, financial assets and insurance liabilities and includes future interest payment.

Maturity analysis for non-derivative cash flows

As at December 31, 2023

Contractual undiscounted cash flows

	Within 1 Year	1-5 Years	Over 5 Years	Total	Carrying Values
	$'000	$'000	$'000	$'000	$'000
Financial liabilities					
Investment contracts	106,217		1,264,115	1,370,332	1,368,306
Mutual funds obligations	3,632	-	-	3,632	3,632
Loans and borrowings	557,036	-	-	557,036	531,892
Due to related parties	131,368	-	-	131,368	131,368
Accounts payable	450,154	-	-	450,154	450,154
Total financial liabilities	1,248,407	-	1,264,115	2,512,522	2,485,352
Financial assets					
Investment in associates	-	-	526,644	526,644	526,644
Investment securities	3,444	1,364,521	8,234,019	9,601,984	8,268,762
Loans, leases and other receivables	-	-	162,068	162,068	162,068
Assets held for sale	41,000	-	-	41,000	41,000
Cash and cash equivalents	2,639,695	-	-	2,639,695	2,639,695
Total financial assets	2,684,139	1,364,521	8,922,731	12,971,391	11,638,169

(Expressed in thousands of Trinidad and Tobago dollars)

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.2 Liquidity risk (continued)

Maturity analysis for non-derivative cash flows (continued)

As at December 31, 2022

Contractual undiscounted cash flows

	Within 1 Year $'000	1-5 Years $'000	Over 5 Years $'000	Total $'000	Carrying Values $'000
Financial liabilities					
Investment contracts	103,383	-	1,243,128	1,346,511	1,344,467
Mutual funds	7,012	-	-	7,012	7,012
Loans and borrowings	1,212,820	120,592	-	1,333,412	1,271,169
Due to related parties	128,893	-	-	128,893	128,893
Provision for site restoration	-	-	351,890	351,890	351,890
End of service benefits	-	22,119	-	22,119	22,119
Accounts payable	687,338	-	-	687,338	687,338
Total financial liabilities	2,139,446	142,711	1,595,018	3,877,175	3,812,888
Financial assets					
Investment in associates	-	-	510,735	510,735	510,735
Investment securities	67,414	3,602,187	8,464,072	12,133,673	8,689,352
Loans, leases and other receivables	87,086	60,660	564,170	711,916	711,916
Assets held for sale	58,000	-	-	58,000	58,000
Cash and cash equivalents	826,739	-	-	826,739	826,739
Total financial assets	1,039,239	3,662,847	9,538,977	14,241,063	10,796,742

(Expressed in thousands of Trinidad and Tobago dollars)

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.2 Liquidity risk (continued)

Maturity analysis for non-derivative cash flows (continued)

As at December 31, 2023

Expected undiscounted cash flows

	Within 1 Year	1-5 Years	Over 5 Years	Total	Carrying Values
	$'000	$'000	$'000	$'000	$'000
Annuities	368,532	1,584,202	6,751,057	8,703,791	5,397,188
Life - non par	16,977	81,042	412,043	510,062	374,252
Life - par	3,923	15,202	64,312	83,437	52,008
Liabilities for incurred claims for long-term insurance	162,542	-	-	162,542	162,542
Long-term insurance	551,974	1,680,446	7,227,412	9,459,832	5,985,990
Short-term insurance	9,636	-	-	9,636	9,636
Liabilities for incurred claims for short-term insurance	19,076	-	-	19,076	19,076
Total insurance contract	580,686	1,680,446	7,227,412	9,488,544	6,014,702
Reinsurance - individual	1,166	4,708	17,974	23,848	12,715
Total	581,852	1,685,154	7,245,386	9,512,392	6,027,417

As at December 31, 2022

Expected undiscounted cash flows

	Within 1 Year	1-5 Years	Over 5 Years	Total	Carrying Values
	$'000	$'000	$'000	$'000	$'000
Annuities	324,704	1,402,030	7,036,352	8,763,086	5,404,612
Life - non par	14,726	73,794	425,070	513,590	383,708
Life - par	4,101	15,349	65,631	85,081	50,240
Liabilities for incurred claims for long-term insurance	131,005	-	-	131,005	131,005
Long-term insurance	474,536	1,491,173	7,527,053	9,492,762	5,969,565
Short-term insurance	19,236	-	-	19,236	19,236
Liabilities for incurred claims for short-term insurance	8,919	-	-	8,919	8,919
Total insurance contract	502,691	1,491,173	7,527,053	9,520,917	5,997,720
Reinsurance - individual	1,527	5,888	22,849	30,264	13,535
Total	504,218	1,497,061	7,549,902	9,551,181	6,011,255

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.3 Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, equity prices, property prices, and foreign currency exchange rates. Market risk arises due to fluctuations in both the value of liabilities and the value of investments held.

Management of market risk

The management of market risk was undertaken mainly at the management committee level. The financial impact from changes in market risk (such as interest rates, equity prices and property values) was reviewed at the reporting date. The sensitivity of capital and Group earnings to changes in economic conditions was analysed through sensitivities to investment returns and asset values at the reporting date.

- *Equity price risk*

  The Group is subject to equity price risk due to daily changes in market values of its equity securities portfolio. Unquoted equities are also valued on an annual basis using methodologies outlined in Note 3(e).

  The Investments Department actively monitors equity assets owned directly by the Group and concentrations of specific equity holdings.

  Sensitivity to changes in equity prices is given in section 7.3.3.1 below.

- *Interest rate risk*

  Interest rate risk arises primarily from the Group's investment in long-term debt and fixed income securities, which are exposed to fluctuations in interest rates. Exposure to interest rate risk is monitored through the Actuarial and Finance Departments and managed through the use of asset and liability matching using measures such as duration.

  Insurance and investment contracts with guaranteed and fixed terms have benefit payments that are fixed and guaranteed at the inception of the contract. The financial component of these benefits is usually a guaranteed fixed interest rate and hence the Group's primary financial risk on these contracts is that interest income and capital redemptions from the financial assets backing the liabilities are insufficient to fund the guaranteed benefits payable.

(Expressed in thousands of Trinidad and Tobago dollars)

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.3 Market risk (continued)

Management of market risk (continued)

Interest rate risk

The table below summarises the Group's financial assets and liabilities to show the interest-rate gap.

	Up to 1 Year	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000
As at December 31, 2023					
Financial Assets					
Investment securities	3,444	864,736	7,093,742	306,840	8,268,762
Loans, leases and other receivables	-	-	-	162,068	162,068
Cash and cash equivalents	2,639,695	-	-	-	2,639,695
Total financial assets	2,643,139	864,736	7,093,742	468,908	11,070,525
Financial Liabilities					
Insurance contracts	328,155	630,505	1,834,625	3,221,417	6,014,702
Reinsurance contracts	-	-	-	12,715	12,715
Investment contracts	105,736	-	486,149	776,421	1,368,306
Loans and borrowings	531,892	-	-	-	531,892
Due to related parties	-	-	-	131,368	131,368
Mutual fund obligation	3,632	-	-	-	3,632
Accounts payable	-	-	-	450,154	450,154
Total financial liabilities	969,415	630,505	2,320,774	4,592,075	8,512,769
Periodic GAP	**1,673,724**	**234,231**	**4,772,968**	**(4,123,167)**	**2,557,756**
Cumulative GAP	**1,673,724**	**1,907,955**	**6,680,923**	**2,557,756**	**-**

Sensitivity to changes in interest rates is given in section 7.3.3.1.

(Expressed in thousands of Trinidad and Tobago dollars)

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.3 Market risk (continued)

Management of market risk (continued)

Interest rate risk (continued)

	Up to 1 Year $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
As at December 31, 2022					
Financial Assets					
Investment securities	67,414	1,300,367	6,950,458	371,113	8,689,352
Loans, leases and other receivables	-	-	-	711,916	711,916
Cash and cash equivalents	826,739	-	-	-	826,739
Total financial assets	894,153	1,300,367	6,950,458	1,083,029	10,228,007
Financial Liabilities					
Insurance contracts	256,712	499,233	2,018,945	3,222,830	5,997,720
Reinsurance contracts	-	-	-	13,535	13,535
Investment contracts	101,339	-	476,006	767,122	1,344,467
Loans and borrowings	1,155,870	115,299	-	-	1,271,169
Due to related parties	-	-	-	128,893	128,893
Mutual fund obligations	7,012	-	-	-	7,012
Accounts payable	-	-	-	687,338	687,338
End of service benefits	-	-	-	22,119	22,119
Provisions	-	-	-	351,890	351,890
Total financial liabilities	1,520,933	614,532	2,494,951	5,193,727	9,824,143
Periodic GAP	**(626,780)**	**685,835**	**4,455,507**	**(4,110,698)**	**403,864**
Cumulative GAP	**(626,780)**	**59,055**	**4,514,562**	**403,864**	**-**

Sensitivity to changes in interest rates is given in section 7.3.3.1.

(Expressed in thousands of Trinidad and Tobago dollars)

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.3 Market risk (continued)

Management of market risk (continued)

Currency risk

The Group has assets and liabilities denominated in foreign currencies and as a result are exposed to foreign currency exchange risk arising from fluctuations in exchange rates. The Group does not hedge its foreign currency revenues as these are substantially retained locally to support the Group's business and meet local regulatory and market requirements.

The Group's sensitivity to this risk is discussed in Note 7.3.3.1 below.

The currencies of denomination of assets and liabilities and the related exposure to foreign exchange risk are shown below.

	US $'000	GBP $'000	Other $'000	Total $'000
As at December 31, 2023				
Assets				
Investments in associates	-	500,875	-	500,875
Investment securities	492,898	999	814	494,711
Loans, lease and other receivables	52,596	-	134	52,730
Cash and cash equivalents	2,489,833	157	1,179	2,491,169
Total assets	3,035,327	502,031	2,127	3,539,485
Liabilities				
Due to related parties	34,745	-	-	34,745
Total liabilities	34,745	-	-	34,745
Net position	3,000,582	502,031	2,127	3,504,740

(Expressed in thousands of Trinidad and Tobago dollars)

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.3 Market risk (continued)

Currency risk (continued)

	US $'000	GBP $'000	Other $'000	Total
As at December 31, 2022				
Assets				
Property and equipment	1,559,163	-	-	1,559,163
Intangible asset	7,585	-	-	7,585
Investments in associates	-	485,242	-	485,242
Investment securities	971,978	1,007	806	973,791
Inventories	285,891	-	-	285,891
Loans, leases and other receivables	585,790	-	134	585,924
Cash and cash equivalents	673,208	176	1,074	674,458
Total assets	4,083,615	486,425	2,014	4,572,054
Liabilities				
Loans and borrowings	238,985	-	-	238,985
Due to related parties	34,745	-	-	34,745
Accounts payable	245,982	-	-	245,982
Taxation	116,155	-	-	116,155
Deferred tax liabilities	97,778	-	-	97,778
End of service benefits	22,119	-	-	22,119
Provision	351,890	-	-	351,890
Total liabilities	1,107,654	-	-	1,107,654
Net position	2,975,961	486,425	2,014	3,464,400

(Expressed in thousands of Trinidad and Tobago dollars)

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.3 Market risk (continued)

7.3.3.1 Market risk sensitivity analysis

The tables below demonstrate the effect of a change in a key assumption whilst all other assumptions remain unchanged. There is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analyses do not take into consideration the fact that the Group's assets and liabilities are actively managed. Additionally, the financial position of the Group may vary at the time that any actual market movement occurs.

Other limitations in the sensitivity analyses below include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty; and the assumption that all interest rates move in an identical fashion.

Sensitivity factor	Description of sensitivity factor applied
Exchange rates	A 1% change in the foreign exchange rate would have the following impact on net assets and net income for the period. Any changes will have an impact on the net profit of the Group as changes are recognised in profit or loss.

	1% increase in TT/US rate TT'000	1% decrease in TT/US rate TT'000	1% increase in TT/GBP rate TT'000	1% decrease in TT/GBP rate TT'000
December 31, 2023				
Impact on profit or loss	30,006	(30,006)	12	(12)
Impact on equity	-	-	5,020	(5,020)

	1% increase in TT/US rate TT'000	1% decrease in TT/US rate TT'000	1% increase in TT/GBP rate TT'000	1% decrease in TT/GBP rate TT'000
December 31, 2022				
Impact on profit or loss	2,620	(2,620)	14	(14)
Impact on equity	-	-	4,864	(4,864)

(Expressed in thousands of Trinidad and Tobago dollars)

7. Insurance and Financial Risk Management (continued)

7.3 Financial risk (continued)

7.3.3 Market risk (continued)

7.3.3.1 Market risk sensitivity analysis (continued)

Sensitivity factor	Description of sensitivity factor applied	Assumptions
Interest rate and investment return	The impact of change in market interest rates by + or -1%	Effective interest rate for financial assets used was 4% whilst the rate for financial liability was 2%.
Equity financial	The impact of a change in equity market values by + or – 10%.	All equity movements in assets at FVOCI revaluation affects OCI. All equity market movements affect quoted and unquoted equity stock.

Impact on	Interest Rates Rise 100 bps $'000	Interest Rates Fall 100 bps $'000	Equity Prices Rise 10% $'000	Equity Prices Fall 10% $'000
Sensitivities as at December 31, 2023				
Profit or loss	24,731	(54,689)	-	-
Equity	24,731	(54,689)	88,004	(88,004)
Sensitivities as at December 31, 2022				
Profit or loss	25,811	(56,980)	-	-
Equity	25,811	(56,980)	321,391	(321,391)

7. Insurance and Financial Risk Management (continued)

7.4 Operational risk

Operational risk is the risk of loss as a result of inadequately controlled internal processes or systems, human error, or from external events.

This definition is intended to include all risks to which the Group is exposed, other than the financial and insurance risk described above. Hence, operational risks include, for example, information technology, information security, human resources, project management, outsourcing, tax, legal and fraud and compliance risks.

In accordance with the Group's policies, department managers have primary responsibility for the effective identification, management and monitoring. Each operational risk is assessed by considering the potential impact and the probability of the event occurring. Impact assessments are made against strategic, operational and reputation criteria. Day to day operational risks are managed by department managers whereas for more significant transactions Board approval is sought.

7.5 Climate-related risk

Environmental, Social, and Governance related matters

Environmental, Social, and Governance factors may have future adverse effects on the Company's business activities. The risks exposed to the company may include climate change-related events, liability claims related to products and corporate governance practices of insured companies.

Environmental, Social, and Governance considerations influence investment decisions therefore ESG criteria have been incorporated into the company's investment strategies.

Consistent with the prior year, as at December 31, 2022, the Company has not identified significant risks induced by climate changes that could negatively and materially affect the company's financial statements. Management continuously assesses the impact of climate-related matters.

Assumptions could change in the future in response to forthcoming environmental regulations, new commitments taken and changing consumer demand. These changes, if not anticipated, could have an impact on the Company's future cash flows, financial performance and financial position.

7. Insurance and Financial Risk Management (continued)

7.6 Capital management

The current capital structure of the Group consists of debt securities issued as disclosed in Note 27, amounts due to related parties disclosed in Note 26, policyholders' reserves as disclosed in Note 21, investment contracts as disclosed in Note 22, and amounts attributable to equity holders of the Group; comprising issued capital, reserves and retained earnings as disclosed in Notes 18 and 19 respectively.

The Group is governed by the Insurance (Capital Adequacy) Regulations, 2020 which came into operation on January 1, 2022, and requires an insurer to maintain a minimum net tier 1 ratio of 105%, and a minimum regulatory capital ratio of 150%. For the year ending December 31, 2023, these ratios were 578% (2022: 191%) (net tier 1 ratio) and 629% (2022: 313%) (regulatory capital ratio).

(Expressed in thousands of Trinidad and Tobago dollars)

8. Property, Plant and Equipment

	Land and Buildings	Furniture, Fixtures and Equipment	Motor Vehicles	Capital Work in Progress	Plant and Equipment	Instruments and Tools	Software	Right of Use Assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Year ended December 31, 2023									
Opening net book value	123,950	23,990	2,948	29,914	1,418,322	1,254	-	72,857	1,673,235
Additions	23	1,484	529	385		414	27	-	2,862
Adjustments	-	-	-	-	-	-	-	1,398	1,398
Revaluation	(367)	-	-	-	-	-	-	-	(367)
Eliminated on disposal of subsidiary	(36,548)	(3,080)	(1,054)	(28,044)	(1,418,322)	(742)	-	(71,372)	(1,559,162)
Depreciation charge	(1,011)	(2,273)	(77)	-	-	(164)	(4)	(1,565)	(5,094)
Closing net book value	86,047	20,121	2,346	2,255	-	762	23	1,318	112,872
Year ended December 31, 2022									
Opening net book value	112,925	23,848	2,724	28,520	1,300,557	1,690	1	90,526	1,560,791
Translation differences	(116)	(10)	(2)	(83)	(4,104)	(3)	(1)	(269)	(4,588)
Additions	12,143	2,043	125	289,296	-	94	-	438	304,139
Adjustments	-	-	-	-	-	-	-	287	287
Revaluation	583	-	-	-	-	-	-	-	583
Transfers	1,081	1,577	594	(287,819)	284,567	-	-	-	-
Disposals	-	(98)	-	-	(6,216)	-	-	-	(6,314)
Depreciation on disposals	-	-	-	-	2,697	-	-	-	2,697
Depreciation charge	(2,666)	(3,370)	(493)	-	(159,179)	(527)	-	(18,125)	(184,360)
Closing net book value	123,950	23,990	2,948	29,914	1,418,322	1,254	-	72,857	1,673,235

During the year, land and buildings were valued using the income and market approach by G.A. Farrell & Associates Limited and Linden Scott E. Associates. The loss of $367 (2022: gain: $583) arising from these revaluations was debited to the valuation reserve account. These valuations are dated October 2023.

(Expressed in thousands of Trinidad and Tobago dollars)

8. Property, Plant and Equipment (continued)

Property and equipment include right-of-use assets of $1,318 (2022: $1,485) related to leased properties that do not meet the definition of investment property.

See Note 34 on disposal of subsidiary.

If land and buildings were stated on a historical cost basis, the amounts would be as follows:

	2023	2022
	$'000	$'000
Cost	77,897	77,897
Accumulated depreciation	(6,376)	(4,998)
Net book value	71,521	72,899

The fair value of land and buildings was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and segments of the properties being valued. The independent valuers provide the fair value of the Group's land and buildings portfolio on a biennial or annual basis.

The fair value measurement for the properties has been categorised as Levels 2 and 3 fair value based on the inputs to the valuation technique used. (Refer to Note 6.3).

8. Property and Equipment (continued)

Measurement of fair value

Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of properties as well as the significant unobservable inputs used.

Valuation Technique	Significant Unobservable Inputs	Inter-relationship between key unobservable inputs and fair value measurement.
The Income Approach by direct capitalisation is based on the principle that the value of a property is indicated by the net return to the property, or what is also known as the present worth of future benefits. The future benefits of income-producing properties are net income before debt service and depreciation, derived by a projection of income and expense, along with any expected reversionary proceeds from a sale. In direct capitalization, net operating income is divided by an overall rate to indicate a value.	In most instances, vacancy levels (voids) were estimated at 10% - 15% of the gross potential income. In instances where we estimated building expenses, 15% - 25% of gross income was used. Capitalization rates (net all-risks yield) were estimated between 7%-9%.	The estimated fair value would increase (decrease) if: • The allowance for voids was decreased (increased). • The allowance for building expenses (outgoings) was decreased (increased). • The direct capitalization rate was lower (higher). • The rate per square foot increased (decreased).
The Market Approach is a valuation method used to find the value of a property by comparing it to other similar properties that have sold recently.	In most instances, property values were estimated at 27% below to 85% above subject rate per square foot of comparable properties sold.	The estimated fair value would increase (decrease) if the rate per square foot rate per annum would increase (decrease).
The Cost Approach is a valuation method that provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction.	Indirect construction is estimated at 25%. Depreciation estimated at 40%.	Decrease or increase if the allowance is lower (higher). Decrease or increase if the depreciation is lower (higher).

(Expressed in thousands of Trinidad and Tobago dollars)

9. Intangible asset

	2023 $'000	2022 $'000
Cost		
At 1 January 2023	-	28,298
Additions during the year	-	546
Net exchange differences	-	(77)
At 31 December 2023	-	28,767
Accumulated amortization		
At 1 January 2023	-	(19,148)
Net exchange differences	-	56
Charge for the year	-	(2,090)
At 31 December 2023	-	(21,182)
Net book value at 31 December 2023	-	7,585

See Note 34 on disposal of subsidiary.

10. Investment Properties

	2023 $'000	2022 $'000
At beginning of year	237,740	274,150
Loss on revaluation of investment properties	(6,040)	(660)
Disposals	(17,000)	(35,750)
	214,700	237,740
Assets held for sale (Note 17)	(41,000)	(58,000)
At end of year	173,700	179,740

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the leases are for a period of 2 years or are on a month-to-month basis. The Group has classified these leases as operating leases because they do not transfer substantially all the risk and rewards associated with the ownership of the assets. Further information about these leases is included in Note 40 (b).

Rental income arising from investment properties owned by the Group amounted to $11,774 (2022: $11,933). Maintenance expense, included in the expenses for administration, amounted to $4,700 (2022: $6,500).

(Expressed in thousands of Trinidad and Tobago dollars)

10. Investment Properties (continued)

Measurement of fair value

The fair value of investment properties was determined by external, independent property valuers, having appropriate recognized 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 properties portfolio on a biennial or annual basis.

The fair value measurement for investment properties has been categorized as Level 2 and Level 3 based on the inputs to the valuation techniques used (refer to Note 6.3).

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties as well as the significant unobservable inputs used.

Valuation Technique	**Significant Unobservable Inputs**	**Inter-relationship between key unobservable inputs and fair value measurement.**
The Income Approach by direct capitalisation is based on the principle that the value of a property is indicated by the net return to the property, or what is also known as the present worth of future benefits. The future benefits of income-producing properties is net income before debt service and depreciation, derived by a projection of income and expense, along with any expected reversionary proceeds from a sale. In direct capitalization, net operating income is divided by an overall rate to indicate a value.	In most instances, vacancy levels (voids) were estimated at 10% - 15% of the gross potential income. In instances where we estimated building expenses, 15% - 25% of gross income was used. Capitalization rates (net all-risks yield) were estimated between 7%-9%.	The estimated fair value would increase (decrease) if: The allowance for voids was decreased (increased). The allowance for building expenses (outgoings) was decreased (increased). The direct capitalization rate was lower (higher). The rate per square foot increased (decreased).
The Market Approach is a valuation method used to find the value of a property by comparing it to other similar properties that have sold recently.	In most instances, property values were estimated at 27% below to 85% above subject rate per square foot of comparable properties sold.	The estimated fair value would increase (decrease) if the rate per square foot. Or the rate per annum would increase (decrease).
The Cost Approach is a valuation method that provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction.	Indirect construction is estimated at 25%. Depreciation estimated at 40%.	Decrease or increase if the allowance is lower (higher). Decrease or increase if the depreciation rate is lower (higher).

(Expressed in thousands of Trinidad and Tobago dollars)

11. Investment in Associates

	2023 $'000	2022 $'000
Balance at beginning of year	510,735	496,389
Share of after tax profits	16,875	14,952
Dividends received	(843)	(843)
Reserves and other movements	(123)	237
Balance at end of year	526,644	510,735

The following table summarises the financial information of CL World Brands Limited (CLWB) and L.J. Williams Limited.

The fair value of CLWB and L.J. Williams is derived using the equity method for valuation.

	CL World Brands Limited		L.J. Willliams Limited	
	Unaudited March 31 2023 $'000	Audited June 30 2022 $'000	Audited March 31 2023 $'000	Audited March 31 2022 $'000
Total assets	549,215	520,903	214,937	167,587
Total liabilities	(7,984)	(8,813)	(107,539)	(63,568)
Net assets	541,231	512,090	107,398	104,019
Company's share of net assets	227,317	215,078	22,554	21,843
Revenue	36,562	33,620	177,744	152,795
Profit and total comprehensive income (100%)	37,219	32,305	5,331	7,719
Company's share of profit and total comprehensive income	15,632	13,568	1,120	1,621
Dividends received during the year	-	-	843	843

The financial statements of CLWB are prepared in accordance with FRS102 *The Financial Reporting* applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The financial statements of L.J. Williams Limited have been prepared in accordance with *International Financial Reporting Standards*.

(Expressed in thousands of Trinidad and Tobago dollars)

12. Investment Securities

	2023 $'000	2022 $'000
Deposits with financial institutions	3,444	67,414
Unquoted equities	1,948	1,954
Quoted equities	304,892	369,159
Government securities bonds	7,958,478	8,250,825
	8,268,762	8,689,352
Fair value through other comprehensive income		
Unquoted equity securities	1,948	1,954
Quoted equity securities	304,892	369,159
	306,840	371,113
Fair value through profit or loss		
Deposits with financial institutions	3,444	67,414
Insurance Contracts - Government securities	6,914,648	7,353,113
Managed Fund - Government and corporate securities	1,043,830	897,712
	7,961,922	8,318,239
Total	8,268,762	8,689,352

Not disclosed above are debt securities comprising bonds issued by CL Financial Limited (CLF), the Parent Company, of $476,000 (2022: $476,000) and a bond issued by CLICO Investment Bank Limited, a fellow subsidiary, of $346,000 (2022: $346,000). These amounts are deemed to have a fair value of NIL.

The table below illustrates movements in investment securities during the year:

	2023 $'000	2022 $'000
At January 1	8,689,352	8,701,495
Purchases	179,958	104,508
Disposals	(511,643)	(103,465)
Deposits with financial institutions eliminated on disposal of subsidiary	(67,414)	67,414
Fair value losses	(21,491)	(80,600)
At December 31	8,268,762	8,689,352

(Expressed in thousands of Trinidad and Tobago dollars)

13. Due from Related Parties

	2023 $'000	2022 $'000
Parent company	3,818,483	3,818,039
Subsidiary companies	25,644	23,515
Fellow subsidiary and associates	728,343	728,343
	4,572,470	4,569,897
Provision for impairment	(4,572,470)	(4,569,897)
	-	-

These related companies are in liquidation and the Group is in the process of trying to recover these funds and no right of offset against due to related parties is possible.

14. Loans, Leases and Other Receivables

	2023 $'000	2022 $'000
Accrued investment income	107,781	118,022
Lease receivables (see (a) below)	-	147,747
Sundry debtors and prepayments	57,969	449,829
Promissory notes	302,477	302,477
Mortgages	62,326	62,326
	530,553	1,080,401
Provision for impairment (see (b) below)	(368,485)	(368,485)
	162,068	711,916

(a) Lease receivables consist of the following cash flows:

	2023 $'000	2022 $'000
Not later than one year	-	87,086
Later than one year and not later than five years	-	71,326
Total undiscounted lease receivables	-	158,412
Unearned finance income	-	(10,665)
Net investment in the lease	-	147,747

See note 1 on disposal of subsidiary.

(Expressed in thousands of Trinidad and Tobago dollars)

14. Loans, Leases and Other Receivables (continued)

The table below illustrates the movement of the provision for impairment during the year.

	Promissory Notes $'000	Mortgages $'000	Policy Loans $'000	Rental Income Due $'000	Total $'000
As at December 31, 2022	302,234	62,325	-	3,926	368,485
Write back	-	-	-	-	-
Impairment	-	-	-	-	-
As at December 31, 2023	302,234	62,325	-	3,926	368,485

During the year, $NIL (2022: NIL) was impaired in loans and receivables.

15. Inventories

	2023 $'000	2022 $'000
Stores, spares and chemicals	-	237,582
Finished stock – methanol	-	48,309
	-	285,891

16. Cash and Balances with Banks and Short-term Deposits

	2023 $'000	2022 $'000
Deposits maturing less than three months	1,318	1,303
Cash at bank	2,638,377	764,762
	2,639,695	766,065
Restricted Deposits		
Cash held on restricted deposit owned by subsidiary	-	60,674
	2,639,695	826,739

(Expressed in thousands of Trinidad and Tobago dollars)

17. Assets Held for Sale

	2023 $'000	2022 $'000
Assets Held for Sale		
Investment properties	41,000	58,000

Investment properties include sales agreements for the sale of three investment properties.

During the year, investment properties in the amount of $17,000 (2022: $25,900) were disposed of by the Group and acquired by a related party.

	2023 $'000	2022 $'000
Balances associated with assets held for sale disclosed in the Statement of Profit or Loss		
Investment income	-	468
Net results from investing activities	-	1,718
Expenses for administration	(722)	(1,308)
Operating expenses	(722)	(1,308)
Net single line disclosure in the Statement of Profit or Loss	(722)	410

(Expressed in thousands of Trinidad and Tobago dollars)

17. Assets Held for Sale (continued)

	2023 $'000	2022 $'000
Cash flows from discontinued operations		
Operating profit before taxation	(722)	410
Adjustments for:		
Gain on revaluation of investment properties	-	(1,250)
Investment income	-	(468)
Operating loss before changes in working capital	(722)	(1,308)
Net cash used in operating activities	(722)	(1,308)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investment properties	-	11,750
Interest received	-	468
Net cash from investing activities	-	12,218
Cash and cash equivalents	(722)	10,910

18. Share Capital

	2023 $'000	2022 $'000
Authorised		
An unlimited number of ordinary shares of no-par value		
Issued		
2,950,000 ordinary shares of no-par value	14,750	14,750

Holders of these shares are entitled to dividends as declared from time to time. However, as a result of Central Bank intervention, and the issue of the redeemable preference shares, the Group cannot make dividend payments to ordinary shareholders until the full discharge of the obligation to repay all of the preference shares.

The Group is not allowed to issue any further ordinary shares except with the approval of the preference shareholder.

(Expressed in thousands of Trinidad and Tobago dollars)

19. Valuation Reserves

	Managed Funds $'000	Marketable Securities $'000	Land and Buildings $'000	Total $'000
Year ended December 31, 2023				
Restated balance at December 31, 2022	71,998	608,639	10,623	691,260
Equity investments at FVOCI and land and buildings:				
- Net change in fair value	-	(453,876)	(367)	(454,243)
Items that are or may be reclassified subsequently to profit and loss				
Net movement in Trustee's units held in Managed Fund	11,541	-	-	11,541
Balance at December 31, 2023	83,539	154,763	10,256	248,558

(Expressed in thousands of Trinidad and Tobago dollars)

19. Valuation Reserves (continued)

	Managed Funds $'000	Marketable Securities $'000	Land and Buildings $'000	Total $'000
Year ended December 31, 2022				
Balance at December 31, 2021, as previously reported	169,621	(508,900)	111,152	(228,127)
Restatement adjustments to valuation reserves (Notes 45 & 46)	(105,296)	1,302,490	(101,112)	1,096,082
Debt instruments reclassified from FVOCI to FVTPL (Note 45)	-	(160,166)	-	(160,166)
Restated balance at 1 January 2022	64,325	633,424	10,040	707,789
Items that will not be reclassified to profit and loss				
Reclassification of gain on disposal of equity investments at FVOCI to accumulated surplus	-	(8,501)	-	(8,501)
Equity investments at FVOCI and land and buildings: Net change in fair value	-	(6,713)	583	(6,130)
Deferred tax adjustment	-	(9,462)	-	(9,462)
Items that are or may be reclassified subsequently to profit and loss				
Fair value adjustments	(19,709)	(109)	-	(19,818)
Net movement in Trustee's units held in Managed Fund	27,382	-	-	27,382
Restated balance at December 31, 2022	71,998	608,639	10,623	691,260

(Expressed in thousands of Trinidad and Tobago dollars)

20. Non-controlling Interest (NCI)

	2023	2022
	$'000	$'000
NCI percentage	0%	43%
Total Assets	-	2,814,930
Total Liabilities	-	1,072,909
Net Assets	-	1,742,021
Net assets attributable to NCI	-	1,131,614
Revenue	-	2,542,770
Profit	-	611,793
Total Comprehensive income	-	611,793
Profits allocated to NCI	-	244,900
Cash flows from operating activities	-	922,376
Cash flows from investing activities	-	(136,130)
Cash flows from financing activities	-	(874,022)
Net increase (decrease) in cash and cash equivalents	-	(87,776)

See Note 34 for disposal of subsidiary.

21. Insurance and reinsurance contracts

The table below sets out the carrying amounts of portfolios of insurance and reinsurance contract assets and liabilities at the end of reporting date, per class of business:

Insurance and reinsurance contracts summary

	Ordinary Life	Group Pension	Life Par	Life and Health	Total
	$'000	$'000	$'000	$'000	$'000
December 31, 2023					
Insurance contracts					
Insurance contract liabilities	395,298	5,518,442	72,250	28,712	6,014,702
Reinsurance contracts					
Reinsurance contract liabilities	12,715	-	-	-	12,715

(Expressed in thousands of Trinidad and Tobago dollars)

21. Insurance and reinsurance contracts (continued)

	Ordinary Life	Group Pension	Life Par	Life and Health	Total
	$'000	$'000	$'000	$'000	$'000
December 31, 2022					
Insurance contracts					
Insurance contract liabilities	402,705	5,497,891	68,969	28,155	5,997,720
Reinsurance contracts					
Reinsurance contract liabilities	13,535	-	-	-	13,535

Movements in insurance and reinsurance contract balances

Analysis by remaining coverage and incurred claims

The following tables show the roll-forward of the net asset or liability for insurance contracts issued by:

(i) the liability for remaining coverage and the liability for incurred claims, and
(ii) the estimates of the present value of future cash flows, risk adjustment and CSM.

(Expressed in thousands of Trinidad and Tobago dollars)

21. Insurance and reinsurance contracts (continued)

ORDINARY LIFE

	2023			**2022**		
INSURANCE CONTRACTS **Analysis by remaining coverage and incurred claims**	**$'000** Liabilities for remaining coverage	**$'000**	**$'000**	**$'000** Liabilities for remaining coverage	**$'000**	**$'000**
	Excluding loss component	Liabilities for incurred claims	**Total**	Excluding loss component	Liabilities for incurred claims	**Total**
Opening liabilities	**383,708**	**18,997**	**402,705**	**387,517**	**15,628**	**403,145**
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value transition approach	(22,946)	-	(22,946)	(25,887)	-	(25,887)
Insurance service expenses						
Incurred claims	-	12,731	12,731	-	13,409	13,409
Other insurance service expenses	-	10,044	10,044	-	7,518	7,518
Changes that relate to past service	-	10	10	-	166	166
Total insurance service expenses	**(22,946)**	**22,785**	**(161)**	**(25,887)**	**21,093**	**(4,794)**
Investment components and premium refunds	(22,003)	22,003	-	(22,219)	22,219	-
Insurance service result	(44,949)	44,788	(161)	**(48,106)**	**43,312**	**(4,794)**
Net finance expenses from insurance contracts	4,905	635	5,540	12,173	72	12,245
Total changes in the statement of profit or loss	**(40,044)**	**45,423**	**5,379**	**(35,933)**	**43,384**	**7,451**
Cash flows						
Premiums received	30,587	-	30,587	32,124	-	32,124
Claims and other insurance service expenses paid, including investment components	-	(43,373)	(43,373)	-	(40,015)	(40,015)
Total cash flows	**30,587**	**(43,373)**	**(12,786)**	**32,124**	**(40,015)**	**(7,891)**
Net closing balance	**374,251**	**21,047**	**395,298**	**383,708**	**18,997**	**402,705**
				-		
Closing liabilities	**374,251**	**21,047**	**395,298**	**383,708**	**18,997**	**402,705**

(Expressed in thousands of Trinidad and Tobago dollars)

21. Insurance and reinsurance contracts (continued)

ORDINARY LIFE			**2023**				**2022**	
Analysis by measurement component	**$'000**		**$'000 CSM**	**$'000**	**$'000**	**$'000**	**$'000 CSM**	**$'000**
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	**Total**	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	**Total**
Opening liabilities	343,066	40,366	19,273	402,705	336,286	43,441	23,418	403,145
Changes in the statement of profit or loss								
CSM recognised for services provided	-	-	(1,937)	(1,937)	-	-	(2,368)	(2,368)
Change in risk adjustment for non-financial risk for risk expired	-	(3,437)	-	(3,437)	-	(3,464)	-	(3,464)
Experience adjustments	2,730	-	-	2,730	879	-	-	879
Remeasurement and other changes	(3,449)	5,922	-	2,473	-	-	-	-
Changes in estimates that adjust the CSM	2,289	(15)	(2,274)	-	2,765	(905)	(1,860)	-
Changes that relate to past service	10	-	-	10	161	-	-	161
Insurance service result	**1,580**	**2,470**	**(4,211)**	**(161)**	**3,805**	**(4,369)**	**(4,228)**	**(4,792)**
Net finance expenses from insurance contracts	3,577	1,712	251	5,540	10,869	1,294	83	12,246
Total changes in the statement of profit or loss	**5,157**	**4,182**	**(3,960)**	**5,379**	**14,674**	**(3,075)**	**(4,145)**	**7,454**
Cash flows	(12,786)	-	-	(12,786)	(7,894)	-	-	(7,894)
Net closing balance	335,437	44,548	15,313	395,298	343,066	40,366	19,273	402,705
Closing liabilities	**335,437**	**44,548**	**15,313**	**395,298**	**343,066**	**40,366**	**19,273**	**402,705**

(Expressed in thousands of Trinidad and Tobago dollars)

21. Insurance and reinsurance contracts (continued)

GROUP PENSION

	2023			2022		
	$'000	$'000	$'000	$'000	$'000	$'000
	Liabilities for remaining coverage			Liabilities for remaining coverage		
Analysis by remaining coverage and incurred claims						
	Excluding loss component	Liabilities for incurred claims	**Total**	Excluding loss component	Liabilities for incurred claims	**Total**
Opening liabilities	5,404,612	93,279	5,497,891	5,506,146	83,709	5,589,855
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the full retrospective transition approach	(449)	-	(449)	(29)	-	(29)
Contracts under the fair value transition approach	(158,582)	-	(158,582)	(162,161)	-	(162,161)
Total insurance revenue – all transition methods	**(159,031)**		**(159,031)**	**(162,190)**	**-**	**(162,190)**
Insurance service expenses						
Incurred claims	-	108,856	108,856		106,106	106,106
Other insurance service expenses	-	27,705	27,705		19,045	19,045
Total insurance service expenses	-	**136,561**	**136,561**	-	**125,151**	**125,151**
Investment components and premium refunds	(234,478)	234,478	-	(223,331)	223,331	-
Insurance service result	**(393,509)**	**371,039**	**(22,470)**	**(385,521)**	**348,482**	**(37,039)**
Net finance expenses from insurance contracts	288,742	135	288,877	184,376	52	184,428
Total changes in the statement of profit or loss	**(104,767)**	**371,174**	**266,407**	**(201,145)**	**348,534**	**147,389**
Cash flows						
Premiums received	97,343	-	97,343	99,611	-	99,611
Claims and other insurance service expenses paid, including investment components	-	(343,199)	(343,199)	-	(338,964)	(338,964)
Total cash flows	**97,343**	**(343,199)**	**(245,856)**	**99,611**	**(338,964)**	**(239,353)**
Net closing balance	**5,397,188**	**121,254**	**5,518,442**	**5,404,612**	**93,279**	**5,497,891**
Closing liabilities	**5,397,188**	**121,254**	**5,518,442**	**5,404,612**	**93,279**	**5,497,891**

(Expressed in thousands of Trinidad and Tobago dollars)

21. Insurance and reinsurance contracts (continued)

GROUP PENSION			**2023**					**2022**		
	$’000	**$’000**	**$’000**	**$’000**	**$’000**	**$’000**	**$’000**	**$’000**	**$’000**	**$’000**
Analysis by measurement component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under full retrospective transition approach	Contracts under fair value transition approach	**Total**	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under FULL retrospective transition approach	Contracts under fair value transition approach	**Total**
									-	
Opening liabilities	5,060,275	104,777	2,224	330,615	5,497,891	5,120,590	107,451	-	361,814	5,589,855
Changes in the statement of profit or loss										
CSM recognised for services provided	-	-	(206)	(16,238)	(16,444)	-	-	(27)	(17,648)	(17,675)
Change in risk adjustment for non-financial risk for risk expired		(6,742)	-	-	(6,742)		(6,626)	-	-	(6,626)
Experience adjustments	(6,452)	-	-	-	(6,452)	(12,738)	-	-	-	(12,738)
Remeasurement and other changes	(4)	7,172	-	-	7,168	-	-	-	-	-
Contracts initially recognised in the year	(4,121)	318	3,803	-	-	(1,676)	155	1,521		-
Changes in estimates that adjust the CSM	2,484	2,622	400	(5,506)	-	14,010	147	725	(14,882)	-
Insurance service result	**(8,093)**	**3,370**	**3,997**	**(21,744)**	**(22,470)**	**(404)**	**(6,324)**	**2,219**	**(32,530)**	**(37,039)**
Net finance expenses from insurance contracts	278,861	5,447	92	4,477	288,877	179,442	3,650	5	1,331	184,428
Total changes in the statement of profit or loss	**270,768**	**8,817**	**4,089**	**(17,267)**	**266,407**	**179,038**	**(2,674)**	**2,224**	**(31,199)**	**147,389**
Cash flows	(245,856)	-	-	-	(245,856)	(239,353)	-	-	-	(239,353)
Net closing balance	**5,085,187**	**113,594**	**6,313**	**313,348**	**5,518,442**	**5,060,275**	**104,777**	**2,224**	**330,615**	**5,497,891**
Closing liabilities	**5,085,187**	**113,594**	**6,313**	**313,348**	**5,518,442**	**5,060,275**	**104,777**	**2,224**	**330,615**	**5,497,891**

(Expressed in thousands of Trinidad and Tobago dollars)

21. Insurance and reinsurance contracts (continued)

ORDINARY LIFE - PAR	**2023**			**2022**		
Analysis by remaining coverage and incurred claims	**$'000** Liabilities for remaining coverage	**$'000**	**$'000**	**$'000** Liabilities for remaining coverage	**$'000**	**$'000**
	Excluding loss component	Liabilities for incurred claims	**Total**	Excluding loss component	Liabilities for incurred claims	**Total**
Opening liabilities	50,240	18,729	68,969	53,254	17,442	70,696
Changes in the statement of profit or loss						
Insurance revenue						
Contracts under the fair value transition approach	2,410	-	2,410	(2,579)	-	(2,579)
	2,410	**-**	**2,410**	**(2,579)**	**-**	**(2,579)**
Insurance service expenses						
Incurred claims	-	1,935	1,935	-	2,540	2,540
Other insurance service expenses	-	702	702	-	596	596
Changes that relate to past service	-	112	112	-	27	27
Insurance service expenses	**-**	**2,749**	**2,749**	**-**	**3,163**	**3,163**
Investment components and premium refunds	(4,853)	4,853	-	(4,653)	4,653	-
Total insurance service result	**(2,443)**	**7,602**	**5,159**	**(7,232)**	**7,816**	**584**
Net finance expenses from insurance contracts	2,357	109	2,466	1,991	174	2,165
Total changes in the statement of profit or loss	**(86)**	**7,711**	**7,625**	**(5,241)**	**7,990**	**2,749**
Cash flows						
Premiums received	1,854	-	1,854	2,227	-	2,227
Claims and other insurance service expenses paid, including investment components	-	(6,198)	(6,198)	-	(6,703)	(6,703)
Total cash flows	**1,854**	**(6,198)**	**(4,344)**	**2,227**	**(6,703)**	**(4,476)**
Net closing balance	**52,008**	**20,242**	**72,250**	**50,240**	**18,729**	**68,969**
Closing liabilities	**52,008**	**20,242**	**72,250**	**50,240**	**18,729**	**68,969**

(Expressed in thousands of Trinidad and Tobago dollars)

21. Insurance and reinsurance contracts (continued)

ORDINARY LIFE -PAR

	2023				2022			
Analysis by measurement component	**$'000**	**$'000**	**$'000** **CSM**	**$'000**	**$'000**	**$'000**	**$'000** **CSM**	**$'000**
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	**Total**	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	**Total**
Opening liabilities	61,989	2,624	4,356	68,969	63,653	2,871	4,172	70,696
Changes in the statement of profit or loss								
CSM recognised for services provided	-		(565)	(565)	-	-	(616)	(616)
Change in risk adjustment for non-financial risk for risk expired	-	(277)	-	(277)	-	(282)	-	(282)
Experience adjustments	1,033	-	-	1,033	1,455	-	-	1,455
Remeasurement and other changes	4,855	-	-	4,855	-	-	-	-
Changes in estimates that adjust the CSM	369	(39)	(330)	-	(713)	(71)	784	-
Changes that relate to past service	112	-	-	112	27	-	-	27
Insurance service result	**6,369**	**(316)**	**(895)**	**5,158**	**769**	**(353)**	**168**	**584**
Net finance expenses from insurance contracts	2,306	100	60	2,466	2,043	106	16	2,165
Total changes in the statement of profit or loss	**8,675**	**(216)**	**(835)**	**7,624**	**2,812**	**(247)**	**184**	**2,749**
Cash flows	(4,343)	-	-	(4,343)	(4,476)	-	-	(4,476)
Net closing balance	**66,321**	**2,408**	**3,521**	**72,250**	**61,989**	**2,624**	**4,356**	**68,969**
Closing liabilities	**66,321**	**2,408**	**3,521**	**72,250**	**61,989**	**2,624**	**4,356**	**68,969**

(Expressed in thousands of Trinidad and Tobago dollars)

21. Insurance and reinsurance contracts (continued)

GROUP LIFE AND HEALTH	**2023**				**2022**			
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
		Liabilities for incurred claims				**Liabilities for incurred claims**		
Analysis by remaining coverage and incurred claims		**Contracts under PAA**				**Contracts under PAA**		
	Liabilities for remaining coverage	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	**Total**	Liabilities for remaining coverage	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	**Total**
Opening liabilities	9,189	18,966		28,155	9,351	19,065		28,416
Changes in the statement of profit or loss								
Insurance revenue	(21,856)	-		(21,856)	(29,486)	-		(29,486)
Insurance service result	**(21,856)**	-		**(21,856)**	**(29,486)**	**-**		**(29,486)**
Incurred claims	-	27,045		27,045	-	31,267		31,267
Other insurance service expenses	-	11,586		11,586	-	12,072		12,072
Changes that relate to past service	-	111		111	-	(99)		(99)
Total changes in the statement of profit or loss	**(21,856)**	**38,742**		**16,886**	**(29,486)**	**43,240**		**13,754**
Cash flows								
Premiums received	22,303	-		22,303	29,324	-		29,324
Claims and other insurance service expenses paid,	-	(38,632)		(38,632)	-	(43,339)		(43,339)
Total cash flows	22,303	(38,632)		(16,329)	29,324	(43,339)		(14,015)
Closing liabilities	**9,636**	**19,076**		**28,712**	**9,189**	**18,966**		**28,155**

(Expressed in thousands of Trinidad and Tobago dollars)

21. Insurance and reinsurance contracts (continued)

REINSURANCE CONTRACTS		**2023**				**2022**		
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
GROUP LIFE AND HEALTH		**Assets for incurred claims**				**Assets for incurred claims**		
Analysis by measurement component	Assets for remaining coverage	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	**Total**	Assets for remaining coverage	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	**Total**
Amounts recoverable from reinsurers								
Recoveries of incurred claims and other insurance service expenses	-	4,090	-	4,090	-	871	-	871
Net expenses from reinsurance contracts	-	4,090	-	4,090	-	871	-	871
			-					
Total changes in the statement of profit or loss	**-**	**4,090**		**4,090**	**-**	**871**	**-**	**871**
Cash flows								
Premiums paid								
Amounts received	-	(4,090)	-	(4,090)	-	(871)	-	(871)
Total cash flows	**-**	**(4,090)**	**-**	**(4,090)**	**-**	**(871)**	**-**	**(871)**

(Expressed in thousands of Trinidad and Tobago dollars)

21. Insurance and reinsurance contracts (continued)

REINSURANCE CONTRACTS	**2023**			**2022**		
(LIFE, ANNUITEIS & PAR)	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Analysis by remaining coverage and incurred claims	Liabilities for remaining coverage			Liabilities for remaining coverage		
	Excluding loss - recovery component	Liabilities for incurred claims	**Total**	Excluding loss - recovery component	Liabilities for incurred claims	**Total**
Opening liabilities	(13,535)	-	(13,535)	(13,839)	(1,133)	(14,972)
Changes in the statement of profit or loss						
Allocation of reinsurance premiums paid	(2,445)	-	(2,445)	(2,394)	-	(2,394)
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	-	1,896	1,896	–	1,689	1,689
Net expenses from reinsurance contracts	**(2,445)**	**1,896**	**(549)**	**(2,394)**	**1,689**	**(705)**
Net finance income from reinsurance contracts	(571)		(571)	(428)	-	(428)
Total changes in the statement of profit or loss	**(3,016)**	**1,896**	**(1,120)**	**(2,822)**	**1,689**	**(1,133)**
Cash flows						
Premiums paid	3,836		3,836	3,126	-	3,126
Amounts received	-	(1,896)	(1,896)	-	(556)	(556)
Total cash flows	3,836	(1,896)	1,940	**3,126**	**(556)**	**2,570**
Net closing balance	**(12,715)**	-	**(12,715)**	**(13,535)**	-	**(13,535)**
Closing liabilities	**(12,715)**	-	**(12,715)**	**(13,535)**	-	**(13,535)**

(Expressed in thousands of Trinidad and Tobago dollars)

21. Insurance and reinsurance contracts (continued)

REINSURANCE CONTRACTS			**2023**				**2022**	
(LIFE, ANNUITEIS & PAR)	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Analysis by measurement component			**CSM**				**CSM**	
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	**Total**	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	**Total**
Opening liabilities	(14,222)	5,569	(4,882)	(13,535)	(16,443)	6,027	(4,556)	(14,972)
Net opening balance	**(14,222)**	**5,569**	**(4,882)**	**(13,535)**	**(16,443)**	**6,027**	**(4,556)**	**(14,972)**
Changes in the statement of profit or loss								
Changes that relate to current services								
CSM recognised for services provided	-	-	581	581	-	-	582	582
Change in risk adjustment for non-financial risk for risk expired	-	(437)	-	(437)	-	(449)	-	(449)
Experience adjustments	(693)	-	-	(693)	(838)	-	-	(838)
Changes that relate to future services								
Changes in estimates that adjust the CSM	129	(117)	(12)	-	1,056	(166)	(890)	-
Net expenses from reinsurance contracts	**(564)**	**(554)**	**569**	**(549)**	**218**	**(615)**	**(308)**	**(705)**
Net finance income from reinsurance contracts	(719)	217	(69)	(571)	(567)	157	(18)	(428)
Total changes in the statement of profit or loss	**(1283)**	**(337)**	**500**	**(1,120)**	**(349)**	**(458)**	**(326)**	**(1,133)**
Cash flows	1,940	-	-	1,940	2,570	-	-	2,570
Net closing balance	**(13,565)**	**5,232**	**(4,382)**	**(12,715)**	**(14,222)**	**5,569**	**(4,882)**	**(13,535)**
Closing liabilities	**(13,565)**	**5,232**	**(4,382)**	**(12,715)**	**(14,222)**	**5,569**	**(4,882)**	**(13,535)**

(Expressed in thousands of Trinidad and Tobago dollars)

21. Insurance and reinsurance contracts (continued)

(a) There were no assets for insurance acquisition cash flows (2022: NIL)

(b) Effect of contracts initially recognised in the year.

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

INSURANCE CONTRACTS

Group Pension

2023	Profitable contracts issued $'000	Onerous contracts issued $'000	Total $'000
Claims and other insurance service expenses payable	17,764	-	17,764
Estimates of present value of cash outflows	17,764		17,764
Estimates of present value of cash inflows	(21,884)	-	(21,884)
Risk adjustment for non-financial risk	318	-	318
CSM	3,802	-	3,802
Losses recognised on initial recognition	-	-	-

2022	Profitable contracts issued $'000	Onerous contracts issued $'000	Total $'000
Claims and other insurance service expenses payable	8,271	-	8,271
Estimates of present value of cash outflows	8,271		8,271
Estimates of present value of cash inflows	(9,947)	-	(9,947)
Risk adjustment for non-financial risk	155	-	155
CSM	1,521	-	1,521
Losses recognised on initial recognition	-	-	-

(Expressed in thousands of Trinidad and Tobago dollars)

22. Investment Contracts

	2023 $'000	2022 $'000
Managed funds (a)	776,421	767,122
Deposit administration contracts	486,149	476,006
EFPA investment contracts (b)	105,736	101,339
	1,368,306	1,344,467

(a) The benefits offered under the Group's investment contracts are mainly based on the return on the assets of the Group. This investment mix is unique and cannot be replicated by any benchmark indicator or combinations thereof with sufficiently high correlation to the assets of the Group. The Group communicates the performance of these contracts, by the change in the unit values for Managed Funds, and by the rate of interest credited for deposit administration contracts.

The assets backing Managed funds liabilities are included in the relevant balances in the statement of financial position. The carrying values of assets pledged for these liabilities are as follows:

	2023 $'000	2022 $'000
Government securities (Note 12)	1,043,830	897,712

(b) The Group classifies EFPA as an investment contract under IFRS 9. To ensure the adequacy of the liability to cover the minimum guarantees, the liability is set to the maximum of the account value and the aggregate present value of projected benefits assuming the account value continues to accumulate under contractual minimum guaranteed credited rate until maturity.

In 2015 the Company began its First Partial Distribution of cash to Statutory Funds STIPs policyholders including the Government. The total value of this distribution during 2015 was $4,900,000 to both the Government and individuals who did not accept the Government's previous offer in 2011.

The remaining EFPA Investment Contracts have been valued taking into consideration the residual balance of the STIP contracts assigned to the GORTT by policyholders who accepted the Government's pay-out offer in 2011. This offer involved policyholders accepting a pay-out value equivalent to the policy value as at the last renewal date before September 10, 2010, less principal withdrawals, and the policyholders assigning their policy to the Government. These policies, now assigned to GORTT, are valued at the pay-out value. The remainder of the EFPA contracts (for policyholders who did not accept the Government's 2011 offer) were valued at the fund value basis with margins on exchange rates.

Retail EFPA policies over the maximum contractual maturity age have matured and the account value of $46,660 was moved to accounts payable (see Note 28). The accumulated balance continues to be available for payment to non-related party EFPA policyholders. The balance of $46,660 will not accrue at the minimum guaranteed contractual rates under the EFPA policy after maturity.

(Expressed in thousands of Trinidad and Tobago dollars)

23. Provisions

	2023 $'000	2022 $'000
Provision for site restoration costs		
At 1 January	-	336,157
Unwinding of discount cost	-	15,733
	-	351,890

In the prior year, the amount of $351,890, represented the present value of management's best estimate of the future outflow of the economic benefits that will be required to remove the facilities and restore the affected land area on which OMC's plant is constructed. Management expects that the amount of present value of the provision created is sufficient to meet OMC's obligation at the end of the useful life of the project. This provision is determined by using a discounted cash flow basis at a rate of 5% per annum to ensure that by the year 2027 this amount will be equal to the costs estimated to restore the land to its original form. *See note 34* on disposal of MHIL.

24. End of Service Benefits

	2023 $'000	2022 $'000
At 1 January	-	19,726
Charge for the year	-	3,108
Paid during the year	-	(654)
Net exchange differences	-	(61)
	-	22,119

See Note 34 on disposal of subsidiary.

25. Mutual Fund Obligations

The Group is the advisor, manager and distributor of the Colonial Life Family of Funds.

The Group guaranteed the principal and interest to the unit holders of the Core (Series VI) and Power (Series VI) Funds. The original guarantee was for the principal and for a specified interest rate of return over a specified period of time.

The Group has a mutual fund obligation liability of $3,632 (2022: $7,012) at the reporting date. In prior years this value was an estimate of the liability that the Group is exposed to should the Core (Series VI) and/or Power (Series VI) not perform to the level of the guarantee. This estimate for 2023 continues to be based on the level of acceptance of the GORTT's pay out offer to Core (Series VI) unit holders.

No management fee was accrued for 2023 $NIL (2022: $NIL).

(Expressed in thousands of Trinidad and Tobago dollars)

26. Due to Related Parties

	2023 $'000	2022 $'000
Current accounts with related parties are as follows:		
Affiliates	131,368	128,893

The balance due to affiliates are unsecured and interest free. There are no fixed repayment terms. Affiliates are entities under common control.

27. Loans and Borrowings

	2023 $'000	2022 $'000
Non-current liabilities		
Redeemable preference shares to GORTT	529,357	1,029,357
Lease liabilities	-	100,610
Non - current portion of loan	-	19,982
Future interest expense on lease liabilities	-	(13,349)
	529,357	1,136,600
Current liabilities		
Current portion of loan	-	39,222
Current portion of lease liabilities	2,535	95,347
Total	531,892	1,271,169

Redeemable preference shares

All issued preference shares are fully paid. Redeemable preference shares do not carry the right to vote and rank equally with other shares with regard to the Group's residual assets, except that holders of redeemable preference shares participate only to the extent of the face value of the shares.

These redeemable cumulative preference shares carry an annual dividend rate of 4.75 percent of the par amount. There is no specified repayment date for the preference shares. Repayment is based on the discretion and the availability of funds by the Company. The repayment is expected to occur within the next year.

Leases

OMC entered into a lease agreement on December 12, 2004, with Sohar Industrial Port Company SAOC in respect of the land used for construction of the plant, which is valid until September 22, 2027.

OMC also entered into lease agreements valid from May 26, 2017, and March 29, 2018, with Gulf Energy Maritime (GEM) PJSC for lease of two ships, Gulf Espirit and Gulf Elan respectively.

See Note 34 on disposal of subsidiary.

27. Loans and Borrowings (continued)

Borrowings

Borrowings represent loans provided to OMC and are denominated in United States Dollars.

(a) On October 2, 2019, the outstanding amount of US$21,670 was rescheduled. The amended terms require 10 equal semi-annual installments starting on 12 October 2019 with an annual rate of interest of 6-month LIBOR plus 4% (2020: 6-month LIBOR plus 4%).

(b) On October 2, 2019, the Subsidiary entered a "UK export finance facility" for an amount of US$8,750 and proceeds of the loan have been utilized to meet capital expenditure. The loan is repayable in 10 equal semi-annual payments starting from October 12, 2019, with an interest rate of linked to 6-month LIBOR plus 2.25% per annum (2020: 6-month LIBOR plus 2.25%).

OMC LLC is not exposed to the risk of interest rate changes or contractual repricing on its borrowings as all the borrowings are at fixed interest rates.

The fair value of the current portion of long-term borrowings is equal to their carrying amounts, as the impact of discounting is not significant.

The Credit Facility Agreement (CFA) contains certain covenants pertaining to, amongst other things, interest and loan coverage ratios, and distributions to subsidiary shareholders. OMC has complied with these relevant covenants throughout the reporting period.

CFA term loans are secured by a mortgage over the assets of OMC (See Note 6).

See Note 34 on disposal of subsidiary.

(Expressed in thousands of Trinidad and Tobago dollars)

27. Loans and Borrowings (continued)

Reconciliation of Movements of Liabilities to Cash Flows Arising from Financing Activities

	2023 $'000	2022 $'000
Balance at January 1, 2023	1,337,748	1,619,178
Changes from financing cashflows		
Repayment of borrowings	(500,000)	(318,101)
Interest paid	-	(4,436)
Total changes from financing cashflows	(500,000)	(322,537)
Other changes -Liability-related		
Non-cash repayments	(293)	(659)
Interest expense	47,984	67,666
Interest paid	(15,846)	(25,900)
Eliminated on disposal of subsidiary	(630,420)	-
Total liability-related other changes	(598,575)	41,107
Balance at December 31, 2023	239,173	1,337,748

Non-cash payments of $17,000 (2022: $25,900) occurred during the year in relation to interest expense and principal repayments in 2023.

28. Accounts Payable

	2023 $'000	2022 $'000
Due to GORTT	75,063	42,926
Other payables (a)	234,118	434,152
Provision (b)	88,457	88,457
Accounts payables	234	32,865
EFPA maturities payable	46,660	46,660
Mutual fund surrenders payable	-	36,656
Managed fund obligation	5,622	5,622
	450,154	687,338

(a) Other payables includes $180,000 (2022: $180,000) due to the mutual funds.

(b) Represents provision for legal proceedings pending against the Company.

(Expressed in thousands of Trinidad and Tobago dollars)

29. Insurance revenue

	Ordinary Life $'000	Group Pension $'000	Ordinary Life Par $'000	Group Life and Health $'000	Total $'000
December 31, 2023					
Contracts not measured under PAA					
Amounts relating to changes in liabilities for remaining coverage					
- CSM recognised for services provided	1,937	16,444	565	-	18,946
- Change in risk adjustment for non-financial risk for risk expired	3,437	6,742	277	-	10,456
- Expected incurred claims and other insurance service expenses	20,044	143,012	1,603	-	164,659
- Remeasurement and other changes	(2,472)	(7,167)	(4,855)	-	(14,494)
	22,946	159,031	(2,410)	-	179,567
Contracts measured under PAA	-	-	-	21,856	21,856
Total insurance revenue	22,946	159,031	(2,410)	21,856	201,423

	Ordinary Life $'000	Group Pension $'000	Ordinary Life Par $'000	Group Life and Health $'000	Total $'000
December 31, 2022					
Contracts not measured under PAA					
Amounts relating to changes in liabilities for remaining coverage					
- CSM recognised for services provided	2,368	17,674	616	-	20,658
- Change in risk adjustment for non-financial risk for risk expired	3,471	6,626	282	-	10,379
- Expected incurred claims and other insurance service expenses	20,048	137,890	1,681	-	159,619
	25,887	162,190	2,579	-	190,656
Contracts measured under PAA	-	-	-	29,485	29,485
Total insurance revenue	25,887	162,190	2,579	29,485	220,141

(Expressed in thousands of Trinidad and Tobago dollars)

30. Insurance service expenses

	2023 $'000	2022 $'000
Claims and benefits	150,567	153,032
Fees and commissions	1,586	2162
Directly Attributable Expenses (Note 36)	48,450	37,160
Changes in estimates in LIC fulfilment cash flows	111	99
Experience Adjustments	121	193
	200,835	192,646
Bulk provisions held for any adverse Group Life - and health experience	5,612	-
	206,447	192,646

31. Net financial result

(a) The following table analyses the Group's net financial result in profit or loss:

	2023	2022
Investment return		
Other investment revenue (b)	514,107	386,582
Net impairment loss on financial assets	(1,924)	(255)
Total investment returns	512,183	386,327
Net finance expenses from insurance contracts		
Interest accreted on the carrying amount of the CSM	(4,879)	(1,436)
Interest accreted on present value cash flows	(65,136)	(17,719)
Interest accreted on risk adjustment	(1,875)	(516)
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	**(71,890)**	**(19,671)**
Interest accreted on LRC for contracts measured under the PAA	-	-
The effect of financial risk and changes in financial risk	(224,994)	(179,168)
Total	**(296,884)**	**(198,839)**
Net finance expenses from reinsurance contracts		
Interest accreted on the carrying amount of the CSM	(69)	(18)
Interest accreted on present value cash flows	(189)	(54)
Interest accreted on risk adjustment	74	21
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	**(184)**	**(51)**
Effect of financial risk and changes in financial risk	(387)	(376)
Total	**(571)**	**(427)**
Movement in investment contract liabilities (Note 32)	(44,457)	(40,360)
Net financial result	170,271	146,701

(Expressed in thousands of Trinidad and Tobago dollars)

31. Net financial result (continued)

	2023 $'000	2022 $'000
(b) Other investment revenue		
Net income from financial instruments designated at FVTPL		
Government securities	466,328	442,514
Gain/(loss) financial assets measured at FVTPL	26,269	(76,970)
Net income from financial instruments measured at FVOCI		
Dividends on equity investments at FVOCI	8,692	7,999
Rental income	11,774	11,933
Other income		
Short-term deposits	93	19
Loans and advances	799	958
Bank accounts	12	11
Other income	140	118
	514,107	386,582

32. Investment Contract Movements

	2023 $'000	2022 $'000
Deposit Administration funds	10,168	9,482
Managed funds	27,930	24,966
Movement in EFPA		
- Due to policyholders not accepting GORTT offer	6,359	5,912
	44,457	40,360

33. Cost of Sales

	2023 $'000	2022 $'000
Cost of gas consumed	1,014,823	872,060
Depreciation	71,863	167,930
Production overheads	156,387	70,414
Staff costs	72,438	68,837
Operational insurance	46,283	38,258
Stores and spares consumed	4,015	3,876
Change in inventory	(24,184)	(19,058)
	1,341,625	1,202,317

(Expressed in thousands of Trinidad and Tobago dollars)

34. Gain on disposal of subsidiary

On December 22, 2023, the sale of the subsidiary, Methanol Holdings International Limited (MHIL) to Consolidated Energy Limited (CEL) was completed pursuant to the approval of the shareholders of CLICO. CLICO sold 5,653,700 shares or 56.53% of the issued and outstanding shares in MHIL. Proceed on the sale of subsidiary, net of cash disposed and direct cost was $1,562,618. By this transaction CLICO effectively relinquished control of MHIL and the group recognised a gain of $1,990,223 on the sale.

	2023 $'000	2022 $'000
Loss on Sale of Investments and Other Assets		
Government securities	(12,933)	-
Company equities	(191)	-
	(13,124)	-

35. Other Income

	2023 $'000	2022 $'000
Administration charges - Group Health	548	566
D.A.C service fees	809	839
Exchange gains	-	2,287
Security Services	26,568	24,362
Ship lease rent	60,787	-
Other	25,392	196
	114,104	28,250

Other income includes $19,705 in rebates from the electricity company and $5,282 in rebates from the gas company.

(Expressed in thousands of Trinidad and Tobago dollars)

36. Expenses for Administration

	2023 $'000	2022 $'000
Amortisation of intangible asset	2,151	2,083
Business travel and entertainment	955	701
Cargo insurance	3,975	2,912
Communication	877	1,020
Depreciation	15,937	16,432
Directors fees	1,818	1,407
Employee costs	84,549	74,882
General and administration expenses	19,548	17,198
Insurance expenses	753	641
Marketing	81,930	95,318
Outward freight cost	468,618	423,458
Port operating expenses	7,857	7,065
Professional fees	72,929	53,158
Audit fees	10,320	7,951
Repairs and maintenance	8,545	3,089
Loss on disposal of asset	-	3,519
Withholding tax	568	110
Other expenses	24,106	36,744
	805,436	747,688
Expenses directly attributable to insurance contracts (Note 30)	(48,450)	(37,160)
	756,986	710,528

37. Finance Costs

	2023	2022
Finance Costs:		
Interest expense	51,197	58,593
Other finance costs, net	322	317
Interest on lease liabilities	8,030	12,977
Amortisation of deferred financing costs	2,245	1,753
	61,794	73,640
Finance Income:		
Unwinding of discount – site restoration	10,181	16,779
Interest income on deposits	(23,195)	(7,665)
Interest income from sub-lease right of use assets	(7,890)	(14,770)
	(20,904)	(5,656)

(Expressed in thousands of Trinidad and Tobago dollars)

38. Taxation

	2023 $'000	Restated 2022 $'000
(i) Tax expense for the year		
Current tax	72,974	120,516
Change in estimate related to prior year	5,872	(7,015)
	78,846	113,501
Deferred tax	(6,549)	(3,740)
Change in estimate related to prior year	-	1,662
	72,297	111,423

(ii) Tax reconciliation

The following is a reconciliation between tax and accounting profit multiplied by the applicable tax rate:

	2023 $'000	2022 $'000
Profit before taxation	2,381,334	732,436
Tax calculated at the rate applicable to each line of insurance business	(78,159)	(18,938)
Tax calculated at domestic tax rates in Oman and St. Kitts	61,161	107,682
Tax effect of income not subject to tax	(66,964)	(96,317)
Tax effect of expenses not deductible	155,067	124,883
Utilisation of prior year tax losses	1,192	(534)
Change in estimate related to prior year - current tax	-	(7,015)
Change in estimate related to prior year - deferred tax	-	1,662
Tax expense	72,297	111,423

	2023 $'000	2022 $'000
(iii) Deferred taxation		
At the beginning of the year	5,466	16,462
Credited to equity	-	(9,462)
Charged to income statement	590	(1,534)
	6,056	5,466

(Expressed in thousands of Trinidad and Tobago dollars)

38. Taxation (continued)

(iii) Deferred taxation (continued)

Deferred tax liability

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 15% (2022: 15%). The deferred tax liabilities in the statement of financial position and its attendant deferred charge in the statement of profit and loss relate to the accelerated tax depreciation on property, plant and equipment.

	2023 $'000	2022 $'000
At the beginning of the year	97,778	101,708
Credited (charged) to profit or loss	-	(3,613)
Disposal of subsidiary	(97,778)	-
Net exchange differences	-	(317)
	-	97,778

See Note 34 on disposal of subsidiary.

	Balance brought forward $'000	Charged to equity $'000	Charged to profit or loss $'000	Balance carried forward $'000
December 31, 2023				
Accelerated tax depreciation	(1,522)	-	590	(932)
Short term reserves and unexpired risks	6,988	-	-	6,988
	5,466	-	590	6,056

	Balance brought forward $'000	Charged to equity $'000	Charged to profit or loss $'000	Balance carried forward $'000
December 31, 2022				
Accelerated tax depreciation	12	-	(1,534)	(1,522)
Short term reserves and unexpired risks	6,988	-	-	6,988
Unrealised gains on Investments*	9,462	(9,462)	-	-
	16,462	(9,462)	(1,534)	5,466

*During the year 2022, management identified the error computing deferred tax on charges in gains or losses in equity investment. Dividend on equity investments do not attract taxation in Trinidad and Tobago and as a result will not affect future tax input in the disposal of such assets.

(Expressed in thousands of Trinidad and Tobago dollars)

39. Related Party Balances and Transactions

A number of transactions are entered into with related parties in the normal course of business. The related party balances and transactions for the year are as follows:

	2023	2022
	$'000	**$'000**
Statement of Financial Position - Assets		
Fellow subsidiary companies		
Investment in associates	500,875	485,243
Loans and other receivables –accrued investment income	-	326,677
Associated companies		
Investment in associates	25,769	25,493
Government		
Investment securities	7,958,478	8,250,376
Other Related Party		
Purchase of property, plant and equipment	-	18,970
Total related party assets	8,485,122	9,106,759
Statement of Financial Position - Liabilities		
Government		
Debt securities issued	529,357	1,029,357
Lease liabilities	2,535	2,827
Accounts payable	75,063	43,800
Fellow subsidiary companies		
Due to related parties	131,368	128,893
Other related parties		
Mutual fund obligation	183,632	187,012
Total related party liabilities	921,955	1,391,889
Net assets with related parties	7,563,167	7,714,870

(Expressed in thousands of Trinidad and Tobago dollars)

39. Related Party Balances and Transactions (continued)

Statements of Profit or Loss and Other Comprehensive Income - Income

	2023 $'000	2022 $'000
Fellow subsidiary companies		
Premiums	2,525	3,458
Revenue from contracts with customers	-	2,348,539
Government		
Investment income – bonds	416,452	408,017
Associated companies		
Investment income – dividends received	843	843
Total income from related parties	419,820	2,760,857

Statement of Profit or Loss – Expenses

	2023 $'000	2022 $'000
Government		
Interest on preference share - GORTT	47,984	54,157
Fellow subsidiary companies		
Insurance benefits	3,508	3,054
Medical services	10	34
Marketing fee	-	94,926
Other	3,382	55,827
Associated companies		
Advertising expense	11	11
Total expenses with related parties	54,895	208,009
Net profit from related parties	364,925	2,552,848

Key management compensation

	2023 $'000	2022 $'000
Salaries and other short-term benefits	6,853	22,715
Termination benefits	-	1,092

40. Leases

(a) Leases as lessee

The Group leases part of a property on which its Head Office is housed. The lease runs for a period of two years, with an option to renew the lease after that date for one year. The lease provides for additional rent payments. The Group is restricted from entering into any sub-lease arrangements. The lease expires in 2023 with the Group utilising the one-year renewal.

The Group leases IT equipment with contract terms of one to three years. Theses leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about lease for which the Group is a lessee is presented on the next page.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property and equipment (Note 8)

	2023 $'000	2022 $'000
Amounts recognised in profit or loss		
Interest on lease liabilities	142	206

During the year, the Group made no lease payments on its right-of-use assets.

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 by the Group and not by the lessors. The Group assesses at the 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 a lease liability of $7,000.

(Expressed in thousands of Trinidad and Tobago dollars)

40. Leases (continued)

(b) Leases as a lessor

The Group leases out its investment property consisting of its owned commercial properties. All leases are classified as operating leases from a lessor perspective, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognized by the Group during 2023 amounted to $11,774 (2022: $11,933)

The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2023 $'000	2022 $'000
Less than one year	675	951
One to two years	56	55
	731	1,006

41. Contingent Assets, Liabilities and Commitments

(a) The Group had given a guarantee to the Supervisor of Insurance Barbados agreeing to indemnify policyholders against any losses suffered as a condition of the transfer of its long-term portfolio to a fellow subsidiary incorporated in Barbados.

(b) There were a number of legal proceedings pending against the Group at the reporting date. A loss reserve of $90,000 has been made (2022: $90,000). No further provision has been made as professional advice indicates that it is unlikely that any significant loss will arise.

42. Long-term Sale and Purchase Agreements

	2023 $'000	2022 $'000
Disaggregation of revenue		
Geographical markets		
Within Oman	178,592	278,543
Outside Oman	2,121,091	2,264,231
	2,299,683	2,542,774
Major Products		
Methanol	2,299,683	2,542,774
Timing of revenue recognition		
Products transferred – point in time	2,299,683	2,542,774

See Note 34 on disposal of subsidiaries.

(Expressed in thousands of Trinidad and Tobago dollars)

43. Principal Associated Undertakings

Quoted	Country of Origin	Activity	Percentage Ownership*	
			2023	**2022**
			%	**%**
LJ Williams Limited	Trinidad and Tobago	Trading	21	21
Unquoted				
CL World Brands Limited	Scotland	Beverage Manufacturing	42	42

* Percentage ownership equates to voting rights.

44. Principal Subsidiary Undertakings

Unquoted	Country of Origin	Activity	Percentage Ownership*	
			2023	**2022**
			%	**%**
Methanol Holdings International Limited	St Kits and Nevis	Energy Methanol	-	56.53
Premium Security Services Limited	Trinidad and Tobago	Security (Protective) Services	100	100

The subsidiary's year end is December 31.

*Percentage ownership equates to voting rights.

(Expressed in thousands of Trinidad and Tobago dollars)

45. Initial Application of IFRS 17

During the financial year CLICO initially applied IFRS 17, including any consequential amendments to other standards, from January 1, 2023. The implementation of new standards and revisions to accounting policies, have brought significant changes to the accounting for and presentation of insurance and reinsurance contracts and financial instruments. As a result, CLICO restated certain comparative amounts.

CLICO changed its business model where certain financial assets backing its life and annuity portfolios, previously measured at fair value through other comprehensive income, were reclassified to the fair value through profit or loss category which represents how these financial assets are managed. The change in business model was determined by management as a result of external and internal changes, which were significant to the company.

The presentation requirements of the new standard, while significant on the statement of financial positions, allowed for a one-to-one match of the amounts of previously reported format with its new format under IFRS 17. The presentation requirements of the new standard resulted is significant changes in the format of the Statement of Profit or Loss and consequently only key totals are comparable.

Where allowed the Group has restated comparative amounts in the Consolidated Statement of Financial Position, Statement of Profit and Loss and of Other Comprehensive Income. The following tables summarise the impacts on the consolidated financial statements.

	Previously Reported $'000	IFRS 17 Transition $'000	As restated $'000
Consolidated Statement of Financial Position			
As at January 1, 2022			
Assets held for sale	7,182,750	(203,185)	6,979,565
Others	6,270,053	-	6,270,053
Total assets	13,452,803	(203,185)	13,249,618
Share capital	(14,750)	-	(14,750)
Accumulated surplus	(1,749,400)	889,579	(859,821)
Valuation reserves	228,127	(935,916)	(707,789)
Non-controlling interest	(1,215,957)	-	(1,215,957)
Total equity	(2,751,980)	(46,337)	(2,798,317)
Reinsurance contracts liabilities	-	(14,972)	(14,972)
Account payable	(433,675)	(88,457)	(522,132)
Liabilities directly associated with assets held for sale	(7,679,165)	352,951	(7,326,214)
Others	(2,587,983)	-	(2,587,983)
Total liabilities	(10,700,823)	249,522	(10,451,301)
Total equity and liabilities	**(13,452,803)**	**203,185**	**(13,249,618)**

(Expressed in thousands of Trinidad and Tobago dollars)

45. Initial Application of IFRS 17 (continued)

Consolidated Statement of Financial Position

As at December 31, 2022

Loan, lease and other receivables	909,520	(197,604)	711,916
Cash and cash equivalents	894,315	(67,576)	826,739
Investment securities	8,621,938	67,414	8,689,352
Others	2,807,247	-	2,807,247
Total assets	13,233,020	(197,766)	13,035,254
Share capital	(14,750)	-	(14,750)
Accumulated surplus	(2,015,627)	916,244	(1,099,383)
Valuation reserves	295,270	(986,530)	(691,260)
Non-controlling interest	(1,131,614)	-	(1,131,614)
Total equity	(2,866,721)	(70,286)	(2,937,007)
Insurance contracts liabilities	(6,370,078)	372,358	(5,997,720)
Reinsurance contracts liabilities	-	(13,535)	(13,535)
Investment contracts	(1,344,467)	-	(1,344,467)
Taxation payable	(177,316)	990	(176,326)
Accounts payable	(595,577)	(91,761)	(687,338)
Others	(1,878,861)	-	(1,878,861)
Total liabilities	(10,366,299)	268,052	(10,098,247)
Total equity and liabilities	**(13,233,020)**	**197,766**	**(13,035,254)**

	Previously Reported $'000	IFRS 17 Transition $'000	As restated $'000
Consolidated Statement of Profit or Loss **As at December 31, 2022**			
Insurance service result	(161,714)	189,375	27,661
Net financial result	473,276	(326,575)	146,701
Other operating expense	(743,391)	32,863	(710,528)
Taxation	(112,400)	977	(111,423)
Others	1,212,135	56,877	1,269,012
Profit for the year	667,906	(46,483)	621,423
Consolidated Statement Other Comprehensive Income **December 31, 2022**			
Profit for the year	667,906	(46,483)	621,423
Debt Instruments at FVOCI:			
Net change in fair value	(70,432)	70,432	-
Others, net of tax	(15,355)	-	(15,355)
Total comprehensive income, net of tax	582,119	23,949	606,068

(Expressed in thousands of Trinidad and Tobago dollars)

45. Initial Application of IFRS 17 (continued)

b. Adjustments made

The following adjustments were made to reflect the changes in accounting policies

i. Valuation adjustments arising from Implementation of IFRS 17.
ii. Valuation adjustments arising from re-designation of eligible financial assets on Implementation of IFRS 17 – *Insurance Contracts.*

	IFRS 17	Valuation Reserve Adjustment and Debt Redesignation	Total Adjustment
	$'000	$'000	$'000
Consolidated Statement of Financial Position			
January 1, 2022			
Loans and receivables	(203,185)	-	-
Assets held for sale	-	-	(203,185)
Total assets adjustment	(203,185)	-	(203,185)
Accumulated surplus	46,337	(935,916)	(889,579)
Valuation reserves	-	935,916	935,916
Total equity adjustment	46,337	-	46,337
Reinsurance contract liabilities	14,972	-	14,972
Accounts payable	88,457	-	88,457
Liabilities directly associates with assets held for sale	(352,951)	-	(352,951)
Total liability adjustment	(249,522)	-	(249,522)
Total equity and liabilities adjustment	(203,185)	-	(203,185)

(Expressed in thousands of Trinidad and Tobago dollars)

45. Initial Application of IFRS 17 (continued)

b. Adjustments made (continued)

	IFRS 17	Valuation Adjustment and Debt Redesignation	Total Adjustment
	$'000	$'000	$'000
Consolidated Statement of Profit or Loss			
As at December 31, 2022			
Insurance service result	189,375	-	189,375
Net financial result	(326,575)	-	(326,575)
Other operating expense	32,863	-	32,863
Taxation	977	-	977
Others	56,877	-	56,877
Profit for the year	(46,483)	-	(46,483)

46. Other Restatements

During the year management identified that fair value gains and losses in the valuation reserve and accumulated surplus were not correctly allocated between these reserves in accordance with the accounting policies. The primary reasons for this misallocation relate to:

(a) realised gains or losses earned prior to January 1, 2023 that should be recorded in accumulated surplus remained in the valuation reserve;

(b) the fair value of financial assets backing managed fund obligations was recognised in the fair value reserve, whereas it should not have been separately distinguished and should remain in accumulated surplus to match the related movement in the liability;

(c) realised gains and losses were inappropriately transferred between the fair value reserve and retained earnings on the basis that these instruments are measured at FVOCI, whereas they were actually measured at fair value through profit and loss. Further in relation to (1) above the related foreign exchange gains and losses were also not transferred to accumulated surplus on disposal of the instruments.

The errors resulted in a material understatement of the valuation reserve and a corresponding overstatement of accumulated surplus. The errors had no impact on deferred tax, total shareholders' equity, profit or loss and total operating, investing or financing cash flows for the year ended December 31, 2022. The error has been corrected by restating each of the affected financial statement line items for the prior periods, and the following tables summarise the impacts on the consolidated financial statements.

(Expressed in thousands of Trinidad and Tobago dollars)

46. Other Restatements (continued)

Consolidated Statement Financial Position
January 1, 2022

	As Previously Reported $'000	IFRS 17 Adjustment $'000	Redesignation of Debt adjustment $'000	Valuation Reserve Adjustment $'000	As Restated $'000
Share capital	(14,750)	-	-	-	(14,750)
Accumulated surplus	(1,749,400)	(46,337)	(160,166)	1,096,082	(859,821)
Valuation reserves	228,127	-	160,166	(1,096,082)	(707,789)
Non-controlling interest	(1,215,957)	-	-	-	(1,215,957)
Total equity	(2,751,980)	(46,337)	-	-	(2,798,317)

Consolidated Statement Financial Position
December 31, 2022

	As Previously Reported $'000	IFRS 17 Adjustment $'000	Redesignation of Debt adjustment $'000	Valuation Reserve Adjustment $'000	As Restated $'000
Share capital	(14,750)	-	-	-	(14,750)
Accumulated surplus	(2,015,627)	146	(160,166)	1,076,264	(1,099,383)
Valuation reserves	295,270	-	89,734	(1,076,264)	(691,260)
Non-controlling interest	(1,131,614)	-	-	-	(1,131,614)
Total equity	(2,866,721)	146	(70,432)	-	(2,937,007)

47. Events after the Reporting Date

The Group performed a review of events subsequent to the balance sheet date through to the date the financial statements were issued and determined that the repayment of the debt owed to the Government of Trinidad and Tobago was the only subsequent event requiring recognition or disclosure in the financial statements. CLICO reduced its debt to GORTT by an additional $605,604.