Sagicor Group Jamaica

Q3 2023 PERFORMANCE REPORT

DIRECTORS' STATEMENT

On behalf of the Board of Directors of Sagicor Group Jamaica Limited (SGJ or the Group) we present our performance report for the period ended September 2023.

OVERVIEW –

The Group recorded a net profit attributable to shareholders of $10.07 billion against the comparative period's restated loss of $0.53 billion. Upon the adoption of IFRS 17, the prior year's restated results now include the impact of increases in interest rates and the volatility of security prices in the profit or loss statement. The Insurance Service result improved by 101% and investment income net of insurance finance charges showed an improvement of 222% compared to prior year. The Group's insurance sales continue to show growth along most of its product lines, particularly within its corporate client portfolios during the current quarter. The Commercial Banking segment saw an expansion in its loan and card payment portfolios contributing to the Group's improved year over year results. The Investment Banking business continues to face challenges with unfavourable capital market conditions and declining net interest income due to elevated liability costs.

The Group ended the quarter with earnings per share of $2.58 (2022: -$0.13) and an improved Return on Equity of 16% (2022: -1%).

FINANCIAL PERFORMANCE

The Group continued to see strong growth in its core operating revenues with year over year growth in Net insurance service results, Net investment income and Fee income. Both

HIGHLIGHTS

	September 2023 Unaudited	(Restated) September 2022 Unaudited	% Change
OPERATING RESULTS (INCOME STATEMENT DATA):			
Net Profit, Attributable to Stockholders - J$ billions	10.07	-0.53	2012%
Insurance Service Results - J$ billions	5.11	2.55	101%
Contractual Service Margin (CSM) - J$ billions	4.08	3.15	29%
FINANCIAL POSITION & STRENGTH (BALANCE SHEET DATA):			
Total Assets of Sagicor Group Jamaica - J$ billions	541.66	499.96	8%
Total Assets Under Management - J$ billions	966.53	913.78	6%
Stockholders' Equity - J$ billions	89.15	71.01	26%
Adjusted Stockholders' Equity (+ CSM) - J$ billions	132.43	105.26	26%
PROFITABILITY:			
Return on Average Stockholders' Equity (ROE)	16%	-1%	17%
Earnings Per Share (EPS) - J$	2.58	-0.13	2085%
OTHER MARKET INFORMATION:			
SGJ Share Price - J$	48.48	53.99	-10%
Market Capitalization - J$ billions	189.35	210.87	-10%

NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS
$10.07B
▲ 2012%

INSURANCE SERVICE RESULT
$5.11B
▲ 101%

TOTAL ASSETS
$541.66B
▲ 8%

ADJUSTED STOCKHOLDERS' EQUITY
$132.43B
▲ 26%

CONTRACTUAL SERVICE MARGIN
$4.08B
▲ 29%

EARNINGS PER SHARE
$2.58
▲ 2085%

Long-term and Short-term insurance lines experienced strong new business sales. Net investment income of $15.46 billion improved significantly over the prior year due to the growth in interest earning assets. A 5% increase in Fee income was primarily a result of growth in commercial banking activities.

Shareholders' Equity grew by 7% in the current period ending at $89.15 billion (December 2022: $83.01 billion). Total assets grew by 5% to end at $541.66 billion (December 2022: $515.94 billion) largely driven by a $13.89 billion increase in financial investments and $8.82 billion growth in the Bank's loan portfolio. The growth in assets was largely funded by increased deposit and security liabilities of $12.84 billion and growth in Insurance liabilities of $4.42 billion.

Long-Term Insurance

The segment includes products whose contract boundaries exceed one year in duration and are measured using the General Measurement Model (GMM) and Variable Fee Approach (VFA) under IFRS 17. The segment continues to report strong core insurance results; through the release of CSM (Contractual Service Margin) of $4.08 billion (2022: $3.15 billion) and by generating new business CSM of $3.78 billion (2022: $3.80 billion). The segment also experienced improvement in investment income net of finance expenses. Net profit for the segment was negatively impacted by exchange rate fluctuations, recording unrealised foreign currency translation losses of $0.40 billion compared to gains of $0.04 billion in the prior year.

Short-Term Insurance

This segment includes products whose contract boundaries are less than one year and are measured using the Premium Allocation Approach (PAA) under IFRS 17. The segment reported a profit of $1.43 billion, an improvement over the prior period's loss of $1.26 billion. The increase over prior year is due primarily to improved loss ratios within the health insurance portfolios despite the steady rise in drug prices and other medical costs. The segment continues to show growth with new business sales of $1.60 billion for Group health and life products, primarily within its corporate client portfolios.

Commercial Banking

The Commercial Banking segment produced net profit of $2.14 billion (2022: $2.34 billion). The segment recorded an 11% increase in revenues, due to greater volumes on its card payments portfolios and growth in net interest income. Loan portfolios continue to exhibit growth with new loans written of $26.15 billion (2022: $25.25 billion), contributing to a $2.06 billion increase in interest income. The loan portfolio quality improved year over year with the provision coverage ratio ending at 2.12% (2022: 2.29%). Deposit and other funding liabilities grew by $11.06 billion (2022: $6.01 billion) during the nine-month period; this growth along with increases in the cost of funds resulted in a 66% increase in interest expense.

Investment Banking

The Investment Banking segment recorded net profit of $0.80 billion (2022: $1.20 billion). The increases in interest rates have fuelled a significant increase in funding costs, leading to a decline in net interest income for the Jamaican operations. The segment's Cayman operation continued its growth trajectory, recording year over year increases in revenue and net profit.

LIQUIDITY AND SOLVENCY

Cash and Cash Equivalents at the end of the period were $45.11 billion (2022: $34.97 billion). The Group's net cash used in operating activities of $7.05 billion included interest received of $23.64 billion. The Group raised funding for loan and securities growth through an increase of $12.45 billion in deposits and securities liabilities.

Regulatory capital requirements continue to be exceeded across all operating entities.

CAPITAL RATIOS

Regulated Entities	Key Regulatory Ratios	Minimum Statutory Requirements	September 30, 2023	September 30, 2022
Sagicor Life Jamaica Limited	Minimum continuing capital and surplus requirements ratio (MCCSR)	150.0%	275.3%	185.0%
Sagicor Bank Jamaica Limited	Regulatory capital to risk weighted assets ratio	10.0%	13.25%	13.1%
Sagicor Investments Jamaica Limited	Regulatory capital to risk weighted assets ratio	10.0%	14.80%	12.5%
Sagicor Life of the Cayman Islands Limited	Minimum capital requirement (MCR)	125.0%	371.7%	235%
Advantage General Insurance Company Limited	Minimum capital test ratio (MCT)	150.0%	290.82%	300.3%

OUTLOOK

Cuts in supply coordinated by the Organization of the Petroleum Exporting Countries (OPEC+) along with a rise in global tensions resulted in a sharp increase in the price of crude oil ($96.55 USD per barrel from $74.65 USD per barrel at the start of the quarter), which in turn curtailed the extent of the fall in inflation as a result of reductions in most other segments of the US basket. US inflation is now trending up slightly from last quarter to 3.7% in September 2023. The stickiness of higher inflation has prompted the Federal Reserve (Fed) to hold policy rates at their current levels with an outlook for further rises if this phenomenon persists, suggesting that the 'higher for longer' interest rate regime is more likely to prevail. Given the close coupling of Jamaica's economy to our main trading partner, we believe that the Bank of Jamaica (BoJ) will adopt a similar stance to the Fed and that current conditions will continue for some time, despite some modulation in local inflation to the higher end (5.9%) of BoJ's range.

During the quarter, Jamaica received a ratings upgrade from Standard and Poor's (S&P), with the country's long term foreign and local currency sovereign credit ratings improving from B+ to BB-, with a stable outlook. We commend the policy makers for their close adherence to the country's fiscal framework, which

1. Contractors are hard at work to repair the roof of the Irish Pen Basic School as part of Sagicor Foundation's Adopt-A-School Programme.

2. 2023 Sagicor Foundation tertiary scholarship recipient D'Jonel Farquharson receives her certificate of award from Tracy-Ann Spence, Executive Vice President - Chief Investment Officer, Sagicor Group Jamaica.

has seen Debt to GDP fall to below 80%, in a time where many countries have had contrary experiences.

While we note these improvements in Jamaica's balance sheet, we remain alert to the impact of a tight monetary climate and its corollary effects of dampened demand for credit and an overall slowdown in economic activity, both of which will impact Sagicor Group's results in the medium term. As such, we are managing capital and liquidity prudently within this uncertain environment.

CORPORATE SOCIAL RESPONSIBILITY

In the third quarter of 2023, Sagicor Group Jamaica, through its charitable arm the Sagicor Foundation Jamaica, supported several corporate social responsibility (CSR) initiatives that directly impacted nation-building notably awarding over $5M in new scholarships to 42 students at the tertiary and secondary levels in its 2023 Scholarship programme. Among those awarded were the three champion girls and the three champion boys of the Sagicor/JTA National Athletics Championship. To date, the Foundation has disbursed approximately $400 million in scholarship renewals to past recipients facing financial hardships in pursuing their educational goals.

The Sagicor Foundation Adopt-A-School programme began major renovations on the institutions selected for the 2023 Adopt-a-School programme: Iron Gate Basic in Clarendon; Irish Pen Basic in Spanish Town, St Catherine; Freetown Basic in St Andrew; and Shrewsbury Basic in St Elizabeth. With the infrastructure improvements, these schools are now able to qualify as Early Childhood Learning Centers and receive support from the Early Childhood Commission. The Foundation also donated to Liberty Academy at the Priory to assist in providing a safe space for children with special learning needs.

It is with great sadness that we acknowledge the passing of the Foundation's Chairman and Director Emeritus of Sagicor Group Jamaica, the Hon. R Danny Williams. Danny, as he was affectionately known to all, was a towering figure within Sagicor and a driving force behind the establishment of the Foundation. In that position, he guided our philanthropic pursuits over the many years, not just in directing our programmes but also in participating actively in many of our outreach efforts for those less fortunate in our society.

ACKNOWLEDGEMENTS

Our Team Members, Financial Advisors and Brokers are the heart and soul of Sagicor Group and we salute them for their tremendous contribution to our customers' experience of our company. To our customers, thank you for the trust and confidence you repose in us; we are Sagicor Strong in our commitment to help you navigate these challenging times. Thanks to our supportive business partners and to our stockholders for the continued support and not least, our Directors for their diligence, wise counsel and continued guidance.

On behalf of The Board of Directors:

PETER MELHADO
Chairman

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

3rd November 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2023
(Expressed in thousands of Jamaican dollars)

	September 2023 Unaudited	(Restated) September 2022 Unaudited	(Restated) December 2022 Unaudited
ASSETS:			
Cash resources & Cash reserve at Central Bank	32,486,076	33,472,490	34,344,482
Financial investments	334,221,013	319,177,082	320,333,262
Loans & leases, after allowance for credit losses	121,561,734	96,115,206	112,736,829
Investment properties	1,626,032	1,428,503	1,680,525
Investment in joint venture	2,070,321	1,689,143	1,830,001
Intangible assets	8,457,797	9,042,438	8,868,597
Property, plant and equipment	6,823,831	6,398,876	6,412,479
Right-of-use assets	1,710,747	1,722,959	1,823,204
Retirement benefit assets	706,236	1,339,263	706,137
Reinsurance contract assets	2,691,677	2,400,725	1,821,841
Deferred income taxes	4,129,243	4,972,747	3,911,297
Taxation recoverable	6,859,495	5,601,674	6,281,323
Other assets	18,320,219	16,593,962	15,193,711
TOTAL ASSETS	**541,664,421**	**499,955,068**	**515,943,688**
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Equity attributable to:			
Stockholders' of the parent company			
Share capital	9,017,414	8,965,180	8,998,808
Equity reserves	11,023,010	6,227,645	9,344,498
Retained earnings	69,106,415	55,820,120	64,671,620
	89,146,839	71,012,945	83,014,926
Non-controlling interests	2,356,377	2,311,373	2,301,340
Total Equity	**91,503,216**	**73,324,318**	**85,316,266**
Liabilities			
Deposit and security liabilities	263,681,460	240,192,051	250,837,061
Loans payable	2,198,545	2,235,635	2,198,545
Deferred income taxes	378,071	421,748	421,305
Taxation payable	73,667	665,166	1,775,142
Reinsurance contract liabilities	496,793	548,413	168,316
Retirement benefit obligations	3,153,382	3,112,355	3,000,585
Lease liabilities	1,957,706	2,075,890	2,143,801
Other liabilities	17,169,830	19,111,573	13,962,305
Insurance contracts liabilities	140,375,754	138,373,744	135,956,142
Investment contracts liabilities	20,675,997	19,894,175	20,164,220
Total Liabilities	**450,161,205**	**426,630,750**	**430,627,422**
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	**541,664,421**	**499,955,068**	**515,943,688**

PETER MELHADO
Chairman
3 November 2023

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the nine-months ended 30 September 2023
(Expressed in thousands of Jamaican dollars)

	Q3 2023 Unaudited	Q3 2022 Unaudited	September 2023 Year-to-date Unaudited	(Restated) September 2022 Year-to-date Unaudited
Net profit for the period	4,501,100	(3,786,253)	10,221,979	(238,657)
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Fair value reserve:				
Unrealised gains/(losses) on FVTOCI bonds	(776,613)	(2,749,936)	433,981	(10,774,988)
Share of joint venture unrealised gains/(losses) on FVTOCI bonds	(9,546)	281	8,424	(45,401)
	(786,159)	(2,749,655)	442,405	(10,820,389)
Currency translation	53,298	92,531	383,283	(397,887)
Gains/(losses) recycled to the Profit or Loss Statement on sale and maturity of FVTOCI securities	(207,249)	(158,331)	(352,444)	(398,435)
Provision for expected credit losses on securities designated as FVTOCI	(121,801)	(8,498)	(86,209)	14,057
Expected credit losses recycled to the Profit or Loss Statement on sale and maturity of FVTOCI securities	-	(1,179)	-	(1,371)
	(329,050)	(168,008)	(438,653)	(385,749)
Items that will not be subsequently reclassified to profit or loss				
Owner-occupied properties (OOP):				
Unrealised losses on OOP	474,984	2,347,006	474,984	2,343,417
	474,984	2,347,006	474,984	2,343,417
Re-measurements of retirement benefits obligations	-	2,713,250	-	2,713,250
Total other income recognised directly in stockholders' equity, net of taxes	(586,927)	2,235,124	862,019	(6,547,358)
Total Comprehensive Income/ Losses	**3,914,173**	**(1,551,129)**	**11,083,998**	**(6,786,015)**
Attributable to:				
Stockholders' of the parent company	3,870,494	(3,232,922)	10,901,041	(8,455,654)
Non-controlling interests	43,679	1,681,793	182,957	1,669,639
	3,914,173	**(1,551,129)**	**11,083,998**	**(6,786,015)**

CONSOLIDATED INCOME STATEMENT

for the nine-months ended 30 September 2023
(Expressed in thousands of Jamaican dollars)

	Q3 2023 Unaudited	Q3 2022 Unaudited	September 2023 Year-to-date Unaudited	(Restated) September 2022 Year-to-date Unaudited
Insurance revenue	12,278,967	9,854,907	34,383,057	29,045,951
Insurance service expenses	(8,481,999)	(8,163,543)	(26,722,416)	(24,525,165)
Net expenses from reinsurance contracts held	(1,015,853)	(871,107)	(2,547,810)	(1,973,869)
INSURANCE SERVICE RESULT	**2,781,115**	**820,257**	**5,112,831**	**2,546,917**
NET INSURANCE FINANCE EXPENSE	**2,179,333**	**(2,123,560)**	**(16,811)**	**12,358,956**
Realized capital gains	473,027	278,121	850,842	909,210
Unrealized capital gains/(losses)	(3,336,637)	(6,325,341)	(2,325,287)	(24,104,804)
Net interest income	6,289,171	5,341,557	17,468,130	15,990,912
Credit impairment losses	(75,405)	(171,992)	(537,591)	(358,285)
NET INVESTMENT INCOME	**3,350,156**	**(877,655)**	**15,456,094**	**(7,562,967)**
NET INSURANCE AND INVESTMENT RESULT	**8,310,604**	**(2,180,958)**	**20,552,114**	**7,342,906**
Fees and other revenue	3,640,713	4,670,359	12,548,796	11,938,417
Hotel Revenue	-	-	-	4,659,436
Results from joint venture	79,727	6,033	82,273	349,726
Hotel Expense	-	-	-	(3,379,914)
Other operating expenses	(6,620,964)	(5,526,292)	(19,167,082)	(17,160,278)
Asset and other taxes	(5,060)	(5,534)	(905,911)	(888,624)
PROFIT BEFORE TAXES	**5,405,020**	**(3,036,392)**	**13,110,190**	**2,861,669**
Income taxes	(903,920)	(749,861)	(2,888,211)	(3,100,326)
NET INCOME	**4,501,100**	**(3,786,253)**	**10,221,979**	**(238,657)**
Non-controlling interests	(38,786)	(135,066)	(156,545)	(287,796)
SHAREHOLDERS' PROFIT/(LOSS)	**4,462,314**	**(3,921,319)**	**10,065,434**	**(526,453)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine-months ended 30 September 2023
(Expressed in thousands of Jamaican dollars)

	Share Capital	Equity Reserves	Retained Earnings	Shareholder's Equity	Non-controlling Interests Total	Total Equity Unaudited
Period ended December 31, 2022:						
Restated balance at 1 January 2023	**8,998,808**	**9,344,498**	**64,671,620**	**83,014,926**	**2,301,340**	**85,316,266**
Total comprehensive income for the period	-	835,607	10,065,434	10,901,041	182,957	11,083,998
Transactions with owners -						
Dividends declared	-	-	(4,787,734)	(4,787,734)	(127,920)	(4,915,654)
Treasury shares	18,606	-	-	18,606	-	18,606
Total transactions with owners	18,606	-	(4,787,734)	(4,769,128)	(127,920)	(4,897,048)
Transfer between reserves -						
From loan loss reserve	-	42,905	(42,905)	-	-	-
To retained earnings reserve	-	800,000	(800,000)	-	-	-
Transfers between retained earnings and reserves	-	842,905	(842,905)	-	-	-
Balance as at September 30, 2023	**9,017,414**	**11,023,010**	**69,106,415**	**89,146,839**	**2,356,377**	**91,503,216**
Restated balance at 1 January 2022	**8,816,093**	**16,584,881**	**60,089,736**	**85,490,710**	**20,164,727**	**105,655,437**
Total comprehensive (loss)/income for the period	-	(10,642,451)	2,186,797	(8,455,654)	1,669,639	(6,786,015)
Transactions with owners -						
Dividends declared	-	-	(6,257,999)	(6,257,999)	-	(6,257,999)
Disposal of shares in Xfund	-	(171,092)	295,668	124,576	1,465,923	1,590,499
Treasury shares	149,087	-	(37,775)	111,312	-	111,312
Windup of Jamziv	-	-	-	-	(20,988,916)	(20,988,916)
Total transactions with owners	149,087	(171,092)	(6,000,106)	(6,022,111)	(19,522,993)	(25,545,104)
Transfer between reserves -						
To special investment reserve	-	(31,049)	31,049	-	-	-
From loan loss reserve	-	(97,602)	97,602	-	-	-
To retained earnings reserve	-	584,958	(584,958)	-	-	-
Transfers between reserves	-	456,307	(456,307)	-	-	-
Balance as at September 30, 2022	**8,965,180**	**6,227,645**	**55,820,120**	**71,012,945**	**2,311,373**	**73,324,318**

CONSOLIDATED SEGMENTAL FINANCIAL INFORMATION

for the nine-months ended 30 September 2023
(Expressed in thousands of Jamaican dollars)

For the nine-months ended September 30, 2023	Long Term Insurance	Short Term Insurance	Commercial Banking	Investment Banking	Other including Consolidation Adjustments	Unaudited September 2023 Group
Operating results:						
Insurance revenue	13,202,355	21,180,702	-	-	-	34,383,057
Insurance service expenses	(9,375,393)	(17,347,023)	-	-	-	(26,722,416)
Net expense from reinsurance contracts	72,892	(2,620,702)	-	-	-	(2,547,810)
Insurance service results	**3,899,854**	**1,212,977**	**-**	**-**	**-**	**5,112,831**
Net insurance finance expense	(16,811)	-	-	-	-	(16,811)
Net investment income	4,619,156	704,770	7,525,921	2,057,265	548,982	15,456,094
Net Insurance and Investment Results	**8,502,199**	**1,917,747**	**7,525,921**	**2,057,265**	**548,982**	**20,552,114**
Fee and other revenue	(378,347)	84,453	6,555,925	1,414,047	4,872,718	12,548,796
Share of results of joint venture	-	82,273	-	-	-	82,273
Other operating expenses	13,435	(482,710)	(10,252,755)	(2,254,335)	(6,190,717)	(19,167,082)
Asset and other tax	(113,532)	(37,908)	(446,971)	(214,847)	(92,653)	(905,911)
Profit before taxation	**8,023,755**	**1,563,855**	**3,382,120**	**1,002,130**	**(861,670)**	**13,110,190**
Taxation	(1,302,201)	(136,856)	(1,244,133)	(200,595)	(4,426)	(2,888,211)
Net Profit	6,721,554	1,426,999	2,137,987	801,535	(866,096)	10,221,979
Attributable to:						
Stockholders of the parent company						10,065,434
Non-controlling interests						156,545
						10,221,979
Segment assets:	150,875,038	23,003,852	196,179,031	125,819,884	31,340,395	527,218,200
Unallocated assets						14,446,221
Total assets						541,664,421
Segment liabilities:	130,116,514	11,407,239	170,658,684	109,280,611	25,211,495	446,674,543
Unallocated liabilities						3,486,662
Total liabilities						450,161,205
Other Segment items:						
Capital expenditure: Computer software						98,960
Property, plant and equipment						423,214

Geographical information:	Jamaica	Cayman Islands	United States of America	Other	Total Group
Total assets	494,218,737	39,623,004	-	7,822,680	541,664,421

For the nine-months ended September 30, 2022	Long Term Insurance	Short Term Insurance	Commercial Banking	Investment Banking	Other including Consolidation Adjustments	Unaudited September 2022 Group
Operating results:						
Insurance revenue	10,874,506	18,171,445	-	-	-	29,045,951
Insurance service expenses	(7,200,970)	(17,324,195)	-	-	-	(24,525,165)
Net expense from reinsurance contracts	(174,745)	(1,799,124)	-	-	-	(1,973,869)
Insurance service results	**3,498,791**	**(951,874)**	**-**	**-**	**-**	**2,546,917**
Net insurance finance expense	12,358,956	-	-	-	-	12,358,956
Net investment income	(14,825,395)	143,649	6,899,111	2,454,244	(2,234,576)	(7,562,967)
Net Insurance and Investment Results	**1,032,352**	**(808,225)**	**6,899,111**	**2,454,244**	**(2,234,576)**	**7,342,906**
Fee and other revenue	1,690,639	71,838	5,758,309	1,458,114	2,959,517	11,938,417
Hotel Revenue					4,659,436	4,659,436
Share of results of joint venture	-	349,726	-	-	-	349,726
Hotel Expense					(3,379,914)	(3,379,914)
Other operating expenses	(53,810)	(313,932)	(8,609,979)	(1,933,753)	(6,248,804)	(17,160,278)
Asset and other tax	(117,845)	(38,656)	(404,804)	(242,547)	(84,772)	(888,624)
Profit before taxation	**2,551,336**	**(739,249)**	**3,642,637**	**1,736,058**	**(4,329,113)**	**2,861,669**
Taxation	(271,527)	(520,187)	(1,302,805)	(536,385)	(469,422)	(3,100,326)
Net Profit	2,279,809	(1,259,436)	2,339,832	1,199,673	(4,798,535)	(238,657)
Attributable to:						
Stockholders of the parent company						(526,453)
Non-controlling interests						287,796
						(238,657)
Segment assets:	123,922,979	18,543,916	186,528,170	115,236,760	39,762,660	483,994,485
Unallocated assets						15,960,583
Total assets						499,955,068
Segment liabilities:	106,965,279	21,465,197	163,882,700	100,424,417	30,359,054	423,096,647
Unallocated liabilities						3,534,103
Total liabilities						426,630,750
Other Segment items:						
Capital expenditure: Computer software						461,111
Property, plant and equipment						727,106

Geographical information:	Jamaica	Cayman Islands	United States of America	Other	Total Group
Total assets	425,781,848	53,336,480	14,192,927	6,643,813	499,955,068

CONSOLIDATED STATEMENT OF CASH FLOWS

for the nine-months ended 30 September 2023
(Expressed in thousands of Jamaican dollars)

	September 2023 Year-to-date Unaudited	(Restated) September 2022 Year-to-date Unaudited
Cash Flows from Operating Activities:		
Net Profit	**10,221,979**	**(238,657)**
Adjustments for:		
Items not affecting cash and changes to policyholders' funds:		
Adjustments for non-cash items, interest and dividends	(6,930,026)	1,498,484
Changes in other operating assets and liabilities	(5,512,906)	(1,475,460)
Net Investment purchases	(16,026,275)	(38,017,492)
Interest and dividends received	23,637,733	19,913,370
Interest paid	(6,150,798)	(4,036,535)
Income taxes paid	(6,292,271)	(5,115,353)
Net cash used in operating activities	**(7,052,564)**	**(27,471,643)**
Cash Flows from Investing Activities:		
Proceeds from purchase of investment property, net	232,492	(200,788)
Purchase of property, plant and equipment, net	(423,214)	(727,106)
Purchase of intangible assets, net	(98,960)	(461,111)
Proceeds from sale of associate	-	1,732,007
Net cash used in investing activities	**(289,682)**	**343,002**
Cash Flows from Financing activities:		
Deposits and securities liabilities	12,452,430	14,782,459
Changes in ownership of subsidiary- X Fund	-	1,590,499
Net cash on purchase of subsidiary	-	(803,299)
Loan payable	-	(153,573)
Lease repayment	(522,613)	(475,644)
Disposal/(Purchase) of treasury shares, net	18,603	111,311
Dividends paid to non-controlling interests	(127,920)	-
Dividends paid to stockholders	(2,812,057)	(4,148,956)
Net cash generated from financing activities	**9,008,443**	**10,902,797**
Cash and cash equivalents:		
Effect of exchange rate on cash and cash equivalents	505,913	(693,076)
Increase/(Decrease) in cash and cash equivalents	2,172,110	(16,918,920)
Cash and cash equivalents at beginning of year	42,942,105	51,884,096
Cash and cash equivalents at end of period	**45,114,215**	**34,965,176**
Comprising:		
Balances with Banks	17,880,076	21,242,863
Short - Term Deposits	17,485,503	3,224,884
USA Government Treasury Bills and Short-Term Bonds	7,523,644	8,186,694
Securities purchased under resale agreements	2,224,992	2,459,530
Bank overdraft	-	(148,795)
	45,114,215	**34,965,176**

RESTATEMENT OF EQUITY

(Expressed in thousands of Jamaican dollars)

As at January 1, 2023	As previously reported under IFRS 4	IFRS 17 adjustments	IFRS 9 adjustments	Restated under IFRS 17
	December 31, 2022			January 1, 2023
ASSETS:				
Financial investments	427,993,762	(985,278)	6,061,607	433,070,091
Premiums due	4,887,437	(4,887,437)	-	-
Reinsurance contract assets	4,072,339	(2,250,498)	-	1,821,841
Deferred income taxes	4,021,850	-	(110,553)	3,911,297
Due from sales representatives	1,707,088	(1,063,035)		644,053
Other assets	76,496,406	-	-	76,496,406
TOTAL ASSETS	**519,178,882**	**(9,186,248)**	**5,951,054**	**515,943,688**
STOCKHOLDERS' EQUITY AND LIABILITIES:				
Equity attributable to:				
Stockholders' of the parent company				
Share capital	8,998,808	-	-	8,998,808
Equity reserves	4,055,129	(1,277,279)	6,566,648	9,344,498
Retained earnings	100,816,939	(35,529,725)	(615,594)	64,671,620
	113,870,876	(36,807,004)	5,951,054	83,014,926
Non-controlling interests	2,052,493	248,847	-	2,301,340
Total Equity	115,923,369	(36,558,157)	5,951,054	85,316,266
Liabilities				
Insurance contracts liabilities	-	135,956,142	-	135,956,142
Life and health insurance contracts liabilities	92,248,682	(92,248,682)	-	-
Property and casualty insurance contracts and	13,379,310	(13,379,310)	-	-
Unearned reinsurance commissions	854,280	(854,280)	-	-
Reinsurance contract liabilities	1,654,674	(1,486,358)	-	168,316
Due to brokers and agents	998,260	(993,781)	-	4,479
Other liabilities	294,120,307	378,178	-	294,498,485
Total Liabilities	403,255,513	27,371,909	-	430,627,422
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	**519,178,882**	**(9,186,248)**	**5,951,054**	**515,943,688**

As at January 1, 2022	As previously reported under IFRS 4	IFRS 17 adjustments	IFRS 9 adjustments	Restated under IFRS 17
	December 31, 2021			January 1, 2022
ASSETS:				
Financial investments	429,271,352	(1,007,287)	16,104,063	444,368,128
Premiums due	4,419,045	(4,419,045)	-	-
Reinsurance contract assets	3,689,080	(1,687,933)	-	2,001,147
Deferred income taxes	1,980,237	-	(430,017)	1,550,220
Due from sales representatives	2,263,676	(1,315,138)	-	948,538
Other assets	86,367,314	-	-	86,367,314
TOTAL ASSETS	**527,990,704**	**(8,429,403)**	**15,674,046**	**535,235,347**
STOCKHOLDERS' EQUITY AND LIABILITIES:				
Equity attributable to:				
Stockholders' of the parent company				
Share capital	8,816,093	-	-	8,816,093
Equity reserves	17,163,717	(235,055)	(343,781)	16,584,881
Retained earnings	88,843,812	(44,771,903)	16,017,827	60,089,736
	114,823,622	(45,006,958)	15,674,046	85,490,710
Non-controlling interests	19,956,091	208,636	-	20,164,727
Total Equity	134,779,713	(44,798,322)	15,674,046	105,655,437
Liabilities				
Insurance contracts liabilities	-	149,791,729	-	149,791,729
Life and health insurance contracts liabilities	97,996,749	(97,996,749)	-	-
Property and casualty insurance contracts and	13,151,747	(13,151,747)	-	-
Unearned reinsurance commissions	763,848	(763,848)	-	-
Reinsurance contract liabilities	1,653,153	(689,165)	-	963,988
Due to brokers and agents	1,594,398	(1,051,878)	-	542,520
Other liabilities	278,051,096	230,577	-	278,281,673
Total Liabilities	393,210,991	36,368,919	-	429,579,910
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	**527,990,704**	**(8,429,403)**	**15,674,046**	**535,235,347**

Explanatory Notes

1. Identification and Principal Activities

Sagicor Group Jamaica Limited (SGJ, the company) is incorporated and domiciled in Jamaica and is listed on the Jamaica Stock Exchange. It is 32.45% (2021 – 32.45%) owned by LOJ Holdings Limited (LOJH) which is also incorporated and domiciled in Jamaica and 16.66% owned by Sagicor Life Inc. (SLI) which is domiciled in Barbados. Both LOJH and SLI are wholly owned by Sagicor Financial Company Limited (Sagicor), the ultimate parent company, which is incorporated and domiciled in Bermuda. Sagicor has an overall interest of 49.11% (2021 – 49.11%) in the company. The other significant shareholder in SGJ is PanJam Investment Limited with a 30.21% (2021 – 30.21%) holding.

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

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

2. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”, unless otherwise noted. The condensed consolidated interim financial statements should be read in conjunction with the accounting policies as set out in Note 2 of the audited financial statements for the year ended 31 December 2022.

3. Accounting estimates and judgements

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.

4. Changes in significant accounting policies

The Group has initially applied IFRS 17 and IFRS 9, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. As a result, the Group has restated certain comparative amounts and presented a statement of financial position as at 1 January 2022.

IFRS 17 - Insurance Contracts.

IFRS 17 became effective on January 1, 2023 and brings significant changes to the accounting for insurance and reinsurance contracts. The Group has restated the comparative periods in accordance with IFRS 17.

The standard introduces three measurement approaches that will be used to measure insurance contracts: the General Measurement Model (GMM), Variable Fee approach (VFA) and Premium Allocation approach (PAA). These are summarised as follows:

- GMM measures groups of insurance contracts based on estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts. An explicit risk adjustment is applied that reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk. The Contractual Service Margin (CSM) is a component of the carrying amount of the asset or liability for a group of insurance contracts that represents the unearned profit that the Group will recognise as obligations are fulfilled under the insurance contracts..

At initial recognition, the positive CSM on a group of insurance contracts is recorded as a liability and is subsequently amortised to future income. When the calculation of present value of expected future cash flows results in a net cash outflow, the insurance contracts are classified as “Onerous” and the negative CSM is immediately recognised in income.

- The VFA applies to insurance contracts issued with direct participation features, which are substantially investment-related service contracts under which the policyholder is promised an investment return based on underlying items, such as segregated funds and certain participating insurance contracts. The key difference between the VFA and the GMM is only evident at subsequent measurement, the transitional and at inception CSM is the same under both models. This difference is the ability to bring economic movements into the CSM each period as compared to income under the GMM..
- PAA is applied to short duration contracts where the policy’s contract boundary is one year or less. Under PAA, insurance contract results are measured .

Measurement Model	Contracts Issued
General Measurement Model	• Traditional Life contracts • Universal Life contracts • Living Benefits • Single Premium Health and Creditor ILfe • Annuities
Variable Fee Approach	• Universal LIfe contract with direct participating features • Variable Endowments with direct participating features
Premium Allocation Approach	• Group Life and Health contracts • General Insurance- Accident, Liability, Marine, Property, Motor

The Group uses different measurement approaches, depending on the portfolio of contract issued, as follows:

For underlying direct insurance contracts measured under GMM or VFA, the corresponding reinsurance contract portfolios are measured using GMM. For underlying direct insurance contracts measured under PAA, the corresponding reinsurance contract portfolios are measured using PAA.

IFRS 9 Financial Instruments

IFRS 17 allows a change in election of IFRS 9 accounting treatment for assets supporting liabilities. The Group has elected to designate these financial assets, previously held at amortised cost and fair value through OCI (FVTOCI), as Fair Value through Profit and Loss (FVTPL). IFRS 9 – Financial instruments (“IFRS 9”) was previously implemented by the Group on January 1, 2018. The Group has restated prior periods to reflect changes in designation of its financial assets held in respect of activities connected with contracts within the scope of IFRS 17 effective January 1, 2022. The group recognised the difference between the previous carrying amount of those financial assets and the carrying amounts of those financial assets at 1 January 2022 by an adjustment to Retained Earnings.

Transition

The Group adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was mostly applied to the insurance contracts in force at the transition date that were originated less than 3-5 years prior to transition. Where the full retrospective approach was determined to be impracticable, the fair value approach was applied.

The effects of adopting IFRS 17 on the consolidated financial statements at January 1, 2022 are presented in the statement of changes in equity.