



LIFE JAMAICA LIMITED

On behalf of the Board of Directors of Sagicor Life Jamaica Limited (SLJ) we are pleased to share with you the Q1 2011 performance of our Group of companies.

The SLJ Group produced very satisfactory results for the first quarter with improved net profits of \$1.28 billion derived from revenues of \$6.8 billion. We are also happy to report that SLJ retained its jmAAA rating from Caribbean Information and Credit Rating Services Limited (CariCRIS), following a review in March 2011. CariCRIS noted that this rating, which is the highest in Jamaica, reflects our market position, healthy earnings and good capitalization levels.

Improving Customer Service

In keeping with our commitment to excellent customer service, we are pleased to update you on some of our initiatives:

- Our new world-class Customer Contact Centre has achieved improved call handling rates up to the international benchmark level of 98%.
- We launched MySagicor, a new and improved service which gives our clients 24-hour on-line access to view and make changes to their pension accounts at their convenience.
- Our website was redesigned to provide faster access to information on our products, services and our company.

- We continued to make it easier for our customers to receive payments electronically through "Sagicor Direct", which reduces transaction processing times and associated costs.

In addition, we sought new ways to embed the customer service culture throughout all levels of our organization. Recently, our senior managers participated in a two day Executive workshop on "Leading empowered teams for Service Quality"



as part of a company-wide service culture programme.

Your feedback is important to us, particularly where special attention to service is required. Please continue to share your experience with us by e-mailing MyExperience@sagicor.com.

Building Team Spirit

We would like to recognize the efforts of our Team members, who live our values by giving of themselves in support of nation-

building. In particular, we thank the over 400 Team members who participated in PanCaribbean's Sigma Corporate Run as volunteers and helped to raise \$15.2 Million for the Victoria Jubilee Hospital Neo Natal Care Unit.

Looking Ahead

Our outlook on the business environment in general remains positive. Macroeconomic stability has been achieved with a consistent exchange rate, low interest rates, relatively low inflation and containment of the fiscal deficit. However efforts must continue in order for the economic growth we all yearn for to be realized. We look forward to the opportunities and expect to grow our business in service of our clients, our shareholders, our Team members and our nation.

Management Discussion and Analysis

OVERVIEW

The SLJ Group produced net profit attributable to Stockholders of \$1.28 billion for the period January to March 2011, 24% more than that for the corresponding period in the prior year. This represents basic earnings per stock unit of \$0.34 and an annualized return on average Stockholders' Equity of 20%.

Each of the main profit centers within the SLJ Group generated increased net profits over last year. The Q1 2011 financial performance was driven by strong insurance new business and conservation efforts. In addition, the overall insurance benefits experience was more favorable than in the prior year. The Pan Caribbean Financial Services (PCFS) Group also performed very well generating after-tax profits which were 27% more than in the prior year.

Even taking the above into account, the quarter on quarter profit increase of 24% is particularly large because the Q1 2010 profit was not as strong as that for subsequent quarters in that year.

OPERATIONS

The Profit outcome was produced from Consolidated Revenue of \$6.80 billion. Revenue was up on prior year by 3%. Net Premium Income, in aggregate, was 5% more than that for 2010. The Individual lines of business premiums were up by 16% while Group Insurance and Annuity premiums were down by 3% in part due to smaller single premiums. Net Investment Income was lower than in the prior year by 5%. The prior year amount included two months of returns with high interest rates but rates were reduced by the Jamaica Debt Exchange programme (JDX) at the end of February 2010 and continued on a downward trend.

Highlights

	March 2011 YTD Unaudited	March 2010 YTD Unaudited	% Change
Total Revenue - J\$ billions	6.80	6.62	3%
Net Profit attributable to Stockholders - J\$ billions	1.28	1.04	24%
Earnings per stock unit (EPS) - J\$	0.34	0.28	21%
Efficiency ratio (Admin. expenses/Revenue)	21%	20%	-5%
Return on average Stockholders' Equity (ROE)	20%	20%	0%
Total Assets - J\$ billions	150.58	145.60	3%
Stockholders' Equity - J\$ billions	25.24	21.78	16%

The Group's capital gains realized from the sale of securities were also higher in the prior year. Fees and Other Revenues were ahead of prior year by 23% partly influenced by current period unrealized foreign exchange gains compared to losses last year.

A total of \$2.25 billion, net of reinsurance recoveries, was paid in benefits to policyholders or their beneficiaries. The amount for last year was \$2.29 billion.

The lower current period change in Insurance and Annuity Liabilities primarily reflects smaller single premium business in 2011 compared with 2010.

Administrative expenses of \$1.44 billion were 10% more than in 2010. The increased expenses are accounted for by higher compensation expenses, including retirement benefits costs, higher occupancy costs and the effect of higher GCT rates. At the SLJ Group level, the efficiency ratio of administrative expenses to total revenue was 21% as against 20% for Q1 2010. As the year progresses we expect the 2011 efficiency ratio to be better than that for the full year 2010 which closed at 23%.

The net cash outflow of \$1.15 billion for the period is due principally to the continued

investment in longer term securities to match long-term liabilities and protect against falling interest rates.

The PCFS Group, in which SLJ has an 86% interest, generated after tax profits of \$503 million, an increase of 27% above the prior year. The Banking Group benefited from improved net investment income including realized capital gains on investments activities, an unrealized foreign exchange gain (there was a prior year loss) and lower finance cost with the redemption of some outstanding preference shares during 2010. A 13% growth in income earning assets contributed to the increased investment income. The efficiency ratio of administration expenses to total revenue also showed improvement over prior year at 36% versus 39%.

Total comprehensive income includes net profit for the period and movements in reserves held in Equity. The 2010 total comprehensive income included the uplift in fair values of GOJ bonds with the JDX programme. The Group's total comprehensive income for Q1 2011 reflects smaller fair value increases as more long-term bonds are held and these are carried at amortized cost.

BALANCE SHEET AND MANAGED FUNDS

Total assets of the Group reached \$150.58 billion, up from \$143.16 billion as at December 2010. Total assets under management as at March 2011, including pension fund assets managed on behalf of clients and unit trusts, amounted to \$239.67 billion, up from \$227.81 billion as at December 2010.

Stockholders' (Owners') Equity as at March 2011 was \$25.24 billion, compared to \$25.20 billion as at December 2010. During March, the SLJ Board of Directors declared an interim dividend distribution of \$1.28 billion to Stockholders or a dividend per share of 34 cents. This dividend distribution along with the amount paid in October 2010 of \$827 million represents a 45% pay-out ratio on the 2010 audited profits.

Measured by risk adjusted capital, SLJ's solvency continues to be strong. The Minimum Continuing Capital and Solvency Requirement (MCCSR) as at March 2011 was 180% after taking into account, the interim dividend declared in March, and should improve later in the year with earnings growth.

On behalf of the Board of Directors:

Dr. The Hon. R.D. Williams
Chairman
4 May 2011

Richard O. Byles
President & CEO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2011

(Expressed in thousands of Jamaican dollars)

	March 2011 Unaudited	March 2010 Unaudited	December 2010 Audited
ASSETS:			
Cash resources	3,400,714	5,713,183	3,347,884
Financial investments	107,734,431	78,546,588	97,832,409
Securities purchased under resale agreements	1,555,866	5,628,773	2,191,587
Derivative financial instruments	507,620	171,062	290,777
Loans & leases, after allowance for credit losses	8,701,013	8,545,199	9,502,652
Investment properties	853,748	1,024,093	853,869
Property, plant and equipment	1,453,298	1,174,982	1,470,277
Pledged assets	5,378,167	20,232,349	8,117,235
Intangible assets	4,457,704	4,988,269	4,512,310
Other assets	4,864,183	5,858,805	4,482,465
Segregated funds' assets	10,922,188	9,285,164	9,809,444
	149,828,932	141,168,467	142,410,909
Assets classified as held for sale and discontinued operations	747,944	4,430,509	747,944
Total Assets	150,576,876	145,598,976	143,158,853
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Equity attributable to stockholders of the company			
Share capital	7,854,938	7,854,938	7,854,938
Other components of equity	3,873,331	2,664,858	3,847,192
Retained earnings	13,507,448	11,263,616	13,500,914
	25,235,717	21,783,412	25,203,044
Non-controlling interests	1,654,595	1,663,534	1,528,892
Total Equity	26,890,312	23,446,946	26,731,936
Liabilities			
Securities sold under repurchase agreements	48,843,450	44,919,428	48,377,528
Due to banks and other financial institutions	10,029,564	11,922,799	9,284,052
Customer deposits	9,432,204	8,785,499	9,016,902
Derivative financial instruments and structured products	855,157	672,126	642,788
Redeemable preference shares	616,013	1,271,347	616,000
Other liabilities	9,711,987	6,978,550	5,754,196
Policyholders' Funds			
Segregated funds' liabilities	10,922,188	9,285,164	9,809,444
Insurance contracts liabilities	20,907,735	19,551,719	20,306,980
Investment contracts liabilities	10,348,583	11,895,073	10,329,332
Other policy liabilities	2,019,683	3,375,662	2,289,695
	44,198,189	44,107,618	42,735,451
	150,576,876	142,104,313	143,158,853
Liabilities directly associated with assets classified as held for sale and discontinued operations	-	3,494,663	-
Total Liabilities	123,686,564	122,152,030	116,426,917
Total stockholders' equity and liabilities	150,576,876	145,598,976	143,158,853

DR. THE HON. R.D. WILLIAMS
Chairman
4 May 2011

RICHARD O. BYLES
President & CEO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2011

(Expressed in thousands of Jamaican dollars)

	March 2011 Year-to-date Unaudited	March 2010 Year-to-date Unaudited	December 2010 Full Year Audited
Net profit for the period:	1,352,477	1,086,951	4,871,467
Other comprehensive income:			
Available-for-sale investments:			
Unrealised gains on available-for-sale investments	536,494	1,107,934	2,476,105
(Gains)/losses reclassified and reported in profit	(458,805)	681,114	152,639
	77,689	1,789,048	2,628,744
Owner occupied properties:			
Unrealised gains on owner occupied properties	-	-	16,497
Cash flow hedge:			
Unrealised gains/(losses) on cash flow hedge	-	17,045	(12,610)
Retranslation of foreign operations	(1,175)	(4,388)	(147,609)
Total income recognised directly in stockholders' equity, net of tax	76,514	1,801,705	2,485,022
Total comprehensive income	1,428,991	2,888,656	7,356,489
Total comprehensive income attributable to:			
Stockholders of the parent company	1,303,783	2,702,090	6,909,795
Non-controlling interest	125,209	186,566	446,694
	1,428,991	2,888,656	7,356,489

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2011

(Expressed in thousands of Jamaican dollars)

	Share Capital	Retained Earnings	Currency Translation Reserves	Investment & Fair Value Reserves	Other Reserves	Total Stockholders' Equity	Non- Controlling Interests	Total Equity
Period ended 31 March 2011:								
Balance as at 1 January 2011	7,854,938	13,500,914	1,135,147	833,083	1,878,962	25,203,044	1,528,892	26,731,936
Total comprehensive income for the period	-	1,284,790	(1,175)	20,168	-	1,303,783	125,209	1,428,992
Employee share option scheme - value of services provided	-	-	-	-	7,627	7,627	494	8,121
Dividends declared to owners	-	(1,278,737)	-	-	-	(1,278,737)	-	(1,278,737)
Adjustment between regulatory loan provision and IFRS	-	(59)	-	-	59	-	-	-
Transfer from special investment reserve	-	540	-	-	(540)	-	-	-
Balance as at 31 March 2011	7,854,938	13,507,448	1,133,972	853,251	1,886,108	25,235,717	1,654,595	26,890,312
Period ended 31 March 2010:								
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	-	1,035,176	(4,040)	1,670,954	-	2,702,090	186,566	2,888,656
Issue of ordinary shares	-	-	-	-	-	-	7,561	7,561
Employee share option scheme - value of services provided	-	-	-	-	8,420	8,420	146	8,566
Dividends declared to owners	-	(789,807)	-	-	-	(789,807)	-	(789,807)
Adjustment between regulatory loan provision and IFRS	-	97	-	-	(97)	-	-	-
Balance as at 31 March 2010	7,854,938	11,263,616	1,278,716	115,599	1,270,543	21,783,412	1,663,534	23,446,946
Period ended 31 December 2010:								
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	-	4,671,171	(147,609)	2,386,233	-	6,909,795	446,694	7,356,489
Issue of shares	-	-	-	-	-	-	23,050	23,050
Employee share option scheme - value of services provided	-	-	-	-	42,215	42,215	159	42,374
Dividends declared to owners	-	(1,617,226)	-	-	-	(1,617,226)	-	(1,617,226)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(85,002)	(85,002)
Adjustment between regulatory loan provision and IFRS	-	22,489	-	-	(22,489)	-	-	-
Transfer from special investment reserve	-	(21,486)	-	-	21,486	-	-	-
Transfer to retained earning reserves	-	19,079	-	(19,079)	-	-	-	-
Transfer from Retained Earnings	-	(591,263)	-	15,733	575,530	-	-	-
Disposal of Subsidiary	-	-	-	5,551	-	5,551	(325,270)	(319,719)
Balance as at 31 December 2010	7,854,938	13,500,914	1,135,147	833,083	1,878,962	25,203,044	1,528,892	26,731,936

CONSOLIDATED INCOME STATEMENT

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2011

(Expressed in thousands of Jamaican dollars)

	March 2011 Year-to-date Unaudited	March 2010 Year-to-date Unaudited	December 2010 Full Year Audited
Revenues:			
Net premium revenue	4,084,819	3,894,724	16,010,295
Net investment income	2,108,852	2,226,848	7,875,268
Fees, commissions and other revenues	610,513	498,222	1,771,459
Total revenue	6,804,184	6,619,794	25,657,022
Benefits and expenses:			
Net insurance benefits incurred	2,250,050	2,292,184	8,513,763
Changes in insurance and annuity liabilities	603,152	862,276	1,955,076
Administration expenses	1,444,469	1,312,549	6,230,058
Commissions and related expenses	695,496	679,594	2,749,862
Amortization of intangible assets	69,915	74,838	290,063
Finance cost	18,889	38,970	137,861
Premium taxes	82,728	74,183	307,238
Total benefits and expenses	5,164,699	5,334,594	20,183,921
Profit before taxation	1,639,485	1,285,200	5,473,101
Investment and corporation taxes	(287,008)	(198,249)	(601,634)
Net Profit	1,352,477	1,086,951	4,871,467
Attributable to:			
Stockholders of the parent company	1,284,789	1,035,174	4,671,171
Non-controlling Interests	67,688	51,777	200,296
	1,352,477	1,086,951	4,871,467
Earnings per stock unit attributable to stockholders of the parent company:			
Basic and Fully diluted	0.34	0.28	1.24

CONSOLIDATED SEGMENTAL FINANCIAL INFORMATION

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2011

(Expressed in thousands of Jamaican dollars)

	Individual Life	Employee Benefits	Banking and Asset Management	All other	Eliminations	Unaudited March 2011 Group
Operating results:						
External revenues	2,254,095	3,017,051	1,039,106	493,930	-	6,804,182
Inter-segment revenues	28,240	5,529	39,833	60,313	(133,915)	-
Total revenue	2,282,335	3,022,580	1,078,939	554,243	(133,915)	6,804,182
Benefits and expenses	(1,553,302)	(2,209,733)	(361,024)	(289,985)	72,601	(4,341,443)
Change in actuarial liabilities	(321,242)	(281,910)	-	-	-	(603,152)
Depreciation	(22,609)	(8,325)	(11,560)	(6,078)	-	(48,572)
Amortization of intangibles	(2,977)	(29,235)	(37,069)	(634)	-	(69,915)
Finance costs	-	-	(18,889)	(5,155)	5,155	(18,889)
Premium taxes	(68,670)	(14,058)	-	-	-	(82,728)
Profit before tax	313,535	479,319	650,397	252,391	(56,159)	1,639,483
Investment and corporation taxes	(31,798)	(36,632)	(172,042)	(46,536)	-	(287,008)
Profit after taxation	281,737	442,687	478,355	205,855	(56,159)	1,352,475
Segment assets:						
Unallocated assets	37,896,822	32,512,878	77,093,977	7,830,821	(5,075,189)	150,259,309
Investment in associates	-	-	-	-	-	2,725
Deferred tax assets	-	-	-	-	-	124,249
Retirement benefit asset	-	-	-	-	-	190,593
Total assets						150,576,876
Segment liabilities:						
Unallocated liabilities	29,689,751	25,651,642	64,286,671	7,676,193	(5,156,872)	122,147,385
Deferred tax liabilities	-	-	-	-	-	873,397
Retirement benefit obligation	-	-	-	-	-	665,782
Total liabilities						123,686,564
Other Segment items:						
Capital expenditure	-	-	-	-	-	49,343

Geographical information:

	Jamaica	Cayman Islands	Total Group
Revenue	6,054,272	749,910	6,804,182
Total assets	128,117,885	22,458,991	150,576,876

	Individual Life	Employee Benefits	Banking and Asset Management	All other	Eliminations	Unaudited March 2010 Group
Operating results:						
External revenues	2,068,971	3,054,196	899,815	596,812	-	6,619,794
Inter-segment revenues	29,746	12,271	18,752	67,679	(128,448)	-
Total revenue	2,098,717	3,066,467	918,567	664,491	(128,448)	6,619,794
Benefits and expenses	(1,533,308)	(2,165,772)	(330,931)	(274,210)	57,698	(4,246,523)
Change in actuarial liabilities	(299,136)	(563,140)	-	-	-	(862,276)
Depreciation	(16,841)	(7,711)	(11,471)	(1,781)	-	(37,804)
Amortization of intangibles	(222)	(29,617)	(38,449)	(6,550)	-	(74,838)
Finance costs	-	-	(38,970)	(4,635)	4,635	(38,970)
Premium taxes	(61,793)	(12,390)	-	-	-	(74,183)
Profit before tax	187,417	287,837	498,746	377,315	(66,115)	1,285,200
Investment and corporation taxes	(23,165)	(42,142)	(126,591)	(6,351)	-	(198,249)
Profit after taxation	164,252	245,695	372,155	370,964	(66,115)	1,086,951
Segment assets:						
Unallocated assets	34,460,498	27,386,119	71,266,615	12,602,889	(5,595,370)	145,089,317
Investment in associates	-	-	-	-	-	2,725
Deferred tax assets	-	-	-	-	-	190,399
Retirement benefit asset	-	-	-	-	-	316,535
Total assets						145,598,976
Segment liabilities:						
Unallocated liabilities	27,350,247	22,393,225	61,140,090	12,591,176	(5,680,552)	121,314,706
Deferred tax liabilities	-	-	-	-	-	336,920
Retirement benefit obligation	-	-	-	-	-	500,404
Total liabilities						122,152,030
Other Segment items:						
Capital expenditure	-	-	-	-	-	5,096

Geographical information:

	Jamaica	Cayman Islands	Total Group
Revenue	5,885,453	734,341	6,619,794
Total assets	117,239,232	28,359,744	145,598,976

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2011

(Expressed in thousands of Jamaican dollars)

	March 2011 Year-to-date Unaudited	March 2010 Year-to-date Unaudited	December 2010 Full Year Audited
Cash Flows from operating activities:			
Net Profit	1,352,476	1,086,951	4,871,467
Items not affecting cash & changes to policyholders funds	(1,106,640)	(499,760)	(8,568,592)
Changes in other operating assets and liabilities	3,274,482	5,900,946	10,264,544
Net Investment purchases	(6,858,977)	(4,452,069)	(14,241,553)
Interest received	3,603,753	3,808,499	10,724,115
Interest paid	(1,035,381)	(1,572,956)	(5,192,408)
Income taxes paid	(333,981)	(392,706)	(884,280)
Cash generated from operations	(1,104,268)	3,878,905	(3,026,707)
Cash Flows from investing activities:			
Acquisitions net of cash acquired	-	-	(19,065)
Disposal of Subsidiary	-	-	935,479
Intangible Assets, net	(15,457)	(96)	(109,956)
Property, plant and equipment, net	(31,948)	(13,362)	(333,331)
Cash from/(used in) investing activities	(47,405)	(13,458)	473,127
Cash Flows from financing activities:			
Dividends paid to stockholders	-	-	(1,617,226)
Dividends paid to Minority Interest	-	-	(85,002)
Ordinary shares issued - to Minority Interest	-	7,561	9,908
Preference shares issued	-	-	(651,472)
Cash from/(used in) financing activities	-	7,561	(2,343,792)
Net increase/(decrease) in net cash and cash equivalents	(1,151,673)	3,873,008	(4,897,372)
Cash and cash equivalents:			
Cash and cash equivalents, at beginning of year	5,877,516	11,043,291	11,043,291
Effects of exchange rate changes	1,041	(13,186)	(268,403)
Increase/(Decrease)/ in net cash and cash equivalents	(1,151,673)	3,873,008	(4,897,372)
Net cash and cash equivalents, at end of year	4,726,884	14,903,113	5,877,516

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, 2010 audited financial statements.

2. Reclassifications

The following reclassifications were adopted at year-end 2010 and applied retroactively to the March 2010 interim financial statements:

- The Group reclassified premium taxes to the expense category in the Income Statement in accordance with the requirements of IAS 12 'Income Taxes'. Premium taxes were previously included in 'Taxation' in the Income Statement.
- The Group reclassified pledged assets with the right by contract to resell or re-pledge such in accordance with IFRS 7 (15) and IAS 39 (37A). Pledged assets were previously included in 'Financial Investments'.