



SAGICOR FINANCIAL CORPORATION STATEMENT

Over the last two decades, the Sagicor Group has undergone substantial change. Moving from a single line Mutual Insurance company to a shareholder owned financial services group, the company now offers a wide range of products and services in more than 22 countries including the United States and the United Kingdom. During this time, the company has grown substantially and is now one of the largest financial institutions in the Caribbean with assets of approximately US \$4 billion.

Most of this growth has come from acquisitions. In fact, the company has acquired 20 companies during the period and has sold 5. All of these acquisitions would have brought different systems and procedures, organizational structures, executives and staff and while we would have initially eliminated much of the duplication there is still a need to further rationalize our operations.

In recent times, we have striven for efficiency by amalgamating several companies both in Barbados and Jamaica. We have reassigned several managers across borders within the Group and more recently, introduced a matrix management structure to add greater focus to our lines of business and better utilize our managerial resources. These changes were aimed at maximizing our present potential and seizing the opportunities of the future. We have always been prudent when making these changes, consistently aiming at improving both our effectiveness and efficiency and delivering a value proposition to our customers and shareholders that is world class

However, we are in a new economic era, one in which the vast majority of people would not have imagined a decade ago. As the business landscape continues to change, we must reorganize in order to respond to the new environmental factors or risk becoming obsolete.

In this regard, the Group's management has commenced a comprehensive organizational restructuring which will result in a number of functions being reorganized or made redundant. Group-wide Sagicor has a staff of three thousand and we expect that this restructuring will affect less than 10% of our management and staff. Initially, forty three positions across the group will be affected. In addition, as part of the rationalization of costs in relation to the recent acquisition in Jamaica, an additional sixty five positions will be made redundant in Jamaica and Cayman.

The Group will continue to review its operations over the next six months to ensure we have the most appropriate structure and processes in place.

This type of business restructuring during times of economic difficulty has become a harsh reality that is currently being dealt with by many businesses. We are implementing this process with integrity and respect for the dignity of our colleagues who have been dislocated, and have sought the relevant advice to follow best practice.