

**Sagicor Financial Company Limited**

**Fourth Quarter and Full-Year 2021 Earnings Call**

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## **CORPORATE PARTICIPANTS**

### **Samantha Cheung**

*Sagcor Financial Company — Executive Vice President, Investor Relations*

### **Dodridge Miller**

*Sagcor Financial Company — Group President and Chief Executive Officer*

### **Andre Mousseau**

*Sagcor Financial Company — Group Chief Operating Officer and Chief Financial Officer*

## **CONFERENCE CALL PARTICIPANTS**

### **Meny Grauman**

*Scotiabank — Analyst*

### **Aditya Gupta**

*Desjardins Securities, Inc. — Analyst*

### **Darko Mihelic**

*RBC Capital Markets — Analyst*

## PRESENTATION

### Operator

At this time, I'd like to welcome everyone to Sagicor Financial Company's Fourth Quarter and Full-Year 2021 Earnings Call.

I would now like to turn the conference over to Ms. Samantha Cheung, EVP of Investor Relations, please go ahead.

**Samantha Cheung** — Executive Vice President, Investor Relations, Sagicor Financial Company

Hello, everyone, and thank you for joining our call today. A link to our live webcast and published information for this call is posted on our website at [sagicor.com](http://sagicor.com) under the Investor Relations tab.

Please refer to the cautionary language and disclaimers in our materials regarding the use of forward-looking statements and the use of non-IFRS financial measures which may be mentioned as part of our remarks today. Unless otherwise noted, all dollar amounts referenced will be in U.S. dollars, which is consistent with our reporting practice.

Joining me today are Dodridge Miller, our President and CEO; Andre Mousseau, our COO and CFO; and Anthony Chandler, our Chief Controller. We'll begin with prepared remarks by Dodridge and Andre, followed by a question-and-answer session.

With that, I'll turn the call to our Group President and CEO, Dodridge Miller.

Dodridge?

**Dodridge Miller** — Group President and Chief Executive Officer, Sagicor Financial Company

Thank you, Samantha, and thank you to everyone joining us today.

As is customary, I will give some brief remarks focusing on our operating environment, our overall performance for the Full-Year 2021, and some comments on our outlook going forward. Our COO and CFO, Andre Mousseau, will provide you with more details on our financial and operating performance.

As we look back on the last financial year, I want to commend our teams across the Sagicor Group for their exceptional contributions in delivering a milestone year of record results. 2021 was one of the strongest years in our overall 180-year long history. Once again, we have demonstrated the earnings power of our underlying business and the strength of our resilient franchise.

Total revenue for the Full-Year 2021 increased 26 percent over 2020 to reach almost \$2.4 billion. Net premium revenue from life and annuities increased by 28 percent year-over-year, driven in part by strong sales in the U.S. as this business continues to grow to scale. We delivered net income to shareholders in 2021 of \$133 million, the strongest in our history. All three main business segments made strong contributions to these results. We also continue to improve our products or systems and processes, as our markets adjust to and expect a wider range of digital engagement.

Turning to our outlook. The last few years have been challenging ones for many of our economies and our markets. As we look forward to emerging from the current global health and

economic crisis, we at Sagicor remain optimistic and are well positioned for the future. We're excited to build on our performance in 2021 with continued initiatives to grow in 2022 and beyond.

In the Caribbean, we will launch a digital bank, first in Barbados, where we have already received a banking license. This is a significant initiative, and one which we believe would represent an exciting expansion of the scope of engagements with our clients in the Southern Caribbean. We believe it accelerates the pace of change and will pave the way for more digital initiatives throughout our business as we completely transform the way we interact with our markets and our customers.

We will also continue to support the growth of our business in the U.S. in a more targeted business model, where we're seeing excellent growth and profitability.

With these initiatives, we believe we are well positioned for the future as we grow up and execute on our plan, and as our Caribbean economies recover, aided by the return of international tourism.

As we continue to grow and expand, we also recognize that sustainability must be top of mind for us as it is for our customers or investors and other stakeholders. Sagicor has always been committed to being an active and positive contributor to the communities in which we live and work. It is who we are; however, many of our efforts in this area go unnoticed and certainly not shared. We are currently taking stock of what we do. First, to present it a more formal ESG framework, consistent with public company best practice, but also to inform and guide our efforts in this important area going forward. We will update further on this during the year.

Finally, before turning the remarks over to Andre, we take this opportunity to bid farewell to Samantha Cheung, our EVP of Investor Relations, as Samantha will be moving on from Sagicor at the end of the month. Samantha joined Sagicor in 2018 to assist us in building institutional readiness for the TSX listing, including our engagements with potential investors and equity market analysts. On behalf of the Board and Management, we thank Samantha for her contribution to Sagicor over the last three and a half years. We will miss her, and we wish her the very best going forward.

With that, I turn the remarks over to Andre Mousseau. Thank you.

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

Thank you, Dodridge, and hello, everyone.

In finishing off a strong Full-Year 2021, we also had a very solid quarter in Q4, we had a strong segment performance in aggregate, including excellent underlying profitability, particularly in Sagicor USA and Sagicor Jamaica, that made good progress on a number of strategic initiatives.

We saw positive contributions from nearly all of our business and product lines. Our total revenue actually showed a decrease of 7 percent year-over-year to \$630 million, but this was against an unusually high comparator quarter in Q4 2020.

Net income to shareholders was strong at \$42 million in Q4, a 44 percent increase compared to the fourth quarter last year. Profitability during the quarter was supported by robust sales of annuities

and asset spreads in our Sagicor Life USA segment and a solid performance from Sagicor Jamaica overall. Sagicor Life posted robust profits despite continued economic headwinds in the Southern Caribbean.

In 2021, overall, total revenue of nearly \$2.4 billion was up 26 percent from 2020. We were able to significantly increase new business, particularly in the U.S. where we're focused on selling annuities as we grow that business to scale. Our assets grew by over \$1.1 billion to \$10.4 billion. Overall net income to shareholders in 2021 was a record \$133 million as our company showed its true strength throughout the year. Included in this net income are approximately \$6 million of spending on IFRS 17 conversion which will recur in 2022, but not thereafter, as well as meaningful adverse mortality throughout the year related to the COVID pandemic. While this may persist as well into some of 2022, it gives you an idea of our underlying profit potential when the pandemic abates.

Now, I'll speak about the fourth quarter performance of our major operating segments. At Sagicor Life, our operating segment in the Southern Caribbean, total revenue was \$130 million, a decrease year-over-year due to a large single premium annuity sale in the prior period. We had \$6 million of single premium annuity sales in Q4 and \$7 million of annual recurring new business sold in the quarter.

Net income to shareholders was \$22 million, again, a decrease compared to an unusually profitable Q4 2020, but a meaningful proportion of its net income in 2021. Net income in Q4 2021 benefited from positive emergence from its existing book of business through its reserves, which is partially offset by some continuing adverse policyholder behavior, which we believe is a result of this slow economic activity in the region. We continue to believe this effect is temporary, but it may persist

until the economies fully benefit from the reopening, and in particular, for when those economies see more cash inflows from increased tourism going forward.

At Sagicor Jamaica, total revenue of \$202 million increased 14 percent year-over-year measured in U.S. dollars. Our share of Sagicor Jamaica's net income increased by \$5 million to \$16 million, reflecting solid underlying performance. The segment benefited from strong individual life, new business sales, as well as growth in its banking segment.

Now, onto Sagicor Life USA, which had another excellent quarter. The segment's growth and profitability is consistent with our strategy to grow our U.S. business to scale by adding fixed annuity liabilities that we're able to invest at attractive spreads. We drove \$246 million of new annuity sales and did so at stronger than budgeted spreads in the quarter. Overall, our U.S. business posted revenue of \$285 million, which was down 3 percent compared to a slightly stronger production quarter in Q4 of 2020, but again, consistent with our expectations.

As a result of the present value of the anticipated profit from these policies being sold, the segment generated \$17 million of net income in the quarter compared to \$9 million in Q4 of last year. We further tightened the focus of our U.S. business in the past few months, exiting the term life market, so we can focus our efforts in the U.S. on the annuities and accumulation product markets, where we have significant channel penetration and are benefiting from stronger unit economics. The resulting focus will allow us to streamline our SG&A and further improve returns on equity going forward.

Now, back to the total company performance, our total comprehensive income to shareholders this quarter was \$7 million, reflecting the positive net income, offset in part by the impact from other



comprehensive income. The largest component of the OCI was the devaluation of the Jamaican dollar against the U.S. dollar. With that, our book value per share grew to \$7.92 U.S., or \$10.08 Canadian. We repurchased 171 thousand shares at a discount to book value through our normal course issuer bid in Q4.

Looking at the balance sheet, you'll see our debt to capital ratio rose to 29 percent, as we continued an additional \$150 million offering of our previously issued 5.3 percent senior notes, which are due in 2028, and we were able to issue those at a premium. We have invested in net proceeds of this bond issuance into our U.S. subsidiary to support the growth of our U.S. business.

We are also pleased to declare a dividend of \$0.05625 per share to be paid in the second quarter. We have consistently declared dividends each quarter since we listed on the TSX. We remain well funded with significant excess capital at our Holding Company to execute on our growth initiatives in 2022 and beyond.

With that, I will turn it back to Dodridge and Samantha.

**Samantha Cheung** — Executive Vice President, Investor Relations, Sagicor Financial Company

Thank you, Andre.

We are now ready to take your questions.

Operator, please open the line to the analysts for their questions.

**Q & A**

## **Operator**

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session.

Your first question comes from Meny Grauman with Scotiabank. Please go ahead.

## **Meny Grauman** — Analyst, Scotiabank

Hi. Good afternoon. First question on the U.S. business, you had a very strong step up in sales and profitability in the U.S. I'm just wondering, as you look out to 2022, what the outlook is there from a sales perspective. More importantly, from an ROE perspective, and you mentioned that the decision to suspend sales of term insurance would help the ROE. I'm just wondering if you could quantify that? Will we see that impact in 2022?

## **Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

Thanks, Meny. Maybe, in terms of the overall outlook, we are targeting to continue to the growth of the U.S. business, and I think you could look at the production and general profitability of what we did in Q4 as reasonably representative of what we're planning to do going forward. It's very much driven by production volumes, and then the spreads that we're getting on the business. But, certainly, Q4 was a good quarter. We have seen so far in 2022 production that's been very consistent with what we've done, and so, without giving specific guidance, I do think we are—it is a strategic initiative to continue to grow that business.

With respect to exiting the term market, I think this has been driven by an overall review of our U.S. business and where we want to grow. I think as we looked at the underlying unit economics and returns on equity of our spread business, which is the annuities business and accumulation life products versus the term business, I think the returns on equity were certainly higher, and the annuities business, the term business is competitive at the best of times being subscale. I think we were never going to drive the sorts of returns on equity that we're able to see out of the annuities business.

I think that as that rolls off, we'll start to see a—if not a reduction in SG&A out of the U.S. business, the ability to continue to scale our U.S. business without adding too much incremental SG&A as we remove some of the direct expenses from the term business.

**Meny Grauman** — Analyst, Scotiabank

Are you able to quantify how much of an expense benefit you'll get from the decision to stop selling term insurance? Is it a material savings?

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

I think it would be material savings. Again, as we're pushing to grow the U.S. annuities business, you would see that rather than a step change reduction, it'll mean that we won't have to ramp up our SG&A proportionately with our premium or our asset growth.

**Meny Grauman** — Analyst, Scotiabank

Sticking to the U.S., you talked about the additional bond offering and using those proceeds to invest in growth in the U.S. I'm just wondering if you can give us a better sense of what that's being used for? What are the key spending priorities in the U.S.? So, just some more understanding of the deployment of those proceeds?

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

Sure, it's really about capitalizing the U.S. balance sheet to support the growth with our capital being governed in the U.S., our capital requirements are governed by U.S. statutory accounting. As you get bigger, you need to inject capital, both for the capital to support the business; but also, as you write new business in the U.S., it generates statutory losses that unwind over time. So, the U.S. has a very punitive capital regime that requires you to inject capital, if you're growing significantly faster than your return on equity and it's punitive relative to other international jurisdictions. It's basically to support the statutory balance sheet.

**Meny Grauman** — Analyst, Scotiabank

Thanks for that. Just turning to the Caribbean, just wanted to get a better sense of how this most recent tourism season, how it looked from your perspective relative to pre-pandemic levels? Where were we this year? Is the expectation to go totally back to normal for next year? Is that a reasonable expectation that you have?

**Dodridge Miller** — Group President and Chief Executive Officer, Sagicor Financial Company

Andre, this is Dodridge, I will take that. Meny, the season, so far, appears to be quite strong. I wouldn't say it's back to pre-pandemic level, but it's fairly close. Barbados also hosted the cricket series against England, and that does normally see a lot of activity from English supporters. So, I would say, overall, it's been a good season for the Caribbean. But I can't confirm that it's back to pre-pandemic.

**Meny Grauman** — Analyst, Scotiabank

Thank you.

**Operator**

Your next question comes from Aditya Gupta with Desjardins. Please go ahead.

**Aditya Gupta** — Analyst, Desjardins Securities, Inc.

Hi. Good morning. Thank you for taking my question. Just on inflation. Just wanted to get your high-level thoughts on the different moving pieces that may impact the business from both the positive and negative sides. I think the impact on interest rates is well understood, and I think you cited medical cost inflation in Jamaica. I just wanted to get—just some colour on that on the different moving pieces.

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagacor Financial Company

Sure. As you say, there are different moving pieces and in different directions with respect to Jamaica, where we have a large group insurance business where we're kind of on risk, so to speak, for the year. We did see medical inflation which took a few million dollars' worth of anticipated margin out

of that business—well, a proportion of that is not simply inflation, it's also that the majority of that business is Jamaican dollar business, and to the extent they're purchasing medical supplies in U.S. dollars, the devaluation of the Jamaican dollar compressed their margin. But that is annual renewable business, and so I think the view is that we can stabilize that over time.

With respect to inflation and interest rates. In the U.S., we have a very well matched business in terms of the assets and the liabilities, so as interest rates increase with inflation, you see it a little bit through our other comprehensive income as asset prices nominally go down, but that would resolve itself over time over the life of the policies, because you're not fundamentally changing the unit economics of the policies. It's just about when the profits are recognized.

In terms of in the Caribbean, both in in Jamaica and then in the Southern Caribbean, our net business has invested short, just given the challenges of finding long-term assets to match the really long tail liabilities. So, in the Caribbean, we have a positive exposure to a rising interest rate environment.

**Aditya Gupta** — Analyst, Desjardins Securities, Inc.

Thank you. I appreciate the colour there. Just on the U.S., I think it was cited that there was some policyholder behavior that impacted results. Was that like a—is this business sensitive to movements and rates? Or is there other factors in play that are causing this? Anything there that you'd point to?

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

I think that the policyholder behavior that we're seeing in our business right now is actually in SLI in the Southern Caribbean, and that is we've experienced higher losses and surrenders than budgeted. I think that's really the effect of just less cash in the system as employment in the Southern Caribbean has been running below potential. The way that works through the income statement as to the extent we've had negative reserves or taken future profit estimates for that business to the extent losses or surrenders are higher than—some of that unwinds itself. I think the view is that is a temporary effect of the economy and that we're properly reserved for that going forward.

With respect to the U.S. business, I don't think we've seen meaningful changes in policyholder behavior.

**Aditya Gupta** — Analyst, Desjardins Securities, Inc.

Great. Last one for me, just on the U.S. in terms of the asset mix of the general account, just want to get a sense of how you guys compare versus some of the competitors in the market. Is there an opportunity to optimize the asset mix in a way that can generate higher yields, and if so, is there significant room to go on this?

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagacor Financial Company

Yes, there is a big opportunity for us to optimize our U.S. balance sheet and emulate the investment strategy, the investment asset allocation of the companies that have taken a best practice approach to how they invest their assets. We spoke about this a little bit in some of our earlier calls. The

U.S. balance sheet historically has been dominated by liquid corporate bonds, and I think we've done a very good job managing those. But if you look at credit spreads and how much, as an investor, you get paid, you pay a lot for the liquidity of owning liquid bonds.

What you've seen is that many other insurers, particularly those that are focused on the annuities market where liabilities are very sticky, have allocated meaningful proportions of their assets to other asset classes where you can have still strong credit, but you get higher yields, because you're trading liquidity for yields in a sense.

If you look at what some of the sponsor backed names—and some of them are private, some of them are public—they would allocate 50 percent or more of their portfolio to assets other than corporate bonds. So, we started off on this journey, call it a year, a year and a half ago, with over 90 percent of our invested assets in the U.S. in liquid corporate bonds. I think there's a sizable opportunity for us to expand our spread as we push forward on a more sophisticated asset allocation.

**Aditya Gupta** — Analyst, Desjardins Securities, Inc.

Great. Thank you very much.

**Operator**

Your next question comes from Darko Mihelic with RBC. Please go ahead.

**Darko Mihelic** — Analyst, RBC Capital Markets



Oh, hi. Good morning. I just wanted to go back to the U.S. business and the decision to exit term life. I just have a few questions around that. The first is, I understand that you're not selling it any longer, but have you actually reinsured the block? Or is this block simply going to go into runoff?

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

We're evaluating that right now. We had a meaningful proportion of the book with third-party reinsurers all ready, so we're going to evaluate whether it makes sense to reinsure the rest, whether it makes sense to go with someone else to administer the rest versus keeping it and run it off. So, we would expect to update that later this year.

**Darko Mihelic** — Analyst, RBC Capital Markets

Does it have any other knock-on effects? I guess what I'm interested in understanding is, presumably, you have some mortality exposure. Maybe you have longevity exposure. Does the decision to stop doing this affect anything like your ratings? Or does it have any impact on the sales channel? I guess, lastly, you understood the statutory requirements long ago, and for some reason it was once considered a great strategy to be in term life in the U.S., but now it's not, so what's changed?

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

I think of all the things you talked about there, the one we wanted to be most careful with was relevance to the sales channel. So, I think the underlying hypothesis may have been that having a term

business, having that product available for sale may make you more relevant to the agents in your sales channel. We took a very careful look at that to push and see whether that was really the case. I think the outcome of that was that it was important to retain some other accumulation life insurance products, but that the actual cross-sell when you got granular between term life and annuity was not meaningful.

As we have gotten our name out there and become more relevant with our channel through our annuity sales and through other accumulation products, we got comfortable that we did not need to have term as a loss leader in order to push our sales.

**Darko Mihelic** — Analyst, RBC Capital Markets

Presumably, I guess, the difficulty here is—you mentioned expenses like SG&A, but what I'm more interested in understanding is, typically when I look at the insurers, there's sort of two things happening at once in any given quarter. You mentioned you had, I think you said, \$246 million of sales in the quarter, most of that, presumably, would be the annuities, I'm assuming.

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

Yes. Correct.

**Darko Mihelic** — Analyst, RBC Capital Markets

Annuities. And there would be a positive sort of gain and then the sale of a term would be strain. So, can you net out—I mean, is it significant in terms of how much term you would sell in a quarter, and

then you would see strain associated with it in every quarter? And if we just took it away now, what would be the impact? I guess the best way to answer that, maybe, Andre, if you can tell me—the \$246 million in sales, how much earnings did that produce? And then how much offset was the strain on term in the quarter?

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

We don't go all the way to a source of earnings. But what I can say is that the strains from the term business would be relatively small on a new business strain—from a new business strain point of view, but then when you combine it with the fixed costs and fixed expenses, it would be—it's enough to notice. It's, I'd say, is incremental in terms of improving the economics of the business, but not radically transformative. It would be in the range of a couple of million dollars a quarter in terms of the P&L impact.

**Darko Mihelic** — Analyst, RBC Capital Markets

Okay, and so, ultimately, it's just it's not a big impact on the net income, you're saving yourself some capital, maybe there'll be a capital release if you reinsure the rest of the business, am I thinking about it that—is that the best way to sort of sum it all up?

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

Yes, that's right.

**Darko Mihelic** — Analyst, RBC Capital Markets

Okay. Just a quick question. Sorry, go ahead, Dodridge.

**Dodridge Miller** — Group President and Chief Executive Officer, Sagicor Financial Company

I was going to say, Darko, there are some other issues that you will see around managing the book of business that may not be apparent; for example, you have to manage all the channels on which your term products are being listed on. The technology changes almost every quarter. You're shifting resources to respond to changes in the regulatory environment for each of these products.

What we found is that to respond to the accumulation product channel better and more efficiently, we either have to bring more resources to play or use the resources that were being allocated to the protection products. We took the view that it is better to shift the resources to respond into the accumulation side, because the protection side wasn't a meaningful contributor.

So, there are lots of things other than just the strain coming through, there's the whole platform and environment that we needed to manage.

**Darko Mihelic** — Analyst, RBC Capital Markets

Okay. Okay, that's good colour. Thank you. Just two other questions that come to mind. The first is just a technical question. Andre, when I look at the corporate—let me just grab my model here real quick. I'm just trying to better understand any kind of help you can provide on some of the bouncing around of investment income and the impact, just because it tends to have fairly big swings in this

segment intra quarter. Is there anything you could provide or give me an idea—I think Playa goes through there, but I don't think that it would fully sort of explain some of the movements that are happening there. So, how should I think about that part of the business and how should I think about how you're budgeting for the head office and other?

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

Head office and other, as you point out, has a lot contained within it. Economically speaking, it is dominated by the investment in Playa. We still have some pretty meaningful cash and cash-like instruments up at the top company, and so that runs through as well. They show up as equities largely because we're in very short corporate paper ETFs. Those are yielding today just short of 1 percent, and so that's a couple of million dollars of income.

But then there are—but there are other things that run through that line, certainly, and from a modeling point of view, if you wanted to send us some questions on specifically how you're looking at that, we could offline help you go through the public disclosure and connect the dots.

**Darko Mihelic** — Analyst, RBC Capital Markets

Yes. Okay. That'd be helpful. I think we just need a refresher, because I was quite off this quarter on that line item.

I guess my last question is related to Dodridge's remarks regarding the bank in Barbados, a digital sort of bank offering. I'm just curious as to what is the intent there. Is the intent to launch the bank, see

how it performs in Barbados, and then launch it in other countries? And how significant of an expenditure would it be if you were to do that going forward, what are your sort of expectations around that business in the gain or expenses around offering that in other jurisdictions?

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

Dodridge, do you want to talk about the strategy piece first?

**Dodridge Miller** — Group President and Chief Executive Officer, Sagicor Financial Company

Darko, you've summed it up reasonably well. But it's not just about a digital bank, it is about digital transformation of our business in the Caribbean. Starting with the bank, but we will also be moving that into our insurance, because what we saw throughout the last two and a half years, is the market not demanding but expecting a wider range of digital engagement.

We know that banking in the Caribbean needs to change. We have the relationship with the customers. We believe we're in a good position to do so and the opportunity is there, and we would like to capitalize on it. But naturally, we also expect that the insurance will also change. So, we see the two moving together, and with banking leading the way.

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

With respect to the financial piece, I think we disclosed we've been working on this for well over a year, so one of the pieces within that head office and the other line item is several million dollars' worth of cost in 2021, getting it working towards launch of that business. I think we will probably look at breaking that out as a separate segment going forward as it launches commercial operations.

**Darko Mihelic** — Analyst, RBC Capital Markets

Okay. Great. Thank you. Just as we were talking about it, I thought of the IFRS 17 cost, and I'm just curious, Andre, are you also in a position now where you are running IFRS 17 in a parallel run as an accounting system? And secondarily, when do you think you'd be in a position to give us some first broad strokes on the impact to your company?

**Andre Mousseau** — Group Chief Operating Officer and Chief Financial Officer, Sagicor Financial Company

We're not running final parallel runs yet. I think that would be an endeavor for Q2 internally. I think communications with respect to what the impact to us will be a Q3 communication timeline. We've talked about this, I think, on the last call, but as we've continued to iterate, we've had some decisions to make with respect to specific tactical postures, and so we're running that through the system now.

I think it would be during calendar Q3 as when we would be looking to have specific communications. I think that's relatively consistent with what we've heard from others.

**Darko Mihelic** — Analyst, RBC Capital Markets

All right. Great. Thank you.

**Operator**

There are no further questions at this time. Please proceed.

**Samantha Cheung** — Executive Vice President, Investor Relations, Sagicor Financial Company

Great. Thanks, everyone, for joining our call today. Following the call, a telephone replay will be available for one month. As well, a transcript will soon be available. If you have additional questions, please do not hesitate to reach out.

In addition to Sagicor's upcoming first quarter report in May, the Company's Annual General Meeting for Shareholders will be held in June, and the details and relevant information will be available on our website at [www.sagicor.com](http://www.sagicor.com) in advance of the meeting.

With that, thanks again for your participation and interest. Have a great day.

**Operator**

Ladies and gentlemen, this concludes your conference call for today. We thank you for participating and ask that you please disconnect your lines. Have a great day.