THE MARITIME FINANCIAL GROUP

STRENGTH ON YOUR SIDE

ANNUAL REPORT 2022

CONTENTS

WHAT WE STAND FOR

Our Purpose

- To serve in making the lives of our Team Members, Clients, and our Community better
- To learn something every day
- To seek innovation and excellence in everything we do
- To grow profitably

Our Vision

Exceptional Service is Maritime's Business. We will be the premier, client-focused, service-driven, and action-oriented marketing organisation in the Caribbean.

Our Mission

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.

OUR STRENGTH

The Maritime Financial Group provides an umbrella of specialized financial services that satisfy the diverse financial needs of existing and prospective Clients.

Maritime Life (Caribbean) Limited

Maritime Life is one of the premier life insurance companies operating in Trinidad and Tobago. From life protection to retirement planning, Clients are assured that they are protected for life.

www.maritimefinancial.com

Maritime General Insurance Company Limited

Maritime General is licensed to underwrite all classes of general insurance in Trinidad and Tobago. We provide solid coverage on everything from your car, to your home, to your business.

www.maritimefinancial.com

Fidelity Finance and Leasing Company Limited

Fidelity Finance offers Personal and Commercial loans, mortgages with fixed deposit facilities. All fixed deposits are guaranteed by the Deposit Insurance Corporation (DIC) up to $125,000.

www.fidelityfinancett.com

Maritime Capital Limited

We are a wealth generation firm offering a suite of asset management services to business and non-business investors. Our offerings range from full portfolio management to financial advisory services.

www.maritimecapital.co

A **Message**
From Our CEO

ANDREW FERGUSON

> "Our **strength** comes from our willingness to work **together.**"

Bright Horizons Ahead

Staying the course is something that Maritime did brilliantly over the last three years. This is, has been, and will continue to be, Maritime's strength. Now is the time to ramp up to our potential. My vision, Maritime's vision, for the next period must be to continue to find new ways to create value for our company and Clients, all our communities, and business partners. We will leverage the collective brainpower, effort, and perseverance of our dynamic force of 600 direct employees and Financial Advisors that make up the Maritime team.

Building a team, a family, a community, a company, through the challenges of Covid, this was the underlying ethos of the last three years. But we will never be the same again. What we learned over the last three years must inform the innovativeness and resilience that we require to adapt for the challenges ahead, many of which will be unknown. Our strength comes from our willingness to work together.

The cohesiveness of the Maritime Family continues to be our biggest asset. We are a group of people with a common purpose in helping others and doing what is right for its Clients, its community, its Team Members, and its shareholders. This is not to say that everyone is of the same mind, but we are willing to tolerate differences and to arrive at consensus. We desire to work with and to develop people who share a common passion to learn, serve, and innovate. We know about climate change; the effects are everywhere, but we must be prepared for the unexpected. We know that Covid will be with us for a long time, but we know we must live with it and with other diseases that will surely emerge as the earth heats up and incursions into the natural world become more intrusive.

Challenges, Climate Change, and Covid
Three years of the pandemic made it difficult in terms of maintaining the social bonds with colleagues and partners, but it also showed us that it is possible for Team Members to work from home, and for Team Members to have the time to be more intimately involved with their families. It allowed us to connect more frequently, even if virtually, and it was the greatest social experiment forced on us globally with some positive outcomes.

Hybrid work is one solution that possibly brings greater value to the lives of our Teams. If we can agree on some procedures and protocols, it is something that we will allow, building flexibility and improving quality of life. I would like it to stay in some form or fashion.

We might think that the pandemic is behind us, but there may be other lessons to be learned. It is a wake-up call for how intimately we are connected as "one world". War, earthquakes and storms on the other side of the world disrupt supply chains, and the effects of climate change cannot be dealt with by individuals or even individual states. All must act together: states, public and private sectors, communities and companies.

Responsible Business
As I look at our approach for responsible business, it is time to take it further in relation to how we can extend value creation for our partners. So far, our responsible business strategies focus on donations and contributing time, and volunteering, which only shifts value from one party to the next (the one giving donations to the one receiving donations). Our Team needs to figure out how our contributions (time, money, volunteerism) can be leveraged to enable our partners to create intrinsic value, which they can pass on to the people who they associate with. It is the same approach that we must take with our business partners.

To live in a community, in a society, in the world, means to create the environment where our children, our families will be met with the same civilities that they enjoy at home. A world of common understanding may be ambitious and visionary, but it is what we would all wish for. The challenge is to co-create that world beginning in home communities.

Our recently launched "All Hands on Deck" initiative, an adopt-a-community programme for the enrichment of communities within Trinidad and Tobago, can be the seed of a new direction. Through this employee-led project, our Team Members came forward with their own ideas for community-based projects and actively participated and provided services that had positive impacts on the lives of Team Members and communities.

Each service centre heeded the call and created committees which had access to resources provided by Maritime to engage with their communities in meaningful ways. In 2022, our Team Members led 37 service-driven initiatives. Can these collaborations be designed to reach further, to foster in communities the activities that have intrinsic value, with a return to Maritime's value culture?

The Bottom Line
2022 would have been a challenging year for financial institutions, banks, and insurance companies.

As interest rates rise, there have been large "mark to market losses" on bonds and public equities. Our group has managed to reduce the impact, based on an approach to invest in bonds that we feel comfortable holding till maturity. This is another aspect of our strength: the long view from our trusted financial teams in tandem with the accrued benefit of values reinforced over 61 years as an indigenous company.

2023 does look brighter especially for Trinidad and Tobago's economy. The prospects of an oil boom in Guyana and bringing gas from Venezuela are hopeful signs for our energy sector. Oil prices and commodity prices have increased government revenues, which should have some trickle down effect to the economy and foreign exchange supply. However, when oil revenues grow, the promise of diversification goes out the door. We lose every time we jettison the opportunities to put the welfare of people over profit. What do I mean when we focus on the energy basket? We are not encouraged to be creative about renewables, conservation, tourism, and culture. We are not encouraged to foster agribusiness practices, to revise the education system, to rethink entrepreneurship. Perhaps this is something that Maritime could tackle in a new Responsible Business Plan.

Maritime continues to leverage strength to create value for its Clients, Team Members, and external communities. It is our superpower!

Andrew S. Ferguson
Chief Executive Officer, Chairman

OUR **LEADERSHIP** TEAM

"If your actions inspire others to dream more, learn more, do more and become more, you are a leader.

\- John Quincy Adams

CONGRATS **TREVOR 'REX' BADDALOO** ON YOUR APPOINTMENT

General Manager
Career Agency Development

The Maritime Financial Group would like to warmly congratulate our very own Trevor 'Rex' Baddaloo on his appointment to General Manager of Career Agency Development. Trevor is a consummate professional, with an illustrious 40-year career in the insurance business, and a 2022 inductee into the Trinidad and Tobago Association of Insurance & Financial Advisors Hall of Fame. Trevor knows our business intimately. He began his Maritime career in 1983 as an insurance agent, before moving into the role of financial advisor and managing a portfolio with a multiline range of investments.

Trevor later brought his people-centric leadership style to the role of Regional Manager South. His primary mandate is to deliver consistent excellence to all internal clients, since Trevor ardently believes that once our team is satisfied and happy, they are best equipped to satisfy our valuable external clients. This philosophy paid dividends as Trevor led the South Regional Centre to win many of the company's and industry's top awards, including the Champion Financial Services Centre every year for the past seventeen years. In his new role, Trevor plans to talk with the entire organization and provide the highest standard of service to internal clients, helping each team member shine as brightly as they can. Trevor, you have been a true servant leader and we know your best is yet to come. We are so proud. Congratulations!

BOARD OF DIRECTORS

PRAKASH DHANRAJH
Director

SURESH DUTTA
Director

DONALD GIBBON
Director

ANDREW FERGUSON
CEO, Chairman

CHANDRADATH MAHARAJ
Director

LAKSHMI KATWAROO
Director

LESLEY J. ALFONSO
Director

LIONEL SIEUNARINE
Director

EXECUTIVE **MANAGEMENT**

MIKA ELLA-TANG
Acting General Manager

SALAHUDEEN ALI
Chief Financial Officer

YASID GILBERT
General Manager

ANDREW FERGUSON
CEO, Chairman

VARUN MAHARAJ
Chief Executive Officer

BALIRAM SAWH
General Manager

TREVOR BADDALOO
General Manager

BOARD OF DIRECTORS

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

Chief Executive Officer- Maritime Life (Caribbean) Limited
Chief Executive Officer- Maritime General Insurance Company Limited
Chairman – Maritime Life (Caribbean) Limited
Chairman – Maritime Capital Limited
Director – Maritime General Insurance Company Limited

LESLEY J. ALFONSO
MBA, BBA, FLMI

Director – Maritime Life (Caribbean) Limited

PRAKASH DHANRAJH
BSc

Director- Fidelity Finance and Leasing Company Limited

SURESH DUTTA
M.Sc. Dip

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

LAKSHMI KATWAROO
ACCA, MBA

Director- Maritime Life (Caribbean) Limited
Director- Maritime General Insurance Limited

CHANDRADATH MAHARAJ
FCCA, CA, EMBA

Director- Maritime Capital Limited

LIONEL SIEUNARINE
DIP, BTech, B.Ed, M.Ed

Director- Maritime Life (Caribbean) Limited
Director- Maritime General Insurance Limited

EXECUTIVE MANAGEMENT

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

Chief Executive Officer- Maritime Life (Caribbean) Limited
Chief Executive Officer- Maritime General Insurance Company Limited
Chairman – Maritime Life (Caribbean) Limited
Chairman – Maritime Capital Limited
Director – Maritime General Insurance Company Limited

SALAHUDEEN ALI
FCCA, CA, CPA, CGA

Chief Financial Officer – The Maritime Financial Group

GARY AWAI
Chief Executive Officer – Development Finance Limited

TREVOR BADDALOO
General Manager – Career Agency Development

RICARDO BAYNES
BSc (Hons), FLMI/M

Manager – Technology Services

YASID GILBERT
BMath (ActSci), Gdip (BusMgt)

General Manager – Long Term Insurance Services

VARUN MAHARAJ
CPA, CIM, MSc, LLB, LPC

Chief Executive Officer- Maritime Capital Limited

BALIRAM SAWH
ACII

General Manager – Maritime General Insurance Company Limited

MIKA ELLA TANG
Msc, BA, CPCU, CCP

Acting General Manager – Fidelity Finance and Leasing Company Limited

The Board of Directors ("Board") and Management of Maritime Life (Caribbean) Limited and its Subsidiaries ("The Maritime Financial Group" or "the Group") are committed to ensuring that a strong and fully functional governance framework exists throughout the Group. At The Maritime Financial Group (TMFG), we recognize that sound corporate governance is a vital component in supporting Management's delivery of the Group's strategic objectives, thereby ensuring the operation of a sustainable business for the benefit of all stakeholders.

The Group continues to conduct its operations in an ethical manner and in accordance with the highest standards of corporate governance by adopting, inter alia, the Corporate Governance Principles and Recommendations outlined in the Central Bank of Trinidad and Tobago's Corporate Governance Guideline, and other requirements as stipulated by applicable legislation, to the extent appropriate to the size and nature of the Group's operations.

The Role and Responsibilities of the Board

TMFG's adopted Board charter aims to ensure that all Board members acting on behalf of their respective Company are fully aware of:

- Their duties and responsibilities;
- The relevant laws and regulations affecting their conduct; and
- The principles of good corporate governance to be applied in all their dealings in respect of their respective Company.

The Board is collectively responsible for the long-term success of its respective Entity. The Chairman of the Board is responsible for its leadership, the overall efficiency of the organization and the conduct of the Board's functions, including but not limited to, maintaining a relationship of trust among its members. The Directors have a balance and depth of skills, expertise and experience, along with knowledge of the Group and its individual Entities, which enable them to discharge their respective duties and responsibilities effectively. The Management team, led by the Chief Executive Officer, is responsible for implementing strategies and managing the business at an operational level.

Board Committees

Each Board may establish specialized Board Committees to assist the Directors in fulfilling their oversight responsibilities, increase efficiency and allow for deeper focus in specific areas. One such committee is the Audit Committee[1] which is tasked with overseeing matters relating to the Entity's governance, risk management, internal control practices, financial reporting and internal and external audit functions, among other things. A Charter or any other instrument that sets out the relevant Committee's mandate, scope, delineated area of authority and working procedures supports the function of each Committee. Board and Board Committee Charters are reviewed, at minimum, every two (2) years or more frequently if there has been a material change warranting an earlier review.

Corporate Culture and Values

The Group is committed to observing the highest standards of corporate practice and business conduct and actively promotes honesty and integrity in its dealings with Directors, Management, Team Members, Shareholders, Clients, Suppliers, Regulatory Authorities and any other stakeholder.

Corporate Culture and Values *(Continued)*

[1]*Financial Institutions registered under the Insurance Act, 2018 (Section 68(1)) and Financial Institutions Act 2008 (Section 36(1)) are required to have an established Audit Committee.*

Accordingly, the Group has adopted a Code of Ethics and Oath of Secrecy which outlines the manner in which the Group seeks to conduct business, namely in an honest and fair manner, acting in the best interest of the Group and in compliance with all relevant laws and regulations. The Board requires that all Entities and Team Members throughout the Group adhere to the TMFG Code of Ethics and Oath of Secrecy.

The Group has also established a number of Board approved policies to demonstrate its commitment to ethical practices, including but not limited to, the following:

- Whistleblowing Policy
- Anti Fraud Policy
- Conflict of Interest Policy
- Connected Parties Transaction Policy

Relationship with Regulatory and Supervisory Authorities

The Group places considerable value on developing and maintaining effective, transparent, fair and well balanced relationships with its Regulatory and Supervisory Authorities ('Regulators'). The key Regulators of the Group include the Central Bank of Trinidad and Tobago, the Trinidad and Tobago Securities Exchange Commission and the Financial Intelligence Unit of Trinidad and Tobago. The Group works closely with its Regulators through regular communication, including timely notification of material issues, on a range of matters including:

- The Entities' strategies, performance, business model, risks and risk management;
- The effectiveness of corporate governance at the Entities;
- Addressing identified areas of deficiencies;
- Other supervisory findings or expectations, as deemed applicable.

Establishment of a Compliance and Internal Audit Function

The Group has an established compliance function that is responsible for ensuring it operates with integrity and in adherence with applicable laws, regulations and internal policies and procedures. The Group Compliance Unit has a direct reporting line to the Chief Executive Officer – MLCL, the Board of Directors and where applicable the Audit Committee/ Audit and Compliance Committee of each Entity to communicate/ address compliance matters or issues of noncompliance.

The Group has an established internal audit function that is tasked with independently assessing and reporting on the effectiveness of the overall compliance framework, internal controls and the adequacy of policies and procedures. Internal Audit is also responsible for conducting reviews of processes and reporting identified deficiencies to the relevant Entity's Board and or Audit/ Audit and Compliance Committee, where applicable.

Overall, at TMFG, we recognize that the process of identifying, developing and maintaining high standards of corporate governance suitable to the Group and its related Entities is ongoing and dynamic. We remain committed to maintaining sound corporate governance principles and practices and pledge to conduct our business with the highest ethical standards to meet the needs of our stakeholders.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

(Maritime Life (Caribbean) Limited and its subsidiaries)

DIRECTOR'S REPORT

MARITIME LIFE (CARIBBEAN) LIMITED

To be presented at the Fifty-First Annual General Meeting of the shareholders to be held at the Corporate Offices, Maritime Centre, 29 Tenth Avenue, Barataria on March 29, 2023.

Your directors have pleasure in submitting their report for the year ended December 31st, 2022.

	2022 $'000	2021 $'000
1. Income for the year		
Net income for the year	102,267	137,294
Taxation	(11,249)	8,494
Net income for the year after taxation	91,018	128,800
Other comprehensive income	(5,629)	4,122
Transfer upon disposal of equity investments at FVOCI	(2,303)	-
	83,086	132,922
	(952)	(8,382)
Less: Non controlling interests	82,134	124,540
Add/Less:	306	9,469
Amount transferred from Capital Reserve	(1,760)	(68,222)
Amount transferred (to)/from Statutory Reserves	-	(4,348)
Dividends paid - 2020 (Final - 40¢)	(4,348)	-
Dividends paid - 2021 (Final - 40¢)		
	76,331	**197,883**
Leaving a balance to be carried forward of		
2. Equity attributable to Shareholders of the Company	**1,062,143**	**998,265**
3. Insurance contracts liabilities	**2,063,526**	**2,108,751**

4. The directors have proposed a dividend of 35¢ per share, amounting to $5,804,305 payable on March 29, 2023 to shareholders on record at March 08, 2023.

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 Limited 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

BOARD OF DIRECTORS	
CHIEF EXECUTIVE OFFICER, CHAIRMAN	
Andrew Ferguson, BSc, CPCU, ARe, FLMI, AFSB	
NON-EXECUTIVE DIRECTORS	
Lesley J. Alfonso, MBA, BBA, FLMI	Maritime Life (Caribbean) Limited
Prakash Dhanrajh, BSc	Fidelity Finance and Leasing Company Limited
Suresh Dutta, MSc. Dip	Maritime General Insurance Company Limited
Donald Gibbon, BSc, MSc	Maritime Life (Caribbean) Limited
	Maritime General Insurance Company Limited
	Fidelity Finance and Leasing Company Limited
Lakshmi Katwaroo, ACCA, MBA	Maritime Life (Caribbean) Limited
	Maritime General Insurance Company Limited
Chandradath Maharaj, FCCA, CA, EMBA	Maritime Capital Limited
Lionel Sieunarine, Dip, B.Tech, B.Ed, M.Ed	Maritime Life (Caribbean) Limited
	Maritime General Insurance Company Limited
EXECUTIVE MANAGEMENT	
Andrew Ferguson, BSc, CPCU, ARe, FLMI, AFSB	Chief Executive Officer
Salahudeen Ali, FCCA, CA, CPA, CGA	Chief Financial Officer
Gary Awai	Chief Executive Officer - Development Finance Limited
Trevor Baddaloo	General Manager - Career Agency Development
Ricardo Baynes, BSc (Hons), FLMI/M	Manager - Technology Services
Yasid Gilbert, BMath (ActSci), GDip (BusMgmt)	General Manager - Long Term Insurance Operations
Mika Ella-Tang, MSc, BA, CPCU, CCP	Acting General Manager - Financial and Trust Services
Varun Maharaj, CPA, CIM, MSc, LLB, LPC	Chief Executive Officer - Maritime Capital Limited
Baliram Sawh, ACII	General Manager - General Insurance Services
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.	
M. Hamel-Smith and Company, Port of Spain	
APPOINTED ACTUARY	Nazir Valani, FSA, FCIA, MAAA
AUDITORS	PKF Limited, Barataria
REGISTERED OFFICE	29 Tenth Avenue, Barataria

(Maritime Life (Caribbean) Limited and its subsidiaries)

NOTICE OF MEETING

MARITIME LIFE (CARIBBEAN) LIMITED

NOTICE is hereby given that the Fifty-First Annual General Meeting of the above-named Company will be held at the Corporate Offices, Maritime Centre, 29 Tenth Avenue, Barataria on Wednesday March 29, 2023 at 1:00 pm for the following purposes:

1. To receive the Audited Financial Statements for the year ended 31st December 2022, 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

March 08, 2023

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.

VALANI GLOBAL

130 King Street West, 19th floor
Toronto, Ontario, Canada M5X 1E3

ACTUARIAL CERTIFICATE

Maritime Life (Caribbean) Limited

In accordance with section 158 (1) (a) of the Insurance Act 2018, 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, 2022. In my opinion, the aggregate amount of the liabilities of the Group in relation to its long term insurance business as at December 31, 2022 did not exceed the aggregate amount of those liabilities shown in the consolidated statement of financial position of the Group.

Nazir Valani

Nazir Valani, FSA, FCIA

Appointed Actuary – Maritime Life (Caribbean) Limited

March 23, 2023

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, 2022, 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.

Lakshmi Katwaroo	
Lakshmi Katwaroo, ACCA, MBA Director March 27, 2023	Salahudeen Ali, FCCA, CA, CPA, CGA Chief Financial Officer March 27, 2023

Chartered Accountants
& Business Advisors
PKF LIMITED

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, 2022, 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, 2022 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 36 (b) to the consolidated financial statements. The State laid several charges against the Company and two of its subsidiaries, together with other companies and individuals. In April 2011, the Prosecution informed the Court that they would not be proceeding with the initial charge against the Company in addition to some of the other charges. On 14 July 2017, the Company was discharged in respect of the remaining charges. The ultimate outcome of the matters against the subsidiaries 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 2022 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.

Telephone: (868) 235-5063
Address: 111 Eleventh Street, Barataria, Trinidad, West Indies
Mailing Address: PO Box 10205, Eastern Main Road, San Juan

Directors: Renée-Lisa Philip Mark K. Superville Jenine Felician-Romain Darcel Corbin

Chartered Accountants
& Business Advisors
PKF LIMITED

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
PKF LIMITED

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

Barataria
TRINIDAD
March 27, 2023

(Maritime Life (Caribbean) Limited and its subsidiaries)

Consolidated Statement of Financial Position

At December 31, 2022

	Notes	2022 $'000	2021 $'000
Current assets	4	549,462	500,931
Deferred tax assets	5	326	146
Investment in associates	6	-	-
Financial assets	7	3,424,818	3,208,175
Investment properties	8	379,213	381,224
Property, plant and equipment	9	209,852	212,994
Total Assets		**4,563,671**	**4,303,470**
Financed By:			
Current liabilities	10	878,892	753,408
Deferred tax liabilities	5	12,201	12,078
Long term borrowings	11	419,756	303,437
Insurance contracts liabilities	12	2,063,526	2,108,751
Total Liabilities		3,374,375	3,177,674
Stated capital	13	16,584	16,584
Capital reserve	14	98,403	97,725
Catastrophe reserve	15	26,957	26,957
General reserve	16	12,334	12,334
Investment revaluation reserve	17	(12,166)	2,725
Foreign currency translation reserve	18	684	684
Statutory reserves	19	18,338	16,578
Retained earnings		901,009	824,678
Equity attributable to Shareholders of the Company		1,062,143	998,265
Non-controlling interests	20	127,153	127,531
Total Equity		1,189,296	1,125,796
Total Liabilities and Equity		**4,563,671**	**4,303,470**

These financial statements were approved by the Board of Directors and authorised for issue on March 27, 2023 and are signed on their behalf by:

Lakshmi Seaton — **Director**   Jeremy Alfonso — **Director**

The notes on pages 34 to 109 form part of these financial statements

(Maritime Life (Caribbean) Limited and its subsidiaries)

Consolidated Statement of Income

For The Year Ended December 31, 2022

	Notes	2022 $'000	2021 $'000
Revenue			
Premium income		499,278	434,629
Reinsurance recoveries		22,722	14,844
Investment income	21	167,646	273,231
Other income	22	74,607	64,880
		764,253	787,584
Expenses			
Policyholders' benefits	23	223,476	261,889
Reinsurance premiums		151,400	98,648
Interest on deposits and borrowings		33,852	22,207
Other direct costs	24	97,253	100,469
Expenses of management	25	156,005	167,077
		661,986	650,290
Surplus before taxation		102,267	137,294
Taxation	26	(11,249)	(8,494)
Surplus after taxation		**91,018**	**128,800**
Surplus attributable to:			
Shareholders of the company		90,066	120,418
Non-controlling interests	20	952	8,382
		91,018	**128,800**

The notes on pages 34 to 109 form part of these financial statements

(Maritime Life (Caribbean) Limited and its subsidiaries)

Consolidated Statement of Comprehensive Income

For The Year Ended December 31, 2022

	Notes	2022 $'000	2021 $'000
Surplus after taxation		**91,018**	**128,800**
Other comprehensive income			
Items to be reclassified to profit or loss in subsequent periods:			
Foreign exchange losses	18	-	1
Unrealised losses on debt investments at FVOCI		(4,810)	(57)
		(4,810)	(56)
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement of post-employment benefit asset		(5,629)	4,122
(Losses)/gains on equity investments at FVOCI	4	(12,384)	1,759
Surplus on revaluation of owner-occupied properties		984	14,450
		(17,029)	20,331
Other comprehensive income for the year		**(21,839)**	**20,275**
Total comprehensive income for the year		**69,179**	**149,075**
Total comprehensive income attributable to:			
Shareholders of the company		68,227	140,693
Non-controlling interests		952	8,382
	20	**69,179**	**149,075**

The notes on pages 34 to 109 form part of these financial statements

(Maritime Life (Caribbean) Limited and its subsidiaries)

Consolidated Statement of Changes In Equity

For The Year Ended December 31, 2022

	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, 2020	16,584	92,744	26,957	12,334	1,023	683	84,800	626,795	861,920	121,809	983,729
Surplus after taxation	-	-	-	-	-	-	-	120,418	120,418	8,382	128,800
Other comprehensive income	-	14,450	-	-	1,702	1	-	4,122	20,275	-	20,275
Total comprehensive income	-	14,450	-	-	1,702	1	-	124,540	140,693	8,382	149,075
Dividends paid - 2020 (40¢)	-	-	-	-	-	-	-	(4,348)	(4,348)	(2,660)	(7,008)
Transfers to/(from) retained earnings	-	(9,469)	-	-	-	-	(68,222)	77,691	-	-	-
	-	4,981	-	-	1,702	1	(68,222)	197,883	136,345	5,722	142,067
Balance at December 31, 2021	16,584	97,725	26,957	12,334	2,725	684	16,578	824,678	998,265	127,531	1,125,796
Balance at December 31, 2021	16,584	97,725	26,957	12,334	2,725	684	16,578	824,678	998,265	127,531	1,125,796
Surplus after taxation	-	-	-	-	-	-	-	90,066	90,066	952	91,018
Other comprehensive income	-	984	-	-	(17,194)	-	-	(5,629)	(21,839)	-	(21,839)
Transfer upon disposal of equity investments at FVOCI	-	-	-	-	2,303	-	-	(2,303)	-	-	-
Total comprehensive income	-	984	-	-	(14,891)	-	-	82,134	68,227	952	69,179
Dividends paid - 2021 (40¢)	-	-	-	-	-	-	-	(4,349)	(4,349)	(1,330)	(5,679)
Transfers to/(from) retained earnings	-	(306)	-	-	-	-	1,760	(1,454)	-	-	-
	-	678	-	-	(14,891)	-	1,760	76,331	63,878	(378)	63,500
Balance at December 31, 2022	16,584	98,403	26,957	12,334	(12,166)	684	18,338	901,009	1,062,143	127,153	1,189,296

The notes on pages 34 to 109 form part of these financial statements

(Maritime Life (Caribbean) Limited and its subsidiaries)

Consolidated Statement of Cash Flows

For The Year Ended December 31, 2022

	2022 $'000	2021 $'000
Cash Flows from Operating Activities		
Surplus before taxation	102,267	137,294
Adjustments for:		
Depreciation (net)	7,722	8,502
Gains and losses (net)	20,180	(97,017)
Increase in insurance contracts liabilities	(27,697)	63,414
Operating surplus before working capital changes	102,472	112,193
Change in receivables	(22,515)	(27,202)
Change in customers' deposits and other funding instruments	130,598	173,289
Change in other payables	7,548	3,804
Cash generated from operations	218,103	262,084
Dividends paid to policyholders	(297)	(323)
Corporation taxes paid (net)	(8,462)	(6,364)
Net cash generated from operating activities	209,344	255,397
Cash Flows from Investing Activities		
Loans and receivables	2,551	(19,739)
Other financial assets	(254,796)	(482,110)
Investment properties	1,660	8,098
Property, plant and equipment	(3,596)	(5,394)
Net cash used in investing activities	(254,181)	(499,145)
Cash Flows from Financing Activities		
Borrowings	116,319	195,681
Dividends paid to non-controlling interests	(1,330)	(2,660)
Dividends paid to shareholders	(4,349)	(4,348)
Net cash provided by financing activities	110,640	188,673
Net change in cash and cash equivalents	65,803	(55,075)
Cash and cash equivalents		
- at beginning of year	181,355	236,430
- at end of year (Note 27)	247,158	181,355

The notes on pages 34 to 109 form part of these financial statements

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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 (FVTPL), financial assets at fair value through other comprehensive income (FVOCI), investment properties, owner-occupied properties and post-employment benefit asset.

The accounting policies used are consistent with those of previous years except for the adoption of new standards and interpretations noted below.

(b) New Accounting Standards and Interpretations

i) New interpretations and amended/revised standards that are effective but not applied

The Group has not applied the following standards, revised standards and interpretations that have been issued and effective as they:

- do not apply to the activities of the Group; or
- have no material impact on its financial statements.

Effective for annual periods beginning on or after 1 January 2022

IFRS 1 First-time Adoption of Financial Reporting Standards - Amendments regarding subsidiary as first-time adopter

IFRS 3 Business Combinations - Amendments regarding the reference to the conceptual framework

IFRS 9 Financial Instruments - Amendments regarding fees in the 'ten percent' test for derecognition of financial liabilities

IFRS 16 Leases - Amendments regarding the accounting treatment of lease incentives

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

2. Summary of Significant Accounting Policies (Continued)

(b) New Accounting Standards and Interpretations (continued)

i) New interpretations and amended/revised standards that are effective but not applied (continued)

Effective for annual periods beginning on or after 1 January 2022 (continued)

IFRS 16 Leases - Amendments regarding a lease liability in sale and leaseback transactions

IAS 16 Property, Plant and Equipment - Amendments regarding proceeds before intended use

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding onerous contracts and cost of fulfilling a contract

IAS 41 Agriculture - Amendments regarding taxation in fair value measurements

ii) New standards and amendments/revisions to published standards and interpretations not yet effective

The Group has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they:

- do not apply to the activities of the Group;
- have no material impact on its financial statements; or
- have not been early adopted by the Group.

Effective for annual periods beginning on or after 1 January 2023

IFRS 17 Insurance Contracts, effective for annual reporting periods beginning or after January 1, 2023, replaces IFRS 4 Insurance Contracts and provides three models to apply to all insurance contracts: the general model, the variable fee approach and the premium allocation approach.

The key principles of IFRS 17 are that an entity:

- Identifies insurance contracts as those contracts under which the entity accepts significant insurance risk from another party (policyholder) by agreeing to compensate the policyholder if a specified uncertain future event, (the insured event) adversely affects the policyholder.
- Separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

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

ii) **New standards and amendments/revisions to published standards and interpretations not yet effective (continued)**

Effective for annual periods beginning on or after 1 January 2023 (continued)

Recognizes and measures company of insurance contracts at:

- a risk-adjusted present value of the future cash flows (the fulfillment cash flows) that incorporates all of the available information about the fulfillment cash flows in a way that is consistent with observable market information, plus (if this value is a liability) or minus (if this value is an asset).
- an amount representing the unearned profit in the company of contracts (the contractual service margin).
- recognizes the profit from a company of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a company contract is or becomes loss-making, the entity recognizes the loss immediately.
- presents separately insurance revenue (that excludes the receipt of repayment of investment components) and insurance finance income or expenses.
- includes optional simplified measurement approach, or premium allocation approach, for simpler insurance contracts where the coverage period is less than a year or where there are no significant expected changes in estimates before the claims are incurred.
- Many of the disclosures in IFRS 4 are retained in IFRS 17. The general model requires disclosure and recognition of the expected present value of future cash flows, risk adjustment and contractual service margin. No reconciliation is required under the variable approach.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

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

iii) **New standards and amendments/revisions to published standards and interpretations not yet effective (continued)**

Effective for annual periods beginning on or after 1 January 2023 (continued)

IFRS 17 will have a significant impact on the Group's financial statements, regulatory reporting and any other requirements which relies on IFRS accounting values. The Group's assessment of the impact of IFRS 17 is ongoing.

IAS 1 Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies

IAS 1 Presentation of Financial Statements - Amendments regarding the classification of liabilities as current and non-current

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates

IAS 12 Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations

Effective for annual periods beginning on or after 1 January 2024

IFRS 16 Leases - Amendments clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale

IAS 1 Presentation of Financial Statements - Amendments regarding non-current liabilities with covenants

(c) **Comparative figures**

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

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(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 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, 2022 and were audited by KPMG Chartered Accountants, Port-of-Spain, Trinidad.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(d) **Basis of consolidation (continued)**

i) **Subsidiaries (continued)**

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. There was one (2021: two units) disposal during the year. All units have been sold.

The Group acquired the shares of Caribbean Microfinance Trinidad and Tobago Limited on August 15, 2016. The company's last financial statements were prepared as at December 31, 2022.

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, 2022 were audited by BDO, Port-of-Spain, Trinidad. The Group held 81.71% (2021: 91.70%) and 78.87% (2021: 90.00%) respectively of these funds as at December 31, 2022.

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 37.

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 share of the other comprehensive income of the associates, are included in other comprehensive income. There are no associates as at December 31, 2022.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(e) **Cash and cash equivalents**

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

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. Land development was transferred to investment properties in 2021.

(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, 2022

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 its financial assets based on the Group's business model and the financial assets contractual terms, measured at: fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) and amortized cost (AC).

The Group measures debt instruments/loans at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amounts outstanding.

The Business Model reflects how the Group manages groups of financial assets to generate cash flows and achieve its business objective. An assessment is made at a portfolio level and is based on factors such as:

- The stated objectives and policies of the portfolios,
- How information about financial assets and their performance is reported and evaluated by the entity's key management personnel,
- Management's identification of and response to the risks that affect the performance of the business model.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(i) **Financial assets (continued)**

The SPPI Test requires the Group to assess the contractual terms of the financial assets. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes typically the consideration for the time value of money and credit risk. However, where the contractual term introduces volatilities that are inconsistent with a basic lending arrangement or risk exposures, the related financial assets are to be classified and measured at FVTPL.

Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option, on an investment-by-investment basis to present changes in the value of non-trading instruments in other comprehensive income without subsequent reclassification to profit or loss.

Financial assets at amortised cost includes loans.

- Loans 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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(j) **Impairment of financial assets**

Under IFRS 9, the Group recognizes an allowance for expected credit losses (ECLs) associated with its assets carried at amortized cost at each reporting date.

ECLs are measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether the asset is considered to be credit impaired. The Group uses the probability of default (PD) approach when calculating ECLs.

The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. Lifetime ECL results from all possible default events over the expected life of the financial instrument. Both 12-month and lifetime ECLs are calculated on either an individual or collective basis, depending on the size and nature of the underlying portfolio of financial assets.

IFRS 9 outlines a three-stage model for impairment, which the Group uses to classify its financial assets:

Stage 1: When financial assets are first recognized, are not credit impaired, continue to perform in accordance with its contractual terms and conditions and credit risk is continuously monitored, the Group records an allowance based on 12-month ECLs.

Stage 2: When financial assets are identified as having significant increases in credit risk since origination, but are not yet deemed to be credit impaired, the Group records an allowance based on lifetime ECLs.

Stage 3: When financial assets have objective evidence of impairment at the reporting date i.e. when these financial assets are deemed to be credit impaired, the Group records an allowance based on lifetime ECLs.

(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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

2. Summary of Significant Accounting Policies (Continued)

(k) **Investment properties (continued)**

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 2020 and 2021. 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, 2022

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 years. The last valuations were done in 2020, 2021 and 2022. 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. Increases are recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

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 as the assets are used, measured as the difference between depreciation based on the revalued amounts and depreciation based on asset's original cost, and 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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(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.

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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(o) **Insurance contracts (continued)**

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 contract**

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.

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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(p) **Long term insurance contracts (continued)**

The valuation by the Appointed Actuary at December 31, 2022 revealed a surplus before tax amounting to $76,459,000 (2021: $46,124,000), of which $76,053,000 (2021: $45,719,000) is allocated to shareholders and $406,000 (2021: $405,000) 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 2022 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. 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.

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 2022 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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(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, 2022. Sensitivity analysis was done on liabilities amounting to 87% of total liabilities. The results of the sensitivity testing, within the liability adequacy test, are shown in Note 31 (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, 2022

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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(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.

(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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(x) **Expenses of management (continued)**

ii) **Post-employment benefits (continued)**

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) 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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(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, 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 30% (2021: 30%) 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 $19,554,000 at December 31, 2022 (2021: $12,567,000).

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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, financial assets through other comprehensive income, or financial assets at amortised cost.

ii) Measurement of the expected loss allowance.

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

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

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

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

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

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

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

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(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) **Measurement of the expected credit loss allowance - IFRS 9**

The measurement of impairment losses under IFRS 9 requires the use of complex models and requires significant assumptions. A number of significant accounting judgements and estimates were required for the ECL model, these include:

- The Group's internal credit rating model, as this was used in calculating PD;
- The estimation of the present value of collateral values when determining impairment losses;
- Determining criteria for assessing if there has been a significant increase in credit risk; and
- Development of ECL models, including the various formulae.

iii) **Business Model Assessment**

Classification and measurement of financial assets depends on the results of the SPPI and business model assessment. The Group determines the business model at a level that reflects how financial assets are managed together to achieve the business objectives. An assessment is made at a portfolio level and is based on factors such as:

- How information about financial assets and their performance is reported and evaluated by the entity's key management personnel; and
- Management's identification of and response to the risks that affect the performance of the business model.

iv) **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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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

(c) **Key assumptions (continued)**

v) **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.

vi) **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.

vii) **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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

4. **Current Assets**

	2022 $'000	2021 $'000
Cash and bank balances	165,335	178,849
Short term investments	81,847	17,246
Central Bank reserve account	51,682	38,888
Accounts receivable and prepayments	79,561	75,679
Outstanding premiums	26,351	24,054
Reinsurance assets	103,988	121,219
Inventories	3,700	2,681
Land development	-	-
Taxation recoverable	7,585	8,375
Post-employment benefits	29,413	33,940
	549,462	500,931

(a) **Short term investments - Concentration:**

	2022	2021
Deposits with licensed banks and financial Institutions	16,851	17,246
Treasury Bills	64,996	-
	81,847	17,246

(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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

4. Current Assets (Continued)

(c) Accounts receivable

	2022 $'000	2021 $'000
i) Balances outstanding		
Accrued investment income	38,201	33,316
Brokers and agents balances	12,014	12,943
Other receivables	57,556	55,713
	107,771	101,972
Less: Impairment provision	(28,210)	(26,293)
	79,561	75,679
ii) Impairment provision		
Balance brought forward	26,293	26,394
Provision for the year	1,421	(660)
Write offs for the year	496	559
	28,210	26,293
iii) Brokers and agents balances		
Aged analysis		
Up to 30 days	4,444	3,780
31 to 45 days	849	1,533
Over 45 days	6,721	7,630
	12,014	12,943

(d) Reinsurance assets

	2022 $'000	2021 $'000
i) Amounts due from reinsurers		
Other amounts	889	889
Long term insurance contracts	25,282	53,897
Reinsurers share of:		
Outstanding claims	29,696	37,505
Claims incurred but not reported	2,971	4,899
Unearned premiums	42,000	22,353
Unexpired risks	3,150	1,676
	103,099	120,330
Total	103,988	121,219

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

4. Current Assets (Continued)

(d) Reinsurance assets (continued)

	2022 $'000	2021 $'000
ii) Reconciliation		
Amounts due from reinsurers		
Balance brought forward	889	889
Recoverable for the year	27,722	14,844
Payments received during the year	(27,722)	(14,844)
	889	889
Other amounts		
Balance brought forward	120,330	136,430
Increases/(decreases) in:		
Long term insurance contracts	(28,615)	22,042
Outstanding claims	(7,809)	(23,439)
Claims incurred but not reported	(1,928)	(4,991)
Unearned premiums	19,647	(9,034)
Unexpired risks	1,474	(678)
	103,099	120,330
Total	103,988	121,219

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

4. **Current Assets (Continued)**

(e) **Post-employment Benefits**

The subsidiary, Development Finance Limited, contributes to a defined benefit pension plan (the Plan), which entitles a retired employee to receive an annual pension paymen1t. 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 currency risk, interest rate risk and market risk and to actuarial risks such as longevity risk.

The subsidiary is not expected to contribute to the Plan in 2023.

	2022 $'000	2021 $'000
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of obligation	(28,547)	(28,992)
Fair value of plan assets	57,960	62,932
Asset in the Statement of Financial Position	29,413	33,940

i) **Movement of amounts recognised in the Statement of Financial Position**

	2022 $'000	2021 $'000
Asset recognised in the Statement of Financial Position January 1	33,940	29,040
Income recognised in profit or loss	1,100	778
Actuarial gains/(losses) recognised in other comprehensive income	(5,627)	4,122
Asset in the Statement of Financial Position	29,413	33,940

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

4. **Current Assets (Continued)**

(e) **Post-employment Benefits (continued)**

	2022 $'000	2021 $'000
ii) Changes in the fair value of plan assets		
Opening fair value of plan assets	62,932	58,870
Expected return on plan assets	3,407	2,898
Benefits paid	(1,955)	(1,838)
Actuarial gains/(losses) on plan assets	(6,424)	3,002
Closing fair value of plan assets	57,960	62,932
iii) Changes in the present value of the obligation		
Opening present value of obligation	28,992	29,830
Current service cost	455	443
Interest cost	1,561	1,462
Benefits paid	(1,955)	(1,838)
Expenses	291	215
Actuarial gains arising from changes in assumptions (net)	(797)	(1,120)
Closing fair value of obligation	28,547	28,992
iv) The amounts recognised in the Statement of Income are as follows		
Current service cost	455	443
Interest cost	1,561	1,462
Expected return on plan assets	(3,407)	(2,898)
Expenses	291	215
Total included in employee benefits (Note 25)	(1,100)	(778)
Expected return on plan assets	3,407	2,898
Actuarial gains/(losses) on plan assets	(6,424)	3,002
Actual return on plan assets	(3,017)	5,900
v) Actuarial gains/(losses) recognised in Other Comprehensive Income		
Remeasurement (gains)/losses - Assets	6,424	(3,002)
Remeasurement (gains)/losses - Experience adjustments	121	513
Remeasurement (gains)/losses - Economic	(918)	(1,633)
	5,627	(4,122)

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

4. **Current Assets (Continued)**

(e) **Post-employment Benefits (continued)**

vi) **The principal actuarial assumptions used were**

	2022	2021
Discount rate	5.85%	5.50%
Future salary increases	5.50%	5.50%
Mortality:		
Pre-retirement	Nil	Nil
Post-retirement	GAM94	GAM94

vii) **Asset Allocation**

The major categories of the plan assets are:		
Local equities	25%	27%
Government securities	20%	18%
Mutual Funds	2%	2%
Other	53%	53%
Total	100%	100%

The asset values as at December 31, 2022 were provided by the Plan's Investment Manager. Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is relatively illiquid. The Investment Manager calculates the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve.

The Plan's assets are invested in accordance with a strategy agreed with the Plan's Trustees and Management Committee. This strategy is largely dictated by statutory constraints (at least 80% of the assets must be invested in Trinidad and Tobago and no more than 50% in equities) and the availability of suitable investments. There are no asset-liability matching strategies used by the Plan.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

4. **Current Assets (Continued)**

(e) **Post-employment Benefits (continued)**

viii) **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 ($'000)	1% Increase ($'000)
Discount rate	(3,191)	(3,357)
Salary growth	662	655

The weighted average duration of the obligation is 14 years.

ix) **Experience history**

Amounts for the current period are as follows:

	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Defined benefit obligation	(28,547)	(28,992)	(29,830)	(29,637)	(29,442)
Plan assets	57,960	62,932	58,870	58,037	52,914
Surplus	29,413	33,940	29,040	28,400	23,472
Experience adjustments on plan liabilities (gains)/losses	121	513	(230)	(166)	14
Changes in financial assumptions	(918)	(1,633)	-	-	-
Net remeasurements on plan liabilities (gains)/losses	(797)	(1,120)	(230)	(166)	14
Experience adjustments on plan assets gains/(losses)	6,423	3,002	(310)	4,279	(2,711)

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

5. Deferred Taxation

	2022 $'000	2021 $'000
Deferred tax assets	326	146
Deferred tax liabilities	(12,201)	(12,078)
Net deferred tax liabilities	(11,875)	(11,932)
Movements for the year		
Balance brought forward	(11,932)	(11,886)
Provision - current year	57	(46)
	(11,875)	(11,932)

6. Investment in Associates

Shares at cost	-	-

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

7. Financial Assets

	2022 $'000	2021 $'000
Investment securities		
Fair value through profit or loss	179,959	202,780
Fair value through other comprehensive income	117,418	104,911
Amortised cost	2,543,564	2,312,122
	2,840,941	2,619,813
Loans		
Policy and automatic premium loans	71,957	72,192
Mortgages and other loans	511,920	516,170
	583,877	588,362
Total	3,424,818	3,208,175

(a) Fair values

i) By financial asset classification

	2022 $'000	2021 $'000
Investment securities		
Fair value through profit or loss	179,959	202,780
Fair value through other comprehensive income	117,418	104,911
Amortised cost	2,544,001	2,392,689
	2,841,378	2,700,380
Loans	583,877	588,362
	3,425,255	3,288,742

ii) By level of hierarchy

	2022 $'000	2021 $'000
Level 1	1,231,017	1,079,995
Level 2	1,756,470	1,771,682
Level 3	437,768	437,065
	3,425,255	3,288,742

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

7. **Financial Assets (Continued)**

(b) **Investment securities - Concentration**

	2022 $'000	2021 $'000
Government/government guaranteed bonds	1,740,151	1,567,578
State enterprises bonds	206,548	238,693
Financial institutions bonds	389,861	326,366
Other corporate bonds	251,412	227,329
	2,587,972	2,359,966
Quoted equities	252,868	259,746
Unquoted equities	101	101
	252,969	259,847
Total	**2,840,941**	**2,619,813**

(c) **Investment securities - Amortised cost**

Amortised cost	2,552,331	2,320,503
Less: expected credit loss allowance	(8,767)	(8,381)
	2,543,564	**2,312,122**
Expected credit loss allowance:		
Balance brought forward	8,381	7,586
Remeasurement of expected credit losses	386	795
	8,767	**8,381**

(d) **Investment securities pledged to secure borrowings**

Repurchase agreements	192,487	104,770
Other borrowings	485,659	164,703
	678,146	**269,473**

(e) **Investment securities – Quoted equities**

i) Fair Values

FVP&L	174,962	193,367
FVOCI	77,906	66,379
	252,868	**259,746**

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

7. **Financial Assets (Continued)**

(e) **Investment securities - Quoted equities (continued)**

	2022 $'000	2021 $'000
ii) Gains/(losses) - FVOCI		
Arising from changes in fair value	(10,081)	1,759
Losses on disposal	(2,303)	-
	(12,384)	**1,759**

(f) **Investment securities - Unquoted equities**

	2022 $'000	2021 $'000
i) At cost	14,046	14,046
Less: impairment provision	13,945	13,945
	101	**101**
ii) Impairment provision		
Balance brought forward	13,945	13,945
Provision for the year	-	-
	13,945	**13,945**

(g) **Policy and automatic premium loans**

Policy loans	44,120	39,136
Automatic premium loans	25,636	30,883
Accrued interest	2,201	2,173
	71,957	**72,192**

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

7. Financial Assets (Continued)

(h) Mortgages and other loans

	2022 $'000	2021 $'000
i) Mortgage loans	208,641	216,515
Loans to small and medium-sized enterprises	128,405	126,763
Other loans	181,725	177,714
	518,771	520,992
Less: expected credit loss allowance	(6,851)	(4,822)
	511,920	516,170

	2022 $'000	2021 $'000
ii) Expected credit loss allowance		
Balance brought forward	4,822	6,384
Provision for the year	2,029	811
Write offs and adjustments	-	(2,373)
	6,851	4,822
iii) Concentration - sectoral analysis		
Consumer	165,171	187,200
Commercial and industrial	292,491	280,859
Tourism	54,258	48,111
	511,920	516,170
iv) Credit quality		
Individually impaired	-	711
Past due but not impaired	32,381	44,570
Neither past due nor impaired	479,539	470,889
	511,920	516,170
v) Loans and advances pledged to secure borrowings	10,637	6,785

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

8. Investment Properties

	2022 $'000	2021 $'000
At beginning of the year	381,224	216,272
Additions	2,049	411
Transfer from land development	-	93,420
Transfer from property, plant and equipment	-	7,117
Disposals	(3,595)	(7,190)
Fair value (losses)/gains	(465)	71,194
	379,213	381,224
(a) Rental income	4,802	5,429
(b) Direct operating expenses	1,472	2,908

9. Property, Plant and Equipment

	Properties $'000	Furniture/ Equipment $'000	Motor Vehicles $'000	Equipment on lease $'000	Total $'000
December 31, 2022					
Cost/Valuation					
At beginning of year	196,362	113,826	13,566	15,771	339,525
Additions	-	1,103	2,844	636	4,583
Revaluation	(250)	-	-	-	(250)
Disposals	-	(9)	(2,448)	(421)	(2,878)
	196,112	114,920	13,962	15,986	340,980
Accumulated depreciation					
At beginning of year	1,942	103,743	10,970	9,876	126,531
Charge for the year	2,481	3,856	1,333	783	8,453
Revaluation	(1,234)	-	-	-	(1,234)
Disposals	-	(6)	(2,233)	(383)	(2,622)
	3,189	107,593	10,070	10,276	131,128
Net book value					
At December 31, 2022	192,923	7,327	3,892	5,710	209,852

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

9. Property, Plant and Equipment (Continued)

	Properties $'000	Furniture/ Equipment $'000	Motor Vehicles $'000	Equipment on lease $'000	Total $'000
December 31, 2021					
Cost/Valuation					
At beginning of year	194,662	110,100	13,006	15,669	333,437
Additions	-	4,089	560	950	5,599
Revaluation	9,200	-	-	-	9,200
Transfers to investment properties	(7,500)	-	-	-	(7,500)
Disposals	-	(363)	-	(848)	(1,211)
	196,362	113,826	13,566	15,771	339,525
Accumulated depreciation					
At beginning of year	5,089	100,289	9,561	9,729	124,668
Charge for the year	2,486	3,817	1,409	790	8,502
Revaluation	(5,250)	-	-	-	(5,250)
Transfers to investment properties	(383)	-	-	-	(383)
Disposals	-	(363)	-	(643)	(1,006)
	1,942	103,743	10,970	9,876	126,531
Net book value					
At December 31, 2021	194,420	10,083	2,596	5,895	212,994

	2022 $'000	2021 $'000
(a) Written down value of properties		
Written down value of the properties based on cost	94,145	96,313
(b) Revaluation surplus		
Balance brought forward	97,725	92,744
Revaluation surplus for the year	984	14,450
Transfer to retained earnings	(306)	(9,469)
	98,403	97,725

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

10. Current Liabilities

	2022 $'000	2021 $'000
Bank overdraft	24	14,740
Short term borrowings	121,138	99,235
Customers' deposits	617,511	508,791
Other funding instruments	17	42
Third party interests in mutual funds	1,210	569
Premium suspense	26,302	25,422
Accounts payable, accruals and other liabilities	92,156	87,715
Provision for employees' benefits	9,563	7,564
Reinsurance liabilities	5,866	6,279
Taxation payable	5,105	3,051
	878,892	753,408

(a) Bank overdraft

The Group has two overdraft facilities:

i) TT$2.500 million (2021: $2.500 million) at Scotiabank Trinidad and Tobago Limited, which is unsecured and bears interest at 7.25% (2021: 7.25%) per annum.

ii) US$4 million (2021: US$4 million) at Republic Bank Limited, which is secured by a lien over credit balance on an account at Republic Bank Limited and bears interest at 9.79% (2021: 4.75%) per annum.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

10. Current Liabilities (Continued)

b) Short term borrowings

The short term borrowings comprise:

i) A portfolio margin account for $101.138 million (2021: $79.224 million), secured by assets held with an international Broker which bears interest at a variable rate based on a Reference benchmark rate determined by a combination of internationally reference rates, bank deposit rates and dynamic interbank rates determined from foreign exchange and money markets. There is no fixed principal repayment amount, and there is no specified maturity date.

ii) A secured revolving demand loan for $20 million (2021: $20 million), which bears interest at a variable rate based on the lender's prime lending rate less 250 bps per annum, interest is payable monthly for the drawn portion. A standby fee is paid monthly for any unused portion and principal repayment is allowed at any time.

	2022 $'000	2021 $'000
(c) Short term borrowings, customers' deposits and other funding instruments - Concentration		
Corporate and commercial	80,215	105,299
Financial institutions	163,110	151,498
Personal	495,341	351,271
	738,666	608,068

(d) Other funding instruments

Other funding instruments are secured by specific assets.

(e) Reinsurance liabilities

	2022 $'000	2021 $'000
Balance brought forward	6,279	15,378
Reinsurance premiums for the year	151,400	98,648
Payments made during the year	(151,813)	(107,747)
Balance carried forward	5,866	6,279

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

11. Long Term Borrowings

	Interest Rate %	2022 $'000	2021 $'000
TT$ Floating rate bonds	6.00	70,000	70,000
TT$ Fixed rate bonds	2.75 - 4.25	99,300	63,300
US$ Floating rate bonds	3.30 - 4.75	49,286	49,224
Other US$ Loans	7.50	14,063	18,230
Repurchase Agreements	2.50 – 3.10	187,107	102,683
		419,756	303,437

(a) Movements for the year

	2022 $'000	2021 $'000
Balance brought forward	303,437	107,756
Loans received/(repayments) during the year (net)	116,319	195,681
Balance carried forward	419,756	303,437

(b) The Group's borrowings are mainly long term and are measured at amortised cost. Borrowings are 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) TT$ Floating Rate Bonds

This represents a TTD debt issued in one tranche, interest is variable based on an average of commercial banks' prime lending rate with a maturity date in 2024 and is secured by a sinking fund managed by a Trustee.

(d) TT$ Fixed Rate Bonds

This represents a TTD debt issued in 4 tranches, interest rate is fixed with maturity dates in July 2028 to July 2032 and are secured by pledged assets.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

11. Long Term Borrowings (Continued)

(e) US$ Floating Rate Bonds

This represents a USD loan issued by a multi-lateral financial institution, interest is variable based on the lender's proprietary interest rate. There is a moratorium on principal payments ending September 2023. Thereafter amortised principal repayments will be made, with a final maturity date in September 2033. The loan is secured by a specified portion of loans and advances made for specific purposes.

(f) Other US$ Loans

This loan is secured by Republic of Trinidad and Tobago government bonds with a face value of TT$21 million (2021: $21 million), and is repayable by thirty-six (2021: forty-eight) equal monthly blended payments of principal and interest.

(g) Repurchase agreements

The Repurchase agreements are secured by investment securities totalling $192.487 million (2021: $104.770 million) (Note 7(d)).

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

12. Insurance Contracts Liabilities

	2022 $'000	2021 $'000
With discretionary participation features	826,012	834,585
Without discretionary participation features	946,231	997,993
Provisions for outstanding claims	172,803	178,333
Provisions for claims incurred but not reported	21,653	23,919
Provisions for unearned premiums	90,072	68,764
Provisions for unexpired risks	6,755	5,157
	2,063,526	**2,108,751**

(a) Reconciliation of changes for the year

	2022 $'000	2021 $'000
Balance brought forward	2,108,751	2,061,760
Change in reserves	(30,044)	58,483
Change in policyholder dividends	109	82
Change in claims	1,941	4,526
Change in reinsurance assets	(17,231)	(16,100)
Balance carried forward	**2,063,526**	**2,108,751**

(b) Net insurance contracts liabilities

	2022 $'000	2021 $'000
Insurance contracts liabilities	2,063,526	2,108,751
Less: reinsurance assets (Note 4(d))	(103,099)	(120,330)
	1,960,427	**1,988,421**

Represents

	2022 $'000	2021 $'000
With discretionary participation features	826,012	834,585
Without discretionary participation features	920,949	944,096
Provisions for outstanding claims	143,107	140,828
Provisions for claims incurred but not reported	18,682	19,020
Provisions for unearned premiums	48,072	46,411
Provisions for unexpired risks	3,605	3,481
	1,960,427	**1,988,421**

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

12. Insurance Contracts Liabilities (Continued)

	2022 $'000	2021 $'000
(c) Concentration by lines of business		
Life assurance funds	595,240	620,035
Annuities	1,060,437	1,066,175
Deposit administration contracts	134,895	132,228
Policyholder dividends	6,085	5,976
Property	3,616	3,145
Motor	136,904	137,088
Liability	22,733	22,799
Marine	293	559
Pecuniary loss	224	416
Personal accident	-	-
	1,960,427	1,988,421
(d) Provision for outstanding claims		
Balance brought forward	178,333	197,177
Claims incurred for the year	187,911	157,504
Reinsurance assets	(7,809)	(23,439)
Payments made during the year	(185,632)	(152,909)
Balance carried forward	172,803	178,333
(e) Aged analysis of outstanding claims		
Short term insurance		
2018 and prior	47,931	58,780
2019	10,313	13,297
2020	9,287	25,940
2021	14,823	21,575
2022	25,910	-
	108,264	119,592
Long term insurance	64,539	58,741
	172,803	178,333

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

13. Stated Capital

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

Issued and fully paid
16,583,728 (2021: 10,871,387) shares of no par value.

14. Capital Reserve

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

	2022 $'000	2021 $'000
Revaluation surpluses (Note 9(b))	98,403	97,725

15. Catastrophe Reserve

Section 44 of the Insurance Act 2018 require every insurer carrying on property insurance business to establish and maintain at all times in respect of catastrophe risks, a Catastrophe Reserve Fund, and at the end of each financial year, to make an appropriation from its retained earnings to the Catastrophe Reserve Fund in an amount not less than twenty per cent of its net written premium income in relation to its property insurance business for that year, until the Catastrophe Reserve Fund is equal to, or exceeds the net written premium income in relation to its property insurance business for that year.

Under Section 10D of the Corporation Taxes Act 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 financial assets at fair value through other comprehensive income.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

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.

19. Statutory Reserves

(a) The statutory surplus reserve which was required by Section 171 of the Insurance Act, 1980 was transferred to retained earnings in 2021.

(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

	2022 $'000	2021 $'000
Balance brought forward	127,531	121,809
Share of total comprehensive income	952	8,382
Dividends paid	(1,330)	(2,660)
	127,153	127,531

(a) Share of total comprehensive income

	2022 $'000	2021 $'000
Share of surplus after taxation	7,291	5,030
Share of other comprehensive income	(6,339)	3,352
	952	8,382

(b) Accumulated balances of material non-controlling interest

	2022 $'000	2021 $'000
Development Finance Limited – 50.25%	127,152	127,530

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

20. Non-Controlling Interests (Continued)

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

	2022 $'000	2021 $'000
i) Statement of Financial Position		
Total assets	997,435	860,597
Total liabilities	749,652	612,378
	247,783	248,219
ii) Statement of Comprehensive Income		
Total income	51,711	38,302
Net surplus after taxation	14,510	10,010
Other comprehensive income	(12,616)	6,344
Total comprehensive income	1,894	16,354
iii) Statement of Cash Flows		
Cash flows from operating activities	86,382	61,508
Cash flows from investing activities	(120,641)	(216,575)
Cash flows from financing activities	55,634	161,517
Net increase in cash and cash equivalents	21,375	6,450

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

21. Investment Income

	2022 $'000	2021 $'000
Interest income	174,325	150,502
Dividends	6,688	6,289
Rental income from operating leases	9,846	9,700
Foreign exchange losses	(3,138)	(182)
Realised gains	2,367	4,403
Unrealised (losses)/gains	(20,027)	103,096
Expected credit losses	(2,415)	(577)
	167,646	273,231

(a) Interest income

	2022 $'000	2021 $'000
Cash and cash equivalents	296	382
Fair value through profit or loss	750	996
Fair value through other comprehensive income	4,264	5,223
Amortised cost	125,543	103,467
Loans	44,458	41,804
Other	(986)	(1,370)
	174,325	150,502

(b) Gains/(losses)

	2022 $'000	2021 $'000
Fair value through profit or loss	(19,479)	25,779
Fair value through other comprehensive income	609	(193)
Amortised cost	1,915	553
Loans	(2,029)	(872)
Investment properties	(337)	80,996
Other	(754)	659
	(20,075)	106,922

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

22. Other Income

	2022 $'000	2021 $'000
Commissions	19,088	15,535
Revenue from sale of goods	45,280	44,388
Fee income	839	789
Miscellaneous income	9,400	4,168
	74,607	64,880

23. Policyholders' Benefits

	2022 $'000	2021 $'000
Claims and surrenders	245,261	196,763
Dividends to participating policyholders	406	405
Provision for future policy benefits	(22,191)	64,721
	223,476	261,889

24. Other Direct Costs

	2022 $'000	2021 $'000
Commissions/agents remuneration	54,130	57,741
Policy issue expenses	2,883	3,336
Depreciation on leased assets (net)	783	789
Cost of sales	35,876	35,315
Other costs	3,581	3,288
	97,253	100,469
Pension costs included in other direct costs	1,164	1,323

25. Expenses of Management

	2022 $'000	2021 $'000
Employee benefits	72,799	67,351
Depreciation (net)	6.939	7,713
Operating lease rentals	1,047	985
Other administrative expenses	75,220	91,028
	156,005	167,077

Pension costs included in employee benefits:

	2022 $'000	2021 $'000
Defined Contribution Plans	1,983	1,840
Defined Benefit Plan (Note 4(e)(i))	(1,100)	(778)
	883	1,062

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

26. Taxation

	2022 $'000	2021 $'000
(a) Tax charge for the year		
Current year	11,306	9,171
Prior year	-	(723)
Deferred taxation	(57)	46
	11,249	8,494
Insurance revenue statement	4,102	3,330
Shareholders	7,147	5,164
	11,249	8,494

(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:

	2022 $'000	2021 $'000
Surplus before taxation	110,267	137,294
Tax at applicable statutory rates	26,673	38,738
Effect of different tax rates of life insurance companies	(411)	(333)
Items not subject to tax	(12,894)	(28,957)
Temporary differences	354	552
Tax losses	418	2,096
Other	(4,406)	(3,911)
	9,734	8,185
Prior year	-	(723)
Business Levy	376	44
Green Fund Levy	1,139	988
	11,249	8,494

(c) Tax losses

	2022 $'000	2021 $'000
Tax losses in subsidiaries available for set off against future chargeable profits of those companies.	33,291	32,085

(Maritime Life (Caribbean) Limited and its subsidiaries)

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27. Cash and Cash Equivalents

	2022 $'000	2021 $'000
Cash and bank balances	165,335	178,849
Short term investments	81,847	17,246
Bank overdraft	(24)	(14,740)
	247,158	181,355

28. Capital Commitments

	2022 $'000	2021 $'000
Mortgage and other loans	57,471	24,439

29. Operating Leases

Future rental income due on non-cancellable operating leases

	2022 $'000	2021 $'000
Up to one year	8,760	8,803
Two to three years	13,256	15,209
	22,016	24,012

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30. 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 37); 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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

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30. Related Party Transactions (Continued)

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

	2022 $'000	2021 $'000
(a) Associates		
Investments in stated capital	-	-
Impairment loss	-	-
Share of loss for the year	-	-
Share of other comprehensive income	-	-
Gain on disposal	-	-
(b) Post employment benefit plans		
i) Defined contribution plan		
Deposit administration contract	99,602	97,486
Pension fund contributions	2,717	2,428
Purchase of annuities	3,205	3,566
ii) Defined benefit plan		
Post-employment benefit asset	29,413	33,940
Actuarial (loss)/gain	(5,629)	4,122
Income	1,100	778
(c) Key management personnel		
Loans - secured	6,922	10,176
Customer deposits	3,686	3,504
Interest income	394	576
Interest expense	125	108
(d) Key management compensation		
Short term benefits	14,701	14,217
Post employment benefits	235	233
Other long term benefits	-	-
Termination benefits	-	-
	14,936	**14,450**

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31. 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, 2018 and following generally accepted actuarial practice in the Republic of Trinidad and Tobago. 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.

Total net policy liabilities decreased by $34 million, from $1,640 million to $1,606 million, as a result of the following:

- The normal increase for in-force and new business was an increase of $48.705 million;
- The impact on liabilities from changes in methods and assumptions resulted in a net decrease in net actuarial liabilities of $83.201 million as follows:
  - Changes to mortality and morbidity assumptions resulted in a net decrease of $51.910 million
  - Adjustments to lapse assumptions resulted in a net increase of $0.424 million
  - Year end 2022 interest rates were updated based on 2022 yields on underlying investments. Scenario testing was carried out using a base and four additional interest rate scenarios. The valuation interest rates were chosen based on the scenario producing the highest net actuarial liabilities. This resulted in a net increase of $5.397 million
  - 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 net decrease of $17.194 million; and
  - Model refinements, data correction, methodology and management action, and adjustments for reinsurance, lapses and mortality resulted in a net decrease of $19.918 million.

(Maritime Life (Caribbean) Limited and its subsidiaries)

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

(a) Long term insurance contracts (continued)

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 Assumption	% Sensitivity of Liabilities to Changes in Assumptions
Increase in interest	+1%	-7.8%
Decrease in interest	-1%	+11.4%
Increase in mortality (life insurance) Decrease in mortality (annuities)	+10%	+1.4%
Decrease in mortality (life insurance) Increase in mortality (annuities)	-10%	-1.3%
Increase in lapses	+10%	+0.1%
Decrease in lapses	-10%	-0.1%
Increase in expenses	+20%	+2.9%
Decrease in expenses	-20%	-2.7%
Increase in critical illness incidence	+10%	+0.9%
Decrease in critical illness incidence	-10%	-0.8%

(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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

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For The Year Ended December 31, 2022

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

(b) **Short term insurance contracts (continued)**

ii) **Claims development - short term insurance**

Underwriting year	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	Total $'000
Estimate of cumulative claims						
At end of year	77,329	50,210	77,545	39,241	51,131	295,456
One year later	69,374	49,198	53,709	37,922		
Two years later	54,678	51,538	40,439			
Three years later	56,837	49,675				
Four years later	56,619					
Estimate of cumulative claims	**56,619**	**49,675**	**40,439**	**37,922**	**51,131**	**235,786**
Cumulative payments	(45,699)	(39,362)	(31,152)	(23,099)	(25,221)	(164,533)
Claims outstanding	**10,920**	**10,313**	**9,287**	**14,823**	**25,910**	**71,253**
Liability in respect of prior years						**37,011**
Total Liability						**108,264**

32. **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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

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32. **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.

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For The Year Ended December 31, 2022

32. **Insurance Risk (Continued)**

(b) **Long term insurance contracts (continued)**

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.

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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

32. **Insurance Risk (Continued)**

(c) **Short term insurance contracts (continued)**

ii) **Reinsurance (continued)**

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.

(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:

	2022 $'000	2021 $'000
Gross		
Long term insurance	11,925,392	11,691,858
Short term insurance	14,415,393	14,178,672
	26,340,785	**25,870,530**
Net		
Long term insurance	5,547,884	5,433,751
Short term insurance	4,457,747	4,246,104
	10,005,631	**9,679,855**

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33. 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.

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.

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33. Financial Risk (Continued)

(b) Credit risk (continued)

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.
- The authorisation structure for the approval of credit and related decisions.

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33. Financial Risk (Continued)

(b) Credit risk (continued)

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

- 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.

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33. Financial Risk (Continued)

(b) Credit risk (continued)

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.

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.

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33. **Financial Risk (Continued)**

(b) **Credit risk (continued)**

x) **Credit Risk Ratings and Probability of Default (PD) estimations**

The Group uses internal credit risk ratings, which reflect its assessment of the individual counterparties risk profile. The Group has two internal rating models one tailored to companies and the other to individuals. Borrower and loan specific information collected at the time of the application (such as asset value, sales turnover, credit history, security structure, geographical location) is fed into the model. Each exposure is allocated a credit risk rating on initial recognition based on the information inputted into the model.

Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk-rating band. The monitoring typically involves use of the following data:

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts. Examples of areas of particular focus are; gross profit margin, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, key management changes, etc.;
- Actual and expected significant changes in the financial, economic, political, regulatory and technological environment of the borrower and/or in its business activities;
- Payment records inclusive of overdue status (where applicable); and
- Utilization of approved credit facilities.

The Group's credit risk ratings are the primary input into the determination of PDs for exposures. The Group looked at performance and number of defaults over a period of time analyzed by credit risk grading. Historical PDs were developed using statistical models, which analyzed the data collected, generating estimates of the Probability of Default of exposures.

For debt securities in our Investment portfolios, external credit rating agency credit grades are used. These published grades are continuously monitored and updated. The PD's associated with each grade are determined based on realized default over the prior 12 months as published by the rating agency.

xi) **Significant increase in credit risk**

In order to determine whether a financial asset or portfolio of financial assets are subject to 12 month ECL or lifetime ECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. Whether the risk of default on a financial instrument has increased significantly, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment.

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33. **Financial Risk (Continued)**

(b) **Credit risk (continued)**

xii) **Default and credit impaired assets**

The Group considers a financial asset defaulted and therefore Stage 3 (credit-impaired) for ECL calculations when it meets one or more of the following criteria:

- The borrower is more than 180 days past due on its contractual obligations;
- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as collateral realization;
- It is probable that there would be a modification to the original agreement due to the borrower's inability to pay its credit obligations; and
- The exposure has been classified as Accounts in Liquidation as per the Group's classification process.

xiii) **The Calculation of ECL**

The group calculates ECLs as the discounted product of the Probability of Default (PD) and the Loss Given Default (LGD). These are defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months or the remaining lifetime of the obligation; and
- The LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is the difference between the contractual cash flows that are due to the Group and the present value of any collateral held adjusted for realization expenses.

The discount rate used in the ECL calculation is the original effective interest rate.

For financial assets classified in Stage 1, the 12 month ECL allowance is calculated based on the expectation of default occurring in the 12 months following the reporting date. These expected 12-month PDs are multiplied by the expected LGDs as defined above to derive a 12-month allowance.

For financial assets in Stage 2, having shown a significant increase in credit risk, the Group records an allowance for the lifetime ECLs. The calculations are similar to those explained above.

For financial assets considered credit impaired, the Group recognizes the lifetime ECLs, similar to that for those in Stage 2, with the PD set at 100%.

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33. **Financial Risk (Continued)**

(b) **Credit risk (continued)**

xiii) **The Calculation of ECL (continued)**

The following table sets out our ECL calculation of loans and advances at amortized cost, displayed by Stages.

December 31, 2022	Stage 1	Stage 2	Stage 3	Total $'000
Mortgage and other loans				
Gross Loans	458,371	26,530	33,870	518,771
Expected credit loss allowance	(3,155)	(200)	(3,496)	(6,851)
Carrying amount	455,216	26,330	30,374	511,920

December 31, 2021	Stage 1	Stage 2	Stage 3	Total $'000
Mortgage and other loans				
Gross Loans	419,781	60,580	40,631	520,992
Expected credit loss allowance	(2,267)	(345)	(2,210)	(4,822)
Carrying amount	417,514	60,235	38,421	516,170

xiv) **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:

	2022 $'000	2021 $'000
Maximum exposure to credit risk	3,607,306	3,330,823

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33. **Financial Risk (Continued)**

(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.

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:

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33. Financial Risk (Continued)

(c) Liquidity risk (continued)

iii) Liquidity gap (continued)

	2022				
	Up to one year $'000	Two to five years $'000	Over five years $'000	Undated $'000	Total $'000
Assets					
Liquid assets	247,182	-	-	-	247,182
Financial assets	399,777	1,016,493	1,683,622	324,926	3,424,818
Other assets	272,867	-	-	618,804	891,671
	919,826	1,016,493	1,683,622	943,730	4,563,671
Liabilities					
Borrowings	639,545	405,831	113,070	-	1,158,446
Insurance contracts	271,626	86,695	1,651,528	53,677	2,063,526
Other liabilities	139,052	1,150	-	12,201	152,403
	1,050,223	493,676	1,764,598	65,878	3,374,375
Liquidity gap	(130,397)	522,817	(80,976)	877,852	1,189,296
Cumulative gap	(130,397)	392,420	311,444	1,189,296	-

	2021				
	Up to one year $'000	Two to five years $'000	Over five years $'000	Undated $'000	Total $'000
Assets					
Liquid assets	196,095	-	-	-	196,095
Financial assets	314,536	955,504	1,606,096	332,039	3,208,175
Other assets	270,896	-	-	628,304	899,200
	781,527	955,504	1,606,096	960,343	4,303,470
Liabilities					
Borrowings	491,388	322,333	112,524	-	926,245
Insurance contracts	260,226	89,348	1,712,930	46,247	2,108,751
Other liabilities	129,505	1,095	-	12,078	142,678
	881,119	412,776	1,825,454	58,325	3,177,674
Liquidity gap	(99,592)	542,728	(219,358)	902,018	1,125,796
Cumulative gap	(99,592)	443,136	223,778	1,125,796	-

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Notes to The Consolidated Financial Statements

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33. 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:

Net Foreign Currency Assets	2022 $'000	2021 $'000
United States Dollars	909,031	764,916
Other Currencies	15,287	37,330
	924,318	802,246

(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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

33. **Financial Risk (Continued)**

(f) **Interest rate risk (continued)**

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.

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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

33. **Financial Risk (Continued)**

(f) **Interest rate risk (continued)**

vii) **Interest rate sensitivity gap (continued)**

2022	Up to one year $'000	Two to five years $'000	Over five years $'000	Non-Interest bearing $'000	Total $'000
Assets					
Liquid assets	247,182	-	-	-	247,182
Financial assets	644,663	922,156	1,597,903	260,096	3,424,818
Other assets	-	-	-	891,671	891,671
	891,845	922,156	1,597,903	1,151,767	4,563,671
Liabilities					
Borrowings	766,536	296,610	95,300	-	1,158,446
Insurance contracts	749,571	291,572	598,514	423,869	2,063,526
Other liabilities	-	-	-	152,403	152,403
	1,516,107	588,182	693,814	576,272	3,374,375
Interest rate gap	(624,262)	333,974	904,089	575,495	1,189,296
Cumulative gap	(624,262)	(290,288)	613,801	1,189,296	-

2021	Up to one year $'000	Two to five years $'000	Over five years $'000	Non-Interest bearing $'000	Total $'000
Assets					
Liquid assets	196,095	-	-	-	196,095
Financial assets	536,443	870,815	1,541,070	259,847	3,208,175
Other assets	-	-	-	899,200	899,200
	732,538	870,815	1,541,070	1,159,047	4,303,470
Liabilities					
Borrowings	626,313	236,632	63,300	-	926,245
Insurance contracts	893,326	297,724	618,936	298,765	2,108,751
Other liabilities	-	-	-	142,678	142,678
	1,519,639	534,356	682,236	441,443	3,177,674
Interest rate gap	(787,101)	336,459	858,834	717,604	1,125,796
Cumulative gap	(787,101)	(450,642)	408,192	1,125,796	-

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

33. **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:

Investments in Equity Instruments	2022 $'000	2021 $'000
Fair value through profit or loss	174,962	193,367
Fair value through other comprehensive income	78,007	66,480
	252,969	259,847

ii) **Commodity price risk**

The Group is not exposed to commodity price risk.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

34. **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:

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, 2022.

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**

Loans 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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

35. Capital Risk Management

The Group manages its capital to ensure that it:

- Complies with the regulatory capital requirements as required by the Insurance Act 2018, Capital Adequacy Regulations, and the Securities Industry Act 2012
- Continues as a going concern
- Maintains a strong capital base to support the development of its business
- Maximizes the return to shareholders relative to the considerations above.

The Group's overall strategy remains unchanged from 2021.

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

Capital adequacy is managed at the operating company level with regular reporting to the Regulators, Executive Management and the Board of Directors.

The Insurance Act 2018 and Capital Adequacy Regulations require every insurer to: maintain adequate capital, and adequate and appropriate forms of liquidity to support its risk profile and business: maintain the minimum Net Tier 1 Ratio of 105%; and the Regulatory Capital Ratio of 150%; have a minimum stated capital of $15 million and to maintain and hold adequate assets to support its liabilities to its Trinidad and Tobago policyholders. The Financials Institutions Act 2008 require every non-bank financial institutions licensed under Act, to have a minimum required regulatory capital adequacy ratio of 15% based on the Basel Committee on Banking Supervision Guidelines. In addition, the Group seeks to maintain capital adequacy at levels higher than the minimum regulatory requirements.

For the years ended December 31, 2022 and 2021, the Group has complied with all the regulatory requirements to which it is subject.

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

36. Contingent Liabilities

(a) During the period March to June 2002 a number of charges were preferred against two of the Company's subsidiaries, Maritime General Insurance Company Limited ("Maritime General") and Fidelity Finance and Leasing Company Limited ("Fidelity"), and others. These charges refer to offences which are alleged to have taken place between 1st July 1996 and 21st December 2000. On 7th January 2008 the presiding Magistrate, Chief Magistrate Sherman McNichols committed all the defendants to stand trial after he had initially discharged them some six months earlier. This decision was appealed, and it was eventually heard by the judicial Committee of the Privy Council on 16th March 2022. On 27th June 2022, the Judicial Committee of the Privy Council delivered its judgment in the matter and in doing so they quashed the decision of the Chief Magistrate to commit the defendants to trial on the grounds of apparent bias. The Court in doing so found that the Chief Magistrate had been hopelessly compromised by the Attorney General, John Jeremie.

(b) On 20th May 2004 the Company along with others, including its two subsidiaries Maritime General and Fidelity were charged with the offence of conspiring with other persons to obtain contracts and payments contrary to section 34 of the Larceny Act, Chapter 11:12. The Company's attorneys have always advised that this is not an offence known in law. On 23rd February 2005, four additional charges were preferred against the Company, its two subsidiaries and others. Those charges each alleged a conspiracy to defraud contrary to common law. In April 2011, approximately seven years after the initial charge was preferred against the Company, the Prosecution informed the Court that they would not be proceeding with this and other charges. On 14th July 2017, after hearing all of the Prosecution's evidence, the Magistrate discharged Maritime Life and Fidelity in respect of all the remaining charges on the basis that there was no evidence to disclose a prima facie case against them. It is important to emphasize that the Prosecution did not seek to challenge the Magistrate's decision to discharge them. On 29th January 2021, the Company initiated proceedings against the Attorney General on the basis that it had been maliciously prosecuted. These proceedings are at a preliminary stage. No directions have yet been given by the Court as to when the matter will be heard. In relation to Maritime General the preliminary inquiry is ongoing. It is the unanimous view of all the attorneys in the matter that the Prosecution have not made out, and cannot make the crucial elements of the offences charged, and further that the proceedings are baseless and should be dismissed. In January 2023, the Defendants made a request for the DPP to discontinue the proceedings on the grounds of abuse of process. The DPP has not responded to this request and the Defendants intend to file an application to this effect in court.

(c) Regardless of the outcome of all of these proceedings, the interests of policyholders are adequately protected under the Insurance Act, 2018. For the avoidance of doubt, there are no pending criminal charges or allegations against Maritime Life (Caribbean) Limited and Fidelity Finance and Leasing Company Limited.

(d) 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.

(Maritime Life (Caribbean) Limited and its subsidiaries)

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For The Year Ended December 31, 2022

37. Subsidiaries

	Place of Incorporation	2022 % Shareholding	2021 % 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
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 Act, 2012 as a Broker-Dealer to conduct the activities of Broker-Dealer as agent and Broker-Dealer as Principal	Republic of Trinidad and Tobago	100.00	100.00
Maritime Capital Limited Income and Growth Fund	Republic of Trinidad and Tobago	81.71	91.04
Maritime Capital Limited Global Equity Fund	Republic of Trinidad and Tobago	78.87	90.00
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

(Maritime Life (Caribbean) Limited and its subsidiaries)

Notes to The Consolidated Financial Statements

For The Year Ended December 31, 2022

37. Subsidiaries (Continued)

	Place of Incorporation	2022 % Shareholding	2021 % Shareholding
Caribbean Microfinance Trinidad and Tobago Ltd Microfinance/investment administration services	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
Belle Vue Bay Limited Property holdings	Republic of Trinidad and Tobago	100.00	100.00
Maritime Residences 167 Limited Property holdings	Republic of Trinidad and Tobago	100.00	100.00

38. Dividends

(a) Dividends Paid

	2022 $'000	2021 $'000
Year ended December 31, 2020 (Final - 40¢)	-	4,348
Year ended December 31, 2021 (Final - 40¢)	4,348	-
	4,348	**4,348**

(b) The Board of Directors proposed a final dividend of 35¢ per share for the year ended December 31, 2022 (2021: 40¢ per share). This dividend, amounting to $5,804,305 (2021: $4,348,555) is not recorded as a liability in the Statement of Financial Position in accordance with IAS 10.

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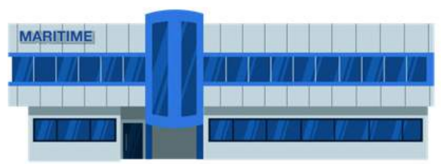

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