



Press Release

Toronto and Barbados, November 13, 2020
(USD, unless otherwise noted)

Sagicor Financial Company Ltd. Reports Third Quarter 2020 Results

Sagicor Financial Company Ltd. (TSX: SFC, “Sagicor” or “Company”) today announced its results for the third quarter ended September 30, 2020.

Highlights

- **Total revenue** of \$402.2 million declined 2% Y/Y, a solid result in the context of a difficult operating environment
- **Net insurance premiums** of \$264.9 million, up 1% Y/Y
- **Net income to shareholders** was a loss of \$3.0 million
- **Earnings per share** was a loss of \$0.02
- **Total comprehensive income to shareholders** was positive \$3.3 million
- **Strong financial position with total capital available** of \$2.1 billion and **MCCSR** of 250%
- **Book value per share** was US\$7.24 or C\$9.65
- **Dividends of US\$0.05625 per common share** to be paid in the fourth quarter (US\$0.225 annualized dividend)

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

“As demonstrated this quarter, Sagicor continues to generate stable revenue while maintaining strong service levels to our customers against the ongoing backdrop of the global pandemic. Our teams have stepped up innovation in providing new products that meet evolving needs such as the Health Care Heroes suite of products in the Caribbean and by leveraging our differentiated technology solutions to more efficiently reach our customers. Our experience has shown that insurance, such as life and health, is coverage that our customers choose to maintain or enhance, especially during times of crisis.”

“Our balance sheet remains strong and we are able to withstand changing economic conditions while supporting business growth. Our new business generation is improving, however the outlook for the regions in which we operate remains uncertain given the duration and extent of the contraction of economic activity stemming from the pandemic remains unpredictable. We have shown resilience by demonstrating our ability to navigate through these critical times.”

Consolidated Highlights

	Q3 2020	Q3 2019	Change	YTD 2020	YTD 2019	Change
Total Revenue (\$ millions)	402	412	(2%)	1,204	1,396	(14%)
Net income (loss) to common shareholders (\$ millions)	(3.0)	6.3	(148%)	(32.6)	32.5	(200%)
Annualized return on common shareholders equity (%)	(1.1%)	3.8%	(4.9 pts)	(3.9%)	7.1%	(11.0 pts)

	Q3 2020	Q4 2019	Change
Shareholders' Equity (\$ millions)	1,062	1,154	(8%)
Book value per common share (US\$ per share)	7.24	7.81	(7%)
MCCSR ratio (%)	250%	253%	(3 pts)
Debt to Capital ratio (%)	22.6%	22.8%	(0.2 pts)
Total Capital available (\$ millions)	2,095	2,266	(8%)

Overall Sagicor Group Highlights

- Total revenues including premiums** declined 2% in the quarter compared to the same period last year while net insurance premium revenue of \$264.9 million increased by 1%. Revenues were supported by stable individual life and annuity sales, growth in our property and casualty segment and higher net investment income, offset by lower insurance sales in our health segment. Net investment income of \$103.4 million, from the Company's \$6.8 billion portfolio of diversified financial assets, benefited from realized and unrealized gains of \$22.9 million as capital markets experienced some reversal of the mark-to-market losses recorded earlier in March.
- Net income to shareholders** was a loss of \$3.0 million in the quarter. Net income was impacted by assumption changes affecting actuarial liabilities supporting our US business.
- Total comprehensive income to shareholders** of \$3.3 million reflecting an improvement in asset prices as measured at fair value through other comprehensive income. Other comprehensive income to shareholders also included a currency retranslation loss of \$3.4 million due to the depreciation of the Jamaican dollar against the US dollar during the period.
- Total capital** of \$2.1 billion remained consistent compared to the prior quarter. The Company's **MCCSR ratio** for its regulated insurance businesses was 250% and the Company's **debt to capital ratio** was 22.6%, representing a slight improvement of 0.2 percentage points.

Dividends

The Board of Directors of Sagicor Financial Company Ltd. approved and declared a quarterly dividend of US\$0.05625 per common share payable in the fourth quarter. This quarterly dividend will be paid on December 16, 2020, to shareholders of record at the close of business on November 25, 2020. This is the fourth dividend payment Sagicor has paid to its shareholders since becoming a publicly listed company on the Toronto Stock Exchange. Sagicor will continue to review its dividend policy going forward given the economic situation stemming from the COVID-19 pandemic.

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.

	Q3 2020	Q3 2019	Change (%)	YTD 2020	YTD 2019	Change (%)
Total revenue						
Sagicor Life	122	125	(2%)	333	371	(10%)
Sagicor Jamaica	156	195	(20%)	455	541	(16%)
Sagicor Life USA	113	86	31%	384	459	(16%)
Head office, Other, and Adjustments	11	5	112%	32	25	30%
Benefits and expenses						
Sagicor Life	(114)	(117)	3%	(317)	(337)	6%
Sagicor Jamaica	(99)	(150)	34%	(343)	(430)	20%
Sagicor Life USA	(137)	(79)	(74%)	(429)	(435)	1%
Head office, Other, and Adjustments	(24)	(33)	27%	(81)	(85)	5%
Net income/(loss) to shareholders						
Sagicor Life	8	10	(18%)	13	32	(60%)
Sagicor Jamaica	21	18	16%	40	43	(9%)
Sagicor Life USA	(19)	6	(412%)	(36)	19	(290%)
Head office, Other, and Adjustments	(14)	(28)	51%	(49)	(61)	20%

Note: Values may not add due to rounding

Business Segment Highlights

Sagicor Life

- **Total revenue including premiums** of \$122.4 million decreased 2% Y/Y demonstrating stability against a backdrop of a challenging economic environment. Net premium revenues of \$88.9 million declined 6% Y/Y primarily impacted by lower sales of annuities. Net investment income of \$21.6 million was marginally lower Y/Y.
- **Expenses and taxes** decreased \$4.6 million Y/Y to \$33.2 million due in part to lower commissions resulting from lower sales.
- **Net income to shareholders** of \$8.4 million decreased \$1.8 million Y/Y.

Sagicor Jamaica

- **Total revenue including premiums** of \$155.6 million declined 20% Y/Y measured in US dollars. Our Jamaican subsidiary's functional currency is the Jamaican dollar and must be translated into US dollars for our financial statements. The Jamaican dollar has declined 7% against the US dollar since December 31, 2019. Total revenue was also impacted by a decline in net premium revenue in the annuity and group health insurance business. The prior year included the sale of a significant annuity plan affecting our Y/Y comparison. Our Jamaica business continued to benefit from positive premium contribution from its investment in Advantage General Insurance Company Limited. The segment experienced lower investment gains due to local and international capital markets movements as the markets continue to respond to the COVID-19 pandemic, and lower fees and other income.
- **Benefits** totaled \$43.7 million compared to \$89.5 million reported for the same period in the prior year, a decrease of \$45.8 million or 51%. This decrease was related to the individual life business which experienced a net reduction in actuarial liabilities of \$19.3 million after our annual review of actuarial assumptions completed this quarter, including positive emergence relative to mortality, morbidity and lapse assumptions, partly offset by updated assumptions related to declining interest rates in Jamaica.
- **Net income to shareholders**, after consideration of Sagicor's 49.1% ownership, increased by 16% Y/Y to \$21.3 million, relative to a profit of \$18.4 million in the same quarter in the prior year.

Sagicor Life USA

- **Total revenue including premiums** increased 31% Y/Y to \$113.2 million. While net premium revenue increased \$20.4 million or 31% Y/Y, it was lower than 2019's annual run rate. Revenues were positively impacted by higher net investment income resulting from the continued reversal of some of the unrealized mark-to-market losses experienced in the first quarter.
- **Benefits** of \$119.6 million increased 82% or \$53.9 million Y/Y. Net policy benefits excluding changes in actuarial provisions increased by \$22.6 million and included expected increases in surrenders and other policy benefits as the in-force business continues to grow. Net change in actuarial liabilities increased by \$31.9 million Y/Y on the back of new business growth and includes an increase in reserves of \$15.9 million associated with forward-looking assumption changes.
- **Net income to shareholders** was a loss of \$18.7 million relative to a profit of \$6.0 million in the same quarter in the prior year, primarily driven by an updated outlook for overall tighter spreads.

Outlook for 2020

The Company's financial performance for the full year 2020 continues to be uncertain as the length and severity of the economic contraction resulting from the pandemic remains unpredictable and variable in the regions in which we operate. Sagicor has put in place a series of customer initiatives to mitigate the effect of the pandemic on our operations and financial results. We are cautiously optimistic that signs of improving conditions will persist through the fourth quarter of 2020 and into 2021. However, we will not be offering specific guidance on financial results until there is a more concrete resolution of the global pandemic.

Normal Course Issuer Bid

As announced in September, Sagicor received approval for an amended share buyback program that allows it to repurchase up to 8 million of its common shares under a normal course issuer bid. Since the start of the program in June 2020, the Company purchased 2,588,000 shares in the open market for cancellation for an aggregate purchase price of approximately US\$11.3 million as at September 30, 2020.

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.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 November 20 at 11:00 a.m. EST in Toronto (12:00 p.m. AST in Barbados and Trinidad, 11:00 a.m. EST 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 #54234602. A replay will also be available until December 18, 2020 by dialing 1-416-764-8677 or 1-888-390-0541 (North American toll free), passcode 234602#. A transcript of the call will also be made available on www.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, MCCSR, debt to capital ratio, debt to equity ratio, dividend payout ratio and coverage 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.

About Sagicor Financial Company Ltd.

Sagicor Financial Company Ltd. (TSX: SFC) is a leading financial services provider in the Caribbean, with 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.

As a result of the transaction with Alignvest Acquisition II Corporation, the financial history of the Company presented herein, as well as in the Company's filings made after the closing of the transaction, are that of Sagicor Financial Corporation Limited, now a wholly-owned subsidiary of the Company.

Media

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

Investors

Samantha Cheung
Executive Vice President
Investor Relations
Tel: 416-898-4324 or 1-800-342-0719
Samantha_Cheung@sagicor.com or investorrelations@sagicor.com