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 the Group of companies for the nine-months ended September 2022.

OVERVIEW –

Sagicor Group Jamaica remains committed to the vision of improving the lives of people in the communities in which it operates. This continues to guide how the company does business while navigating the economic challenges of a high-inflation environment, fuelled in part by the ongoing war in Ukraine along with continued supply chain disruptions of critical commodities. To moderate these effects, Central Banks across the world, inclusive of the Bank of Jamaica, are actively raising their policy rates with the corollary impact of reducing liquidity. These aggressive actions, while necessary, have a deleterious impact on the financial sector’s profitability and its capacity to contribute to economic expansion.

The Group, for the nine-months period, achieved net profit attributable to stockholders of $10.15 billion, a 22% reduction over the prior year. The Individual Life insurance segment continues to lead the Group’s revenue generation, accounting for $5.42 billion in reported net profit. The Commercial Banking and the Employee Benefits segments were also major contributors, with $2.34 billion and $2.55 billion respectively in net profit attributable to stockholders. Earnings per share ended at $2.60 (September 2021: $3.34).

HIGHLIGHTS

<table>
<thead>
<tr>
<th>OPERATING RESULTS (INCOME STATEMENT DATA):</th>
<th>September 2022 Unaudited</th>
<th>September 2021 Unaudited</th>
<th>% Change</th>
<th>Dec 2021 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit, attributable to Stockholders - J$ billions</td>
<td>10.15 B</td>
<td>13.03 B</td>
<td>-22%</td>
<td>17.40 B</td>
</tr>
<tr>
<td>Total Revenue - J$ billions</td>
<td>70.76 B</td>
<td>73.15 B</td>
<td>-3%</td>
<td>102.56 B</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FINANCIAL POSITION &amp; STRENGTH (BALANCE SHEET DATA):</th>
<th>September 2022 Unaudited</th>
<th>September 2021 Unaudited</th>
<th>% Change</th>
<th>Dec 2021 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets of Sagicor Group Jamaica - J$ billions</td>
<td>504.38 B</td>
<td>512.92 B</td>
<td>-2%</td>
<td>527.99 B</td>
</tr>
<tr>
<td>Total Assets under management - J$ billions</td>
<td>918.20 B</td>
<td>951.06 B</td>
<td>-4%</td>
<td>936.31 B</td>
</tr>
<tr>
<td>Stockholders’ Equity - J$ billions</td>
<td>106.03 B</td>
<td>114.31 B</td>
<td>-7%</td>
<td>114.82 B</td>
</tr>
</tbody>
</table>

| PROFITABILITY: | | | | |
|-----------------|-----------------|-----------------|----------|
| Return on average Stockholders’ Equity (ROE) | 12% | 16% | -4% | 16% |
| Earnings per share (EPS) - J$ | 2.60 | 3.34 | -22% | 4.46 |

| OTHER MARKET INFORMATION: | | | |
|--------------------------|-----------------|-----------------|
| SGJ Share Price - J$ | 52.40 | 57.99 | -10% | 58.25 |
| Market capitalization - J$ billions | 204.66 B | 226.48 B | -10% | 227.50 B |

<table>
<thead>
<tr>
<th>NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS</th>
<th>TOTAL REVENUE</th>
<th>TOTAL ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10.15 B</td>
<td>$70.76 B</td>
<td>$504.38 B</td>
</tr>
<tr>
<td>-22%</td>
<td>-3%</td>
<td>-2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STOCKHOLDERS’ EQUITY</th>
<th>EARNINGS PER SHARE</th>
<th>MARKET CAPITALIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>$106.03 B</td>
<td>$2.60</td>
<td>$204.66 B</td>
</tr>
<tr>
<td>-7%</td>
<td>-22%</td>
<td>-10%</td>
</tr>
</tbody>
</table>
$1.34 billion. The stock price closed at $52.40 at the quarter end, resulting in a market capitalization of $204.66 billion.

FINANCIAL PERFORMANCE

Sagicor Group amassed total revenues of $70.76 billion year to date, a 3% decline over prior year. The Group recognized fair value losses of $3.92 billion (September 2021: $5.33 billion in gains); a result of the fall-off in market prices for fixed income and equity securities. Notwithstanding the aforementioned; core revenue streams being net premium income, net investment income and fee income improved year over year. Net premium income improved over prior year by 8% to contribute $41.21 billion, a result of strong new business and policy retention. Net investment income grew by 12% over prior year amounting to $16.04 billion, emanating from growth in the Group’s interest-earning asset base. Fees and other income recorded better results over prior year by 6% to close the quarter at $13.2 billion, mainly from growth in commercial banking activities.

Total benefits and expenses for the Group increased year over year by 2%, ending at a total of $57.33 billion. Net insurance benefits incurred and administrative expenses increased by $3.41 billion and $3.15 billion respectively year over year. This was partially offset by a favourable net movement in actuarial liabilities of $6.60 billion, stemming in the main from an upward movement in prevailing market interest rates.

The Group’s statement of financial position was impacted by the softening of asset prices, with Total Assets and Shareholders Equity declining to $504.38 billion and $106.03 billion respectively, largely due to fair value losses. Additionally, the decline in total assets was influenced by the sale of the Group’s remaining shares in the Sagicor Real Estate XFund. The Group’s Funds under Management of $913.82 billion grew nominally year on year, contributing to the Total assets under Management of $918.20 billion. Sagicor Group’s annualized return on equity was 12% (down from 16% in the corresponding period in 2021).

Individual Insurance

The Individual Life segment ended the period with $5.42 billion in net profit, a 20% decline over prior year, primarily due to less favourable changes in actuarial liabilities when compared to 2021. Nevertheless, net premium income grew year over year by $1.29 billion when combined across Jamaica and Cayman, a product of new business sales growth and policy retention.

Employee Benefits

The Employee Benefits segment produced profits of $2.55 billion, in-line with the prior year. Net group health premium income of $9.21 billion increased by 11% over the prior year, largely on new business written during the period. Net insurance benefits incurred increased by $2.4 billion, as medical inflation continues to trend upward. However, this was offset by a reduction in actuarial liabilities for the period.

Commercial Banking

The Commercial Banking segment produced a net profit of $2.34 billion, 10% higher than the prior year. The segment was aided by a 13% increase in total revenues, primarily due to increases in banking activities through credit card and point of sale transactions. This translated to 27.68% or $1.22 billion higher fee and other income year over year.

Total assets of $186.31 billion grew 7% over December 2021. This growth was driven by a $9.93 billion increase in loan assets which ended the period at $102.95 billion. Customer deposits increased by $6.01 billion against the prior year end to total $142.41 billion as at September 2022.

OUTLOOK

The threat of unsustainable levels of inflation has resulted in continued tightening of rates in most major economies. Central Banks have voiced their commitment to price stability and indicated their willingness to continue these actions until inflation returns to manageable levels, suggesting that rates will rise further before any meaningful reductions are made. This policy direction is predicted to result in recession in most major economies, an outcome acknowledged by the policy makers as likely but less damaging to economic and social order in the medium-term.

In the domestic economy, the Bank of Jamaica (BoJ) reported an inflation rate of 9.3% in September 2022, a reduction over August’s outturn but still well above the Bank’s target range of 4-6%. BoJ’s current policy rate of 6.5% is expected to rise in line with indications from the US Federal Reserve of a 50-75 basis point increase following its latest meeting. These rises will continue to have a negative cumulative effect on business activity, as private borrowing becomes less attractive, which in turn could threaten economic expansion and employment, the latter currently at record levels. It is a problem with no easy solution and our view is that it will protract given the structural issues of geopolitical instability and a recovering supply chain.

Sagicor Group Jamaica remains vigilant in monitoring these developments and continues to focus on maintaining its strong liquidity position while working with its customers to minimise disruption to their businesses. Our goal is to emerge from this difficult period as a more agile company, with a view to take advantage of growth opportunities that tend to present after down economic cycles.
CORPORATE SOCIAL RESPONSIBILITY

In the third quarter of 2022, Sagicor Group Jamaica continued to make a difference in the lives of the people in the communities in which it operates, executing several impactful activities focused on education and community development.

During the period of July to September, through its charitable arm, the Sagicor Foundation provided support to several Summer Camps and back-to-school initiatives. The Foundation donated over $5 million in cash and kind to the ILAH Lemon-Aid Foundation in support of the ‘Dip and Come Again’ summer numeracy and literacy camp. The University of Technology, Jamaica’s Student Union Council ‘Teach the Youth’ Summer Programme also benefitted from a $2.5 million donation from the Sagicor Foundation. The Foundation also supported several other summer camp initiatives as part of its ‘Get Back On Track’ programme as well as numerous back-to-school treats.

During the quarter, the Foundation underwrote its annual scholarship programme awarding over $13 million in new scholarships to thirty tertiary students and twenty-three secondary students. The secondary scholarship awardees included the two Champion Boys (tied) from the 2022 JTA/Sagicor National Athletic Championships. In honour of Jamaica 60, the Foundation also provided sixty educational grants of $60,000 each to tertiary students.

The Foundation completed renovations at two schools under its 2021/2022 Adopt-A-School Programme during the period. With an investment of over $20 million at the Bermaddy Basic School in Linstead, St. Catherine and John Anglin Basic School in Warsop, Trelawny, major renovations to the school buildings included - construction of additional classrooms, renovation of kitchen, bathrooms and roof, replacement of windows and doors, painting of school and fencing. New furniture and educational resources were also donated to school.

The renovation works at the Kingston Public Hospital for the eight patient bathrooms were also completed to the tune of over $4 million.

Nominations for the Sagicor Foundation Biennial Community Heroes Awards were also launched during the period. Fourteen heroes will be selected from the nominations received from the public.

The Foundation has also committed $7 million towards the Joy Town Community Foundation for its programme geared towards developing underprivileged boys from the Charlie Smith High School.

Overall, the Group continued to strengthen its corporate social responsibility efforts as it remains committed to improving the lives of the people in the communities in which it serves.

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 tremendous work ethic in contributing to our customer experience, 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

3 November 2022
### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

(Epressed in thousands of Jamaican dollars)

<table>
<thead>
<tr>
<th>September 2022</th>
<th>September 2021</th>
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#### ASSETS
- Cash resources & Cash reserve at Central Bank: 33,473,490
- Loans & advances: 220,675,321
- Investment properties: 9,024,480
- Plant, property and equipment: 6,383,876
- Right-of-use assets: 1,712,959
- Intangible assets: 1,393,263
- Deferred income taxes: 4,995,603
- Taxation receivable: 5,001,674
- Other assets: 27,109,657

#### TOTAL ASSETS: 504,380,576

#### STOCHOLMKER’S EQUITY AND LIABILITIES:

- **Equity attributable to:**
  - Share capital: 23,740,564
  - Equity reserves: 14,088,377
  - Revaluation provisions: 2,743,053
  - Share premium: 2,914,695
  - Foreign currency translation: 2,740,419
  - Retained earnings: 17,643,088
  - Dividends declared to owners of the parent: 547,223

#### TOTAL EQUITY: 126,846,999

- **Liabilities:**
  - Financial investments: 240,192,810
  - Loans payable: 2,235,635
  - Deferred income taxes: 421,748
  - Taxation payable: 665,166
  - Retirement benefit obligations: 3,112,355
  - Lease liabilities: 2,075,890
  - Other liabilities: 22,410,821

#### POLICYHOLDERS’ FUNDS:
- Life and health insurance contracts liabilities: 50,592,187
- Investment contract liabilities: 19,894,175
- Property and casualty insurance contracts and other policy liabilities: 14,280,180

#### TOTAL LIABILITIES: 169,295,460

#### TOTAL STOCKHOLDERS’ EQUITY AND LIABILITIES: 335,085,116

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-months ended 30 September 2022

(Epressed in thousands of Jamaican dollars)

<table>
<thead>
<tr>
<th>Q3 2022</th>
<th>Q3 2021</th>
<th>Year-to-date</th>
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#### Share Capital
- **Capital:** 5,183,871
- **Equity reserves:** 2,061,221
- **Retained earnings:** 9,264,591
- **Net insurance benefits incurred:** 3,955,861
- **Depreciation and amortisation:** 703,344

#### Other comprehensive income
- **Participations in net income:** 7,530,248
- **Unrealised gains on long-term investments:** 8,480,974
- **Impairment charge on goodwill:** 1,747,199

#### Total comprehensive income: 24,947,707

#### Non-controlling interests
- **Share of net income:** 2,713,250
- **Depreciation and amortisation:** 2,061,221
- **Other income and expenses:** 27,109,657

#### Total comprehensive income: 24,947,707

#### Total Stockholders’ equity and liabilities: 335,085,116

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**PETER MELHADO**
Chairman
3 November 2022

**CHRISTOPHER ZACCA, C.D., J.P.**
President & CEO
3 November 2022

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**CONSOLIDATED STATEMENT OF INCOME STATEMENT**

For the nine-months ended 30 September 2022

(Epressed in thousands of Jamaican dollars)

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#### Revenue:
- **Net premiums revenue:** 45,355,451
- **Net investment income:** 5,207,908
- **Realized and unrealized losses:** 3,817,193
- **Credit loss on loans and investments:** 220,841
- **Loss on foreign exchange:** 8,410,425

#### Total revenue: 53,748,096

#### Expenses:
- **Net insurance benefits incurred:** 9,012,421
- **Net movements in solvency ratios:** 1,110,986
- **Administration expenses:** 6,703,095
- **Commissions and sales expenses:** 1,979,175
- **Hotel expenses:** 852,100
- **Depreciation and amortisation:** 420,684

#### Total expenses: 24,947,707

#### Net profit for the period: 8,991,044

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the nine-months ended 30 September 2022

(Epressed in thousands of Jamaican dollars)

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- **Other income and expenses:** 27,109,657

#### Total comprehensive income: 24,947,707

#### Total Stockholders’ equity and liabilities: 335,085,116
### CONSOLIDATED SEGMENTAL FINANCIAL INFORMATION

**for the nine-months ended 30 September 2022**

(Expressed in thousands of Jamaican dollars)

<table>
<thead>
<tr>
<th>Segmental Information</th>
<th>Jamaica</th>
<th>Cayman Islands</th>
<th>United States of America</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>614,784</td>
<td>9,592,413</td>
<td>4,893,436</td>
<td>-</td>
<td>7,214,631</td>
</tr>
<tr>
<td>Total assets</td>
<td>496,330</td>
<td>10,563,073</td>
<td>9,510,830</td>
<td>-</td>
<td>24,568,233</td>
</tr>
</tbody>
</table>

**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 32.4% (2021 – 32.4%) owned by Sagicor Life Jamaica Limited (LoJ), which is also incorporated and domiciled in Jamaica and 16.6% owned by Sagicor Life Inc. (Sli) which is domiciled in Barbados. Both LoJ and Sli are wholly owned by Sagicor Financial Company Limited (SFC), the ultimate parent company, which is incorporated and domicoted in Bermuda. Sagicor has an overall interest of 49.1% (2021 – 49.1%) in the company. The other significant shareholder in SGJ is Panjam Investment Limited with a 30.2% (2021 – 30.2%) holding.

The registered office of the Sagicor Group Jamaica Limited is located at 28 - 48 Barbers Avenue, Kingston 5, Jamaica.

Sagicor Group Jamaica Limited comprises many companies offering a wide range of financial products and services. These include life and health insurance, property and casualty insurance; annuities; pensions; administration; investment services; commercial banking; investments banking; captives; management; property management; real estate sales and rentals; and remittance and cambio.

2. **Basic of Preparation**

These consolidated financial statements should be read in conjunction with the accounting policies and other disclosures as set out in the full audited financial statements with disclosure notes for the year ended 31 December 2021.

3. **Accounting estimates and judgements**

Certain amounts recorded in these unaudited consolidated statements reflect management's best estimates and assumptions made by management about insurance liability reserves, investment valuations, interest rates and other factors. Actual results may differ from the estimates and assumptions made. Interim results are not necessarily indicative of full year results.

4. **Disposal of interest in X Fund**

During March 2022, SGJ sold 8.6% interest in X Fund, reducing the Group’s holdings in the company to 20.5%. This transaction generated net proceeds of $1.59 billion. The remaining shares in X Fund were sold and fully disposed of effective September 30, 2022, generating additional net proceeds of $5.8 billion.

5. **Acquisition of Alliance Investment Management Limited**

In August 2022, the Group through its subsidiary Sagicor Investments Jamaica Limited (Sill) completed the acquisition of 100% of the share capital of Alliance Investment Management Limited. The purchase of the portfolio expands Sill’s business and provides an opportunity to serve a wider client base. The purchase consideration for the net assets was $1.59 million.

6. **Windup of Jamspor**

On 13 June 2022, a resolution was passed for the wind-up of Jamspor. This resulted in the cancellation of a promissory note of $570 billion, issued to holders of the non-controlling interest, and the removal of the non-controlling interest from the Balance Sheet.