DIRECTORS' STATEMENT

On behalf of the Board of Directors of Sagicor Group Jamaica Limited (SGJ or the Group) we present the report on the performance of our Group of companies for the nine-months ended September 2021.

OVERVIEW –

The Group reported net profit attributable to shareholders of $13.03 billion year to date, a 26% increase over prior year. In the third quarter the group recorded net profits attributable to shareholders of $8.18 billion, a 37% increase over the comparative 2020 period. The Individual Life insurance segment reported strong results underpinned by new business sales and portfolio growth. The commercial and investment banking segments benefited from the partial market rebound, experiencing improved transaction volumes and resulting fee income. Earnings per share improved to $3.34 (September 2020- $2.65). The Group continues to operate in a challenging environment with uncertainty remaining around further COVID-19 variants and their possible impact on the economy. Nonetheless, the Group remains focused on protecting the health of its team members and delivering the best possible service to its customers.

FINANCIAL PERFORMANCE

Total revenues generated were $73.15 billion, being $12.95 billion or 22% higher than the prior year. A significant contributor to this growth was the $6.09 billion improvement in Realized and Unrealised Gains that were driven by price recovery in marketable securities and an increase in activity in the securities trading markets. Premium and Fee Income growth was offset by increases in Benefits, a direct result of rising medical costs and death claims as the pandemic continues to impact our portfolios.

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**HIGHLIGHTS**

<table>
<thead>
<tr>
<th>September 2021 Unaudited</th>
<th>September 2020 Unaudited</th>
<th>% Change</th>
<th>Dec 2020 Audited</th>
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</thead>
<tbody>
<tr>
<td><strong>Net Profit, attributable to Stockholders - J$ billions</strong></td>
<td>13.03</td>
<td>10.33</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Total Revenue - J$ billions</strong></td>
<td>73.15</td>
<td>60.20</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Total Assets of Sagicor Group Jamaica - J$ billions</strong></td>
<td>512.92</td>
<td>481.36</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total Assets under management - J$ billions</strong></td>
<td>951.06</td>
<td>889.08</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Stockholders' Equity - J$ billions</strong></td>
<td>114.31</td>
<td>101.21</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Return on average Stockholders' Equity (ROE)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Earnings per stock unit (EPS) - J$</strong></td>
<td>3.34</td>
<td>2.65</td>
<td>26%</td>
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**STOCKHOLDERS’ EQUITY** | **EARNINGS PER STOCK UNIT** | **MARKET CAPITALIZATION** |
<table>
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</thead>
<tbody>
<tr>
<td><strong>Net Profit attributable to Stockholders - J$</strong></td>
<td><strong>Total Revenue - J$</strong></td>
<td><strong>Total Assets - J$</strong></td>
</tr>
<tr>
<td><strong>$13.03 B</strong></td>
<td><strong>$73.15 B</strong></td>
<td><strong>$512.92 B</strong></td>
</tr>
<tr>
<td><strong>26%</strong></td>
<td><strong>22%</strong></td>
<td><strong>7%</strong></td>
</tr>
<tr>
<td><strong>Stockholders’ Equity - J$ billions</strong></td>
<td><strong>Earnings per stock unit (EPS) - J$</strong></td>
<td><strong>Market capitalization - J$ billions</strong></td>
</tr>
<tr>
<td><strong>$114.31 B</strong></td>
<td><strong>$3.34</strong></td>
<td><strong>$226.48 B</strong></td>
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<tr>
<td><strong>13%</strong></td>
<td><strong>26%</strong></td>
<td><strong>25%</strong></td>
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Net premium income increased by 3% compared to prior year, a result of strong new business sales within the Group. Net investment income increased by 17% over the last quarter and 8% over the prior year, a corollary of the increase in the Group’s interest earning asset base. The Group recorded an increase of $5.3 billion in unrealised capital gains over the comparative period, indicative of the recoveries in the market value of securities within our respective portfolios. The Group experienced substantially lower ECLs, due in part to recoveries of outstanding loan and credit card balances in the Commercial Banking segment. Fee and other income of $12.43 billion increased by $2.11 billion compared to prior year as the Group benefited from the increased economic activity in our commercial and investment banking lines. Hotel revenue associated with our remaining portfolio assets showed strong growth in the third quarter compared to prior year.

The Group continues to maintain a strong liquidity position, with cash holdings of $32.14 billion and has grown its asset base by 7% when compared to the prior year. Stockholders’ Equity of $114.31 billion as at September 2021 increased by 13% over the prior year, with an annualized return of 16%.

### Individual Insurance

The Individual Life segment posted net profits of $6.74 billion, 14% higher than 2020. The segment continues to grow new business in Jamaica and Cayman, seeing 5% growth in its portfolio of policies. Net revenue showed significant growth over the comparative 2020 period of 46% or $8.50 billion, $2.07 billion and $5.91 billion of this increase were from Net Premium and Realised and Unrealised Gains, respectively.

### Employee Benefits

The Employee Benefits segment produced profits of $2.56 billion, lower than the prior year ($3.48 billion). The segment continues to be impacted by rapidly rising medical costs and health claims, which contributed to a 7% increase in benefits incurred compared to the prior year. Net Premiums earned of $14.1 billion, includes 24% growth in new annualized premium income. The joint venture in Costa Rica continued its strong performance and contributed $705 million (2020: $193 million) to net profit for the period.

### Commercial Banking

Net profit of $2.12 billion represents a significant (41%) improvement over the prior year ($1.50 billion). Fee based income of $3.23 billion surpassed the prior year ($2.89 billion), credit card business revenue ($1.72 billion) represents a 13.4% increase over prior year. The segment saw a decline in its ECL provision of $985 million compared to 2020, largely due to significant recoveries on outstanding facilities and credit quality improvement in several segments of the loan portfolio since the start of the year. Total assets of $170.13 billion increased by 9% against prior year and 8% since December 2020. Loans and advances, net of provision for loan losses increased by $1.66 billion and $3.62 billion compared to December 2020 and September 2020 respectively. Customer deposit liabilities grew by 5% against prior year and 4% in comparison to December 2020 to close at $127.29 billion.

### Investment Banking

The Investment Banking segment contributed $2.04 billion to the Group’s net profit a 7% decrease over prior year. Total revenue decreased by 3% due to lower Realized and Unrealised Capital Gains. However, net investment income increased by $453 million, a product of strong growth in interest earning assets. During the quarter the segment improved its fee income from capital market transactions and asset management showing growth of 8% against the prior year.

### LIQUIDITY AND SOLVENCY

Group consolidated cash generated from investing activities was bolstered by $13.60 billion from the sale of the entire block of Playa shares in January 2021. The liquidity of the Group has remained strong with Cash and Cash Equivalents at the end of September 2021 being $30.95 billion (September 2020: $31.03 billion). The Group continues to exceed regulatory capital requirements across all of its entities.

### CORPORATE SOCIAL RESPONSIBILITY

In the third quarter of 2021, Sagicor Group Jamaica through the Sagicor Foundation continued to provide support to various organisations and groups, strengthening its support to the communities in which we operate by providing relief and assistance, primarily in the areas of health and education.

During the period July to September, the Group’s Corporate Social Responsibility (CSR) arm was especially focused on back-school activities and support for the educational sector. The Sagicor Foundation assessed over 1,000 scholarship applicants for final selection of 31 awardees.

Renovation activities amounting to $21 million dollars for the three schools under the 2020/2021 Adopt-A-School programme were completed during the period, providing much needed infrastructural upgrades for Beeston Spring Early Childhood Institution in Westmoreland, Cornwall Gardens Basic School in St. James, and Sligoville Early Childhood Development Centre in St. Catherine. The nomination process for the 2021/2022 programme opened in August to new applicants.

During the period, significant donations were made to include a joint partnership with Boss furniture to donate beds and mattresses valued at $1.5 million dollars to the St Joseph’s hospital; the Group also donated US$12,000 towards the development of the Field Hospital at the University Hospital of the West Indies. Other donations included: $250,000 to the Premie Foundation of Jamaica; $250,000 to the Jamaica Environment Trust; $200,000 to the UN Women Guild’s Scholarship programme and several other donations in kind; one of the most significant being care packages for a Sickle Cell Care Package drive.

In support of students learning from home, the Foundation continues to donate tablets to educational institutions to help students with their online learning. To date,
The Jamaican economy’s growth trajectory remains challenged by the downside risks associated with the COVID-19 pandemic given that Jamaica has one of the lowest vaccination rates in the region. The slowdown in economic activity in major sectors has the potential to further impact employment and inflation. In response to this, the Bank of Jamaica (BOJ) raised its benchmark interest rate by 100bps on September 30th in an attempt to curb spending. In August 2021, BOJ projected real GDP growth to be in the range of 7% to 10% and stood by its inflation rate projections of 4% to 6% over the coming two years.

The healthcare industry has experienced rising expenses as the cost of drugs, hospital stays and medical procedures showed significant increases during the year. Fitch, forecasts that the BOJ’s recent increase in policy rates will likely filter through to make credit more expensive for business and households as well as to place a ceiling on investment growth in the quarter ahead. A decrease in the financial health of businesses and households has also given a rise to a greater proportion of non-performing loans, an increase of 0.2% at the end of April 2021 per the BOJ.

These developments are likely to continue to influence the financial sector in the medium-term and call for a large, multi-faceted participant like ourselves to manage our various business lines prudently while remaining alert for possible opportunities that may arise in such an environment.

In this context, Sagicor Group Jamaica continues to have confidence in the fiscal policies being pursued by the Government and remains optimistic about the future of the economy. We are steadfast in our commitment to the health and wellbeing of our team, our clients and the citizens in the countries in which we provide services.

ACKNOWLEDGEMENT

Our Team Members, Financial Advisors and Brokers are the heart and soul of Sagicor Group Jamaica and we would like to express our deepest gratitude for their continued tremendous positive work ethic in contributing to our customers, especially in these times of uncertainty. To our customers, thank you for the trust and confidence you repose in us; we are Sagicor Strong in our commitment to help you navigate these challenging times. Thank you to our supportive business partners and to our stockholders for the continued support and not least, our Directors for their diligence, wise counsel and continued guidance.

On behalf of The Board of Directors:

PETER MELHADO
Chairman

CHRISTOPHER ZACCA, C.D., J.P.
President & CEO

10 November 2021
### Explanatory Notes

1. **Identification and Principal Activities**

   Sagicor Group Jamaica Limited (SGJ, the company) is incorporated and domiciled in Jamaica and is listed on the Jamaica Stock Exchange. It is 95.86% owned by LOJ Holdings Limited (LOJH), which is also incorporated and domiciled in Jamaica and 16.66% owned by Sagicor Life Inc. (SLI) which is domiciled in Barbados. Both LOJH and SLI are wholly owned by Sagicor Financial Company Limited (Sagicor), the ultimate parent company, which is incorporated and domiciled in Bermuda. Sagicor has an overall interest of 49.11% (2020 – 49.11%) in the company. The other significant shareholder in SGJ is the Panama-based bank, BAC International Limited with a 30.20% equity interest in Playa Hotels and Resorts International Inc. SGJ Group comprises many companies operating a wide range of financial products and services. These include insurance, life, and health insurance; property and casualty insurance; annuities; pensions and administration; investment services; commercial banking; investments banking; captives management; property management and real estate sales and rentals.

2. **Basis of preparation**

   These condensed consolidated financial statements should be read in conjunction with the accounting policies and other disclosures as set out in the audited financial statements for the year ended 31 December 2020.

   **3. Accounting estimates and judgements**

   Certain amounts recorded in these unaudited consolidated financial statements with disclosure notes for the year ended 31 December 2020.

   **4. Insurance liability reserves**

   Actual results may differ from the estimates and assumptions made. Interest results are not necessarily indicative of full year results.

   **5. Impact of COVID-19**

   Since the start of 2020, bond yields, equity prices and oil prices have fallen sharply and on the local side, so too has the Jamaica Stock Exchange (JSE) combined index. Key sectors of the Jamaican economy, particularly tourism, remittances, manufacturing, transportation, logistics and related sectors have experienced significant deterioration to the extent of approximately J$13,604,000,000. Sale of the shares occurred in a public offering of 11,499,000 Ordinary Shares held by the Group, concurrent with an underwritten public offering of 25,000,000 new shares by Playa at a public offering price of US$5.00 per share. These transactions were simultaneous with an assignment of additional $5,301,000,000 ordinary shares held by the Group to Sagicor Financial Corporation Limited, for cash consideration, at a price equal to the price offered through the public offering of US$5.00 per share. A disposal loss of approximately J$253,089,000 is recognized upon completion of this disposal in 2021.

   **5.1 Disposal of interest in PLAYA**

   On 15 January 2021, the Group completed the disposal of its 14.87% (20,000,000 Ordinary Shares) equity interest in Playa Hotels and Resorts N.V. (Playa) for a net cash consideration of US$36,000,000 (approximately J$53,104,000), where the plays share of the shares occurred in a public offering of 11,499,000 Ordinary Shares held by the Group, concurrent with an underwritten public offering of 25,000,000 new shares by Playa at a public offering price of US$5.00 per share. These transactions were simultaneous with an assignment of an additional 8,501,000 ordinary shares held by the Group to Sagicor Financial Corporation Limited, for cash consideration, at a price equal to the price offered through the public offering of US$5.00 per share. A disposal loss of approximately J$253,089,000 is recognized upon completion of this disposal in 2021.

   **5.2 disposal of non-marketable shareholding in PHA**

   On 15 January 2021, the Group disposed of its 14.87% (20,000,000 Ordinary Shares) equity interest in Playa Hotels and Resorts N.V. (Playa) for a net cash consideration of US$36,000,000 (approximately J$53,104,000), where the plays share of the shares occurred in a public offering of 11,499,000 Ordinary Shares held by the Group, concurrent with an underwritten public offering of 25,000,000 new shares by Playa at a public offering price of US$5.00 per share. These transactions were simultaneous with an assignment of an additional 8,501,000 ordinary shares held by the Group to Sagicor Financial Corporation Limited, for cash consideration, at a price equal to the price offered through the public offering of US$5.00 per share. A disposal loss of approximately J$253,089,000 is recognized upon completion of this disposal in 2021.