

Sagicor Financial Company Ltd. Reports Third Quarter 2021 Results and Chair Succession

Toronto and Barbados (November 15, 2021) – Sagicor Financial Company Ltd. (TSX: SFC, “Sagicor” or “Company”), a leading financial services provider in the Caribbean with a growing presence in the U.S., today announced its results for the third quarter ended September 30, 2021. All figures are in US\$ unless otherwise stated.

Highlights

- **Total net revenue** of \$781.9 million in Q3 increased 94% year over year
- **Net insurance premiums** of \$623.5 million in Q3 increased 135% year over year
- **Net income to shareholders** of \$50.4 million in Q3
- **Earnings per share** of US\$0.349 or C\$0.437 in Q3
- **Total comprehensive income to shareholders** was \$50.7 million in Q3
- **Book value per share** of US\$7.92 or C\$10.05 in Q3
- **Dividend of US\$0.05625 per common share** to be paid during the fourth quarter (US\$0.225 annualized dividend)

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

“Sagicor is pleased to announce an excellent quarter of profitability and growth. Once again, Sagicor Life USA posted a very strong quarter reflecting continued progress in our U.S. strategy as that business grows towards scale. Sagicor Jamaica also grew compared to Q3 2020 underpinned by new life insurance sales and positive emergence from our actuarial reserves. Sagicor Life, our southern Caribbean segment, delivered good profitability despite lockdowns from the pandemic across select markets.

In addition to our strong performance, we reached yet another milestone as our total assets surpassed \$10 billion for the first time in our Group’s history.”

Consolidated Highlights

Profitability (US\$ millions)	Q3 2021	Q3 2020	Change	YTD 2021	YTD 2020	Change
Total net revenue	781.9	402.2	94%	1,729.6	1,203.9	44%
Net income (loss) to shareholders	50.4	(3.0)	1,780%	91.2	(32.6)	380%
Annualized return on shareholders' equity (%)	18.5%	(1.1%)	19.6 pts	11.3%	(3.9%)	15.2 pts

Financial strength (US\$ millions)	Q3 2021	Q3 2020	Change
Shareholders' equity	1,135	1,062	7%
Book value per share (US\$ per share)	7.92	7.24	9%
MCCSR ratio (%)	247%	250%	(3 pts)
Debt to capital ratio (%)	24.4%	22.6%	(1.8 pts)
Total capital	2,233	2,094	7%

Overall Sagicor Group - Quarterly Highlights

- Total net revenue including premiums** of \$781.9 million increased 94% in the quarter compared to the same period in the prior year. Net insurance premium revenue increased by 135% Y/Y to \$623.5 million from \$264.9 million, largely due to significant growth of annuities business in our USA segment. Overall Group net investment income was stable Y/Y at \$103.2 million.
- Net income to shareholders** of \$50.4 million in the quarter was a significant improvement over the net loss of \$3.0 million recorded in Q3 2020. Profitability during the quarter was bolstered by strong sales of annuities and improved asset spreads in our USA segment, and a solid topline performance from Sagicor Jamaica overall supported by positive emergence from its actuarial reserves following their annual review. Sagicor Life was profitable despite continued economic headwinds in the Southern Caribbean. Gains on the company's shareholding in Playa Hotels & Resorts N.V. also contributed \$8.6 million of net income to shareholders in the quarter.
- Total comprehensive income to shareholders** was \$50.7 million with \$0.3 million of other comprehensive income to shareholders.
- Total capital** of \$2,233 million decreased 5% compared to the prior quarter as strong capital generation in the quarter was more than offset by a repayment of debt. The Company's voluntarily adopted **MCCSR ratio** for its insurance businesses remained strong at 247% and the Company's **debt to capital ratio** was 24.4%.

Dividends

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 17, 2021, to shareholders of record at the close of business on November 26, 2021. This is the eighth dividend payment Sagicor has paid to its shareholders since becoming a publicly listed company on the Toronto Stock Exchange.

Business Segment Performance

Sagicor considers its business within three main 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)	Q3 2021	Q3 2020	Change (%)	YTD 2021	YTD 2020	Change (%)
Total revenue						
Sagicor Life	121.9	122.4	0%	374.5	332.7	13%
Sagicor Jamaica	174.4	155.6	12%	516.3	454.9	13%
Sagicor Life USA	465.5	113.3	311%	782.7	384.0	104%
Head office ⁽¹⁾	20.1	10.9	84%	56.1	32.3	74%
Benefits and expenses						
Sagicor Life	(113.2)	(113.7)	0%	(349.6)	(317.0)	(10%)
Sagicor Jamaica	(106.1)	(99.1)	(7%)	(398.6)	(342.7)	(16%)
Sagicor Life USA	(436.3)	(137.0)	(218%)	(731.8)	(429.4)	(70%)
Head office ⁽¹⁾	(26.4)	(23.9)	(10%)	(82.1)	(80.9)	(1%)
Net income/(loss) to shareholders						
Sagicor Life	7.0	8.4	(17%)	22.1	12.5	77%
Sagicor Jamaica	27.1	21.3	27%	44.0	39.5	11%
Sagicor Life USA	23.1	(18.7)	224%	40.2	(35.9)	212%
Head office ⁽¹⁾	(6.8)	(14.0)	51%	(15.1)	(48.7)	69%

⁽¹⁾ Head office, other, and adjustments

Business Segment - Quarterly Highlights

Sagicor Life

- **Total net revenue including premiums** of \$121.9 million was stable Y/Y. Net premium revenue of \$91.7 million increased 3% Y/Y as the segment grew new business sales to individuals by 12%. Net investment income of \$23.4 million was \$1.8 million above the \$21.6 million reported in the same quarter last year.
- **Net income to shareholders** of \$7.0 million decreased by 17% or \$1.4 million Y/Y, as adverse policyholder behavior impacted by continued slow economic activity in the southern Caribbean more than offset growth in new business sales to individuals.

Sagicor Jamaica

- **Total net revenue including premiums** of \$174.4 million increased 12% Y/Y, as the commercial and investment banking businesses benefited from a market rebound, resulting in improved transaction volumes and fee income. Net premium revenue increased by 4% Y/Y to \$84.5 million as the individual life business reported strong results underpinned by new business sales and portfolio growth.
- **Net income to shareholders**, after consideration of Sagicor's 49.1% ownership, increased by 27% Y/Y to \$27.1 million, relative to a profit of \$21.3 million in the same quarter in the prior year. The segment benefitted from positive emergence from the annual review of actuarial reserves.

Sagicor Life USA

- **Total net revenue including premiums** increased 311% Y/Y to \$465.5 million. Net premium revenue was \$437.6 million, up 412% or \$352.2 million Y/Y, as the segment significantly increased sales of annuities as part of its stated strategy to scale the business. Revenue was also impacted by increased interest income of \$24.6 million, up 43% Y/Y due to the continued strong growth of the investment portfolio as a result of the \$944 million of sales for the twelve months ended September 30, 2021.
- **Net income to shareholders** was \$23.1 million compared to a loss of \$18.7 million in the same quarter in the prior year driven by growth in new annuity business and improved asset spreads.

Bond Refinance

As previously reported, in May 2021 Sagicor completed an offering of \$400 million of 5.300% Senior Notes due May 13, 2028 and used the proceeds in part to retire \$318 million of 8.875% senior notes due August 2022 issued by its subsidiary Sagicor Finance (2015) Limited (the "2022 Notes"). The Company repurchased \$130 million in aggregate principal in May and the remaining \$188 million in August. Sagicor expects to save approximately \$7 million of annual interest costs as a result of the bond refinancing.

Outlook for 2021

The Group's financial results in Q3 2021 reflect continued normalization of operations in our markets, positive emergence from our in-force life insurance portfolios, as well as continued robust growth in our U.S. segment. The economies in which we operate are seeing positive signs of returns to normal economic activity, including a more positive outlook for tourism in the upcoming winter season. However, it is unclear when that recovery will fully mitigate the impact of the pandemic. We will continue to monitor the situation and anticipate resuming specific guidance with respect to earnings targets when the timing of economic recovery becomes more certain.

Normal Course Issuer Bid

Sagikor repurchased 2,334,900 shares in Q3 2021 for a total cost of approximately US\$11.6 million. Since the start of the program in June 2020, the Company has repurchased 6,759,521 shares in the open market for cancellation for an aggregate purchase price of approximately US\$32.2 million as at Q3 2021. The number of issued and outstanding common shares at September 30, 2021 was 143,346,843.

Board of Directors – Retirement of Chair and Succession

Sagikor announces the retirement of Mr. Timothy Hodgson as chair of the Board of Directors. His retirement is effective December 31, 2021. Mr. Hodgson assumed the role of chair on completion of the Alignvest/Sagikor transaction in 2019. He will be succeeded by independent director, Mr. Mahmood Khimji.

Mr. Hodgson was the chair of Alignvest Acquisition II Corporation and was instrumental in the development and completion of the Alignvest/Sagikor transaction. He ably led the Company through its successful transition to a TSX listed entity.

Mr. Mahmood Khimji joined the Board in 2019, on completion of the Alignvest/Sagikor transaction. He is an independent director and currently chair of the Capital Allocation Committee of the board. Mr. Khimji is a founding principal of Highgate, a real estate investment and hospitality management company. Prior to founding Highgate, Mr. Khimji practiced law at Paul, Weiss, Rifkind, Wharton & Garrison.

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 financial statements and accompanying management’s discussion and analysis (“**MD&A**”). The unaudited financial statements and MD&A are available on the Company’s website at www.sagikor.com and will soon be filed on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com.

Conference Call

Sagikor Financial Company Ltd. will host a conference call for analysts and investors to review its earnings results on November 17 at 11:00 a.m. EST in Toronto (12:00 p.m. AST in Barbados and Trinidad, 11:00 a.m. EST in Jamaica, taking into account daylight savings time). To listen to the call via live audio webcast, visit the Company’s website at www.sagikor.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 39606693. A replay will also be available until December 16, 2021 by dialing 1-416-764-8677 or 1-888-390-0541 (North American toll free), passcode 606693#. A transcript of the call will also be made available on www.sagikor.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.

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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, MCCSR, debt to capital ratio, debt to equity ratio, and dividend pay-out ratio. Please see the "Non-IFRS Financial Information" section of the Management's Discussion and Analysis for a reconciliation of these non-IFRS measures.

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.