



Wise Financial Thinking for Life

SAGICOR LIFE INC FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2021

Sagicor Life Inc is a wholly owned subsidiary of Sagicor Financial Company Ltd, the parent company of the Sagicor Group. Sagicor Life Inc operates in the Caribbean and is also the intermediate parent company for Sagicor's Caribbean operations. Its principal activities are the provision of insurance (life, annuity, health, and property and casualty) and financial services, including pension management, asset management and banking.

The Group's financial results for the year ended December 31, 2021, continued to be affected by the COVID-19 pandemic's impact on the economic environment. Most Caribbean countries experienced periods of reduced air and sea traffic with some improvements in travel through the latter part of the year. Sagicor Life Inc, like other companies, has continued to focus on supporting our staff, customers and suppliers, while developing responses to the business disruption. The Sagicor Life Group's 2021 performance demonstrates our team's ability to navigate the current environment.

The Sagicor Life Inc Group showed a strong performance in 2021, despite the challenging environment. The Group delivered net income attributable to the shareholder of BBD \$243.4 million, compared to BBD \$188.3 million in the prior year. Total revenue stood at BBD \$2,411.4 million, compared to the prior year amount of BBD \$2,271.2 million. Net premium revenue closed at BBD \$1,389.4 million, compared to BBD \$1,491.1 million in the prior year; the prior year included a large single premium annuity sale of BBD \$128.0 million. The financial position of the Sagicor Life Inc Group remains strong, with assets totalling BBD \$12.3 billion and liabilities of BBD \$9.0

billion, resulting in Group equity of BBD \$3.3 billion, compared to BBD \$3.2 billion in the prior year. Shareholder's equity was BBD \$2.2 billion, compared to BBD \$2.1 billion for the prior year.

On behalf of the Board of Sagicor Life Inc, I wish to thank our staff, agents, and customers for their continued support.

Stephen McNamara
Chairman

May 16, 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
CONSOLIDATED STATEMENT OF INCOME
As of December 31, 2021
Amounts expressed in BBD \$000

	2021	2020
ASSETS		
Investment property	151,906	152,882
Property, plant and equipment	506,468	486,045
Associates and joint ventures	110,522	320,531
Intangible assets	170,043	173,526
Financial investments	8,658,601	7,876,139
Financial investments repledged	1,216,686	1,223,459
Reinsurance assets	102,027	98,485
Income tax assets	89,826	52,595
Miscellaneous assets and receivables	549,720	458,727
Cash	568,743	560,586
Restricted cash	156,270	159,275
Total assets	12,280,812	11,562,250
LIABILITIES		
Actuarial liabilities	3,638,056	3,391,169
Other policy liabilities	574,780	490,730
Investment contract liabilities	807,020	676,875
Total policy liabilities	5,019,856	4,558,774
Notes and loans payable	188,065	199,308
Lease liabilities	37,048	42,973
Deposit and security liabilities	3,093,179	2,955,631
Other liabilities / retirement benefit liabilities	131,430	103,218
Income tax liabilities	52,328	69,903
Accounts payable and accrued liabilities	467,715	403,688
Total liabilities	8,989,621	8,333,495
EQUITY		
Share capital	550,911	549,099
Reserves	(184,769)	(110,567)
Retained earnings	1,860,544	1,693,083
Total shareholder's equity	2,226,686	2,131,615
Participating accounts	1,165	3,217
Non-controlling interests	1,063,340	1,093,923
Total equity	3,291,191	3,228,755
Total liabilities and equity	12,280,812	11,562,250

These financial statements have been approved for issue by the Board of Directors on March 31, 2022.



Director



Director

Year ended December 31, 2021
Amounts expressed in BBD \$000

	2021	2020
REVENUE		
Premium revenue	1,569,005	1,659,385
Reinsurance premium expense	(179,578)	(168,263)
Net premium revenue	1,389,427	1,491,122
Gain on derecognition of amortised cost investments	46,348	17,788
Gain on derecognition of assets carried at FVOCI	40,728	49,068
Interest income earned from financial assets measured at amortised cost and FVOCI	520,672	495,358
Other investment income / (loss)	72,497	(19,170)
Credit impairment losses	846	(39,538)
Fees and other revenue	340,931	276,522
Total revenue, net	2,411,449	2,271,150
BENEFITS		
Policy benefits and change in actuarial liabilities	1,121,514	1,046,220
Policy benefits and change in actuarial liabilities reinsured	(38,201)	(29,915)
Net policy benefits and change in actuarial liabilities	1,083,313	1,016,305
Interest costs	84,591	77,342
Total benefits	1,167,904	1,093,647
EXPENSES		
Administrative expenses	511,543	499,949
Commissions and related compensation	176,390	171,179
Premium and asset taxes	26,721	24,338
Finance costs	13,311	18,133
Depreciation, amortisation and intangible asset impairment	53,474	66,940
Total expenses	781,439	780,539
OTHER		
Loss arising on business combinations, acquisitions and divestitures	(3,114)	(5,521)
Loss on impairment of investment in associates and joint ventures	-	(63,607)
Share of operating income / (loss) of associates and joint ventures	14,807	(66,254)
Total other income / (loss)	11,693	(135,382)
INCOME BEFORE TAXES	473,799	261,582
Income taxes	(103,808)	(96,438)
NET INCOME FOR THE YEAR	369,991	165,144
INCOME / (LOSS) ATTRIBUTABLE TO:		
Shareholder	243,398	188,349
Participating policyholders	(1,244)	2,717
Non-controlling interests	127,837	(25,922)
	369,991	165,144

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended December 31, 2021
Amounts expressed in BBD \$000

	2021	2020
NET INCOME FOR THE YEAR	369,991	165,144
OTHER COMPREHENSIVE INCOME		
Items net of tax that may be reclassified subsequently to income:		
Financial assets measured at FVOCI:		
(Losses) / gains on revaluation	(46,946)	98,667
Gains transferred to income	(34,958)	(40,420)
Net change in actuarial liabilities	10,797	(5,628)
Cash flow hedges	7,033	(1,642)
Retranslation of foreign currency operations	(143,748)	(76,395)
Other reserves	-	(39)
	(207,822)	(25,457)
Items net of tax that will not be reclassified subsequently to income:		
Gains / (losses) on revaluation of owner-occupied property	23,114	(30,253)
Losses on equity securities designated at FVOCI	-	(298)
(Losses) / gains on defined benefit plans	(27,847)	5,786
	(4,733)	(24,765)
Other comprehensive loss for the year	(212,555)	(50,222)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	157,436	114,922
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:		
Common shareholder	142,374	182,425
Participating policyholders	(1,683)	1,152
Non-controlling interests	16,745	(68,655)
	157,436	114,922

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended December 31, 2021

Amounts expressed in BBD \$000

	Share capital	Reserves	Retained earnings	Shareholder's Equity	Participating accounts	Non-controlling interests	Total Equity
2021							
Balance, beginning of year	549,099	(110,567)	1,693,083	2,131,615	3,217	1,093,923	3,228,755
Total comprehensive income	-	(86,567)	228,941	142,374	(1,683)	16,745	157,436
Transactions with holders of equity instruments:							
Allotment of common shares	-	-	-	-	-	(2,337)	(2,337)
Capital contribution	1,812	-	-	1,812	-	-	1,812
Changes in reserve for equity compensation benefits	-	69	-	69	-	70	139
Dividends declared	-	-	(49,138)	(49,138)	-	(38,264)	(87,402)
Changes in ownership interest in subsidiaries	-	-	(3)	(3)	-	(44)	(47)
Disposal of interest in subsidiaries	-	-	(25)	(25)	-	(6,362)	(6,387)
Transfers and other movements	-	12,296	(12,314)	(18)	(369)	(391)	(778)
Balance, end of year	550,911	(184,769)	1,860,544	2,226,686	1,165	1,063,340	3,291,191
2020							
Balance, beginning of year	541,855	(100,957)	1,496,739	1,937,637	2,450	1,189,022	3,129,109
Total comprehensive income	-	(11,441)	193,866	182,425	1,152	(68,655)	114,922
Transactions with holders of equity instruments:							
Capital contribution	7,244	-	-	7,244	-	-	7,244
Changes in reserve for equity compensation benefits	-	123	-	123	-	128	251
Dividends declared	-	-	-	-	-	(27,327)	(27,327)
Acquisition / disposal of subsidiary and insurance business	-	-	-	-	-	(216)	(216)
Changes in ownership interest in subsidiaries	-	-	(139)	(139)	-	(501)	(640)
Transfers and other movements	-	1,708	2,617	4,325	(385)	1,472	5,412
Balance, end of year	549,099	(110,567)	1,693,083	2,131,615	3,217	1,093,923	3,228,755

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2021

Amounts expressed in BBD \$000

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before taxes	473,799	261,582
Adjustments for non-cash items, interest and dividends	(433,742)	(115,260)
Interest and dividends received	521,937	456,690
Interest paid	(96,886)	(96,129)
Income taxes paid	(111,498)	(76,467)
Net change in investments and operating assets	(592,070)	(292,211)
Net change in operating liabilities	393,897	297,894
Net cash flows - operating activities	155,437	436,099
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment, net	(20,114)	(27,643)
Dividends received from associates and joint ventures	2,119	1,416
Purchase of intangible assets	(5,454)	(4,448)
Change in subsidiary and associate holdings, net of cash and cash equivalents	12,933	(640)
Sale of insurance portfolio / subsidiaries, net	181,746	-
Net cash flows - investing activities	171,230	(31,315)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares (purchased from) / issued to non-controlling interests	(3,102)	910
Notes and loans payable, net	(4,214)	(46,663)
Lease liability principal paid	(8,070)	(8,558)
Dividends paid to common shareholder	(49,138)	-
Dividends paid to non-controlling interests	(38,264)	(11,492)
Net cash flows - financing activities	(102,788)	(65,803)
Effects of exchange rate changes	(23,639)	(11,514)
Net change in cash and cash equivalents	200,240	327,467
Cash and cash equivalents, beginning of year	826,477	499,010
CASH AND CASH EQUIVALENTS, END OF YEAR	1,026,717	826,477

NOTE TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - BASIS OF PREPARATION

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under the criteria, management discloses the consolidated statements of: financial position, income, comprehensive income, changes in equity, and cash flows; which have been derived from the audited consolidated financial statements of the Company for the year ended December 31, 2021, which have been prepared in accordance with the basis of preparation outlined in Note 2.1 of those audited consolidated financial statements.



Independent auditor's report on the summary consolidated financial statements

To the Shareholder of Sagicor Life Inc

Our opinion

In our opinion, the accompanying summary consolidated financial statements of Sagicor Life Inc (the Company) and its subsidiaries (together 'the Group'), are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in note 1.

The summary consolidated financial statements

The Company's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended December 31, 2021 comprise:

- the consolidated statement of financial position as at December 31, 2021;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the related note to the summary consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated March 31, 2022. That report also includes an other matter paragraph regarding the purpose and use of our audit report.

Other Information

Management is responsible for the other information. The other information comprises the chairman's review but does not include the summary consolidated financial statements and our auditor's report thereon.

Our opinion on the summary consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the summary consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the summary consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance. We have nothing to report in this regard.

Management's responsibility for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in note 1.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

Other matter

Our report, dated March 31, 2022 on the consolidated financial statements of Sagicor Life Inc for the year ended December 31, 2021 was made solely to the Company's shareholder, as a body corporate, in accordance with Section 147 of the Companies Act of Barbados and for no other purpose. That report stated that our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body corporate, for our audit work, for our report dated March 31, 2022, or for the opinion we have formed.

PricewaterhouseCoopers SRL

Bridgetown Barbados
May 20, 2022

PricewaterhouseCoopers SRL, The Financial Services Centre, Bishop's Court Hill, P.O. Box 111, St. Michael, BB14004, Barbados, West Indies
T: (246) 626 6700, F: (246) 436 1275, www.pwc.com/bb