THE MARITIME FINANCIAL GROUP

STRENGTH ON YOUR SIDE

INSURANCE • INVESTMENTS • FINANCING

ANNUAL REPORT 2016

Vision

Exceptional Service is Maritime's business. We will be the premier Client-focused, Service-driven and Action-oriented Marketing Organization In the Caribbean.

Mission

Exceptional Service being our business, we are committed to adding value to our Clients' lives through a total service experience that delivers fully integrated innovative financial, retail and property solutions.

We will secure the well being of our Team Members and Equity Providers by conducting our business in a profitable, professional, ethical and caring manner.

We will provide dynamic leadership in the economic and social development of our communities and our nation.

Table of Contents

Leadership

THE STRENGTH BEHIND OUR STRENGTH

People, resources and vision, these are the forces that influence our success. Our team, made up of experts in the field, understands the market's demands and meets the need with products and services for all of life's journeys. The Maritime Financial Group and its subsidiaries, spanning from financial services to the retail business, are committed to being at the cutting edge of development in all sectors for our Clients. We value our Clients. Without them, there is no Maritime, as they are the driving force behind our innovations. From this rich tapestry, we live up to the claim of having strength on your side.

Leadership

ANDREW S. FERGUSON
BSc., CPCU, ARe, FLMI, AFSB

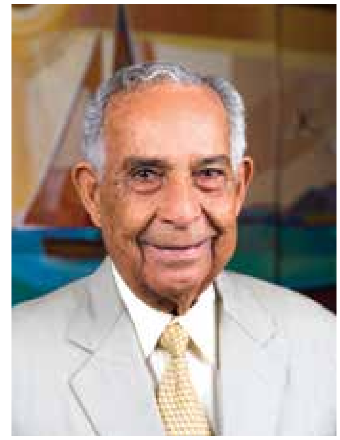
Chief Executive Officer, Chairman – Maritime Life (Caribbean) Limited;

Director – Maritime General Insurance Company Limited

JOHN H. SMITH
FCCA, CA

Chairman – Maritime General Insurance Company Limited;

Chairman – Fidelity Finance and Leasing Company Limited



OLIVER CAMPS

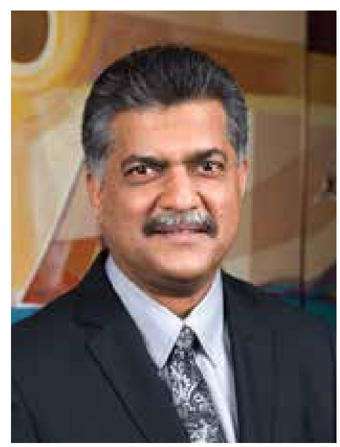
Director – Maritime General Insurance Company Limited

DONALD GIBBON
MSc, FAPE, CEng, MICE, AIStructE

Director – Maritime Life (Caribbean) Limited

Director – Maritime General Insurance Company Limited

Director – Fidelity Finance and Leasing Company Limited



SALAHUDEEN ALI
FCCA, CA, CPA, CGA

Chief Financial Officer – The Maritime Financial Group

Director – Fidelity Finance and Leasing Company Limited

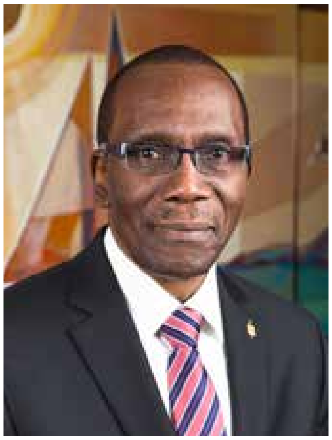
LESLEY J. ALFONSO
MBA, BBA, FLMI

Director – Maritime Life (Caribbean) Limited

Director – Fidelity Finance and Leasing Company Limited

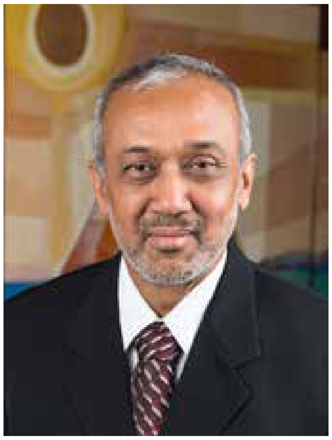
SURESH DUTTA
M.Sc. Dip

Director – Maritime General Insurance Company Limited



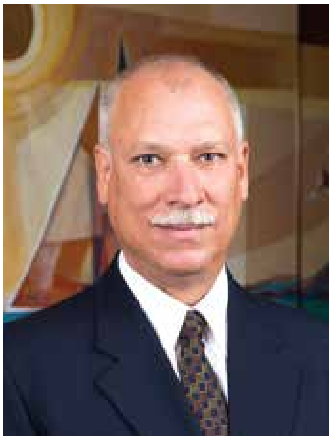
ANDRE BAPTISTE
FLMI

General Manager – Career Agency Development



BALIRAM SAWH
ACII

General Manager – General Insurance Company Limited



ROGER GOMES
FCCA, CA

General Manager – Fidelity Finance and Leasing Company Limited


938
980
256

Corporate Social Responsibility

A MESSAGE FROM THE CEO, CHAIRMAN

At Maritime our commitment to our communities extends far beyond our mandate to service financial needs. As a Group, we acknowledge our wider responsibility for enhancing and bettering the quality of life of those in our communities.

With a focus on youth, we strive to make a difference by securing brighter futures for the next generation working alongside organisations and charities with a similar vision.

As we look back on the many great things we accomplished in 2016, we set our sights on the ways in which we can effect even greater change in 2017.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Directors' Report

MARITIME LIFE (CARIBBEAN) LIMITED

To be presented at the Forty-Fifth Annual General Meeting of the shareholders to be held at the Corporate Offices, Maritime Centre, 29 Tenth Avenue, Barataria on March 17th, 2017.

Your directors have pleasure in submitting their report for the year ended December 31st, 2016.

	2016 $'000	2015 $'000
1. Income for the year		
Net income for the year	103,808	71,935
Less: Taxation	(16,362)	(11,707)
Net income for the year after taxation	87,446	60,228
Other comprehensive income	(808)	(3,598)
	86,638	56,630
Less: Non controlling interests	(6,477)	(8,531)
	80,161	48,099
Add/Less:		
Amount transferred from Capital Reserve	–	18,191
Amount transferred to Catastrophe Reserve	(1,499)	(1,612)
Amount transferred to General Reserve	(65)	–
Amount transferred to Statutory Reserves	(7,654)	(6,262)
Dividends paid – 2014 (Final - 30¢)	–	(3,261)
Dividends paid – 2015 (Final - 30¢)	(3,262)	–
Leaving a balance to be carried forward of	**67,681**	**55,155**
2. Equity attributable to Shareholders of the Company	**591,270**	**506,812**
3. Insurance contracts liabilities	**1,835,646**	**1,507,040**

4. The directors have proposed a dividend of 35¢ per share, amounting to $3,804,985 payable on March 17th, 2017 to shareholders on record at February 24th, 2017.

5. In accordance with By Law 4.3 all the directors with the exception of the Managing Director, retire from office and being eligible offer themselves for re-election.

6. The auditors, Messrs. PKF Chartered Accountants and Business Advisors, retire and being eligible, offer themselves for re-appointment as auditors of the Company.

BY ORDER OF THE BOARD

THE MARITIME FINANCIAL GROUP LIMITED
Secretary

(Maritime Life (Caribbean) Limited and its subsidiaries)

Corporate Information

MARITIME LIFE (CARIBBEAN) LIMITED

ADVISORY BOARD	Bruce A. Mc I. Procope, QC - Chairman John H. Smith - Deputy Chairman Barbara Gomes Jean Khoury	
BOARD OF DIRECTORS	Andrew Ferguson, BSc, CPCU, ARe, FLMI, AFSB Lesley J. Alfonso, MBA, BBA, FLMI Donald Gibbon, BSc, MSc	
NON-EXECUTIVE DIRECTORS	John H. Smith, FCCA, CA	Chairman - Maritime General Insurance Company Limited/ Fidelity Finance and Leasing Company Limited
	Oliver Camps	Director - Maritime General Insurance Company Limited
	Suresh Dutta, MSc. Dip	Director - Maritime General Insurance Company Limited
EXECUTIVE MANAGEMENT	Andrew Ferguson, BSc, CPCU, ARe, FLMI, AFSB	Chief Executive Officer /Chairman
	Salahudeen Ali, FCCA, CA, CPA, CGA	Chief Financial Officer
	Ricardo Baynes, BSc (Hons), FLMI/M	Manager - Technology Services
	Andre Baptiste, FLMI	General Manager - Career Agency Development
	Roger Gomes, FCCA, CA	General Manager - Financial and Trust Services
	Baliram Sawh, ACII	General Manager - General Insurance Services
	Duane Hinkson, MBA, BSc (Hons), Cert. FA	Chief Executive Officer - Development Finance Ltd
BANKERS	Scotiabank Trinidad & Tobago Limited, Port of Spain. RBC Royal Bank (Trinidad & Tobago) Limited, Port of Spain. Republic Bank Limited, Port of Spain.	
ATTORNEYS	Chersons, Port of Spain. Lex Caribbean, Port of Spain. Pollonais Blanc de la Bastide & Jacelon, Port of Spain.	
APPOINTED ACTUARY	Nazir Valani, FSA, FCIA, MAAA	
AUDITORS	PKF Chartered Accountants and Business Advisors, Port of Spain.	
REGISTERED OFFICE	29 Tenth Avenue, Barataria	

Notice of Meeting

MARITIME LIFE (CARIBBEAN) LIMITED

NOTICE is hereby given that the Forty-Fifth Annual General Meeting of the above-named Company will be held at the Corporate Offices, Maritime Centre, 29 Tenth Avenue, Barataria on Friday March 17th, 2017 at 10.00 am for the following purposes:-

1. To receive the Audited Financial Statements for the year ended December 31st, 2016, together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To re-elect retiring directors.
4. To appoint Auditors and authorise the Directors to determine the remuneration of such Auditors.
5. To transact any other ordinary business.

BY ORDER OF THE BOARD

THE MARITIME FINANCIAL GROUP LIMITED

Secretary

February 24th, 2017

Registered Office:
Maritime Centre
29 Tenth Avenue
Barataria
Trinidad, W.I.

NOTES:

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on his behalf and such proxy need not also be a member of the Company.

If the appointer is a corporation, the form of proxy must be under its common seal or under the hand of an officer of the corporation or attorney duly authorised in that behalf.

To be valid the instrument appointing a proxy duly completed and executed must be deposited at the registered office of the Company not less than forty-eight hours before the time appointed for holding the meeting.

KPMG LLP
Bay Adelaide Centre
333 Bay Street Suite 4600
Toronto ON M5H 2S5
Canada

Telephone (416) 777-8500
Fax (416) 777-8818
Internet www.kpmg.ca

ACTUARIAL CERTIFICATE

Maritime Life (Caribbean) Limited

In accordance with section 56 (2) of the Insurance Act 1980, I have made a valuation of the actuarial liabilities of Maritime Life (Caribbean) Limited for its consolidated statement of financial position as at December 31, 2016. In my opinion, the aggregate amount of the liabilities of the Group in relation to its long term insurance business as at December 31, 2016 did not exceed the aggregate amount of those liabilities shown in the consolidated statement of financial position of the Group.

N. Valani

Nazir Valani, FSA, FCIA, MAAA
Appointed Actuary – Maritime Life (Caribbean) Limited

March 6th, 2017

THE MARITIME FINANCIAL GROUP

STRENGTH ON YOUR SIDE

INSURANCE · INVESTMENTS · FINANCING

MARITIME LIFE (CARIBBEAN) LIMITED

MARITIME LIFE (CARIBBEAN) LIMITED
CONSOLIDATED

STATEMENT OF MANAGEMENT RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Maritime Life (Caribbean) Limited, which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures the security of the Group's assets, detection/prevention of fraud, and the achievement of Group's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorized for issue, if later.

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

Andrew Ferguson, BSc, CPCU, ARe, FLMI, AFSB	Salahudeen Ali, FCCA, CA, CPA, CGA
Chief Executive Officer, Chairman	Chief Financial Officer
March 14, 2017	March 14, 2017

DIRECTORS: A. Ferguson (Chief Executive Officer, Chairman), L.J. Allonso (Mrs), D. Gibbon
ADVISORY BOARD: B. Procope (Chairman), J.H. Smith (Deputy Chairman), B. Gomes, J. Khoury
REGISTERED OFFICE: Maritime Centre, 29 Tenth Avenue, Barataria, P.O. Box 710, Port of Spain, Trinidad, W.I., Tel: (868) 674-0130 Fax: (868) 638-6663
BARATARIA: 29 Tenth Avenue Tel: (868) 674-0138 Fax: (868) 675-2839 CHAGUANAS: 11 Yard Street Tel: (868) 665-7957 Fax: (868) 671-4625
SAN FERNANDO: 73 & 75 Cipero Street Tel: (868) 652-2503 Fax: (868) 657-9453 TOBAGO: Breeze Hall, Milford Road Tel: (868) 639-2597 Fax: (868) 639-3163
EMAIL: email@maritimefinancial.com WEBSITE: www.maritimefinancial.com

The Maritime Financial Group strongly supports and advocates controls and measures that eliminate the abuse of alcohol and other substances.

PKF

Chartered Accountants
& Business Advisors

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Maritime Life (Caribbean) Limited and its subsidiaries

Opinion

We have audited the consolidated financial statements of Maritime Life (Caribbean) Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our opinion we draw attention to Note 37 to the consolidated financial statements. The State laid several charges on the Company and two of its subsidiaries, together with other companies and individuals. The ultimate outcome of these matters cannot presently be determined, and no provision for any liability that may result has been made in the consolidated financial statements.

Other information included in the Group's 2016 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we concluded that there is a material misstatement of this other information, we are required to communicate the matter to the Board of Directors.

Direct tel (868) 624-4569 I Direct fax (868) 624-4388
PKF I 90 Edward Street I Port-of-Spain I PO Bag 250 Belmont I Trinidad I WI

Partners: Renée-Lisa Philip Mark K. Superville

PKF

Chartered Accountants
& Business Advisors

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

PKF

Chartered Accountants
& Business Advisors

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

PKF

Port-of-Spain
TRINIDAD
March 14, 2017

(Maritime Life (Caribbean) Limited and its subsidiaries)

Consolidated Statement of Financial Position

At December 31, 2016

	Notes	2016 $'000	2015 $'000
Current assets	4	840,310	828,323
Deferred tax assets	5	712	618
Investment in associates	6	–	–
Financial assets	7	1,819,387	1,385,205
Investment properties	8	160,367	114,431
Property, plant and equipment	9	218,576	212,540
Total Assets		**3,039,352**	**2,541,117**
Financed By:			
Current liabilities	10	290,411	198,327
Deferred tax liabilities	5	24,156	24,058
Long term borrowings	11	207,283	220,771
Insurance contracts liabilities	12	1,835,646	1,507,040
Total Liabilities		2,357,496	1,950,196
Stated capital	13	10,871	10,871
Capital reserve	14	98,441	92,607
Catastrophe reserve	15	23,000	21,501
General reserve	16	12,999	12,934
Investment revaluation reserve	17	1,546	425
Foreign currency translation reserve	18	604	–
Statutory reserves	19	58,671	51,017
Retained earnings		385,138	317,457
Equity attributable to Shareholders of the Company		591,270	506,812
Non-controlling interests	20	90,586	84,109
Total Equity		681,856	590,921
Total Liabilities and Equity		**3,039,352**	**2,541,117**

These financial statements were approved by the Board of Directors and authorised for issue on March 14, 2017 and are signed on their behalf by:

Director **Director**

The notes on pages 23 to 75 form part of these financials statements.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Consolidated Statement of Income

For The Year Ended December 31, 2016

	Notes	2016 $'000	2015 $'000
Revenue			
Premium income		709,703	380,096
Reinsurance recoveries		16,792	14,001
Investment income	21	123,356	108,311
Other income	22	77,184	71,331
		927,035	573,739
Expenses			
Policyholders' benefits	23	530,973	213,689
Reinsurance premiums		70,377	70,257
Interest on deposits and borrowings		12,089	10,056
Other direct costs	24	84,451	89,039
Expenses of management	25	125,337	118,763
		823,227	501,804
Surplus before taxation		103,808	71,935
Taxation	26	16,362	11,707
Surplus after taxation		**87,446**	**60,228**
Surplus attributable to:			
Shareholders of the company		80,969	51,697
Non-controlling interests	20	6,477	8,531
		87,446	**60,228**

The notes on pages 23 to 75 form part of these financials statements.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Consolidated Statement of Comprehensive Income

For The Year Ended December 31, 2016

	Notes	2016 $'000	2015 $'000
Surplus after taxation		**87,446**	**60,228**
Other comprehensive income			
Items to be reclassified to profit or loss in subsequent periods:			
Foreign exchange gains	18	604	–
Unrealised gains on available for sale financial assets		1,121	425
		1,725	425
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial loss on retirement benefit asset	4	(808)	(3,598)
Surplus on revaluation of owner-occupied properties	9	5,834	16,171
		5,026	12,573
Other comprehensive income for the year		**6,751**	**12,998**
Total comprehensive income for the year		**94,197**	**73,226**
Total comprehensive income attributable to:			
Shareholders of the company		87,720	64,695
Non-controlling interests	20	6,477	8,531
		94,197	**73,226**

The notes on pages 23 to 75 form part of these financials statements.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Consolidated Statement of Changes in Equity

For The Year Ended December 31, 2016

	Stated capital $'000	Capital reserve $'000	Catastrophe reserve $'000	General reserve $'000	Investment revaluation reserve $'000	Foreign currency translation reserve $'000	Statutory reserves $'000	Retained earnings $'000	Shareholders' equity $'000	Non-controlling interests $'000	Total equity $'000
Balance at December 31, 2014	**10,871**	**94,627**	**19,889**	**12,934**	**–**	**–**	**44,755**	**262,302**	**445,378**	**75,578**	**520,956**
Surplus after taxation	–	–	–	–	–	–	–	51,697	51,697	8,531	60,228
Other comprehensive income	–	16,171	–	–	425	–	–	(3,598)	12,998	–	12,998
Total comprehensive income	–	16,171	–	–	425	–	–	48,099	64,695	8,531	73,226
Dividends paid - 2014 (30¢)	–	–	–	–	–	–	–	(3,261)	(3,261)	–	(3,261)
Transfers from retained earnings	–	(18,191)	1,612	–	–	–	6,262	10,317	–	–	–
	–	(2,020)	1,612	–	425	–	6,262	55,155	61,434	8,531	69,965
Balance at December 31, 2015	**10,871**	**92,607**	**21,501**	**12,934**	**425**	**–**	**51,017**	**317,457**	**506,812**	**84,109**	**590,921**
Balance at December 31, 2015	**10,871**	**92,607**	**21,501**	**12,934**	**425**	**–**	**51,017**	**317,457**	**506,812**	**84,109**	**590,921**
Surplus after taxation	–	–	–	–	–	–	–	80,969	80,969	6,477	87,446
Other comprehensive income	–	5,834	–	–	1,121	604	–	(808)	6,751	–	6,751
Total comprehensive income	–	5,834	–	–	1,121	604	–	80,161	87,720	6,477	94,197
Dividends paid - 2015 (30¢)	–	–	–	–	–	–	–	(3,262)	(3,262)	–	(3,262)
Transfers from retained earnings	–	–	1,499	65	–	–	7,654	(9,218)	–	–	–
	–	5,834	1,499	65	1,121	604	7,654	67,681	84,458	6,477	90,935
Balance at December 31, 2016	**10,871**	**98,441**	**23,000**	**12,999**	**1,546**	**604**	**58,671**	**385,138**	**591,270**	**90,586**	**681,856**

The notes on pages 23 to 75 form part of these financials statements.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Consolidated Statement of Cash Flows

For The Year Ended December 31, 2016

	2016 $'000	2015 $'000
Cash Flows from Operating Activities		
Surplus before taxation	103,808	71,935
Adjustments for:		
Depreciation (net)	9,687	10,766
Gains and losses (net)	(19,273)	(5,679)
Increase in insurance contracts liabilities	328,990	120,920
Operating surplus before working capital changes	423,212	197,942
Change in receivables	(17,305)	(41,083)
Change in customers' deposits and other funding instruments	63,465	20,702
Change in other payables	25,206	3,281
Cash generated from operations	494,578	180,842
Dividends paid to policyholders	(384)	(445)
Corporation taxes paid (net)	(13,201)	(11,749)
Net cash generated from operating activities	480,993	168,648
Cash Flows from Investing Activities		
Sale/redemption of financial assets	216,990	194,678
Sale of property, plant and equipment	185	27,805
Change in loans and receivables	(14,596)	(49,229)
Purchase of other financial assets	(616,288)	(189,984)
Purchase of investment properties	(45,836)	–
Purchase of property, plant and equipment	(10,116)	(20,934)
Net cash used in investing activities	(469,661)	(37,664)
Cash Flows from Financing Activities		
Repayment of borrowings	(13,488)	(18,858)
Dividends paid to shareholders	(3,262)	(3,261)
Net cash used in financing activities	(16,750)	(22,119)
Net change in cash and cash equivalents	(5,418)	108,865
Cash and cash equivalents		
- at beginning of year	526,446	417,581
- at end of year (Note 27)	**521,028**	**526,446**

The notes on pages 23 to 75 form part of these financials statements.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

1. Incorporation and Principal Activity

Maritime Life (Caribbean) Limited is incorporated in the Republic of Trinidad and Tobago and was continued under the provisions of the Companies Act, 1995 on 23rd March, 1999. Its principal activity is the carrying on of all classes of long term insurance business in Trinidad and Tobago. The Company's registered office and principal place of business are located at 29 Tenth Avenue, Barataria.

2. Summary of Significant Accounting Policies

a) Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in thousands of Trinidad and Tobago dollars. They have been prepared under the historical cost convention except for the following assets which are stated at fair values: financial assets at fair value through profit or loss (Note 2(i) (i), available for sale financial assets (Note 2(i) (ii), investment properties (Note 2(k)), owner-occupied properties (Note 2(l) (ii)) and retirement benefit asset (Note 2(x) (ii)).

The accounting policies used are consistent with those of previous years.

b) New Accounting Standards and Interpretations

i) The Group has applied the amendments to the following standards which became effective during the current financial year:

Effective for annual periods beginning on or after 1 January 2016

IFRS 10, 12 & IAS 28	Investment Entities - Applying the Consolidation Exception
IAS 16 & 38	Clarification of Acceptable Methods of Depreciation and Amortisation

ii) The Group has not applied the amendments to the following standards which became effective during the current financial year as either they do not apply to the activities of the Group or have no material impact on the financial statements:

Effective for annual periods beginning on or after 1 January 2016

IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
IFRS 14	Regulatory Deferral Accounts
IAS 1	Disclosure Initiative
IAS 16 & 41	Agriculture: Bearer Plants
IAS 27	Equity Method in Separate Financial Statements

Annual Improvements to IFRSs 2012–2014 Cycle - Various Standards

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

b) New Accounting Standards and Interpretations *(continued)*

iii) The Group has not early applied the following amendments/standards which are in issue but not yet effective:

Effective for annual periods beginning on or after 1 January 2017

IAS 7	Disclosure initiatives
IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to IFRSs 2014–2016:- IFRS 12

Effective for annual periods beginning on or after 1 January 2018

IFRS 2	Share-based payments
IFRS 4	Amended by applying IFRS 9 with IFRS 4
IFRS 9 (2014)	Financial Instruments
IFRS 15	Revenues from contracts with customers
IAS 40	Transfers of investment property
IFRIC 22	Foreign currency transactions and advance consideration

Annual Improvements to IFRSs 2014–2016:- IFRS 1 & IAS 28

Effective for annual periods beginning on or after 1 January 2019

IFRS 16	Leases
IFRS 10 & IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (deferred indefinitely)

c) Comparative figures

Certain comparative figures were restated to facilitate changes in presentation. These changes had no effect on the previously reported surplus.

d) Basis of consolidation

i) Subsidiaries

The consolidated financial statements include the accounts of Maritime Life (Caribbean) Limited and its subsidiaries. All significant intra-group balances, transactions, income and expenses have been eliminated on consolidation.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

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

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

d) Basis of consolidation *(continued)*

i) Subsidiaries *(continued)*

Group has power over the investee (i.e. existing right that give it the current ability to direct the relevant activities of the investee), exposure or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The Group considers all relevant facts and circumstances in assessing whether it has power over an investee; including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, and the Group's voting rights and potential voting rights. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date control ceases.

The Group uses the purchase method of accounting for the acquisition of subsidiaries. The cost of the acquisition is measured as the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed and equity instruments issued plus costs directly attributable to the acquisition. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill is reviewed annually for impairment. Where the fair value of the Group's share of the identifiable net assets acquired exceeds the cost of the acquisition, the gain is recognised in profit or loss.

On October 06, 2011 the Group invested $50 million in non-cumulative, non-voting convertible preference shares of Development Finance Limited. During 2012, $30 million of these preference shares were converted into ordinary shares, representing a 49.75% interest. The option to convert the balance of $20 million can be exercised at anytime, at the Group's discretion. The company's financial statements were prepared as at December 31, 2016 and were audited by KPMG Chartered Accountants, Port-of-Spain, Trinidad.

South Coast One Limited and South Coast Two Limited were incorporated in the Republic of Trinidad and Tobago on March 18, 2016 and registered as external companies under the provisions of the Companies Act Chapter 308 of the Laws of Barbados. They acquired properties in Barbados in May 2016, and commenced leasing operations effective June 2016.

The Group acquired the shares of Caribbean Microfinance Trinidad and Tobago Limited on August 15, 2016. The company's financial statements were prepared as at December 31, 2016 and were audited by KPMG Chartered Accountants, Port-of-Spain, Trinidad.

During 2015 and 2016, the Group invested in the Maritime Income & Growth Fund, (previously AIC TT Income & Growth Fund), and the Maritime Global Equity Fund (previously AIC TT Global Equity Fund, which were originally established by AIC Financial Group Limited (the "Former Fund Manager") under a Trust Deed dated November 2, 2004. The Former Fund Manager resigned effective February 23, 2014 and at a unit-holder's meeting on March 20, 2014 it was resolved to appoint Maritime Capital Limited, a wholly owned subsidiary of Maritime Life (Caribbean) Limited, as the new Fund manager. This was approved by the SEC under their cover letter dated February 5, 2015. The last audited financial statements for these funds as at April 30, 2016 were audited by BDO, Port-of-Spain, Trinidad. The Group held 86.37% and 86.65% respectively of these funds as at December 31, 2016.

There were no disposals of subsidiaries during the year.

A listing of the subsidiaries, their principal activities and place of incorporation is given in Note 38.

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

d) Basis of consolidation *(continued)*

ii) Non-controlling interests

Non-controlling interests is that portion of the net surplus and net assets of a subsidiary that are not owned, directly or indirectly, by the Group.

iii) Associates

Associates are all entities over which the Group has significant influence i.e. the power to participate in the financial and operating policy decisions but is not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights, and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for using the equity method. Under the equity method the investments in associates are stated at cost plus the post acquisition changes in the Group's share of the associate's net assets, less any impairment in value. The Group's share of the results of operations of the associates, are included in profit or loss, whereas the Group's share of the other comprehensive income of the associates, are included in other comprehensive income. There are no associates as at December 31, 2016.

e) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash and bank balances and short term investments.

Short term investments are highly liquid investments and comprise deposits placed with licensed banks and financial institutions and investments in treasury bills.

f) Inventories

Inventories comprise goods held for resale in the ordinary course of business and are stated at the lower of cost and net realisable value. Cost is determined on the first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business.

The carrying amount of inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs.

g) Land development

Land development represents lands held for development and resale and are stated at cost, plus development expenditure incurred and directly attributable borrowing costs. These costs are carried forward until the lands are sold.

h) Financial instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

i) Financial assets

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date on which the Group commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

When financial assets are recognised initially, they are measured at fair value of the consideration given plus transactions costs directly attributable to the acquisition of the asset.

Financial assets are derecognised when the contractual rights to receive the cash flows expire or where the risks and rewards of ownership of the assets have been transferred.

The Group classifies, at the time of initial recognition, financial assets into the following categories depending on the nature and purpose of the assets: financial assets at fair value through profit or loss, available for sale financial assets, held to maturity investments and loans and receivables. Management re-evaluates these classifications at each reporting date.

i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets held for trading and those so designated.

Financial assets are classified as held for trading if they are acquired principally for the purpose of selling in the near future or if they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short term profit taking.

Financial assets are classified as at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise (an accounting mismatch) or a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy and information about the group is provided internally on that basis to the Group's key management personnel. Financial assets included in this classification support those long term insurance contracts that contain an investment element.

Financial assets are not reclassified into or out of the fair value through profit or loss category while they are held.

Investments in quoted securities are stated at fair values based on quoted market prices without deduction of transaction costs. Gains and losses arising from changes in fair values are recognised in profit or loss in the period in which they arise.

ii) Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are so designated or not classified in any of the other categories. They are intended to be held for an undefined period of time, but may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Investments in quoted securities are stated at fair values based on quoted market prices without deduction of transaction costs. Gains and losses arising from changes in fair values are recognised in other comprehensive income except for impairment losses and foreign exchange gains and losses. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

i) Financial assets *(continued)*

ii) Available for sale financial assets *(continued)*

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less provision for impairment.

Interest income is calculated using the effective interest rate method and dividends are recognised in profit or loss when the shareholders' right to receive the dividend is established.

iii) Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, purchased with the positive intention and ability to hold to maturity. They are stated at amortised cost using the effective interest rate method less provision for impairment.

Interest income is recognised in profit or loss on an effective yield basis. Gains or losses are recognised in profit or loss when the financial asset is derecognised or impaired and through the amortisation process.

Whenever there are sales or reclassification of more than an insignificant amount of held to maturity investments before maturity date (more than insignificant in relation to the total amount of held to maturity investments), any remaining held to maturity investments are reclassified as available for sale. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification: sales or reclassifications that are so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value; sales or reclassifications after the Group has collected substantially all of the asset's original principal; and sales or reclassifications that are attributable to non-recurring isolated events beyond the Group's control that could not have been reasonably anticipated.

iv) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These comprise policy loans, automatic premium loans, mortgage loans and other loans.

Policy loans and automatic premium loans are stated at outstanding principal plus accrued interest and are secured by the cash surrender values of the respective policies.

Mortgage loans and other loans are stated at amortised principal using the effective interest rate method, less provision for impairment losses. Specific provisions are made for potential losses on non-performing loans on the basis of net realisable value. Periodic portfolio reviews are conducted during the course of each year to determine the adequacy of provisions.

Mortgage loans are secured by residential and commercial properties whereas loans to small and medium enterprises and other loans are secured by various forms of collateral, including charges over tangible assets, hire purchase agreements, certificates of deposit, assignment of funds and personal guarantees.

j) Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

j) Impairment of financial assets *(continued)*

A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

i) Significant financial difficulty of the issuer or obligor.

ii) A breach of contract, such as default or delinquency in interest or principal payments.

iii) It becoming probable that the borrower will enter in bankruptcy or other financial reorganisation.

iv) The disappearance of an active market for that financial asset because of financial difficulties.

v) Observable data indicating that there is a measurable decrease in the estimated cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including adverse changes in the payment status of borrowers in the group or national or economic conditions that correlate with defaults on assets in the group.

vi) For investments in equity instruments, information about significant changes with an adverse effect, that have taken place in the technological, market, economic or legal environment in which the issuer operates which indicates that the cost of the investment may not be recovered, as well as a significant and prolonged decline in fair value of an investment in an equity instrument below its cost.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Impairment losses are recorded in an allowance account and are measured and recognised as follows:

i) Financial assets measured at amortised cost

The difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improvement in the debtor's credit rating), the previously recognised loss is reversed to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised at the date that the impairment is reversed. The amount of the reversal is recognised in profit or loss.

ii) Financial assets measured at cost

The difference between the assets' carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the current market's rate of return for similar financial assets is recognised in profit or loss. These losses are not reversed.

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

j) Impairment of financial assets *(continued)*

iii) Available for sale financial assets

The cumulative loss recognised in other comprehensive income, (representing the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss), is reclassified from equity to profit or loss as a reclassification adjustment even though the financial assets have not been derecognised. These losses are not reversed.

k) Investment properties

Investment properties comprise land and buildings held to earn rentals and/or for capital appreciation rather than occupied by the Group for use in the supply of goods and services or for administrative purposes. Land and buildings that comprise a portion held to earn rentals and/or for capital appreciation and another portion that is occupied by the Group for administrative purposes are classified as investment properties only if an insignificant portion is held for administrative purposes. Otherwise, it is classified under property, plant and equipment.

An investment property is recognised as an asset only if it is probable that the future economic benefits that are associated with the investment property will flow to the Group and its cost can be measured reliably.

Investment properties are measured initially at cost including transaction costs. Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction.

After initial recognition investment properties are measured at fair values. Fair values are based on independent professional open market valuations that are conducted at least once every three years. The last valuations were done in 2015. Gains and losses arising from changes in fair values are included in profit or loss in the period in which they arise.

Transfers to or from investment properties are only made when there is a change in use.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss arising from the retirement or disposal is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss in the period of retirement or disposal.

l) Property, plant and equipment

i) Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset only if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably.

Cost includes the purchase price and any expenditure directly attributable to the acquisition of the item. Expenditures incurred for repairs and maintenance are recognised in profit or loss as incurred.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of the item is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in profit or loss when the item is derecognised.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

l) Property, plant and equipment *(continued)*

ii) Owner occupied properties comprise land and buildings used by the Group for the supply of goods and services or for administrative purposes and are stated at fair values less accumulated depreciation and accumulated impairment losses.

Fair values are based on independent professional open market valuations that are conducted at least once every three to five years. The last valuations were done from 2015 to 2016. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the property and the net amount is restated to the revalued amount.

Increases in carrying amounts arising from revaluations are recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus in capital reserve. Decreases in carrying amounts arising from revaluations are recognized in other comprehensive income to the extent of any credit balance existing in revaluation surplus in respect of that asset. All other decreases are recognised in profit or loss. Revaluation surpluses are transferred directly to retained earnings upon derecognition of the respective assets.

iii) Plant and equipment are stated at historical cost less accumulated depreciation.

iv) Property, plant and equipment are depreciated over their estimated useful lives using the straight line method at the following rates:

Buildings	2% per annum
Furniture/equipment	8.33-25% per annum
Motor vehicles	25% per annum
Equipment on lease	10-50% per annum

Land is not depreciated.

The depreciation method, useful lives and residual values of property, plant and equipment are reviewed annually. During the current year no changes were required.

m) Financial liabilities

When financial liabilities are recognised initially, they are measured at fair value of the consideration given net of transaction costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in profit or loss.

Financial liabilities comprise accounts payable, bank overdrafts, customer deposits, other funding instruments and long term borrowings.

n) Provisions

Provisions are recognised when there is a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

n) Provisions *(continued)*

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

o) Insurance contracts

i) Insurance contracts are those contracts under which the Group accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if an uncertain future event (insured event) adversely affects the policyholder.

Insurance risk is risk other than financial risk transferred from the policyholder to the Group. Investment contracts transfer financial risk but not insurance risk. Financial risk is the risk of a possible future change in either a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Insurance risk is significant if and only if an insured event could cause the payment of significant additional benefits in any scenario, excluding scenarios that lack commercial substance.

Uncertainty under insurance contracts arises as to whether an insured event will occur, when it will occur or how much will be payable if it occurs.

Significant additional benefits are amounts that exceed those that would be payable if no insured event occurred.

ii) Once a contract has been classified as an insurance contract it remains an insurance contract until all rights and obligations are extinguished or expire.

The liability under an insurance contract is removed from the consolidated statement of financial position when and only when, it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires.

iii) Reinsurance contracts are those contracts entered into with reinsurers under which the Group is compensated for losses under one or more insurance contracts issued.

p) Long term insurance contracts

i) Long term insurance contracts insure human life events (for example death, survival, permanent disability) over a long duration and include life assurance, annuity, and deposit administration contracts. These contracts are classified as those with discretionary participation features and those without discretionary participation features. For insurance contracts with discretionary participation features, the guaranteed element has not been recognized separately.

Discretionary participation features are contractual rights to receive, as a supplement to guaranteed benefits, additional benefits that are likely to be a significant portion of the total contractual benefits, whose amount or timing is contractually at the discretion of the issuer, and that are contractually based on the performance of a specified pool of contracts or a specified type of contract, realised or unrealised investment returns on a specified pool of assets by the issuer, or the surplus of the Group.

Guaranteed benefits are payments or other benefits to which a particular policyholder has an unconditional right that is not at the discretion of the Group.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

p) Long term insurance contracts *(continued)*

ii) The liabilities arising from long term insurance contracts include provisions for future policy benefits and provisions for outstanding claims.

iii) Long term insurance contracts are valued using the Premium Policy Method ("PPM") for traditional insurances and fund value for insurance contracts with fund accumulations.

The PPM requires the calculation of the policy liabilities, on a policy by policy basis, using the full amount of the policy premium stipulated in the related insurance policies (the actual premiums), and the policy payments (without arbitrary limitation on expenses) such that the net present value of these elements, after providing for adverse deviations, form the policy benefit liabilities.

The PPM requires the calculation of the present value of future claims and expenses less premiums, based on realistic assumptions with respect to future investment earnings, expenses, mortality, morbidity and lapses together with reasonable provisions for margins. In deriving the liabilities, the PPM takes into consideration assumptions about the future impact of mortality, lapse rates, administration expenses and interest rates, among other factors, for each policy type.

The valuation by the Appointed Actuary at December 31, 2016 revealed a surplus before tax amounting to $56,700,000 (2015: $25,971,000), of which $56,246,000 (2015: $25,593,000) is allocated to shareholders and $454,000 (2015: $378,000) is allocated to "participating" policyholders.

iv) Provisions for outstanding claims comprise the estimated cost of all claims and claims expenses incurred but not settled at the year-end date. Provisions are also made for claims and claims expenses incurred in 2016 but not reported until after the year-end date. Differences between the provisions for outstanding claims and claims expenses and subsequent settlements and revisions are included in profit or loss in later years.

q) Short term insurance contracts

i) Short term insurance contracts generally run for a period of twelve months and are subject to review and renewal at the end of that period. These contracts include property, motor, liability, marine, pecuniary loss and personal accident insurance contracts.

ii) The liabilities arising from short term insurance contracts include provisions for unearned premiums, unexpired risks and outstanding claims.

iii) Provisions for unearned premiums

Provisions for unearned premiums represent the proportions of the premiums written in the year which relate to periods of insurance subsequent to the reporting date and are computed on the daily pro-rata fractional basis - the "365ths" method, except for mortgage indemnity, contractors all risk, erection all risk and performance bond business (some of which carry a policy period in excess of twelve months). The unearned premiums on these policies are pro-rated over the periods of the guarantees/policies.

iv) Provisions for unexpired risks

Provisions for unexpired risks represent amounts set aside at the year-end, in addition to unearned premiums, in respect of the subsequent risks to be borne by the Group under insurance contracts in force at the year-end and are computed as a percentage of unearned premiums.

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

q) Short term insurance contracts *(continued)*

v) Provisions for outstanding claims

Provisions for outstanding claims comprise the estimated cost of all claims and claims expenses incurred but not settled at the year-end date. Provisions are also made for claims and claims expenses incurred in 2016 but not reported until after the year-end date. Differences between the provisions for outstanding claims and claims expenses and subsequent settlements and revisions are included in profit or loss in later years.

vi) Catastrophe reserves

Amounts set aside for catastrophe reserves are included in equity.

r) Liability adequacy test

The Group assesses at each reporting date whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in profit or loss and the amount of the relevant insurance contract liabilities is increased.

The Liability Adequacy Test required by IFRS 4 has been performed in respect of Insurance Contracts in-force as at December 31, 2016. The results of the sensitivity testing, within the liability adequacy test, are shown in Note 32(a)(ii).

s) Impairment of reinsurance assets

If a reinsurance asset is impaired the carrying amount is reduced accordingly and the impairment loss is recognised in profit or loss.

A reinsurance asset is impaired if, and only if, there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Group may not receive all amounts due to it under the terms of the contract and that event has a reliably measurable impact on the amount that the Group will receive from the reinsurer.

t) Revenue recognition

i) Premiums from insurance contracts are shown on a receivable basis.

Premiums on life and annuity policies that became due within the last thirty days but not collected at the reporting date are shown as outstanding premiums. Premiums that are not collected within thirty days of the due date are advanced as automatic premium loans on the security of the cash surrender values of the respective policies, or the policies lapse or expire.

Premiums due on short term insurance policies are accounted for upon issuance or renewal of the respective policies and include amounts due from brokers and agents. These premiums are recognised as revenue on a pro-rata basis over the period of coverage of the respective policy.

Premiums received in advance of the due date are credited to premium suspense.

ii) Investment and other income derived from long term insurance business is allocated to policyholders, whilst that derived from short term insurance and other operations is allocated to shareholders.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

t) Revenue recognition *(continued)*

iii) Interest income is accounted for using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period to the carrying amount of the financial instrument.

Accrual of interest income ceases when a payment on a loan is contractually ninety days in arrears and will only be recognised on a cash basis when the loan status is determined to be current.

iv) Dividends are accounted for when the shareholders' right to receive the dividends is established.

v) Commissions receivable are recognized upon the billing of the respective premiums.

vi) Rentals under operating leases are recognised on a straight line basis over the lease term.

Leases which do not transfer substantially all the risks and rewards incidental to ownership are classified as operating leases. Assets leased under operating leases include land and buildings classified as investment properties and owner occupied properties, as well as motor vehicles and other equipment categorised as equipment on lease and included in property, plant and equipment. The lease terms range from three to five years.

vii) Revenue from the sale of goods is recognised upon delivery and stated net of discounts and value added tax.

viii) Miscellaneous income comprises fees and other sundry income.

u) Policyholders' benefits

i) Death claims, disability claims and surrenders are recognised upon notification.

ii) Maturities and annuities are accounted for when due.

iii) Claims arising from short term insurance contracts are recorded as an expense when they are incurred and are stated net of recoveries from subrogations and salvages. Subrogations are accounted for when received, whereas salvages are accounted for when the damaged properties (usually motor vehicle wrecks) are sold.

v) Reinsurance premiums and recoveries

i) Reinsurance premiums on long term insurance contracts are expensed when due, which generally coincides with when the policy premium is due. Reinsurance claim recoveries are established at the time of the recording of the claim notification.

ii) Premiums ceded on short term insurance contracts are expensed on a pro-rata basis over the term on the respective policy coverage or of the respective reinsurance contract as appropriate. Reinsurance claim recoveries are established at the time of the recording of the claim liability.

iii) Profit sharing commissions due to the Group are only recognised as commission income when there is reasonable certainty of collectability.

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

w) Other direct costs

i) Commissions payable are recognised on settlement of the respective premiums.

ii) Other costs include underwriting expenses and other direct expenses related to the retail operations.

x) Expenses of management

i) Employee benefits

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by the employees and include both short term and post-employment benefits.

Short term benefits comprise wages and salaries, bonuses, national insurance contributions, paid annual vacation and sick leave and other non-monetary benefits including group health and group life coverage. They are recognised as a liability, net of payments made and charged as expenses to profit or loss.

The expected cost of accumulating compensated absences for vacation and sick leave not yet taken is measured as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

ii) Post-employment benefits

The Group has three pension plans.

All full time employees of Maritime Life (Caribbean) Limited and its wholly owned subsidiaries participate in a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution into a fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and future periods. The Group's contribution to this plan is charged to profit or loss as incurred.

The subsidiary, Development Finance Limited, operates a defined contribution plan which cover employees employed since 2015 and a defined benefit plan for its other employees. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The assets of the plan are held in a separate trustee-administered fund. The pension plan is funded by contributions from the subsidiary and the employees taking account the recommendations of independent qualified actuaries. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Company determines the net interest expense (income)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

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

x) Expenses of management *(continued)*

ii) Post-employment benefits *(continued)*

on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in employee benefits in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to, or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii) Other administrative expenses

Other administrative expenses include office, technology, real estate, legal and professional fees, advertising and sales promotions, and miscellaneous expenses.

y) Foreign currencies

Foreign currency transactions during the year are translated into Trinidad and Tobago dollars at the exchange rates ruling at the date of the transactions. Assets and liabilities in foreign currencies at the reporting date are expressed in Trinidad and Tobago dollars at the exchange rates ruling at that date profits and losses arising on monetary assets and liabilities are accounted for in profit or loss whereas those arising on non-monetary assets and liabilities are accounted for in other comprehensive income.

z) Taxation

i) Deferred taxation is provided using the liability method for all temporary differences between the carrying amounts and tax bases of assets and liabilities using current corporation tax rates. The principal temporary differences arise from tax losses carried forward, depreciation of property, plant and equipment, unrealised gain/losses, and amounts credited directly to equity. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

ii) Corporation tax is charged annually at 15% of investment and other income relating to long term insurance funds (other than approved pension plans) less investment expenses allowable in relation thereto. A further 10% corporation tax is chargeable on net surpluses arising from the annual actuarial valuations, when these are transferred to shareholders.

iii) The profits of Development Finance Limited and Caribbean Microfinance Trinidad and Tobago Limited are exempt from taxation under the Corporation Tax Act, Chapter 75.02 as amended, but the companies are required to pay Green Fund Levy.

iv) Corporation tax is charged annually at 25% in respect of surpluses from short term insurance and other operations.

aa) Administered funds

The assets and liabilities under administration by the Group have not been included in these financial statements. Gross assets under administration amounted to $8,538,000 at December 31, 2016 (2015: $8,424,000).

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

3. Critical Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

a) The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the Group's accounting policies.

These are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are reviewed on an ongoing basis. Actual results could differ from those estimates.

Changes in accounting estimates are recognised in profit or loss in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

b) Critical judgements

The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

i) Whether investments are classified as financial assets at fair value through profit or loss, available for sale financial assets, held to maturity investments or loans and receivables.

ii) Whether land and buildings are classified as land development, investment properties or owner-occupied properties.

iii) Whether leases are classified as operating leases or finance leases.

iv) Which depreciation method for property, plant and equipment is used.

v) Which cost formula is used for the valuation of inventories.

vi) Whether policy contracts issued are classified as insurance contracts or investment contracts.

vii) The methods used for the valuation of liabilities arising under insurance contracts.

viii) When insurance premiums are recognised in profit or loss.

c) Key assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) Fair values

The fair values of financial assets are based on quoted market prices for specific or similar instruments.

The fair values of land and buildings are based on independent professional open market valuations.

ii) Impairment of assets

Management assesses at each reporting date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over the recoverable amount.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

3. Critical Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty *(Continued)*

c) Key assumptions *(continued)*

iii) Deferred tax assets

Management uses judgement in determining whether it is probable that future taxable profits will be available against which unused tax losses can be utilised before deferred tax assets arising therefrom are recognised.

iv) Property, plant and equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised, and the useful lives and residual values of these assets.

v) Long term insurance contracts liabilities

Management and the Appointed Actuary determine, at the inception of the contract, assumptions regarding mortality, morbidity, lapses, surrenders, return on investments, and the level of expenses that have a material effect on the valuation of insurance liabilities. These assumptions are based on past experience as well as prevailing and expected future conditions. They are reviewed annually and are changed as current and future expected circumstances change.

vi) Short-term insurance contracts liabilities

Management estimates the cost of claims incurred but not settled at the year-end date and claims incurred but not reported until after the year-end date, based on input from adjustors and past claims development experience. Estimates are also made for unexpired risks, calculated as a percentage of unearned premiums. The estimates are reviewed for adequacy on an ongoing basis and the provisions are adjusted accordingly.

4. Current Assets

	2016 $'000	2015 $'000
Cash and bank balances	157,213	147,953
Short term investments	363,815	378,493
Central Bank reserve account	12,915	10,008
Accounts receivable and prepayments	44,282	34,329
Outstanding premiums	13,897	11,564
Reinsurance assets	132,258	129,806
Inventories	3,009	3,376
Land development	84,937	84,937
Taxation recoverable	2,099	1,843
Retirement benefit asset	25,885	26,014
	840,310	**828,323**

a) Short term investments - Concentration:

	2016 $'000	2015 $'000
Deposits with licensed banks and financial institutions	157,814	181,085
Treasury bills	206,001	197,408
	363,815	**378,493**

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

4. Current Assets *(Continued)*

b) Central Bank reserve account

The Financial Institutions Act 2008, requires that every financial institution hold and maintain an account with the Central Bank of Trinidad and Tobago to be called a reserve account which at present, is to be equivalent to 9% of the total liabilities to depositors. This account is non-interest bearing.

c) Accounts receivable

	2016 $'000	2015 $'000
i) Balances outstanding:		
Accrued investment income	16,529	12,395
Brokers and agents balances	9,382	6,891
Other receivables	43,208	40,235
	69,119	59,521
Less: impairment provision	(24,837)	(25,192)
	44,282	**34,329**
ii) Impairment provision:		
Balance brought forward	25,192	23,989
Provision for the year	(652)	392
Write offs for the year	297	811
	24,837	**25,192**
iii) Brokers and agents balances:		
Aged analysis		
Up to 30 days	3,702	3,080
31 to 45 days	1,042	1,583
Over 45 days	4,638	2,228
	9,382	**6,891**

d) Reinsurance assets

	2016 $'000	2015 $'000
i) Amounts due from reinsurers	884	901
Other amounts		
Long term insurance contracts	69,077	65,788
Reinsurers share of:		
Outstanding claims	37,670	36,529
Claims incurred but not reported	5,993	6,007
Unearned premiums	17,334	19,145
Unexpired risks	1,300	1,436
	131,374	128,905
Total	**132,258**	**129,806**

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

4. Current Assets *(Continued)*

d) Reinsurance assets *(continued)*

	2016 $'000	2015 $'000
ii) Reconciliation		
Amounts due from reinsurers		
Balance brought forward	901	970
Recoverable for the year	16,792	14,001
Payments received during the year	(16,809)	(14,070)
Other amounts	884	901
Balance brought forward	128,905	84,593
Increases/(decreases) in:		
Long term insurance contracts	3,289	23,277
Outstanding claims	1,141	17,208
Claims incurred but not reported	(14)	3,133
Unearned premiums	(1,811)	645
Unexpired risks	(136)	49
	131,374	128,905
Total	**132,258**	**129,806**

e) Retirement Benefit Asset

The subsidiary, Development Finance Limited, contributes to a defined benefit pension plan (the Plan), which entitles a retired employee to receive an annual pension payment. The Plan is funded by the subsidiary and certain employees, the assets of the Plan being managed separately by the Trustee. The funding requirements are based on the pension fund's actuarial measurement performed by an independent qualified actuary.

The Plan exposes the subsidiary to actuarial risks such as longevity risk, currency risk, interest rate risk and market risk.

The subsidiary is not expected to contribute to the Plan in 2017.

	2016 $'000	2015 $'000
The amounts recognised in the statement of financial position are as follows:		
Present value of obligation	(28,904)	(28,470)
Fair value of plan assets	54,789	54,484
Asset in the statement of financial position	**25,885**	**26,014**

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

4. Current Assets *(Continued)*

e) Retirement Benefit Asset *(continued)*

	2016 $'000	2015 $'000
i) Movement of amounts recognised in the statement of financial position:		
Asset recognised in the statement of financial position January 1	26,014	28,571
Income recognised in profit or loss	679	1,041
Actuarial loss recognised in other comprehensive income	(808)	(3,598)
Asset in the statement of financial position	**25,885**	**26,014**
ii) Changes in the fair value of Plan assets		
Opening fair value of plan assets	54,484	56,695
Expected return on plan assets	2,678	2,798
Benefits paid	(1,856)	(1,474)
Actuarial loss on plan assets	(517)	(3,535)
Closing fair value of plan assets	**54,789**	**54,484**
iii) Changes in the present value of the the obligation		
Opening present value of obligation	28,470	28,124
Current service cost	395	378
Interest cost	1,392	1,379
Benefits paid and expenses	(1,644)	(1,474)
Actuarial loss	291	63
Closing fair value of obligation	**28,904**	**28,470**
iv) The amounts recognised in the Statement of Income are as follows:		
Current service cost	395	378
Interest cost	1,392	1,379
Expected return on assets	(2,678)	(2,798)
Curtailment gain	212	–
Total included in employee benefits (Note 25)	**(679)**	**(1,041)**
Expected return on plan assets	2,678	2,798
Actuarial loss on plan assets	(517)	(3,535)
Actual return on plan assets	**2,161**	**(737)**

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

4. Current Assets *(Continued)*

e) Retirement Benefit Asset *(continued)*

v) Actuarial loss recognised in Other Comprehensive Income

	2016 $'000	2015 $'000
Fair value of plan assets	(517)	(3,535)
Present value of obligation	(291)	(63)
	(808)	**(3,598)**

vi) The principal actuarial assumptions used were:

There are no asset/liability matching strategies used by the Plan.

	2016	2015
Discount rate	5.00%	5.00%
Future salary increases	5.00%	5.00%
Expected return on plan assets	3.00%	3.00%

vii) Post retirement mortality:

Group annuitants mortality table 1994		
Pre-retirement mortality, withdrawal from service	Nil	Nil
Future pension increases	Nil	Nil
Proportion of employees opting for early retirement	Nil	Nil

The overall expected rate of return is the weighted average of the expected returns of the expected various categories of plan assets held.

viii) Asset Allocation

The major categories of the plan assets are:

	2016	2015
Local equities	34%	37%
Government securities	27%	27%
Mutual Funds	2%	4%
Other	37%	32%

All equities have quoted prices in active markets. The fair value of Government and other securities are calculated by discounting expected future proceeds using a constructed yield curve.

ix) Sensitivity of present value of defined benefit obligation:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	1% increase ($'000)	1% decrease ($'000)
Discount rate	(3,601)	4,526
Salary growth	470	(402)

The weighted average duration of the obligation is 16 years.

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

4. Current Assets *(Continued)*

e) Retirement Benefit Asset *(continued)*

x) Experience history

Amounts for the current period are as follows:

	2016 $'000	2015 $'000	2014 $'000	2013 $'000	2012 $'000
Defined benefit obligation	(28,904)	(28,470)	(28,124)	(29,090)	(29,343)
Plan assets	54,789	54,484	56,695	56,161	51,560
Surplus	**25,885**	**26,014**	**28,571**	**27,071**	**22,217**
Experience adjustments on plan liabilities gain/(loss)	291	63	(946)	(1,039)	(2,452)
Remeasurement gain	–	–	–	–	5,521
Experience adjustments on plan liabilities gain/(loss)	**291**	**63**	**(946)**	**(1,039)**	**3,069**
Experience adjustments on plan assets (loss)/gain	**(517)**	**(3,535)**	**750**	**3,559**	**4,421**

5. Deferred Taxation

	2016 $'000	2015 $'000
Deferred tax assets	712	618
Deferred tax liabilities	(24,156)	(24,058)
Net deferred tax liabilities	**(23,444)**	**(23,440)**

a) Movements for the year

	2016 $'000	2015 $'000
Balance brought forward	(23,440)	(23,682)
Provision for the year	(4)	242
	(23,444)	**(23,440)**

6. Investment in Associates

Shares at cost	–	–

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

7. Financial Assets

	2016 $'000	2015 $'000
Investment securities		
Financial assets at fair value through profit or loss	149,171	156,326
Available for sale financial assets	58,022	19,450
Held to maturity investments	1,126,842	738,553
	1,334,035	914,329
Loans and receivables		
Policy and automatic premium loans	56,777	51,836
Mortgages and other loans	428,575	419,040
	485,352	470,876
Total	**1,819,387**	**1,385,205**

a) Fair values

i) By financial asset classification

	2016 $'000	2015 $'000
Financial assets at fair value through profit or loss	149,171	156,326
Available for sale financial assets	58,022	19,450
Held to maturity investments	1,152,490	773,748
Loans and receivables	481,172	498,992
	1,840,855	**1,448,516**

ii) By level of hierarchy

	2016 $'000	2015 $'000
Level 1	514,173	456,698
Level 2	810,493	473,853
Level 3	516,189	517,965
	1,840,855	**1,448,516**

b) Investment securities – Concentration

	2016 $'000	2015 $'000
Government/government guaranteed bonds	723,215	438,697
State enterprises	50,720	12,386
Financial institutions bonds	334,409	283,308
Other corporate bonds	116,845	75,750
	1,225,189	810,141
Quoted equities	108,746	104,088
Unquoted equities	100	100
	108,846	104,188
Total	**1,334,035**	**914,329**

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

7. Financial Assets *(Continued)*

		2016 $'000	2015 $'000
c)	**Sinking fund investments included in Investment Securities (Note 11(c))**	**126,348**	**119,150**
d)	**Investment securities – Unquoted equities**		
i)	At cost	14,258	14,258
	Less: impairment provision	14,158	14,158
		100	**100**
ii)	**Impairment provision**		
	Balance brought forward	14,158	14,158
	Provision for the year	–	–
		14,158	**14,158**
e)	**Policy and automatic premium loans**		
	Policy loans	29,000	25,082
	Automatic premium loans	26,110	25,253
	Accrued interest	1,667	1,501
		56,777	**51,836**
f)	**Mortgages and other loans**		
i)	Mortgage loans	198,401	201,789
	Loans to small and medium-sized enterprises	98,245	85,057
	Other loans	137,300	138,718
		433,946	425,564
	Less: impairment provision	(5,371)	(6,524)
		428,575	**419,040**
ii)	**Impairment provision:**		
	Balance brought forward	6,524	6,618
	Provision for the year	(1,153)	988
	Write offs and adjustments	–	(1,082)
		5,371	**6,524**

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

7. Financial Assets *(Continued)*

f) Mortgages and other loans *(continued)*

iii) Concentration - sectoral analysis:

	2016 $'000	2015 $'000
Consumer	130,066	131,504
Commercial and industrial	259,926	253,474
Tourism	20,972	26,883
Other	17,611	7,179
	428,575	**419,040**

iv) Credit quality:

	2016 $'000	2015 $'000
Individually impaired	900	23,380
Past due but not impaired	60,841	37,932
Neither past due nor impaired	366,834	357,728
	428,575	**419,040**

8. Investment Properties

	2016 $'000	2015 $'000
At beginning of the year	114,431	103,850
Additions	45,836	–
Fair value gains	100	10,581
	160,367	**114,431**
a) Rental income	**6,603**	**4,656**
b) Direct operating expenses	**2,172**	**639**

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

9. Property, Plant and Equipment

	Properties $'000	Furniture/ Equipment $'000	Motor Vehicles $'000	Equipment on lease $'000	Total $'000
December 31, 2016					
Cost/Valuation					
At beginning of year	194,742	92,254	9,129	22,995	319,120
Additions	388	7,494	–	2,234	10,116
Revaluation	5,158	–	–	–	5,158
Disposals	–	–	(672)	(257)	(929)
	200,288	99,748	8,457	24,972	333,465
Accumulated depreciation					
At beginning of year	1,536	84,560	5,749	14,735	106,580
Charge for the year	2,712	2,635	1,452	3,073	9,872
Revaluation	(634)	–	–	–	(634)
Disposals	–	–	(672)	(257)	(929)
	3,614	87,195	6,529	17,551	114,889
Net book value					
At December 31, 2016	**196,674**	**12,553**	**1,928**	**7,421**	**218,576**
December 31, 2015					
Cost/Valuation					
At beginning of year	199,885	89,896	9,003	23,954	322,738
Additions	12,960	3,176	1,528	3,270	20,934
Revaluation	9,479	–	–	–	9,479
Disposals	(27,582)	(818)	(1,402)	(4,229)	(34,031)
	194,742	92,254	9,129	22,995	319,120
Accumulated depreciation					
At beginning of year	6,312	81,580	5,769	14,910	108,571
Charge for the year	2,743	2,980	1,382	3,620	10,725
Revaluation	(6,531)	–	–	–	(6,531)
Disposals	(988)	–	(1,402)	(3,795)	(6,185)
	1,536	84,560	5,749	14,735	106,580
Net book value					
At December 31, 2015	**193,206**	**7,694**	**3,380**	**8,260**	**212,540**

	2016 $'000	2015 $'000
a) Written down value of properties		
Written down value of the properties based on cost	**103,307**	**104,890**
b) Revaluation surplus		
Balance brought forward	102,928	104,948
Revaluation surplus for the year	5,834	16,171
Revaluation surplus on disposals	–	(18,191)
	108,762	**102,928**

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

10. Current Liabilities

	2016 $'000	2015 $'000
Short term borrowings	7,500	10,000
Customers' deposits	152,657	86,692
Other funding instruments	42	42
Third party interests in mutual funds	789	–
Premium suspense	24,961	22,812
Accounts payable, accruals and other liabilities	72,930	58,421
Provision for employees benefits	6,246	6,151
Reinsurance liabilities	19,885	12,221
Taxation payable	5,401	1,988
	290,411	**198,327**

a) Bank overdraft

The Group has an overdraft facility for $6,000,000 at Scotiabank Trinidad and Tobago Limited, which is unsecured and bears interest at 8.50% (2015: 8.50%) per annum.

b) Short term borrowings, customers' deposits and other funding instruments - Concentration

	2016	2015
Corporate and commercial	51,418	40,667
Other financial institutions	15,007	12,500
Personal	93,774	43,567
	160,199	**96,734**

c) Other funding instruments

Other funding instruments are secured by specific assets including Trinidad and Tobago Government Securities.

d) Reinsurance liabilities

	2016	2015
Balance brought forward	12,221	12,900
Reinsurance premiums for the year	70,377	70,257
Payments made during the year	(62,713)	(70,936)
Balance carried forward	**19,885**	**12,221**

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

11. Long Term Borrowings

	Interest Rate %	2016 $'000	2015 $'000
TT$ Floating rate bonds	2.44-6.00	161,000	161,000
Euro Fixed rate loan	3.00	3,622	5,507
US$ Fixed rate loan	2.00	4,957	9,374
US$ Floating rate bonds	2.80-6.25	37,704	44,890
		207,283	**220,771**

a) Movements for the year

	2016 $'000	2015 $'000
Balance brought forward	220,771	239,629
Repayments during the year (net)	(13,488)	(18,858)
Balance carried forward	**207,283**	**220,771**

b) The Group's borrowings are mainly long term and are measured at amortised cost. Borrowings covered by various forms of loan agreements. These include Trust Deeds related to bond issues on capital markets and finance contracts with international institutions. The Group has complied with all terms and conditions of all borrowings and all payments have been made as contracted. The finance contracts with international institutions include operational benchmarks related to the purposes of the loan based on projections and assumptions. Changes in market conditions and implementation issues beyond the control of the borrower may delay the achievement of such benchmarks and deadlines.

c) Bond redemption funds

The floating rate bonds are secured by bond redemption funds totalling $126.348 million (2015: $119.150 million) that are invested in local securities issued by the Government of the Republic of Trinidad and Tobago, deposit certificates issued by local commercial banks and other various investments (Note 7(c)). These funds are managed by the various Trustees for the several bond issues and are to be used exclusively for the redemption of specific bonds.

12. Insurance Contracts Liabilities

	2016 $'000	2015 $'000
With discretionary participation features	628,496	589,796
Without discretionary participation features	931,827	637,869
Provisions for outstanding claims	171,009	167,349
Provisions for claims incurred but not reported	28,518	28,235
Provisions for unearned premiums	70,508	77,945
Provisions for unexpired risks	5,288	5,846
	1,835,646	**1,507,040**

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

12. Insurance Contracts Liabilities *(Continued)*

	2016 $'000	2015 $'000
a) Reconciliation of changes for the year		
Balance brought forward	1,507,040	1,386,565
Increase in reserves	323,252	69,262
Increase in policyholder dividends	70	(67)
Increase in claims	2,815	6,968
Increase in reinsurance assets	2,469	44,312
Balance carried forward	**1,835,646**	**1,507,040**
b) Net insurance contracts liabilities		
Insurance contracts liabilities	1,835,646	1,507,040
Less: reinsurance assets (Note 4(d))	(131,374)	(128,905)
	1,704,272	**1,378,135**
Represents		
With discretionary participation features	628,496	589,796
Without discretionary participation features	862,750	572,081
Provisions for outstanding claims	133,338	130,820
Provisions for claims incurred but not reported	22,525	22,228
Provisions for unearned premiums	53,175	58,800
Provisions for unexpired risks	3,988	4,410
	1,704,272	**1,378,135**
c) Concentration by lines of business		
Life assurance funds	477,771	484,969
Annuities	927,077	595,194
Deposit administration contracts	100,987	95,338
Policyholder dividends	6,123	6,053
Property	8,147	7,457
Motor	165,541	168,685
Liability	13,189	14,958
Marine	4,755	4,760
Pecuniary loss	610	645
Personal accident	72	76
	1,704,272	**1,378,135**
d) Provision for outstanding claims		
Balance brought forward	167,349	144,033
Claims incurred for the year	181,685	125,385
Reinsurance assets	1,142	17,208
Payments made during the year	(179,167)	(119,277)
Balance carried forward	**171,009**	**167,349**

Notes to the Consolidated Financial Statements

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12. Insurance Contracts Liabilities *(Continued)*

e) Aged analysis of outstanding claims

	2016 $'000	2015 $'000
Short term insurance		
Up to 2012	48,249	60,001
2013	18,671	20,653
2014	20,716	22,215
2015	26,873	38,306
2016	28,082	–
	142,591	141,175
Long term insurance	28,418	26,174
	171,009	**167,349**

13. Stated Capital

Authorised
An unlimited number of ordinary shares of no par value.

Issued and fully paid
10,871,387 shares of no par value.

14. Capital Reserve

Capital reserve comprises share premium and surpluses on revaluation of owner-occupied properties.

15. Catastrophe Reserve

The Corporation Taxes Act was amended in 1994 by Section 10D such that contributions to the catastrophe reserve fund up to a maximum of 20% of net premium income on property business is allowed as a deduction in computing chargeable income.

16. General Reserve

The general reserve represents appropriations of retained earnings for any possible unforeseen losses on financial assets for which alternative specific provision is not made.

17. Investment Revaluation Reserve

The investment revaluation reserve represents unrealised gains and losses arising from changes in fair value of available for sale financial assets.

18. Foreign Currency Translation Reserve

The foreign currency translation reserve represents gains and losses arising on the translation of non-monetary assets and liabilities of foreign operations.

(Maritime Life (Caribbean) Limited and its subsidiaries)

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For The Year Ended December 31, 2016

19. Statutory Reserves

a) Section 171 of the Insurance Act, 1980 requires that at least 25% of the profit of every company carrying on general insurance business for the current year shall be appropriated towards surplus until such surplus equals or exceeds the reserves in respect of its outstanding unexpired policies.

b) The Financial Institutions Act, 2008 requires every financial institution to transfer no less than 10% of its net profit after deduction of taxes to a reserve fund until the amount standing to the credit of the reserve fund is equal at least to its paid up capital.

20. Non-Controlling Interests

	2016 $'000	2015 $'000
Balance brought forward	84,109	75,578
Share of surplus after taxation	6,477	8,531
	90,586	**84,109**
a) Accumulated balances of material non-controlling interest:		
Development Finance Limited – 50.25%	**90,585**	**84,108**

b) Summarised financial information in respect of Development Finance Limited before intercompany eliminations is as follows:

	2016 $'000	2015 $'000
i) Statement of financial position:		
Total assets	465,474	429,780
Total liabilities	292,362	269,558
	173,112	**160,222**
ii) Statement of income:		
Total income	**36,471**	**23,915**
Net surplus after taxation	13,303	20,150
Other comprehensive income	(413)	(3,173)
Total comprehensive income	**12,890**	**16,977**
iii) Statement of cash flows		
Cash flows from operating activities	(7,288)	6,360
Cash flows from investing activities	1,490	7,647
Cash flows from financing activities	16,906	(4,439)
Net increase in cash and cash equivalents	**11,108**	**9,568**

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21. Investment Income

	2016 $'000	2015 $'000
Interest income	93,508	79,014
Dividends	4,510	3,693
Foreign exchange gains	17,428	4,574
Realised gains/(losses)	514	(351)
Unrealised gains	7,396	21,381
	123,356	**108,311**

a) Interest income

	2016 $'000	2015 $'000
Cash and cash equivalents	3,517	1,371
At fair value through profit or loss	3,936	3,954
Available for sale	1,130	259
Held to maturity	46,084	39,170
Loans and receivables	38,478	34,285
Other	363	(25)
	93,508	**79,014**

b) Gains/(losses)

	2016 $'000	2015 $'000
At fair value through profit or loss	4,906	(4,416)
Available for sale	964	508
Held to maturity	(1,223)	(453)
Loans and receivables	2,206	16,163
Investment properties	100	10,581
Owner-occupied properties	(42)	(984)
Associates	–	23
Subsidiaries	346	–
Other	653	(392)
	7,910	**21,030**

22. Other Income

	2016 $'000	2015 $'000
Commissions	12,843	15,432
Rental income from operating leases	16,977	15,685
Revenue from sale of goods	35,622	35,212
Fee income	2,326	623
Miscellaneous income	9,416	4,379
	77,184	**71,331**

23. Policyholders' Benefits

	2016 $'000	2015 $'000
Claims and surrenders	207,267	144,049
Dividends to participating policyholders	454	378
Provision for future policy benefits	323,252	69,262
	530,973	**213,689**

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

24. Other Direct Costs

	2016 $'000	2015 $'000
Commissions/agents remuneration	48,006	52,005
Policy issue expenses	2,466	2,458
Depreciation on leased assets (net)	3,074	3,620
Cost of sales	28,818	28,626
Other costs	2,087	2,330
	84,451	**89,039**
Pension costs included in other direct costs	**1,449**	**1,552**

25. Expenses of Management

Employee benefits	56,900	53,297
Depreciation (net)	6,613	7,146
Operating lease rentals	806	566
Other administrative expenses	61,018	57,754
	125,337	**118,763**
Pension costs included in employee benefits:		
Defined Contribution Plans	1,711	1,515
Defined Benefit Plan (Note 4(e)(i))	(679)	(1,041)
	1,032	**474**

26. Taxation

a) Tax charge for the year

Current year	16,358	11,949
Deferred taxation	4	(242)
	16,362	**11,707**
Insurance revenue statement	3,154	2,687
Shareholders	13,208	9,020
	16,362	**11,707**

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

26. Taxation *(Continued)*

b) Reconciliation

Income taxes in the statements of income vary from amounts that would be computed by applying the statutory tax rates for the following reasons:

	2016 $'000	2015 $'000
Surplus before taxation	**103,808**	**71,935**
Tax at applicable statutory rates	25,952	17,984
Effect of different tax rates of life insurance companies	(316)	(269)
Items not subject to tax	(11,018)	(6,310)
Temporary differences	563	147
Tax losses	(320)	(412)
Other	281	202
	15,142	11,342
Business Levy	274	16
Green Fund Levy	946	349
	16,362	**11,707**

c) Tax losses

Tax losses in subsidiaries available for set off against future chargeable profits of those companies.	**9,735**	**10,746**

27. Cash and Cash Equivalents

Cash and bank balances	157,213	147,953
Short term investments	363,815	378,493
	521,028	**526,446**

28. Capital Commitments

Loans	**17,542**	**9,637**

29. Operating Leases

Future rental income due on non-cancellable operating leases

Up to one year	14,541	11,592
Two to three years	9,125	11,945
	23,666	**23,537**

(Maritime Life (Caribbean) Limited and its subsidiaries)

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30. Assets Pledged – Statutory Deposit, Statutory Fund and Catastrophe Reserve Fund

Fair value of assets deposited with and/or pledged to the order of the Inspector of Financial Institutions under the provisions of the Insurance Act, 1980

	2016 $'000	2015 $'000
Short term investments	155,900	150,669
Investment in subsidiaries	84,808	77,477
Financial assets	1,297,362	960,381
Investment properties	96,155	96,155
Owner occupied properties	175,400	171,100
	1,809,625	**1,455,782**

31. Related Party Transactions

Related party transactions are transfer of resources, services or obligations between the Group and a related party, regardless of whether a price is charged.

Related parties include: persons, or a close member of that person's family, who has control, joint control, or significant influence over the Group, including members of the key management personnel; all subsidiaries (Note 38); all associates (Note 6) and joint venture partners; and the Group's post employment benefit plans for the employees of the Group.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms and conditions at market rates.

Balances and transactions with related parties during the year were as follows:

	2016 $'000	2015 $'000
a) Associates		
Investments in stated capital	–	–
Impairment loss	–	–
Share of loss for the year	–	–
Share of other comprehensive income	–	–
Gain on disposal	–	23

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

31. Related Party Transactions *(Continued)*

	2016 $'000	2015 $'000
b) Post employment benefit plans		
i) Defined contribution plan		
Deposit administration contract	74,453	70,481
Pension fund contributions	2,023	1,963
Purchase of annuities	1,462	335
ii) Defined benefit plan		
Retirement benefit asset	25,885	26,014
Actuarial loss	(808)	(3,598)
Income	679	1,041
c) Key management personnel		
Loans - secured	3,695	3,091
Customer deposits	642	867
Interest income	232	224
Interest expense	19	14
d) Key management compensation		
Short term benefits	10,155	10,440
Post employment benefits	192	189
Other long term benefits	–	–
Termination benefits	–	–
	10,347	**10,629**

32. Insurance Contracts – Assumptions, Changes in Assumptions and Sensitivity

a) Long term insurance contracts

i) The actuarial liabilities for long term insurance contracts are determined in accordance with the provisions of the Insurance Act, 1980 and following generally accepted actuarial practice in the Republic of Trinidad and Tobago. The Insurance Act requires that the actuary place a "proper" value on the liabilities. These liabilities are determined using the PPM (Note 2 (p) (iii)) which incorporates best-estimate assumptions for mortality, morbidity, policy lapses, surrenders, future investment yields, policy dividends, expenses and margins for adverse deviation. These assumptions are reviewed annually and when necessary are updated to reflect actual experience and market conditions.

The most significant impact on the valuation of this liability results from a change in the assumption for future investment yields. Future investment yields may be sensitive to variations in reinvestment interest rates, which may affect the valuation of policy benefit liabilities.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

32. Insurance Contracts – Assumptions, Changes in Assumptions and Sensitivity *(Continued)*

a) Long term insurance contracts *(continued)*

i) *(continued)*

Total policy liabilities increased from $1,060 million to $1,384 million as a result of the following:

- The normal increase for in-force and new business was an increase of $95.290 million.
- The impact on liabilities from the change in investment return assumption primarily due to a higher reinvestment rate environment experienced in 2016 was a release of $69.753 million. There has been no change in the ultimate reinvestment rate ("URR").
- Amounts are included in actuarial liabilities to provide for the costs of administering in-force policies, including the costs of premium collection, adjudication and processing of claims, periodic actuarial calculations, preparation and mailing of policy statements, and related indirect expenses and overhead. Policy maintenance expenses are derived from the Group's internal cost analyses, which are reviewed and updated annually and then projected into the future with an allowance for inflation. The impact on liabilities was a release of $7.484 million.
- Model refinements and adjustments for reinsurance and mortality resulted in an increase of $5.932 million.
- Additionally, during 2016, Maritime Life (Caribbean) Limited was invited by the Trustees Republic Bank Limited to bid on the Mittal Steel Point Lisas Limited Employees' Pension Fund Plan. Four hundred and ninety six (496) Single Premium Deferred Annuities were purchased which resulted in a year ending liability increase of $299.665 million.

ii) Sensitivity

The liability adequacy tests were performed using the PPM and current best estimate assumptions. The sensitivity of the liability adequacy test carried out was as follows:

Scenario	Change in Variable	% Change in Minimum reserve based on Liability Adequacy test
Increase in interest and expense inflation	+1%	-6.65%
Decrease in interest and expense inflation	-1%	+8.44%
Increase in mortality (life insurance) Decrease in mortality (annuities)	+10%	+0.95%
Decrease in mortality (life insurance) Increase in mortality (annuities)	-10%	-0.87%
Increase in lapses	+10%	-0.39%
Decrease in lapses	-10%	+0.51%
Increase in expenses	+20%	+2.62%
Decrease in expenses	-20%	-2.47%
Increase in critical illness incidence	+10%	+1.62%
Decrease in critical illness incidence	-10%	-1.41

(Maritime Life (Caribbean) Limited and its subsidiaries)

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For The Year Ended December 31, 2016

32. Insurance Contracts – Assumptions, Changes in Assumptions and Sensitivity *(Continued)*

b) Short term insurance contracts

i) The most significant liability arising from short term insurance contracts is the provisions for outstanding claims. These provisions are determined using input from loss adjustors and past experience. To this is added provisions made for claims and claims expenses incurred but not reported until after the year-end date. These provisions cannot be determined with certainty because of the substantial delay between the occurrences, reporting and final settlement of the claims. They are reviewed and amended on an ongoing basis as new information becomes available, claims are settled and new claims reported.

Experience and industry information is used to assess the impact of external factors such as legislative changes, judicial decisions and technological changes. The claims reserves are sensitive to these assumptions.

ii) Claims development – short term insurance

Underwriting year	2012 $'000	2013 $'000	2014 $'000	2015 $'000	2016 $'000	Total $'000
Estimate of cumulative claims						
At end of year	74,182	64,963	64,862	67,920	59,563	331,490
One year later	72,812	62,513	67,945	67,813		
Two years later	73,149	64,740	59,252			
Three years later	72,681	64,335				
Four years later	66,139					
Estimate of cumulative claims	**66,139**	**64,335**	**59,252**	**67,813**	**59,563**	**317,102**
Cumulative payments	(53,053)	(45,664)	(38,536)	(40,940)	(31,481)	(209,674)
Claims outstanding	**13,086**	**18,671**	**20,716**	**26,873**	**28,082**	**107,428**
Liability in respect of prior years						**35,163**
Total Liability						**142,591**

33. Insurance Risk

The Group is involved in underwriting, pricing, and accepting various kinds of risks in exchange for premiums. The insurance contract gives rise to the traditional insurance risk, which is the uncertainty that an insured event will occur resulting in financial consequences covered by the insurance contract, in addition to regulatory, legal, and pricing risk. Regulatory risk is associated with the potential of laws, directives and guidelines affecting the insurance industry to change and impact the insurance operations. Legal risk arises out of the costs associated with a possible dispute over policy terms and conditions, subrogation, and any other legal matter arising from the insurance contract. Pricing risk is the possibility that the premiums paid for the transfer of various risks are not sufficient.

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

33. Insurance Risk *(Continued)*

The objective of risk management of insurance contracts is to properly identify, assess, control, evaluate and price all risks so as to increase stakeholder value.

As part of the Group's enterprise risk management strategy, risks are managed through the underwriting processes, claims management, reinsurance, diversification among various products, asset liability management, and actuarial consultation.

a) Underwriting

The principal area of risk management begins in the underwriting process. Underwriting is the entire process that entails selecting policyholders by recognizing and evaluating hazards, establishing prices and determining policy terms and conditions. These processes are continually reviewed as it is at this stage that the Group determines if a risk will be accepted, rejected, or modified.

The Group has strict underwriting guidelines that have been developed with the assistance of actuarial support. These guidelines are reviewed and audited to ensure compliance.

b) Long term insurance contracts

Policy benefits under long term insurance contracts become payable when an insurable event such as death or critical illness occurs, at a specified time such as at the retirement date specified by an annuity contract and on the exercise of policy options such as surrender or request for a policy loan by a policyowner.

i) Underwriting

Underwriting risk inherent in long term insurance contracts is the risk that the company's rates will prove inadequate because experience (mortality, morbidity, lapse, expense, average size cases etc,) worsens vis a vis pricing parameters.

ii) Longevity risk on annuity business

The Group is exposed to a risk exposure to improvement in mortality on its annuity business. This risk is managed by using a conservative mortality assumption in pricing including mortality improvement projections.

iii) Mortality and morbidity risk

Mortality and morbidity risks including critical illness incidence are managed through pricing and underwriting strategies and reinsurance arrangements. Mortality improvement continues to be experienced, however the Group is exposed to the risk of a sudden and severe spike in mortality rates due to either a global or region specific pandemic. These risks are mitigated through catastrophe reinsurance arrangements.

iv) Lapse risk

Lapse risk is managed through product design and conservation strategies.

v) Experience studies

Experience studies are carried out on a regular basis to monitor experience vis a vis pricing assumptions and to determine experience assumptions for cash flow and profitability projections.

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

33. Insurance Risk *(Continued)*

b) Long term insurance contracts *(continued)*

vi) Reinsurance

Reinsurance is used to reduce any single exposure of an insured. Limits and retentions are set according to the risk tolerance of stakeholders. The Group in certain cases also relies on the reinsurers' expertise in analyzing risks, product development and training.

vii) Pricing risk

The Group's insurance contracts are subject to pricing risk, which includes risks associated with mortality, expenses, and investments. The Group manages its pricing risk through actuarial support in the review of existing products and new product development. The Appointed Actuary assists in managing the development and deployment of an appropriate and efficient product development process that is tailored to the organizational structure and available resources. The Appointed Actuary approves all product design and pricing and conducts experience studies on mortality and morbidity, lapses and expenses.

c) Short term insurance contracts

Insurance risks are accepted from insureds in consideration for premiums calculated on the basis of the client, company and the industry experience with particular types of risks. The Group carries significant exposure on the various lines of business written, with the most significant being the motor and property lines. Material losses arise from low frequency, high severity events such as catastrophes, major fires and motor liability claims. The loss potential for these events is limited by ceding certain portions of these risks to reinsurers.

i) Underwriting

The Group has underwriting guidelines for various product lines that are followed by staff underwriters and agents that have been authorized to bind coverage. These guidelines are reviewed annually.

ii) Reinsurance

The Group relies on a significant amount of reinsurance. Reinsurance is used as a risk transfer mechanism, to smooth the Group's loss experience and to provide for large line capacity, catastrophe protection and underwriting guidance.

Because some risk exposures can be very large in nature, the Group utilizes reinsurance to accept the liability for loss exposures that the Group is unwilling or unable to retain. Reinsurance allows the Group to increase its market share while limiting the financial consequences of potential losses. Further, the Group insures various property and major exposures that are subject to earthquakes and windstorms. The Group purchases excess of loss insurance to mitigate the losses of these catastrophic events. The Group also utilizes the reinsurers for underwriting assistance, claims management and overall guidance.

Reinsurers are selected based on their track record and capability to meet their contractual obligations. In addition, the ratings assigned to reinsurers by the international rating agencies such as A.M. Best and Standard and Poors are used in determining whether or not reinsurers are acceptable. These ratings are monitored on an ongoing basis.

Notes to the Consolidated Financial Statements

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33. Insurance Risk *(Continued)*

d) Concentration of insurance risk

i) The Group is exposed to significant insurance risk on the various lines of business written.

ii) The total sums assured/insured analysed by major classes of business is as follows:

	2016 $'000	2015 $'000
Gross		
Long term insurance	12,178,989	11,374,107
Short term insurance	11,697,129	12,606,551
	23,876,118	**23,980,658**
Net		
Long term insurance	6,608,454	6,204,758
Short term insurance	4,405,911	4,679,293
	11,014,365	**10,884,051**

34. Financial Risk

a) Enterprise risk management

The Group's overall strategy is to move away from traditional risk management to enterprise risk management (ERM), whereby each company within the Group assesses, controls, exploits, finances and monitors risks from all sources affecting it for the purpose of increasing stakeholder value, and also within the context of the Group as a whole. This holistic approach allows the Group to mitigate risk and create value. In essence, the Group can increase stakeholder value while maintaining an acceptable level of risk to stakeholders. As a part of the ERM strategy the Group identifies and evaluates all risks in the context of one another as opposed to distinct risks.

The Group is exposed to financial risk including credit risk, liquidity risk, currency risk, interest rate risk and price risk. In particular, the key financial risk is that proceeds from its financial and reinsurance assets are not sufficient to fund obligations arising from insurance contracts and financial liabilities.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group is exposed to credit risk mainly on its short term investments, accounts receivable, reinsurance assets and investments in bonds, mortgages, loans to small and medium-sized enterprises and other loans.

i) Short term investments

The credit risk on short term investments is limited because the funds are invested in deposits with licensed banks and financial institutions, and in treasury bills.

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34. Financial Risk *(Continued)*

b) Credit risk *(continued)*

ii) Accounts receivable

Accounts receivable are stated at amounts outstanding less impairment provision. Adequate provisions have been made for any uncollectible amounts.

iii) Reinsurance assets

The Group reduces its credit risk associated with reinsurance assets by entering into treaty agreements only with reinsurers who have acceptable credit ratings.

iv) Bonds

The Group invests in bonds issued only by governments, state enterprises, licensed financial institutions and corporations with acceptable credit ratings. The Group actively reviews all bond-issuing entities in which investments are being considered. The Group also limits the size of any given bond issue compared to size of its investment portfolio.

v) Mortgage loans

The value at risk associated with mortgage loans is not very significant as they are secured by property, which has experienced significant increases in value.

vi) Loans to small and medium-sized enterprises (SME)

The principal activity of the subsidiary, Development Finance Limited, is the granting of loans to SMEs in the Caribbean. These are vulnerable to interruptions in the supply chain due to transport facilities, weather, utilities, licensing regimes and natural disasters such as hurricanes and flooding as well as changes in customer preferences due to global influences and variable household incomes. Cash flow is often affected by the slow receipt of receivables from larger entities, including Governments.

This risk is highly correlated with "Country risk" in terms of governance, economic conditions and the operation of markets. The correlation between SME risk and Country risk arises from the inability of some Caribbean countries to increase competitiveness due to delays in improving infrastructure, in delivering appropriately trained entrants to the work force and in creating conditions that allow markets to function effectively. This reduces sustained access by SME to markets and operating finance.

The subsidiary manages "Country risk" using conventional country assessments to provide country ratings that are indexed to its assessment of its home country. This relative risk rating provides a loan pricing scale.

The Subsidiary's Board is responsible for managing credit risk along with the Chief Executive Officer who is responsible for implementing the credit and risk management policy approved by the Board which relies on oversight by the Board's Audit and Risk Committee. Specific management measures include:

- Ensuring that suitably qualified staff is adequately trained in various aspects of credit risk management and providing advice, guidance and specialist skills and training to business units to promote sound techniques and practices.
- Formulating credit policies covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.

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34. Financial Risk *(Continued)*

b) Credit risk *(continued)*

vi) Loans to small and medium-sized enterprises (SME) *(continued)*

- The authorisation structure for the approval of credit and related decisions.
- Limitation of credit concentrations, industry and country risk exposure and reviewing compliance of business units with agreed exposure limits and the credit quality of local portfolios and ensuring that appropriate corrective action is taken where required.
- Developing and maintaining the company's risk rating and pricing systems and its procedures for determining impairment loss.

Credit risk in the subsidiary refers mainly to "Business enterprise risk" which is the probability that an enterprise might fail and not be able to meet its obligations because of poor management or poor judgement or inadequate execution of plans. Management deals with that risk as follows:

- Management evaluates business proposals using a three-tiered approach that centres on the business enterprise, the environment in which it will operate and the likely effects of global factors related to the industry and to the enterprise as well as reassessment of Key Success Factors and credit criteria. The results of the evaluations and management's insights and judgements provide inputs for a risk rating model that takes Country Risk into account. The model centers on a normal risk threshold. There are two ratings above this level and two ratings below. The score explicitly takes into account likely loss given default based on exposure at default. Loan pricing is based on the risk level which is a composite rating of Enterprise, Industry and Country risk. Results based on scores that are higher than statistically derived normal ranges are subject to independent review.
- Management monitors "Business enterprise risk" by regularly reviewing the performance of companies in its portfolio.
- The subsidiary's credit risk is managed primarily at source by Management and reviewed by the Board and monitored through the Enterprise Risk Management framework managed by senior management.
- The subsidiary has its own internal self-assessment and risk management controls. Loan operations and loan management services are segregated from loan origination and enterprise appraisal responsibilities.

vii) Other loans

The Group relies heavily on a written Credit Advances Policy Manual, which sets out in detail the current policies governing the lending function and provides a comprehensive framework for prudent risk management of the credit function. Adherence to these guidelines is expected to communicate the Group's lending philosophy, provide policy guidelines to team members involved in lending, establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration, as well as create the foundation for a sound credit portfolio.

All team members involved with the lending activity are required to be familiar with the contents of the Credit Advances Policy Manual and are required to adhere to the policies therein; serious breaches results in disciplinary measures being taken. It is the responsibility of the General Manager to ensure that policies are adhered to.

The Group's loan portfolio is adequately secured by collateral and where necessary, provisions are made for estimated losses when, in the opinion of the directors, the related loans are impaired.

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34. Financial Risk *(Continued)*

b) Credit risk *(continued)*

viii) Concentration

The Group has set an upper limit of total assets that can be invested with any one company or group of related companies so as to avoid any significant concentration of credit risk.

ix) Global economic developments and government policies

The Group actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

x) Maximum exposure to credit risk

The Group's maximum exposure to credit risk without taking account of any collateral held or other credit enhancements is as follows:

	2016 $'000	2015 $'000
Maximum exposure to credit risk	2,378,075	1,941,275

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group is exposed to daily calls on its available cash resources to settle trade, financial and insurance liabilities.

i) Risk environment

The Group operates in an environment in which most investments are subject to liquidity risk. There is no active bond market and the Trinidad and Tobago Stock Exchange lists less than forty public companies. There are also only a few local licensed banking and financial institutions to deposit funds. Liquidity risk is also increased because of restrictions imposed by the provisions of the Insurance Act, 1980 that govern the investments of statutory deposits and statutory funds.

ii) Risk management

The Group operates a central treasury function. To manage and reduce liquidity risk the Group's Asset Liability Committee actively meets to match cash inflows with liability requirements. The Group maintains a minimum percentage of its assets in short term investments and has un-drawn credit lines available to meet its short term obligations as they fall due. In addition, the Group's investments in marketable bonds and equities can be used for liquidity support if the need arises.

iii) Liquidity gap

The Group's exposure to liquidity risk is summarised in the table below which analyses assets and liabilities by relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date, except for insurance contracts liabilities which are analysed by estimated timings:

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

34. Financial Risk *(Continued)*

c) Liquidity risk *(continued)*

iii) Liquidity gap *(continued)*

	2016				
	Up to one year $'000	**Tow to five years $'000**	**Over five years $'000**	**Undated $'000**	**Total $'000**
Assets					
Liquid assets	521,028	–	–	–	521,028
Financial assets	312,630	411,009	930,125	165,623	1,819,387
Other assets	208,460	–	–	490,477	698,937
	1,042,118	**411,009**	**930,125**	**656,100**	**3,039,352**
Liabilities					
Borrowings	257,866	109,598	18	–	367,482
Insurance contracts	249,244	19,807	1,148,110	418,485	1,835,646
Other liabilities	127,457	2,755	–	24,156	154,368
	634,567	**132,160**	**1,148,128**	**442,641**	**2,357,496**
Liquidity gap	**407,551**	**278,849**	**(218,003)**	**213,459**	**681,856**
Cumulative gap	**407,551**	**686,400**	**468,397**	**681,856**	**–**

	2015				
	Up to one year $'000	**Tow to five years $'000**	**Over five years $'000**	**Undated $'000**	**Total $'000**
Assets					
Liquid assets	526,446	–	–	–	526,446
Financial assets	133,404	439,937	655,840	156,024	1,385,205
Other assets	190,926	–	–	438,540	629,466
	850,776	**439,937**	**655,840**	**594,564**	**2,541,117**
Liabilities					
Borrowings	77,678	223,676	16,151	–	317,505
Insurance contracts	241,554	(3,505)	1,183,346	85,645	1,507,040
Other liabilities	98,838	2,755	–	24,058	125,651
	418,070	**222,926**	**1,199,497**	**109,703**	**1,950,196**
Liquidity gap	**432,706**	**217,011**	**(543,657)**	**484,861**	**590,921**
Cumulative gap	**432,706**	**649,717**	**106,060**	**590,921**	**–**

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

34. Financial Risk *(Continued)*

d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk.

e) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates primarily in the Republic of Trinidad and Tobago. Most of the Group's liabilities are denominated in local currency and are matched with local assets. The strategy for dealing with foreign exchange risk is to, as far as possible, offset foreign currency liabilities with assets denominated in the same currency.

Due to the unavailability of foreign exchange from the local banking system, the Group holds foreign currency assets for investment purposes and to settle obligations in foreign currencies.

The Group's net exposure to currency risk is as follows:

	2016 $'000	2015 $'000
Net Foreign Currency Assets		
United States Dollars	438,138	440,931
Other Currencies	1,001	429
	439,139	**441,360**

f) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including short term investments, investments in bonds, mortgage loans, other loans, bank overdraft, customer deposits and other funding instruments.

i) Risk management

Exposure is managed using interest rate sensitivity management.

In the Republic of Trinidad and Tobago, the availability of creative hedging strategies is very limited. Therefore, the Group attempts to maintain a well-balanced portfolio by matching interest sensitive assets with interest sensitive liabilities.

ii) Short term investments

The short maturities of these investments allow the Group to take advantage of rising interest rates. However, the Group is exposed to falling interest rates. As part of a well-balanced portfolio, if interest rates decrease, the increase in value of the bond portfolio will reduce the negative effect of the reduction in interest rate.

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

34. Financial Risk *(Continued)*

f) Interest rate risk *(continued)*

iii) Bonds

The Group invests mainly in medium to long term bonds consisting of both floating rate and fixed rate instruments.

Financial assets classified as at fair value through profit or loss comprise mainly floating rate securities. The market values of these bonds are not very sensitive to changes in interest rates.

Financial assets classified as held to maturity comprise mainly fixed rate bonds. The market values of these bonds are sensitive to changes in interest rates. The longer the maturity of the bonds, the greater is the sensitivity to changes in interest rates. Because these assets are being held to maturity and are not traded, any changes in market value will not impact profit or loss.

The Group actively monitors bonds with maturities greater than ten years, as well as the interest rate policies of the Central Bank of Trinidad and Tobago.

iv) Mortgage loans

Mortgage loans are for terms of up to thirty years. The interest rates on mortgage loans are generally fixed for the first three years and adjustable thereafter.

v) SME loans

Most of the loans to small and medium-sized enterprises earn fixed interest rates. These loans are funded by long term borrowings in the form of bond issues on the capital market and finance contracts with international institutions.

vi) Other loans

The Group generally invests in fixed rate loans for terms not exceeding five years. These are funded mainly by borrowings in the form of customer deposits and other funding instruments.

vii) Interest rate sensitivity gap

The Group's exposure to interest rate risk is summarised in the table below which analyses assets and liabilities at their carrying amounts categorised by the earlier of contractual re-pricing or maturity dates except for insurance contracts liabilities which are analysed by estimated timings.

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

34. Financial Risk *(Continued)*

f) Interest rate risk *(continued)*

vii) Interest rate sensitivity gap *(continued)*

	2016				
	Up to one year $'000	Tow to five years $'000	Over five years $'000	Non-Interest bearing $'000	Total $'000
Assets					
Liquid assets	521,028	–	–	–	521,028
Financial assets	439,271	445,730	825,540	108,846	1,819,387
Other assets	–	–	–	698,937	698,937
	960,299	**445,730**	**825,540**	**807,783**	**3,039,352**
Liabilities					
Borrowings	319,548	47,916	18	–	367,482
Insurance contracts	654,439	240,952	611,477	328,778	1,835,646
Other liabilities	–	–	–	154,368	154,368
	973,987	**288,868**	**611,495**	**483,146**	**2,357,496**
Interest rate gap	**(13,688)**	**156,862**	**214,045**	**324,637**	**681,856**
Cumulative gap	**(13,688)**	**143,174**	**357,219**	**681,856**	**–**

	2015				
	Up to one year $'000	Tow to five years $'000	Over five years $'000	Non-Interest bearing $'000	Total $'000
Assets					
Liquid assets	526,446	–	–	–	526,446
Financial assets	299,841	253,825	727,351	104,188	1,385,205
Other assets	–	–	–	629,466	629,466
	826,287	**253,825**	**727,351**	**733,654**	**2,541,117**
Liabilities					
Borrowings	283,568	33,937	–	–	317,505
Insurance contracts	613,746	255,195	321,564	316,535	1,507,040
Other liabilities	–	–	–	125,651	125,651
	897,314	**289,132**	**321,564**	**442,186**	**1,950,196**
Interest rate gap	**(71,027)**	**(35,307)**	**405,787**	**291,468**	**590,921**
Cumulative gap	**(71,027)**	**(106,334)**	**299,453**	**590,921**	**–**

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

34. Financial Risk *(Continued)*

g) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (equity and commodity prices) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

i) Equity price risk

The Group is exposed to equity price risk on its investments in equity instruments classified as investments in associates, available for sale financial assets and financial assets at fair value through profit or loss.

Most of these investments are listed on the Trinidad and Tobago Stock Exchange. The Group actively reviews the financial performance, future growth potential and economic environment before investing in any equities.

The Group manages its exposure to price risk by trading these investments to reduce the impact of any adverse price movements.

The Group has very limited investments in unquoted equity instruments. These investments are stated at cost less provision for impairment losses.

The Group's total exposure to investments in equity instruments is as follows:

	2016 $'000	2015 $'000
Investments in Equity Instruments		
At fair value through profit or loss	104,382	104,088
Available for sale	100	100
	104,482	**104,188**

ii) Commodity price risk

The Group is not exposed to commodity price risk.

35. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

The Group measures fair values of financial instruments using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

35. Fair Value Measurement *(Continued)*

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques using significant unobservable inputs.

The following methods have been used to estimate the fair values of various classes of financial instruments:

i) Current assets and current liabilities

The carrying amounts of current assets and current liabilities are a reasonable approximation of the fair values because of their short-term nature.

ii) Quoted securities

The fair values of quoted securities are determined on the basis of quoted market prices available at December 31, 2016.

iii) Unquoted securities

The fair values of unquoted securities are determined using various valuation techniques. Unquoted securities are stated at cost less accumulated impairment provisions.

iv) Loans and receivables

Loans and receivables are stated net of specific provisions for impairment losses. These assets result from transactions under typical market conditions and their values are not adversely affected by unusual terms. The inherent rates of interest in the portfolio approximate market conditions and yield discounted cash flow values, which are substantially in accordance with financial statement amounts.

36. Capital Risk Management

The Group manages its capital to ensure that companies in the Group will be able to continue as a going concern while maximising the return to shareholders. The Group's overall strategy remains unchanged from 2015.

The capital structure of the Group consists of equity attributable to shareholders, comprising issued capital, reserves and retained earnings.

37. Contingent Liabilities

i) During the period from March to June 2002, the State laid several charges indictably on several individuals and companies including two of the Company's subsidiaries. The charges cover offences that are alleged to have occurred between the period from July 1, 1996 to December 21, 2000, and constitute for the greater part the following:

- corruptly receiving significant funds on account of and paying such funds to and on behalf of an individual who was at the time performing duties in which the public had an interest;

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

37. Contingent Liabilities *(Continued)*

i) *(Continued)*

- aiding and abetting the said individual to misbehave in public office; and
- conspiring to convert funds that the State alleges the subsidiaries had reasonable grounds to suspect were part of proceeds of a specified offence.

On January 7, 2008, the Chief Magistrate discharged all of the accused persons, including two of the Company's subsidiaries, in respect of all of the original charges preferred against them. Thereafter, the Chief Magistrate committed all of the accused persons including two of the Company's subsidiaries to stand trial on new and substituted charges all of which are denied by the accused. On April 4, 2008, two of the Company's subsidiaries made an application for Leave for Judicial review. Having been refused leave, the companies have lodged an appeal with the Court of Appeal, which is currently pending.

ii) Additionally, on May 20, 2004 the Company and two of its subsidiaries together with other companies were charged with the following:

- conspiring with other persons to obtain contracts and payments or settlements, contrary to Section 34(1) of the Larceny Act Chapter 11:12.
- conspiracy to defraud contrary to common law.

It is important to note that no one has been charged with the substantive offence of defrauding anyone. In April 2011, the Prosecution indicated that they would not be pursuing the charge in relation to the Larceny Act.

iii) All of these matters are currently before the Courts. No provision has been made in these financial statements in respect to any of the alleged charges. Legal fees in connection with these matters are expensed as incurred.

38. Subsidiaries

	Place of of Incorporation	2016 % Shareholding	2015 % Shareholding
Balandra By The Bay 1 Limited Land development	Republic of Trinidad and Tobago	100.00	100.00
Development Finance Limited Term lenders and equity investors in small and medium sized private industrial and commercial enterprises in the Caribbean	Republic of Trinidad and Tobago	49.75	49.75
Fidelity Finance and Leasing Company Limited Acceptance of deposits and carrying on the business of a finance house or finance company,trust company and leasing corporation	Republic of Trinidad and Tobago	100.00	100.00
Inter-Island Mortgage Finance Limited Granting of mortgage loans	Republic of Trinidad and Tobago	100.00	100.00
Keystone Property Developers Limited Building contractors and real estate developers	Republic of Trinidad and Tobago	100.00	100.00

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

38. Subsidiaries *(Continued)*

	Place of of Incorporation	2016 % Shareholding	2015 % Shareholding
Las Cuevas South West Limited Land development	Republic of Trinidad and Tobago	100.00	100.00
Maritime Capital Limited Registered under the provisions of the Securities Industry Act, 2012 as a Broker-Dealer to conduct the activities of Dealer, Investment Adviser, and Underwriter	Republic of Trinidad and Tobago	100.00	100.00
Maritime Capital Limited Income and Growth Fund	Republic of Trinidad and Tobago	86.37	–
Maritime Capital Limited Global Equity Fund	Republic of Trinidad and Tobago	86.65	–
Maritime General Insurance Company Limited Underwriting all classes of general insurance business in Trinidad and Tobago	Republic of Trinidad and Tobago	100.00	100.00
Maritime Leasing Company Limited Leasing of equipment and commercial properties	Republic of Trinidad and Tobago	100.00	100.00
Maritime Residences Limited Development, trade and rental of newly constructed dwelling houses	Republic of Trinidad and Tobago	100.00	100.00
Nettletons Limited Retail operations	Republic of Trinidad and Tobago	100.00	100.00
Comteq Technological Services Company Limited On-line sales	Republic of Trinidad and Tobago	100.00	100.00
Marnett Security Company Limited Provision of security services	Republic of Trinidad and Tobago	100.00	100.00
Caribbean Microfinance Trinidad and Tobago Ltd Microfinance	Republic of Trinidad and Tobago	100.00	100.00
South Coast One Limited Leasing of properties	Republic of Trinidad and Tobago	100.00	100.00
South Coast Two Limited Leasing of properties	Republic of Trinidad and Tobago	100.00	100.00

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2016

39. Dividends

a) Dividends Paid

	2016 $'000	2015 $'000
Year ended December 31, 2014 (Final - 30¢)	–	3,261
Year ended December 31, 2015 (Final - 30¢)	3,262	–
	3,262	**3,261**

b) The Board of Directors proposed a final dividend of 35¢ per share for the year ended December 31, 2016 (2015: 30¢ per share). This dividend, amounting to $3,804,985 (2015: $3,261,416) is not recorded as a liability in the statement of financial position in accordance with IAS 10.

THE MARITIME FINANCIAL GROUP

STRENGTH ON YOUR SIDE

INSURANCE • INVESTMENTS • FINANCING

MARITIME CENTRE
29 Tenth Avenue, Barataria
Tel: 674-0130
Fax: 675-2810
Fax: 675-2839 (Financial Services Centre)

CENTRAL REGIONAL CENTRE
11 Yard Street, Chaguanas
Tel: 672-4541
Fax: 671-4625

SOUTH REGIONAL CENTRE
73 & 75 Cipero Street, San Fernando
Tel: 652-2503
Fax: 657-9453

TOBAGO
Breeze Hall, Milford Road, Scarborough
Tel: 639-2597
Fax: 639-3163

www.maritimefinancial.com

email@maritimefinancial.com

facebook.com/maritimefinancial