

This news release for Sagicor Financial Company Ltd. (“Sagicor” or the “Company”) should be read in conjunction with the Company’s Management’s Discussion & Analysis (“MD&A”) and the Consolidated Financial Statements for the period ended September 30, 2023. These documents are available on Sagicor’s website, at www.sagicor.com, under the heading “Financials and Filings”, and under Sagicor’s profile at www.sedarplus.ca. This news release presents non-IFRS measures used by Sagicor in evaluating its results and measuring its performance. These non-IFRS measures are not standardized financial measures, are not included in the Consolidated Financial Statements, and may not be comparable to similar financial measures used by other companies. They include return on shareholders’ equity, book value per share, debt to capital ratio, total capital, revenues, contractual service margin, Minimum Continuing Capital and Surplus Requirement ratio, and core earnings. See the “Non-IFRS Measures” section in this document for relevant information about such measures.

Sagicor Financial Company Ltd. Reports Third Quarter 2023 Results

Toronto and Barbados (November 13, 2023) – Sagicor Financial Company Ltd. (TSX: SFC), a leading financial services provider in the Caribbean and Canada, with a growing presence in the U.S., today announced its results for the third quarter ended September 30, 2023. All figures are in US\$ unless otherwise stated.

Q3 Highlights

- **Revenues⁽¹⁾** of \$291.2 million
- **Insurance revenue** of \$181.3 million
- **Net insurance and investment result** of \$97.9 million
- **Net loss to shareholders** of \$3.5 million
- **Estimated core earnings to shareholders⁽¹⁾** of \$9.0 million
- **Total comprehensive loss to shareholders** of \$11.0 million
- **New business CSM⁽¹⁾** of \$25.7 million
- **Total net CSM⁽¹⁾** of \$698.6 million
- **Shareholders’ equity and net CSM to shareholders⁽¹⁾** of \$1.0 billion
- **MCCSR ratio⁽¹⁾** of 259%
- **Dividend of US\$0.05625 per common share** to be paid during the fourth quarter of 2023 (US\$0.225 annualised dividend)

Andre Mousseau, President and Chief Executive Officer, said:

“We are pleased to have delivered another solid quarter in Q3. Our estimated core earnings to shareholders⁽¹⁾ of \$9 million were slightly below our forecasts and included some adverse experience in the quarter. Our net loss to shareholders of \$3.5 million included one-time costs relating to IFRS 17 and our ivari acquisition, non-cash accounting charges associated with rising interest rates, and the results of our annual review of our actuarial assumptions. We believe our year-to-date net income to shareholders of \$47 million through nine months represents a more accurate approximation of our earning power of our prior legacy business.”

“We are particularly pleased to have been able to close the acquisition of ivari in the beginning of the fourth quarter. The immediate debt ratings upgrades validated our improved asset base and stronger overall financial position. Further, the rise in interest rates in the third quarter had a positive effect on ivari’s embedded profitability, which will result in a book value gain at or above the high end of our initial estimates. These higher interest rates are also making the fundamental economics of our new business more attractive than they have been in recent years. We are excited about our growth prospects going forward and we look forward to filing our business acquisition report, which will detail our pro-forma financials, in December.”

¹Represents a non-IFRS measure. See the Non-IFRS Measures section in this document and in our MD&A for relevant information about such measures.

Overall Sagicor Group – Quarterly Highlights

In Q3 2023 Sagicor continued momentum in new business production while navigating rising interest rates and some continued adverse experience. Each of our segments delivered strong insurance revenue and new business CSM. Sagicor’s Q3 2023 net loss to shareholders of \$3.5 million was primarily caused by changes in actuarial assumptions as part of Sagicor’s annual review and other one-time charges and expenses. Sagicor remains well capitalized with an MCCR ratio⁽¹⁾ for its insurance businesses of 259% and a debt to capital ratio⁽¹⁾ of 31.0%.

Sagicor intends to disclose a drivers of earnings analysis and adopt a non-IFRS core earnings measure in future quarters. Sagicor believes this will support users’ understanding of the underlying financial performance and the long-term performance and valuation of the business. We estimate core earnings to shareholders⁽¹⁾ under the currently proposed definition for Q3 2023 to be \$9.0 million which excludes \$12.5 million of adjustments from net loss to shareholders. The adjustments in the third quarter consist of \$2.4 million of market experience gains, \$10.3 million in losses from changes in actuarial methods and assumptions, \$3.8 million in one-time costs from IFRS 17 implementation and the ivari acquisition, and \$3.0 million of other loss adjustments partially offset by \$2.2 million of the tax effects of the foregoing.

Consolidated Highlights

Profitability (US\$ millions) ⁽²⁾	Q3 2023	Restated Q3 2022	Change Y/Y	YTD 2023	Restated YTD 2022	Change Y/Y
Net income (loss) to shareholders	(3.5)	(74.1)	95%	46.7	(236.3)	n.m. ⁽³⁾
Annualized return on shareholders' equity ⁽¹⁾ (%)	(3.1%)	n.m. ⁽³⁾	n.m. ⁽³⁾	14.3%	n.m. ⁽³⁾	n.m. ⁽³⁾
New Business CSM ⁽¹⁾	25.7	54.3	(53%)	102.3	147.3	(31%)

Financial Strength (US\$ millions)	Q3 2023	Q2 2023	Change Q/Q
Shareholders' equity	442.5	462.5	(4%)
Net CSM to shareholders ⁽¹⁾	558.9	573.4	(3%)
Shareholders' equity and net CSM to Shareholders ⁽¹⁾	1,001.4	1,035.9	(3%)
Total net CSM ⁽¹⁾	698.6	697.1	0%
Book value per share ⁽¹⁾ (US\$ per share)	\$3.12	\$3.24	(4%)
MCCR ratio ⁽¹⁾	259%	286%	(27 pts)
Debt to capital ratio ⁽¹⁾	31.0%	30.4%	0.6 pts

¹Represents a non-IFRS measure. See the Non-IFRS Measures section in this document and in our MD&A for relevant information about such measures.

²Prior period amounts were restated to conform to current period presentation.

³Not meaningful.

ivari Update and Outlook

On October 3, 2023, as previously announced, Sagicor completed the acquisition of ivari. Sagicor's results for the three- and nine-month periods ending September 30, 2023, do not reflect contributions from ivari, other than certain transaction costs that have been expensed or capitalized in connection with the acquisition. Starting in Q4 2023, Sagicor's consolidated financial results will include ivari's results as a new operating segment.

Sagicor is commenting on its preliminary guidance and anticipated pro-forma impacts of the ivari transaction as disclosed in previous press releases. All IFRS 17 financial information is unaudited, provided for informational purposes only, and is pro-forma and forward-looking in nature. It is not necessarily indicative of what Sagicor's or ivari's results of operations would have been had Sagicor or ivari reported under IFRS 17 as of January 1, 2022. The impact accounts for the acquisition of ivari with a close date of October 3, 2023, and it is expected to have the following pro-forma impacts:

- Sagicor's current Q3 2023 shareholders' equity of \$443 million would increase primarily by the bargain purchase gain (negative goodwill) created by the purchase price being lower than ivari's adjusted net assets acquired. Pro-forma we expect shareholders' equity will be at or above the high end of our previous guidance of \$650 to \$725 million;
- Sagicor's current Q3 2023 net CSM to shareholders⁽¹⁾ is \$559 million and pro-forma we expect net CSM to shareholders will be approximately \$1.1 to \$1.3 billion;
- Sagicor's current Q3 2023 shareholders' equity and net CSM to shareholders capital is \$1.0 billion and pro-forma we expect shareholders' equity and net CSM to shareholders capital will be at or above the high end of the previous guidance of approximately \$1.8 to \$2.0 billion;
- Sagicor's standalone 2024 return on shareholders' equity⁽¹⁾ is expected to be approximately 14 to 16%, and pro-forma the ivari acquisition is expected to be at the low range of the previous guidance of 14 to 16%, largely reflecting the increase in pro-forma shareholders' equity rising more than our increase in forward earnings;
- Beyond 2024 the pro-forma company will target high single-digit net CSM to shareholders⁽¹⁾ growth and double-digit net income to shareholders growth;
- ivari is expected to be accretive on a book value and earnings basis; and
- The debt to capital (including total net CSM)⁽¹⁾ ratio of 31.0% as at Q3 2023 is expected to be neutral or better pro-forma the acquisition.

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Business Segment Performance

Sagicor has three main reporting operating segments: Sagicor Life (which includes the southern Caribbean), Sagicor Jamaica (of which the Company owns 49.1% and which is consolidated by the Company), and Sagicor Life USA.

Performance (US\$ millions) ⁽¹⁾	Q3 2023	Restated Q3 2022	Change Y/Y	YTD 2023	Restated YTD 2022	Change Y/Y
Revenues⁽²⁾						
Sagicor Life	108.9	95.7	14%	326.1	278.8	17%
Sagicor Jamaica	138.1	103.3	34%	449.7	274.0	64%
Sagicor Life USA	52.6	(92.8)	>100%	259.5	(399.4)	>100%
Head office ⁽³⁾	(8.4)	(3.3)	(>100%)	(12.9)	(31.5)	59%
Total	291.2	102.9	>100%	1,022.4	121.9	>100%
Insurance Revenue						
Sagicor Life	76.4	71.6	7%	223.2	213.8	4%
Sagicor Jamaica	79.7	65.1	22%	224.6	189.3	19%
Sagicor Life USA	25.1	15.6	61%	65.6	47.6	38%
Head office ⁽³⁾	-	-	-	-	-	-
Total	181.3	152.2	19%	513.4	450.7	14%
Net Income / (Loss) to Shareholders						
Sagicor Life	3.6	(10.9)	>100%	17.4	(9.7)	>100%
Sagicor Jamaica	14.2	(12.5)	>100%	32.3	(1.7)	>100%
Sagicor Life USA	5.1	(26.6)	>100%	64.1	(137.4)	>100%
Head office ⁽³⁾	(26.4)	(24.1)	(10%)	(67.1)	(87.5)	23%
Total	(3.5)	(74.1)	95%	46.7	(236.3)	>100%
New Business CSM⁽²⁾						
Sagicor Life	12.0	10.5	14%	38.0	33.0	15%
Sagicor Jamaica	8.3	8.5	(2%)	24.6	24.8	(1%)
Sagicor Life USA	5.3	35.3	(85%)	39.6	89.5	(56%)
Head office ⁽³⁾	-	-	-	-	-	-
Total	25.7	54.3	(53%)	102.2	147.3	(31%)

¹ Prior period amounts were restated to conform to current period presentation.

² Represents a non-IFRS measure. See the Non-IFRS Measures section in this document and in our MD&A for relevant information about such measures.

³ Head office includes parent company financing costs, administrative expenses, the interest in Playa Hotels and Resorts, other operating companies, adjustments, and other.

Business Segment - Quarterly Highlights

Sagicor Life

- Sagicor Life saw growth in insurance revenue that was offset by an increase in total insurance expenses. General growth in the insurance portfolio was impacted by higher claims and cost inflation in the property and casualty and employee benefits businesses.
- Effect of our annual review of assumptions was a \$1.3 million positive contribution to pre-tax net income to shareholders and a \$6.2 million negative contribution to total net CSM.
- Net income to shareholders was \$3.6 million, below target due to negative experience.
- Total net CSM⁽¹⁾ was \$245.1 million, neutral Q/Q largely due to new business CSM⁽¹⁾ of \$12.0 million during the quarter offset by negative lapse and persistency experience.

Sagicor Jamaica

- Sagicor Jamaica had solid production in the long-term life business as well as strong results in its short-term insurance businesses, largely as a result of increased premium rates. The segment continued to benefit from an improved Jamaican economy.
- Effect of our annual review of assumptions was no change to pre-tax net income to shareholders and a \$30.1 million positive contribution to total net CSM.
- Sagicor's share of Sagicor Jamaica's net income to shareholders was \$14.2 million.
- Total net CSM⁽¹⁾ was \$274.4 million which grew Q/Q due to new business CSM⁽¹⁾ of \$8.3 million and reflected favorable critical illness experience.

Sagicor Life USA

- Sagicor Life USA's new business production⁽¹⁾ of \$172.1 million was robust in a favorable interest rate environment for new business.
- Effect of our annual review of assumptions was an \$11.6 million negative contribution to pre-tax net income to shareholders and a \$30.0 million negative contribution to total net CSM reflecting actions taken in reaction to rising interest rates.
- Net income to shareholders, including the effects of assumption changes, was of \$5.1 million.
- Total net CSM⁽¹⁾ was \$178.7 million, a decrease Q/Q primarily due to the impact of actuarial assumptions and management actions which more than offset robust new business CSM.

Head Office, Other, and Adjustments

- Net loss to shareholders of \$26.4 million.

Dividends

On November 9, 2023, the Board of Directors of Sagicor Financial Company Ltd. approved and declared a quarterly dividend of US\$0.05625 per common share. This quarterly dividend will be paid on December 13, 2023, to shareholders of record at the close of business on November 22, 2023. This will be the sixteenth consecutive dividend payment Sagicor paid to its shareholders since becoming listing on the Toronto Stock Exchange.

¹Represents a non-IFRS measure. See the Non-IFRS Measures section in this document and in our MD&A for relevant information about such measures.

ivari Acquisition

On October 3, 2023, Sagicor announced the completion of its previously announced acquisition of ivari from Wilton Re Ltd. The purchase price of approximately US\$271 million was funded by a new US\$320 million senior secured term loan facility with a syndicate of international and Canadian banks. The Company expects to file a Business Acquisition Report on SEDAR+, including pro-forma financial statements, on or before December 17, 2023.

Credit Rating Upgrades

On October 5, 2023, Sagicor announced that S&P Global Ratings ("S&P") and Fitch Ratings ("Fitch") had both upgraded the Company.

S&P upgraded its Issuer Credit Rating (ICR) on the Company to 'BBB' from 'BB+'. S&P also raised the issue-level rating on Sagicor's senior unsecured notes to 'BBB' from 'BB+'. As well, the Group Credit Profile (GCP) was revised upward to 'a-' from 'bbb'. The outlook is stable.

Fitch upgraded the Issuer Default Rating (IDR) on the Company to 'BBB-' from 'BB'. Fitch also upgraded the senior unsecured debt to 'BB+' from 'BB-'. The rating outlook is stable. In addition, Fitch has affirmed ivari's Insurer Financial Strength (IFS) rating at 'A-'. The rating outlook is stable.

Normal Course Issuer Bid

Sagicor repurchased 845,400 shares which were cancelled in Q3 2023 for a total cost of approximately US\$2.8 million. The number of issued and outstanding common shares as at September 30, 2023 was 141,984,483.

Management's Discussion and Analysis and Consolidated Financial Statements (Unaudited)

This press release, which was approved by the Company's Board of Directors and Audit Committee, should be read in conjunction with the Company's unaudited consolidated financial statements and accompanying MD&A. The unaudited financial statements and MD&A are available on the Company's website at www.sagicor.com and will soon be filed on the System for Electronic Document Analysis and Retrieval Plus ("SEDAR+") at www.sedarplus.ca.

Conference Call

Sagicor Financial Company Ltd. will host a conference call for analysts and investors on Tuesday, November 14, 2023, at 1:00 p.m. Eastern Standard Time in Toronto (2:00 p.m. Atlantic Standard Time in Barbados and Trinidad and Tobago, 1:00 p.m. Eastern Standard Time in Jamaica). To listen to the call via live audio webcast, visit the Company's website at www.sagicor.com, under the tab "Investor Relations" or at <https://app.webinar.net/n628qnbqD5a>. The conference call is also available by dialing 1-416-764-8688 or 1-888-390-0546 (North American toll free) or 08006522435 (United Kingdom) or 1-866-290-2216 (Barbados) or 1-800-207-8221 (Trinidad). To join the conference call without operator assistance, you may register and enter your phone number at <https://emportal.ink/3QqNTwr> to receive an automated call back. A replay will also be available until December 14, 2023, by dialing 1-416-764-8677 or 1-888-390-0541 (North American toll free), passcode 225982#. A transcript of the call will also be made available on www.sagicor.com.

About Sagicor Financial Company Ltd.

Sagicor Financial Company Ltd. (TSX: SFC) is a leading financial services provider with over 180 years of history in the Caribbean, over 90 years of history in Canada, and a growing presence in the United States. Sagicor offers a wide range of products and services, including life, health, and general insurance, banking, pensions, annuities, and real estate. Sagicor's registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda, with its principal office located at Cecil F De Caires Building, Wildey, St. Michael, Barbados. Additional information about Sagicor can be obtained by visiting www.sagicor.com.

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Forward-Looking Information

Certain information contained in this news release may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "expect", "anticipate", "target", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "will", "may", "would" and "should" and similar expressions or words suggesting future outcomes. These forward-looking statements reflect material factors and expectations and assumptions of Sagicor. Sagicor's estimates, beliefs, assumptions and expectations contained herein are inherently subject to uncertainties and contingencies regarding future events and the impact of both the acquisition of ivari and the adoption of IFRS 17 on the presentation of Sagicor's financial statements, and as such, are subject to change. Risks and uncertainties not presently known to Sagicor or that it presently believes are not material could cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional information on these and other factors that could affect events and results are included in other documents and reports that will be filed by Sagicor with applicable securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca). Readers are cautioned not to place undue reliance on the financial information or forward-looking statements contained herein, which reflect Sagicor's estimates, beliefs, assumptions and expectations (including with respect to the impact of both the acquisition of ivari and the adoption of IFRS 17) only as of the date of this document. Sagicor disclaims any obligation to update or revise any forward-looking statements contained herein, whether as a result of new information, new assumptions, future events or otherwise, except as expressly required by law.

Non-IFRS Measures

The Company reports certain non-IFRS measures and insurance industry metrics that are used to evaluate its performance. As non-IFRS measures generally do not have a standardized meaning, they may not be comparable to similar measures presented by other companies. Securities regulators require such measures to be clearly defined and reconciled with their most comparable IFRS measures. These measures are provided as additional information to complement IFRS measures by providing further understanding of the results of the operations of the Company from management's perspective. Accordingly, these measures should not be considered in isolation, nor as a substitute for analysis of the Company's financial information reported under IFRS. Non-IFRS measures used to analyze the performance of the Company's businesses include but are not limited to CSM, ROE, book value, MCCR Ratio, Debt to Capital Ratio, Total Capital, Core Earnings, and New Business Production. Please see the "Non-IFRS financial measures" section below for a reconciliation of these non-IFRS measures.

Contractual service margin (CSM): The CSM represents an estimate of unearned future profits. This is a new component of insurance contract liabilities under IFRS 17, which was not required under IFRS 4. For new business issued under IFRS 4, the estimated profit or loss over the term of the contract is recognized in income at the date of issue. Expected future profits on new business under IFRS 17 are deferred and recorded in the CSM and amortized into income as insurance services are provided over the term of the contract. Under IFRS 17, expected losses on new business are recognized at the date of issue. Net CSM is net of reinsurance CSM.

Return on Equity (ROE): IFRS does not prescribe the calculation of return on shareholders' equity and therefore a comparable measure under IFRS is not available. To determine this measure, reported net income/(loss) attributable to shareholders is divided by the total weighted average shareholders' equity for the period. The quarterly return on shareholders' equity is annualized. The ROE provides an indication of overall profitability of the Company.

Book value per share: To determine the book value per share, shareholders' equity is divided by the number of shares outstanding at the period end, net of any treasury shares. All components of this measure are IFRS measures.

Minimum Continuing Capital and Surplus Requirements (MCCSR): Sagicor voluntarily adopted the Canadian Minimum Continuing Capital and Surplus Requirement (MCCSR) standard as its risk-based assessment measure to provide a consolidated view of capital adequacy. The MCCSR was a standard used by Canadian regulators from 1992 until 2018, when it was superseded by the Life Insurance Capital Adequacy Test (LICAT, which has also recently been amended by OSFI). When it was in place, the minimum standard recommended by the Canadian regulators was an MCCSR of 150.0%. Canadian practices for calculation of the MCCSR evolved and changed from inception through its replacement. In jurisdictions where the MCCSR is currently prescribed, such as Jamaica, the MCCSR guidance is not consistent with the most recent Canadian MCCSR guidelines or with current Canadian capital standards under current LICAT. Sagicor has made certain interpretations in our calculation of the MCCSR, in consultation with our appointed actuary, which we believe appropriately reflect the risk-based assessment of our capital position, including accounting for CSM in MCCSR. As the MCCSR is no longer prescribed by Canadian regulators and is interpreted in different ways by our local regulators, there can be no assurance that Sagicor's MCCSR figures are comparable to current reporting by Canadian life insurers or that of Canadian life insurers at any single point in time since the implementation of the MCCSR. IFRS does not prescribe the calculation for the MCCSR, therefore a comparable measure under IFRS is not available.

Revenues: Revenues are the sum of three IFRS measures: insurance revenue, net investment income, and fees and other income.

Debt to capital ratio: The debt to capital ratio is the ratio of notes and loans payable (refer to note 11 of the Company's unaudited consolidated financial statements) to total capital (excluding participating accounts), where capital is defined as the sum of notes and loans payable and total equity including total net CSM and excluding participating accounts. This ratio measures the proportion of debt a company uses to finance its operations as compared with its capital.

Total capital: This measure provides an indicator for evaluating the Company's performance. Total capital (\$2.1 billion as at Q3 2023) is the sum of shareholders' equity (\$443 million), notes and loans payable (\$657 million), non-controlling interest (\$320 million) and total net CSM (\$699 million). This measure is the sum of several IFRS measures.

New business CSM: This measure is the amount of the contractual service margin added from contracts initially recognized in the period.

New Business Production: This measure is equal to the amount of annuities and life insurance new business paid premium.

Total net CSM: This measure is the balance of the direct contractual service margin net of reinsurance contractual service margin.

Net CSM to shareholders: This measure is the amount of the total net CSM attributable to shareholders.

Shareholders' equity and net CSM to shareholders: This measure is the sum of total shareholders' equity and net CSM to shareholders. It is an important measure for monitoring growth and measuring insurance businesses' value.

In addition, as discussed above, in future quarters, Sagicor is expected to report core earnings, an estimate of which for Q3 2023 is included above. Core earnings is intended to remove from reported earnings or loss the impacts of the following items that create volatility in Sagicor's results under IFRS, or that are not representative of its underlying operating performance. Each of these items is classified as a supplementary financial measure and has no directly comparable IFRS financial measure disclosed in Sagicor's financial statements to which the measure relates, nor are reconciliations available, including among others unexpected market-related impacts, changes in assumptions, management actions, certain acquisition or disposition related amounts and others such as one-time costs, amortization of intangibles, and tax effects of the aforementioned items. The estimated core earnings to shareholders for Q3 2023 can be reconciled to net income to shareholders as follows:

Reported Earnings and Estimated Core Earnings Reconciliation (US\$ millions)

Net income (loss) to shareholders	(3.5)
Market experience gains and losses	(2.4)
Changes in actuarial methods and assumptions	10.3
Other (includes tax effects, one-time costs, amortization of intangibles)	4.6
Estimated core earnings to shareholders	9.0