

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 June 30, 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 Second Quarter 2022 Results

Toronto and Barbados (August 12, 2022) – 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 second quarter ended June 30, 2022. All figures are in US\$ unless otherwise stated.

Highlights

- **Total revenue** of \$672.3 million for Q2 increased 30% year over year
- **Net insurance premiums** of \$612.8 million for Q2 increased 68% year over year
- **Net income to shareholders** of \$35.3 million in Q2 increased 280% year over year
- **Earnings per share** of US\$0.247 or C\$0.312 in Q2
- **Return on shareholders' equity⁽¹⁾** of 13.1% (annualised) in Q2
- **Book value per share⁽¹⁾** of US\$7.51 or C\$9.63 in Q2
- **Dividend of US\$0.05625 per common share** to be paid during the third quarter of 2022 (US\$0.225 annualised dividend)

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

"The Sagicor Group delivered another solid quarter of growth. The Group continues to successfully execute on its growth initiatives to deliver strong results while navigating substantial market volatility and inflationary pressures in the markets we operate in. Asset price volatility has created a favorable environment for us to grow premiums and invest at higher yields, which particularly benefited Sagicor Life USA. Notwithstanding a challenging economic environment in the Caribbean, we delivered net premium revenue growth across all of our business lines at Sagicor Life, as well as in our life, health and property and casualty business lines at Sagicor Jamaica."

⁽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.

Consolidated Highlights

Profitability (US\$ millions)	Q2 2022	Q2 2021	Change	YTD 2022	YTD 2021	Change
Total revenue	672.3	516.3	30%	1,352.9	947.7	43%
Net income to shareholders	35.3	9.3	280%	77.1	40.8	89%
Annualised return on shareholders' equity ⁽¹⁾ (%)	13.1%	3.4%	9.7 pts	14.5%	7.5%	7.0 pts

Financial Strength (US\$ millions)	Q2 2022	Q2 2021	Change
Shareholders' equity	1,072	1,102	(3%)
Book value per share ⁽¹⁾ (US\$ per share)	7.51	7.57	(1%)
MCCSR ratio ⁽¹⁾ (%)	211%	247%	(36 pts)
Debt to capital ratio ⁽¹⁾ (%)	30.5%	31.3%	0.8 pts
Total capital ⁽¹⁾	2,241	2,346	(4%)

Overall Sagicor Group - Quarterly Highlights

- **Net income to shareholders** of \$35.3 million for the quarter grew 280% over \$9.3 million in Q2 2021. Profitability during the quarter continued to be driven by robust sales of annuities and asset spreads in our Sagicor Life USA segment. Sagicor Life posted a strong performance across all its business lines. Sagicor Jamaica increased profits Y/Y supported by higher interest income amidst a rebounding Jamaican economy.
- **Total capital⁽¹⁾** of \$2,241 million was down compared to the prior quarter primarily due to the mark-to-market losses incurred through Other Comprehensive Income on the Group's bond portfolio from a rise in interest rates. The Company's **MCCSR ratio⁽¹⁾** for its insurance businesses was 211% and the Company's **debt to capital ratio⁽¹⁾** was 30.5%.

Dividends

On August 11, 2022, 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 September 14, 2022, to shareholders of record at the close of business on August 24, 2022. This is the eleventh 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

Sagicor has three main reporting operating segments: Sagicor Life (includes 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)	Q2 2022	Q2 2021	Change (%)	YTD 2022	YTD 2021	Change (%)
Total revenue						
Sagicor Life	130.1	122.4	6%	254.3	252.6	1%
Sagicor Jamaica	160.1	176.5	(9%)	321.9	341.8	(6%)
Sagicor Life USA	407.6	206.4	97%	779.8	317.2	146%
Head office ⁽¹⁾	(25.5)	11.0	(332%)	(3.1)	36.1	(109%)
Benefits and expenses						
Sagicor Life	(117.2)	(115.6)	(1%)	(233.5)	(236.3)	1%
Sagicor Jamaica	(138.3)	(155.1)	11%	(264.4)	(292.3)	10%
Sagicor Life USA	(311.4)	(186.2)	(67%)	(651.0)	(295.6)	(120%)
Head office ⁽¹⁾	(30.4)	(30.9)	2%	(56.2)	(55.8)	(1%)
Net income/(loss) to shareholders						
Sagicor Life	11.8	6.8	74%	18.8	15.1	25%
Sagicor Jamaica	7.6	7.0	9%	20.2	16.9	20%
Sagicor Life USA	72.2	16.0	351%	97.9	17.1	473%
Head office ⁽¹⁾	(56.3)	(20.5)	(175%)	(59.8)	(8.3)	(620%)

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

Business Segment - Quarterly Highlights

Sagicor Life

- **Total revenue including premiums** of \$130.1 million was up 6% Y/Y and net premium revenue of \$98.3 million increased 10% Y/Y with growth observed across all business lines. Net investment income remained relatively flat Y/Y with the impact of increased interest income being partially reduced by realised and unrealised losses on financial assets carried at fair value through profit and loss.
- **Net income to shareholders** of \$11.8 million increased by 74% as compared to Q2 2021 when Sagicor Life was negatively impacted by the COVID pandemic.

Sagicor Jamaica

- **Total revenue including premiums** of \$160.1 million decreased 9% Y/Y mainly due to mark-to-market losses on financial assets carried at fair value through profit and loss. Net premium revenue of \$88.0 million increased 1% Y/Y as the segment observed modest improvements in the life, health and property and casualty insurance businesses. Interest income increased by 11% Y/Y during the quarter. The segment also benefitted from increased fee income from its banking business as economic activity in Jamaica continued to improve.
- **Sagicor's share of Sagicor Jamaica's net income to shareholders**, increased 9% to \$7.6 million, compared to the same quarter in the prior year.

Sagicor Life USA

- **Total revenue including premiums** increased by 97% Y/Y to \$407.6 million fueled by growth in premium revenue. Net premium revenue was \$417.2 million, an increase of 133% Y/Y, as the segment significantly increased sales of annuities as part of its stated strategy to grow and scale the business. Interest income grew 66% Y/Y due to the continued strong growth of the investment portfolio as a result of the additional assets from strong sales.
- **Net income to shareholders** of \$72.2 million increased by 351% compared to \$16.0 million for the same quarter in the prior year, reflecting the present value of anticipated profits from the significant volume of new annuities sold at favorable investment spreads.

Head Office, Other and Adjustments

- **Net loss to shareholders** of \$56.3 million includes the \$19.3 million mark-to-market loss on the Company's shareholding in Playa Hotels and Resorts and a \$15.4 million loss on revaluation of the call option on the 5.3% senior notes due 2028.

Outlook for 2022

The Group's financial results in Q2 2022 reflect an unusual macroeconomic environment. Asset price volatility driven by geopolitical instability, inflationary pressures and rising interest rates created mark-to-market losses on Sagicor's balance sheet. On the other hand, that asset price volatility enabled Sagicor to invest new policyholder funds at robust investment spreads, generating significant net income particularly in our U.S. segment. In the second half of 2022, the effects of global inflation may hamper economic growth in our core markets and may counteract an improving forward outlook for tourism. We anticipate resuming specific guidance with respect to earnings targets when the timing of economic recovery becomes more certain.

Normal Course Issuer Bid

Sagicor repurchased 779,972 shares in Q2 2022 for a total cost of approximately US\$4.1 million. Since the start of the program in June 2020, the Company has repurchased 7,995,093 shares in the open market for cancellation for an aggregate purchase price of approximately US\$38.6 million. The number of issued and outstanding common shares at June 30, 2022 was 142,666,230.

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 ("**SEDAR**") at www.sedar.com.

Conference Call

Sagicor Financial Company Ltd. will host a conference call for analysts and investors to review its earnings results on Wednesday, August 17, 2022, at 1:00 p.m. Eastern Daylight Time in Toronto (1:00 p.m. Atlantic Standard Time in Barbados and Trinidad and Tobago, 12:00 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), passcode 01904218. A replay will also be available until September 17, 2022, by dialing 1-416-764-8677 or 1-888-390-0541 (North American toll free), passcode 904218#. 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. 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.

Media

Ingrid Card
Vice President, Group Marketing,
Communications & Brand Experience
Tel: 246-230-5315
Ingrid_Card@sagicor.com

Investors

George Sipsis
SVP, Corporate Development
and Capital Markets
Tel: 1-800-342-0719 or 1-813-287-1602 x6255
George_Sipsis@sagicor.com or
investorrelations@sagicor.com

Non-IFRS Measures

The Company reports certain non-IFRS measures that are used to evaluate the performance of its businesses and the performance of their respective segments. As non-IFRS measures generally do not have a standardized meaning, they may not be comparable to similar measures presented by other issuers. Securities regulators require such measures to be clearly defined and reconciled with their most comparable IFRS measure.

The Company references non-IFRS measures and insurance industry metrics in this document and elsewhere. Non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these are provided as additional information to complement those 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: return on shareholders' equity, book value per share, debt to capital ratio and total capital. Please see the "Non-IFRS Financial Information" section of the MD&A and the discussion below for a reconciliation of these non-IFRS measures.

Return on Shareholders' Equity: *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 common shareholders' equity for the period. The quarterly return on shareholders' equity is annualised. 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.*

Debt to capital ratio: *The debt to capital ratio is the ratio of notes and loans payable (refer to note 16 to the 2021 audited consolidated 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 is the sum of shareholders' equity, notes and loans payable and non-controlling interest. This measure is the sum of several IFRS measures.*

Minimum Continuing Capital and Surplus Requirements (MCCSR): *The MCCSR is a capital adequacy measure for life insurance companies that was established by the Office of the Superintendent of Financial Institutions Canada. It was used to monitor that insurers maintain adequate capital to meet their financial obligations with 150% being the minimum standard that was recommended by Canadian regulators when it was in effect; companies were expected to establish and meet an internal target greater than 150%. Refer to note 45.2 to the 2021 audited financial statements, for details. IFRS does not prescribe the calculation for the MCCSR, therefore a comparable measure under IFRS is not available.*

Cautionary Statements

Certain information contained in this news release may be forward-looking statements within the meaning of Canadian securities laws. Forward-looking statements are often, but not always identified by the use of words such as “expect”, “anticipate”, “believe”, “foresee”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “will”, “may”, “would” and “should” and similar expressions or words suggesting future outcomes. This news release includes forward-looking information and statements pertaining to the impact of the COVID-19 pandemic. These forward-looking statements reflect material factors and expectations and assumptions of Sagicor. Sagicor’s estimates, beliefs and assumptions are inherently subject to uncertainties and contingencies regarding future events 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.sedar.com). Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Sagicor’s expectations only as of the date of this document. Sagicor disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.