

CHAIRMAN'S REVIEW

The Sagicor Group net income for the nine months ended September 30, 2017 was US \$78.1 million, compared to the prior year result of US \$89.9 million. The result for the period was impacted by a net provision of US \$7.5 million related to claims exposure from hurricane activity during the year, while the prior year included exchange gains amounting to US \$7.9 million relating to the depreciation of the Trinidad dollar, when compared to the United States dollar on financial investments.

Net income attributable to shareholders was US \$47.2 million, compared to the prior year result of US \$52.0 million.

Total revenue amounted to US \$910.9 million, compared to US \$850.5 million for the corresponding period in 2016, an increase of US \$60.4 million. Net premium revenue stood at US \$558.8 million, and exceeded the prior year amount of US \$492.7 million, and represents an increase of US \$66.1 million, due in part to the issuance of a significant single premium annuity relating to our Jamaica segment. Net investment income and other income closed at US \$352.1 million, compared to the prior year amount of US \$357.8 million.

Benefits amounted to US \$474.4 million for the period, compared to US \$422.2 million for the previous year, an increase of US \$52.2 million. This change is a result of actuarial provisions for new business including the single premium annuity in the Jamaica segment.

Expenses amounted to US \$329.1 million, inclusive of US \$5.0 million in non-recurring costs, compared to US \$312.7 million for the same period in the prior year. Higher administration costs were also incurred as a result of the expansion of credit card and payments businesses in our banking segment.

Total comprehensive income closed the period at US \$108.3 million, compared to US \$112.2 million for the same period in the prior year. Included in comprehensive income were net gains on financial assets of US \$36.7 million. Retranslation losses amounted to US \$5.1 million, compared to losses of US \$26.3 million reported in the prior year, and resulted from a decline in the Jamaica dollar when compared to the United States dollar during the period.

In the statement of financial position as at September 30, 2017, assets amounted to US \$6.8 billion, and liabilities totalled US \$5.9 billion. Sagicor's Group equity totalled US \$884.4 million. Shareholder equity amounted to US \$1.96 per share. The Group's debt, which is included in other liabilities, was US \$405.6 million. The debt to capital ratio was 31.4%.

Sagicor has embarked on a programme to provide relief from the recent hurricanes. To date, Sagicor has made a financial contribution of US \$300,000, as well as the provision of goods and services. Consistent with our vision to improve the lives of the people in the communities in which we operate, key initiatives include a school feeding programme to students, a mobile medical clinic and assistance to the regional airline, LIAT. We have also partnered with The University of the West Indies to host a Celebrity T20 Cricket Hurricane Relief Benefit to raise additional funds for the islands which have suffered significant damage during the passage of hurricanes Irma and Maria earlier this year.

On behalf of the Board of Sagicor, I wish to thank our Shareholders and Customers for their continued support.



Stephen McNamara
Chairman
November 9, 2017

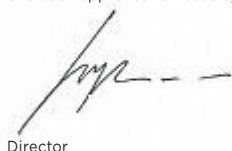
FINANCIAL HIGHLIGHTS	Nine months ended	
	SEPTEMBER 30	
(in US currency except percentages)	2017	2016
Total revenue	\$910.9m	\$850.5m
Overall Group net income	\$78.1m	\$89.9m
Overall Shareholders' net income	\$47.2m	\$52.0m
Net income allocated to non-controlling interests	\$32.5m	\$39.9m
Total equity	\$884.4m	\$826.8m
Ratio of Debt to Capital	31.4%	32.1%
Earnings per common share	15.5¢	16.8¢
Annualised return on common shareholders' equity	11.6%	13.7%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts expressed in US \$000

	September 30	September 30	December 31
	2017	2016	2016
	(unaudited)	(unaudited)	(audited)
ASSETS			
Financial investments	5,005,199	4,944,681	4,813,748
Other investments and assets	1,766,441	1,715,318	1,718,172
Assets of discontinued operation	-	438	-
Total assets	6,771,640	6,660,437	6,531,920
LIABILITIES			
Policy liabilities	3,470,707	3,357,975	3,361,060
Other liabilities	2,416,488	2,475,670	2,375,446
Total liabilities	5,887,195	5,833,645	5,736,506
EQUITY			
Shareholders' equity	600,159	562,613	536,149
Participating accounts	637	(355)	1,291
Non-controlling interests	283,649	264,534	257,974
Total equity	884,445	826,792	795,414
Total liabilities and equity	6,771,640	6,660,437	6,531,920

These financial statements have been approved for issue by the Board of Directors on November 09, 2017.



Director



Director

CONSOLIDATED STATEMENT OF INCOME
Amounts expressed in US \$000

	Nine months to September 30		Three months to September 30	
	2017	2016	2017	2016
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
REVENUE				
Net premium revenue	558,804	492,686	218,659	173,914
Net investment and other income	352,125	357,788	129,630	123,526
Total revenue	910,929	850,474	348,289	297,440
BENEFITS AND EXPENSES				
Benefits	474,373	422,192	196,377	127,366
Expenses	329,148	312,720	104,848	102,920
Total benefits and expenses	803,521	734,912	301,225	230,286
INCOME BEFORE TAXES	107,408	115,562	47,064	67,154
Income taxes	(29,303)	(27,524)	(10,070)	(11,345)
NET INCOME FROM CONTINUING OPERATIONS	78,105	88,038	36,994	55,809
Net income/(loss) from discontinued operation	-	1,850	-	(15)
NET INCOME FOR THE PERIOD	78,105	89,888	36,994	55,794
NET INCOME ATTRIBUTABLE TO:				
Common Shareholders				
From continuing operations	47,211	50,162	28,205	35,285
From discontinued operation	-	1,850	-	(15)
	47,211	52,012	28,205	35,270
Participating policyholders	(1,595)	(2,015)	(1,121)	(1,661)
Non-controlling interests	32,489	39,891	9,910	22,185
	78,105	89,888	36,994	55,794
Basic earnings per common share:				
From continuing operations	15.5 cents	16.2 cents	9.2 cents	11.6 cents
From discontinued operation	0.0 cents	0.6 cents	0.0 cents	0.0 cents
	15.5 cents	16.8 cents	9.2 cents	11.6 cents
Fully diluted earnings per common share:				
From continuing operations	15.2 cents	15.4 cents	9.0 cents	11.0 cents
From discontinued operation	0.0 cents	0.5 cents	0.0 cents	0.0 cents
	15.2 cents	15.9 cents	9.0 cents	11.0 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Amounts expressed in US \$000

	Nine months to September 30		Three months to September 30	
	2017	2016	2017	2016
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
NET INCOME FOR THE PERIOD	78,105	89,888	36,994	55,794
Items net of tax that may be reclassified subsequently to income:				
Available for sale financial assets:				
Unrealised gains arising on revaluation	36,670	88,640	14,983	26,570
Losses / (Gains) transferred to income	6,052	(4,430)	(1,159)	(952)
Net change in actuarial liabilities	(9,630)	(35,104)	3,285	(11,719)
Retranslation of foreign currency operations	(5,148)	(26,348)	(3,302)	(5,918)
	27,944	22,758	13,807	7,981
Items net of tax that will not be reclassified subsequently to income:				
Unrealised losses arising on revaluation of owner occupied property	-	(500)	-	(500)
Gains on defined benefit plans	2,227	34	94	34
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	30,171	22,292	13,901	7,515
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	108,276	112,180	50,895	63,309
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Common Shareholders				
From continuing operations	70,222	65,343	37,557	41,393
From discontinued operation	-	1,850	-	(15)
	70,222	67,193	37,557	41,378
Participating policyholders	(492)	(1,570)	(328)	(1,300)
Non-controlling interests	38,546	46,557	13,666	23,231
	108,276	112,180	50,895	63,309

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Amounts expressed in US \$000

(unaudited)	Share Capital	Share Premium	Reserves	Retained Earnings	Participating Accounts	Non-controlling Interest	Total
Nine months to September 30, 2017:							
Balance, beginning of period	3,029	297,050	(64,795)	300,865	1,291	257,974	795,414
Total comprehensive income from continuing operations	-	-	20,806	49,416	(492)	38,546	108,276
Transactions with holders of equity instruments:							
Allotment of common shares	21	2,021	-	-	-	-	2,042
Movements in treasury shares	6	834	-	-	-	-	840
Changes in reserve for equity compensation benefits	-	-	(45)	-	-	-	(45)
Dividends declared	-	-	-	(7,575)	-	(10,840)	(18,415)
Transfers and other movements	-	-	1,227	(2,701)	(162)	(2,031)	(3,667)
Balance, end of period	3,056	299,905	(42,807)	340,005	637	283,649	884,445
Nine months to September 30, 2016:							
Balance, beginning of period as previously reported	299,320	-	(59,688)	266,414	1,383	231,735	739,164
Redomiciliation adjustment net of treasury shares	(296,296)	296,296	-	-	-	-	-
Balance as restated	3,024	296,296	(59,688)	266,414	1,383	231,735	739,164
Total comprehensive income from continuing operations	-	-	15,155	50,188	(1,570)	46,557	110,330
Total comprehensive income from discontinued operation	-	-	-	1,850	-	-	1,850
Transactions with holders of equity instruments:							
Movements in treasury shares (reallocated to conform with current presentation)	5	746	-	-	-	-	751
Changes in reserve for equity compensation benefits	-	-	1,233	-	-	-	1,233
Dividends declared	-	-	-	(11,311)	-	(10,620)	(21,931)
Transfers and other movements	-	-	(4,559)	3,260	(168)	(3,138)	(4,605)
Balance, end of period	3,029	297,042	(47,859)	310,401	(355)	264,534	826,792

CONSOLIDATED STATEMENT OF CASH FLOWS
Amounts expressed in US \$000

	Nine months to September 30	
	2017	2016
	(unaudited)	(unaudited)
CASH FLOWS		
Operating activities:		
Cash from income, interest and taxation	100,959	96,364
Net increase in investments and operating assets	(65,964)	(197,547)
Net change in operating liabilities	105,683	207,147
	140,678	105,964
Investing activities	(21,319)	(14,062)
Financing activities	(4,093)	(110,463)
Effects of exchange rate changes	(1,317)	(3,616)
Net change in cash and cash equivalents - continuing operations	113,949	(22,177)
Net change in cash and cash equivalents - discontinued operation	-	(44,614)
Cash and cash equivalents, beginning of period	312,106	384,879
Cash and cash equivalents, end of period	426,055	318,088

STATEMENT OF INCOME BY SEGMENT

Amounts expressed in US \$000

(unaudited)

	Nine months to September 30, 2017					Total
	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head Office and other	Inter-segment eliminations	
Total revenue	306,238	452,418	116,700	93,574	(58,001)	910,929
Total benefits and expenses	249,907	365,327	102,274	72,125	13,888	803,521
INCOME BEFORE TAXES	56,331	87,091	14,426	21,449	(71,889)	107,408
Income taxes	(7,318)	(16,388)	(5,049)	(548)	-	(29,303)
NET INCOME FROM CONTINUING OPERATIONS	49,013	70,703	9,377	20,901	(71,889)	78,105
Net income / (loss) attributable to shareholders from continuing operations	50,608	34,727	9,377	(861)	(46,640)	47,211
Total Comprehensive income / (loss) attributable to shareholders from continuing operations	60,980	40,354	15,266	(575)	(45,803)	70,222
	Nine months to September 30, 2016					Total
	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head Office and other	Inter-segment eliminations	
NET INCOME FROM CONTINUING OPERATIONS	52,937	76,472	4,028	15,781	(61,180)	88,038
Net income / (loss) attributable to shareholders from continuing operations	54,952	37,560	4,028	(15,637)	(30,741)	50,162
Total Comprehensive income / (loss) attributable to shareholders from continuing operations	56,660	43,747	11,313	(15,814)	(30,563)	65,343

STATEMENT OF FINANCIAL POSITION BY SEGMENT

Amounts expressed in US \$000

(unaudited)

	September 30, 2017					Total
	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head Office and other	Inter-segment eliminations	
Total assets	1,945,046	2,813,558	1,983,877	390,993	(361,834)	6,771,640
Total liabilities	1,391,780	2,305,747	1,749,394	802,108	(361,834)	5,887,195
Net assets	553,266	507,811	234,483	(411,115)	-	884,445
Sagicor Life	September 30, 2016					Total
	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head Office and other	Inter-segment eliminations	
Net assets	554,297	461,793	216,863	(406,161)	-	826,792

PRODUCTS AND SERVICES

Total external revenues relating to the Group's products and services are summarised as follows:

Amounts expressed in US \$000

	Nine months to September 30	
	2017	2016
	(unaudited)	(unaudited)
Life, health and annuity insurance contracts issued to individuals	493,801	470,361
Life, health and annuity insurance and pension administration contracts issued to groups	243,752	214,431
Property and casualty insurance	30,492	26,445
Banking, investment management and other financial services	121,495	117,922
Other revenues	21,389	21,315
	<u>910,929</u>	<u>850,474</u>

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting policies set out in note 2 of the December 31, 2016 audited financial statements.