



Q3 2015 PERFORMANCE



39.70B
Total Revenue

5.83B
Net Profit Attributable
to Stockholders

294.31B
Total Assets of SGJ

44.00B
Stockholders' Equity

DIRECTORS' STATEMENT

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

Overview

The Group generated consolidated net profit, attributable to stockholders for the nine month period of \$5.83 billion, a 42% improvement over last year. This strong performance was principally driven by:

- Good growth in Insurance earned premiums and favorable insurance benefits experience
- Significant capital gains on sale of investment securities
- Inclusion of RBC commercial banking portfolio in 2015 for nine months as against three months in 2014

All segments performed well and contributed positively to the bottom-line. The current year 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

HIGHLIGHTS

	Sep 2015 YTD Unaudited	Restated Sep 2014 YTD Unaudited	% Change
Total Revenue - J\$ billions	39.70	34.19	16%
Net Profit, attributable to Stockholders - J\$ billions	5.83	4.10	42%
Earnings per stock unit (EPS) - J\$	1.49	1.06	41%
Return on average Stockholders' Equity (ROE)	17%	14%	21%
Total Assets of Sagicor Group Jamaica - J\$ billions	294.31	261.99	12%
Total Assets under management - J\$ billions	497.06	426.89	16%
Stockholders' Equity - J\$ billions	44.00	42.28	4%
SGJ Share Price - J\$	13.00	9.90	31%
Dividend per stock unit - J\$	0.39	0.35	11%
Market capitalization - J\$ billions	50.77	38.19	33%

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 \$1.49 compared to \$1.06 for last year and the annualized return on average Stockholders' Equity (ROE) was 17% (September 2014: 14%).

Financial performance

Revenue and Expenses –

The consolidated Revenue of \$39.70 billion was above prior year by 16%. Net Premium Income, in aggregate, was 1% more than that for 2014, which included significant annuity contracts. Investment income, before interest expense and capital gains, was 33% higher than in 2014. The 2015 numbers include the RBC business. 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 34%, 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 \$14 billion, net of reinsurance recoveries, about 10% more than the amount for last year of \$12.67 billion. The ratio of claims to premiums remained stable.

Group Administration expenses of \$9.59 billion were 27% more than in 2014, reflecting inclusion of the RBC portfolio. The normalized Group

efficiency ratio of administration expenses to total revenue was 27% (2014 – 26%). This ratio reflects a larger commercial banking segment. We implemented a single banking platform and significantly upgraded our banking technology eco-system on August 01, 2015. The new state-of-the-art technology platform will significantly improve internal efficiencies and enable us to offer a supreme level of client service.

A new profit tax regime for the Life Insurance industry was recently introduced by the Government of Jamaica. The measures take effect from assessment year 2015. The Group will implement the changes to reflect the new legislation in Q4 2015. Under the previous regime taxation was based on Premium Income and Investment Income.

Comprehensive Income –

Total Comprehensive Income, including net profit for the year and movements in reserves held in Equity, was a loss of \$540.29 million compared to income of \$5.98 billion increase for 2014. During Q3 2015 significant unrealized fair value losses were recorded on available-for-sale securities. Volatility in global bond prices, impacted mainly by 3rd quarter economic decline in China and continued weakness in commodity based economies, led to declines in our international securities portfolio.



Above: The Tertiary scholarship awardees shared lens time with Sagicor's Mr. Richard Byles, President & CEO, Mr. Jeffrey Cobham, Board of Director and Hon. the Dr. Danny Williams, Chairman. The event was the Sagicor's scholarship awards held at the Jamaica Pegasus Hotel on Thursday, August 27, 2015. Thirty four tertiary students received Sagicor Scholarships for the 2015/16 school year.

Cash Flows –

Group consolidated cash used in operating activities was \$10.75 billion (September 2014 - \$1.40 billion). Repayment of some Repurchase Agreements, high purchases of investment securities and loan disbursements account for the higher use of cash in the current year. Investing activities reflect mainly capital expenditure for technology and the upgrade of some bank branches. Also included is the acquisition cost for the SGJ 21.1% interest in Sagicor Real Estate X Fund Limited which was taken up in September. There was a dividend declaration of \$1.52 billion in March 2015. Liquidity of the Group remained strong. Cash and cash equivalents at September 2015 were \$5.91 billion (September 2014: \$7.52 billion; December 2014: \$22.55 billion).

Balance Sheet and Managed Funds -

Total assets of the Group grew to \$294.31 billion, up from \$284.22 billion as at December 2014 and \$262 billion as at September 2014. Total assets under management, as at September 2015, including Pension Funds' assets managed on behalf of clients and unit trusts, amounted to \$497.06 billion, up from \$461.29 billion as at December 2014 and \$426.89 billion as at September 2014.

The September 2015 Stockholders' Equity of SGJ was \$44 billion compared to \$46.07 billion as at December 2014 and \$42.28 billion as at September 2014. The fall in market prices of some securities negatively impacted

Equity. Market capitalization of SGJ at September 2015 was \$50.77 billion (December 2014: \$40.03 billion). The SGJ share price at September 2015 was \$13.00 up from \$10.25 at December 2014 and \$9.90 at September 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. In October 2015 a second dividend was declared of \$1.33 billion or 34 cents per share. This dividend will be paid on November 13th to stockholders on record at October 29th. In 2015 the total declared dividend would be \$2.85 billion or 73 cents per share. In 2014 the total declared dividend was \$2.41 billion or 63 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 179% (September 2014: 158%; 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 173% (September 2014: 279.3%; December 2014: 294.1%). 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 15.7% (September 2014: 15.1%; December 2014: 14.9%) and 12.2% (September 2014: 12.3%; December 2014: 13.5%) respectively. The required minimum regulatory ratio is 10%.

Corporate Social Activities

During the quarter, Sagicor's support for education was highlighted through the implementation of several initiatives. In August, Sagicor recognised outstanding GSAT and tertiary performance by awarding 34 tertiary students with scholarships for the 2015/16 school year.

In addition, 13 students at the tertiary level who did not qualify for scholarships, received book grants.

GSAT students entering high schools across the island in September 2015 were presented with academic scholarships. The 16 GSAT scholarships were awarded to children of Sagicor stakeholders who have excelled in the Grade Six Achievement Test (GSAT). Additionally, Sagicor awarded children of its team members scholarships, through its Corporate Staff Education Programme - 92 at the primary level and 41 at the secondary level.

During the period, Sagicor presented proceeds of the Sagicor Sigma Corporate Run 2015 to the Jamaica Kidney Kids Foundation (JKKF). The presentation included a much needed Peritoneal Dialysis Machine and other Dialysis supplies to strengthen the JKK service delivery to kidney patients.

The presentation was made at the ICU Conference Room, University Hospital of the West Indies on August 25, 2015. The equipment for the other Sigma 2015 beneficiary, the Cornwall Regional Hospital Neonatal unit, was ordered and will be presented in the next quarter.

Charitable donations were also given to Ferdie's House, an institution which caters to the mentally ill, and the Strathmore Gardens Children Home, through the Sagicor Motivational Seminar (SMS) Planning committee. In addition to cash donations, the Planning Committee also provided assistance by hosting a workday to refurbish sections of the Childcare Facility.

We launched our 45th Anniversary initiative called **#45WaysToGiveBack**, where 45 individuals, charity groups, communities or institutions will benefit. The beneficiaries were selected during July 2015 and their benefits will be handed over in the next quarter. The Golden Age Home, the first beneficiary under this initiative received a cheque totalling \$300,000.

Outlook

The Jamaican economy continues to perform well in respect of the main metrics except GDP growth, which remains low. A number of factors support continued positive economic trends.

Our Group results in this nine month period were strongly influenced by healthy operating results and trading gains. We are also forecasting good results for last quarter 2015. Though competition in the financial services arena is increasing, determined execution of our major initiatives will give us on-going growth.

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 November 2015

Consolidated Statement of Financial Position

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

	September 2015 Unaudited	Restated September 2014 Unaudited	December 2014 Audited
ASSETS:			
Cash resources	15,653,546	17,549,050	26,566,088
Financial investments	199,564,183	174,523,200	179,491,114
Securities purchased under resale agreements	1,153,692	1,670,670	3,603,912
Derivative financial instruments	158,684	2,141,484	761,732
Loans & leases, after allowance for credit losses	38,076,878	35,266,355	38,808,049
Investment properties	898,281	922,254	871,888
Investment in joint venture	746,251	691,492	738,718
Property, plant and equipment	4,639,575	2,499,130	3,506,736
Pledged assets	3,203,289	10,340,436	8,402,683
Intangible assets	4,430,067	4,897,104	4,617,001
Taxation recoverable	2,792,738	3,443,698	3,114,495
Other assets	22,989,016	8,048,107	13,733,397
TOTAL ASSETS	294,306,200	261,992,980	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	(1,092,757)	7,288,717	6,413,536
Retained earnings	35,933,566	25,833,530	30,490,757
Total Equity	44,001,874	42,283,312	46,065,358
Liabilities			
Securities sold under repurchase agreements	64,763,285	61,080,574	76,002,302
Due to banks and other financial institutions	23,730,210	18,621,878	19,698,839
Customer deposits	63,252,741	53,493,334	53,589,012
Derivative financial instruments and structured products	3,839,318	3,867,574	3,010,415
Other liabilities	17,659,720	11,995,592	14,707,027
Policyholders' Funds			
Insurance contracts liabilities	61,383,919	55,821,083	55,826,311
Investment contracts liabilities	12,601,739	11,979,001	12,348,035
Other policy liabilities	3,073,394	2,850,632	2,968,514
	77,059,052	70,650,716	71,142,860
Total Liabilities	250,304,326	219,709,668	238,150,455
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	294,306,200	261,992,980	284,215,813



DR. THE HON. R.D. WILLIAMS
Chairman



RICHARD O. BYLES
President & CEO

4 November 2015

Consolidated Statement of Comprehensive Income

 for the nine-months ended 30 September 2015
 (Expressed in thousands of Jamaican dollars)

	September 2015 Quarter Unaudited	Restated September 2014 Quarter Unaudited	September 2015 Year-to-date Unaudited	Restated September 2014 Year-to-date Unaudited	December 2014 Full Year Audited
Net profit for the period	2,072,961	1,240,010	5,829,080	4,153,536	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	(5,512,103)	(202,055)	(5,916,875)	1,595,551	729,844
Gains recycled and reported in profit	(310,912)	3,517	(853,870)	(326,739)	(848,705)
Impairment losses on available-for-sale investments	-	-	-	-	738,183
	(5,823,015)	(198,538)	(6,770,745)	1,268,812	619,322
Re-translation of foreign operations	204,652	86,009	401,379	556,467	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	(5,618,363)	(112,529)	(6,369,366)	1,825,279	2,274,337
Total Comprehensive Income	(3,545,402)	1,127,481	(540,286)	5,978,815	10,837,455
Total Comprehensive Income attributable to:					
Stockholders of the parent company	(3,545,402)	1,127,481	(540,286)	5,863,159	10,721,799
Non-controlling interests	-	-	-	115,656	115,656
	(3,545,402)	1,127,481	(540,286)	5,978,815	10,837,455

Consolidated Income Statement

 for the nine-months ended 30 September 2015
 (Expressed in thousands of Jamaican dollars)

	September 2015 Quarter Unaudited	Restated September 2014 Quarter Unaudited	September 2015 Year-to-date Unaudited	Restated September 2014 Year-to-date Unaudited	December 2014 Full Year Audited
Revenue:					
Net premium revenue	7,653,300	6,739,589	22,354,862	22,142,886	29,168,788
Net investment income	3,869,584	3,345,400	12,979,698	8,793,746	12,552,316
Fees and other revenue	1,542,089	1,066,300	4,369,553	3,252,270	3,909,119
Total revenue	13,064,973	11,151,289	39,704,113	34,188,902	45,630,223
Benefits and Expenses:					
Net insurance benefits incurred	4,931,912	4,383,828	13,988,612	12,665,826	17,246,703
Changes in insurance and annuity liabilities	1,335,495	847,862	4,855,854	5,795,997	5,523,213
Administration expenses	3,344,360	3,423,506	9,587,048	7,519,851	11,963,381
Commissions and related expenses	960,563	900,891	2,869,299	2,762,359	3,875,268
Amortization of intangible assets	80,274	102,896	228,549	237,976	737,499
Premium and other taxes	126,309	113,876	370,096	339,448	461,232
Asset tax	1,710	-	965,843	198,419	178,791
Total benefits and expenses	10,780,623	9,772,859	32,865,301	29,519,876	39,986,087
Share of profit/(loss) from joint venture	13,069	4,848	(14,066)	12,887	6,310
Negative Goodwill	-	-	-	-	3,211,180
Profit before Taxation	2,297,419	1,383,278	6,824,746	4,681,913	8,861,626
Investment and Corporation Taxes	(224,458)	(143,268)	(995,666)	(528,377)	(298,508)
NET PROFIT	2,072,961	1,240,010	5,829,080	4,153,536	8,563,118
Net Profit attributable to:					
Stockholders of the parent company	2,072,961	1,240,010	5,829,080	4,103,197	8,512,779
Non-controlling Interests	-	-	-	50,339	50,339
	2,072,961	1,240,010	5,829,080	4,153,536	8,563,118
Earnings per stock unit for profit attributable to stockholders of the parent company:					
Basic and Fully diluted	\$0.53	\$0.32	\$1.49	\$1.06	\$2.21

Consolidated Statement of Changes in Equity

 for the nine-months ended 30 September 2015
 (Expressed in thousands of Jamaican dollars)

	Share Capital	Equity Reserves	Retained Earnings	Total Stockholders' Equity	Non- Controlling Interests	Total Equity
Period ended 30 September 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	-	(6,369,366)	5,829,080	(540,286)	-	(540,286)
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	-	(1,092,850)	1,092,850	-	-	-
Total transfers between reserves	-	(1,136,927)	1,136,927	-	-	-
Balance as at 30 September 2015	9,161,065	(1,092,757)	35,933,566	44,001,874	-	44,001,874
Period ended 30 September 2014:						
Balance as 1 January 2014	7,854,938	5,343,433	22,727,470	35,925,841	1,695,002	37,620,843
Total comprehensive income for the period	-	1,759,962	4,103,197	5,863,159	115,656	5,978,815
Transactions with owners -						
Issue of share capital	1,306,127	-	-	1,306,127	-	1,306,127
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	1,306,127	-	(811,815)	494,312	(1,810,658)	(1,316,346)
Transfer between reserves -						
To special investment reserve	-	175,404	(175,404)	-	-	-
Adjustment between regulatory loan provisioning and IFRS	-	9,918	(9,918)	-	-	-
Total transfers between reserves	-	185,322	(185,322)	-	-	-
Balance as at 30 September 2014	9,161,065	7,288,717	25,833,530	42,283,312	-	42,283,312

Consolidated Segmental Financial Information

for the nine-months ended 30 September 2015
(Expressed in thousands of Jamaican dollars)

	Individual Lines	Employee Benefits	Investment Banking	Commercial Banking	All other	Eliminations	Unaudited September 2015 Group
Operating results:							
External revenues	15,872,150	14,171,438	2,502,976	5,817,775	1,339,774	-	39,704,113
Inter-segment revenues	(105,726)	7,199	(38,506)	13,079	318,493	(194,539)	-
Total revenue	15,766,424	14,178,637	2,464,470	5,830,854	1,658,267	(194,539)	39,704,113
Benefits and expenses	(10,241,717)	(10,100,437)	(722,831)	(3,920,194)	(1,627,165)	465,391	(26,146,953)
Change in actuarial liabilities	(3,493,347)	(1,344,902)	-	-	-	(17,605)	(4,855,854)
Depreciation	(58,331)	(28,608)	(20,816)	(114,167)	(76,083)	-	(298,005)
Amortization of intangibles	(12,501)	(89,573)	(50,791)	(64,950)	(10,795)	-	(228,610)
Finance costs	-	-	-	-	(2,617)	2,617	-
Premium and other taxes	(318,444)	(51,649)	-	-	(2,174)	-	(372,267)
Asset tax	(234,260)	(111,591)	(203,823)	(198,263)	(215,735)	-	(963,672)
Total benefits and expenses	(14,358,600)	(11,726,760)	(998,261)	(4,297,574)	(1,934,569)	450,403	(32,865,361)
Share of profit/(loss) from joint venture	-	(31,405)	-	-	17,339	-	(14,066)
Profit before tax	1,407,824	2,420,472	1,466,209	1,533,280	(258,963)	255,864	6,824,686
Investment and corporation taxes	(100,367)	(209,951)	(310,183)	(343,942)	(31,163)	-	(995,606)
Profit after taxation	1,307,457	2,210,521	1,156,026	1,189,338	(290,126)	255,864	5,829,080
Segment assets:	32,570,820	55,240,781	81,222,151	88,267,915	29,073,004	(1,580,055)	284,794,616
Unallocated assets							
Investment in joint venture and associate							5,518,675
Deferred tax asset							3,933,997
Retirement benefits asset							58,912
Total assets							294,306,200
Segment liabilities:	37,892,722	43,809,686	73,276,732	70,577,673	23,039,177	(1,652,758)	246,943,232
Unallocated liabilities							
Retirement benefits obligations							3,361,094
Total liabilities							250,304,326
Other Segment items:							
Capital expenditure: Computer software							18,890
Property, plant and equipment							1,428,573
							1,447,463

Geographical information:

	Jamaica	Cayman Islands	Other	Total Group
Revenue	36,701,867	3,033,651	(31,405)	39,704,113
Total assets	272,759,806	20,800,143	746,251	294,306,200

	Individual Lines	Employee Benefits	Investment Banking	Commercial Banking	All other	Eliminations	Restated Unaudited September 2014 Group
Operating results:							
External revenues	13,697,330	15,121,351	1,755,625	2,269,670	1,344,926	-	34,188,902
Inter-segment revenues	267,148	31,648	(70,457)	1,457	382,417	(612,213)	-
Total revenue	13,964,478	15,152,999	1,685,168	2,271,127	1,727,343	(612,213)	34,188,902
Benefits and expenses	(9,531,745)	(9,235,382)	(790,304)	(2,033,034)	(1,291,841)	160,815	(22,721,491)
Change in actuarial liabilities	(2,572,208)	(3,221,688)	-	-	-	(2,104)	(5,796,000)
Depreciation	(58,658)	(24,718)	(21,510)	(90,407)	(31,249)	-	(226,542)
Amortization of intangibles	(12,191)	(90,195)	(84,333)	(41,808)	(9,449)	-	(237,976)
Finance costs	-	-	-	-	(17,030)	17,030	-
Premium and other taxes	(291,466)	(47,525)	-	-	(457)	-	(339,448)
Asset tax	(17,842)	(75)	(91,894)	(26,490)	(62,118)	-	(198,419)
Total benefits and expenses	(12,484,110)	(12,619,583)	(988,041)	(2,191,739)	(1,412,144)	175,741	(29,519,876)
Share of loss from joint venture	-	12,887	-	-	-	-	12,887
Profit before tax	1,480,368	2,546,303	697,127	79,388	315,199	(436,472)	4,681,913
Investment and corporation taxes	(166,389)	(212,522)	(106,345)	(67,311)	24,190	-	(528,377)
Profit after taxation	1,313,979	2,333,781	590,782	12,077	339,389	(436,472)	4,153,536
Segment assets:	54,721,769	53,108,230	76,465,709	78,822,277	8,957,433	(11,243,649)	260,831,769
Unallocated assets							
Deferred tax assets							469,719
Investment in joint venture							691,492
Total assets							261,992,980
Segment liabilities:	43,183,385	41,252,750	62,242,841	63,924,324	16,094,683	(11,744,008)	214,953,975
Unallocated liabilities							
Deferred tax liabilities							885,329
Retirement benefits obligations							3,870,364
Total liabilities							219,709,668
Other Segment items:							
Capital expenditure: Computer software							123,491
Property, plant and equipment							323,393
							446,884

Geographical information:

	Jamaica	Cayman Islands	Other	Total Group
Revenue	31,582,366	2,606,536	-	34,188,902
Total assets	241,058,784	20,235,519	698,677	261,992,980

Consolidated Statement of Cash Flows

for the nine-months ended 30 September 2015
(Expressed in thousands of Jamaican dollars)

	September 2015 Year-to-date Unaudited	Restated September 2014 Year-to-date Unaudited	December 2014 Full Year Audited
Cash Flows from Operating Activities:			
Net Profit	5,829,080	4,153,536	8,563,118
Adjustments for:			
Items not affecting cash and changes to policyholders' funds:			
Adjustments for non-cash items, interest and dividends	(5,734,363)	(1,538,647)	(8,892,465)
Changes in other operating assets and liabilities	(3,020,353)	1,767,907	23,549,941
Net investment purchases	(15,045,179)	(10,753,720)	(19,588,803)
Interest received	13,380,371	9,961,840	14,579,571
Interest paid	(3,637,436)	(4,199,245)	(4,646,360)
Income taxes paid	(2,526,938)	(792,742)	(1,383,797)
Net cash (used in)/generated from operating activities	(10,754,818)	(1,401,071)	12,181,205
Cash Flows from Investing Activities:			
Investment in joint venture	-	-	(41,105)
Investment in associate	(3,320,906)	-	-
Acquisition of subsidiary, net of cash acquired	-	4,298,313	6,022,237
Purchase of Property, plant and equipment, net	(1,422,469)	(323,393)	(451,066)
Purchase of intangible assets	(18,890)	(123,491)	(164,623)
Net cash generated from/(used in) investing activities	(4,762,265)	3,851,429	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	401,987	936,611	1,970,456
Increase/(Decrease) in cash and cash equivalents	(16,638,294)	2,070,622	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	5,913,284	7,515,021	22,551,578
Comprising:			
Balances with Banks	9,537,566	11,659,609	21,073,597
Short - Term Deposits	2,472,151	683,269	985,221
Securities purchased under resale agreements	237,792	486,377	2,674,078
Short - Term Loans	(5,928,006)	(4,994,428)	(2,018,192)
Bank overdraft	(406,219)	(319,806)	(163,126)
	5,913,284	7,515,021	22,551,578

Explanatory Notes

1. Identification and Principal Activities

Sagcor Group Jamaica Limited is incorporated and domiciled in Jamaica and is listed on the Jamaica Stock Exchange. It is 32.45% (March 2014 – 33.70%) owned by LOJ Holdings Limited which is also incorporated and domiciled in Jamaica. The ultimate parent company is Sagcor Financial Corporation (SFC), which is incorporated and domiciled in Barbados. SFC has an overall interest of 49.11% (March 2014 – 51%) in Sagcor Group Jamaica Limited. The other significant shareholder in Sagcor Group Jamaica Limited is Pan-Jamaican Investment Trust Limited with a 31.55% (2014 – 32.76%) holding.

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

Sagcor Group Jamaica is comprised of a number of companies offering a wide range of financial products and 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 Sagcor Group Jamaica full liability and expense for Assets tax due in March 2015 was therefore recognized in Q1 2015. The prior periods have been restated to reflect the effect of this accounting change.

3. Investment in associated company

During the quarter, Sagcor Group Jamaica Limited acquired a 21.1% interest in Sagcor Real Estate X Fund Limited (X Fund), increasing its holdings to 29.3%. In accordance with IAS 28, Investments in Associates and Joint Ventures, the operating results of X Fund are being accounted for as an associate with the inclusion of the share of post-acquisition earnings.

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