

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 audited Consolidated Financial Statements for the period ended December 31, 2022. 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.sedar.com. 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 and total capital. See the "Non-IFRS Measures" section in this document for relevant information about such measures.

Sagicor Financial Company Ltd. Reports Fourth Quarter and Full Year 2022 Results

Toronto and Barbados (March 27, 2023) – Sagicor Financial Company Ltd. (TSX: SFC), a leading financial services provider in the Caribbean with a growing presence in the U.S., today announced its results for the fourth quarter and full year ended December 31, 2022. All figures are in US\$ unless otherwise stated.

Highlights

- **Total revenue** of \$531.2 million for Q4 decreased 16% Y/Y, \$2,540.3 million, for 2022 increased 8% Y/Y
- **Net premium revenue** of \$352.4 million for Q4 decreased 21% Y/Y, \$2,048.1 million, for 2022 increased 20% Y/Y
- **Net income to shareholders** of \$13.1 million in Q4, \$115.6 million for 2022
- **Total comprehensive income to shareholders** of \$56.3 million for Q4, loss of \$16.6 million for 2022
- **Earnings per share** of US\$0.092 or C\$0.125 in Q4, US\$0.809 or C\$1.053 for 2022
- **Return on shareholders' equity (annualised)⁽¹⁾** of 5.0% in Q4, 11.0% for 2022
- **Book value per share⁽¹⁾** of US\$7.59 or C\$10.28 in Q4
- **Dividend of US\$0.05625 per common share** to be paid during the second quarter of 2023 (US\$0.225 annualised dividend)

Dodridge Miller, Group President and Chief Executive Officer, said:

"2022 was another strong year for Sagicor, with the Group delivering \$116 million of net income to our shareholders, Profitability during the year was supported by strong performances by our operating segments. The macroeconomic backdrop and asset volatility in 2022 allowed us grow top line premiums and invest in higher yields, particularly in the U.S. We continued to execute on our growth plan for Sagicor Life USA, growing that segment to \$1.3 billion of revenue and \$140 million of net income to shareholders.

We recently announced the appointments of Andre Mousseau as Group President and CEO, and Kathryn Jenkins as Group CFO. Andre has worked very closely with me over the last four years, and I am excited as he leads Sagicor through the next phase of its development."

Andre Mousseau, Group Chief Operating Officer and incoming Group President and Chief Executive Officer said:

"2022 was a productive year, particularly with strong production in the U.S., announcing the transformational acquisition of ivari, and working towards IFRS 17 implementation. We continue to track well for a mid-2023 closing

⁽¹⁾ 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.

of the ivari transaction as we work through regulatory and other customary closing conditions, and its business fundamentals have continued to perform well. Sagicor has grown to become a multi-national corporation thanks to Dodridge’s vision and leadership and Sagicor will continue to benefit from the foundation that he laid and his continued contributions as a director of Sagicor in the years to come.”

Consolidated Highlights

Profitability (US\$ millions)	Q4 2022	Q4 2021	Change	2022	2021	Change
Total revenue	531.2	629.5	(16%)	2,540.3	2,359.1	8%
Net income to shareholders	13.1	41.9	(69%)	115.6	133.2	(13%)
Annualised return on shareholders’ equity ⁽¹⁾ (%)	5.0%	15.1%	(10.1 pts)	11.0%	12.6%	(1.6 pts)

Financial Strength (US\$ millions)	Q4 2022	Q4 2021	Change
Shareholders’ equity	1,084	1,134	(4%)
Book value per share ⁽¹⁾ (US\$ per share)	7.59	7.92	(4%)
MCCSR ratio ⁽¹⁾ (%)	270%	269%	1 pt
Debt to capital ratio ⁽¹⁾ (%)	29.6%	29.1%	0.5 pts
Total capital ⁽¹⁾	2,135.1	2,349.1	(9%)

Overall Sagicor Group - Quarterly Highlights

- Net income to shareholders** of \$42.6 million for the quarter excluding a \$29.5 million adjustment from other comprehensive income originating from earlier in the year in Sagicor Life USA, and which was accounted for in Q4 2022. Sagicor Life USA net income, excluding this adjustment, was solid, driven by strong investment income as our investment portfolio continues to grow as we add assets at attractive spreads. Sagicor Jamaica posted strong profits with net premium revenue growth in its life and health insurance business and increased interest income from higher rates. Sagicor Life had solid growth in new annuity premium revenue as well as positive basis changes which was partly offset by negative emergence in the insurance books due to the lingering effects of the pandemic.
- Total capital⁽¹⁾** of \$2,135 million was up 3% compared to the prior quarter primarily due to strong net income generation and Other Comprehensive Income from net gains on the Group’s bond portfolio during Q4 2022. The Company’s **MCCSR ratio⁽¹⁾** for its insurance businesses was 270% and the Company’s **debt to capital ratio⁽¹⁾** was 29.6%.

Dividends

On March 20, 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 April 27, 2023, to shareholders of record at the close of business on April 4, 2023. This is the thirteenth consecutive dividend payment Sagicor will pay to its shareholders since becoming a publicly listed company on the Toronto Stock Exchange.

⁽¹⁾ 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.

Business Segment Performance

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

Performance (US\$ millions)	Q4 2022	Q4 2021	Change (%)	2022	2021	Change (%)
Total revenue						
Sagikor Life	177.1	130.2	36%	554.0	504.6	10%
Sagikor Jamaica	183.6	202.1	(9%)	673.8	718.5	(6%)
Sagikor Life USA	157.8	285.0	(45%)	1,294.3	1,067.7	21%
Head office ⁽¹⁾	12.7	12.2	4%	18.2	68.3	(73%)
Benefits and expenses						
Sagikor Life	(160.4)	(107.5)	49%	(516.5)	(457.0)	13%
Sagikor Jamaica	(136.4)	(154.3)	(12%)	(538.3)	(552.9)	(3%)
Sagikor Life USA	(156.9)	(263.3)	(40%)	(1,109.4)	(995.1)	11%
Head office ⁽¹⁾	(32.0)	(25.4)	26%	(121.0)	(107.5)	13%
Net income/(loss) to shareholders						
Sagikor Life	14.4	21.8	(34%)	28.1	43.9	(36%)
Sagikor Jamaica	18.1	16.4	10%	50.9	60.4	(16%)
Sagikor Life USA	0.1	17.4	(99%)	140.1	57.6	143%
Head office ⁽¹⁾	(19.5)	(13.7)	(42%)	(103.5)	(28.7)	(261%)

⁽¹⁾ Head office includes parent company financing costs, administrative expenses, the Company's interest in Playa Hotels and Resorts, other operating companies, adjustments and other.

Business Segment - Quarterly Highlights

Sagicor Life

- **Total revenue including premiums** of \$177.1 million was up 36% Y/Y with net premium revenue of \$148.4 million having increased 57% Y/Y fueled by growth in new annuity revenue of \$53.9 million. Interest income grew 5% Y/Y to \$22.1 million.
- **Net income to shareholders** was \$14.4 million, a decrease compared to the same quarter in the prior year as solid growth in new annuity premium revenue and positive basis changes were offset by negative emergence in the insurance books due to the lingering effects of the pandemic.

Sagicor Jamaica

- **Total revenue including premiums** was \$183.6 million for the quarter. Net premium revenue of \$100.2 million increased 4% Y/Y as the segment observed growth across the life and health insurance business and interest income increased by 15% Y/Y during the quarter mainly due to higher interest rates.
- **Sagicor's share of Sagicor Jamaica's net income to shareholders** was \$18.1 million, an increase of 10% compared to the same quarter in the prior year driven by lower claims.

Sagicor Life USA

- **Total revenue including premiums** of \$157.8 million decreased 45% Y/Y driven by lower net premium revenues as Sagicor decreased production in Q4 having met our annual targets for growth. This decrease was partially offset by an increase in interest income due to growth in assets. Net premium revenue was \$94.9 million, a decrease of 62% Y/Y, as the segment matched sales production to its annual target as part of its strategy for deliberate growth and scale. Interest income grew 129% Y/Y to \$52.7 million due to the continued strong growth of the investment portfolio invested at improved spreads.
- **Net income to shareholders** of \$0.1 million decreased compared to the same quarter in the prior year driven by a \$29.5 million adjustment of net income to OCI from earlier in the year. Excluding the adjustment, the segment would have posted solid net income of \$29.6 million, compared to \$17.4 million last year, driven by strong investment income as our investment portfolio continues to grow as we add assets at attractive spreads.

Head Office, Other and Adjustments

- **Net loss to shareholders** through head office of \$19.5 million includes a \$1.0 million mark-to-market gain on the Company's shareholding in Playa Hotels and Resorts, a \$0.9 million gain on revaluation of the call option on the 5.3% senior notes due 2028, and a \$1.5 million one-time charge related to the ivari transaction. In addition to higher project costs, there was also higher financing costs as the prior quarter did not have a full quarter impact from the bond reopening in December 2021.

IFRS 17 Adoption and Preliminary Guidance

The new IFRS 17 accounting standards came into effect on January 1, 2023, which replaces IFRS 4 Insurance Contracts. The adoption of IFRS 17 is not expected to have a material impact on our overall business strategies. The changes in measurement of insurance contract liabilities and timing of recognition of earnings upon transition will change the presentation of the financials. Sagicor is in process of finalizing the calculations of the impacts. Based on certain assumptions, including economic conditions and pro forma the consummation of the ivari transaction, the changes are expected to have the following impacts:

- January 1, 2023 shareholders' equity to be approximately \$650 to 725 million, primarily driven by the establishment of the contractual service margin ("CSM") on the balance sheet;
- January 1, 2023 CSM to shareholders of approximately \$1.1 to 1.3 billion, resulting in shareholders' equity and CSM to shareholders capital of approximately \$1.8 to 2.0 billion;
- 2024 return on shareholders' equity of approximately 14 to 16%;
- high single-digit CSM to shareholders growth, and double-digit net income to shareholders growth beyond 2024; and
- Sagicor expects ivari to be accretive on a book value and earnings basis and approximately neutral to ROE upon closing of the transaction.

Upon implementation of IFRS 17, Sagicor's debt to capital (including CSM) ratio is expected to be near neutral as the majority of the movement in shareholders equity is due to the establishment of CSM. Upon the acquisition of ivari, the debt to capital (including CSM) ratio is also expected to be near neutral.

All IFRS 17 financial information is unaudited, 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 IFRS 17 impact assumes the acquisition of ivari was completed on December 31, 2022.

Sagicor continues to assess the impact that the adoption of IFRS 17 will have on our Consolidated Financial Statements and estimates of the financial impacts are subject to change. For additional details, refer to Note 2.27 in the audited 2022 Consolidated Financial Statements for the period ended December 31, 2022. Further information and IFRS 17 disclosures are expected to be available in the Q1 results in May 2023.

Normal Course Issuer Bid

Sagicor repurchased 64,396 shares in Q4 2022 for a total cost of approximately US\$0.3 million. Since the start of the program in June 2020, the Company has repurchased 8,114,293 shares in the open market for cancellation for an aggregate purchase price of approximately US\$39.2 million. The number of issued and outstanding common shares at December 31, 2022 was 142,768,612.

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

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 audited consolidated financial statements and accompanying MD&A. The audited 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 ("**SEDAR**") at www.sedar.com.

Conference Call

Sagicor Financial Company Ltd. will host a conference call for analysts and investors on Wednesday, March 29, 2023, at 3:00 p.m. Eastern Daylight Time in Toronto (3:00 p.m. Atlantic Standard Time in Barbados and Trinidad and Tobago, 2:00 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." 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/3J7JObu> to receive an instant automated call back. A replay will also be available until April 29, 2023, by dialing 1-416-764-8677 or 1-888-390-0541 (North American toll free), passcode 532172#. 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 in the Caribbean, with over 180 years of history, and has a growing presence as a provider of life insurance products in the United States. On August 25, 2022, Sagicor announced that it entered into a definitive agreement to acquire ivari, a leading middle-market individual life insurer in Canada with over 80 years of history in the region. 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 Sagikor Financial Company Ltd. Sagikor’s estimates, beliefs, assumptions and expectations contained herein are inherently subject to uncertainties and contingencies regarding future events and the impact of IFRS 17 on the presentation of Sagikor’s financial statements, and as such, are subject to change. Risks and uncertainties not presently known to Sagikor 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 Sagikor with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). Readers are cautioned not to place undue reliance on the financial information or forward-looking statements contained herein, which reflect Sagikor’s estimates, beliefs, assumptions and expectations (including with respect to the impact of IFRS 17) only as of the date of this document. Sagikor 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.

In developing the estimates and targets set forth in this document, Sagikor has made the following assumptions and relied on the following factors and considerations:

- Sagikor’s acquisition of ivari is assumed to be financed in part with US\$320 million of debt financing, which has a floating interest rate, but which is assumed to be constant at current rates;*
- the purchase price of ivari is assumed to be C\$375 million, and the transaction is assumed to close in Q2 or Q3 of 2023; and*
- business and economic conditions are assumed to continue substantially in the ordinary course and consistent with current business plans and operations, including, without limitation, with respect to general industry and business conditions, policy lapses, morbidity and mortality, claims histories, regulation, foreign exchange rates, interest rates, competition, taxes, and distributor, customer and employee relationships.*

While management of Sagikor believes that there is a reasonable basis for the estimates and targets used in this document, such estimates and targets will vary from actual experience and such variations may be material.

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, MCCSR Ratio, Debt to Capital Ratio and Total Capital. 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 lifetime of the business 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.

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). 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 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. 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.

Debt to capital ratio: The debt to capital ratio is the ratio of notes and loans payable (refer to note 16 to the 2022 audited annual financial statements) to total capital (excluding participating accounts), where capital is defined as the sum of notes and loans payable and total equity 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 (\$2,135 million as at Q4 2022) is the sum of shareholders' equity (\$1,084 million), notes and loans payable (\$635 million) and non-controlling interest (\$418 million). IFRS 17 total capital estimates include CSM estimates. This measure is the sum of several IFRS measures.