



Press Release

Toronto and Barbados, April 27, 2020

(USD, unless otherwise noted)

Sagicor Financial Company Ltd. Reports Fourth Quarter, Full Year 2019 Earnings Results and Announces Common Dividend to be paid in the Second Quarter of 2020

Highlights

- **Total revenues**, including premiums, grew 12% in the quarter to US \$472 million and 35% for the full year to US \$1.9 billion, driven by growth in life and annuity business in the Caribbean and the US
- **Net income from continuing operations attributed to shareholders** was US \$12 million in the quarter and US \$44 million for the full year driven by strong growth across all business segments, offset by US \$43 million of cash and non-cash costs relating to the transaction with Alignvest Acquisition II Corporation
- **Net income from continuing operations attributed to shareholders, excluding non-recurring transaction costs**, was US \$55 million in the quarter and US \$87 million for the full year
- **Earnings per share from continuing operations** of US \$0.54 for the full year
- **Strong financial position with total capital available** of US \$2.3 billion, an increase of 40% over year end 2018, and an **MCCSR** of 253%
- **Return on equity** of 6.8% at year end, 14% excluding non-recurring transaction costs
- **Book value of per share** of US\$7.81
- **Quarterly dividend** of US\$0.05625 per common share to be paid in the second quarter of 2020

Dodridge Miller, Group President and Chief Executive Officer, said:

“We delivered strong results in the fourth quarter and full year driven by solid growth across all business segments. 2019 was a transformative year and the listing on the Toronto Stock Exchange marked yet another milestone in the long history of Sagicor. The additional equity raised from the business combination between Sagicor and Alignvest enhanced our already strong capital position. While it is still early to assess the global impact from COVID-19, we are well-positioned to move forward our organic and growth initiatives, adapting to varying situations just as we have done in the past with other circumstances that were beyond our control.”

Consolidated Highlights

<i>(US\$ millions except as otherwise noted)</i>	Q4 2019	Q4 2018	Change	2019	2018	Change
Total Revenue	472	421	12%	1,867	1,387	35%
Net income from continuing operations	25	40	(38%)	104	96	8%
Net income attributed to common shareholders	12	8	44%	44	37	21%
Net income attributed to common shareholders, excluding non-recurring transaction costs	55	8	586%	87	37	139%

(Note: values may not add due to rounding)

<i>(US\$ millions except as otherwise noted)</i>	Q4 2019	Q4 2018	Change	2019	2018	Change
Shareholders' Equity	1,154	601	92%	1,154	601	92%
Operating Return on Equity (%)	6.2%	5.4%	0.8 pts	6.8%	6.2%	0.6 pts
Operating Return on Equity (%), excluding non-recurring transaction costs	30.4%	-	-	14.0%	-	-
Book value per common share	\$7.81	\$8.50	-	\$7.81	\$8.50	-
MCCSR ratio	253%	234%	19 pts	253%	234%	19 pts
Debt to Capital ratio	22.8%	30.2%	7.4 pts	22.8%	30.2%	7.4 pts
Total Capital available	2,266	1,622	40%	2,266	1,622	40%

(1) This press release contains non-IFRS financial measures. Refer to "Non-IFRS Measures" below for further details.

Dividends

The Board of Directors of Sagicor Financial Company Ltd. ("Sagicor" or the "Company") approved and declared a quarterly dividend of US \$0.05625 per common share payable in the second quarter. This quarterly dividend will be paid on May 29, 2020, to shareholders of record at the close of business on May 5, 2020. This is the second dividend being paid since becoming a publicly listed company on the Toronto Stock Exchange in December 2019. Sagicor will continue to review its dividend policy going forward in light of the economic situation stemming from the COVID-19 pandemic.

Overall Sagicor Group Highlights

- **Total revenues including premiums** grew 12% in the quarter and 35% for the full year with strong growth across all three business segments. Net insurance premiums, which represents about two thirds of total revenue, grew 18% during the year, mainly driven by growth in the life and annuity businesses of Sagicor Life Inc. and Sagicor USA.
- **Net Income from continuing operations attributed to shareholders** was US \$12 million in the quarter and US \$44 million for the full year, mainly impacted by the one-time transaction costs on an accounting basis. Excluding these expenses, net income from continuing operations attributed to shareholders would have been \$55 million in the quarter and US \$87 million for the full year, reflecting robust performance across each of Sagicor's major operating segments. The full year figure exceeded previously disclosed guidance of US \$77 million by US \$10 million.
- **Total capital** of US \$2.3 billion, represented an increase of US \$644 million during the year, mainly from the completion of the business combination with Alignvest Acquisition II Corporation, which contributed over US \$450 million of new capital. The Company's **MCCSR ratio** improved by 19 points to 253%. In addition, the Company's **debt to capital ratio** improved by 7.4 points to 22.8% at year end.

Business Segment Performance

Sagicor considers its business within three main operating segments: Sagicor Life Inc. (includes southern Caribbean), Sagicor Jamaica (of which Sagicor Group owns 49% and which is consolidated by the Company), and Sagicor USA.

<i>(US\$ millions, unless otherwise noted)</i>	Q4 2019	Q4 2018	Change	2019	2018	Change
Total Revenues						
Sagicor Life Inc. (SLI)	162	112	45%	533	340	57%
Sagicor Jamaica	194	158	23%	735	586	25%
Sagicor USA	103	143	(28%)	562	421	33%
Corporate and Other (including adjustments)	12	8	48%	37	40	(8%)
Benefits and Expenses						
Sagicor Life Inc. (SLI)	(131)	(91)	(46%)	(465)	(290)	(60%)
Sagicor Jamaica	(140)	(118)	(19%)	(568)	(451)	(26%)
Sagicor USA	(82)	(133)	39%	(515)	(397)	(30%)
Corporate and Other	(24)	(34)	29%	(115)	(123)	7%
Net Income from continuing operations attributed to shareholders						
Sagicor Life Inc. (SLI)	29	6	435%	61	40	54%
Sagicor Jamaica	18	21	(13%)	61	56	10%
Sagicor USA	17	7	150%	35	18	93%
Corporate and Other (including adjustments)	(53)	(25)	(112%)	(114)	(77)	(48%)

Business Segment Highlights

Sagicor Life Inc.

- **Total revenue including premiums** grew 45% in the quarter driven by new customer acquisition diversification and cross selling of products to existing customers, with growth in premiums from the life and annuity business. Total revenue grew 57% for the full year benefiting from a meaningful single premium account and credit impairment gains relative to significant losses in 2018 due to the Government of Barbados debt restructuring.
- **Benefits and expenses** grew 46% in the quarter mainly due to higher life and annuity business and associated changes in actuarial assumptions. Benefits and expenses grew 60% for the full year also due to actuarial assumption changes impacting liabilities associated with the significant single premium business.

- **Net income attributed to shareholders**, after accounting for the income allocated to policyholders, increased significantly in the quarter and 54% for the full year to US \$60.9 million. In 2018, net income attributed to shareholders was impacted by provisions on the Government of Barbados debt.

Sagicor Jamaica

- **Total revenue including premiums** grew 23% in the quarter driven by growth in its life and annuity insurance business including additional premiums from its recently acquired property and casualty business, fee-based income and banking revenue. Total revenue also grew 25% for the full year benefiting from growth across all its business lines. Effective September 30, 2019, Sagicor Group Jamaica acquired 60% share capital of Advantage General Insurance Company domiciled in Jamaica for US \$31.2 million.
- **Benefits and expenses** increased 19% during the quarter due to business growth and lower interest rates. Benefits and expenses increased 26% for the full year, reflecting business growth and associated changes in actuarial assumptions.
- **Net income attributable to shareholders**, after consideration of Sagicor's 49% ownership, decreased by 13% to US \$18 million in the quarter and increased 10% to US \$61.4 million for the full year.

Sagicor USA

- **Total revenue including premiums** decreased 28% in the quarter mainly impacted by falling crediting rates on its annuity products as the Federal Reserve lowered key lending rates. On a full year basis, total revenue increased by 33% primarily driven by new business growth, increased premiums and significant gains in investment income.
- **Benefits and expenses** declined by 39% in the quarter due to lower annuity premium written and associated reserves to support the portfolio. Benefits and expenses increased 30% for the full year driven by overall business growth and associated change in actuarial liabilities.
- **Net income attributable to shareholders**, increased by 150% in the quarter mainly driven by higher investment income, changes in actuarial provisions and lower expenses. On a full year basis, net income attributable to shareholders increased by 93% for similar reasons.

Group Recent Developments

- On October 7th, 2019, Sagicor announced that Sagicor Life Inc. had entered into agreements to acquire the traditional insurance portfolios, including associated investment assets of US \$1.2 billion, of both Colonial Life Insurance Company (Trinidad) Limited ("CLICO") and British American Insurance Company (Trinidad) Limited ("BAT"). In addition, contracts with respect to CLICO's pension fund administration, management and investment services operations will be assumed. The completion of these transactions is still subject to certain conditions and regulatory approvals.
- On December 5th, 2019, Sagicor and Alignvest announced the completion of the business combination transaction resulting in the name change to Sagicor Financial Company Ltd., which now trades on the Toronto Stock Exchange under the symbols "SFC" and "SFC.WT". As a result, the Sagicor Group incurred non-recurring cash and non-cash transaction costs of US \$43 million. In connection with this transaction, the Sagicor Group also made an offer to purchase for cash any or all of its outstanding US \$320 million 8.875% Senior Notes due 2022. On January 27, 2020, US \$1,897,000 notes were tendered, purchased or cancelled.

- Sagicor's agreement with Scotiabank Trinidad and Tobago Limited to acquire Scotiabank Insurance Trinidad and Tobago and establish a 20-year distribution agreement for insurance products and solutions in Trinidad and Tobago expires June 30, 2020. Given current circumstances, there can be no assurance that the transaction will be completed.

Outlook for 2020

- The Company's performance for 2020 is uncertain given the evolving situation of the COVID-19 pandemic. The pandemic will materially impact the economies in all the jurisdictions where the Company operates. Sagicor is well-positioned from the substantial capital raised in 2019 which will help support the Company through this economic shock. The Company continues to actively monitor the development and will provide further updates as the impact on each of our markets become clearer.
- Sagicor is withdrawing its previously issued targets for 2020 in light of the COVID-19 pandemic and will not set out specific guidance for financial targets for the year until its effects can be assessed.

Management's Discussion and Analysis, Consolidated Financial Statements, and Annual Information Form

This press release, which was approved by the Company's Board of Directors and Audit Committee, should be read in conjunction with the Company's audited annual financial statements and accompanying management's discussion and analysis ("MD&A"). The audited annual financial statements and MD&A, as well as the Company's annual information form, are available on the Company's website at www.sagicor.com and will soon be filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Non-IFRS Measures

The Company reports certain non-IFRS measures that are used to evaluate the performance of its businesses and the performance of their respective segments. As non-IFRS measures generally do not have a standardized meaning, they may not be comparable to similar measures presented by other issuers. Securities regulators require such measures to be clearly defined and reconciled with their most comparable IFRS measure.

The Company references non-IFRS measures and insurance industry metrics in this document and elsewhere. Non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these are provided as additional information to complement those IFRS measures by providing further understanding of the results of the operations of the Company from management's perspective. Accordingly, these measures should not be considered in isolation, nor as a substitute for analysis of the Company's financial information reported under IFRS. Non-IFRS measures used to analyze the performance of the Company's businesses include but are not limited to: return on shareholders' equity, book value per share, MCCR, debt to capital ratio, debt to equity ratio, dividend pay-out ratio, and coverage ratio. Please see the "Non-IFRS Financial Information" section of the Management's Discussion and Analysis for a reconciliation of these non-IFRS measures.

Cautionary Statements

Certain information contained in this news release may be forward-looking statements within the meaning of Canadian securities laws. Forward-looking statements are often, but not always identified by the use of words such

as “expect”, “anticipate”, “believe”, “foresee”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “will”, “may” and “should” and similar expressions or words suggesting future outcomes. This news release includes forward-looking information and statements pertaining to the filing, sending and delivery of certain documents, the impact of the COVID-19 pandemic, the anticipated acquisition of CLICO and BAT, and the transaction with Scotiabank Trinidad and Tobago Limited. These forward-looking statements reflect material factors and expectations and assumptions of Sagicor. Sagicor’s estimates, beliefs and assumptions are inherently subject to uncertainties and contingencies regarding future events and as such, are subject to change. Risks and uncertainties not presently known to Sagicor or that it presently believes are not material could cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional information on these and other factors that could affect events and results are included in other documents and reports that will be filed by Sagicor with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Sagicor’s expectations only as of the date of this document. Sagicor disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

About Sagicor Financial Company Ltd.

Sagicor Financial Company Ltd. (TSX: SFC) is a leading financial services provider in the Caribbean, with almost 180 years of history, and has a growing presence as a provider of life insurance products in the United States. Sagicor offers a wide range of products and services, including life, health, and general insurance, banking, pensions, annuities, and real estate. Sagicor’s registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda, with its principal office located at Cecil F De Caires Building, Wildey, St. Michael, Barbados. Additional information about Sagicor can be obtained by visiting www.sagicor.com.

As a result of the transaction with Alignvest Acquisition II Corporation, the financial history of the Company presented here, as well as in the Company’s filings made after the closing of the transaction, is that of Sagicor Financial Corporation Limited, now a wholly-owned subsidiary of the Company.

Media

Ingrid Card

Vice President, Group Marketing, Communications & Brand Experience

246-230-5315

Ingrid_Card@sagicor.com

Investors

Samantha Cheung

Executive Vice President, Investor Relations

416-898-4324 or 1-800-342-0719

Samantha_Cheung@sagicor.com or investorrelations@sagicor.com