

Sagicor Group Jamaica

Q2 2022
PERFORMANCE REPORT

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 six-months ended June 2022.

OVERVIEW –

The year-to-date June 2022 has seen widespread macro-economic challenges, many of which directly impact the financial sector. Counterpoint to the recent gains in global economic activity following the gradual relaxation of COVID-19 restrictions, recent geopolitical tension and elevated inflation have threatened this positive trajectory . The tightening of monetary policy by our main trading partners as well as our own Central Bank, has resulted in sharp rises in benchmark interest rates, a fall in asset prices, along with the corresponding squeeze in liquidity. Given this new environment, which will likely prevail for some time, Sagicor Group Jamaica has made adjustments to its operating model so that it is well-positioned to face these challenges.

Notwithstanding the foregoing, Sagicor Group Jamaica reported good results for the six-month period, producing net profit attributable to stockholders of $6.04 billion, a 25% increase over the prior year. The Individual Life insurance segment continued its exceptional performance and was supported by growth in the Employee Benefits and Commercial Banking segments. Sagicor Group Jamaica's earning per share improved to $1.55 (June 2021: $1.24) with the share price and market capitalization closing at $55.49 and $216.72 billion respectively.

HIGHLIGHTS

	June 2022 Unaudited	June 2021 Unaudited	% Change	Dec 2021 Audited
OPERATING RESULTS (INCOME STATEMENT DATA):				
Net Profit, attributable to Stockholders - J$ billions	6.04	4.85	25%	17.40
Total Revenue - J$ billions	46.88	48.20	-3%	102.56
FINANCIAL POSITION & STRENGTH (BALANCE SHEET DATA):				
Total Assets of Sagicor Group Jamaica - J$ billions	513.97	507.53	1%	527.99
Total Assets under management - J$ billions	969.37	939.04	3%	936.31
Stockholders' Equity - J$ billions	104.49	106.75	-2%	114.82
PROFITABILITY:				
Return on average Stockholders' Equity (ROE)	11%	9%	3%	16%
Earnings per stock unit (EPS) - J$	1.55	1.24	25%	4.46
OTHER MARKET INFORMATION:				
SGJ Share Price - J$	55.49	57.15	-3%	58.25
Market capitalization - J$ billions	216.72	223.21	-3%	227.50

NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS
$6.04B
▲ 25%

TOTAL REVENUE
$46.88B
▼ -3%

TOTAL ASSETS
$513.97B
▲ 1%

STOCKHOLDERS' EQUITY
$104.49B
▼ -2%

EARNINGS PER STOCK UNIT
$1.55
▲ 25%

MARKET CAPITALIZATION
$216.72B
▼ -3%

FINANCIAL PERFORMANCE

The Group's results were generated from total revenues of $46.88 billion, which included year over year growth in revenues from core operations, being net premium income, net investment income and fee income. Net premium income of $26.66 billion grew by 4% over the prior year, as a result of strong new business sales and policy retention. Net investment income amounted to $10.78 billion, a 15% increase over the prior year, emanating from growth in the Group's interest-earning asset base. Fees and other income were aided by an increase in corporate and domestic spending as well as other commercial banking activities, ending 5% higher than the prior year. The fall in market prices across both fixed income and equity securities, resulted in the Group recognizing fair value losses of $2.22 billion (June 2021: $3.79 billion in gains). The Group's recent acquisition, Alliance Financial Services Limited, has had a successful return to full operation and is showing encouraging revenue growth in its remittance and cambio segments.

Sagicor Group's total benefits and expenses of $38.40 billion decreased 7% against the prior year. The outcome was driven by an $8.63 billion favorable net movement in actuarial liabilities, a result of strong new business growth and upward movements in market interest rates. This was offset by $2.14 billion and $2.31 billion increases in net insurance benefits incurred and administrative expenses, respectively.

The Group's statement of financial position was impacted by the softening of asset prices, with Total Assets and Shareholders Equity declining to $513.97 billion and $104.49 billion, respectively largely a result of fair value losses. Total assets under management ended at $969.37 billion, boosted by a 12% growth in funds under management over December 2021. Sagicor Group's annualized return on equity was 11% (down from 16% in the corresponding period in 2021).

Individual Insurance

The Individual Life segment doubled its prior year profit to end the quarter at $3.53 billion. New business sales and in-force policy growth across both the Jamaica and Cayman territories, resulted in a $919.38 million growth in net premium income over the prior year. The strong new business sales and increases in market interest rates resulted in favorable movements in actuarial liabilities.

Employee Benefits

The Employee Benefits segment produced profits of $1.67 billion, a 23% increase over prior year. Net group health premium income of $5.40 billion increased by 4% over the prior year, largely on new business won over the period. Net insurance benefits incurred increased by $1.32 billion, as medical inflation continued to rise, but its impact was offset by a reduction in actuarial liabilities.

Commercial Banking

The Commercial Banking segment recorded a net profit of $1.21 billion, 22% higher than the prior year. The segment was aided by a 19% increase in total revenues, primarily due to increases in consumer spending activities through credit card and point of sale transactions. This translated to 39% or $1.03 billion higher fee and other income. The segment's loan asset base grew by $6.55 billion against the prior year, contributing to the 12% increase in net investment income. The commercial bank's operating efficiency improved over the prior year.

Total assets of $178.38 billion, grew 2% over December 2021. This growth was driven by a $2.76 billion increase in loan assets net of ECL provisions which ended the quarter at $95.78 billion. Customer deposits and securities liabilities increased by $1.68 billion and $3.79 billion respectively against the prior year ended December 2021.

Investment Banking

The Investment Banking segment reported net profits of $853.88 million, a 30% decrease against prior year. The segment continued to be hindered by adverse market conditions, which have curtailed trading activities. Higher interest rates contributed to a 16% increase in net investment income over the prior year. Fees and other income increased by 6% year over year, due to growth in fee revenue from funds under management.

LIQUIDITY AND SOLVENCY

Cash and Cash Equivalents at the end of June 2022 were $32.33 billion, down from $51.88 billion as at December 2021. The Group's cash flows period to date included $25.72 billion allocated to investment securities and $1.59 billion raised from the sale of shares held in Sagicor Real Estate X fund. Regulatory capital requirements continue to be met across all operating entities.

CAPITAL RATIOS

Regulated Entities	Key Regulatory Ratios	Minimum Statutory Requirements	June 30 2022	June 30, 2021
Sagicor Life Jamaica Limited	Minimum continuing capital and surplus requirements ratio (MCCSR)	150.0%	170.0%	162.7%
Sagicor Bank Jamaica Limited	Regulatory capital to risk weighted assets ratio	10.0%	13.4%	13.5%
Sagicor Investments Jamaica Limited	Regulatory capital to risk weighted assets ratio	10.0%	13.3%	16.3%
Sagicor Life of the Cayman Islands Limited	Minimum capital requirement (MCR)	125.0%	187.9%	377.9%
Advantage General Insurance Company Limited	Minimum capital test ratio (MCT)	250.0%	300.6%	329.3%

CORPORATE SOCIAL RESPONSIBILITY

In the second quarter of 2022, Sagicor Group Jamaica through the Sagicor Foundation continued to support the communities in which it operates by aiding several organisations and initiatives, primarily in the areas of health and education.

In the second quarter, Sagicor Foundation engaged students attending the three early childhood institutions in its Adopt-A-School programme – Bermaddy Basic School in Linstead, St Catherine; John Anglin Basic School in Warsop, Trelawny; and Charles Town Basic School in Charles Town, Portland – by providing students with screenings for their vision, hearing, and heart function. The Foundation also hosted a fun day for the children at Hope Zoo on National Children's Day on May 20. Additionally, the foundation completed significant renovations at two of the three adopted schools, with work to commence at the third school within the 3rd quarter.

The JTA/Sagicor National Athletics Championship, where over 1,000 children aged 7-14 compete in various track and field events over two days, returned in Q2 after a two-year hiatus due to the COVID-19 pandemic. The meet was successfully staged on June 10 and 11, with Sagicor Foundation being heavily involved in the planning and execution, sponsoring $10 million, and providing over 100 Sagicor team members and scholars as volunteers over the two days.

In addition to the $52 million raised for its 2022 Sigma Run beneficiary - Kingston Public Hospital – the Sagicor Foundation also invested $ 4 million to renovate eight bathrooms at the hospital, which was completed towards the end of the second quarter.



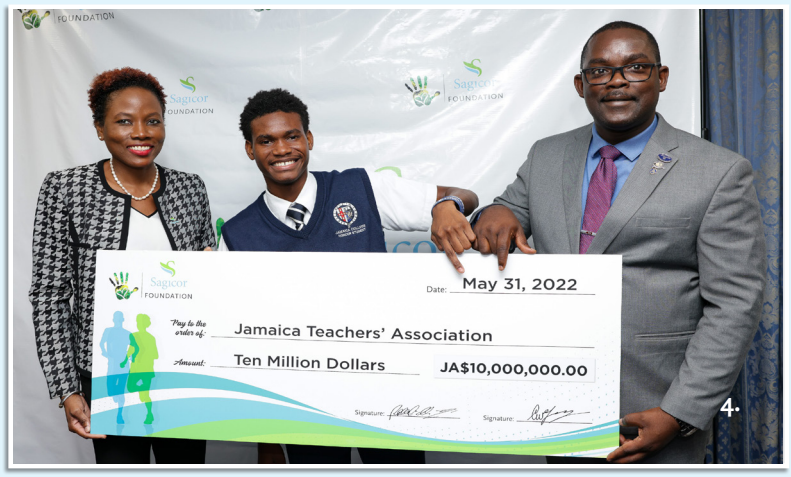
1. *Alysia White, Executive Director of the Sagicor Foundation, presents a symbolic cheque valued at 3.5 million dollars to Imani-Leigh Hall, founder of ILAH's Lemon-Aid Stand for Kids Foundation. Sagicor Foundation, through funds secured for its 'Get Back on Track' initiative, contributed towards ILAH's 'Dip and Come Again' three-week summer literacy and numeracy camps, which will help high school students across Jamaica to recover from learning loss due to school closures during the COVID-19 pandemic in July.*



2. *Jacqueline Donaldson, Vice President - Group Human Resources & Corporate Services, Sagicor Life Jamaica and Mark Chisholm, Sagicor Life Executive Vice President, Individual Life give a helping hand at the Kingston Public Hospital (KPH). The Sagicor Foundation re-painted the hospital's Outpatient's Department waiting area on Labour Day.*



3. *Karen Ramsay, Brand Experience Officer, Sagicor Group Jamaica, prepares for a train ride with the little ones during a special Fun Day hosted by Sagicor Foundation during National Child Month.*



4. *Kayon Walker-Heslop (left), Manager — Marketing Services, Employee Benefits Division, Sagicor Life Jamaica presents a cheque of JA $10,000,000 to Winston Smith (left), president of the Jamaica Teachers' Association for the 2022 JTA)/Sagicor National Athletics Champs chat. They are joined by J'Voughnn Blake, team captain, Jamaica College Track Team, who was the guest speaker at the launch event.*

Sagicor Foundation also made various donations to teachers for Teacher's Day on May 3 and engaged the children at the Crescent Primary school on Read Across Jamaica Day (May 4). During this period the Foundation also donated tablets and gift baskets in support of various initiatives aimed at rewarding top performing boys and girls at the PEP and CXC levels.

On Labour Day – May 23 - Sagicor team members and Sagicor Foundation Scholars volunteered with the Foundation to paint and clean up the Cornwall Regional and Kingston Public Hospitals. Over 40 volunteers supported the sprucing up of these hospitals.

The Mustard Seed Community, through the Lions Club in Jamaica, received a donation of 14 mattresses from the Foundation. $500,000 in cash was also donated towards the renovation of the roof of the Danny Williams School for the Deaf. USD $5,000 was also donated to the CLBL foundation for their summer programme, as well as $3.5 million and $2.5 million to Ilah's Lemon-Aid Stand for Kids Foundation's Summer Camp and the University of Technology's Teach the Youth Summer Camp, respectively.

OUTLOOK

As the second quarter of the year closes, global challenges remain present alongside the caution of further economic instability. The World Bank has lowered its global economic expansion projections for 2022 by 1.2%. This amidst the backdrop of geopolitical tensions, supply-chain disruptions, and elevated risks of stagflation. As concerns escalate worldwide, many economies have tightened their monetary policies, mainly by increasing benchmark interest rates, with future increases being anticipated towards the end of 2022. This in turn has contributed to varying levels of trepidation among investors, as evidenced by decreases in equities and bond values and the slowing of economic activity. The persistence of these conditions is difficult to forecast as is their medium-term impact on economies.

While the Jamaican economy experienced 6.4% year over year GDP growth in the March 2022 quarter, we remain cautious about future quarters as higher lending rates and the preservation of system liquidity are expected to slow private sector activity. The BOJ remains optimistic that the tightening of its fiscal policy, all other things remaining constant, will result in a fall in inflation and stabilize the Jamaican dollar in the second half of the year.

Sagicor Group Jamaica has become more conservative in its outlook, as it continues to monitor the potential impact of market developments on the operations of the company but remains alert for opportunities that may arise. We continue to support the mental and physical wellbeing of our team and our clients as priority one for our organisation. Providing a multidimensional solution to the preservation of health and mitigation of risk is how we will strive for business continuity.

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

4 August 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2022
(Expressed in thousands of Jamaican dollars)

	June 2022 Unaudited	June 2021 Unaudited	December 2021 Audited
ASSETS:			
Cash resources & Cash reserve at Central Bank	34,770,055	38,291,090	34,468,878
Financial investments	218,476,238	222,607,279	238,745,309
Loans & leases, after allowance for credit losses	96,115,206	89,611,255	96,889,917
Pledged assets	92,141,564	97,410,603	93,636,126
Investment properties	1,307,774	959,305	1,220,324
Investment in joint venture	1,521,526	1,228,200	1,329,797
Intangible assets	9,464,395	6,477,675	5,872,442
Property, plant and equipment	20,338,608	18,701,120	20,782,133
Right-of-use assets	1,872,121	2,446,341	2,155,117
Retirement benefit assets	472,179	1,187,248	472,179
Deferred income taxes	4,831,029	1,053,227	1,980,237
Taxation recoverable	5,331,706	4,467,950	4,186,609
Other assets	27,327,679	23,089,621	26,251,636
TOTAL ASSETS	**513,970,080**	**507,530,914**	**527,990,704**
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Equity attributable to:			
Stockholders' of the parent company			
Share capital	8,880,000	8,749,967	8,816,093
Equity reserves	4,899,005	16,358,735	17,163,717
Retained earnings	90,714,596	81,637,505	88,843,812
	104,493,601	106,746,207	114,823,622
Non-controlling interests	15,671,675	19,015,190	19,956,091
Total Equity	**120,165,276**	**125,761,397**	**134,779,713**
Liabilities			
Deposit and security liabilities	228,885,589	218,005,639	221,851,641
Loans payable	9,086,891	10,056,194	9,284,518
Deferred income taxes	1,695,842	1,873,511	2,169,101
Taxation payable	712,651	32,981	703,344
Retirement benefit obligations	5,921,042	3,858,206	5,780,581
Lease liabilities	2,245,737	2,771,515	2,521,790
Other liabilities	18,640,865	15,940,667	20,395,035
Policyholders' Funds			
Life and health insurance contracts liabilities	92,276,896	98,572,733	97,996,749
Investment contracts liabilities	19,607,311	18,226,584	19,356,485
Property and casualty insurance contracts and other policy liabilities	14,731,980	12,431,487	13,151,747
	126,616,187	129,230,804	130,504,981
Total Liabilities	393,804,804	381,769,517	393,210,991
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	**513,970,080**	**507,530,914**	**527,990,704**

PETER MELHADO
Chairman
4 August 2022

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six-months ended 30 June 2022
(Expressed in thousands of Jamaican dollars)

	Q2 2022 Unaudited	Q2 2021 Unaudited	June 2022 Year-to-date Unaudited	June 2021 Year-to-date Unaudited	December 2021 Full Year Audited
Net profit for the period	2,203,030	2,388,691	6,223,257	5,293,386	17,643,088
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss					
Fair value reserve:					
Unrealised losses on FVTOCI bonds	(7,651,912)	2,172,520	(13,835,432)	(1,190,826)	(2,397,323)
Share of joint venture and unrealised (losses)/gains on FVTOCI bonds	(29,180)	(20,536)	(45,682)	-	32,733
	(7,681,092)	2,151,984	(13,881,114)	(1,190,826)	(2,364,590)
Currency translation	(524,426)	295,140	(627,031)	(1,678,571)	(359,171)
Gains recycled to the Profit or Loss Statement on sale and maturity of FVTOCI securities	(177,325)	(213,064)	(251,878)	(459,873)	(1,726,068)
Provision for expected credit losses on securities designated as FVTOCI	32,510	40,478	53,334	65,656	32,450
Expected credit losses recycled to the Profit or Loss Statement on sale and maturity of FVTOCI securities	-	(213,926)	(192)	(430,211)	(539,455)
Change in actuarial liabilities recognised in other comprehensive income	1,049,053	(468,676)	2,159,484	(165,028)	121,612
Share of fair value gains on interest rate swap recycled on sale/dilution of associate company	-	14	-	526,436	526,436
	904,238	(855,174)	1,960,748	(463,020)	(1,585,025)
Items that will not be subsequently reclassified to profit or loss					
Owner-occupied properties (OOP):					
Unrealised (losses)/gain on OOP	-	-	(3,589)	174,958	1,745,785
Re-measurements of retirement benefits obligations	-	-	-	-	(1,934,186)
Total other income recognised directly in stockholders' equity, net of taxes	(7,301,280)	1,591,950	(12,550,986)	(3,157,459)	(4,497,187)
Total Comprehensive Income	**(5,098,250)**	**3,980,641**	**(6,327,729)**	**2,135,927**	**13,145,901**
Attributable to:					
Stockholders' of the parent company	**(4,961,612)**	**3,489,435**	**(6,345,010)**	**3,023,730**	**12,992,803**
Non-controlling interests	(136,638)	491,206	17,281	(887,803)	153,098
	(5,098,250)	3,980,641	(6,327,729)	2,135,927	13,145,901

CONSOLIDATED INCOME STATEMENT

for the six-months ended 30 June 2022
(Expressed in thousands of Jamaican dollars)

	Q2 2022 Unaudited	Q2 2021 Unaudited	June 2022 Year-to-date Unaudited	June 2021 Year-to-date Unaudited	December 2021 Full Year Audited
Revenue:					
Net premium revenue	13,536,740	12,991,521	26,657,726	25,511,138	52,784,590
Net investment income	5,336,139	4,694,460	10,778,922	9,339,439	19,241,422
Realised and Unrealised (losses)/gains	(1,826,783)	2,586,104	(2,220,062)	3,786,787	8,965,509
Credit losses on loans and investment securities	(12,615)	(159,890)	(210,319)	(219,314)	(245,288)
Hotel revenue	1,835,668	1,149,718	3,551,985	1,870,741	4,418,749
Fees and other income	4,256,786	3,811,469	8,325,480	7,908,583	17,395,697
Total revenue, net of reinsurance, interest expense and credit losses	**23,125,935**	**25,073,382**	**46,883,732**	**48,197,374**	**102,560,679**
Benefits and Expenses:					
Net insurance benefits incurred	9,643,770	8,669,797	18,712,299	16,567,594	35,053,288
Net movement in actuarial liabilities	(926,241)	4,231,856	(2,681,013)	5,945,657	4,279,198
Administration expenses	7,386,734	5,964,248	13,824,318	11,515,584	24,421,497
Commissions and sales expenses	1,761,453	1,749,334	3,716,454	3,568,317	7,556,465
Hotel expenses	1,340,606	815,107	2,527,814	1,434,057	3,367,407
Depreciation and amortisation	733,224	675,295	1,416,280	1,335,837	2,719,286
Other taxes and levies	5,342	7,962	882,600	820,606	830,767
Total benefits and expenses	**19,944,888**	**22,113,599**	**38,398,752**	**41,187,652**	**78,227,908**
Profit before Associates and Joint Venture	**3,181,047**	**2,959,783**	**8,484,980**	**7,009,722**	**24,332,771**
Impairment charge on goodwill	-		-	-	(614,400)
Share of profit from joint venture	129,995	273,688	343,693	496,187	607,764
Loss on sale of interest in associate	-		-	(233,089)	(233,088)
Profit before Taxation	3,311,042	3,233,471	8,828,673	7,272,820	24,093,047
Taxation	(1,108,012)	(844,780)	(2,605,416)	(1,979,434)	(6,449,959)
Net Profit	2,203,030	2,388,691	6,223,257	5,293,386	17,643,088
Net Profit attributable to:					
Stockholders' of the parent company	**2,222,941**	**1,940,974**	**6,041,042**	**4,848,928**	**17,395,431**
Non-controlling interests	(19,911)	447,717	182,215	444,458	247,657
	2,203,030	2,388,691	6,223,257	5,293,386	17,643,088
Earnings per stock unit for profit attributable to the stockholders' of the parent company:					
Basic and fully diluted	$0.57	$0.50	$1.55	$1.24	$4.46

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six-months ended 30 June 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 June 30, 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	-	(12,385,904)	6,040,894	(6,345,010)	17,281	(6,327,729)
Transactions with owners -						
Dividends declared to owners of the parent	-	-	(4,148,956)	(4,148,956)	-	(4,148,956)
Treasury shares	63,907	-	(24,538)	39,369	-	39,369
Changes in ownership interest of X fund	-	-	124,576	124,576	1,465,923	1,590,499
Windup of Jamziv	-	-	-	-	(5,767,620)	(5,767,620)
Total transactions with owners	63,907	-	(4,048,918)	(3,985,011)	(4,301,697)	(8,286,708)
Transfer between reserves -						
From loan loss reserve	-	(241,474)	241,474	-	-	-
To retained earnings reserve	-	362,666	(362,666)	-	-	-
Transfers between retained earnings and reserves	-	121,192	(121,192)	-	-	-
Balance as at June 30, 2022	**8,880,000**	**4,899,005**	**90,714,596**	**104,493,601**	**15,671,675**	**120,165,276**
Period ended June 30, 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	-	(1,825,198)	4,848,928	3,023,730	(887,803)	2,135,927
Transactions with owners -						
Dividends paid to owners of the parent	-	-	(2,391,811)	(2,391,811)	(560,000)	(2,951,811)
Treasury shares	(241,077)		(28,641)	(269,718)	-	(269,718)
Total transactions with owners	(241,077)	-	(2,420,452)	(2,661,529)	(560,000)	(3,221,529)
Transfer between reserves -						
To special investment reserve	-	(27,761)	27,761	-	-	-
To retained earnings	-	167,889	(167,889)	-	-	-
Transfers between reserves	-	140,128	(140,128)	-	-	-
Balance as at June 30, 2021	**8,749,967**	**16,358,735**	**81,637,505**	**106,746,207**	**19,015,190**	**125,761,397**

CONSOLIDATED SEGMENTAL FINANCIAL INFORMATION

for the six-months ended 30 June 2022
(Expressed in thousands of Jamaican dollars)

For the six-months ended June 30, 2022	Individual Lines	Employee Benefits	Commercial Banking	Investment Banking	All other	Eliminations	Unaudited June 2022 Group
Operating results:							
External revenues	14,780,413	13,802,993	8,184,101	3,067,948	7,048,277	-	46,883,732
Inter-segment revenues	27,923	-	3,081	(157,084)	585,028	(458,948)	-
Total revenue	14,808,336	13,802,993	8,187,182	2,910,864	7,633,305	(458,948)	46,883,732
Benefits and expenses	(12,663,887)	(12,549,187)	(5,476,144)	(1,284,016)	(7,052,500)	244,850	(38,780,884)
Change in actuarial liabilities	2,626,822	116,646	-	-	-	(62,455)	2,681,013
Depreciation and amortisation	(98,817)	(60,279)	(344,004)	(68,906)	(844,275)	-	(1,416,281)
Other taxes	-	(149)	-	-	(103)	-	(252)
Asset tax	(117,654)	(35,940)	(404,804)	(242,547)	(81,403)	-	(882,348)
Total benefits and expenses	(10,253,536)	(12,528,909)	(6,224,952)	(1,595,469)	(7,978,281)	182,395	(38,398,752)
Share of profit from joint venture	-	343,693	-	-	-	-	343,693
Profit before taxation	4,554,800	1,617,777	1,962,230	1,315,395	(344,976)	(276,553)	8,828,673
Investment and corporation taxes	(1,024,472)	50,833	(753,343)	(461,512)	(416,922)	-	(2,605,416)
Net Profit	3,530,328	1,668,610	1,208,887	853,883	(761,898)	(276,553)	6,223,257
Segment assets:	67,358,255	85,461,861	178,381,856	103,707,845	69,722,368	2,513,161	507,145,346
Unallocated assets -							
Investments in joint venture							1,521,526
Deferred income taxes							4,831,029
Retirement benefit assets							472,179
Total assets							513,970,080
Segment liabilities:	53,241,643	72,078,523	154,530,358	90,540,780	34,535,779	(18,739,163)	386,187,920
Unallocated liabilities -							
Deferred income taxes							1,695,842
Retirement benefit obligations							5,921,042
Total liabilities							393,804,804
Other Segment items:							
Capital expenditure: Computer software							448,037
Property, plant and equipment							665,963

Geographical information:

	Jamaica	Cayman Islands	United States of America	Other	Total Group
Revenue	42,373,190	958,557	3,551,985	-	46,883,732
Total assets	470,672,776	27,582,851	14,192,927	1,521,526	513,970,080

For the six-months ended June 30, 2021	Individual Lines	Employee Benefits	Commercial Banking	Investment Banking	All other	Eliminations	Unaudited June 2021 Group
Operating results:							
External revenues	18,364,355	13,791,576	6,891,439	3,228,845	5,921,159	-	48,197,374
Inter-segment revenues	7,295	-	1,554	(53,341)	333,885	(289,393)	-
Total revenue	18,371,650	13,791,576	6,892,993	3,175,504	6,255,044	(289,393)	48,197,374
Benefits and expenses	(11,637,506)	(11,031,133)	(4,581,809)	(1,087,095)	(5,028,327)	280,318	(33,085,552)
Change in actuarial liabilities	(4,284,910)	(1,674,736)	-	-	-	13,989	(5,945,657)
Depreciation and amortisation	(105,947)	(80,800)	(328,049)	(61,986)	(759,055)	-	(1,335,837)
Other taxes	-	-	-	-	(86)	-	(86)
Asset tax	(105,518)	(35,634)	(363,645)	(231,484)	(84,239)	-	(820,520)
Total benefits and expenses	(16,133,881)	(12,822,303)	(5,273,503)	(1,380,565)	(5,871,707)	294,307	(41,187,652)
Share of profit from joint venture	-	496,187	-	-	-	-	496,187
Share of loss arising from disposal of interest in associate	-	-	-	-	(233,089)	-	(233,089)
Profit before taxation	2,237,769	1,465,460	1,619,490	1,794,939	150,248	4,914	7,272,820
Investment and corporation taxes	(531,491)	(105,219)	(632,008)	(575,728)	(134,988)	-	(1,979,434)
Net Profit	1,706,278	1,360,241	987,482	1,219,211	15,260	4,914	5,293,386
Segment assets:	75,611,764	83,082,164	168,137,635	121,078,206	72,839,472	(16,687,002)	504,062,239
Unallocated assets -							
Investments in joint venture							1,228,200
Deferred income taxes							1,053,227
Retirement benefit assets							1,187,248
Total assets							507,530,914
Segment liabilities:	61,379,068	69,415,243	141,422,263	94,961,956	27,514,010	(18,654,740)	376,037,800
Unallocated liabilities -							
Deferred income taxes							1,873,511
Retirement benefit obligations							3,858,206
Total liabilities							381,769,517
Other Segment items:							
Capital expenditure: Computer software							94,716
Property, plant and equipment							349,625

Geographical information:

	Jamaica	Cayman Islands	United States of America	Other	Total Group
Revenue	43,403,477	2,923,156	1,870,741	-	48,197,374
Total assets	458,736,431	32,640,644	14,925,640	1,228,199	507,530,914

CONSOLIDATED STATEMENT OF CASH FLOWS

for the six-months ended 30 June 2022
(Expressed in thousands of Jamaican dollars)

For the six-months ended June 30, 2022	June 2022 Year-to-date Unaudited	June 2021 Year-to-date Unaudited	December 2021 Full Year Audited
Cash Flows from Operating Activities:			
Net Profit	**6,223,257**	**5,293,386**	**17,643,088**
Adjustments for:			
Items not affecting cash and changes to policyholders' funds:			
Adjustments for non-cash items, interest and dividends	(4,148,308)	(2,257,755)	(11,894,938)
Changes in other operating assets and liabilities	(4,739,659)	(3,959,862)	(2,765,801)
Net Investment purchases	(25,720,084)	(18,688,062)	(12,697,937)
Interest and dividends received	13,492,748	12,202,006	25,639,706
Interest paid	(2,562,514)	(2,457,416)	(5,016,176)
Income taxes paid	(3,959,918)	(5,860,757)	(7,875,003)
Net cash (used in)/generated in from operating activities	**(21,414,478)**	**(15,728,460)**	**3,032,939**
Cash Flows from Investing Activities:			
(Purchase)/Disposal of investment property, net	(120,059)	386,400	193,381
Purchase of property, plant and equipment, net	(629,963)	(349,625)	(496,745)
Purchase of intangible assets, net	(448,037)	(94,716)	(390,564)
Proceeds from sale of associate	-	13,604,064	13,604,064
Net cash (used in)/generated from investing activities	**(1,198,059)**	**13,546,123**	**12,910,136**
Cash Flows from Financing activities:			
Deposits and securities liabilities	7,523,233	6,768,635	4,866,676
Changes in ownership of subsidiaries- X Fund	1,590,499	-	-
Net cash on purchase of subsidiary	(803,299)	-	-
Loan payable	(125,729)	(913,520)	(2,065,939)
Finance lease repayment	(301,061)	(263,315)	(525,324)
Disposal/(Purchase) of treasury shares, net	39,219	(269,718)	(232,192)
Dividends paid to non-controlling interests	-	(560,000)	(660,000)
Dividends paid to stockholders	(4,148,956)	(2,391,811)	(4,331,349)
Net cash generated/(used in) from financing activities	**3,773,906**	**2,370,271**	**(2,948,128)**
Cash and cash equivalents:			
Effect of exchange rate on cash and cash equivalents	(714,946)	436,873	1,653,173
(Decrease)/Increase in cash and cash equivalents	(19,553,577)	624,807	14,648,120
Cash and cash equivalents at beginning of year	51,884,096	37,235,976	37,235,976
Cash and cash equivalents at end of period	**32,330,519**	**37,860,783**	**51,884,096**
Comprising:			
Balances with Banks	21,606,737	26,395,545	22,442,346
Short - Term Deposits	3,067,814	3,020,339	17,450,177
USA Government Treasury Bills and BOJ CD's	5,813,652	3,990,348	5,063,510
Securities purchased under resale agreements	1,847,693	4,574,231	6,928,063
Bank overdraft	(5,377)	(119,680)	-
	32,330,519	**37,860,783**	**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 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 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 financial statements 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 XFund

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.

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 $3.49 billion. The purchase consideration includes an initial cash consideration of $2.6 billion and contingent cash consideration of up to $3.4 billion, based on specified performance criteria.

6. Windup of Jamziv

On 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.