

Sagicor Group Jamaica

GROUP RESULTS

YEAR ENDED 31 DECEMBER 2022

PERFORMANCE REPORT 2022

DIRECTORS' STATEMENT

On behalf of the Board of Directors of Sagicor Group Jamaica Limited (SGJ or the Group) we present the Group performance report for the year ended December 2022.

OVERVIEW –

Sagicor Group Jamaica achieved net profit attributable to stockholders of $16.38 billion for the year ended December 31, 2022, a 6% reduction over the prior year but a creditable performance in a difficult year. The Individual Life insurance segment continues to lead the Group's profit generation, accounting for $8.74 billion in reported net profit. The Employee Benefits and the Commercial Banking segments were also major contributors, with $4.05 billion and $3.29 billion, respectively. The Group ended the year with earnings per share of $4.19 (December 2021: $4.46). The 2022 year-end saw the stock price closing at $59.42, an increase over prior year (December 2021: $58.25). The Group's market capitalization ended the year at $232.07 billion, the largest of any company on the Jamaica Stock Exchange.

2022 was an extremely challenging year characterised by volatility in local and international financial markets emanating from geopolitical tensions, rising inflation, tightening of monetary policies and supply chain disruptions. Notwithstanding these challenges, Sagicor Group Jamaica continues to strategically position itself for growth by optimising our operations and transforming our business processes. In the final quarter of 2022, the Group announced a series of management changes to implement these plans. During the year the Group also entered the Cambio and Remittance market through the

HIGHLIGHTS

	December 2022 Audited	December 2021 Audited	% Change
OPERATING RESULTS (INCOME STATEMENT DATA):			
Net Profit, attributable to Stockholders - J$ billions	16.38	17.40	-6%
Total Revenue - J$ billions	97.10	102.56	-5%
FINANCIAL POSITION & STRENGTH (BALANCE SHEET DATA):			
Total Assets of Sagicor Group Jamaica - J$ billions	519.18	527.99	-2%
Total Assets under management - J$ billions	976.07	956.30	2%
Stockholders' Equity - J$ billions	113.87	114.82	-1%
PROFITABILITY:			
Return on average Stockholders' Equity (ROE)	14%	16%	-2%
Earnings per share (EPS) - J$	4.19	4.46	-6%
OTHER MARKET INFORMATION:			
SGJ Share Price - J$	59.42	58.25	2%
Market capitalization - J$ billions	232.07	227.50	2%

NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS
$16.38B
▼ -6%

TOTAL REVENUE
$97.10B
▼ -5%

TOTAL ASSETS
$519.18B
▼ -2%

STOCKHOLDERS' EQUITY
$113.87B
▼ -1%

EARNINGS PER SHARE
$4.19
▼ -6%

MARKET CAPITALIZATION
$232.07B
▲ 2%

acquisition of Alliance Financial Services Limited and disposed of its shareholdings in Sagicor Real Estate X Fund.

The Group declared dividends totalling $1.60 per share (December 2021: $1.11 per share) during the year as part of our commitment to providing a return on capital to our shareholders, in spite of the challenging environment.

FINANCIAL PERFORMANCE

Total revenue for 2022 for the Group was $97.10 billion, a 5.3% decline year over year. The Group recognized fair value losses of $3.31 billion (December 2021: $8.97 billion in gains); a result of depressed market prices for fixed income and equity securities. Sagicor's main revenue streams were net premium revenue, net investment income and fee income. Net premium revenue improved over prior year by 7.1% to contribute $56.55 billion, a result of strong new business and policy retention. Net investment income grew by 10.7% over prior year amounting to $21.30 billion, emanating from growth in the loan portfolio and commercial banking activities. Fees and other income recorded improved results over prior year by 6.4% to close the year at $18.51 billion. This was driven mainly by income from cambio and remittance services as well as an increase in commercial banking fee income.

Total benefits and expenses for the Group decreased year over year by 3.1%, ending at a total of $75.87 billion. An upward movement in prevailing market interest rates resulted in a favourable net movement in actuarial liabilities of $8.12 billion. This was partially offset by net insurance benefits incurred and administrative expenses increasing by $2.08 billion and $3.72 billion, respectively year over year.

The Group's statement of financial position was impacted by the sale of Sagicor Real Estate X Fund and the softening of asset prices. Total Assets and Shareholders Equity ended at $519.18 billion and $113.87 billion, respectively. The Group's Funds under Management of $456.89 billion grew nominally year on year, contributing to the Total assets under Management of $976.07 billion, an increase over prior year (December 2021: $956.30 billion). Sagicor Group's annualized return on equity was 14% (down from 16% in the corresponding period in 2021).

Individual Insurance

The Individual Life segment ended the period with $8.74 billion in net profit, a 2.4% decline over prior year. Net premium income grew year over year by $2.16 billion across Jamaica and the Cayman Islands, as a result of new business sales growth and policy retention. In the current year, actuarial liabilities were primarily impacted by changes to discount rates, a result of the prevailing market conditions. The prior year period included adjustments to the morbidity and lapse experience.

Employee Benefits

The Employee Benefits segment produced profits of $4.05 billion, 10.5% above prior year. Net group health premium income of $12.32 billion increased by 13.2% over the prior year, due to new business written during the period, particularly the acquisition of a large client in the Group Health portfolio. Net insurance benefits incurred increased by $1.77 billion, as medical inflation continued to trend upward, however, this was partially offset by a reduction in actuarial liabilities for the period.

Commercial Banking

The Commercial Banking segment produced a net profit of $3.29 billion, 1% higher than the prior year. The segment was aided by a 10.5% increase in total revenues, primarily due to increases in banking activities through credit card and point of sale transactions. Additionally, a 17% growth in the segment's loans portfolio translated to 14% or $1.52 billion increase in interest income.

Total assets of $191.8 billion grew 9.1% over December 2021. This growth was driven by a $15.47 billion increase in loan assets which ended the period at $108.49 billion. Customer deposits increased by $12.5 billion against the prior year end to total $148.9 billion as at December 2022.

Investment Banking

The Investment Banking segment's net profit outturn was $1.20 billion, a decline of 64.2% against prior year. The prevailing macroeconomic conditions have caused a significant reduction in business transactions, adversely affecting performance. Notwithstanding, the segment benefitted from our recently formed Cayman subsidiary, which grew its interest earnings asset base by 95% and positioned itself to benefit from higher yielding securities within the market.

CAPITAL RATIOS

Regulated Entities	Key Regulatory Ratios	Minimum Statutory Requirements	December 31, 2022	December 31, 2021
Sagicor Life Jamaica Limited	Minimum continuing capital and surplus requirements ratio (MCCSR)	150%	208.6%	163.8%
Sagicor Bank Jamaica Limited	Regulatory capital to risk weighted assets ratio	10%	13.0%	14.1%
Sagicor Investments Jamaica Limited	Regulatory capital to risk weighted assets ratio	10%	14.9%	17.7%
Sagicor Life of the Cayman Islands Limited	Minimum capital requirement (MCR)	125.0%	303.5%	287.1%
Advantage General Insurance Company Limited	Minimum capital test ratio (MCT)	250.0%	344.7%	328.9%

LIQUIDITY AND SOLVENCY

Cash and Cash Equivalents at the end of December 2022 were $42.94 billion, down from $51.88 billion as at December 2021. Regulatory capital requirements continue to be exceeded across all operating entities.

OUTLOOK

As we come to the close of an undoubtedly challenging year, our outlook for 2023 remains conservative as many of the constraining factors to economic growth remain in place, namely inflation, the war in Ukraine and the lagging effect of high interest rates, causing the World Bank to issue a downward revision in global economic growth from 3% to 1.7%. We expect a continued slowing of growth amongst our key trading partners, including the United States and Britain, as consumer spending and market activity responds to the extended period of high interest rates. Domestically, we anticipate the Bank of Jamaica will remain focused on taming inflation, but indications are that its recent market actions have been effective given the downward trajectory of this key measure.

The Group is cognizant of and well prepared for the potential impact of International Financial Reporting Standard ("IFRS") 17. The standard which becomes effective January 1, 2023, replacing IFRS 4, is anticipated to materially change the recognition and measurement requirements for our insurance business segments, as well as the presentation and disclosures in the Group's Consolidated Financial Statements.



1. *Davica Hamilton (right), Realtor, Sagicor Property Services gifts a student at Irish Pen Basic School during the Sagicor Foundation's Adopt-A-School Christmas treat. Sharing in photo is the 'Santa on Duty'.*

2. *Mason Menzie of Bermaddy Basic School is happy to receive his goodie bag from Fabian Gordon, Sagicor Life Financial Advisor during the official handing over ceremony. Renovations were completed at the school under the Sagicor Foundation Adopt-A-School Programme.*





3. *Chorvelle Johnson Cunningham, CEO, Sagicor Bank, receives the 1st place Award for Excellence in Corporate Social Responsibility for Sagicor Group Jamaica, from Karoline Smith, General Manager, Sol Petroleum.*



4. *(From left) Dr Carl Bruce, Medical Chief of Staff at the University Hospital of the West Indies; Christopher Zacca, President and CEO, Sagicor Group Jamaica; Sigma Run Race Patron Shelly-Ann Fraser-Pryce; Mark Chisholm, Sagicor Foundation Director and Chief Revenue Officer, Sagicor Group Jamaica and Karl Williams, Executive Vice President, Shared Services, Sagicor Group Jamaica at the press launch for the 25th anniversary Sagicor Sigma 'Legacy' Run.*

Sagicor Group Jamaica continues to focus on its capital management and liquidity strategies, as it did successfully in 2022. In 2023 the Group will also continue to aggressively pursue digitalisation of all its business segments, and place even greater focus on providing excellent service to all our clients across the Group. Our vision for 2023 remains true, to be a great company committed to improving the lives of people in the communities in which we operate.

CORPORATE SOCIAL RESPONSIBILITY

During the last quarter of 2022 Sagicor Group Jamaica, primarily through its charitable arm, Sagicor Foundation, executed and supported several corporate social responsibility (CSR) initiatives.

In recognition and celebration of the festive season, the Sagicor Foundation hosted four Christmas treats for its newly adopted basic schools as part of the Foundation's 2022/2023 Adopt-A-School programme. Each school was treated to Christmas festivities, receiving a Christmas tree, toys for each student and gifts for teachers and the administrative staff. The 2021/2022 adopted schools - John Anglin Basic School in Warsop Trelawny and Bermaddy Basic School in Linstead, St. Catherine, were also officially handed over during the period.

The Sagicor Sigma 25th Legacy Run was also launched during the period, announcing the details of the company's 25th anniversary signature charity run/walk road race. The launch event, which was held on December 6, saw the announcement of the charity run's Race Patrons – Olympic and World Champion, Shelly-Ann Fraser-Pryce, and Olympian and Former 100m World Record Holder, Asafa Powell, along with the naming of the 2023 Sigma Run beneficiaries – the University Hospital of the West Indies Paediatric Unit and the Edna Manley College of the Visual and Performing Arts.

During the month of October, in recognition of Breast Cancer Awareness month, the Sagicor Foundation continued its commitment of donating cash to the Jamaica Cancer Society in support of its fundraising initiative. Several donations were also done during the period to support numerous yuletide activities, educational initiatives, community activities, and health and wellness programmes.

The Group and the Foundation walked away with top awards for corporate social responsibility and civic leadership at the AMCHAM Business and Civic Leadership Awards in December. Sagicor Group Jamaica won the 1st place Award of Excellence for Corporate Social Responsibility (large companies), while the Sagicor Foundation copped the runner-up Award of Excellence for Civic Leadership (large companies).

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

27 February 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022
(Expressed in thousands of Jamaican dollars)

	December 2022 Audited	December 2021 Audited
ASSETS:		
Cash resources & Cash reserve at Central Bank	34,344,482	34,468,878
Financial investments	221,047,390	238,745,309
Loans & leases, after allowance for credit losses	112,736,829	96,889,917
Pledged assets	94,209,543	93,636,126
Investment properties	1,680,525	1,220,324
Investment in joint venture	1,830,001	1,329,797
Intangible assets	8,868,597	5,872,442
Property, plant and equipment	6,412,479	20,782,133
Right-of-use assets	1,823,204	2,155,117
Retirement benefit assets	706,137	472,179
Deferred income taxes	4,021,850	1,980,237
Taxation recoverable	6,281,323	4,186,609
Other assets	25,216,522	26,251,636
TOTAL ASSETS	**519,178,882**	**527,990,704**
STOCKHOLDERS' EQUITY AND LIABILITIES:		
Equity attributable to:		
Stockholders' of the parent company		
Share capital	8,998,808	8,816,093
Equity reserves	4,055,129	17,163,717
Retained earnings	100,816,939	88,843,812
	113,870,876	114,823,622
Non-controlling interests	2,052,493	19,956,091
Total Equity	**115,923,369**	**134,779,713**
Liabilities		
Deposit and security liabilities	250,837,061	221,851,641
Loans payable	2,198,545	9,284,518
Deferred income taxes	421,305	2,169,101
Taxation payable	1,775,142	703,344
Retirement benefit obligations	3,000,585	5,780,581
Lease liabilities	2,143,801	2,521,790
Other liabilities	17,086,862	20,395,035
Policyholders' Funds		
Life and health insurance contracts liabilities	92,248,682	97,996,749
Investment contracts liabilities	20,164,220	19,356,485
Property and casualty insurance contracts and other policy liabilities	13,379,310	13,151,747
	125,792,212	130,504,981
Total Liabilities	403,255,513	393,210,991
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	**519,178,882**	**527,990,704**

PETER MELHADO
Chairman
27 February 2023

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

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2022
(Expressed in thousands of Jamaican dollars)

	Q4 2022 Audited	Q4 2021 Audited	December 2022 Full Year Audited	December 2021 Full Year Audited
Revenue:				
Net premium revenue	15,339,247	14,585,382	56,552,424	52,784,590
Net investment income	5,263,649	4,902,827	21,302,549	19,241,421
Realised and Unrealised gains/(losses)	609,155	3,633,396	(3,308,923)	8,965,510
Credit losses on loans and investment securities	(178,601)	(55,838)	(614,765)	(245,288)
Hotel revenue	-	1,390,772	4,659,437	4,418,749
Fees and other income	5,313,355	4,959,059	18,513,561	17,395,697
Total revenue, net of reinsurance, interest expense and credit losses	**26,346,805**	**29,415,598**	**97,104,283**	**102,560,679**
Benefits and Expenses:				
Net insurance benefits incurred	8,511,231	9,834,053	37,135,954	35,053,288
Net movement in actuarial liabilities	(47,663)	1,473,363	(3,845,674)	4,279,198
Administration expenses	7,557,908	6,981,565	28,145,338	24,421,497
Commissions and sales expenses	1,985,560	2,251,024	7,558,190	7,556,465
Hotel expenses	-	985,983	3,379,914	3,367,407
Depreciation and amortisation	529,082	700,576	2,604,846	2,719,286
Other taxes and levies	5,327	5,040	893,280	830,767
Total benefits and expenses	**18,541,445**	**22,231,604**	**75,871,848**	**78,227,908**
Profit before Associates and Joint Venture	**7,805,360**	**7,183,994**	**21,232,435**	**24,332,771**
Impairment charge on goodwill	-	(614,400)	-	(614,400)
Share of profit from joint venture	90,268	(97,336)	439,994	607,764
Share of gain from sale of Xfund	-	-	258,208	-
Loss on sale of interest in associate	-	-	-	(233,088)
Profit before Taxation	7,895,628	6,472,258	21,930,637	24,093,047
Taxation	(1,700,762)	(2,377,697)	(5,334,757)	(6,449,959)
Net Profit	6,194,866	4,094,561	16,595,880	17,643,088
Net Profit attributable to:				
Stockholders' of the parent company	**6,223,949**	**4,368,821**	**16,378,634**	**17,395,431**
Non-controlling interests	(29,083)	(274,260)	217,246	247,657
	6,194,866	4,094,561	16,595,880	17,643,088
Earnings per stock unit for profit attributable to the stockholders' of the parent company:				
Basic and fully diluted	$1.59	$1.12	$4.19	$4.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022
(Expressed in thousands of Jamaican dollars)

	Q4 2022 Audited	Q4 2021 Audited	December 2022 Full Year Audited	December 2021 Full Year Audited
Net profit for the period	6,194,866	4,094,561	16,595,880	17,643,088
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Fair value reserve:				
Unrealised gains/(losses) on FVTOCI bonds	3,061,480	(1,882,423)	(15,443,714)	(2,397,323)
Share of joint venture and unrealised gains/(losses) on FVTOCI bonds	(6,038)	(3,122)	(51,439)	32,733
	3,055,442	(1,885,545)	(15,495,153)	(2,364,590)
Currency translation	(1,436,923)	(255,019)	(1,913,533)	(359,171)
(Losses)/Gains recycled to the Profit or Loss Statement on sale and maturity of FVTOCI securities	392,836	(1,069,361)	(17,270)	(1,726,068)
Provision for expected credit losses on securities designated as FVTOCI	(69,199)	60,037	29,105	32,450
Expected credit losses recycled to the Profit or Loss Statement on sale and maturity of FVTOCI securities	1,371	(539,455)	-	(539,455)
Change in actuarial liabilities recognised in other comprehensive income	(200,724)	50,696	2,536,928	121,612
Share of fair value gains on interest rate swap recycled on sale of associate company	-	526,436	-	526,436
	124,284	(971,647)	2,548,763	(1,585,025)
Items that will not be subsequently reclassified to profit or loss				
Owner-occupied properties (OOP):				
Unrealised gain on OOP	9,273	323,377	2,352,690	1,745,785
Re-measurements of retirement benefits obligations	(159,271)	(1,934,186)	2,553,979	(1,934,186)
Total other income recognised directly in stockholders' equity, net of taxes	1,592,805	(4,723,020)	(9,953,254)	(4,497,187)
Total Comprehensive Income	**7,787,671**	**(628,459)**	**6,642,626**	**13,145,901**
Attributable to:				
Stockholders' of the parent company	**7,796,398**	**169,169**	**5,023,230**	**12,992,803**
Non-controlling interests	(8,727)	(797,628)	1,619,396	153,098
	7,787,671	(628,459)	6,642,626	13,145,901

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022
(Expressed in thousands of Jamaican dollars)

	Share Capital	Equity Reserves	Retained Earnings	Equity Owners' Total	Non-controlling Interests Total	Total Stockholders' Equity Audited
Period ended December 31, 2022:						
Balance as reported December 31, 2021	8,816,093	17,163,717	88,843,812	114,823,622	19,956,091	134,779,713
Total comprehensive (loss)/income for the period	-	(13,911,822)	18,935,052	5,023,230	1,619,396	6,642,626
Transactions with owners -						
Employee stock option plan						
- value of services provided	-	38,252	-	38,252	-	38,252
- options exercised/expired	-	(19,126)	-	(19,126)	-	(19,126)
Dividends declared to owners of the parent	-	-	(6,257,999)	(6,257,999)	-	(6,257,999)
Treasury shares	182,715	-	(44,394)	138,321	-	138,321
Change in ownership of subsidiary	-	-	124,576	124,576	1,465,923	1,590,499
Wind up and sale of subsidiary	-	-	-	-	(20,988,917)	(20,988,917)
Total transactions with owners	182,715	19,126	(6,177,817)	(5,975,976)	(19,522,994)	(25,498,970)
Transfer between reserves -						
To special investment reserve	-	35,706	(35,706)	-	-	-
From loan loss reserve	-	(355,464)	355,464	-	-	-
To retained earnings reserve	-	1,274,958	(1,274,958)	-	-	-
To retained earnings	-	(171,092)	171,092	-	-	-
Transfers between retained earnings and reserves	-	784,108	(784,108)	-	-	-
Balance as at December 31, 2022	**8,998,808**	**4,055,129**	**100,816,939**	**113,870,876**	**2,052,493**	**115,923,369**
Period ended December 31, 2021:						
Balance as reported December 31, 2020	8,991,044	18,043,805	79,349,157	106,384,006	20,462,993	126,846,999
Total comprehensive income/(loss) for the period	-	(2,518,114)	15,510,917	12,992,803	153,098	13,145,901
Transactions with owners -						
Employee stock option plan						
- value of services provided	-	31,122	-	31,122	-	31,122
- options exercised/expired	-	(20,768)	-	(20,768)	-	(20,768)
Dividends paid to owners of the parent	-	-	(4,331,349)	(4,331,349)	(660,000)	(4,991,349)
Treasury shares	(174,951)	-	(57,241)	(232,192)	-	(232,192)
Total transactions with owners	(174,951)	10,354	(4,388,590)	(4,553,187)	(660,000)	(5,213,187)
Transfer between reserves -						
To special investment reserve	-	35,229	(35,229)	-	-	-
To retained earnings	-	(27,760)	27,760	-	-	-
From loan loss reserve	-	858,967	(858,967)	-	-	-
To retained earnings reserve	-	761,236	(761,236)	-	-	-
Transfers between reserves	-	1,627,672	(1,627,672)	-	-	-
Balance as at December 31, 2021	**8,816,093**	**17,163,717**	**88,843,812**	**114,823,622**	**19,956,091**	**134,779,713**

CONSOLIDATED SEGMENTAL FINANCIAL INFORMATION

for the year ended 31 December 2022
(Expressed in thousands of Jamaican dollars)

For the year ended December 31, 2022	Individual Lines	Employee Benefits	Commercial Banking	Investment Banking	All other	Eliminations	Audited December 2022 Group
Operating results:							
External revenues	33,002,695	29,292,952	17,182,682	4,534,381	13,091,573	-	97,104,283
Inter-segment revenues	61,241	-	84	139,789	782,899	(984,013)	-
Total revenue	33,063,936	29,292,952	17,182,766	4,674,170	13,874,472	(984,013)	97,104,283
Benefits and expenses	(26,075,322)	(24,816,281)	(10,971,954)	(2,676,547)	(12,095,635)	416,343	(76,219,396)
Change in actuarial liabilities	4,437,290	(429,167)	-	-	-	(162,449)	3,845,674
Depreciation and amortisation	(201,346)	(120,198)	(716,110)	(150,802)	(1,416,390)	-	(2,604,846)
Other taxes	(117,654)	(36,181)	(404,804)	(242,547)	(92,094)	-	(893,280)
Total benefits and expenses	(21,957,032)	(25,401,827)	(12,092,868)	(3,069,896)	(13,604,119)	253,894	(75,871,848)
Share of profit from joint venture	-	439,994	-	-	-	-	439,994
Gain on disposal of subsidiary	-	-	-	-	258,208	-	258,208
Profit before taxation	11,106,904	4,331,119	5,089,898	1,604,274	528,561	(730,119)	21,930,637
Investment and corporation taxes	(2,370,488)	(277,961)	(1,795,525)	(406,505)	(484,278)	-	(5,334,757)
Net Profit	8,736,416	4,053,158	3,294,373	1,197,769	44,283	(730,119)	16,595,880
Segment assets:	72,677,166	84,496,079	191,796,982	118,051,484	46,572,011	(972,828)	512,620,894
Unallocated assets -							
Investments in joint venture							1,830,001
Deferred income taxes							4,021,850
Retirement benefit assets							706,137
Total assets							519,178,882
Segment liabilities:	58,428,924	71,300,405	166,940,135	100,682,042	19,272,851	(16,790,734)	399,833,623
Unallocated liabilities -							
Deferred income taxes							421,305
Retirement benefit obligations							3,000,585
Total liabilities							403,255,513
Other Segment items:							
Capital expenditure: Computer software							592,580
Property, plant and equipment							928,072

Geographical information:	Jamaica	Cayman Islands	United States of America	Other	Total Group
Revenue	89,091,420	3,353,427	4,659,436	-	97,104,283
Total assets	447,203,379	70,145,502	-	1,830,001	519,178,882

For the year ended December 31, 2021	Individual Lines	Employee Benefits	Commercial Banking	Investment Banking	All other	Eliminations	Audited December 2021 Group
Operating results:							
External revenues	37,359,587	29,709,853	15,523,596	7,379,857	12,587,786	-	102,560,679
Inter-segment revenues	19,623	-	35,924	(44,272)	629,844	(641,119)	-
Total revenue	37,379,210	29,709,853	15,559,520	7,335,585	13,217,630	(641,119)	102,560,679
Benefits and expenses	(24,898,663)	(22,721,910)	(9,529,138)	(2,230,157)	(11,398,817)	380,028	(70,398,657)
Change in actuarial liabilities	(570,651)	(3,783,394)	-	-	-	74,847	(4,279,198)
Depreciation and amortisation	(210,808)	(161,169)	(679,156)	(130,494)	(1,537,659)	-	(2,719,286)
Other taxes	(105,518)	(35,634)	(363,645)	(231,484)	(94,486)	-	(830,767)
Total benefits and expenses	(25,785,640)	(26,702,107)	(10,571,939)	(2,592,135)	(13,030,962)	454,875	(78,227,908)
Impairment of goodwill	-	-	-	-	(614,400)	-	(614,400)
Share of profit from joint venture	-	607,764	-	-	-	-	607,764
Share of loss arising from disposal of interest in associate	-	-	-	-	(233,088)	-	(233,088)
Profit before taxation	11,593,570	3,615,510	4,987,581	4,743,450	(660,820)	(186,244)	24,093,047
Investment and corporation taxes	(2,641,512)	51,711	(1,719,914)	(1,402,284)	(737,960)	-	(6,449,959)
Net Profit	8,952,058	3,667,221	3,267,667	3,341,166	(1,398,780)	(186,244)	17,643,088
Segment assets:	75,785,742	85,565,773	175,020,962	126,063,260	77,641,024	(15,868,270)	524,208,491
Unallocated assets -							
Investments in joint venture							1,329,797
Deferred income taxes							1,980,237
Retirement benefit assets							472,179
Total assets							527,990,704
Segment liabilities:	60,516,060	72,157,243	148,980,811	100,825,423	43,533,671	(40,751,899)	385,261,309
Unallocated liabilities -							
Deferred income taxes							2,169,101
Retirement benefit obligations							5,780,581
Total liabilities							393,210,991
Other Segment items:							
Capital expenditure: Computer software							390,564
Property, plant and equipment							509,467

Geographical information:	Jamaica	Cayman Islands	United States of America	Other	Total Group
Revenue	92,662,161	5,479,772	4,418,746	-	102,560,679
Total assets	473,119,392	35,140,731	18,400,783	1,329,798	527,990,704

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2022
(Expressed in thousands of Jamaican dollars)

For the year ended December 31, 2022	December 2022 Full Year Audited	December 2021 Full Year Audited
Cash Flows from Operating Activities:		
Net Profit	**16,595,880**	**17,643,088**
Adjustments for:		
Items not affecting cash and changes to policyholders' funds:		
Adjustments for non-cash items, interest and dividends	(11,750,107)	(11,894,938)
Changes in other operating assets and liabilities	(4,637,661)	(2,765,801)
Net Investment purchases	(44,138,591)	(12,697,937)
Interest and dividends received	27,703,287	25,639,706
Interest paid	(5,750,488)	(5,016,176)
Income taxes paid	(6,009,905)	(7,875,003)
Net cash (used in)/generated in from operating activities	**(27,987,585)**	**3,032,939**
Cash Flows from Investing Activities:		
Net cash on acquisition of subsidiary	(2,624,434)	-
Proceeds from disposal of investment property, net	-	193,381
Purchase of property, plant and equipment, net	(928,072)	(496,745)
Purchase of intangible assets, net	(592,580)	(390,564)
Proceeds from sale of associate	-	13,604,064
Proceeds from sale of subsidiary- XFund	1,732,007	-
Net cash (used in)/generated from investing activities	**(2,413,079)**	**12,910,136**
Cash Flows from Financing activities:		
Deposits and securities liabilities	27,383,942	4,866,676
Changes in ownership of subsidiary	1,590,499	-
Loan payable	(153,573)	(2,065,939)
Finance lease repayment	(667,729)	(525,324)
Disposal/(Purchase) of treasury shares, net	138,321	(232,192)
Dividends paid to non-controlling interests	-	(660,000)
Dividends paid to stockholders	(6,257,999)	(4,331,349)
Net cash generated/(used in) from financing activities	**22,033,461**	**(2,948,128)**
Cash and cash equivalents:		
Effect of exchange rate on cash and cash equivalents	(574,787)	1,653,173
(Decrease)/Increase in cash and cash equivalents	(8,941,990)	14,648,120
Cash and cash equivalents at beginning of year	51,884,096	37,235,976
Cash and cash equivalents at end of period	**42,942,106**	**51,884,096**
Comprising:		
Balances with Banks	22,252,670	22,442,346
Short - Term Deposits	3,161,031	17,450,177
USA Government Treasury Bills and BOJ CD's	14,715,186	5,063,510
Securities purchased under resale agreements	2,813,219	6,928,063
	42,942,106	**51,884,096**

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 32.45% (2021 – 32.45%) 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% (2021 – 49.11%) in the company. The other significant shareholder in SGJ is PanJam Investment Limited with a 30.21% (2021 – 30.21%) holding.

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

Sagicor Group Jamaica 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. 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 full audited financial statements with disclosure notes for the year ended 31 December 2022.

3. Accounting estimates and judgements

Certain amounts recorded in these audited consolidated financial state¬ments reflect 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 8.56% interest in X Fund, reducing the Group's holdings in the company to 20.75%. This transaction generated net proceeds of $1.59 billion. The remaining shares in X Fund were gradually sold and fully disposed of effective September 30, 2022, generating additional net proceeds of $3.8 billion.

5. Acquisition of Alliance Financial Services Limited

On 1 April 2022 SGJ acquired 100 per cent of the outstanding shares in Alliance Financial Services Limited (AFS). AFS is a provider of cambio and remittance services in Jamaica. The acquisition represents a move into a new business segment and affords the Group an opportunity to expand its product offerings to its customers. The total goodwill and purchased intangibles arising on acquisition was $3.36 billion. The purchase consideration includes a payment of $3.16 billion and contingent cash consideration of up to $2.50 billion, based on specified performance criteria.

6. Acquisition of Alliance Investment Management Limited

In August 2022, the Group through its subsidiary Sagicor Investments Jamaica Limited (SIJL) completed the acquisition of 100% of the securities dealer book of business of Alliance Investment Management Limited. The purchase of the portfolio expands SIJL's business and provides an opportunity to serve a wider client base. The purchase consideration for the net assets was $21. 59 million.

7. Windup of Jamziv

On the 13 June 2022, a resolution was passed for the wind-up of Jamziv. This resulted in the cancellation of a promissory note of $5.77 billion, issued to holders of the non-controlling interest, and the removal of the non-controlling interest from the Balance Sheet.