

Q1 2019 PERFORMANCE



DIRECTORS' STATEMENT

On behalf of the Board of Directors of Sagikor Group Jamaica Limited (SGJ or the Group) we are pleased to report on the performance of our Group of companies for the first quarter ended March 2019.

OVERVIEW –

The Group performed well for the first three months of 2019, generating profit attributable to stockholders of **\$2.70 billion**, which was better than the corresponding quarter in 2018 by 2%. These profits equate to \$0.69 per share, a 2% improvement over prior year. Q1 2019 benefited from overall good new business and portfolio growth while we experienced high death and health claims. The fluctuating value of the J\$ during the period with swings from a decline of 7% in January to an appreciation of 1% by end of March also negatively impacted our results. Furthermore, the 2018 first quarter included positive releases from efficiency gains which were not repeated at the same level in first quarter 2019. The Group picked-up significant net unrealized capital gains at the end of March 2019 arising from bond prices in the USA on bonds carried at fair value through Other Comprehensive Income (OCI). This factor along with earnings drove a 7% increase in stockholders' equity since December 2018 to reach \$79.49 billion. The annualized return on stockholders' equity was 14% as against 16% for Q1 2018.

HIGHLIGHTS

	Mar 2019 Unaudited	Mar 2018 Unaudited	% Change	Dec 2018 Audited
OPERATING RESULTS (INCOME STATEMENT DATA):				
Net Profit, attributable to Stockholders - J\$ billions	2.70	2.64	2%	14.23
Total Revenue - J\$ billions	20.12	15.82	27%	70.66
FINANCIAL POSITION & STRENGTH (BALANCE SHEET DATA):				
Total Assets of Sagikor Group Jamaica - J\$ billions	406.32	355.25	14%	394.13
Total Assets under management - J\$ billions	782.78	692.78	13%	761.07
Stockholders' Equity - J\$ billions	79.49	66.78	19%	74.34
PROFITABILITY:				
Return on average Stockholders' Equity (ROE)	14%	16%	-13%	20%
Earnings per stock unit (EPS) - J\$	0.69	0.68	2%	3.65
OTHER MARKET INFORMATION:				
SGJ Share Price - J\$	39.99	36.45	10%	39.80
Market capitalization - J\$ billions	156.19	142.36	10%	155.44

The Group performed well for the first three months of 2019, recording a 27% increase in total revenue.

NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS
\$2.70B
 2018: \$2.64B

TOTAL REVENUE
\$20.12B
 2018: \$15.82B

STOCKHOLDERS' EQUITY
\$79.49B
 2018: \$66.78B

EARNINGS PER STOCK UNIT
\$0.69
 2018: \$0.68

The current year results reflect the full consolidation of new subsidiaries (Sagicor Real Estate XFund Limited – XFund and Travel Cash Jamaica Limited) which came on in Q4 of 2018. Some financial statements line items will therefore include 2019 values for these entities but not the corresponding 2018 quarter.

FINANCIAL PERFORMANCE

Total consolidated net profit of \$3.50 billion (the stockholders' share being \$2.70 billion) was generated from total revenues of \$20.12 billion, an overall profit margin of 17%. Total revenue in 2018 was \$15.82 billion with a similar profit margin. The Revenue growth was impacted by:

- An 11% increase in Net Premium Income
- Investment Income being up 29% influenced predominantly by higher equity prices on the Jamaica Stock Exchange and the fact that the 2018 numbers included much higher impairment charges.
- Fees and other income being up 26% primarily due to ongoing growth of the Payments business in Sagicor Bank and a large corporate financing transaction in Sagicor Investments during the quarter.
- Share of Revenue from hotels (Jewel Grande Montego Bay) was include at \$1.47 billion with the consolidation of XFund. There was no corresponding amount in the prior year.

Total benefits and expenses were \$16.45 billion as against \$12.54 billion in 2018. Net benefits payments (including death claims, health claims, annuity payments, surrenders and Segregated policy funds withdrawals) of \$6.49 billion were 5% higher than for Q1 2018 due to portfolio growth and a higher claims experience for both Life and Death claims. The change in Actuarial and Annuities liabilities reflect the large release in 2018. Administration expenses were higher than prior year by 10%. There was a 6% increase when the new subsidiaries are excluded reflecting increments to Salaries and higher Payments related costs. Hotel

expenses of \$964.80 million are included this period but there were none last year. The Group efficiency ratio of administration expenses to total revenue, a key measure of expense management, was 31% (2018: 32%).

Share of profit from Associate represents the 15% take-up of Playa Hotel & Resorts' earnings for Q1 before minority interests, which reflect a good performance during the peak winter season.

Market capitalization of SGJ at March 2019 was \$156.19 billion, up 10% or \$13.83 billion when compared to March last year.

Total assets under management, as at March 2019, including Group Assets, Pension Funds' assets managed on behalf of clients and Unit Trusts, were \$782.78 billion, a 13% increase over the \$692.78 billion as at March 2018 and a 3% increase over the December 2018 amount of \$761.07 billion.

Individual Insurance

Net premium income for the Individual Insurance lines of business of \$6.21 billion was 10% higher than the comparative 2018 period. Benefits accrued or paid to policyholders were higher than 2018 due to large death claims and withdrawals from Segregated policy funds. The increase in actuarial liabilities was much higher than last year causing a profit contribution of \$597.86 million.

Employee Benefits

Segment revenue of \$5.68 billion was in line with 2018 and benefits expense of \$3.76 billion was 7% more than last year, primarily because of an unfavorable claims experience during the period. There was also a net release of actuarial liabilities. Segment profit was \$1.26 billion in Q1 2019, an 18% increase over last year.

Commercial Banking

Sagicor Bank continued to show good growth and contributed net profits of \$363.73 million for the quarter, an improvement over the amount recorded in 2018.

These profits were produced from revenues of \$3.09 billion which were 20% more than prior year, driven

by business expansion, especially Payments channels and the Loans portfolio. The bank also benefited from trading gains during the period.

Total assets of \$128.29 billion were level with the amount at March 2018 and 4% higher than the December 2018 amount of \$122.92 billion. Loans and advances, net of provision for loan losses, were \$71.70 billion, 16% higher than the March 2018 balance and \$2.64 billion or 4% ahead of December 2018.

Investment Banking

Sagicor Investments showed strong profitability contributing \$373.23 million to the Group in Q1 2019. As the return on Investments continue to be challenged there is a deliberate strategy to grow the fee-based revenue. Sagicor Investments landed a major Corporate financing deal during this period which boosted Fees income. Sigma Funds performed well during the period.



SOLVENCY

CAPITAL RATIOS

Regulated Entities	Key Regulatory Ratios	Minimum Statutory Requirements	Mar 31, 2019	Mar 31, 2018
Sagicor Life Jamaica Limited	Minimum continuing capital and surplus requirements ratio (MCCSR)	150.0%	188.3%	172.2%
Sagicor Bank Jamaica Limited	Regulatory capital to risk weighted assets ratio	10.0%	14.8%	14.5%
Sagicor Investments Jamaica Limited	Regulatory capital to risk weighted assets ratio	10.0%	16.3%	14.4%
Sagicor Life of the Cayman Islands Limited	Minimum capital requirement (MCR)	125.0%	481.0%	362.0%

SAGICOR INVESTMENTS JAMAICA (SIJL)



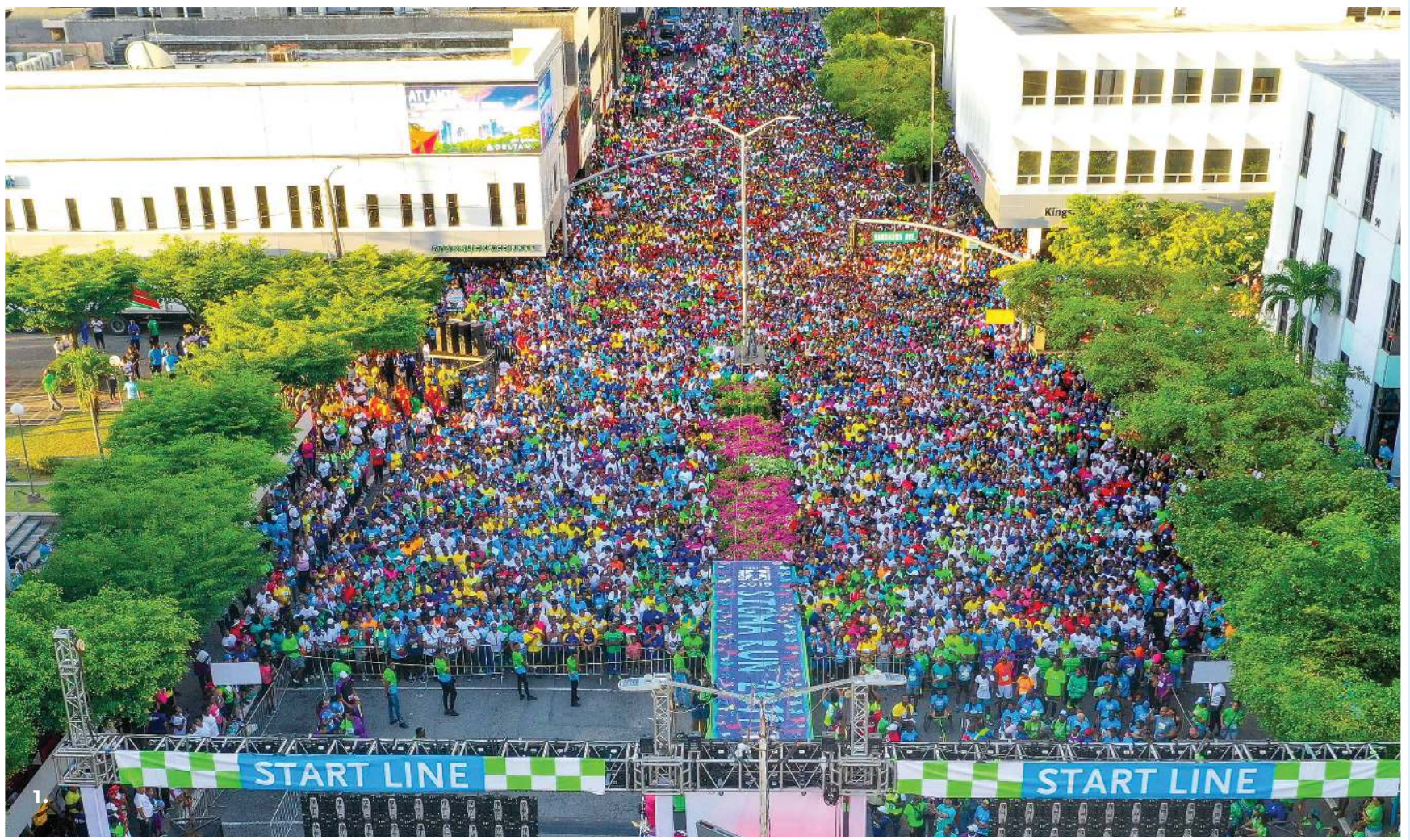
SAGICOR BANK JAMAICA (SBJ)



SAGICOR LIFE JAMAICA (SLJ)



REGULATORY REQUIREMENT
EXCESS OVER REQUIREMENT



1. An aerial view of the participants at the Sagikor Sigma Corporate Run 2019

2. With a successful raise of over \$52.4 million, the 2019 Sagikor Sigma Corporate Run beneficiaries, Dr. Desiree Tulloch-Reid (3rd left), President of the Lupus Foundation of Jamaica; St. Andrade Sinclair (4th left), CEO of the May Pen Hospital and Lurline Less (5th left), Chairperson of the Diabetes Association of Jamaica, pose with their symbolic cheque and is joined by Sagikor Executives, Mark Chisholm (left), Executive Vice President, Individual Life, Sagikor and Chorvelle Johnson (2nd right), CEO of Sagikor Bank. Also sharing in the photo-op are Sigma Run Patrons, Stacey McKenzie (2nd left), International Jamaican Supermodel and Olympian Yohan Blake (right).

3. Team "Hero Duck"; a group of participants show off their purple capes in support of lupus.



2.



3.

CORPORATE SOCIAL RESPONSIBILITY

The 21st anniversary staging of Sagikor’s charity road race and primary activity of our first quarter - the Sigma Corporate Run, was held on February 17, 2019. Over 27,000 persons registered for the road race, which raised \$52.4million for the three 2019 Sigma Beneficiaries –May Pen Hospital Neonatal Intensive Care Unit, the Lupus Foundation of Jamaica and the Diabetes Association of Jamaica. The 2019 Patrons were International Supermodel Stacey McKenzie and Olympian Yohan Blake.

The Sagikor Foundation Adopt-A-School Health Tour held on February 25, 27 and 28 provided free hearing, vision and oxygen saturation tests for over 120 students across at our three adopted schools – Chantilly Basic School in Savanna-la-Mar, Westmoreland; Tobolski Basic School, Brown’s Town, St. Annand the Clifton Basic School, Portmore, St. Catherine.

The first quarter of 2019 also saw the start of renovation works at adopted schools to improve the overall physical environment for the comfort of the children and administrators.

Through the Sagikor Lead iCare Mentorship Programme, an initiative of Sagikor Group Human Resources, the Sagikor Foundation donated \$250,000 to the Yallahs High School in St. Thomas to support the expansion of the school’s grade nine block.

In addition, Sagikor Group Jamaica made donations to several non-profit organisations to assist in achieving their overall mission.

OUTLOOK

We are optimistic about the future and prospects for 2019. The Jamaican economy continues to perform well with GDP growth of about 2% anticipated in 2019 in an environment of low interest rates, a fluctuating dollar and relatively low inflation. We continually flex our business model to capitalize on the prevailing circumstances.

ACKNOWLEDGEMENT

We offer deep appreciation to all our Team members, Financial Advisors and Brokers. To our supportive business partners. To our stockholders for their continued confidence and to our Directors for their diligence and wise counsel.

On behalf of The Board of Directors:

RICHARD O. BYLES
Chairman

CHRISTOPHER ZACCA, C.D., J.P.
President & CEO

9 May 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

 as at March 31, 2019
 (Expressed in thousands of Jamaican dollars)

	March 2019 Unaudited	March 2018 Unaudited	December 2018 Audited
ASSETS:			
Cash resources & Cash reserve at Central Bank	24,899,366	22,712,373	23,883,674
Financial investments	168,592,858	139,146,696	158,837,169
Derivative financial instruments	82,830	86,411	31,464
Loans & leases, after allowance for credit losses	71,903,350	62,052,338	69,284,592
Pledged assets	70,485,620	88,436,766	70,485,620
Investment properties	2,475,362	530,881	2,552,460
Investment in joint venture	341,584	355,574	330,804
Investment in associated company	24,831,436	7,208,863	24,764,690
Intangible assets	6,459,311	4,965,824	6,651,581
Property, plant and equipment	20,163,175	5,040,420	19,000,411
Retirement benefit assets	183,351	517,257	183,351
Deferred income taxes	2,308,325	2,938,182	3,405,053
Taxation recoverable	2,583,179	2,917,258	3,256,419
Other assets	11,015,178	18,339,709	11,465,465
TOTAL ASSETS	406,324,925	355,248,552	394,132,753
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Equity attributable to stockholders of the company			
Share capital	8,882,089	8,569,672	8,863,302
Equity reserves	6,870,561	5,940,693	4,286,773
Retained earnings	63,735,484	52,269,793	61,189,933
	79,488,134	66,780,158	74,340,008
Non-controlling interests	27,440,000	-	27,354,811
Total Equity	106,928,134	66,780,158	101,694,819
Liabilities			
Deposit and security liabilities	170,261,466	167,229,489	164,933,500
Derivative financial instruments	82,830	86,411	31,464
Lease obligations	1,561,303	-	-
Loans payable	9,860,077	-	9,970,102
Deferred income taxes	161,408	-	412,486
Taxation payable	514,290	55,920	1,880,810
Retirement benefit obligations	3,076,400	3,533,463	3,076,400
Other liabilities	13,640,569	23,228,264	14,510,124
Policyholders' Funds			
Insurance contracts liabilities	82,415,546	77,966,335	79,962,032
Investment contracts liabilities	13,574,057	12,694,390	13,408,342
Other policy liabilities	4,248,845	3,674,122	4,252,674
	100,238,448	94,334,847	97,623,048
Total Liabilities	299,396,791	288,468,394	292,437,934
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	406,324,925	355,248,552	394,132,753

 RICHARD O. BYLES
 Chairman
 9 May 2019

 CHRISTOPHER ZACCA, C.D., J.P.
 President & CEO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

 for the three-months ended March 2019
 (Expressed in thousands of Jamaican dollars)

	March 2019 Year-to-date Unaudited	March 2018 Year-to-date Unaudited	December 2018 Full Year Audited
Net profit for the period	3,503,963	2,640,091	13,877,818
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Fair value reserve:			
Unrealised gains/(losses) on FVOCI bonds	3,650,312	(1,152,590)	(4,646,873)
Share of joint venture and associate on FVOCI bonds	1,104	(8,908)	(21,649)
	<u>3,651,416</u>	<u>(1,161,498)</u>	<u>(4,668,522)</u>
Re-translation of foreign operations	(737,773)	139,319	(1,433,832)
Gains/(losses) reclassified and reported in profit in the Income Statement	368,678	(390,434)	(710,315)
Provision for expected credit losses - IFRS 9 on FVOCI securities	(179,166)	(36,525)	435,933
Change in actuarial liabilities arising from fair value movements in available-for-sale securities	(954,682)	118,503	1,056,028
Net gains recycled on change of accounting from associate to subsidiary	-	-	(393,774)
Transferred of share of accumulated revaluation unrealised gains on owner occupied property	-	-	(202,411)
Items that will not be subsequently reclassified to profit or loss			
Unrealised gains/(losses) on owner-occupied properties:			
Gains recognised by subsidiaries and associate	-	-	239,724
Share of other comprehensive income associate and joint venture	(393,233)	-	890,868
	<u>(393,233)</u>	<u>-</u>	<u>1,130,592</u>
Unrealised gains on FVOCI equities	2,241	1,669	9,304
Re-measurements of retirement benefits obligations	-	-	358,070
Total other income/(loss) recognised directly in stockholders' equity, net of taxes	1,757,481	(1,328,966)	(4,418,927)
Total Comprehensive Income	5,261,444	1,311,125	9,458,891
Attributable to:			
Stockholders of the parent company	5,176,254	1,311,125	10,738,522
Non-controlling interests	85,190	-	(1,279,631)
	<u>5,261,444</u>	<u>1,311,125</u>	<u>9,458,891</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

 for the three-months ended March 2019
 (Expressed in thousands of Jamaican dollars)

	Share Capital	Equity Reserves	Retained Earnings	Equity Owners' Total	Non- controlling Interests Total	Total Stockholders' Equity Audited
Period ended March 31, 2019:						
Balance as reported December 31, 2018	8,863,302	4,286,773	61,189,933	74,340,008	27,354,811	101,694,819
Total comprehensive income for the period	-	2,477,994	2,698,261	5,176,255	85,189	5,261,444
Transactions with owners -						
Treasury shares	18,787	-	(46,916)	(28,129)	-	(28,129)
Total Transactions with owners	18,787	-	(46,916)	(28,129)	-	(28,129)
Transfers between retained earnings and reserves	-	105,794	(105,794)	-	-	-
Balance as at March 31, 2019	8,882,089	6,870,561	63,735,484	79,488,134	27,440,000	106,928,134
Period ended March 31, 2018:						
Balance as reported December 31, 2017	8,415,051	7,522,083	52,564,997	68,502,131	-	68,502,131
Changes on initial application of IFRS 9	-	(295,446)	(164,352)	(459,798)	-	(459,798)
Restated balance as at January 1, 2018	8,415,051	7,226,637	52,400,645	68,042,333	-	68,042,333
Total comprehensive income for the period	-	(1,329,921)	2,640,091	1,310,170	-	1,310,170
Transactions with owners -						
Dividends paid to owners of the parent	-	-	(2,577,719)	(2,577,719)	-	(2,577,719)
Treasury shares	154,621	-	(149,247)	5,374	-	5,374
Total Transactions with owners	154,621	-	(2,726,966)	(2,572,345)	-	(2,572,345)
Transfers between retained earnings and reserves	-	43,977	(43,977)	-	-	-
Balance as at March 31, 2018	8,569,672	5,940,693	52,269,793	66,780,158	-	66,780,158

CONSOLIDATED INCOME STATEMENT

 for the three-months ended March 2019
 (Expressed in thousands of Jamaican dollars)

	March 2019 Year-to-date Unaudited	March 2018 Year-to-date Unaudited	December 2018 Full Year Audited
Revenue:			
Net premium revenue	10,359,035	9,338,902	39,814,784
Net investment income	5,281,155	4,103,817	18,246,692
Hotel revenue	1,469,777	-	1,247,215
Fees and other income	3,009,834	2,378,657	11,348,102
Total revenue	20,119,801	15,821,376	70,656,793
Benefits and Expenses:			
Net insurance benefits incurred	6,491,461	6,188,679	25,474,549
Changes in insurance and annuity liabilities	1,940,307	(66,814)	2,252,471
Administration expenses	4,760,565	4,344,486	18,323,030
Hotel expenses	964,798	-	892,631
Commissions and related expenses	1,464,376	1,261,200	5,782,073
Amortization of intangible assets	183,813	170,554	704,200
Other taxes and levies	641,489	637,804	638,047
Total benefits and expenses	16,446,809	12,535,909	54,067,001
Share of profit/(loss) from joint venture	4,620	(770)	18,007
Gain on step acquisition of X Fund Group	-	-	1,521,065
Share of profit/(loss) from associate	856,978	141,851	(80,539)
Profit before Taxation	4,534,590	3,426,548	18,048,325
Taxation	(1,030,627)	(786,457)	(4,170,507)
NET PROFIT	3,503,963	2,640,091	13,877,818
Net Profit attributable to:			
Stockholders of the parent company	2,698,262	2,640,091	14,231,982
Non-controlling interests	805,701	-	(354,164)
	<u>3,503,963</u>	<u>2,640,091</u>	<u>13,877,818</u>
Earnings per stock unit for profit attributable to stockholders of the parent company:			
Basic and Fully diluted	\$0.69	\$0.68	\$3.65

CONSOLIDATED SEGMENTAL FINANCIAL INFORMATION

 for the three-months ended March 2019
 (Expressed in thousands of Jamaican dollars)

	Individual Lines	Employee Benefits	Investment Banking	Commercial Banking	All other	Eliminations	March 2019 Group
Operating results:							
External revenues	7,138,101	5,675,168	1,206,098	3,072,947	3,027,487	-	20,119,801
Inter-segment revenues	16,636	-	(22,780)	6,899	(716,918)	716,163	-
Total revenue	7,154,737	5,675,168	1,183,318	3,079,846	2,310,569	716,163	20,119,801
Benefits and expenses	(4,618,887)	(4,719,714)	(417,819)	(1,917,767)	(1,643,942)	61,431	(13,256,698)
Change in actuarial liabilities	(1,592,375)	495,599	-	-	-	(843,531)	(1,940,307)
Depreciation	(16,704)	(8,804)	(2,957)	(114,162)	(276,720)	-	(419,347)
Amortization of intangibles	(3,660)	(22,638)	(16,446)	(49,618)	(91,451)	-	(183,813)
Amortization of loan costs	-	-	-	-	(5,155)	-	(5,155)
Other taxes	-	-	-	-	(108)	-	(108)
Asset tax	(97,364)	(33,166)	(180,907)	(281,264)	(48,680)	-	(641,381)
Total benefits and expenses	(6,328,990)	(4,288,723)	(618,129)	(2,362,811)	(2,066,056)	(782,100)	(16,446,809)
Share of profit from joint venture	-	-	-	-	4,620	-	4,620
Share of profit from associate	-	-	-	-	856,978	-	856,978
Profit before tax	825,747	1,386,445	565,189	717,035	1,106,111	(65,937)	4,534,590
Investment and corporation taxes	(227,888)	(127,071)	(191,963)	(353,310)	(130,395)	-	(1,030,627)
Profit after taxation	597,859	1,259,374	373,226	363,725	975,716	(65,937)	3,503,963
Segment assets:	57,982,661	69,392,694	82,514,744	127,165,097	50,510,532	(8,905,499)	378,660,229
Unallocated assets -							
Investments in joint venture							341,584
Investments in associate							24,831,436
Deferred income taxes							2,308,325
Retirement benefit assets							183,351
Total assets							406,324,925
Segment liabilities:	48,294,414	55,991,177	70,249,514	105,461,986	27,044,719	(10,882,827)	296,158,983
Unallocated liabilities -							
Deferred income taxes							161,408
Retirement benefit obligations							3,076,400
Total liabilities							299,396,791
Other Segment items:							
Capital expenditure: Computer software							979
Property, plant and equipment							119,707

Geographical information:

	Jamaica	Cayman Islands	United States of America	Other	Total Group
Revenue	17,558,393	1,091,631	1,469,777	-	20,119,801
Total assets	347,921,043	20,420,505	37,641,793	341,584	406,324,925

	Individual Lines	Employee Benefits	Investment Banking	Commercial Banking	All other	Eliminations	Unaudited March 2018 Group
Operating results:							
External revenues	6,168,590	5,708,588	781,802	2,581,373	581,023	-	15,821,376
Inter-segment revenues	95,181	-	27,587	(19,130)	44,660	(148,298)	-
Total revenue	6,263,771	5,708,588	809,389	2,562,243	625,683	(148,298)	15,821,376
Benefits and expenses	(4,335,513)	(4,468,082)	(408,426)	(1,762,070)	(738,539)	56,301	(11,656,329)
Change in actuarial liabilities	(1,352)	16,468	-	-	101	51,597	66,814
Depreciation	(15,288)	(8,425)	(2,785)	(60,962)	(50,576)	-	(138,036)
Amortization of intangibles	(3,840)	(32,198)	(16,283)	(41,831)	(76,402)	-	(170,554)
Other taxes	-	331	-	-	(4,872)	-	(4,541)
Asset tax	(92,684)	(24,945)	(183,920)	(264,757)	(66,957)	-	(633,263)
Total benefits and expenses	(4,448,677)	(4,516,851)	(611,414)	(2,129,620)	(937,245)	107,898	(12,535,909)
Share of loss from joint venture	-	-	-	-	(770)	-	(770)
Share of profit from associate	-	-	-	-	141,851	-	141,851
Profit before tax	1,815,094	1,191,737	197,975	432,623	(170,481)	(40,400)	3,426,548
Investment and corporation taxes	(382,923)	(120,982)	(57,373)	(238,578)	13,399	-	(786,457)
Profit after taxation	1,432,171	1,070,755	140,602	194,045	(157,082)	(40,400)	2,640,091
Segment assets:	55,291,047	65,180,541	80,404,831	125,944,556	24,883,914	(7,476,213)	344,228,676
Unallocated assets -							
Investments in joint venture							355,574
Investments in associate							7,208,863
Deferred income taxes							2,938,182
Retirement benefit assets							517,257
Total assets							355,248,552
Segment liabilities:	46,122,874	52,344,145	69,442,875	106,829,539	18,564,248	(8,368,750)	284,934,931
Unallocated liabilities -							
Deferred tax liability							3,533,463
Retirement benefit obligations							288,468,394
Total liabilities							288,468,394
Other Segment items:							
Capital expenditure: Computer software							3,271
Property, plant and equipment							110,025

Geographical information:

	Jamaica	Cayman Islands	Other	Total Group
Revenue	15,019,766	801,610	-	15,821,376
Total assets	336,196,754	18,696,224	355,574	355,248,552

CONSOLIDATED STATEMENT OF CASH FLOWS

 for the three-months ended March 2019
 (Expressed in thousands of Jamaican dollars)

	March 2019 Year-to-date Unaudited	March 2018 Year-to-date Unaudited	December 2018 Full Year Audited
Cash Flows from Operating Activities:			
Net Profit	3,503,963	2,640,091	13,877,818
Adjustments for:			
Items not affecting cash and changes to policyholders' funds:			
Adjustments for non-cash items, interest and dividends	(1,422,758)	(3,893,185)	(11,281,355)
Changes in other operating assets and liabilities	7,281,778	2,946,607	4,144,901
Net Investment purchases	(4,503,847)	(1,769,899)	(17,692,162)
Interest received	5,557,317	5,609,068	20,971,365
Interest paid	(1,098,079)	(1,050,959)	(4,924,382)
Income taxes paid	(3,238,579)	(1,660,142)	(3,299,646)
Net cash generated from operating activities	6,079,795	2,821,581	1,796,539
Cash Flows from Investing Activities:			
Investment in joint venture	-	-	(18,724)
Net cash flows included on consolidation of Sagikor X Fund and Travel Cash	-	-	1,686,418
Disposal/(purchase) of investment property, net	-	(881)	8,207
Disposal/(purchase) of property, plant and equipment, net	(118,070)	(108,038)	879,234
Purchase of intangible assets, net	(979)	(3,271)	(314,905)
Net cash generated from/(used in) investing activities	(119,049)	(112,190)	2,240,230
Cash Flows from Financing activities:			
Redemption of preference shares	-	-	(646,800)
Deposits and securities liabilities	-	-	(3,575,039)
Disposal/(purchase) of treasury shares, net	(28,129)	5,374	252,806
Principal elements of lease payments	(106,115)	-	-
Dividends paid to stockholders	-	-	(4,686,765)
Net cash used in financing activities	(134,244)	5,374	(8,655,798)
Cash and cash equivalents:			
Effect of exchange rate on cash and cash equivalents	(97,029)	146,342	126,111
Increase in cash and cash equivalents	5,729,473	2,861,107	(4,492,918)
Cash and cash equivalents at beginning of year	15,891,396	20,384,314	20,384,314
Cash and cash equivalents at end of year	21,620,869	23,245,421	15,891,396
Comprising:			
Balances with Banks	13,540,852	10,798,528	11,552,916
Short - Term Deposits	5,886,788	8,611,700	4,339,543
Securities purchased under resale agreements	2,610,573	4,207,262	-
Bank overdraft	(417,344)	(372,069)	(1,063)
	21,620,869	23,245,421	15,891,396

Explanatory Notes
1. Identification and Principal Activities

Sagikor Group Jamaica Limited (SGJ), the company) is incorporated and domiciled in Jamaica and is listed on the Jamaica Stock Exchange. It is 32.45% (2018 – 32.45%) owned by LOJ Holdings Limited which is also incorporated and domiciled in Jamaica and is wholly owned by Sagikor Financial Corporation Limited (SFCL). The ultimate parent company is SFCL, which is incorporated and domiciled in Bermuda. SFCL has an overall interest of 49.11% (2018 – 49.11%) in the company. The other significant shareholder in SGJ is PanJam Investment Limited with a 31.55% (2018 – 31.55%) holding.

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

Sagikor Group Jamaica comprises many companies offering a wide range of financial products and services. These include life and health insurance; annuities; pensions administration; investment services; commercial banking; investments banking; captives management; property management and real estate sales and rentals.

2. Basis of preparation

These condensed consolidated financial statements should be read in conjunction with the accounting policies as set out in Note 2 of the full audited financial statements for the year ended 31 December 2018.

3. Initial application of IFRS 16 - Leases

The Group has applied IFRS 16 Leases effective 1 January 2019 and has not restated prior periods as allowed by the Standard. The Group recognized the present value of the remaining lease payments of \$1.67 billion as the lease liabilities and right-of-use assets for material long-term leases previously classified as operating leases. On initial application, the group applied incremental borrowing rates which range from 3.0% to 7.45% on the lease liability.

The incremental impact on the profit and loss statement for lease costs during the period was not material.

4. Accounting Estimates and Judgments

Certain amounts recorded in these unaudited consolidated financial statements reflect estimates and assumptions made by management about insurance liability reserves, investment valuations, interest rates and other factors. Actual results may differ from the estimates and assumptions made. Interim results are not necessarily indicative of full year results.

5. Subsequent event

On 5 April 2019, The Board of Directors declared an interim dividend of \$0.79 per share with a record date of 23 April 2019 and a payment date of 9 May 2019.