

CHAIRMAN'S REVIEW

The Sagicor Group recorded a solid performance for the first three months to March 31, 2017. Group net income was US \$23.4 million for the period, compared to the prior year result of US \$22.3 million.

Net income attributable to shareholders was US \$13.3 million, compared to the prior year result of US \$13.9 million. Earnings per common share was US 4.4 cents, compared to the prior year result of US 4.6 cents.

Total revenue amounted to US \$282.5 million, compared to US \$264.4 million for the corresponding period in 2016, an increase of US \$18.1 million. Net premium revenue stood at US \$167.7 million, and exceeded the prior year amount of US \$157.3 million, an increase of US \$10.4 million. Net investment income and other income closed at US \$114.8 million and exceeded the prior year amount of US \$107.0 million.

Benefits closed at US \$137.2 million for the period, compared to US \$134.0 million for the previous year, a marginal increase of US \$3.2 million.

Expenses amounted to US \$115.1 million, compared to US \$101.4 million for the same period in the prior year. Higher administration costs were incurred as a result of the expansion of cards and payments business in our Jamaica segment, along with the incurrence of some non-recurring costs also relating to our Jamaica segment.

Total comprehensive income closed the period at US \$28.6 million, compared to US \$19.9 million for the same period in the prior year. Included in comprehensive income were net gains on financial assets of US \$7.9 million. Retranslation losses amounted to US \$0.7 million, compared to US \$6.4 million reported in the prior year, and resulted from

declines in the Jamaica dollar and the Trinidad dollar, when compared to the United States dollar.

In the statement of financial position as at March 31, 2017, assets amounted to US \$6.6 billion, and liabilities totalled US \$5.8 billion. Sagicor's Group equity totalled US \$817.7 million. The Group's debt, which is included in other liabilities, was US \$405.3 million. The debt to capital ratio was 33.1%.

On behalf of the Board of Sagicor, I wish to thank our Shareholders and Customers for their continued support.



Stephen McNamara
Chairman
May 11, 2017

FINANCIAL HIGHLIGHTS <i>(in US currency except percentages)</i>	Three months ended MARCH 31	
	2017	2016
Total revenue	\$282.5m	\$264.4m
Overall Group net income	\$23.4m	\$22.3m
Overall Shareholders' net income	\$13.3m	\$13.9m
Net income allocated to non-controlling interests	\$10.4m	\$8.1m
Total equity	\$817.7m	\$747.0m
Ratio of Debt to Capital (2016 adjusted for the redemption of preference shares)	33.1%	33.9%
Earnings per common share	4.4¢	4.6¢
Annualised return on common shareholders' equity	9.9%	11.1%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

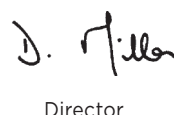
Amounts expressed in US \$000

	March 31 2017 (unaudited)	March 31 2016 (unaudited)	December 31 2016 (audited)
ASSETS			
Financial investments	4,908,430	4,877,964	4,813,748
Other investments and assets	1,682,122	1,641,887	1,718,172
Assets of discontinued operation	-	485	-
Total assets	6,590,552	6,520,336	6,531,920
LIABILITIES			
Policy liabilities	3,395,130	3,224,834	3,361,060
Other liabilities	2,377,758	2,548,533	2,375,446
Total liabilities	5,772,888	5,773,367	5,736,506
EQUITY			
Shareholders' equity	547,028	518,706	536,149
Participating accounts	723	1,498	1,291
Non-controlling interests	269,913	226,765	257,974
Total equity	817,664	746,969	795,414
Total liabilities and equity	6,590,552	6,520,336	6,531,920

These financial statements have been approved for issue by the Board of Directors on May 11, 2017.



Director



Director

CONSOLIDATED STATEMENT OF INCOME
Amounts expressed in US \$000

	Three months to March 31	
	2017	2016
	(unaudited)	(unaudited)
REVENUE		
Net premium revenue	167,669	157,334
Net investment and other income	114,839	107,045
Total revenue	282,508	264,379
BENEFITS AND EXPENSES		
Benefits	137,180	133,972
Expenses	115,082	101,440
Total benefits and expenses	252,262	235,412
INCOME BEFORE TAXES	30,246	28,967
Income taxes	(6,872)	(8,601)
NET INCOME FROM CONTINUING OPERATIONS	23,374	20,366
Net income from discontinued operation	-	1,897
NET INCOME FOR THE PERIOD	23,374	22,263
NET INCOME ATTRIBUTABLE TO:		
Common Shareholders		
From continuing operations	13,256	11,954
From discontinued operation	-	1,897
	13,256	13,851
Participating policyholders	(289)	273
Non-controlling interests	10,407	8,139
	23,374	22,263
Basic earnings per common share:		
From continuing operations	4.4 cents	3.9 cents
From discontinued operation	0.0 cents	0.7 cents
	4.4 cents	4.6 cents
Fully diluted earnings per common share:		
From continuing operations	4.3 cents	3.8 cents
From discontinued operation	0.0 cents	0.5 cents
	4.3 cents	4.3 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Amounts expressed in US \$000

	Three months to March 31	
	2017	2016
	(unaudited)	(unaudited)
NET INCOME FOR THE PERIOD	23,374	22,263
Items net of tax that may be reclassified subsequently to income:		
Available for sale financial assets:		
Unrealised gains arising on revaluation	7,949	12,256
Losses / (gains) transferred to income	4,466	(1,628)
Net change in actuarial liabilities	(8,595)	(6,576)
Retranslation of foreign currency operations	(693)	(6,388)
	3,127	(2,336)
Items net of tax that will not be reclassified subsequently to income:		
Unrealised (losses) arising on revaluation of owner occupied property	(26)	-
Gains on defined benefit plans	2,133	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	5,234	(2,336)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	28,608	19,927
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Common Shareholders		
From continuing operations	17,184	10,301
From discontinued operation	-	1,897
	17,184	12,198
Participating policyholders	(514)	171
Non-controlling interests	11,938	7,558
	28,608	19,927

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Amounts expressed in US \$000

(unaudited)	Share Capital	Share Premium	Reserves	Retained Earnings	Participating Accounts	Non-controlling Interest	Total
Three months to March 31, 2017:							
Balance, beginning of period	3,029	297,050	(64,795)	300,865	1,291	257,974	795,414
Total comprehensive income from continuing operations	-	-	1,795	15,389	(514)	11,938	28,608
Transactions with holders of equity instruments:							
Movements in treasury shares	2	225	-	-	-	-	227
Changes in reserve for equity compensation benefits	-	-	1,099	-	-	-	1,099
Dividends declared	-	-	-	(7,576)	-	-	(7,576)
Transfers and other movements	-	-	438	(493)	(54)	1	(108)
Balance, end of period	3,031	297,275	(61,463)	308,185	723	269,913	817,664
Three months to March 31, 2016:							
Balance, beginning of period	299,320	-	(59,688)	266,414	1,383	231,735	739,164
Total comprehensive income from continuing operations	-	-	(1,653)	11,954	171	7,558	18,030
Total comprehensive income from discontinued operation	-	-	-	1,897	-	-	1,897
Transactions with holders of equity instruments:							
Movements in treasury shares	422	-	-	-	-	-	422
Changes in reserve for equity compensation benefits	-	-	153	-	-	-	153
Dividends declared	-	-	-	-	-	(10,853)	(10,853)
Transfers and other movements	-	-	(208)	95	(56)	(1,675)	(1,844)
Balance, end of period	299,742	-	(61,396)	280,360	1,498	226,765	746,969

CONSOLIDATED STATEMENT OF CASH FLOWS
Amounts expressed in US \$000

	Three months to March 31	
	2017	2016
	(unaudited)	(unaudited)
CASH FLOWS		
Operating activities:		
Cash from income, interest and taxation	5,510	12,166
Net increase in investments and operating assets	(56,111)	(73,860)
Net change in operating liabilities	19,083	118,860
	(31,518)	57,166
Investing activities	(7,861)	(3,415)
Financing activities	15,652	29,217
Effects of exchange rate changes	897	(1,757)
Net change in cash and cash equivalents - continuing operations	(22,830)	81,211
Net change in cash and cash equivalents - discontinued operation	-	(44,613)
Cash and cash equivalents, beginning of period	312,106	384,879
Cash and cash equivalents, end of period	289,276	421,477

STATEMENT OF INCOME BY SEGMENT

Amounts expressed in US \$000

	Three months to March 31, 2017					Total
	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head Office and other	Inter-segment eliminations	
(unaudited)						
Total revenue	101,839	130,218	39,040	24,015	(12,604)	282,508
Total benefits and expenses	86,795	107,414	33,026	20,486	4,541	252,262
INCOME BEFORE TAXES	15,044	22,804	6,014	3,529	(17,145)	30,246
Income taxes	(2,048)	(2,551)	(2,105)	(163)	(5)	(6,872)
NET INCOME FROM CONTINUING OPERATIONS	12,996	20,253	3,909	3,366	(17,150)	23,374
Net income / (loss) attributable to shareholders from continuing operations	13,285	9,948	3,909	(5,000)	(8,886)	13,256
Total Comprehensive income / (loss) attributable to shareholders from continuing operations	15,445	11,390	6,158	(5,396)	(10,413)	17,184
	Three months to March 31, 2016					
	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head Office and other	Inter-segment eliminations	Total
NET INCOME FROM CONTINUING OPERATIONS	17,052	15,735	2,975	2,534	(17,930)	20,366
Net income / (loss) attributable to shareholders from continuing operations	16,779	7,730	2,975	(7,848)	(7,682)	11,954
Total Comprehensive income / (loss) attributable to shareholders from continuing operations	14,686	7,053	4,168	(7,876)	(7,730)	10,301

STATEMENT OF FINANCIAL POSITION BY SEGMENT

Amounts expressed in US \$000

	March 31, 2017					Total
	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head Office and other	Inter-segment eliminations	
(unaudited)						
Total assets	1,935,331	2,653,171	1,996,426	366,645	(361,021)	6,590,552
Total liabilities	1,402,934	2,179,957	1,771,558	779,460	(361,021)	5,772,888
Net assets	532,397	473,214	224,868	(412,815)	-	817,664
	March 31, 2016					
	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head Office and other	Inter-segment eliminations	Total
Net assets	534,247	388,932	209,402	(385,612)	-	746,969

PRODUCTS AND SERVICES

Total external revenues relating to the Group's products and services are summarised as follows:

Amounts expressed in US \$000

	Three months to March 31	
	2017 (unaudited)	2016 (unaudited)
Life, health and annuity insurance contracts issued to individuals	158,034	146,277
Life, health and annuity insurance and pension administration contracts issued to groups	67,459	65,283
Property and casualty insurance	9,430	8,270
Banking, investment management and other financial services	38,867	35,867
Other revenues	8,718	8,682
	282,508	264,379

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting policies set out in note 2 of the December 31, 2016 audited financial statements.