



Sagikor
Sagikor Group
Jamaica Limited



2014 PERFORMANCE

35%

Increase in
Net Profit,
attributable to
Stockholders

32%

Increase in
Earnings per
Stock Unit

43%

Increase in
Total Assets

58%

Increase in
Dividend per
Stock Unit

Directors' Statement

On behalf of the Board of Directors of Sagikor Group Jamaica Ltd (SG) or the Group) we are pleased to report the 2014 financial performance of our Group of companies.

HIGHLIGHTS

	Dec 2014 Audited	Dec 2013 Audited	% Change
Total Revenue - J\$ billions	45.63	42.36	8%
Net Profit, attributable to Stockholders - J\$ billions	8.51	6.30	35%
Earnings per stock unit (EPS) - J\$	2.21	1.67	32%
Annualised Return on average Stockholders' Equity (ROE)	21%	18%	17%
Total Assets of Sagikor Group Jamaica - J\$ billions	284.22	198.31	43%
Total Assets under management - J\$ billions	461.29	329.51	40%
Stockholders' Equity - J\$ billions	46.07	35.93	28%
SGJ Share Price - J\$	10.25	10.60	-3%
Dividend per stock unit - J\$	0.63	0.40	58%

OVERVIEW

During 2014 we significantly expanded the Group through a series of major transactions. In May, we purchased the minority shareholdings in Sagikor Investments Jamaica Limited (SIJL), pursuant to a court-approved Scheme of Arrangement. In June, we concluded the acquisition of RBC Jamaica and rebranded that business to Sagikor Bank. The 2014 financial statements therefore reflect post-acquisition activities of the acquired businesses and negative goodwill attributable to the RBC acquisition on fair valuing the acquired assets and liabilities.

The consolidated net profit, attributable to stockholders, for the year was \$8.51 billion, a 35% improvement over 2013. With the negative goodwill, and non-recurring charges excluded, normalized profits showed a 7% increase over prior year. The earnings per stock unit were \$2.21 compared to \$1.67 in 2013 and the return on average Stockholders' Equity (ROE) was 21% (2013: 18%). When normalized for one-time items, the ROE was 16%. The net profit generated for Q4 was \$4.72 billion, 82% more than the \$2.6 billion posted in Q4 2013. The Q4 2014 results include the negative goodwill, certain non-recurring charges and actuarial reserves gains from expense efficiencies and mortality experience.

All segments produced profits for 2014 which were better than in 2013, except for the impact

of the RBC acquisition. Results of the Employee Benefits division were particularly strong, driven by new business and realized capital gains. When integration and other one-time costs relating to the former RBC portfolio are removed from the Commercial Banking segment, we see positive revenue growth and profits emerging. This turn-around is expected to continue as we go into 2015.

FINANCIAL PERFORMANCE

Revenue and Expenses –

Consolidated Revenue of \$45.63 billion was above prior year by 8%, driven by the RBC acquisition and strong new business across all lines. Net Premium Income, in aggregate, was about the same as 2013, which included a very large single premium annuity. With respect to the Individual lines of business, including Universal Life Segregated Funds, earned premiums were up by 10% while Group Insurance and Annuity premiums were 9% lower than prior year. Investment income, before interest expense and capital gains was 25% higher than in 2013. Realized capital gains, from security trades, were substantially more than in 2013. An unrealized impairment charge of \$738 million on certain equities was posted in 2014, whereas the prior year revenue included capital losses of

TABLE OF NET PROFIT BY SEGMENT

	Dec 2014 Audited J\$M	Dec 2013 Audited J\$M
Individual Insurance	2,447.78	2,417.26
Employee Benefits	3,940.66	2,384.10
Investment Banking	911.98	842.90
Commercial Banking	(469.93)	319.71
Other	2,287.80	587.73
Amortisation & Impairment of purchased intangibles - Banking	(555.17)	(99.01)
Net Profit, before Minority Interest	8,563.12	6,452.69

- Commercial banking includes rebranding and restructuring costs in 2014.

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

approximately \$1 billion from the NDX and PDX programmes. Fees and Other Revenues were lower than prior year, mainly influenced by lower unrealized foreign exchange gains as a result of devaluation of the Jamaican dollar.

Policy benefits to our policyholders or their beneficiaries, including death claims, health claims, annuity payments, surrenders and fund withdrawals, totaled \$17.25 billion, net of reinsurance recoveries. The amount for last year was \$15.75 billion. The change in Insurance and Annuity liabilities reflect provisioning for annuity obligations, expense efficiencies and mortality gains.

Group Administration expenses of \$12.04 billion were 58% more than in 2013. The significant increase resulted largely from post-acquisition expenses for the RBC portfolio, which included one-time costs for re-branding and rationalization of the operations. Increased provisions for credit losses also contributed to the increase along with operating costs associated with the Bank's new Hope Road branch which was opened in December 2013. The normalized Group efficiency ratio of administration expenses to total revenue was 29% (2013 – 22%). The 2014 ratio is negatively impacted by the acquired RBC business but we are already seeing efficiency improvements as operations are streamlined.

Under IAS 36, Impairment of Assets, the fair value test for Sagikor Investments Jamaica Limited resulted in an impairment charge of \$427.7 million on the unamortized carrying value of purchased intangibles.

Comprehensive Income –

Total Comprehensive Income, including net profit for the year and movements in reserves held in Equity, was \$10.84 billion compared to \$4.61 billion for 2013. Improved unrealized fair value gains on available-for-sale securities were recorded during the year, especially US corporate bonds. Re-translation of foreign operations increased Comprehensive Income by \$570.12 million (2013: \$1.35 billion) and re-measurements of retirement benefits obligations generated Income of \$1 billion (2013: 1.29 billion expense). This change was due mainly to a higher net discount rate of 9.5% (2013: 8.5%) coupled with the effect of terminations during the year.

Cash Flows –

Group consolidated cash from operating activities was \$12.18 billion, up from \$3.49 billion for 2013. Despite



Left: The 16 Sagikor GSAT Scholarship awardees proudly display their certificates with Sagikor Life Chairman, Hon. R. Danny Williams and Sagikor Group President and CEO, Richard Byles.

the outlay for the RBC acquisition and the dividend distribution to stockholders, liquidity remained strong. Cash and cash equivalents at December 2014 were \$22.55 billion (2013: \$5.44 billion). This heavy cash position results principally from the expansion of our Retail Banking operations.

Balance Sheet and Managed Funds -

Total assets of the Group grew to \$284.22 billion, up from \$198.31 billion as at December 2013, a 43% increase. The acquisition of RBC contributed \$62.62 billion or 73% of the increase. Total assets under management, as at December 2014, including Pension Funds' assets managed on behalf of clients and unit trusts, amounted to \$461.29 billion, up from \$329.51 billion as at December 2013.

The Stockholders' Equity of SGJ stood at \$46.07 billion, up 28% from \$35.93 billion as at December 2013. The growth in equity was driven mainly by earnings, unrealized fair value gains on US corporate bonds, remeasurement of Retirement Benefits and the purchase of SIJL minority shares. Market capitalization of SGJ at December 2014 was \$40.03 billion (December 2013: \$38.24 billion).

During March, the SGJ Board of Directors declared an interim dividend distribution of \$1.32 billion to Stockholders or a dividend per share of 35 cents. In November, the Directors declared a second interim dividend of \$1.09 billion or 28 cents per share. This was a total dividend pay-out of \$2.41 billion or 63 cents per share. The dividend distribution in 2013 was \$1.5 billion or 40 cents per share.

SOLVENCY

Sagikor Life Jamaica Limited (SLJ) carried risk adjusted capital, measured by the Minimum Continuing Capital and Solvency Requirement (MCCSR)



Below: And they're off! The Run Race commenced at the 16th staging of the Sagikor Sigma Corporate Run, with over 23,000 participants and \$21.7 Million JMD raised.

ratio, of 182.2% (2013: 179.6%). The regulated minimum ratio is 150%.

Sagikor Life of the Cayman Islands Ltd. had a solvency ratio (Available capital to Prescribed capital) of 294.1% (2013: 359.7%). The regulations require Available capital to at least equal Prescribed capital.

The risk-weighted capital ratios of Sagikor Bank Jamaica Limited and Sagikor Investments Jamaica Limited were 15% (2013: 17%) and 13% (2013: 15%) respectively. The required minimum regulatory ratio is 10%.

CORPORATE SOCIAL ACTIVITIES

Sagikor Group Jamaica supported various organisations and communities in the areas of health, education and sports through our Corporate Social activities in 2014. The Annual Sagikor Sigma Corporate Run in 2014 raised over \$21 million for the Sickle Cell Unit, UWI, the Special Care Nursery at the University Hospital of the West Indies, the Sickle Cell Trust and the Jamaica Kidney Kids Foundation. Since its inception, the Sagikor Sigma Corporate Run has raised more than \$141 million for various child and health related causes. Chief among our other donations was the award of over 200 scholarships across each educational level; Primary, Secondary and Tertiary.

OUTLOOK

During the year we completed the corporate reorganization and the acquisition of RBC Jamaica. We also embarked on an ambitious programme to reorganize the Commercial and Investment Banking operations, upgrade technology and entrench a customer-centric and sales-oriented culture. We will be focusing on benefits realization from these strategies in 2015.

By December 2014, for six consecutive quarters since the Extended Fund Agreement with the IMF begun in April 2013, the macroeconomic indicators have shown improvement and important legislation has been enacted. This should positively impact economic growth and our business prospects. We look ahead to 2015 with optimism.

We express our sincere appreciation to our hardworking 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

27 February 2015

Consolidated Statement of Financial Position

 as at 31 December 2014
 (Expressed in thousands of Jamaican dollars)

	December 2014 Audited	December 2013 Audited
ASSETS:		
Cash resources	26,566,088	5,075,694
Financial investments	179,491,114	157,456,132
Securities purchased under resale agreements	3,603,912	4,332,544
Derivative financial instruments	761,732	3,019,597
Loans & leases, after allowance for credit losses	38,808,049	10,821,201
Investment properties	871,888	782,345
Investment in joint venture	738,718	639,235
Property, plant and equipment	3,506,736	1,676,573
Pledged assets	8,402,683	3,278,856
Intangible assets	4,617,001	4,015,509
Taxation recoverable	3,114,495	2,327,391
Other assets	13,733,397	4,885,220
TOTAL ASSETS	284,215,813	198,310,297
STOCKHOLDERS' EQUITY AND LIABILITIES:		
Equity attributable to stockholders of the company		
Share capital	9,161,065	7,854,938
Equity reserves	6,413,536	5,343,433
Retained earnings	30,490,757	22,727,470
	46,065,358	35,925,841
Non-controlling interests	-	1,695,002
Total Equity	46,065,358	37,620,843
Liabilities		
Securities sold under repurchase agreements	76,002,302	55,630,546
Due to banks and other financial institutions	19,698,839	16,716,280
Customer deposits	53,589,012	11,881,676
Derivative financial instruments and structured products	3,010,415	5,012,163
Other liabilities	14,707,027	6,910,341
Policyholders' Funds		
Insurance contracts liabilities	55,826,311	48,565,731
Investment contracts liabilities	12,348,035	13,260,293
Other policy liabilities	2,968,514	2,712,424
	71,142,860	64,538,448
Total Liabilities	238,150,455	160,689,454
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	284,215,813	198,310,297



DR. THE HON. R.D. WILLIAMS
Chairman
27 February 2015



RICHARD O. BYLES
President & CEO

Consolidated Statement of Comprehensive Income

 for the year ended 31 December 2014
 (Expressed in thousands of Jamaican dollars)

	Q4 2014 Audited	Q4 2013 Audited	December 2014 Audited	December 2013 Audited
Net profit for the period	4,720,099	2,667,485	8,563,118	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	610,659	(290,937)	729,844	(861,258)
Gains recycled and reported in profit	(521,966)	(82,124)	(848,705)	(1,173,294)
Impairment losses on available-for-sale investments	(738,183)	(7,851)	738,183	(7,851)
	(649,490)	(380,912)	619,322	(2,042,403)
Re-translation of foreign operations	13,649	99,727	570,118	1,345,070
Items that will not be subsequently reclassified to profit or loss				
Owner occupied properties:				
Unrealised gains/(losses) on owner occupied properties	80,549	139,539	80,549	143,299
Gain from the purchase of subsidiary shares	(504,532)	-	-	-
Re-measurements of retirement benefits obligations	1,004,348	(1,286,821)	1,004,348	(1,286,821)
Total other income recognised directly in stockholders' equity, net of taxes	(55,476)	(1,428,467)	2,274,337	(1,840,855)
Total Comprehensive Income	4,664,623	1,239,018	10,837,455	4,611,835
Total Comprehensive Income attributable to:				
Stockholders of the parent company	4,664,623	1,226,497	10,721,799	4,546,349
Non-controlling interests	-	12,521	115,656	65,486
	4,664,623	1,239,018	10,837,455	4,611,835

Consolidated Income Statement

 for the year ended 31 December 2014
 (Expressed in thousands of Jamaican dollars)

	Q4 2014 Audited	Q4 2013 Audited	December 2014 Audited	December 2013 Audited
Revenue:				
Net premium revenue	7,025,903	6,870,932	29,168,788	29,224,496
Net investment income	3,758,570	3,065,063	12,552,316	8,784,969
Fees and other revenue	656,849	1,230,190	3,909,119	4,346,700
Total revenue	11,441,322	11,166,185	45,630,223	42,356,165
Benefits and Expenses:				
Net insurance benefits incurred	4,580,877	4,283,099	17,246,703	15,754,497
Changes in insurance and annuity liabilities	(183,802)	748,125	5,523,213	7,476,839
Administration expenses	4,443,530	1,972,083	11,963,381	7,591,707
Commissions and related expenses	1,112,909	971,010	3,875,268	3,636,250
Amortization of intangible assets	499,523	99,366	737,499	254,220
Premium and other taxes	(297,342)	172,011	640,023	616,452
Total benefits and expenses	10,155,695	8,245,694	39,986,087	35,329,965
Share of profit/(loss) from joint venture	(6,577)	10,899	6,310	(10,021)
Negative Goodwill	3,211,180	-	3,211,180	-
Share of loss from disposal of associate	-	(1,716)	-	(1,716)
Profit before Taxation	4,490,230	2,929,674	8,861,626	7,014,463
Investment and Corporation Taxes	229,869	(262,189)	(298,508)	(561,773)
NET PROFIT	4,720,099	2,667,485	8,563,118	6,452,690
Net Profit attributable to:				
Stockholders of the parent company	4,720,099	2,597,575	8,512,779	6,297,935
Non-controlling Interests	-	69,910	50,339	154,755
	4,720,099	2,667,485	8,563,118	6,452,690
Earnings per stock unit for profit attributable to stockholders of the parent company:				
Basic and Fully diluted	\$1.21	\$0.69	\$2.21	\$1.67

Consolidated Statement of Changes in Equity

 for the year ended 31 December 2014
 (Expressed in thousands of Jamaican dollars)

	Share Capital	Equity Reserves	Retained Earnings	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
Period ended 31 December 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	-	1,204,672	9,517,127	10,721,799	115,656	10,837,455
Transactions with owners -						
Employee share option scheme - value of services provided	-	23,677	-	23,677	-	23,677
Employee stock grants and options exercised/expired	-	(6,693)	-	(6,693)	-	(6,693)
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	-	-	(2,409,925)	(2,409,925)	-	(2,409,925)
Total Transactions with owners	1,306,127	16,984	(1,905,393)	(582,282)	(1,810,658)	(2,392,940)
Transfer between reserves -						
To special investment reserve	-	202,736	(202,736)	-	-	-
To retained earnings	-	(92,906)	92,906	-	-	-
Adjustment between regulatory loan provisioning provision and IFRS	-	(261,383)	261,383	-	-	-
Total transfers between reserves	-	(151,553)	151,553	-	-	-
Balance as at 31 December 2014	9,161,065	6,413,536	30,490,757	46,065,358	-	46,065,358
Period ended 31 December 2013:						
Balance as 1 January 2013	7,854,938	5,734,286	19,266,331	32,855,555	1,759,279	34,614,834
Total comprehensive income for the period	-	(471,965)	5,018,314	4,546,349	65,486	4,611,835
Transactions with owners -						
Employee share option scheme - value of services provided	-	34,529	-	34,529	2,183	36,712
Employee stock grants and options exercised/expired	-	(6,196)	-	(6,196)	(10,635)	(16,831)
Dividends paid to non-controlling interests	-	-	-	-	(121,311)	(121,311)
Dividends paid to owners of the parent	-	-	(1,504,396)	(1,504,396)	-	(1,504,396)
Total Transactions with owners	-	28,333	(1,504,396)	(1,476,063)	(129,763)	(1,605,826)
Transfer between reserves -						
To special investment reserve	-	65,820	(65,820)	-	-	-
To retained earnings	-	(17,863)	17,863	-	-	-
Adjustment between regulatory loan provisioning provision and IFRS	-	4,822	(4,822)	-	-	-
Total transfers between reserves	-	52,779	(52,779)	-	-	-
Balance as at 31 December 2013	7,854,938	5,343,433	22,727,470	35,925,841	1,695,002	37,620,843

Consolidated Segmental Financial Information

for the year ended 31 December 2014
(Expressed in thousands of Jamaican dollars)

	Individual Lines	Employee Benefits	Investment Banking	Commercial Banking	All other	Eliminations	Audited December 2014 Group
Operating results:							
External revenues	18,563,096	19,863,717	2,468,657	3,829,301	905,452	-	45,630,223
Inter-segment revenues	202,236	34,106	(63,359)	(8,671)	204,339	(368,651)	-
Total revenue	18,765,332	19,897,823	2,405,298	3,820,630	1,109,791	(368,651)	45,630,223
Benefits and expenses	(13,165,216)	(12,447,309)	(1,213,299)	(4,304,468)	(2,081,891)	403,824	(32,808,359)
Change in actuarial liabilities	(2,461,723)	(3,000,290)	-	-	-	(61,203)	(5,523,216)
Depreciation	(77,387)	(34,297)	(28,629)	(94,003)	(42,673)	-	(276,989)
Amortization of intangibles	(16,946)	(120,682)	(544,146)	(42,576)	(13,150)	-	(737,500)
Finance costs	-	-	-	-	(20,077)	20,077	-
Premium and other taxes	(396,363)	(65,066)	(88,126)	(26,762)	(63,706)	-	(640,023)
Total benefits and expenses	(16,117,635)	(15,667,644)	(1,874,200)	(4,467,809)	(2,221,497)	362,698	(39,986,087)
Share of profit from joint venture	-	6,310	-	-	-	-	6,310
Negative Goodwill	-	-	-	-	-	-	3,211,180
Profit before tax	2,647,697	4,236,489	531,098	(647,179)	(1,111,706)	(5,953)	8,861,626
Investment and corporation taxes	(199,917)	(295,831)	(145,806)	148,778	194,268	-	(298,508)
Profit after taxation	2,447,780	3,940,658	385,292	(498,401)	(917,438)	(5,953)	8,563,118
Segment assets:							
Unallocated assets	45,645,478	53,378,715	89,394,819	85,228,160	17,954,254	(11,201,536)	280,399,890
Investment in joint venture	-	-	-	-	-	-	738,718
Deferred tax asset	-	-	-	-	-	-	3,018,293
Retirement benefits asset	-	-	-	-	-	-	58,912
Total assets							284,215,813
Segment liabilities:							
Unallocated liabilities	38,147,676	41,395,190	80,529,408	68,482,274	17,450,482	(11,215,669)	234,789,361
Retirement benefits obligations	-	-	-	-	-	-	3,361,094
Total liabilities							238,150,455
Other Segment items:							
Capital expenditure: Computer software	-	-	-	-	-	-	164,623
Property, plant and equipment	-	-	-	-	-	-	483,860
							648,483

Geographical information:

	Jamaica	Cayman Islands	Other	Total Group
Revenue	43,183,551	2,899,048	(452,376)	45,630,223
Total assets	257,543,240	25,926,550	746,023	284,215,813

	Individual Lines	Employee Benefits	Investment Banking	Commercial Banking	All other	Eliminations	Audited December 2013 Group
Operating results:							
External revenues	16,251,549	20,373,362	2,321,482	1,438,125	1,971,647	-	42,356,165
Inter-segment revenues	(18,023)	3,318	(137,947)	-	212,577	(59,925)	-
Total revenue	16,233,526	20,376,680	2,183,535	1,438,125	2,184,224	(59,925)	42,356,165
Benefits and expenses	(11,529,422)	(11,786,348)	(999,514)	(974,480)	(1,629,280)	146,490	(26,772,554)
Change in actuarial liabilities	(1,738,736)	(5,738,103)	-	-	-	-	(7,476,839)
Depreciation	(80,959)	(34,810)	(18,485)	(33,648)	(41,998)	-	(209,900)
Amortization of intangibles	(14,861)	(117,693)	(109,675)	770	(12,761)	-	(254,220)
Finance costs	-	-	-	-	(25,845)	25,845	-
Premium and other taxes	(377,270)	(61,870)	(91,332)	(21,856)	(64,124)	-	(616,452)
Total benefits and expenses	(13,741,248)	(17,738,824)	(1,219,006)	(1,029,214)	(1,774,008)	172,335	(35,329,965)
Share of loss from joint venture	-	(10,021)	-	-	-	-	(10,021)
Share of loss from disposal of associate	-	-	-	-	(1,716)	-	(1,716)
Profit before tax	2,492,278	2,627,835	964,529	408,911	408,500	112,410	7,014,463
taxes	(75,019)	(243,738)	(220,636)	(89,198)	66,818	-	(561,773)
Profit after taxation	2,417,259	2,384,097	743,893	319,713	475,318	112,410	6,452,690
Segment assets:							
Unallocated assets	38,118,883	48,667,695	73,046,595	21,760,906	25,527,903	(9,749,027)	197,372,955
Deferred tax assets	-	-	-	-	-	-	298,107
Investment in joint venture	-	-	-	-	-	-	639,235
Total assets							198,310,297
Segment liabilities:							
Unallocated liabilities	32,665,038	38,824,262	65,520,816	17,050,214	13,751,389	(9,782,677)	158,029,042
Deferred tax liabilities	-	-	-	-	-	-	1,144
Retirement benefits obligations	-	-	-	-	-	-	2,659,268
Total liabilities							160,689,454
Other Segment items:							
Capital expenditure: Computer software	-	-	-	-	-	-	33,600
Property, plant and equipment	-	-	-	-	-	-	191,396
							224,996

Geographical information:

	Jamaica	Cayman Islands	Other	Total Group
Revenue	38,979,896	3,369,858	6,411	42,356,165
Total assets	168,611,799	29,052,492	646,006	198,310,297

Consolidated Statement of Cash Flows

for the year ended 31 December 2014
(Expressed in thousands of Jamaican dollars)

	December 2014 Audited	December 2013 Audited
Cash Flows from Operating Activities:		
Net Profit	8,563,118	6,452,690
Adjustments for:		
Items not affecting cash and changes to policyholders' funds:		
Adjustments for non-cash items, interest and dividends	(8,892,465)	838,725
Changes in other operating assets and liabilities	23,549,941	3,004,279
Net investment purchases	(19,588,803)	(13,355,416)
Interest received	14,579,571	12,443,458
Interest paid	(4,646,360)	(4,009,269)
Income taxes paid	(1,383,797)	(1,882,830)
Net cash (used in)/generated from operating activities	12,181,205	3,491,637
Cash Flows from Investing Activities:		
Investment in joint venture	(41,105)	(26,512)
Acquisition of subsidiary, net of cash acquired	6,022,237	-
Purchase of Property, plant and equipment, net	(451,066)	(189,652)
Purchase of intangible assets	(164,623)	(33,600)
Net cash generated from/(used in) investing activities	5,365,443	(249,764)
Cash Flows from Financing activities:		
Dividends paid to stockholders	(2,409,925)	(1,504,396)
Dividends paid to non - controlling interests	-	(48,204)
Net cash used in financing activities	(2,409,925)	(1,552,600)
Cash and cash equivalents:		
Effect of exchange rate on cash and cash equivalents	1,970,456	688,136
Increase/(Decrease) in cash and cash equivalents	17,107,179	2,377,409
Cash and cash equivalents at beginning of year	5,444,399	3,066,990
Cash and cash equivalents at end of year	22,551,578	5,444,399
Comprising:		
Balances with Banks	21,073,597	4,082,363
Short - Term Deposits	985,221	1,326,925
Securities purchased under resale agreements	2,674,078	3,816,562
Short - Term Loans	(2,018,192)	(3,582,465)
Bank overdraft	(163,126)	(198,986)
	22,551,578	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, 2014 audited financial statements. Certain prior year numbers have been reclassified to conform with the 2014 classifications.

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 27th 2014. Post-acquisition losses of \$558.07 million were recorded, including rebranding and restructuring costs. On fair valuing the acquired balance sheet a provisional negative goodwill emerged and was taken to Income in these accounts.

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Comments and Suggestions

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Auditors' Report on Summary Financial Statements

To the Members of
Sagicor Group Jamaica Limited

Report on the summary consolidated financial statements

The accompanying summary financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2014 and the summary consolidated income statement, and summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes are derived from the audited financial statements of Sagicor Group Jamaica Limited for the year ended 31 December 2014. We expressed an unmodified audit opinion on those financial statements in our report dated 3 March 2015. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Sagicor Group Jamaica Limited.

Management's responsibility for the summary financial statements

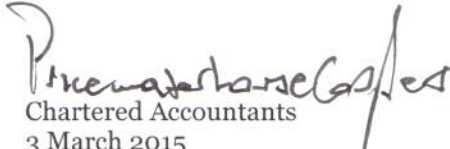
Management is responsible for the preparation of a summary of the audited financial statements

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, 'Engagements to Report on Summary Financial Statements.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Sagicor Group Jamaica Limited for the year ended 31 December 2014 are consistent, in all material respect, with those financial statements.


Chartered Accountants
3 March 2015
Kingston, Jamaica

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