

Sagicor Group Jamaica Limited

Q2 2014 PERFORMANCE



DIRECTORS' STATEMENT

On behalf of the Board of Directors of Sagicor Group Jamaica Ltd (SGJ or the Group) we are pleased to report to stockholders on the performance of the Group for the six months ended 30 June 2014.

Highlights

	June 2014 YTD Unaudited	Restated June 2013 YTD Unaudited	% Change
Total Revenue - J\$ billions	23.04	17.46	32%
Net Profit, attributable to Stockholders - J\$ billions	2.71	2.18	24%
Earnings per stock unit (EPS) - J\$	0.71	0.58	22%
Annualised Return on average Stockholders' Equity (ROE)	0.14	0.13	8%
Total Assets of Sagicor Group Jamaica - J\$ billions	258.86	183.82	41%
Stockholders' Equity - J\$ billions	41.01	33.56	22%
SGJ Share Price - J\$	9.01	8.31	8%
Dividend per Stock Unit - J\$	0.35	0.19	84%

OVERVIEW

Consolidated net profit for the six month period was \$2.765 billion, with \$2.715 billion available to stockholders. This outcome was better than last year by 24%. During the second quarter of 2014 \$1.6 billion was produced in net profit despite an increased tax burden with the higher rates for asset taxes. The current quarter result was approximately the same as that for Q2 2013 but well above the Q1 2014 amount of \$1.1 billion. The 2013 results were negatively impacted by the NDX

and PDX. The annualised return on average Stockholders' Equity at June 2014 was 14% and for 2013 it was 13%.

On 26 June 2014, the Group concluded the acquisition of RBC Jamaica and rebranded the business as Sagicor Bank. Acquired assets and liabilities are included in the Group's balance sheet at their carrying values and post-acquisition earnings for one day are in the consolidated Income Statement. No fair valuing of the acquired net assets is reflected, as further explained in note 2. The acquisition contributed most

of the 31% growth in the Group's balance sheet since December 2013, with assets reaching almost \$259 billion. In addition, during May 2014, 144,643,138 SGJ shares were issued to acquire the minority shareholdings in Sagicor Investments Jamaica Limited (SIJL), pursuant to a scheme of arrangement approved by the Jamaica Supreme Court.

In 2014, we are seeing, strong revenue growth, favourable benefits experience and contained operating expenses.

FINANCIAL PERFORMANCE

Earnings -

Consolidated Net Profit, available to stockholders, of \$2.7 billion was produced from consolidated Revenues of \$23.04 billion. Net profit was better than last year by 24%. Earnings per stock unit were \$0.71 being 22% better than last year.

Revenue was strong at \$23.04 billion and above prior year by 32%. Revenue

in the prior year included the realised capital losses from the NDX and PDX. 2014 Net Premium Income, in aggregate, was 30% more than that for 2013. Earned premiums were strong and a large single premium annuity was recorded in the first quarter of 2014. Investment income, before interest expense and capital gains was higher than in the prior year by 17%. The increase reflects portfolio growth and units' appreciation in the segregated funds. Realised capital gains, from security trades, other than NDX and PDX, were 8.5% more than in 2013.

Policy benefits to our policyholders or their beneficiaries, including death claims, health claims, annuity payments, surrenders and segregated funds withdrawals, totaled \$8.3 billion, net of reinsurance recoveries. The amount for last year was \$7.6 billion. This 9% increase in benefits cost is attributed to portfolio growth. The higher amount for change in Insurance and Annuity actuarial liabilities reflects provisioning for the large single premium annuity, a relatively higher Individual Life inforce policy growth and substantial growth in the segregated funds during the quarter. The 2013 actuarial liabilities also included a release for mortality experience.

Group Administrative expenses of \$4.1 billion were 9% more than in 2013, reflecting mainly higher compensation costs and high FATCA (The Foreign Account Tax Compliance Act) implementation costs. The Banking Group also had operating costs associated with the new Hope Road branch which was opened last December 2013. The normalised Group efficiency ratio of administrative expenses to total revenue was 23% (2013 – 22%).

Comprehensive Income -

Total Comprehensive Income, including net profit for the period and movements in reserves held in Equity, was \$5.21 billion compared to \$1.33 billion for 2013. Higher current year profits, improved unrealised fair value gains on available-for-sale securities

Table of Net Profits by Segment

	June 2014 YTD Unaudited J\$M	June 2013 YTD Unaudited J\$M
Individual Insurance	836.11	705.15
Employee Benefits	1,539.67	1,027.54
Investment Banking	396.79	197.43
Commercial Banking	198.41	140.09
Other	(156.46)	203.69
Amortisation of purchased intangibles - Banking	(49.50)	(49.50)
Net Profit, before Minority Interest	2,765.02	2,224.40

(especially for USA corporate bonds) and a gain from the purchase of SIJL minority shares contributed to the improvement.

Cash flows –

SGJ consolidated cash generated from operating activities for the six month period in 2014 was \$11.2 billion as against a decrease of \$3.4 billion in 2013. Despite the outlay for the RBC acquisition, an additional investment in Sagicor Costa Rica and the dividend distribution to stockholders the Group finished the period with a very liquid position. Cash and cash equivalents at June 2014 were \$20.31 billion most of which came with the RBC Jamaica portfolio. Cash and cash equivalents at June 2013 showed a net decrease of \$906.4 million.

Balance Sheet and managed Funds -

Total assets of SGJ grew to \$258.9 billion, up from \$198.3 billion as at December 2013, a 31% increase. The acquisition of RBC contributed \$54 billion or 90% of the increase. Total assets under management, as at June 2014, including Pension fund assets managed on behalf of clients and unit trusts, amounted to \$402.51 billion, up from \$329.5 billion as at December 2013.

With the acquisition of RBC Jamaica from 26 June 2014, total assets of SBJ increased from \$28 billion to \$81 billion as at 30 June 2014. Assets of SIJL were \$72.6 billion as at June 2014.

The Stockholders' Equity of SGJ stood at \$41 billion, up 14% from \$35.9 billion as at December 2013. The growth in equity was driven mainly by earnings, unrealised fair value gains on USA corporate bonds and the purchase of SIJL minority shares. Market capitalisation of SGJ at June 2014 was \$35.19 billion (June 2013: \$31.25 billion).

During March 2014, the SGJ Board of Directors declared an interim dividend distribution of \$1.32 billion to Stockholders or a dividend per share of 35 cents.

SOLVENCY

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

At June 2014, Sagicor Life of the Cayman Islands Ltd. had a solvency ratio (Available capital to Prescribed



Wayne Fearon, financial Advisor at Sagicor's New Kingston Branch Limited has the attention of young scholars of Marie Atkins Basic School during an interactive session at the school, which aimed to offer some reprieve to teachers of the institution in honour of Teachers' Day on May 7. The school was also selected by Sagicor to be part of the 2014 Adopt-A-School Programme, donating time and resources for the betterment of selected institutions for a one year period.

capital) of 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 19.4% and 15.7% respectively. The required minimum regulatory ratio is 10%.

CORPORATE SOCIAL ACTIVITIES

Sagicor Group Jamaica continued to support the development of youth in Q2 2014 by supporting numerous activities in the area of health, education and sports.

JTA/Sagicor National Athletics Championships

We collaborated with Jamaica Teachers Association (JTA) for the staging of the 31st National Primary, All Age & Junior High Schools Athletic Championships. The two day meet was held at the National Stadium in May and saw a significant increase in patrons. Over 4,000 students participated in the track and field showcase where the Champion Boy and Girl were awarded educational scholarships. This collaboration with the Jamaica Teachers Association is significant as the event is the foundation for building our future track and field stars.

Support to St. Aloysius Boys Primary School

We supported St. Aloysius Boys Primary on their Boys Day. As a sponsor, we donated medals and

trophies to the students who excelled during the academic year. We also used one of our male team members to address the Grade 6 students under their selected theme "You are the designer of your own career; pursue it with diligence."

Labour Day Community Clean-up

On May 23, 2014, Labour Day, we had a large turn out from our team members who joined hands to Take a stand and beautify our Land at nine schools from our Adopt-A-School programme. They cleaned school yards, trimmed hedges, repaired roofs and carried out extensive paint jobs.

Promoting Healthy Lifestyles

We ended the quarter by reiterating how important we view a healthy lifestyle. We participated in the Everyone's a Winner Challenge, Relay for Life, The 'Keep It Alive' 5K and Streak it Blue. All proceeds from these walks were donated to health-related programmes.

CORPORATE REORGANISATION

On 7 May 2014, the Group completed the second phase of the corporate reorganisation exercise. All Jamaican subsidiaries are now wholly owned by SGJ. All overseas subsidiaries and the investment in Sagicor Costa Rica Joint Venture are owned by Sagicor St. Lucia which in-turn is wholly-owned by SGJ.

LOOKING AHEAD

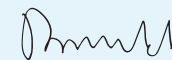
With completion of the Group's corporate reorganisation and the acquisition of RBC Jamaica, Sagicor Group Jamaica is repositioning itself to be the preferred financial services institution in Jamaica. We have embarked on an ambitious programme to integrate the Commercial and Investment Banking operations, up-grade technology and entrench a customer centric and sales oriented culture. These changes will be executed during the coming year. Meanwhile, macro-economic indicators are pointing to improvements and important legislation is being enacted. We therefore look ahead with cautious optimism.

We express our sincere appreciation to our hard-working team members, to our loyal customers and to our stockholders for their continued trust and confidence.

On behalf of The Board of Directors:



DR. THE HON. R.D. WILLIAMS
Chairman



RICHARD O. BYLES
President & CEO

11 August 2014

Consolidated Statement of Financial Position

 as at 30 June 2014
(Expressed in thousands of Jamaican dollars)

	June 2014 Unaudited	Restated June 2013 Unaudited	December 2013 Audited
ASSETS:			
Cash resources	26,155,105	5,042,684	5,075,694
Financial investments	159,353,006	146,109,298	157,456,132
Securities purchased under resale agreements	3,304,063	759,185	4,332,544
Derivative financial instruments	2,538,731	3,822,527	3,019,597
Loans & leases, after allowance for credit losses	35,616,597	9,616,424	10,821,201
Investment properties	904,484	699,202	782,345
Investment in joint venture	682,557	639,235	639,235
Property, plant and equipment	2,488,252	1,555,419	1,676,573
Pledged assets	12,091,562	3,943,434	3,278,856
Intangible assets	4,891,496	4,083,860	4,015,509
Taxation recoverable	3,735,635	2,915,113	2,327,391
Other assets	7,101,974	4,635,551	4,885,220
TOTAL ASSETS	258,863,462	183,821,932	198,310,297
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Equity attributable to stockholders of the company			
Share capital	9,161,065	7,854,938	7,854,938
Equity reserves	7,400,096	5,006,179	5,343,433
Retained earnings	24,446,155	20,695,841	22,727,470
	41,007,316	33,556,958	35,925,841
Non-controlling interests	-	1,732,429	1,695,002
Total Equity	41,007,316	35,289,387	37,620,843
Liabilities			
Securities sold under repurchase agreements	63,348,230	52,621,931	55,630,546
Due to banks and other financial institutions	15,718,412	16,922,491	16,716,280
Customer deposits	53,913,260	12,611,148	11,881,676
Derivative financial instruments and structured products	4,226,546	4,588,933	5,012,163
Other liabilities	11,126,719	5,429,476	6,910,341
Policyholders' Funds			
Insurance contracts liabilities	54,829,331	42,031,011	48,565,731
Investment contracts liabilities	11,833,418	11,614,356	13,260,293
Other policy liabilities	2,860,230	2,713,199	2,712,424
	69,522,979	56,358,566	64,538,448
Total Liabilities	217,856,146	148,532,545	160,689,454
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	258,863,462	183,821,932	198,310,297

DR. THE HON. R.D. WILLIAMS
Chairman
11 August 2014

RICHARD O. BYLES
President & CEO

Consolidated Statement of Comprehensive Income

 for the six months ended 30 June 2014
(Expressed in thousands of Jamaican dollars)

	June 2014 Quarter Unaudited	Restated June 2013 Quarter Unaudited	June 2014 Year-to-date Unaudited	Restated June 2013 Year-to-date Unaudited	December 2013 Full Year Audited
Net profit for the period	1,629,085	1,606,838	2,765,020	2,224,393	6,452,690
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	856,057	(1,489,506)	1,776,522	(823,929)	(869,109)
Gains recycled and reported in profit	(201,144)	(114,128)	(330,256)	(923,860)	(1,173,294)
	654,913	(1,603,634)	1,446,266	(1,747,789)	(2,042,403)
Re-translation of foreign operations	473,390	356,318	491,539	927,326	1,345,070
Items that will not be subsequently reclassified to profit or loss					
Owner occupied properties:					
Unrealised gains/(losses) on owner occupied properties	-	-	-	3,760	143,299
Gain from the purchase of subsidiary shares	504,532	-	504,532	-	-
Re-measurements of retirement benefits obligations	-	-	-	-	(1,286,821)
Total other income recognised directly in stockholders' equity, net of taxes	1,632,835	(1,247,316)	2,442,337	(816,703)	(1,840,855)
Total Comprehensive Income	3,261,920	359,522	5,207,357	1,407,690	4,611,835
Total Comprehensive Income attributable to:					
Stockholders of the parent company	3,244,335	340,980	5,091,700	1,403,248	4,546,349
Non-controlling interests	17,585	18,542	115,657	4,442	65,486
	3,261,920	359,522	5,207,357	1,407,690	4,611,835

Consolidated Income Statement

 for the six months ended 30 June 2014
(Expressed in thousands of Jamaican dollars)

	June 2014 Quarter Unaudited	Restated June 2013 Quarter Unaudited	June 2014 Year-to-date Unaudited	Restated June 2013 Year-to-date Unaudited	December 2013 Full Year Audited
Revenue:					
Net premium revenue	6,804,160	6,035,367	15,403,297	11,883,961	29,224,496
Net investment income	2,531,741	2,403,274	5,448,346	3,513,230	8,784,969
Fees and other revenue	1,093,953	1,051,995	2,185,970	2,061,150	4,346,700
Total revenue	10,429,854	9,490,636	23,037,613	17,458,341	42,356,165
Benefits and Expenses:					
Net insurance benefits incurred	4,293,058	3,949,616	8,281,998	7,578,773	15,754,497
Changes in insurance and annuity liabilities	846,611	778,889	4,897,429	1,580,609	7,476,839
Administration expenses	2,111,563	1,956,748	4,096,345	3,743,750	7,591,707
Commissions and related expenses	878,680	901,081	1,861,468	1,746,979	3,636,250
Amortization of intangible assets	67,638	73,800	135,080	145,276	254,220
Premium and other taxes	459,278	151,633	623,203	301,832	616,452
Total benefits and expenses	8,656,828	7,811,767	19,895,523	15,097,219	35,329,965
Share of profit/(loss) from joint venture	43,393	-	8,039	-	(10,021)
Share of loss from disposal of associate	-	-	-	-	(1,716)
Profit before Taxation	1,816,419	1,678,869	3,150,129	2,361,122	7,014,463
Investment and Corporation Taxes	(187,334)	(72,031)	(385,109)	(136,729)	(561,773)
NET PROFIT	1,629,085	1,606,838	2,765,020	2,224,393	6,452,690
Net Profit attributable to:					
Stockholders of the parent company	1,623,071	1,562,341	2,714,681	2,182,487	6,297,935
Non-controlling Interests	6,014	44,497	50,339	41,906	154,755
	1,629,085	1,606,838	2,765,020	2,224,393	6,452,690
Earnings per stock unit for profit attributable to stockholders of the parent company:					
Basic and Fully diluted	\$0.42	\$0.42	\$0.71	\$0.58	\$1.67

Consolidated Statement of Changes in Equity

 for the six months ended 30 June 2014
(Expressed in thousands of Jamaican dollars)

	Share Capital	Equity Reserves	Retained Earnings	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
Period ended 30 June 2014:						
Balance as 1 January 2014	7,854,938	5,343,428	22,727,470	35,925,836	1,695,003	37,620,839
Total comprehensive income for the period	-	1,872,487	3,219,213	5,091,700	115,657	5,207,357
Transactions with owners -						
Acquisition of equity from the non-controlling interests	-	-	-	-	(1,810,660)	(1,810,660)
Dividends paid to owners of the parent	-	-	(1,316,347)	(1,316,347)	-	(1,316,347)
Issue of shares	1,306,127	-	-	1,306,127	-	1,306,127
Total Transactions with owners	1,306,127	-	(1,316,347)	(10,220)	(1,810,660)	(1,820,880)
Transfer between reserves -						
Adjustment between regulatory loan provision and IFRS	-	8,777	(8,777)	-	-	-
To special investment reserve	-	175,404	(175,404)	-	-	-
Total transfers between reserves	-	184,181	(184,181)	-	-	-
Balance as at 30 June 2014	9,161,065	7,400,096	24,446,155	41,007,316	-	41,007,316
Period ended 30 June 2013:						
Balance as 1 January 2013 (as previously reported)	7,854,938	5,533,916	19,255,396	32,644,250	1,756,647	34,400,897
Segregated funds reserves	-	200,367	-	200,367	-	200,367
Effects of changes in accounting policies	-	-	10,935	10,935	2,632	13,567
Restated opening balance at 1 January 2013	7,854,938	5,734,283	19,266,331	32,855,552	1,759,279	34,614,831
Total comprehensive income for the period	-	(779,239)	2,182,487	1,403,248	4,442	1,407,690
Transactions with owners -						
Employee share option scheme - value of services provided	-	12,746	-	12,746	730	13,476
Dividends paid to non-controlling interests	-	-	-	-	(38,561)	(38,561)
Dividends paid to owners of the parent	-	-	(714,588)	(714,588)	-	(714,588)
Total Transactions with owners	-	12,746	(714,588)	(701,842)	(37,831)	(739,673)
Transfer between reserves -						
To special investment reserve	-	26,297	(26,297)	-	4,480	4,480
Adjustment between regulatory loan provision and IFRS	-	12,092	(12,092)	-	2,059	2,059
Total transfer between reserves	-	38,389	(38,389)	-	6,539	6,539
Balance as at 30 June 2013	7,854,938	5,006,179	20,695,841	33,556,958	1,732,429	35,289,387

Consolidated Segmental Financial Information

 for the six months ended 30 June 2014
 (Expressed in thousands of Jamaican dollars)

	Individual Insurance	Employee Benefits	Investment Banking	Commercial Banking	All other	Eliminations	Unaudited June 2014 Group
Operating results:							
External revenues	9,221,821	10,833,867	1,112,873	897,390	971,665	-	23,037,616
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	1,286,830	(486,508)	23,037,616
Benefits and expenses	(6,087,158)	(6,229,724)	(489,654)	(553,199)	(941,762)	173,109	(14,128,388)
Change in actuarial liabilities	(2,090,300)	(2,845,411)	-	-	-	38,279	(4,897,432)
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	(261,933)	(31,893)	(79,277)	(34,030)	(216,070)	-	(623,203)
Total benefits and expenses	(8,484,952)	(9,181,550)	(591,988)	(614,812)	(1,245,800)	223,576	(19,895,526)
Share of profit from joint venture	-	8,039	-	-	-	-	8,039
Profit before tax	972,533	1,665,035	450,678	283,785	41,030	(262,932)	3,150,129
Investment and corporation taxes	(136,426)	(125,366)	(53,892)	(85,376)	15,951	-	(385,109)
Profit after taxation	836,107	1,539,669	396,786	198,409	56,981	(262,932)	2,765,020
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							682,557
Investment in joint venture							525,984
Deferred tax asset							258,863,462
Total assets							258,863,462
Segment liabilities:	43,618,823	40,761,092	63,999,161	64,513,865	8,505,872	(8,206,677)	213,192,136
Unallocated liabilities							793,646
Deferred tax liabilities							3,870,364
Retirement benefits obligations							217,856,146
Total liabilities							217,856,146
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	21,908,379	1,129,237	-	23,037,616
Total assets	237,806,641	20,367,121	689,700	258,863,462

	Individual Insurance	Employee Benefits	Investment Banking	Commercial Banking	All other	Eliminations	Restated Unaudited June 2013 Group
Operating results:							
External revenues	7,272,719	7,573,642	902,469	643,816	1,065,695	-	17,458,341
Inter-segment revenues	228,306	4,895	237,325	-	86,543	(557,069)	-
Total revenue	7,501,025	7,578,537	1,139,794	643,816	1,152,238	(557,069)	17,458,341
Benefits and expenses	(5,470,885)	(5,791,598)	(538,761)	(432,684)	(810,248)	99,219	(12,944,957)
Change in actuarial liabilities	(1,097,336)	(553,850)	-	-	-	70,577	(1,580,609)
Depreciation	(42,122)	(17,675)	(19,856)	(24,056)	(20,836)	-	(124,545)
Amortization of intangibles	(7,169)	(58,881)	(17,450)	(5,798)	(55,978)	-	(145,276)
Finance costs	-	-	-	-	(12,900)	12,900	-
Premium and other taxes	(179,531)	(30,541)	(50,442)	(8,456)	(32,862)	-	(301,832)
Total benefits and expenses	(6,797,043)	(6,452,545)	(626,509)	(470,994)	(932,824)	182,696	(15,097,219)
Profit before tax	703,982	1,125,992	513,285	172,822	219,414	(374,373)	2,361,122
Investment and corporation taxes	1,168	(98,456)	(21,860)	(32,727)	15,146	-	(136,729)
Profit after taxation	705,150	1,027,536	491,425	140,095	234,560	(374,373)	2,224,393
Segment assets:	49,144,134	38,365,723	68,551,502	20,217,715	15,246,696	(7,762,192)	183,763,578
Unallocated assets							22,625
Deferred tax assets							35,729
Retirement benefits asset							183,821,932
Total assets							183,821,932
Segment liabilities:	33,685,659	30,593,168	60,867,974	15,526,576	15,098,543	(8,473,680)	147,298,240
Unallocated liabilities							224,107
Deferred tax liabilities							1,010,198
Retirement benefits obligations							148,532,545
Total liabilities							148,532,545
Other Segment items:							
Capital expenditure: Computer software							19,517
Property, plant and equipment							85,644
							105,161

Geographical information:

	Jamaica	Cayman Islands	Other	Total Group
Revenue	15,788,876	1,669,465	-	17,458,341
Total assets	150,675,411	32,515,476	631,045	183,821,932

Consolidated Statement of Cash Flows

 for the six months ended 30 June 2014
 (Expressed in thousands of Jamaican dollars)

	June 2014 Year-to-date Unaudited	Restated June 2013 Year-to-date Unaudited	December 2013 Full Year Audited
Cash Flows from Operating Activities:			
Net Profit	2,765,020	2,224,393	6,452,690
Adjustments for:			
Items not affecting cash and changes to policyholders' funds:			
Adjustments for non-cash items, interest and dividends	(322,888)	(1,036,177)	838,725
Changes in other operating assets and liabilities	2,744,939	2,044,137	3,004,279
Net Investment purchases	2,701,898	(10,733,707)	(13,355,416)
Interest received	6,366,926	6,496,341	12,443,458
Interest paid	(2,092,460)	(2,033,035)	(4,009,269)
Income taxes paid	(958,297)	(360,145)	(1,882,830)
Net cash generated from operating activities	11,205,138	(3,398,193)	3,491,637
Cash Flows from Investing Activities:			
Investment in Subsidiary (net of cash acquired)/Joint Venture	4,303,718	-	(26,512)
Purchase of Property, plant and equipment, net	(214,470)	(85,644)	(189,652)
Purchase of intangible assets	(5,873)	(19,517)	(33,600)
Net cash used in investing activities	4,083,375	(105,161)	(249,764)
Cash Flows from Financing activities:			
Dividends paid to stockholders	(1,316,347)	(714,588)	(1,504,396)
Dividends paid to non - controlling interests	-	(38,571)	(48,204)
Net cash used in financing activities	(1,316,347)	(753,159)	(1,552,600)
Cash and cash equivalents:			
Effect of exchange rate on cash and cash equivalents	888,813	283,076	688,136
Increase/(Decrease) in cash and cash equivalents	14,860,979	(3,973,437)	2,377,409
Cash and cash equivalents at beginning of year	5,444,398	3,066,991	3,066,990
Cash and cash equivalents at end of year	20,305,377	(906,446)	5,444,399
Comprising:			
Balances with Banks	6,656,542	3,969,868	4,082,363
Short - Term Deposits	1,542,527	1,097,419	1,326,925
Cash Acquired	13,796,248	150,654	-
Securities purchased under resale agreements	3,444,469	340,299	3,816,562
Short - Term Loans	(4,986,870)	(6,279,254)	(3,582,465)
Bank overdraft	(147,539)	(185,432)	(198,986)
	20,305,377	(906,446)	5,444,399

Explanatory Notes
1. Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the accounting policies as set out in note 2 of the December 31, 2013 audited financial statements. The comparative numbers for quarter 2, 2013 have been restated accordingly.

2. Acquisitions

On May 7, 2014, SGJ acquired the 14.55% minority interest in Sagicor Investments Jamaica Limited through the issue of SGJ shares. Simultaneously, full ownership of Sagicor Investments Jamaica Limited and Sagicor Bank Jamaica Limited were transferred to SGJ. The gain on buy-out of the minority interest is reflected directly in equity in accordance with IFRS 10.

The RBC Jamaica acquisition transaction was completed effective June 26th 2014. Post-acquisition earnings of \$21.3 million were recorded. However, the Group is still in the process of fair valuing the acquired balance sheet. Consequently, no goodwill/negative goodwill has been recorded in these accounts.

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Comments and Suggestions

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