



Wise Financial Thinking for Life

## **Sagicor Life Jamaica Limited**

Interim report to Stockholders  
for the six-month period ended  
30 June 2010

## Directors' Statement

On behalf of the Board of Directors, we are pleased to present the un-audited consolidated Financial Statements for Sagicor Life Jamaica Limited (SLJ) for the six-month period ended 30 June 2010.

### **Overview:**

The Sagicor Jamaica Group produced net profit attributable to Stockholders of \$2,108 million for the six-month period January to June 2010. This represents a basic earnings per share of 56 cents and an annualized return on Stockholders' Equity of 20%.

While profit for Q2 2010 of \$1,073 million was 4% better than for Q1 2010, the year-to-date outcome was 25% below that recorded for the corresponding period in 2009. Two significant macro-economic developments negatively impacted current year results of the Group, namely, lower interest rates as a consequence of the Jamaica Debt Exchange programme (JDX) in February and the strengthening of the Jamaica dollar by 4% since January, which lead to substantial unrealized foreign exchange (FX) losses being recorded.

### **Operations:**

Consolidated Total Revenue of \$12,771 million was 13% below that for the same period last year, 6% below when total revenue from discontinued operations is excluded. This reflects the lower interest rates and unrealized exchange losses in 2010 and contributions from a large single premium contract in 2009. However, new insurance sales were strong and contributed to a healthy increase in Net Premium Revenues, when the effect of the large single premium contract in 2009 is excluded. Net Investment Income in the current year was boosted, despite lower interest rates, by significant capital gains realized principally on our US\$ portfolio during the first quarter. Unrealized FX losses depressed the category "Fees, Commissions and Other Revenues".

After taking into account the large 2009 single premium transaction, the change in Actuarial Liabilities was higher in 2010 than in 2009.

Administration expenses, of \$2,800 were 6% higher than the 2009 amount, (excluding the amount for discontinued operations). The 2009 amount included restructuring cost. After adjusting for the foregoing the normalized ratio of administrative expenses to total revenue was 21%, the same level as in the previous year.

The Pan Caribbean Financial Services (PCFS) Group, in which SLJ has an 86% interest, generated after tax profits of \$628 million. This performance was 13% below prior year as a consequence of lower interest rates and unrealized FX losses.

## Directors' Statement

### **Balance Sheet and Managed Funds:**

Despite the sale of Sagicor General Insurance (Cayman) Ltd during Q2, the total assets of the Group were \$136.9 billion compared to \$135.5 billion at December 2009. Total assets under management including pension fund assets managed on behalf of clients and unit trusts, amounted to \$214.8 billion (December 2009: \$210.4 billion).

Stockholders' (Owners') Equity as at June 2010 was \$22.9 billion, compared to \$19.9 billion as at December 2009. This 15% increase was in part due to the growth in Retained Earnings and the improved fair values of securities held as Available-For-Sale. In March, the SLJ Board of Directors declared dividends of \$789.8 million to Stockholders, or a dividend per share of 21 cents. This interim dividend was paid on 9 April 2010.

### **Social Responsibility:**

In the first six months, SLJ's Social programmes focused on improving areas of Health, Education and Sports for our nation's children. For Health, our sponsorship of the Shaggy Make a Difference Foundation and PanCaribbean's Sigma Corporate Run directly benefited the Bustamante Hospital for Children and organizations which assist children with disabilities.

For Education, Sagicor adopted fourteen Early Childhood Institutions through our staff-run Adopt-a-School programme launched in 2009. In addition to assisting with the upgrading of facilities, our team members are also involved in teaching and mentoring the young. For Sports, we were once again the main sponsor of the Jamaica Teachers Association (JTA) National Primary, All Age and Junior High Athletic Championship which benefited over 70 schools and 1,500 athletes.

During this period, we experienced two unexpected calls for assistance, the first as a result of the devastation in Haiti, where we assisted the Jamaica Red Cross with a J\$5 million donation towards the recovery effort. The second involved supporting our security forces with over \$2 Million in humanitarian supplies during the social unrest experienced in Kingston in May.

### **Discontinued Operations:**

This refers to the sale to Bahamas First Holdings of the Group's interest in Sagicor General Insurance (Cayman) Ltd. effective 1 January 2010. The sale was completed and recorded during June.

### **Industry ratings:**

Sagicor Life Jamaica Limited (SLJ) retained a rating of jmAAA on the Jamaica national scale, from Caribbean Information and Credit Rating Services Limited (CariCRIS), following a review in March 2010. During July, A. M. Best rating agency released updated ratings for SLJ which were lower than those previously held. The Financial Strength Rating (FSR) moved to "B++ (Good)" and the Insurers' Credit Rating (ICR) to "BBB". The outlook for these ratings was revised from negative to stable. A. M. Best cited challenges of the Jamaican economy as the main reason for the new ratings.

## Directors' Statement

### **Outlook:**

Key business metrics of revenue, new business, conservation, claims and administration expense ratios are all performing better than expected. We are confident that the strategies being pursued are effective and will deliver favourable financial results, amidst the challenges and opportunities presented by the changing economic environment in which we operate.

We sincerely thank our customers, shareholders, team members and business partners for their continued and valued support.

On behalf of the Board of Directors:



DR. THE HON. R.D. WILLIAMS  
Chairman  
4 August 2010



RICHARD O. BYLES  
President & CEO

**Consolidated Statement of Financial Position**  
**as at 30 June 2010**  
**(Expressed in thousands of Jamaican dollars)**

	June-10 Un-audited	June-09 Un-audited	December-09 Audited
<b>Assets:</b>			
Financial investments	107,811,107	90,891,653	99,806,966
Securities purchased under resale agreements	2,878,662	9,262,931	6,456,558
Derivative financial instruments	272,648	576,514	155,374
Other investments	1,000,147	618,355	1,044,063
	<u>111,962,564</u>	<u>101,349,453</u>	<u>107,462,961</u>
Intangible assets	4,534,227	5,223,012	5,071,000
Other assets	11,274,004	10,656,548	9,980,931
Segregated funds' assets	9,159,271	7,456,779	8,516,279
	<u>24,967,502</u>	<u>23,336,339</u>	<u>23,568,210</u>
Assets classified as held for sale and discontinued operations	0	4,830,848	4,435,246
<b>Total Assets</b>	<b><u>136,930,066</u></b>	<b><u>129,516,639</u></b>	<b><u>135,466,417</u></b>
<b>Liabilities:</b>			
Insurance and annuity contracts liabilities	19,781,051	17,921,553	19,004,039
Investment contracts liabilities	8,461,716	9,426,339	12,880,479
Other insurance policy liabilities	2,355,917	2,651,774	3,818,232
	<u>30,598,684</u>	<u>29,999,666</u>	<u>35,702,750</u>
Securities sold under repurchase agreements	46,217,476	42,638,827	42,036,038
Customer deposits	9,282,846	8,656,257	8,782,312
Due to banks and other financial institutions	9,496,176	8,421,999	10,406,121
Derivative financial instruments and structured products	640,745	968,330	673,972
Redeemable preference shares	1,270,924	1,270,858	1,271,319
Other liabilities	6,043,994	4,188,275	3,247,257
Segregated funds' liabilities	9,159,271	7,456,779	8,516,279
	<u>82,111,432</u>	<u>73,601,325</u>	<u>74,933,298</u>
Liabilities directly associated with assets classified as held for sale and discontinued operations	0	3,443,019	3,498,399
<b>Total liabilities</b>	<b><u>112,710,116</u></b>	<b><u>107,044,010</u></b>	<b><u>114,134,447</u></b>
<b>Equity:</b>			
Share Capital	7,854,938	7,831,150	7,854,938
Other components of equity	2,672,684	(637,337)	989,621
Retained earnings	12,326,907	10,910,246	11,018,150
Owners's equity	<u>22,854,529</u>	<u>18,104,059</u>	<u>19,862,709</u>
Non-controlling interests	1,365,421	4,368,570	1,469,261
<b>Total Equity</b>	<b><u>24,219,950</u></b>	<b><u>22,472,629</u></b>	<b><u>21,331,970</u></b>
<b>Total Liabilities and Equity</b>	<b><u>136,930,066</u></b>	<b><u>129,516,639</u></b>	<b><u>135,466,417</u></b>

On behalf of the Board of Directors:



DR. THE HON. R.D. WILLIAMS  
Chairman  
4 August 2010



RICHARD O. BYLES  
President & CEO

**Consolidated Income Statement**  
**for the six-month period ended 30 June 2010**  
**(Expressed in thousands of Jamaican dollars)**

	<b>June-10 Quarter Unaudited</b>	<b>June-09 Quarter Unaudited</b>	<b>June-10 Year-to-date Unaudited</b>	<b>June-09 Year-to-date Unaudited</b>	<b>December-09 Full year Audited</b>
<b>Revenues:</b>					
Net premium revenue	4,345,140	5,355,442	8,239,864	8,898,007	16,317,852
Net investment income	1,646,467	1,642,603	3,873,315	3,187,857	6,620,184
Fees, commissions and other revenues	159,528	650,600	657,750	1,413,546	2,459,901
Revenue from discontinued operations	0	601,530	0	1,156,951	2,474,589
<b>Total revenue</b>	<b>6,151,135</b>	<b>8,250,175</b>	<b>12,770,929</b>	<b>14,656,361</b>	<b>27,872,526</b>
<b>Benefits and expenses:</b>					
Net insurance benefits incurred	2,031,821	2,087,098	4,324,005	4,281,586	8,401,898
Changes in actuarial liabilities	565,787	1,931,734	1,428,063	1,673,863	2,423,033
Administration expenses	1,486,967	1,234,804	2,799,516	2,633,353	5,365,592
Commissions and related expenses	652,472	563,673	1,332,066	1,128,057	2,548,307
Amortization of intangible assets	75,750	73,702	150,588	149,081	336,633
Finance cost	39,402	56,891	78,372	95,861	194,015
Benefits and expenses from discontinued operations	0	541,438	0	1,071,849	2,832,699
<b>Total benefits and expenses</b>	<b>4,852,199</b>	<b>6,489,340</b>	<b>10,112,610</b>	<b>11,033,650</b>	<b>22,102,177</b>
<b>Profit before taxation</b>	<b>1,298,936</b>	<b>1,760,835</b>	<b>2,658,319</b>	<b>3,622,711</b>	<b>5,770,350</b>
Taxation	(197,512)	(236,584)	(469,944)	(494,599)	(884,785)
<b>Profit for the period (total)</b>	<b>1,101,424</b>	<b>1,524,250</b>	<b>2,188,375</b>	<b>3,128,112</b>	<b>4,885,565</b>
<b>Attributable to:</b>					
<b>Equity owners of the parent company (total)</b>	<b>1,072,556</b>	<b>1,347,631</b>	<b>2,107,730</b>	<b>2,790,617</b>	<b>4,390,112</b>
- Profit for the period from continuing operations	1,072,556	1,300,337	2,107,730	2,726,620	4,687,267
- Profit/(Loss) for the period from discontinued operations	0	47,295	0	63,998	(297,155)
<b>Non Controlling Interests (total)</b>	<b>28,868</b>	<b>176,619</b>	<b>80,645</b>	<b>337,495</b>	<b>495,453</b>
- Profit for the period from continuing operations	28,868	163,821	80,645	316,389	593,451
- Profit/(Loss) for the period from discontinued operations	0	12,798	0	21,106	(97,998)
	<b>1,101,424</b>	<b>1,524,250</b>	<b>2,188,375</b>	<b>3,128,112</b>	<b>4,885,565</b>
<b>Earnings per share for profit attributable to stockholders:</b>					
Basic	\$0.29	\$0.36	\$0.56	\$0.74	\$1.17
Fully diluted	\$0.29	\$0.36	\$0.56	\$0.74	\$1.16

Consolidated Statement of Comprehensive Income  
for the six-month period ended 30 June 2010  
(Expressed in thousands of Jamaican dollars)

	June 2010	June 2009	December 2009
<b>Net profit for the period</b>	<b>2,188,375</b>	<b>3,128,112</b>	<b>4,885,565</b>
<b>Other comprehensive income:</b>			
Available-for-sale investments			
Unrealised gains on available-for-sale investments	1,484,539	789,152	1,930,508
(Loss)/gains reclassified and reported in profit	448,437	(360,979)	(371,487)
	<u>1,932,976</u>	<u>428,173</u>	<u>1,559,021</u>
Owner occupied properties:			
Unrealised gains on owner occupied properties	3,513	0	21,586
Cash flow hedges			
Unrealised gains/(losses) on cash flow hedges	17,045	10,745	(149,296)
Re-translation of foreign operations	(149,231)	377,370	396,680
Negative goodwill from the purchase of subsidiary shares	0	0	467,954
Total income/(expense) recognised directly in stockholders' equity, net of tax	<u>1,804,303</u>	<u>816,288</u>	<u>2,295,945</u>
<b>Total comprehensive income</b>	<b><u>3,992,678</u></b>	<b><u>3,944,400</u></b>	<b><u>7,181,510</u></b>
<b>Total comprehensive income attributable to:</b>			
<b>Equity owners of the stockholders of the company:</b>			
- Total comprehensive income for the period from continuing operations	3,760,033	3,375,271	6,652,960
- Total comprehensive income for the period from discontinued operations	0	80,484	(253,373)
	<u>3,760,033</u>	<u>3,455,755</u>	<u>6,399,587</u>
<b>Non-controlling interests:</b>			
- Total comprehensive income for the period from continuing operations	232,645	462,159	865,513
- Total comprehensive income for the period from discontinued operations	0	26,486	(83,590)
	<u>232,645</u>	<u>488,645</u>	<u>781,923</u>
	<b><u>3,992,678</u></b>	<b><u>3,944,400</u></b>	<b><u>7,181,510</u></b>

**Consolidated Statement of Changes in Equity**  
**for the six-month period ended 30 June 2010**  
(Expressed in thousands of Jamaican dollars)

	Share Capital	Retained Earnings	Currency Translation Reserves	Investment & Fair Value Reserves	Other Reserves	Total	Non- Controlling Interests	Total Equity
<b>Period ended 30 June 2010:</b>								
Balance as at 1 January 2010	7,854,938	11,018,150	1,282,756	(1,555,355)	1,262,220	19,862,709	1,469,261	21,331,970
Total comprehensive income for the period	0	2,107,730	(136,136)	1,788,439	0	3,760,033	232,645	3,992,678
Issue of ordinary shares	0	0	0	0	0	0	22,379	22,379
Value of employee services rendered	0	0	0	0	16,031	16,031	162	16,193
Dividends paid to owners	0	(789,807)	0	0	0	(789,807)		(789,807)
Dividends paid to non-controlling interests	0	0	0	0	0	0	(46,851)	(46,851)
Disposal of Subsidiary	0	0	0	5,563	0	5,563	(312,175)	(306,612)
Adjustment between regulatory loan provision and IFRS	0	(9,166)	0	0	9,166	0	0	0
<b>Balance as at 30 June 2010</b>	<b>7,854,938</b>	<b>12,326,907</b>	<b>1,146,620</b>	<b>238,647</b>	<b>1,287,417</b>	<b>22,854,529</b>	<b>1,365,421</b>	<b>24,219,950</b>
<b>Period ended 30 June 2009:</b>								
Balance as at 1 January 2009	7,796,463	9,066,612	926,712	(2,698,772)	452,805	15,543,820	4,045,061	19,588,881
Total comprehensive income for the period	0	2,790,617	336,853	328,285	0	3,455,755	488,645	3,944,400
Issue of shares	29,658	0	0	0	0	29,658	0	29,658
Value of employee services rendered	0	0	0	0	13,624	13,624	2,353	15,976
Employee share options exercised	5,029	0	0	0	(5,171)	(142)	0	(142)
Dividend declared	0	(938,656)	0	0	0	(938,656)	0	(938,656)
Dividend paid to non-controlling interests	0	0	0	0	0	0	(167,489)	(167,489)
Adjustment between regulatory loan provision and IFRS	0	(8,327)	0	0	8,327	0	0	0
<b>Balance as at 30 June 2009</b>	<b>7,831,150</b>	<b>10,910,246</b>	<b>1,263,565</b>	<b>(2,370,487)</b>	<b>469,585</b>	<b>18,104,059</b>	<b>4,368,570</b>	<b>22,472,629</b>
<b>Period ended 31 December 2009:</b>								
Balance as at 1 January 2009	7,796,463	9,066,612	926,712	(2,698,772)	452,805	15,543,820	4,045,061	19,588,881
Total comprehensive income for the period	0	4,858,066	356,044	1,185,477	0	6,399,587	781,923	7,181,510
Issue of ordinary shares	29,658	0	0	0	0	29,658	0	29,658
Employee share option scheme - Value of employee services rendered	0	0	0	0	21,825	21,825	4,050	25,875
Employee stock grants and options exercised	28,817	0	0	0	(19,841)	8,976	0	8,976
Dividends paid to owners	0	(2,141,157)	0	0	0	(2,141,157)	0	(2,141,157)
Dividends paid to non-controlling interests	0	0	0	0	0	0	(327,948)	(327,948)
Adjustment between regulatory loan provision and IFRS	0	(32,771)	0	0	32,771	0	0	0
Transfer from special investment reserve	0	80,191	0	0	(80,191)	0	0	0
Transfer to retained earning reserves	0	42,060	0	(42,060)	0	0	0	0
Transfer from Retained Earnings	0	(854,851)	0	0	854,851	0	0	0
Disposal of equity interest by non-controlling interests	0	0	0	0	0	0	(3,033,825)	(3,033,825)
<b>Balance as at 31 December 2009</b>	<b>7,854,938</b>	<b>11,018,150</b>	<b>1,282,756</b>	<b>(1,555,355)</b>	<b>1,262,220</b>	<b>19,862,709</b>	<b>1,469,261</b>	<b>21,331,970</b>



**Consolidated Statement of Cash Flows**  
**for the six-month period ended 30 June 2010**  
**(Expressed in thousands of Jamaican dollars)**

	<b>June-10</b>	<b>June-09</b>	<b>December-09</b>
	<b>Year-to-date</b>	<b>Year-to-date</b>	<b>Full year</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>Cash Flows from operating activities:</b>			
Net profit	2,188,375	3,128,112	4,885,565
Items not affecting cash & changes to Policy holders' funds	(6,740,020)	910,910	1,648,071
Changes in operating assets and liabilities	(874,398)	(2,988,526)	(4,617,062)
Interest received	5,469,964	5,771,525	11,848,069
Interest paid	(2,865,371)	(3,185,241)	(6,380,578)
Income taxes paid	(565,771)	(431,644)	(843,666)
<b>Cash generated from operating activities</b>	<b>(3,387,220)</b>	<b>3,205,136</b>	<b>6,540,399</b>
<b>Cash Flows from investing activities:</b>			
Acquisitions net of cash acquired	0	(34,201)	(2,461,087)
Disposal of Subsidiary	972,793	0	0
Intangible Assets, net	(25,448)	(24,869)	(29,092)
Property, plant and equipment, net	(107,801)	(78,621)	(196,219)
<b>Cash used in investing activities</b>	<b>839,544</b>	<b>(137,691)</b>	<b>(2,686,398)</b>
<b>Cash Flows from financing activities:</b>			
Dividends paid to stockholders	(789,808)	(938,850)	(2,141,157)
Dividends paid to Minority Interest	(46,851)	(167,489)	(327,948)
Ordinary shares issued - to Minority Interests by a Subsidiary company	22,386	0	0
Ordinary shares issued	0	34,687	58,475
Preference shares issued	0	(78,704)	0
<b>Cash from/(used in) financing activities</b>	<b>(814,273)</b>	<b>(1,150,356)</b>	<b>(2,410,630)</b>
Effects of exchange rate changes	(22,481)	671,714	724,931
<b>Cash and cash equivalents:</b>			
Cash and cash equivalents, at beginning of year	11,716,053	9,547,751	9,547,751
Increase in net cash and cash equivalents	(3,384,430)	2,588,803	2,168,302
<b>Net cash and cash equivalents, at end of period</b>	<b>8,331,623</b>	<b>12,136,554</b>	<b>11,716,053</b>

**Consolidated Segmental Financial Information**  
for the six-month period ended 30 June 2010  
(Expressed in thousands of Jamaican dollars)

	Individual Life	Employee Benefits	Banking and Asset management	Other	Eliminations	Unaudited June - 10 Group
External revenues	4,076,368	6,301,624	1,559,400	833,537	0	12,770,929
Inter-segment revenues	56,342	21,564	45,290	(23,225)	(99,971)	0
<b>Total revenue</b>	<b>4,132,710</b>	<b>6,323,188</b>	<b>1,604,690</b>	<b>810,312</b>	<b>(99,971)</b>	<b>12,770,929</b>
Benefits and expenses	(3,087,086)	(4,183,446)	(684,127)	(530,691)	117,032	(8,368,318)
Change in actuarial liabilities	(150,830)	(1,277,233)	0	0	0	(1,428,063)
Depreciation	(37,761)	(19,509)	(22,095)	(7,904)	0	(87,269)
Amortization of intangibles	(4,272)	(59,862)	(76,661)	(9,793)	0	(150,588)
Finance costs	0	0	(78,372)	(10,907)	10,907	(78,372)
<b>Profit before tax</b>	<b>852,761</b>	<b>783,138</b>	<b>743,435</b>	<b>251,017</b>	<b>27,968</b>	<b>2,658,319</b>
Taxation	(173,079)	(118,537)	(165,078)	(13,250)	0	(469,944)
<b>Profit after taxation</b>	<b>679,682</b>	<b>664,601</b>	<b>578,357</b>	<b>237,767</b>	<b>27,968</b>	<b>2,188,375</b>
<b>Segment assets:</b>	33,509,522	28,084,032	70,611,158	8,888,109	(4,610,900)	136,481,921
<b>Unallocated assets</b>						
Investment in associates						2,725
Deferred tax assets						128,885
Retirement benefit asset						316,535
<b>Total assets</b>						<b>136,930,066</b>
<b>Segment liabilities:</b>	24,683,926	22,626,634	60,297,684	8,785,941	(4,692,735)	111,701,450
<b>Unallocated liabilities</b>						
Deferred tax liabilities						358,262
Retirement benefit obligation						650,404
<b>Total liabilities</b>						<b>112,710,116</b>
<b>Other Segment items:</b>						
Depreciation						87,269
Capital expenditure						107,902
<b>Geographical information:</b>						
	<b>Jamaica</b>	<b>Cayman Islands</b>	<b>Total Group</b>			
Revenue	11,150,661	1,620,268	12,770,929			
Total assets	115,882,528	21,047,538	136,930,066			

Consolidated Segmental Financial Information (continued)  
for the six-month period ended 30 June 2010  
(Expressed in thousands of Jamaican dollars)

	Individual Life	Employee Benefits	Banking and Asset management	General Insurance	Other	Eliminations	Unaudited June - 09 Group
Revenues from external customers	3,348,613	8,457,658	1,770,775	385,024	694,291	0	14,656,361
Intersegment revenues	51,766	66,089	(11,946)	4,653	0	(110,562)	0
Total revenue	3,400,379	8,523,747	1,758,829	389,677	694,291	(110,562)	14,656,361
Benefits and expenses	(2,385,586)	(5,241,616)	(645,426)	(283,419)	(540,438)	102,023	(8,994,462)
Change in actuarial liabilities	(23,709)	(1,650,154)					(1,673,863)
Depreciation	(34,907)	(26,067)	(25,582)	(8,839)	(5,369)	0	(100,764)
Amortization of intangibles	(2,513)	(66,050)	(80,761)	(9,810)	(9,566)	0	(168,700)
Finance costs	0	(8,745)	(78,372)	(8,745)	(8,538)	8,539	(95,861)
Profit before tax	953,664	1,531,115	928,688	78,864	130,380	0	3,622,711
Taxation	(137,922)	(101,473)	(255,951)	0	747	0	(494,599)
<b>Profit after taxation</b>	<b>815,742</b>	<b>1,429,642</b>	<b>672,737</b>	<b>78,864</b>	<b>131,127</b>	<b>0</b>	<b>3,128,112</b>

**Segment assets:** 27,814,526 24,586,527 66,172,374 5,501,445 6,179,571 (1,553,427) 128,701,016

**Unallocated assets**

Investment in associates 2,725  
Deferred tax assets 606,708  
Retirement benefit asset 206,190

Total assets 129,516,639

**Segment liabilities:** 20,527,033 19,204,630 57,879,567 3,602,562 6,151,466 (1,553,427) 105,811,831

**Unallocated liabilities**

Deferred tax liabilities 282,546  
Retirement benefit obligation 430,422  
Business development loans 519,211

Total liabilities 107,044,010

**Other Segment items:**

Depreciation 100,764  
Capital expenditure 183,812

**Geographical information:**

	Jamaica	Cayman Islands	Total Group
Revenue	12,689,534	1,966,827	14,656,361
Total assets	109,083,903	20,432,736	129,516,639

	Individual Life	Employee Benefits	Banking and Asset management	General Insurance	Other	Eliminations	Audited December - 09 Group
External revenues	6,973,910	14,958,234	3,626,990	783,022	1,530,370	0	27,872,526
Inter-segment revenues	84,581	140,405	(46,543)	11,293	27,232	(216,968)	0
Total revenue	7,058,491	15,098,639	3,580,447	794,315	1,557,602	(216,968)	27,872,526
Benefits and expenses	(5,179,054)	(10,448,140)	(1,352,973)	(958,060)	(1,137,570)	205,521	(18,870,276)
Change in actuarial liabilities	194,084	(2,697,681)	0	0	0	0	(2,503,597)
Depreciation	(65,366)	(50,166)	(48,998)	(15,130)	(15,290)	0	(194,950)
Amortization of intangibles	(6,325)	(136,669)	(160,173)	(19,875)	(16,296)	0	(339,338)
Finance costs	0	(17,985)	(158,044)	(17,986)	(19,018)	19,018	(194,015)
Profit before tax	2,001,830	1,747,998	1,860,259	(216,736)	369,428	7,571	5,770,350
Taxation	(280,244)	(188,095)	(481,422)	0	64,976	0	(884,785)
<b>Profit after taxation</b>	<b>1,721,586</b>	<b>1,559,903</b>	<b>1,378,837</b>	<b>(216,736)</b>	<b>434,404</b>	<b>7,571</b>	<b>4,885,565</b>

**Segment assets:** 31,756,372 26,317,001 65,554,963 5,017,590 10,174,110 (4,498,951) 134,321,085

**Unallocated assets**

Investment in associates 2,725  
Deferred tax assets 826,072  
Retirement benefit asset 316,535

Total assets 135,466,417

**Segment liabilities:** 24,857,152 21,501,817 57,231,858 3,573,585 10,158,716 (4,584,219) 112,738,909

**Unallocated liabilities**

Deferred tax liabilities 372,856  
Retirement benefit obligation 500,407  
Business development loans 522,275

Total liabilities 114,134,447

**Other Segment items:**

Depreciation 194,950  
Capital expenditure 202,954

**Geographical information:**

	Jamaica	Cayman Islands	Total Group
Revenue	23,633,818	4,238,708	27,872,526
Total assets	109,244,234	26,222,183	135,466,417

## Explanatory Notes

### **1. Basis of preparation**

These condensed consolidated financial statements have been prepared in accordance with the accounting policies as set out in note 2 of the December 31, 2009 audited financial statements.

### **2. Assets classified as held for sale and discontinued operations**

The assets and liabilities and operating activity for the comparative periods relating to Sagicor General Insurance (Cayman) Ltd. have been presented as held-for-sale, following approval of the Board of Directors to sell Sagicor's controlling interest.

On 23 February 2010, Sagicor Life of the Cayman Islands Ltd. entered into a Share Purchase Agreement with Bahamas First Holdings Limited to divest its 75.24% holding, effective 1 January 2010. Having received all regulatory approvals, the sale was completed and recorded during June.