

SAGICOR FINANCIAL CORPORATION LIMITED

FINANCIAL RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2018

CHAIRMAN'S REVIEW

The Sagicor Group delivered strong operational performance for financial year 2018. Each business segment grew their revenue, and each delivered positive net income, in spite of significant one-time items, in particular the restructuring of the Government of Barbados debt (GoB). We are pleased with our performance in the face of these challenges.

Total revenue increased 22% to US \$1,484.3 million, compared to the prior year amount of US \$1,218.6 million, an increase of US \$265.7 million. All segments experienced year on year growth. The largest single source of revenue growth was increased premiums in the USA segment driven by a strategic direction to increase production and to cease reinsurance and retain 100% of production starting in Q2 2018. In addition, fee income grew significantly in the Jamaican segment due in part to growth in investment banking business.

Group net income was US \$103.0 million, compared to US \$115.9 million in the prior year. Net income attributable to shareholders was US \$43.7 million, compared to US \$72.4 million in the prior year, a reduction of US \$28.7 million. Both Group net income and net income attributable to shareholders were affected by the GoB restructuring. Management estimates that absent the GoB restructuring, net income attributable to shareholders would have been US \$82.9 million, representing growth of 15%.

Benefits were US \$765.3 million, compared to US \$659.4 million for the prior year, an increase of 16%. The growth in benefits (which include actuarial provisions for future benefits) reflects and is consistent with our revenue growth.

Expenses were US \$590.7 million, compared to US \$436.4 million for the prior year, driven in part by US \$95.5 million of credit impairment provisions, which were partially offset by positive change in actuarial liabilities related to restructured debt. Administrative expenses grew 13% to US \$303.1 million, as the company incurred one-time costs related to its ongoing transaction with Alignvest Acquisition II Corporation. Commissions and related compensation grew 19% to US \$117.3 million, in line with growth in premiums.

Income taxes were US \$50.7 million. This compared to US \$19.3 million in the prior year when the Company had a one-time tax benefit of US \$14.2 million in the USA segment arising from the Tax Cuts and Jobs Act. The remaining increase in taxes resulted from growth in taxable lines of business.

Group comprehensive income was US \$38.9 million, compared to US \$180.1 million for the prior year, a decrease of US \$141.2 million. Group comprehensive income in 2018 included the provision for GoB debt restructuring and management estimates that group comprehensive income would have been US \$87.7 million without such restructuring. Group comprehensive income in 2017 also benefited from significant gains on available for sale assets and retranslation of foreign currency assets, both of which reversed to losses in 2018.

Group assets were US \$7.3 billion and Group liabilities were US \$6.2 billion, resulting in Group equity of US \$1.1 billion, compared to US \$0.9 billion in the prior year. Shareholders' equity was US \$600.9 million, compared to US \$624.6 million for the prior year.

The Group's debt was US \$490.3 million, with a debt to capital ratio of 30.2%, compared to 30.6% for the prior year. The increase in the Group's debt is related to the debt of the Sagicor X Fund Group, which remains unchanged, but is now consolidated onto our balance sheet.

Sagicor has fully provisioned for the exchange of GoB debt as agreed with the Government of Barbados. On September 7, 2018 the Government of Barbados (GoB) entered into a Staff-Level Agreement with the International Monetary Fund (IMF) to provide financial and technical assistance. As part of the programme, the GoB announced on October 15, 2018 that its Exchange Offer received unanimous support from the domestic creditors including Sagicor. The Sagicor Group has made a gross provision of US \$ 98.8 million and took a charge, net of offsetting adjustments, of US \$ 48.8 million attributable to shareholders.

During the year the Sagicor Group adopted two new accounting standards which became effective from January 1, 2018: IFRS 15, Revenue from Contracts with Customers which affects how income is recognised on contracts by companies, and IFRS 9, Financial Instruments. IFRS 9 changes the way that financial instruments are recognised and measured. The standard introduces new measurement categories for financial instruments and an expected, instead of an incurred, credit loss model for impairment. In addition, our subsidiary, Sagicor Group Jamaica, was deemed to have effective control of Sagicor X Fund Group from October 1, 2018 based on its shareholding and influence and from that date has accounted for Sagicor X Fund as a subsidiary as required by IFRS 10. This change has resulted in the operations, results and balance sheet of Sagicor X Fund Group being included within the financial statements. This has the effect of increasing assets and debt on our consolidated balance sheet, including a significant increase in non-controlling interests in subsidiaries.

The discontinued operations represent our UK business, which was sold in 2013. During 2018 there were positive developments in this exposure which resulted in net income of US \$7.1 million. At close of the year the company carried a receivable of US \$17.2 million in respect of this business which was settled by a cash payment to us in February 2019 to fully close off our exposure to this business.

Sagicor voluntarily adopted Canadian risk based capital and reserving standards in 1991. The capital ratio, "Minimum Continuing Capital and Surplus Requirements" (MCCSR) seeks to demonstrate to stakeholders the financial strength of the company. Canadian regulators expected insurance companies to maintain an MCCSR ratio of 150% and Sagicor has consistently maintained a ratio above 200%. As at the end of the year our MCCSR Ratio was 234%.

Sagicor is rated on an annual basis by AM Best, Standard and Poor's Global Ratings, and Fitch Ratings. We have been rated by AM Best since 1998, S&P since 2006 and Fitch since 2015. These ratings are an independent measure of our financial strength. The current ratings are as follows:

- S&P - BB- stable
- Fitch - BB- stable

On November 27, 2018, Sagicor Group announced that it had entered into a transformative transaction with Alignvest Acquisition II Corporation (Alignvest) which heralds in yet another significant milestone in our long and storied history. Through this transaction, Sagicor will acquire a listing on the Toronto Stock Exchange, where we will have international exposure, greater access to capital to fund growth and be exposed to proper price discovery for its shares, providing an opportunity to unlock fair value for all shareholders. At the same time, Sagicor also announced that Sagicor and Alignvest will acquire Scotiabank's life insurance operations in Jamaica and in Trinidad & Tobago. The completion of the transaction with Alignvest is expected in the second half of 2019, subject shareholders' approval and customary regulatory approvals.

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



Stephen McNamara
Chairman
April 18, 2019

FINANCIAL HIGHLIGHTS (in US Currency except percentages)	Year ended December 31	
	2018	2017
Total revenue	\$1,484.3m	\$1,218.6m
Overall Group net income	\$103.0m	\$115.9m
Overall shareholders' net income	\$43.7m	\$72.4m
Net income allocated to non-controlling interests	\$52.1m	\$44.5m
Total equity	\$1,135.5m	\$937.2m
Book Value per share	\$1.96	\$2.04
Ratio of Debt to Capital	30.2%	30.6%
Earnings per common share	11.9¢	20.5¢
Annualised return to common shareholders' equity	6.2%	11.3%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2018

Amounts expressed in US\$000

	2018	2017 restated	January 1, 2017 restated
ASSETS			
Investment property	93,494	80,816	80,662
Property, plant and equipment	262,288	165,560	167,723
Associates and joint ventures	236,132	97,223	87,293
Intangible assets	97,312	81,714	83,487
Financial investments	5,347,663	4,953,241	4,813,748
Reinsurance assets	714,597	797,391	777,344
Income tax assets	54,365	39,980	59,575
Miscellaneous assets and receivables	143,647	228,543	183,018
Cash resources	358,687	360,064	279,070
Assets of discontinued operation	17,239	10,110	-
Total assets	7,325,424	6,814,642	6,531,920
LIABILITIES			
Actuarial liabilities	3,024,464	2,944,700	2,771,824
Other insurance liabilities	247,577	224,159	207,122
Investment contract liabilities	390,397	379,018	377,576
Total policy liabilities	3,662,438	3,547,877	3,356,522
Notes and loans payable	490,275	413,805	395,213
Deposit and security liabilities	1,674,033	1,559,232	1,623,325
Provisions	74,287	80,027	101,292
Income tax liabilities	48,236	29,502	51,078
Accounts payable and accrued liabilities	240,694	246,976	204,975
Total liabilities	6,189,963	5,877,419	5,732,405
Share capital	3,061	3,059	3,029
Share premium	300,665	300,470	297,050
Reserves	(76,995)	(47,388)	(64,798)
Retained earnings	374,138	368,451	301,799
Total shareholders' equity	600,869	624,592	537,080
Participating accounts	4,078	865	1,291
Non-controlling interests in subsidiaries	530,514	311,766	261,144
Total equity	1,135,461	937,223	799,515
Total liabilities and equity	7,325,424	6,814,642	6,531,920

These financial statements have been approved for issue by the Board of Directors on April 18, 2019.



Director



Director

CONSOLIDATED STATEMENT OF INCOME		
Year ended December 31, 2018	Amounts expressed in US\$000	
	2018	2017 restated
REVENUE		
Premium revenue	1,141,429	898,354
Reinsurance premium expense	(87,388)	(152,722)
Net premium revenue	1,054,041	745,632
Gain on derecognition of amortised cost investments	10,434	-
Gain reclassified to income from accumulated OCI	9,339	-
Net investment income	295,965	379,236
Fees and other revenue	114,482	93,740
Total revenue	1,484,261	1,218,608
BENEFITS		
Policy benefits and change in actuarial liabilities	728,360	719,320
Policy benefits and change in actuarial liabilities reinsured	(15,555)	(114,839)
Net policy benefits and change in actuarial liabilities	712,805	604,481
Interest costs	52,521	54,949
Total benefits	765,326	659,430
EXPENSES		
Administrative expenses	303,071	267,427
Commissions and related compensation	117,316	98,749
Premium and asset taxes	13,956	13,569
Finance costs	36,511	34,746
Credit impairment losses	95,519	-
Depreciation and amortisation	24,277	21,871
Total expenses	590,650	436,362
OTHER		
Gain arising on business combinations, acquisitions and divestitures	18,238	2,261
INCOME BEFORE TAXES		
Income taxes	(50,702)	(19,313)
NET INCOME FROM CONTINUING OPERATIONS	95,821	105,764
Net income from discontinued operation	7,129	10,110
NET INCOME FOR THE YEAR	102,950	115,874
Net income/(loss) is attributable to:		
Common shareholders:		
From continuing operations	36,521	62,313
From discontinued operation	7,129	10,110
	43,650	72,423
Participating policyholders	7,222	(1,044)
Non-controlling interests	52,078	44,495
	102,950	115,874
Basic earnings per common share:		
From continuing operations	11.9 cents	20.5 cents
From discontinued operation	2.3 cents	3.3 cents
	14.2 cents	23.8 cents
Fully diluted earnings per common share:		
From continuing operations	11.7 cents	20.0 cents
From discontinued operation	2.3 cents	3.2 cents
	14.0 cents	23.2 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Year ended December 31, 2018	Amounts expressed in US\$000	
OTHER COMPREHENSIVE INCOME	2018	2017 restated
Items net of tax that may be reclassified subsequently to income:		
Financial assets measured at fair value through other comprehensive income (FVOCI):		
(Losses) on revaluation	(82,864)	-
Losses / (gains) transferred to income	(1,891)	-
Available for sale assets:		
Gains on revaluation	-	62,577
(Gains) transferred to income	-	(12,259)
Net change in actuarial liabilities	41,614	(18,152)
Retranslation of foreign currency operations	(25,185)	9,920
	(68,326)	42,086
Items net of tax that will not be reclassified subsequently to income:		
Gains / (losses) on revaluation of owner-occupied property	6,894	(1,759)
Gains / (losses) on equity securities designated at fair value through other comprehensive income	73	-
Gains/ (losses) on defined benefit plans	(2,685)	23,914
	4,282	22,155
OTHER COMPREHENSIVE INCOME / (LOSS) FROM CONTINUING OPERATIONS		
	(64,044)	64,241
TOTAL COMPREHENSIVE INCOME		
Net income	102,950	115,874
Other comprehensive income / (loss)	(64,044)	64,241
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	38,906	180,115
Total comprehensive income / (loss) is attributable to:		
Common shareholders:		
From continuing operations	2,917	96,436
From discontinued operation	7,129	10,110
	10,046	106,546
Participating policyholders	6,356	(210)
Non-controlling interests	22,504	73,779
	38,906	180,115

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY								
Year ended December 31, 2018	Amounts expressed in US\$000							
	Share Capital	Share Premium	Reserves	Retained Earnings	Total Shareholders' Equity	Participating Accounts	Non-controlling Interests	Total Equity
2018								
Balance, December 31, 2017 as reported previously	3,059	300,470	(47,482)	367,327	623,374	865	308,089	932,328
Prior year adjustment to actuarial liabilities	-	-	94	1,124	1,218	-	3,677	4,895
	3,059	300,470	(47,388)	368,451	624,592	865	311,766	937,223
Balance, December 31, 2017 as restated								
Transition adjustment on adoption of IFRS 9	-	-	(217)	(10,442)	(10,659)	(2,930)	(2,352)	(15,941)
Balance, January 1, 2018	3,059	300,470	(47,605)	358,009	613,933	(2,065)	309,414	921,282
Total comprehensive income from continuing operations	-	-	(29,634)	32,551	2,917	6,356	22,504	31,777
Total comprehensive income from discontinued operation	-	-	-	7,129	7,129	-	-	7,129
Transactions with holders of equity instruments:								
Movements in treasury shares	2	195	-	-	197	-	-	197
Changes in reserve for equity compensation benefits	-	-	(787)	-	(787)	-	(28)	(815)
Dividends declared	-	-	-	(15,300)	(15,300)	-	(18,554)	(33,854)
Acquisition/disposal of subsidiary and insurance business	-	-	-	-	-	-	222,755	222,755
Changes in ownership interest in subsidiaries	-	-	-	(3,092)	(3,092)	-	(9,581)	(12,673)
Disposal of interest in subsidiaries	-	-	(935)	935	-	-	(2,221)	(2,221)
Transfers and other movements	-	-	1,966	(6,094)	(4,128)	(213)	6,225	1,884
Balance, December 31, 2018	3,061	300,665	(76,995)	374,138	600,869	4,078	530,514	1,135,461
2017								
Balance, December 31, 2016 as reported previously	3,029	297,050	(64,795)	300,865	536,149	1,291	257,974	795,414
Prior year adjustment to actuarial liabilities	-	-	(3)	934	931	-	3,170	4,101
Balance, December 31, 2016 as restated	3,029	297,050	(64,798)	301,799	537,080	1,291	261,144	799,515
Total comprehensive income from continuing operations	-	-	21,537	74,899	96,436	(210)	73,779	170,005
Total comprehensive income from discontinued operation	-	-	-	10,110	10,110	-	-	10,110
Transactions with holders of equity instruments:								
Allotments of common shares	21	2,021	-	-	2,042	-	-	2,042
Movements in treasury shares	9	1,399	-	-	1,408	-	-	1,408
Changes in reserve for equity compensation benefits	-	-	(6,270)	-	(6,270)	-	(75)	(6,345)
Dividends declared	-	-	-	(15,216)	(15,216)	-	(19,861)	(35,077)
Transfers and other movements	-	-	2,143	(3,141)	(998)	(216)	(3,221)	(4,435)
Balance, December 31, 2017 as restated	3,059	300,470	(47,388)	368,451	624,592	865	311,766	937,223

CONSOLIDATED STATEMENT OF CASH FLOWS				
Year ended December 31, 2018	Amounts expressed in US\$000			
	2018	2017 restated	2018	2017 restated
OPERATING ACTIVITIES				
Income before taxes	146,523	125,077		
Adjustments for non-cash items, interest and dividends	65,655	(111,849)		
Interest and dividends received	303,371	305,810		
Interest paid	(89,029)	(83,627)		
Income taxes paid	(31,720)	(43,352)		
Net increase in investments and operating assets	(580,553)	(157,602)		
Net increase in operating liabilities	232,016	(45,282)		
Net cash flows - operating activities	46,263	(10,825)		
INVESTING ACTIVITIES				
Property, plant and equipment, net	(326)	(13,385)		
Associates and joint ventures, net	(146)	(6,908)		
Dividends received from associates and joint ventures	600	2,561		
Purchase of intangible assets	(4,795)	(6,182)		
Changes in subsidiary and associate holdings, net of cash and cash equivalents	10,422	7,766		
Sale of subsidiaries, net	(13,795)	-		
Net cash flows - investing activities	(8,040)	(16,148)		
FINANCING ACTIVITIES				
Movement in treasury shares			(202)	(203)
Redemption of SFC preference shares			(1)	-
Shares issued to / (purchased from) non-controlling interests			1,967	(5,504)
Changes in ownership of subsidiaries			(12,673)	-
Notes and loans payable, net			(6,134)	16,182
Dividends paid to common shareholders			(14,959)	(14,950)
Dividends paid to non-controlling interests			(19,337)	(19,861)
Net cash flows - financing activities			(51,339)	(24,336)
Effects of exchange rate changes				
			(3,672)	1,875
NET CHANGE IN CASH AND CASH EQUIVALENTS - CONTINUING OPERATIONS				
			(16,788)	(49,434)
Cash and cash equivalents, beginning of year			338,349	387,783
CASH AND CASH EQUIVALENTS, END OF YEAR				
			321,561	338,349

STATEMENT OF INCOME BY SEGMENT						
Year ended December 31, 2018				Amounts expressed in US\$000		
2018	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head office and other	Adjustments	Total
Net premium revenue	320,517	309,729	389,974	33,821	-	1,054,041
Net gain/(losses) on derecognition of financial assets measured at amortised cost	(279)	10,279	(7)	441	-	10,434
Gains reclassified to income from accumulated OCI	430	8,436	774	(14)	(287)	9,339
Interest income	79,075	150,643	55,263	7,083	287	292,351
Other investment income	1,092	18,554	(15,805)	214	(441)	3,614
Fees and other revenues	7,925	97,985	(8,894)	17,504	(38)	114,482
Inter-segment revenues	15,675	-	-	94,129	(109,804)	-
Total revenue	424,435	595,626	421,305	153,178	(110,283)	1,484,261
Net policy benefits	217,732	198,171	103,710	18,767	-	538,380
Net change in actuarial liabilities	(62,053)	13,941	222,537	-	-	174,425
Interest expense	11,152	33,820	5,514	2,035	-	52,521
Administrative expenses	73,052	141,476	32,783	53,698	2,062	303,071
Commissions and premium and asset taxes	43,140	49,941	29,167	9,024	-	131,272
Finance costs	-	2,399	181	(5)	33,936	36,511
Credit impairment losses	82,266	10,245	571	2,437	-	95,519
Depreciation and amortisation	6,811	11,266	3,024	3,176	-	24,277
Inter-segment expenses	2,863 (1)	2,226	681 (1)	15,090	(20,860)	-
Total benefits and expenses	374,963	463,485	398,168	104,222	15,138	1,355,976
Gain arising on business combinations, acquisitions and divestitures	6,876	11,833	-	(471)	-	18,238
Segment income / (loss) before taxes	56,348	143,974	23,137	48,485	(125,421)	146,523
Income taxes	(9,560)	(33,237)	(4,859)	(3,155)	109	(50,702)
Segment net income / (loss) from continuing operations	46,788	110,737	18,278	45,330	(125,312)	95,821
Net income/(loss) attributable to shareholders - continuing operations	39,567	55,742	18,278	14,310	(91,376)	36,521
Total comprehensive income/(loss) attributable to shareholders - continuing operations	33,592	39,945	6,969	11,034	(88,623)	2,917

(1) During 2015, Sagicor Life USA entered into a reinsurance agreement with Sagicor Life; included in the inter-segment expenses is \$1,867 relating to this transaction.

2017 restated	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head office and other	Adjustments	Total
Net premium revenue	308,602	320,067	86,719	30,244	-	745,632
Interest income	77,450	159,462	48,842	8,987	-	294,741
Other investment income	10,350	47,459	26,160	669	(143)	84,495
Fees and other revenues	11,895	62,580	(2,539)	21,836	(32)	93,740
Inter-segment revenues	12,931	-	-	71,150	(84,081)	-
Total revenue	421,228	589,568	159,182	132,886	(84,256)	1,218,608
Net policy benefits	197,716	171,038	87,606	27,125	-	483,485
Net change in actuarial liabilities	11,908	82,334	26,754	-	-	120,996
Interest expense	12,217	37,501	2,144	3,087	-	54,949
Administrative expenses	68,113	127,855	28,298	41,320	1,841	267,427
Commissions and premium and asset taxes	45,613	42,967	15,071	8,667	-	112,318
Finance costs	-	1,089	156	(251)	33,752	34,746
Depreciation and amortisation	6,437	9,219	2,491	3,724	-	21,871
Inter-segment expenses	5,647 ⁽¹⁾	1,858	(3,031) ⁽¹⁾	12,582	(17,056)	-
Total benefits and expenses	347,651	473,861	159,489	96,254	18,537	1,095,792
Gains arising on business combinations and acquisitions	-	2,261	-	-	-	2,261
Segment income / (loss) before taxes	73,577	117,968	(307)	36,632	(102,793)	125,077
Income taxes	(9,868)	(23,033)	13,600	(12)	-	(19,313)
Segment net income / (loss) from continuing operations	63,709	94,935	13,293	36,620	(102,793)	105,764
Net income/(loss) attributable to shareholders - continuing operations	64,753	46,625	13,293	6,683	(69,041)	62,313
Total comprehensive income/(loss) attributable to shareholders - continuing operations	59,864	76,371	21,355	6,564	(67,718)	96,436

(1) During 2015, Sagicor Life USA entered into a reinsurance agreement with Sagicor Life; included in the inter-segment expenses is \$4,700 relating to this transaction.

STATEMENT OF FINANCIAL POSITION BY SEGMENT						
Year ended December 31, 2018				Amounts expressed in US\$000		
2018	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head office and other	Adjustments	Total
Financial investments	1,418,031	2,344,113	1,499,927	85,592	-	5,347,663
Other external assets	324,345	745,357	789,294	163,419	(61,893)	1,960,522
Assets of discontinued operation	-	-	-	17,239	-	17,239
Inter-segment assets	266,094	14,976	3,861	109,595	(394,526)	-
Total assets	2,008,470	3,104,446	2,293,082	375,845	(456,419)	7,325,424
Policy liabilities	1,297,308	753,793	1,602,601	70,629	(61,893)	3,662,438
Other external liabilities	160,824	1,526,230	373,901	466,570	-	2,527,525
Inter-segment liabilities	62,229	5,617	70,085	256,595	(394,526)	-
Total liabilities	1,520,361	2,285,640	2,046,587	793,794	(456,419)	6,189,963
Net assets	488,109	818,806	246,495	(417,949)	-	1,135,461
2017 restated						
Financial investments	1,386,182	2,291,191	1,123,623	152,245	-	4,953,241
Other external assets	351,871	531,671	856,271	182,468	(70,990)	1,851,291
Assets of discontinued operation	-	-	-	10,110	-	10,110
Inter-segment assets	214,767	13,347	2,505	62,101	(292,720)	-
Total assets	1,952,820	2,836,209	1,982,399	406,924	(363,710)	6,814,642
Policy liabilities	1,296,525	757,480	1,498,250	66,612	(70,990)	3,547,877
Other external liabilities	89,643	1,506,669	194,836	538,394	-	2,329,542
Inter-segment liabilities	27,285	4,098	51,587	209,750	(292,720)	-
Total liabilities	1,413,453	2,268,247	1,744,673	814,756	(363,710)	5,877,419
Net assets	539,367	567,962	237,726	(407,832)	-	937,223

GEOGRAPHICAL AREAS				
Year ended December 31, 2018		Amounts expressed in US\$000		

The Group operates in certain geographical areas which are determined by the location of the subsidiary or branch initiating the business.

Group operations in geographical areas include certain non-current assets comprising investment property, property, plant and equipment, investment in associated companies and intangible assets.

Total external revenues and non-current assets by geographical area are summarised in the following table.

	External revenue		Non-current assets	
	2018	2017	2018	2017
Barbados	169,881	169,135	181,163	188,005
Jamaica	569,284	558,645	406,327	133,275
Trinidad & Tobago	168,967	173,027	65,927	65,559
Other Caribbean	155,327	158,759	26,197	28,465
USA	420,802	159,042	9,612	10,009
	1,484,261	1,218,608	689,226	425,313



Independent auditor's report on the summary consolidated financial statements

To the Shareholders of Sagicor Financial Corporation Limited

Our opinion

In our opinion, the accompanying summary consolidated financial statements of Sagicor Financial Corporation Limited (the Company) and its subsidiaries (together the Group), are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the criteria, determined by the Group, that the summary consolidated financial statements shall contain all primary statements and notes related to segmentation presented in a manner consistent with the audited consolidated financial statements (the Criteria).

The summary consolidated financial statements

Sagicor Financial Corporation Limited's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended December 31, 2018 comprise:

- the summary consolidated statement of financial position as of December 31, 2018;
- the summary consolidated statement of income for the year then ended;
- the summary consolidated statement of comprehensive income for the year then ended;
- the summary consolidated statement of changes in equity for the year then ended;
- the summary consolidated statement of cash flows for the year then ended; and
- the related notes 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 consolidated financial statements and our audit report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated April 18, 2019. That report also includes:

- the communication of other key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited consolidated financial statements of the current period.
- an "Other Matter" section that states that the opinion has been prepared for and only for the Company's shareholders as a body in accordance with Section 90 of the Companies Act 1981 (Bermuda) and for no other purpose and that we do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Management's responsibility for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the Criteria.

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'.


PricewaterhouseCoopers SRL
Bridgetown, Barbados
April 18, 2019

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