



Wise Financial Thinking for Life

April 28, 2020

Mr Marlon Yarde
Managing Director and CEO
Barbados Stock Exchange Inc
8th Avenue Belleville
ST MICHAEL BB11114

Dear Mr Yarde

Sagicor Financial Company Ltd. – Audited Financial Statements

We are pleased to enclose the audited Consolidated Financial Statements of Sagicor Financial Company Ltd. for the year ended December 31, 2019.

This version of the Financial Statements will be published in the newspapers on Wednesday April 29, 2020.

A full copy inclusive of notes will follow shortly.

Yours sincerely

SAGICOR FINANCIAL CORPORATION LIMITED.

Althea C Hazzard
Corporate Secretary

Enc



SAGICOR FINANCIAL COMPANY LTD.

(FORMERLY SAGICOR FINANCIAL CORPORATION LIMITED)

FOURTH QUARTER, FULL YEAR 2019 EARNINGS RESULTS AND 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 expenses
- **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

US \$ millions except as otherwise noted	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 expenses	55	8	586%	87	37	139%

(Note: values may not add due to rounding)

US \$ millions except as otherwise noted	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 expenses	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) The press release contains non-IFRS financial measures. Refer to Non-IFRS Measures in the MD&A for further information.

Dividends

The Board of Directors of Sagicor Finanical 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 US \$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 (includes southern Caribbean), Sagicor Jamaica (of which Sagicor Group owns 49% and which is consolidated by the Company), and Sagicor USA.

(US \$ millions, unless otherwise noted)	Q4 2019	Q4 2018	Change	2019	2018	Change
Total Revenues						
Sagicor Life Inc	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 7, 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 5, 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 (MD&A) and Consolidated Financial Statements

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, Consolidated Financial Statements, and Annual Information Form. 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**.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION		
As of December 31, 2019 and December 31, 2018		Amounts expressed in US\$000
	2019	2018
ASSETS		
Investment property	95,577	93,494
Property, plant and equipment	289,870	262,288
Associates and joint ventures	230,558	236,132
Intangible assets	106,864	97,312
Financial investments	6,080,758	4,794,399
Financial investments repledged	604,886	553,264
Reinsurance assets	724,237	714,597
Income tax assets	26,594	54,365
Miscellaneous assets and receivables	208,059	143,647
Cash	273,072	261,899
Restricted cash	88,396	96,788
Assets of discontinued operation	-	17,239
Total assets	8,728,871	7,325,424
LIABILITIES		
Actuarial liabilities	3,604,653	3,024,464
Other insurance liabilities	286,960	247,577
Investment contract liabilities	424,340	390,397
Total policy liabilities	4,315,953	3,662,438
Notes and loans payable	517,732	490,275
Lease liabilities	35,700	-
Deposit and security liabilities	1,752,689	1,674,033
Other liabilities / retirement benefit liabilities	59,795	74,287
Income tax liabilities	56,889	48,236
Accounts payable and accrued liabilities	240,333	240,694
Total liabilities	6,979,091	6,189,963
EQUITY		
Share capital	1,477	3,061
Share premium	762,015	300,665
Reserves	(9,023)	(76,995)
Retained earnings	399,582	374,138
Total shareholders' equity	1,154,051	600,869
Participating accounts	1,223	4,078
Non-controlling interests	594,506	530,514
Total equity	1,749,780	1,135,461
Total liabilities and equity	8,728,871	7,325,424

These financial statements have been approved for issue by the Board of Directors on April 23, 2020.

	
Director	Director

CONSOLIDATED STATEMENTS OF INCOME		
Year ended December 31, 2019 and December 31, 2018		Amounts expressed in US\$000
	2019	2018
REVENUE		
Premium revenue	1,323,252	1,141,429
Reinsurance premium expense	(81,708)	(87,388)
Net premium revenue	1,241,544	1,054,041
Gain on derecognition of amortised cost investments	12,920	10,434
Gain on derecognition of assets carried at FVOCI	29,954	9,339
Interest income earned from financial assets measured at amortised cost and FVOCI	308,014	290,988
Other investment income	111,800	2,832
Credit impairment losses	(4,877)	(95,519)
Fees and other revenue	167,971	114,482
Total revenue, net	1,867,326	1,386,597
BENEFITS		
Policy benefits and change in actuarial liabilities	1,169,640	728,360
Policy benefits and change in actuarial liabilities reinsured	(107,308)	(15,555)
Net policy benefits and change in actuarial liabilities	1,062,332	712,805
Interest costs	54,192	52,521
Total benefits	1,116,524	765,326
EXPENSES		
Administrative expenses	333,236	303,071
Commissions and related compensation	120,155	117,316
Premium and asset taxes	14,560	13,956
Finance costs	43,633	36,511
Depreciation and amortisation	35,506	24,277
Listing expense and other transaction costs	43,396	-
Total expenses	590,486	495,131
OTHER		
(Loss) / gain arising on business combinations, acquisitions and divestitures	(379)	11,820
Gain arising on acquisition of insurance business	-	6,418
Share of operating income of associates and joint ventures	3,347	2,145
Total other income	2,968	20,383
INCOME BEFORE TAXES		
FROM CONTINUING OPERATIONS	163,284	146,523
Income taxes	(59,710)	(50,702)
NET INCOME FROM CONTINUING OPERATIONS	103,574	95,821
Net income from discontinued operation	517	7,129
NET INCOME FOR THE YEAR	104,091	102,950
Net income is attributable to:		
Common shareholders:		
From continuing operations	43,981	36,521
From discontinued operation	517	7,129
	44,498	43,650
Participating policyholders	(1,937)	7,222
Non-controlling interests	61,530	52,078
	104,091	102,950
Basic earnings per common share:		
From continuing operations	57.5 cents	51.7 cents
From discontinued operation	0.7 cents	10.1 cents
	58.2 cents	61.8 cents
Fully diluted earnings per common share:		
From continuing operations	54.1 cents	50.8 cents
From discontinued operation	0.6 cents	9.9 cents
	54.7 cents	60.7 cents

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME		
Year ended December 31, 2019 and December 31, 2018		Amounts expressed in US\$000
OTHER COMPREHENSIVE INCOME	2019	2018
Items net of tax that may be reclassified subsequently to income:		
Financial assets measured at FVOCI:		
Gains / (losses) on revaluation	168,707	(82,864)
Gains transferred to income	(20,374)	(1,891)
Net change in actuarial liabilities	(94,999)	41,614
Retranslation of foreign currency operations	(16,641)	(25,185)
Other reserves	(3,212)	-
	<u>33,481</u>	<u>(68,326)</u>
Items net of tax that will not be reclassified subsequently to income:		
(Losses) / gains on revaluation of owner-occupied and owner-managed property	(971)	6,894
Gains on equity securities designated at FVOCI	18	73
Gains / (losses) on defined benefit plans	11,198	(2,685)
	<u>10,245</u>	<u>4,282</u>
OTHER COMPREHENSIVE INCOME / (LOSS) FROM CONTINUING OPERATIONS	43,726	(64,044)
TOTAL COMPREHENSIVE INCOME		
Net income	104,091	102,950
Other comprehensive income / (loss)	43,726	(64,044)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	147,817	38,906
Total comprehensive income / (loss) is attributable to:		
Common shareholders:		
From continuing operations	80,671	2,917
From discontinued operation	517	7,129
	<u>81,188</u>	<u>10,046</u>
Participating policyholders	(2,655)	6,356
Non-controlling interests	69,284	22,504
	<u>147,817</u>	<u>38,906</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY								
Year ended December 31, 2019 and December 31, 2018								
	Share Capital	Share Premium	Reserves	Retained Earnings	Total Shareholders' Equity	Participating Accounts	Non-controlling Interest	Total Equity
2019								
Balance, December 31, 2018	3,061	300,665	(76,995)	374,138	600,869	4,078	530,514	1,135,461
Total comprehensive income from continuing operations	-	-	28,030	52,641	80,671	(2,655)	69,284	147,300
Total comprehensive income from discontinued operation	-	-	-	517	517	-	-	517
Transactions with holders of equity instruments:								
Exchange of shares	(2,270)	2,270	-	-	-	-	-	-
Repurchase of shares	(116)	(19,930)	-	-	(20,046)	-	-	(20,046)
New share issue	798	478,818	-	-	479,616	-	-	479,616
Movements in treasury shares	4	192	-	-	196	-	-	196
Allocated to warrant reserve	-	-	20,062	-	20,062	-	-	20,062
Changes in reserve for equity compensation benefits	-	-	9,187	(938)	8,249	-	24	8,273
Dividends declared	-	-	-	(15,316)	(15,316)	-	(21,539)	(36,855)
Acquisition/disposal of subsidiary and insurance business	-	-	-	-	-	-	17,070	17,070
Transfers and other movements	-	-	10,693	(11,460)	(767)	(200)	(847)	(1,814)
Balance, December 31, 2019	1,477	762,015	(9,023)	399,582	1,154,051	1,223	594,506	1,749,780
2018								
Balance, December 31, 2017	3,059	300,470	(47,388)	368,451	624,592	865	311,766	937,223
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

CONSOLIDATED STATEMENTS OF CASH FLOWS				
Year ended December 31, 2019 and December 31, 2018		Amounts expressed in US\$000		
	2019	2018		
OPERATING ACTIVITIES				
Income before taxes from continuing operations	163,284	146,523		
Adjustments for non-cash items, interest and dividends	172,204	65,655		
Interest and dividends received	318,564	303,371		
Interest paid	(95,332)	(89,029)		
Income taxes paid	(53,060)	(31,720)		
Net increase in investments and operating assets	(582,684)	(580,553)		
Net increase in operating liabilities	118,499	232,016		
Net cash flows - operating activities	41,475	46,263		
INVESTING ACTIVITIES				
Property, plant and equipment, net	(7,493)	(326)		
Associates and joint ventures, net	-	(146)		
Dividends received from associates and joint ventures	640	600		
Purchase of intangible assets	(4,738)	(4,795)		
Changes in subsidiary and associate holdings, net of cash and cash equivalents	(32,779)	10,422		
Sale of subsidiaries, net	-	(13,795)		
Net cash flows - investing activities	(44,370)	(8,040)		
FINANCING ACTIVITIES				
Allotment of common shares			474,906	-
Repurchase of shares			(20,046)	-
Purchase of treasury shares			(371)	(202)
Redemption of SFCL preference shares			-	(1)
Shares issued to / (purchased from) non-controlling interests			(1,562)	1,967
Changes in ownership of subsidiaries			-	(12,673)
Notes and loans payable, net			31,695	(6,134)
Lease liability principal paid			(4,225)	-
Dividends paid to common shareholders			(15,003)	(14,959)
Dividends paid to non-controlling interests			(21,539)	(19,337)
Net cash flows - financing activities			443,855	(51,339)
Effects of exchange rate changes				
			(4,933)	(3,672)
NET CHANGE IN CASH AND CASH EQUIVALENTS - CONTINUING OPERATIONS				
			436,027	(16,788)
Net change in cash and cash equivalents – discontinued operation			17,756	-
Cash and cash equivalents, beginning of year			321,561	338,349
CASH AND CASH EQUIVALENTS, END OF YEAR				
			775,344	321,561

STATEMENT OF INCOME BY SEGMENT						
Year ended December 31, 2019 and December 31, 2018				Amounts expressed in US\$000		
2019	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head office and other	Adjustments	Total
Net premium revenue	409,161	350,054	444,697	37,632	-	1,241,544
Net gain/(losses) on derecognition of financial assets measured at amortised cost	455	13,285	(30)	(790)	-	12,920
Gain on derecognition of assets carried at FVOCI	6,158	21,299	2,497	-	-	29,954
Interest income earned from financial assets measured at amortised cost and FVOCI	74,164	160,322	70,201	3,327	-	308,014
Other investment income	10,845	52,146	46,923	2,470	(584)	111,800
Credit impairment losses	1,434	(6,089)	(415)	193	-	(4,877)
Fees and other revenue	11,027	144,293	(2,355)	17,152	(2,146)	167,971
Inter-segment revenue	19,965	-	-	41,692	(61,657)	-
Total revenue, net	533,209	735,310	561,518	101,676	(64,387)	1,867,326
Net policy benefits	221,331	219,056	115,237	21,925	-	577,549
Net change in actuarial liabilities	94,082	59,270	325,930	-	5,501	484,783
Interest costs	15,951	30,611	7,121	509	-	54,192
Administrative expenses	77,908	180,410	35,611	36,934	2,373	333,236
Commissions and premium and asset taxes	48,273	50,704	26,253	9,485	-	134,715
Finance costs	57	7,806	518	35,252	-	43,633
Depreciation and amortisation	7,394	20,385	4,730	2,997	-	35,506
Listing expense and other transaction costs	-	-	-	43,396	-	43,396
Inter-segment expenses	5,025	2,456	1,311	19,281	(28,073)	-
Total benefits and expenses	470,021	570,698	516,711	169,779	(20,199)	1,707,010
Loss arising on business combinations, acquisitions and divestitures	(379)	-	-	-	-	(379)
Share of operating income of associates and joint ventures	3,980	(633)	-	-	-	3,347
Segment income / (loss) before taxes	66,789	163,979	44,807	(68,103)	(44,188)	163,284
Income taxes	(7,868)	(40,426)	(9,410)	(2,170)	164	(59,710)
Segment net income / (loss) from continuing operations	58,921	123,553	35,397	(70,273)	(44,024)	103,574
Net income/(loss) attributable to non-controlling interests	-	62,184	-	(654)	-	61,530
Total comprehensive income/(loss) attributable to shareholders - continuing operations	68,734	74,568	48,259	(67,680)	(43,210)	80,671

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
Gain / (loss) on derecognition of assets carried at FVOCI	454	8,436	774	(14)	(311)	9,339
Interest income earned from financial assets measured at amortised cost and FVOCI	74,091	155,934	54,229	6,734	-	290,988
Other investment income	3,420	13,750	(14,771)	563	(130)	2,832
Credit impairment losses	(82,266)	(10,245)	(571)	(2,437)	-	(95,519)
Fees and other revenue	8,503	97,985	(8,894)	17,504	(616)	114,482
Inter-segment revenue	15,675	-	-	94,129	(109,804)	-
Total revenue, net	340,115	585,868	420,734	150,741	(110,861)	1,386,597
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 costs	11,152	33,820	5,514	2,035	-	52,521
Administrative expenses	73,182	141,476	32,783	53,698	1,932	303,071
Commissions and premium and asset taxes	43,140	49,941	29,167	9,024	-	131,272
Finance costs	-	2,399	181	33,931	-	36,511
Depreciation and amortisation	6,811	11,266	3,024	3,176	-	24,277
Inter-segment expenses	2,863	2,226	681	15,090	(20,860)	-
Total benefits and expenses	292,827	453,240	397,597	135,721	(18,928)	1,260,457
Gain / (loss) arising on business combinations, acquisitions and divestitures	458	11,833	-	(471)	-	11,820
Gain arising on acquisition of insurance business	6,418	-	-	-	-	6,418
Share of operating income of associates and joint ventures	2,632	(487)	-	-	-	2,145
Segment income / (loss) before taxes	56,796	143,974	23,137	14,549	(91,933)	146,523
Income taxes	(9,560)	(33,237)	(4,859)	(3,155)	109	(50,702)
Segment net income / (loss) from continuing operations	47,236	110,737	18,278	11,394	(91,824)	95,821
Net income/(loss) attributable to non-controlling interests	-	54,994	-	(2,916)	-	52,078
Total comprehensive income/(loss) attributable to shareholders - continuing operations	34,040	39,945	6,969	11,034	(89,071)	2,917

Where necessary certain comparative numbers have been adjusted to conform with the presentation in the current year. Fees and other revenue of \$578 and administrative expenses of \$130 previously eliminated in the Sagicor Life segment are now reflected in Adjustments. Finance costs of \$33,936 were also reclassified from Adjustments to Head office and other.

STATEMENT OF FINANCIAL POSITION BY SEGMENT						
Year ended December 31, 2019 and December 31, 2018				Amounts expressed in US\$000		
2019	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head office and other	Adjustments	Total
Financial investments	1,438,618	2,670,339	2,040,771	535,916	-	6,685,644
Other external assets	341,370	795,798	735,747	170,312	-	2,043,227
Inter-segment assets	335,784	15,903	65,224	141,760	(558,671)	-
Total assets	2,115,772	3,482,040	2,841,742	847,988	(558,671)	8,728,871
Policy liabilities	1,379,761	865,914	1,997,405	72,873	-	4,315,953
Other external liabilities	77,259	1,673,057	437,936	474,886	-	2,663,138
Inter-segment liabilities	120,000	6,097	110,835	321,739	(558,671)	-
Total liabilities	1,577,020	2,545,068	2,546,176	869,498	(558,671)	6,979,091
Net assets	538,752	936,972	295,566	(21,510)	-	1,749,780
Net assets attributable to non-controlling interests	-	577,429	-	17,077	-	594,506
2018						
Financial investments	1,418,031	2,344,113	1,499,927	85,592	-	5,347,663
Other external assets	324,345	745,357	727,401	163,419	-	1,960,522
Assets of discontinued operation	-	-	-	17,239	-	17,239
Inter-segment assets	266,094	14,976	65,754	109,595	(456,419)	-
Total assets	2,008,470	3,104,446	2,293,082	375,845	(456,419)	7,325,424
Policy liabilities	1,235,415	753,793	1,602,601	70,629	-	3,662,438
Other external liabilities	160,824	1,526,230	373,901	466,570	-	2,527,525
Inter-segment liabilities	124,122	5,617	70,085	256,595	(456,419)	-
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
Net assets attributable to non-controlling interests	-	512,922	-	17,592	-	530,514

GEOGRAPHICAL AREAS

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, associates and intangible assets. Total external revenues and non-current assets by geographical area are summarised below.

	External revenue		Non-current assets	
	2019	2018	2019	2018
Barbados	178,959	118,186	179,905	181,163
Jamaica	657,191	549,070	141,973	97,677
Trinidad & Tobago	239,463	147,174	69,382	65,927
Other Caribbean	191,084	139,904	27,291	26,197
USA	600,629	432,263	304,318	318,262
	1,867,326	1,386,597	722,869	689,226



Independent auditor's report on the summary consolidated financial statements

To the Shareholders of Sagicor Financial Company Ltd.

Our opinion

In our opinion, the accompanying summary consolidated financial statements of Sagicor Financial Company Ltd. (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 Company Ltd.'s summary consolidated financial statements derived from the audited consolidated financial statements for the years ended December 31, 2019 and December 31, 2018 comprise:

- the summary consolidated statements of financial position as of December 31, 2019 and December 31, 2018;
- the summary consolidated statements of income for the years then ended;
- the summary consolidated statements of comprehensive income for the years then ended;
- the summary consolidated statements of changes in equity for the years then ended;
- the summary consolidated statements of cash flows for the years 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 23, 2020. 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.

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

PricewaterhouseCoopers SRL
Bridgetown, Barbados
April 23, 2020