



Sagicor Group Jamaica Limited

Q2 2015 PERFORMANCE



DIRECTORS' STATEMENT

On behalf of the Board of Directors of Sagicor Group Jamaica Ltd (SGJ or the Group) we are pleased to report the financial results of our Group of companies for the six month period ended 30 June 2015.

Overview

The Group generated consolidated net profit, attributable to stockholders for the six month period of \$3.76 billion, a 31% improvement over last year. This strong performance was principally driven by:

- Significant capital gains on sale of investment securities
- Inclusion of RBC portfolio in 2015
- Higher than expected recoveries on delinquent loans in Sagicor Bank
- Overall good earned premiums and favorable insurance benefits experience

HIGHLIGHTS

	June 2015 YTD Unaudited	Restated June 2014 YTD Unaudited	% Change
Total Revenue - J\$ billions	26.64	23.04	16%
Net Profit, attributable to Stockholders - J\$ billions	3.76	2.86	31%
Earnings per stock unit (EPS) - J\$	0.96	0.74	30%
Return on average Stockholders' Equity (ROE)	16%	15%	8%
Total Assets of Sagicor Group Jamaica - J\$ billions	289.72	258.86	12%
Total Assets under management - J\$ billions	484.99	402.51	20%
Stockholders' Equity - J\$ billions	47.55	41.16	16%
SGJ Share Price - J\$	12.58	9.01	40%
Dividend per stock unit - J\$	0.39	0.35	11%

All segments produced profits for the six month period which were better than the prior year, except for the Employee Benefits division where the 2014 results were assisted by large annuity contracts recognized in Q1 2014.

The results were achieved despite much higher asset taxes being fully expensed in the first quarter. The 2015 asset taxes were \$765.71 million more than the expense amount for 2014. The 2014 comparatives were restated to reflect the tax paid in Q1 as fully expensed.

The earnings per stock unit were \$0.96 compared to \$0.74 for last year and the annualized return on average Stockholders' Equity (ROE) was 16% (June 2014: 15%).

Financial performance

Revenue and Expenses –

Consolidated Revenue of \$26.64 billion was above prior year by 16%. Net Premium Income, in aggregate, was 5% less than that for 2014, which included significant annuity contracts. With respect to the Individual lines of business, including Universal Life Segregated Funds, earned premiums were up by 10% while Group Insurance premiums were up by 5% but Annuity contributions were much lower than last year. Investment income, before interest expense and capital gains, was 47% higher than in 2014. The 2015 numbers include the RBC business, recovered interest on an impaired loan and other organic growth. The return on investments was higher in 2015. Realized capital gains, from security trades, were substantially more than in 2014. Fees and Other Revenues were more than prior year by 29%, positively influenced by expanded commercial banking, while unrealized FX gains were much lower than last year.

Policy benefits to our policyholders or their beneficiaries, including death claims, health claims, annuity payments, surrenders and fund withdrawals, totaled \$9.06 billion, net of reinsurance recoveries, about 10% more than the amount for last year of \$8.28 billion. The ratio of claims to premiums remained stable. The variance for Changes in Insurance and Annuity liabilities was mainly a consequence of provision for the significant annuity contracts in Q1 2014.

Group Administration expenses of \$6.24 billion were 52% more than in 2014, reflecting inclusion of the RBC portfolio. The normalized Group efficiency ratio of administration expenses to total revenue was 27% (2014 – 23%). The 2015 ratio reflects a larger commercial banking segment. Efficiency improvements are expected in the second half of 2015 as we convert to a single banking platform. The new state-of-the-art technology platform will significantly improve internal efficiencies and enable us to offer a supreme level of client service.

In accordance with IFRIC 21 - Levies, Asset tax is no longer accounted for on a period basis but must be expensed fully when triggered. The amount paid in March 2015 of \$964.13 million was fully expensed in the quarter. This compares to the amount for 2014 of \$198.42 million. The 2014 results were restated to reflect the full amount as a Q1 expense in accordance with the accounting policy change.

Comprehensive Income –

Total Comprehensive Income, including net profit for the year and movements in reserves held in Equity, was \$3.01 billion compared to \$4.85 billion for 2014. Unrealized fair value losses on available-for-sale securities were \$404.77 million in 2015, mainly on USA Corporates. At

26.64B

Total Revenue

3.76B

Net Profit Attributable
to Stockholders

289.72B

Total Assets of SGJ

47.55B

Stockholders' Equity

TABLE OF NET PROFIT BY SEGMENT

	June 2015 YTD Unaudited J\$M	Restated June 2014 YTD Unaudited J\$M
Individual Insurance	875.27	836.11
Employee Benefits	1,255.08	1,539.64
Investment Banking	826.98	384.17
Commercial Banking	841.29	205.79
Other	6.81	(53.02)
Amortisation of purchased intangibles - Banking	(49.31)	(49.50)
Net Profit, before Minority Interest	3,756.12	2,863.19

- Other includes unallocated items and activities relating to shareholders' funds

the same time unrealized gains on re-translation of foreign operations were much less in 2015.

Cash Flows –

Group consolidated cash used in operating activities was \$13.87 billion; cash generated for 2014 was \$11.21 billion. Repayment of some Repurchase Agreements, high purchases of investment securities and loan disbursements account for the higher use of cash in the current period. There was a dividend declaration of \$1.52 billion in March 2015 but liquidity remained strong. Cash and cash equivalents at June 2015 were \$7.37 billion.

Balance Sheet and Managed Funds -

Total assets of the Group grew to \$289.72 billion, up from \$284.22 billion as at December 2014 and \$258.86 billion as at June 2014. Total assets under management, as at June 2015, including Pension Funds' assets managed on behalf of clients and unit trusts, amounted to \$484.99 billion, up from \$461.29 billion as at December

2014 and \$402.51 billion as at June 2014.

The June 2015 Stockholders' Equity of SGJ was \$47.55 billion compared to \$46.07 billion as at December 2014 and \$41.16 billion as at June 2014. Market capitalization of SGJ at June 2015 was \$49.13 billion (December 2014: \$40.03 billion). With 3,905,634,916 shares in issue the SGJ share price at June 2015 was \$12.58 up from \$10.25 at December 2014.

During March, the SGJ Board of Directors declared an interim dividend of \$1.52 billion to Stockholders or a dividend per share of 39 cents. The dividend declaration in Q1 2014 was \$1.32 billion or 35 cents per share.

Solvency

Sagicor Life Jamaica Limited (SLJ) carried risk adjusted capital, measured by the Minimum Continuing Capital and Solvency Requirement (MCCSR) ratio, of 175.1% (June 2014: 166.7%; December 2014: 182.2%). The regulated minimum ratio is 150%.

Sagicor Life of the Cayman Islands Ltd. had a solvency ratio (Available capital to Prescribed capital) of 187.8% (June 2014: 293.8%; December 2014: 293.8%). The regulations require Available capital to at least equal Prescribed capital.

The risk-weighted capital ratios of Sagicor Bank Jamaica Limited and Sagicor Investments Jamaica Limited were 17.1% (June 2014: 19.4%; December 2014: 14.9%) and 13.3% (June 2014: 15.7%; December 2014: 13.5%) respectively. The required minimum regulatory ratio is 10%.

Corporate Social Activities

In April, the Sagicor/JTA annual two day National Athletic Championship Meet took place with 1,200 Primary, All Age and Junior High School student athletes participating from 800 schools across the island. Sagicor granted a five year scholarship to the Champion Boy and Girl at this meet to further their education at the secondary level.

Support in education continued with the Sagicor UTECH Debating Championships where schools from several parishes vied for the title of champion debating team. The Championship, now in its fourth year, has grown with 48 teams drawn from 17 participating institutions.

Sagicor also supported the St. Aloysius Boys Day, by engaging the boys in activities that motivated them to stay focused and make wise choices. Medals and trophies to its most outstanding male students from Grades 1-6 were presented for various categories of academic achievement.

In June Sagicor honored its commitment to award the top three school winners that participated in the Reggae Marathon. St. Jago, Holmwood Technical and Edwin Allen Comprehensive High Schools received prizes of desktop computers for

their top three placements respectively.

The participation of the Sunshine Girls in the Netball World Cup Tournament in Sydney Australia was also supported by Sagicor. At a reception at the Jamaica Pegasus Hotel, the girls were presented with J\$3 million toward their preparation for the tournament which is scheduled for August 7 – 16, 2015.

Sagicor Group Jamaica in June launched its 45th Anniversary initiative called #45WaysToGiveBack, where forty five (45) individuals, charity groups, communities or institutions stand to benefit. The beneficiaries will be selected during July 2015. The #45WaysToGiveBack initiative kicked off with the first recipient, the Golden Age Home Cluster 'A', receiving a cheque valued at \$300,000. Sagicor and its team members have been supporting the Golden Age Home for several years.

Outlook

The Jamaican economy continues to perform well in respect of all indicators except GDP growth, which remains low. Factors such as higher business confidence, improved ratings and the buyback of Petro Caribe debt at a discount will support continued positive economic trends.

Our Group results in this first half year were strong. All of the driving factors will not remain at the same level but we anticipate good business growth and improved expense efficiencies as the year unfolds.

Sincere appreciation to our hardworking team members, to our loyal clients and to our stockholders.

On behalf of The Board of Directors:

DR. THE HON. R.D. WILLIAMS
Chairman

RICHARD O. BYLES
President & CEO
4 August 2015



Above: Sagicor's President & CEO Richard Byles smiles for a photo op with a member of Hanover's team during the dress parade at the 32nd staging of the JTA Sagicor National Athletics Championships held at the National Stadium on Friday, May 15 and Saturday, May 16.


Right: Marva Bernard, President of the Jamaica Netball Association (JNA) (front row – centre), members of the Jamaica Netball Team and Sagicor's Vice President of Human Resources Karl Williams (front row - left) and Vice President of Group Marketing Ingrid Card (back row – right) on Tuesday, April 14 at the Jamaica Pegasus Hotel in Kingston. Sagicor, presented the Sunshine Girls with \$3M toward their preparation for the Netball World Cup in Sydney, Australia set for August 7-16, 2015. Front row: (l-r) Adean Thomas, Trishana Hanson, Shanice Beckford, Nicole Dixon, Khadijah Williams, Thristina Harwood, Nicole Aiken-Pinnock. Back row: (l-r) Shantal Slater, Simone Gordon, Vandelee Williams, Kadie-Ann Dehane, Malysha Kelly, Paula Thompson, Sasher-Gaye Henry.



Consolidated Statement of Financial Position

 as at 30 June 2015
 (Expressed in thousands of Jamaican dollars)

	June 2015 Unaudited	Restated June 2014 Unaudited	December 2014 Audited
ASSETS:			
Cash resources	16,401,800	26,155,105	26,566,088
Financial investments	197,330,857	159,353,006	179,491,114
Securities purchased under resale agreements	1,398,807	3,304,063	3,603,912
Derivative financial instruments	248,350	2,538,731	761,732
Loans & leases, after allowance for credit losses	40,420,323	35,616,597	38,808,049
Investment properties	890,686	904,484	871,888
Investment in joint venture	725,943	682,557	738,718
Property, plant and equipment	3,392,059	2,488,252	3,506,736
Pledged assets	6,129,641	12,091,562	8,402,683
Intangible assets	4,495,471	4,891,496	4,617,001
Taxation recoverable	3,099,623	3,735,635	3,114,495
Other assets	15,190,455	7,101,974	13,733,397
TOTAL ASSETS	289,724,015	258,863,462	284,215,813
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Equity attributable to stockholders of the company			
Share capital	9,161,065	9,161,065	9,161,065
Equity reserves	4,663,920	7,400,105	6,413,536
Retained earnings	33,722,291	24,594,661	30,490,757
Total Equity	47,547,276	41,155,831	46,065,358
Liabilities			
Securities sold under repurchase agreements	67,775,052	63,348,230	76,002,302
Due to banks and other financial institutions	24,287,469	15,718,412	19,698,839
Customer deposits	55,400,913	53,913,260	53,589,012
Derivative financial instruments and structured products	3,828,871	4,226,546	3,010,415
Other liabilities	15,442,293	10,927,498	14,707,027
Policyholders' Funds			
Insurance contracts liabilities	59,721,062	54,880,037	55,826,311
Investment contracts liabilities	12,609,721	11,833,418	12,348,035
Other policy liabilities	3,111,358	2,860,230	2,968,514
	75,442,141	69,573,685	71,142,860
Total Liabilities	242,176,739	217,707,631	238,150,455
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	289,724,015	258,863,462	284,215,813



DR. THE HON. R.D. WILLIAMS
Chairman
4 August 2015



RICHARD O. BYLES
President & CEO

Consolidated Statement of Comprehensive Income

 for the six-months ended 30 June 2015
 (Expressed in thousands of Jamaican dollars)

	June 2015 Quarter Unaudited	Restated June 2014 Quarter Unaudited	June 2015 Year-to-date Unaudited	Restated June 2014 Year-to-date Unaudited	December 2014 Full Year Audited
Net profit for the period	2,393,757	1,909,527	3,756,119	2,913,526	8,563,118
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss					
Available-for-sale investments:					
Unrealised gains/(losses) on available-for-sale investments	(641,264)	877,141	(404,772)	1,797,606	729,844
Gains recycled and reported in profit	(50,381)	(201,144)	(542,958)	(330,256)	(848,705)
Impairment losses on available-for-sale investments	-	-	-	-	738,183
	(691,645)	675,997	(947,730)	1,467,350	619,322
Re-translation of foreign operations	201,035	452,309	196,727	470,458	570,118
Items that will not be subsequently reclassified to profit or loss					
Owner occupied properties:					
Unrealised gains/(losses) on owner occupied properties	-	-	-	-	80,549
Re-measurements of retirement benefits obligations	-	-	-	-	1,004,348
Total other income recognised directly in stockholders' equity, net of taxes	(490,610)	1,128,306	(751,003)	1,937,808	2,274,337
Total Comprehensive Income	1,903,147	3,037,833	3,005,116	4,851,334	10,837,455
Total Comprehensive Income attributable to:					
Stockholders of the parent company	1,903,147	3,020,249	3,005,116	4,735,678	10,721,799
Non-controlling interests	-	17,584	-	115,656	115,656
	1,903,147	3,037,833	3,005,116	4,851,334	10,837,455

Consolidated Income Statement

 for the six-months ended 30 June 2015
 (Expressed in thousands of Jamaican dollars)

	June 2015 Quarter Unaudited	Restated June 2014 Quarter Unaudited	June 2015 Year-to-date Unaudited	Restated June 2014 Year-to-date Unaudited	December 2014 Full Year Audited
Revenue:					
Net premium revenue	7,375,258	6,804,160	14,701,562	15,403,297	29,168,788
Net investment income	5,031,518	2,531,743	9,110,114	5,448,346	12,552,316
Fees and other revenue	1,509,423	1,093,953	2,827,464	2,185,970	3,909,119
Total revenue	13,916,199	10,429,856	26,639,140	23,037,613	45,630,223
Benefits and Expenses:					
Net insurance benefits incurred	4,700,769	4,293,058	9,056,700	8,281,998	17,246,703
Changes in insurance and annuity liabilities	1,797,107	910,480	3,520,359	4,948,135	5,523,213
Administration expenses	3,357,746	2,111,563	6,242,688	4,096,345	11,963,381
Commissions and related expenses	958,440	878,680	1,908,736	1,861,468	3,875,268
Amortization of intangible assets	71,704	67,638	148,275	135,080	737,499
Premium and other taxes	121,960	115,101	243,787	225,572	461,232
Asset tax	1,336	(132)	964,133	198,419	178,791
Total benefits and expenses	11,009,062	8,376,388	22,084,678	19,747,017	39,986,087
Share of profit/(loss) from joint venture	2,916	43,393	(27,135)	8,039	6,310
Negative Goodwill	-	-	-	-	3,211,180
Profit before Taxation	2,910,053	2,096,861	4,527,327	3,298,635	8,861,626
Investment and Corporation Taxes	(516,296)	(187,334)	(771,208)	(385,109)	(298,508)
NET PROFIT	2,393,757	1,909,527	3,756,119	2,913,526	8,563,118
Net Profit attributable to:					
Stockholders of the parent company	2,393,757	1,903,513	3,756,119	2,863,187	8,512,779
Non-controlling Interests	-	6,014	-	50,339	50,339
	2,393,757	1,909,527	3,756,119	2,913,526	8,563,118
Earnings per stock unit for profit attributable to stockholders of the parent company:					
Basic and Fully diluted	\$0.61	\$0.49	\$0.96	\$0.74	\$2.21

Consolidated Statement of Changes in Equity

 for the six-months ended 30 June 2015
 (Expressed in thousands of Jamaican dollars)

	Share Capital	Equity Reserves	Retained Earnings	Total Stockholders' Equity	Non- Controlling Interests	Total Equity
Period ended 30 June 2015:						
Balance as 1 January 2015	9,161,065	6,413,536	30,490,757	46,065,358	-	46,065,358
Total comprehensive income for the period	-	(751,003)	3,756,119	3,005,116	-	3,005,116
Transactions with owners -						
Dividends paid to owners of the parent	-	-	(1,523,198)	(1,523,198)	-	(1,523,198)
Total Transactions with owners	-	-	(1,523,198)	(1,523,198)	-	(1,523,198)
Transfer between reserves -						
To special investment reserve	-	(44,077)	44,077	-	-	-
Adjustment between regulatory loan provisioning and IFRS	-	(954,536)	954,536	-	-	-
Total transfers between reserves	-	(998,613)	998,613	-	-	-
Balance as at 30 June 2015	9,161,065	4,663,920	33,722,291	47,547,276	-	47,547,276
Period ended 30 June 2014:						
Balance as 1 January 2014	9,161,065	5,343,433	22,727,470	37,231,968	1,695,002	38,926,970
Total comprehensive income for the period	-	1,872,491	2,863,187	4,735,678	115,656	4,851,334
Transactions with owners -						
Purchase of minority interest	-	-	504,532	504,532	(1,810,658)	(1,306,126)
Dividends paid to owners of the parent	-	-	(1,316,347)	(1,316,347)	-	(1,316,347)
Total Transactions with owners	-	-	(811,815)	(811,815)	(1,810,658)	(2,622,473)
Transfer between reserves -						
To special investment reserve	-	175,404	(175,404)	-	-	-
Adjustment between regulatory loan provisioning and IFRS	-	8,777	(8,777)	-	-	-
Total transfers between reserves	-	184,181	(184,181)	-	-	-
Balance as at 30 June 2014	9,161,065	7,400,105	24,594,661	41,155,831	-	41,155,831

Consolidated Segmental Financial Information

for the six-months ended 30 June 2015
(Expressed in thousands of Jamaican dollars)

	Individual Lines	Employee Benefits	Investment Banking	Commercial Banking	All other	Eliminations	Unaudited June 2015 Group
Operating results:							
External revenues	10,303,168	9,369,571	1,765,867	3,911,602	1,288,932	-	26,639,140
Inter-segment revenues	207,052	5,460	(17,653)	6,347	92,693	(293,899)	-
Total revenue	10,510,220	9,375,031	1,748,214	3,917,949	1,381,625	(293,899)	26,639,140
Benefits and expenses	(6,537,696)	(6,739,928)	(456,431)	(2,467,790)	(979,732)	149,715	(17,031,862)
Change in actuarial liabilities	(2,514,634)	(1,005,725)	-	-	-	-	(3,520,359)
Depreciation	(41,320)	(20,359)	(14,181)	(75,566)	(24,836)	-	(176,262)
Amortization of intangibles	(8,449)	(59,974)	(29,743)	(42,818)	(7,291)	-	(148,275)
Finance costs	-	-	-	-	(2,510)	2,510	-
Premium and other taxes	(210,955)	(32,836)	-	-	(493)	-	(244,284)
Asset tax	(234,224)	(111,591)	(203,823)	(198,263)	(215,735)	-	(963,636)
Total benefits and expenses	(9,547,278)	(7,970,413)	(704,178)	(2,784,437)	(1,230,597)	152,225	(22,084,678)
Share of loss from joint venture	-	(27,135)	-	-	-	-	(27,135)
Profit before tax	962,942	1,377,483	1,044,036	1,133,512	151,028	(141,674)	4,527,327
Investment and corporation taxes	(87,675)	(122,401)	(237,889)	(320,572)	(2,671)	-	(771,208)
Profit after taxation	875,267	1,255,082	806,147	812,940	148,357	(141,674)	3,756,119
Segment assets:	35,324,867	55,326,663	84,493,307	86,059,058	29,310,492	(4,678,666)	285,835,721
Unallocated assets							
Investment in joint venture							725,943
Deferred tax asset							3,103,439
Retirement benefits asset							58,912
Total assets							289,724,015
Segment liabilities:	37,831,100	43,108,647	70,839,853	66,176,563	23,090,279	(2,230,797)	238,815,645
Unallocated liabilities							
Retirement benefits obligations							3,361,094
Total liabilities							242,176,739
Other Segment items:							
Capital expenditure: Computer software							14,717
Property, plant and equipment							65,415
							80,132

Geographical information:

	Jamaica	Cayman Islands	Other	Total Group
Revenue	24,631,074	1,988,766	19,300	26,639,140
Total assets	270,416,037	18,581,918	726,060	289,724,015

	Individual Lines	Employee Benefits	Investment Banking	Commercial Banking	All other	Eliminations	Restated Unaudited June 2014 Group
Operating results:							
External revenues	9,221,821	10,833,867	1,112,873	897,390	971,662	-	23,037,613
Inter-segment revenues	235,664	4,679	(70,207)	1,207	315,165	(486,508)	-
Total revenue	9,457,485	10,838,546	1,042,666	898,597	1,286,827	(486,508)	23,037,613
Benefits and expenses	(6,087,158)	(6,229,724)	(489,654)	(553,199)	(941,762)	173,109	(14,128,388)
Change in actuarial liabilities	(2,141,006)	(2,845,411)	-	-	-	38,282	(4,986,135)
Depreciation	(37,792)	(15,678)	(14,500)	(23,259)	(20,194)	-	(111,423)
Amortization of intangibles	(7,769)	(58,844)	(8,557)	(4,324)	(55,586)	-	(135,080)
Finance costs	-	-	-	-	(12,188)	12,188	-
Premium and other taxes	(193,385)	(31,893)	-	-	(162)	-	(225,440)
Asset tax	(17,842)	-	(91,894)	(26,490)	(62,325)	-	(198,551)
Total benefits and expenses	(8,484,952)	(9,181,550)	(604,605)	(607,272)	(1,092,217)	223,579	(19,747,017)
Share of loss from joint venture	-	8,039	-	-	-	-	8,039
Profit before tax	972,533	1,665,035	438,061	291,325	194,610	(262,929)	3,298,635
Investment and corporation taxes	(136,426)	(125,366)	(53,892)	(85,376)	15,951	-	(385,109)
Profit after taxation	836,107	1,539,669	384,169	205,949	210,561	(262,929)	2,913,526
Segment assets:	50,789,829	52,373,688	72,592,895	80,964,126	8,616,848	(7,682,465)	257,654,921
Unallocated assets							
Deferred tax assets							525,984
Investment in joint venture							682,557
Total assets							258,863,462
Segment liabilities:	43,669,523	40,761,092	64,011,778	64,506,325	8,301,580	(8,206,677)	213,043,621
Unallocated liabilities							
Deferred tax liabilities							793,646
Retirement benefits obligations							3,870,364
Total liabilities							217,707,631
Other Segment items:							
Capital expenditure: Computer software							5,873
Property, plant and equipment							214,470
							220,343

Geographical information:

	Jamaica	Cayman Islands	Other	Total Group
Revenue	21,908,376	1,129,237	-	23,037,613
Total assets	237,806,641	20,367,121	689,700	258,863,462

Consolidated Statement of Cash Flows

for the six-months ended 30 June 2015
(Expressed in thousands of Jamaican dollars)

	June 2015 Year-to-date Unaudited	Restated June 2014 Year-to-date Unaudited	December 2014 Full Year Audited
Cash Flows from Operating Activities:			
Net Profit	3,756,119	2,913,526	8,563,118
Adjustments for:			
Items not affecting cash and changes to policyholders' funds:			
Adjustments for non-cash items, interest and dividends	(3,492,266)	(471,395)	(8,892,465)
Changes in other operating assets and liabilities	(6,524,005)	2,744,939	23,549,941
Net Investment purchases	(11,772,420)	2,701,898	(19,588,803)
Interest received	8,858,311	6,366,926	14,579,571
Interest paid	(2,578,948)	(2,092,460)	(4,646,360)
Income taxes paid	(2,112,361)	(958,297)	(1,383,797)
Net cash (used in)/generated from operating activities	(13,865,570)	11,205,137	12,181,205
Cash Flows from Investing Activities:			
Investment in joint venture	-	(35,701)	(41,105)
Acquisition of subsidiary, net of cash acquired	-	4,339,419	6,022,237
Purchase of Property, plant and equipment, net	(59,317)	(214,470)	(451,066)
Purchase of intangible assets	(14,717)	(5,873)	(164,623)
Net cash generated from/(used in) investing activities	(74,034)	4,083,375	5,365,443
Cash Flows from Financing activities:			
Dividends paid to stockholders	(1,523,198)	(1,316,347)	(2,409,925)
Net cash used in financing activities	(1,523,198)	(1,316,347)	(2,409,925)
Cash and cash equivalents:			
Effect of exchange rate on cash and cash equivalents	282,933	888,813	1,970,456
Increase/(Decrease) in cash and cash equivalents	(15,179,869)	14,860,978	17,107,179
Cash and cash equivalents at beginning of year	22,551,578	5,444,399	5,444,399
Cash and cash equivalents at end of year	7,371,709	20,305,377	22,551,578
Comprising:			
Balances with Banks	10,654,558	20,452,790	21,073,597
Short - Term Deposits	1,426,227	1,542,527	985,221
Securities purchased under resale agreements	495,666	3,444,469	2,674,078
Short - Term Loans	(4,079,729)	(4,986,870)	(2,018,192)
Bank overdraft	(1,125,013)	(147,539)	(163,126)
	7,371,709	20,305,377	22,551,578

Explanatory Notes

1. Identification and Principal Activities

Sagikor Group Jamaica Limited (SGJ), the company) is incorporated and domiciled in Jamaica and is listed on the Jamaica Stock Exchange. It is 32.45% owned by LOJ Holdings Limited which is also incorporated and domiciled in Jamaica. The ultimate parent company is Sagikor Financial Corporation (SFC), which is incorporated and domiciled in Barbados. SFC has an overall interest of 49.11% in Sagikor Group Jamaica Limited. The other significant shareholder in Sagikor Group Jamaica Limited is Pan-Jamaican Investment Trust Limited with a 31.55% holding.

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

Sagikor Group Jamaica offers a wide range of financial services. These include life and health 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 interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

At year-end 2014, the Group adopted IFRIC 21 – Levies and applied the change retrospectively. Certain prior year numbers in these interim financial statements have been restated to conform with this accounting policy change.

IFRIC 21 addresses the accounting for a liability to pay a levy recognized in accordance with IAS37, Provisions, and the liability to pay a levy whose timing and amount is certain. It excludes income taxes within the scope of IAS 12, Income taxes. IFRIC 21 indicates that the obligating event that gives rise to a liability to pay a levy is the event identified by the legislation that triggers the obligation to pay the levy. Accordingly, a liability to pay a levy is recognized when the obligating event occurs. The full liability for Assets Tax is triggered on the first day of an entity's financial year in which the tax is payable. For Sagikor Group Jamaica full liability and expense for Assets tax due in March 2015 was therefore recognized in Q1 2015.

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