

Sagicor Group Jamaica

Q3 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 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:

HIGHLIGHTS

	September 2022 Unaudited	September 2021 Unaudited	% Change	Dec 2021 Audited
OPERATING RESULTS (INCOME STATEMENT DATA):				
Net Profit, attributable to Stockholders - J$ billions	10.15	13.03	-22%	17.40
Total Revenue - J$ billions	70.76	73.15	-3%	102.56
FINANCIAL POSITION & STRENGTH (BALANCE SHEET DATA):				
Total Assets of Sagicor Group Jamaica - J$ billions	504.38	512.92	-2%	527.99
Total Assets under management - J$ billions	918.20	951.06	-4%	936.31
Stockholders' Equity - J$ billions	106.03	114.31	-7%	114.82
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	226.48	-10%	227.50

NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS
$10.15B ▼ -22%

TOTAL REVENUE
$70.76B ▼ -3%

TOTAL ASSETS
$504.38B ▼ -2%

STOCKHOLDERS' EQUITY
$106.03B ▼ -7%

EARNINGS PER SHARE
$2.60 ▼ -22%

MARKET CAPITALIZATION
$204.66B ▼ -10%

$3.34). 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 $413.82 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.

Investment Banking

The Investment Banking segment's net profit outturn was $1.18 billion, a decline of 42% against prior year. The prevailing macroeconomic conditions have precipitated a significant reduction in business transactions, adversely affecting performance. Nevertheless, higher interest rates contributed to a 22% increase in net investment income over the prior year.

LIQUIDITY AND SOLVENCY

Cash and Cash Equivalents at the end of September 2022 were $39.26 billion, down from $51.88 billion as at December 2021. The Group's cash flows period to date included $33.74 billion allocated to the investment portfolio. Regulatory capital requirements continue to be exceeded across all operating entities.

CAPITAL RATIOS

Regulated Entities	Key Regulatory Ratios	Minimum Statutory Requirements	September 30, 2022	September 30, 2021
Sagicor Life Jamaica Limited	Minimum continuing capital and surplus requirements ratio (MCCSR)	150%	185.0%	166.5%
Sagicor Bank Jamaica Limited	Regulatory capital to risk weighted assets ratio	10%	13.1%	14.1%
Sagicor Investments Jamaica Limited	Regulatory capital to risk weighted assets ratio	10%	12.5%	16.4%
Sagicor Life of the Cayman Islands Limited	Minimum capital requirement (MCR)	125.0%	235.0%	166.3%
Advantage General Insurance Company Limited	Minimum capital test ratio (MCT)	250.0%	300.3%	348.6%

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.



1. *Jada-Kay Pitt, Champion Girl for the 2022 JTA/Sagicor National Athletic Championships is flanked by Champion Boys Jahleel Matthews (left) and Mario Ross as they show off their Sagicor Foundation Certificate of Award during the Scholarships Awards Ceremony held on August 29 at the Jamaica Pegasus Hotel.*



2. *ILAH Dip and Come Again Summer Camp graduates Ajani Smith (left) and Cheriscia Davis (right) poses with Sagicor Life Financial Advisor Rhon Jones as they show off their certificate of completion.*



3. *Branch Manager, Sagicor Hope Road, Claudette Ramdanie (right), assists in displaying a symbolic cheque in the value of $2.5 million, which represents sponsorship of this year's Teach the Youth Programme by Sagicor Foundation. Others (from left) are: President of the Students Union Council Tavoy Barrett, volunteer representing HEART Trust/NSTA Ddjonaa Thomas; and Director of Community Services Avion Shaw.*



4. *Christopher Zacca, President and CEO of Sagicor Group Jamaica (far left), Alysia White, Sagicor Foundation Executive Director (centre) and Chorvelle Johnson Cunningham, CEO, Sagicor Bank (far right), poses with the 2022 Sagicor Foundation tertiary scholarship recipients during an awards ceremony held at the Jamaica Pegasus on Monday, August 29.*

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
(Expressed in thousands of Jamaican dollars)

	September 2022 Unaudited	September 2021 Unaudited	December 2021 Audited
ASSETS:			
Cash resources & Cash reserve at Central Bank	33,472,490	32,136,235	34,468,878
Financial investments	220,675,321	228,295,551	238,745,309
Loans & leases, after allowance for credit losses	103,301,238	91,458,419	96,889,917
Pledged assets	87,603,405	96,858,205	93,636,126
Investment properties	1,428,503	1,124,144	1,220,324
Investment in joint venture	1,689,143	1,402,373	1,329,797
Intangible assets	9,042,438	6,422,623	5,872,442
Property, plant and equipment	6,398,876	20,124,435	20,782,133
Right-of-use assets	1,722,959	2,296,361	2,155,117
Retirement benefit assets	1,339,263	1,187,248	472,179
Deferred income taxes	4,995,603	1,081,569	1,980,237
Taxation recoverable	5,601,674	4,001,454	4,186,609
Other assets	27,109,657	26,528,327	26,251,636
TOTAL ASSETS	**504,380,570**	**512,916,944**	**527,990,704**
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Equity attributable to:			
Stockholders' of the parent company			
Share capital	8,965,180	8,807,537	8,816,093
Equity reserves	1,808,368	13,525,050	17,163,717
Retained earnings	95,255,335	91,976,582	88,843,812
	106,028,883	114,309,169	114,823,622
Non-controlling interests	2,061,221	19,965,916	19,956,091
Total Equity	**108,090,104**	**134,275,085**	**134,779,713**
Liabilities			
Deposit and security liabilities	240,192,309	212,651,652	221,851,641
Loans payable	2,235,635	10,047,368	9,284,518
Deferred income taxes	421,748	1,937,672	2,169,101
Taxation payable	665,166	33,444	703,344
Retirement benefit obligations	3,112,355	3,955,861	5,780,581
Lease liabilities	2,075,890	2,641,491	2,521,790
Other liabilities	22,450,821	19,898,954	20,395,035
Policyholders' Funds			
Life and health insurance contracts liabilities	90,962,187	94,894,439	97,996,749
Investment contracts liabilities	19,894,175	18,644,187	19,356,485
Property and casualty insurance contracts and other policy liabilities	14,280,180	13,936,791	13,151,747
	125,136,542	127,475,417	130,504,981
Total Liabilities	396,290,466	378,641,859	393,210,991
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	**504,380,570**	**512,916,944**	**527,990,704**

PETER MELHADO
Chairman
3 November 2022

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

CONSOLIDATED INCOME STATEMENT

for the nine-months ended 30 September 2022
(Expressed in thousands of Jamaican dollars)

	Q3 2022 Unaudited	Q3 2021 Unaudited	September 2022 Year-to-date Unaudited	September 2021 Year-to-date Unaudited	December 2021 Full Year Audited
Revenue:					
Net premium revenue	14,555,451	12,688,070	41,213,177	38,199,208	52,784,590
Net investment income	5,259,978	4,999,156	16,038,900	14,338,595	19,241,422
Realised and Unrealised (losses)/gains	(1,698,016)	1,545,326	(3,918,078)	5,332,113	8,965,509
Credit losses on loans and investment securities	(225,845)	29,864	(436,164)	(189,450)	(245,288)
Hotel revenue	1,107,451	1,157,236	4,659,436	3,027,977	4,418,749
Fees and other income	4,874,726	4,528,055	13,200,206	12,436,638	17,395,697
Total revenue, net of reinsurance, interest expens and credit losses	**23,873,745**	**24,947,707**	**70,757,477**	**73,145,081**	**102,560,679**
Benefits and Expenses:					
Net insurance benefits incurred	9,912,424	8,651,641	28,624,723	25,219,235	35,053,288
Net movement in actuarial liabilities	(1,116,998)	(3,139,822)	(3,798,011)	2,805,835	4,279,198
Administration expenses	6,763,095	5,924,348	20,587,413	17,439,932	24,421,497
Commissions and sales expenses	1,856,176	1,737,124	5,572,630	5,305,441	7,556,465
Hotel expenses	852,100	947,367	3,379,914	2,381,424	3,367,407
Depreciation and amortisation	659,484	682,873	2,075,764	2,018,710	2,719,286
Other taxes and levies	5,353	5,120	887,953	825,726	830,767
Total benefits and expenses	**18,931,634**	**14,808,651**	**57,330,386**	**55,996,303**	**78,227,908**
Profit before Associates and Joint Venture	**4,942,111**	**10,139,056**	**13,427,091**	**17,148,778**	**24,332,771**
Impairment charge on goodwill	-	-	-	-	(614,400)
Share of profit from joint venture	6,033	208,913	349,726	705,100	607,764
Share of gain from sale of Xfund	258,191	-	258,191	-	-
Loss on sale of interest in associate	-	-	-	(233,089)	(233,088)
Profit before Taxation	5,206,335	10,347,969	14,035,008	17,620,789	24,093,047
Taxation	(1,028,579)	(2,092,828)	(3,633,995)	(4,072,262)	(6,449,959)
Net Profit	4,177,756	8,255,141	10,401,013	13,548,527	17,643,088
Net Profit attributable to:					
Stockholders' of the parent company	**4,113,642**	**8,177,682**	**10,154,684**	**13,026,610**	**17,395,431**
Non-controlling interests	64,114	77,459	246,329	521,917	247,657
	4,177,756	8,255,141	10,401,013	13,548,527	17,643,088
Earnings per stock unit for profit attributable to th stockholders' of the parent company:					
Basic and fully diluted	$1.05	$2.10	$2.60	$3.34	$4.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the nine-months ended 30 September 2022
(Expressed in thousands of Jamaican dollars)

	Q3 2022 Unaudited	Q3 2021 Unaudited	September 2022 Year-to-date Unaudited	September 2021 Year-to-date Unaudited	December 2021 Full Year Audited
Net profit for the period	4,177,756	8,255,141	10,401,013	13,548,527	17,643,088
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss					
Fair value reserve:					
Unrealised losses on FVTOCI bonds	(4,669,762)	(514,900)	(18,505,194)	(1,705,726)	(2,397,323)
Share of joint venture and unrealised gains/(losses) on FVTOCI bonds	281	35,855	(45,401)	35,855	32,733
	(4,669,481)	(479,045)	(18,550,595)	(1,669,871)	(2,364,590)
Currency translation	150,421	(104,152)	(476,610)	(1,782,723)	(359,171)
Gains recycled to the Profit or Loss Statement on sale and maturity of FVTOCI securities	(158,228)	(656,707)	(410,106)	(1,116,580)	(1,726,068)
Provision for expected credit losses on securities designated as FVTOCI	44,970	(27,587)	98,304	38,069	32,450
Expected credit losses recycled to the Profit or Loss Statement on sale and maturity of FVTOCI securities	(1,179)	-	(1,371)	(430,211)	(539,455)
Change in actuarial liabilities recognised in other comprehensive income	578,168	70,916	2,737,652	(94,112)	121,612
Share of fair value gains on interest rate swap recycled on sale of associate company	-	-	-	526,436	526,436
	463,731	(613,378)	2,424,479	(1,076,398)	(1,585,025)
Items that will not be subsequently reclassified to profit or loss					
Owner-occupied properties (OOP):					
Unrealised gain on OOP	2,347,006	1,422,408	2,343,417	1,597,366	1,745,785
Re-measurements of retirement benefits obligations	2,713,250	-	2,713,250	-	(1,934,186)
Total other income recognised directly in stockholders' equity, net of taxes	1,004,927	225,833	(11,546,059)	(2,931,626)	(4,497,187)
Total Comprehensive Income	**5,182,683**	**8,480,974**	**(1,145,046)**	**10,616,901**	**13,145,901**
Attributable to:					
Stockholders' of the parent company	**3,571,841**	**7,530,248**	**(2,773,169)**	**10,553,978**	**12,992,803**
Non-controlling interests	1,610,842	950,726	1,628,123	62,923	153,098
	5,182,683	8,480,974	(1,145,046)	10,616,901	13,145,901

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine-months ended 30 September 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 September 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	-	(15,640,564)	12,867,395	(2,773,169)	1,628,123	(1,145,046)
Transactions with owners -						
Dividends declared to owners of the parent	-	-	(6,257,999)	(6,257,999)	-	(6,257,999)
Treasury shares	149,087	-	(37,234)	111,853	-	111,853
Changes in ownership interest of X fund	-	-	124,576	124,576	(13,755,373)	(13,630,797)
Windup of Jamziv	-	-	-	-	(5,767,620)	(5,767,620)
Total transactions with owners	149,087	-	(6,170,657)	(6,021,570)	(19,522,993)	(25,544,563)
Transfer between reserves -						
From loan loss reserve	-	(128,651)	128,651	-	-	-
To retained earnings reserve	-	584,958	(584,958)	-	-	-
To retained earnings	-	(171,092)	171,092	-	-	-
Transfers between retained earnings and reserves	-	285,215	(285,215)	-	-	-
Balance as at September 30, 2022	**8,965,180**	**1,808,368**	**95,255,335**	**106,028,883**	**2,061,221**	**108,090,104**
Period ended September 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	-	(2,472,632)	13,026,610	10,553,978	62,923	10,616,901
Transactions with owners -						
Dividends paid to owners of the parent	-	-	(2,391,811)	(2,391,811)	(560,000)	(2,951,811)
Treasury shares	(183,507)	-	(53,497)	(237,004)	-	(237,004)
Total transactions with owners	(183,507)	-	(2,445,308)	(2,628,815)	(560,000)	(3,188,815)
Transfer between reserves -						
To special investment reserve	-	(27,761)	27,761	-	-	-
To retained earnings	-	547,223	(547,223)	-	-	-
To retained earnings reserve	-	(2,565,585)	2,565,585	-	-	-
Transfers between reserves	-	(2,046,123)	2,046,123	-	-	-
Balance as at September 30, 2021	**8,807,537**	**13,525,050**	**91,976,582**	**114,309,169**	**19,965,916**	**134,275,085**

CONSOLIDATED SEGMENTAL FINANCIAL INFORMATION

for the nine-months ended 30 September 2022
(Expressed in thousands of Jamaican dollars)

For the nine-months ended September 30, 2022	Individual Lines	Employee Benefits	Commercial Banking	Investment Banking	All other	Eliminations	Unaudited September 2022 Group
Operating results:							
External revenues	22,509,414	21,226,681	12,657,533	3,818,004	10,545,845	-	70,757,477
Inter-segment revenues	47,086	-	(113)	94,354	827,331	(968,658)	-
Total revenue	22,556,500	21,226,681	12,657,420	3,912,358	11,373,176	(968,658)	70,757,477
Benefits and expenses	(19,219,980)	(19,089,720)	(8,082,304)	(1,842,752)	(10,338,132)	408,208	(58,164,680)
Change in actuarial liabilities	3,839,980	120,453	-	-	-	(162,422)	3,798,011
Depreciation and amortisation	(150,181)	(90,090)	(527,675)	(109,350)	(1,198,468)	-	(2,075,764)
Other taxes	(117,654)	(36,131)	(404,804)	(242,547)	(86,817)	-	(887,953)
Total benefits and expenses	(15,647,835)	(19,095,488)	(9,014,783)	(2,194,649)	(11,623,417)	245,786	(57,330,386)
Share of profit from sale of XFund	-	349,726	-	-	-	-	349,726
Profit before taxation	6,908,665	2,480,919	3,642,637	1,717,709	7,950	(722,872)	14,035,008
Investment and corporation taxes	(1,492,672)	66,640	(1,302,805)	(536,385)	(368,773)	-	(3,633,995)
Net Profit	5,415,993	2,547,559	2,339,832	1,181,324	(360,823)	(722,872)	10,401,013
Segment assets:	73,575,496	85,381,080	186,310,698	115,497,894	28,376,942	7,214,451	496,356,561
Unallocated assets -							
Investments in joint venture							1,689,143
Deferred income taxes							4,995,603
Retirement benefit assets							1,339,263
Total assets							504,380,570
Segment liabilities:	58,574,406	71,985,519	163,002,728	100,312,663	15,218,091	(16,337,044)	392,756,363
Unallocated liabilities -							
Deferred income taxes							421,748
Retirement benefit obligations							3,112,355
Total liabilities							396,290,466
Other Segment items:							
Capital expenditure: Computer software							461,111
Property, plant and equipment							727,106

Geographical information:	Jamaica	Cayman Islands	United States of America	Other	Total Group
Revenue	64,178,631	1,919,410	4,659,436	-	70,757,477
Total assets	436,330,163	66,361,264	-	1,689,143	504,380,570

For the nine-months ended September 30, 2021	Individual Lines	Employee Benefits	Commercial Banking	Investment Banking	All other	Eliminations	Unaudited September 2021 Group
Operating results:							
External revenues	26,828,175	21,036,572	11,202,671	4,963,689	9,113,974	-	73,145,081
Inter-segment revenues	10,566	-	1,629	(111,709)	431,298	(331,784)	-
Total revenue	26,838,741	21,036,572	11,204,300	4,851,980	9,545,272	(331,784)	73,145,081
Benefits and expenses	(17,707,181)	(16,409,681)	(7,043,769)	(1,572,027)	(8,020,725)	407,351	(50,346,032)
Change in actuarial liabilities	(146,394)	(2,616,897)	-	-	-	(42,544)	(2,805,835)
Depreciation and amortisation	(158,283)	(120,956)	(502,004)	(96,553)	(1,140,914)	-	(2,018,710)
Other taxes	(105,518)	(35,634)	(363,645)	(231,484)	(89,445)	-	(825,726)
Total benefits and expenses	(18,117,376)	(19,183,168)	(7,909,418)	(1,900,064)	(9,251,084)	364,807	(55,996,303)
Share of profit from joint venture	-	705,100	-	-	-	-	705,100
Share of loss arising from disposal of interest in associate	-	-	-	-	(233,089)	-	(233,089)
Profit before taxation	8,721,365	2,558,504	3,294,882	2,951,916	61,099	33,023	17,620,789
Investment and corporation taxes	(1,985,455)	6,418	(1,172,164)	(913,099)	(7,962)	-	(4,072,262)
Net Profit	6,735,910	2,564,922	2,122,718	2,038,817	53,137	33,023	13,548,527
Segment assets:	73,743,808	109,137,022	169,316,770	121,667,201	59,738,952	(24,357,999)	509,245,754
Unallocated assets -							
Investments in joint venture							1,402,373
Deferred income taxes							1,081,569
Retirement benefit assets							1,187,248
Total assets							512,916,944
Segment liabilities:	58,800,244	79,788,827	144,111,443	95,431,984	20,764,647	(26,148,819)	372,748,326
Unallocated liabilities -							
Deferred income taxes							1,937,672
Retirement benefit obligations							3,955,861
Total liabilities							378,641,859
Other Segment items:							
Capital expenditure: Computer software							201,462
Property, plant and equipment							414,475

Geographical information:	Jamaica	Cayman Islands	United States of America	Other	Total Group
Revenue	65,882,116	4,234,988	3,027,977	-	73,145,081
Total assets	463,903,300	31,102,187	16,509,088	1,402,369	512,916,944

CONSOLIDATED STATEMENT OF CASH FLOWS

for the nine-months ended 30 September 2022
(Expressed in thousands of Jamaican dollars)

For the nine-months ended September 30, 2022	September 2022 Year-to-date Unaudited	September 2021 Year-to-date Unaudited	December 2021 Full Year Audited
Cash Flows from Operating Activities:			
Net Profit	**10,401,013**	**13,548,527**	**17,643,088**
Adjustments for:			
Items not affecting cash and changes to policyholders' funds:			
Adjustments for non-cash items, interest and dividends	(7,522,194)	(7,951,861)	(11,894,938)
Changes in other operating assets and liabilities	(3,145,819)	(3,667,026)	(2,765,801)
Net Investment purchases	(38,033,015)	(27,649,009)	(12,697,937)
Interest and dividends received	19,980,259	18,559,412	25,639,706
Interest paid	(4,036,535)	(3,694,035)	(5,016,176)
Income taxes paid	(5,115,353)	(7,186,538)	(7,875,003)
Net cash (used in)/generated in from operating activities	**(27,471,644)**	**(18,040,530)**	**3,032,939**
Cash Flows from Investing Activities:			
(Purchase)/Disposal of investment property, net	(200,788)	284,561	193,381
Purchase of property, plant and equipment, net	(727,106)	(414,475)	(496,745)
Purchase of intangible assets, net	(461,111)	(201,462)	(390,564)
Proceeds from sale of associate	-	13,604,064	13,604,064
Proceeds from sale of subsidiary- XFund	1,732,007	-	-
Net cash (used in)/generated from investing activities	**343,002**	**13,272,688**	**12,910,136**
Cash Flows from Financing activities:			
Deposits and securities liabilities	14,782,459	2,432,459	4,866,676
Changes in ownership of subsidiary- XFund	1,590,499	-	-
Net cash on purchase of subsidiary- AFSL	(803,299)	-	-
Loan payable	(153,573)	(946,827)	(2,065,939)
Finance lease repayment	(475,644)	(392,977)	(525,324)
Disposal/(Purchase) of treasury shares, net	111,311	(237,006)	(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	**10,902,797**	**(2,096,162)**	**(2,948,128)**
Cash and cash equivalents:			
Effect of exchange rate on cash and cash equivalents	(693,076)	578,579	1,653,173
(Decrease)/Increase in cash and cash equivalents	(16,918,921)	(6,285,425)	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	**34,965,175**	**30,950,551**	**51,884,096**
Comprising:			
Balances with Banks	21,242,863	20,144,612	22,442,346
Short - Term Deposits	3,224,884	4,143,614	17,450,177
USA Government Treasury Bills and BOJ CD's	8,186,694	1,392,273	5,063,510
Securities purchased under resale agreements	2,459,530	5,339,564	6,928,063
Bank overdraft	(148,796)	(69,512)	-
	34,965,175	**30,950,551**	**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 2021.

3. Accounting estimates and judgements

Certain amounts recorded in these unaudited 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 $3.49 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. 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 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.