

Bulletin:

Sagicor Financial Co. Plans An Add-On To Its Senior Unsecured Notes

December 7, 2021

MEXICO CITY (S&P Global Ratings) Dec. 7, 2021--S&P Global Ratings said today that Sagicor Financial Co. Ltd.'s (SFC; BB+/Stable/--) proposal to reopen its 5.3% senior unsecured notes due 2028 will increase its leverage, but won't affect our ratings on the issuer or the notes. The insurance group will mainly use the additional proceeds to continue financing growth opportunities in the next few years, mostly in the U.S., and will use the rest for general corporate purposes. Following the reopening, leverage will increase, but we believe the group's solid and growing earnings will allow it to service its debt comfortably.

The rating on the notes after the reopening will remain the same as the rating on its issuing entity, SFC, because of the notes' seniority. We rate SFC two notches below our group credit profile (GCP; 'bbb') on the Sagicor group because of the holding company's structural subordination to the policyholder obligations of the group's operating companies. SFC is the ultimate parent at the top of the Sagicor group's structure.

We expect the Sagicor group's creditworthiness to remain stable in the next few years. The 'bbb' GCP reflects its strong competitive position, well-diversified income sources, and satisfactory earnings prospects. In addition, we expect the group to retain solid capitalization and manageable debt in 2022-2023.

This report does not constitute a rating action.

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