

This news release for Sagicor Financial Company Ltd. (“Sagicor” or the “Company”) should be read in conjunction with the Company’s Management’s Discussion & Analysis (“MD&A”) and the Consolidated Financial Statements for the period ended March 31, 2023. These documents are available on Sagicor’s website, at www.sagicor.com, under the heading “Financials and Filings”, and under Sagicor’s profile at www.sedar.com. This news release presents non-IFRS measures used by Sagicor in evaluating its results and measuring its performance. These non-IFRS measures are not standardized financial measures, are not included in the Consolidated Financial Statements, and may not be comparable to similar financial measures used by other companies. They include return on shareholders’ equity, book value per share, debt to capital ratio, total capital, revenues, contractual service margin, and Minimum Continuing Capital and Surplus Requirement ratio. See the “Non-IFRS Measures” section in this document for relevant information about such measures.

Sagicor Financial Company Ltd. Reports First Quarter 2023 Results and Announces Meeting of Shareholders, Availability of 2022 Management Information Circular, Annual Report and Annual Information Form

Toronto and Barbados (May 15, 2023) – Sagicor Financial Company Ltd. (TSX: SFC), a leading financial services provider in the Caribbean with a growing presence in the U.S., today announced its results for the first quarter ended March 31, 2023. All figures are in US\$ unless otherwise stated.

Highlights

- **Revenues⁽¹⁾** of \$418.3 million
- **Insurance revenue** of \$166.2 million
- **Net insurance and investment result** of \$88.2 million
- **Total comprehensive income to shareholders** of \$6.6 million
- **Total comprehensive income** of \$19.1 million
- **New business CSM⁽¹⁾** of \$28.2 million
- **Total net CSM⁽¹⁾** of \$690.5 million
- **Shareholders’ equity and net CSM to shareholders⁽¹⁾** of \$994.9
- **MCCSR ratio⁽¹⁾** of 308%
- **Dividend of US\$0.05625 per common share** to be paid during the second quarter of 2023 (US\$0.225 annualised dividend)

Andre Mousseau, Group President and Chief Executive Officer, said:

“Sagicor’s underlying business economics remained strong as we transitioned to the new accounting standard at the start of Q1. Our results this quarter were affected by mark to market gains on investments across all segments, more than offset in some cases by revaluation of liabilities under IFRS 17. We remain well capitalized and committed to executing on our strategic priorities for the remainder of the year, including closing the transformational ivari acquisition which we expect to complete in Q3.”

⁽¹⁾ Represents a non-IFRS measure. See the Non-IFRS Measures section in this document and in our MD&A for relevant information about such measures.

Overall Sagicor Group – Quarterly Highlights

Sagicor had a solid Q1 2023 in the face of sustained market volatility and continuing momentum from a successful 2022. New business production was solid in Sagicor Jamaica and Sagicor Life. Our U.S. segment posted lower production than the previous year, as we chose to defer production until later in the quarter based on a more favorable competitive and investment environment, moving settlement of that business into the second quarter. Sagicor remains well capitalized with an MCCR ratio⁽¹⁾ for its insurance businesses of 308% and a debt to capital ratio⁽¹⁾ of 31.2%.

Net income to shareholders for the quarter excluding one-time costs of \$5.2 million relating to the IFRS 17 implementation, the ivari transaction, and the build-out of our digital bank in Barbados and an estimated \$0.6 million of net experience loss, is \$7.2 million. Our results were dominated by asset price movement and the revaluation of liabilities under IFRS 17. We experienced positive movement through earnings backing surplus from our shareholding in Playa Hotels & Resorts. This was offset by market volatility from the delinking of asset and liability values upon the transition to IFRS 17, which resulted in non-economic accounting volatility where the calculated value of our liabilities increased more than the appreciation of our assets backing liabilities. Total comprehensive income to shareholders adjusted for the items noted above would have been \$12.4 million for the quarter.

Total capital⁽¹⁾ of \$2.1 billion remains strong with the addition of total net CSM of \$690 million being categorized as a component of capital. This is due to its importance as a store of value and a future indicator of earnings as it amortizes into net income throughout the life of the insurance contracts.

Consolidated Highlights

Profitability (US\$ millions)	Q1 2023	Transition Q1 2022	Change Y/Y
Net income to shareholders	1.4	(81.0)	n.m. ⁽²⁾
Annualised return on shareholders' equity ⁽¹⁾ (%)	1.3%	n.m. ⁽²⁾	n.m. ⁽²⁾
New business CSM ⁽¹⁾	28.2	41.8	(33%)

Financial Strength (US\$ millions, where applicable)	Q1 2023	Transition Q4 2022	Change Q/Q
Shareholders' equity	428.3	429.7	0%
Net CSM to shareholders ⁽¹⁾	566.6	551.3	3%
Shareholders' equity and net CSM to shareholders ⁽¹⁾	994.9	981.0	1%
Total net CSM ⁽¹⁾	690.5	674.7	2%
Book value per share ⁽¹⁾ (US\$ per share)	3.00	3.01	0%
MCCR ratio ⁽¹⁾ (%)	308%	276%	32 pts
Debt to capital ratio ⁽¹⁾ (%)	31.2%	31.0%	(0.2 pts)
Total capital ⁽¹⁾	2,076.8	2,043.6	1%

⁽¹⁾ Represents a non-IFRS measure. See the Non-IFRS Measures section in this document and in our MD&A for relevant information about such measures.

⁽²⁾ Not meaningful.

Transition to IFRS 17 and Outlook

Effective January 1, 2023, Sagicor implemented IFRS 17 which replaces IFRS 4 Insurance Contracts. Sagicor previously implemented IFRS 9 Financial Instruments on January 1, 2018, and with the adoption of IFRS 17, Sagicor chose to amend its elections under IFRS 9. The primary election relating to IFRS 9 was designating some financial assets that were previously accounted for at amortized cost and fair value through other comprehensive income that supported insurance liabilities to fair value through profit and loss. Sagicor's strategies and underlying economics of the business have not changed as a result of the new standard, but the presentation of our financial results has changed. This transition will provide increased disclosures and analyses to better understand our business. With the change in accounting policy, caution should be used when comparing 2023 results with the 2022 results under IFRS 17 as the 2022 results do not reflect the full optimization of our models under the new accounting standard. See note 2 in the Company's first quarter unaudited consolidated financial statements.

Sagicor reiterates its preliminary guidance and pro forma impacts of the ivari transaction as previously disclosed in the March 27, 2023 press release. All IFRS 17 financial information is unaudited, for informational purposes only, and is pro forma and forward-looking in nature. It is not necessarily indicative of what Sagicor's or ivari's results of operations would have been had Sagicor or ivari reported under IFRS 17 as of January 1, 2022. The impact assumes the acquisition of ivari, with a Q3 2023 targeted close, was completed and it is expected to have the following pro forma impacts:

- Q1 2023 shareholders' equity to be approximately \$650 to 725 million, primarily driven by the bargain purchase gain (negative goodwill) created by the purchase price being lower than ivari's adjusted net assets acquired;
- Q1 2023 CSM to shareholders⁽¹⁾ of approximately \$1.1 to 1.3 billion, resulting in shareholders' equity and CSM to shareholders capital of approximately \$1.8 to 2.0 billion;
- 2024 return on shareholders' equity⁽¹⁾ of approximately 14 to 16%;
- High single-digit CSM to shareholders⁽¹⁾ growth, and double-digit net income to shareholders growth beyond 2024;
- Sagicor expects ivari to be accretive on a book value and earnings basis and approximately neutral to return on equity (ROE)⁽¹⁾ upon closing of the transaction; and
- Upon the acquisition of ivari, the change in debt to capital (including CSM)⁽¹⁾ ratio is expected to be near neutral.

⁽¹⁾ Represents a non-IFRS measure. See the Non-IFRS Measures section in this document and in our MD&A for relevant information about such measures.

Business Segment Performance

Sagicor has three main reporting operating segments: Sagicor Life (includes southern Caribbean), Sagicor Jamaica (of which the Company owns 49.1% and which is consolidated by the Company), and Sagicor Life USA.

Performance (US\$ millions)	Q1 2023	Transition Q1 2022	Change Y/Y
Revenues⁽¹⁾			
Sagicor Life	88.4	71.5	24%
Sagicor Jamaica	156.9	95.2	65%
Sagicor Life USA	151.1	(133.1)	n.m. ⁽³⁾
Head office ⁽²⁾	22.0	30.3	(28%)
Total	418.3	63.9	n.m.
Insurance Revenue			
Sagicor Life	53.3	51.6	3%
Sagicor Jamaica	72.0	62.0	16%
Sagicor Life USA	21.2	15.7	35%
Head office ⁽²⁾	19.8	19.5	2%
Total	166.2	148.8	12%
Net Income / (Loss) to Shareholders			
Sagicor Life	6.0	0.5	n.m. ⁽³⁾
Sagicor Jamaica	7.3	(2.4)	n.m. ⁽³⁾
Sagicor Life USA	4.4	(75.3)	n.m. ⁽³⁾
Head office ⁽²⁾	(16.3)	(3.8)	n.m. ⁽³⁾
Total	1.4	(81.0)	n.m.⁽³⁾
New Business CSM⁽¹⁾			
Sagicor Life	12.0	11.1	8%
Sagicor Jamaica	8.0	7.8	3%
Sagicor Life USA	8.2	22.9	(64%)
Head office ⁽²⁾	-	-	-
Total	28.2	41.8	(33%)

⁽¹⁾ Represents a non-IFRS measure. See the Non-IFRS Measures section in this document and in our MD&A for relevant information about such measures.

⁽²⁾ Head office includes parent company financing costs, administrative expenses, the Company's interest in Playa Hotels and Resorts, other operating companies, adjustments and other.

⁽³⁾ Not meaningful.

Business Segment - Quarterly Highlights

Sagicor Life

- Sagicor Life posted solid new business sales growing CSM. Consistent with recent quarters, Q1 saw some continued minor negative experience from the in-force book of business.
- Net income to shareholders was \$6.0 million, an increase compared to \$0.5 during the same quarter in the prior year.
- Total net CSM⁽¹⁾ was \$241.8 million, an increase of 11% Q/Q largely due to new business CSM⁽¹⁾ of \$12.0 million during the quarter.

Sagicor Jamaica

- Sagicor Jamaica saw strong individual life production and improving results in its group benefits business due to repricing contracts as a response to medical price inflation. The current capital markets environment in Jamaica continues to impact the investment banking division with lower than targeted net income.
- Sagicor's share of Sagicor Jamaica's net income to shareholders was \$7.3 million.
- Total net CSM⁽¹⁾ was \$243.2 million which was stable Q/Q due to new business CSM⁽¹⁾ of \$8.0 million during the quarter which was mostly offset by amortization of CSM into profit.

Sagicor Life USA

- Sagicor Life USA's new business production was lower than our annualized target as we chose to defer production until later in the quarter based on a more favorable competitive and investment environment. This moved settlement of that business into the second quarter.
- Net income to shareholders of \$4.4 million increased 106% Y/Y.
- Total net CSM⁽¹⁾ was \$205.4 million, a decrease of 4% Q/Q a result of low new business CSM⁽¹⁾ of \$8.2 million from slower production in the quarter more than offset by changes in estimates that adjust CSM and amortization of CSM into profit.

Head Office, Other and Adjustments

- Net loss to shareholders of \$16.3 million increased 329% Y/Y.

Dividends

On May 8, 2023, the Board of Directors of Sagicor Financial Company Ltd. approved and declared a quarterly dividend of US\$0.05625 per common share. This quarterly dividend will be paid on June 14, 2023, to shareholders of record at the close of business on May 24, 2023. This is the fourteenth consecutive dividend payment Sagicor will pay to its shareholders since becoming a publicly listed company on the Toronto Stock Exchange.

Subsequent Event

On April 20, 2023, Sagicor signed a commitment letter with a Canadian bank for the establishment of a senior unsecured revolving credit facility in an aggregate principal amount of up to US\$125 million.

Normal Course Issuer Bid

Sagicor repurchased 66,044 shares in Q1 2023 for a total cost of approximately US\$0.2 million. Since the start of the program in June 2020, the Company has repurchased 8,180,337 shares in the open market for cancellation for an aggregate purchase price of approximately US\$39.4 million. The number of issued and outstanding common shares as at March 31, 2023 was 142,702,568.

⁽¹⁾ Represents a non-IFRS measure. See the Non-IFRS Measures section in this document and in our MD&A for relevant information about such measures.

Annual and Special Meeting of Shareholders

The annual and special meeting of shareholders will be held at 11:00 a.m. Eastern Daylight Time in Toronto (11:00 a.m. Atlantic Standard Time in Barbados and Trinidad and Tobago, 10:00 a.m. Eastern Standard Time in Jamaica) on Friday, June 16, 2023. The Company is holding the meeting as a hybrid meeting, which will be conducted in person and via live webcast.

Sagikor is using "notice-and-access" to deliver its meeting materials and, as a result, the notice of meeting and accompanying management information circular will be accessible on Sagikor's website at <https://www.sagikor.com/en/Investor-Relations/Annual-General-Meeting>, under Sagikor's profile on SEDAR at www.sedar.com, and at <https://docs.tsxtrust.com/2173> from May 16. In advance of the meeting, shareholders are encouraged to review the information on the website including the proxy voting procedures.

The in-person meeting will take place at the Hilton Barbados Resort, Needhams Point, St. Michael, Barbados. Shareholders and duly appointed proxyholders who wish to attend the meeting in person are encouraged to pre-register by sending an email to agm2023@sagikor.com and they will receive a response confirming their registration.

Registered shareholders and duly appointed proxyholders will be able to virtually attend, participate and vote at the meeting online at: <https://web.lumiagm.com/224410634> (password: sagikor2023).

As further detailed in the notice of meeting and accompanying management information circular, registered shareholders will receive a form of proxy by mail containing a unique "control number" that may be used, together with the password sagikor2023, to virtually attend, participate and vote at the meeting. If you are a registered shareholder and you do not receive your form of proxy by June 1, 2023, please send a request for your control number via email to TSX Trust Company at sagikor@tsxtrust.com.

Sagikor's 2022 Annual Report and 2022 Annual Information Form remain available on the meeting webpage and in the investor relations section of www.sagikor.com.

If you wish to receive a paper copy of the notice of meeting, management information circular or any other related document, please contact the TSX Trust Company at sagikor@tsxtrust.com by June 7, 2023.

Management's Discussion and Analysis and Consolidated Financial Statements (Unaudited)

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 unaudited consolidated financial statements and accompanying MD&A. The unaudited financial statements and MD&A are available on the Company's website at www.sagikor.com and will soon be filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

Conference Call

Sagikor Financial Company Ltd. will host a conference call for analysts and investors on Tuesday, May 23, 2023, at 2:00 p.m. Eastern Daylight Time in Toronto (2:00 p.m. Atlantic Standard Time in Barbados and Trinidad and Tobago, 1:00 p.m. Eastern Standard Time in Jamaica). To listen to the call via live audio webcast, visit the Company's website at www.sagikor.com, under the tab "Investor Relations." The conference call is also available by dialing 1-416-764-8688 or 1-888-390-0546 (North American toll free) or 08006522435 (United Kingdom) or 1-866-290-2216 (Barbados) or 1-800-207-8221 (Trinidad). To join the conference call without operator assistance, you may register and enter your phone number at <https://emportal.ink/41yU6c7> to receive an automated call back. A replay will also be available until June 23, 2023, by dialing 1-416-764-8677 or 1-888-390-0541 (North American toll free), passcode 302740#. A transcript of the call will also be made available on www.sagikor.com.

About Sagicor Financial Company Ltd.

Sagicor Financial Company Ltd. (TSX: SFC) is a leading financial services provider in the Caribbean, with over 180 years of history, and has a growing presence as a provider of life insurance products in the United States. On August 25, 2022, Sagicor announced that it had entered into a definitive agreement to acquire ivari, a leading middle-market individual life insurer in Canada with over 80 years of history in the region. 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.

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Forward-Looking Information

Certain information contained in this news release may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "expect", "anticipate", "target", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "will", "may", "would" and "should" and similar expressions or words suggesting future outcomes. These forward-looking statements reflect material factors and expectations and assumptions of Sagicor Financial Company Ltd. Sagicor's estimates, beliefs, assumptions and expectations contained herein (including that the acquisition of ivari will be completed in Q3 on the terms previously disclosed) are inherently subject to uncertainties and contingencies regarding future events and the impact of IFRS 17 on the presentation of Sagicor's financial statements, 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 the financial information or forward-looking statements contained herein, which reflect Sagicor's estimates, beliefs, assumptions and expectations (including with respect to the impact of IFRS 17) only as of the date of this document. Sagicor disclaims any obligation to update or revise any forward-looking statements contained herein, whether as a result of new information, new assumptions, future events or otherwise, except as expressly required by law.

Non-IFRS Measures

The Company reports certain non-IFRS measures and insurance industry metrics that are used to evaluate its performance. As non-IFRS measures generally do not have a standardized meaning, they may not be comparable to similar measures presented by other companies. Securities regulators require such measures to be clearly defined and reconciled with their most comparable IFRS measures. These measures are provided as additional information to complement 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 CSM, ROE, book value, MCCR Ratio, Debt to Capital Ratio and Total Capital. Please see the "Non-IFRS financial measures" section below for a reconciliation of these non-IFRS measures.

Contractual service margin (CSM): The CSM represents an estimate of unearned future profits. This is a new component of insurance contract liabilities under IFRS 17, which was not required under IFRS 4. For new business issued under IFRS 4, the estimated profit or loss over the term of the contract is recognized in income at the date of issue. Expected future profits on new business under IFRS 17 are deferred and recorded in the CSM and amortized into income as insurance services are provided over the term of the contract. Under IFRS 17, expected losses on new business are recognized at the date of issue.

Return on Equity (ROE): IFRS does not prescribe the calculation of return on shareholders' equity and therefore a comparable measure under IFRS is not available. To determine this measure, reported net income/(loss) attributable to shareholders is divided by the total weighted average shareholders' equity for the period. The quarterly return on shareholders' equity is annualized. The ROE provides an indication of overall profitability of the Company.

Book value per share: To determine the book value per share, shareholders' equity is divided by the number of shares outstanding at the period end, net of any treasury shares. All components of this measure are IFRS measures.

Minimum Continuing Capital and Surplus Requirements (MCCSR): Sagicor voluntarily adopted the Canadian Minimum Continuing Capital and Surplus Requirement (MCCSR) standard as its risk-based assessment measure to provide a consolidated view of capital adequacy. The MCCSR was a standard used by Canadian regulators from 1992 until 2018, when it was superseded by the Life Insurance Capital Adequacy Test (LICAT). When it was in place, the minimum standard recommended by the Canadian regulators was an MCCSR of 150.0%. Canadian practices for calculation of the MCCSR evolved and changed from inception through its replacement. In jurisdictions where the MCCSR is currently prescribed, such as Jamaica, the MCCSR guidance is not consistent with the most recent Canadian MCCSR guidelines or with current Canadian capital standards under LICAT. Sagicor has made certain interpretations in our calculation of the MCCSR, in consultation with our appointed actuary, which we believe appropriately reflect the risk-based assessment of our capital position, including accounting for CSM in MCCSR. As the MCCSR is no longer prescribed by Canadian regulators and is interpreted in different ways by our local regulators, there can be no assurance that Sagicor's MCCSR figures are comparable to current reporting by Canadian life insurers or that of Canadian life insurers at any single point in time since the implementation of the MCCSR. IFRS does not prescribe the calculation for the MCCSR, therefore a comparable measure under IFRS is not available.

Revenues: Revenues is the sum of three IFRS measures: insurance revenue, net investment income, and fees and other income.

Debt to capital ratio: The debt to capital ratio is the ratio of notes and loans payable (refer to note 11 of the Company's first quarter unaudited consolidated financial statements) to total capital (excluding participating accounts), where capital is defined as the sum of notes and loans payable and total equity including total net CSM and excluding participating accounts. This ratio measures the proportion of debt a company uses to finance its operations as compared with its capital.

Total capital: This measure provides an indicator for evaluating the Company's performance. Total capital (\$2.1 billion as at Q1 2023) is the sum of shareholders' equity (\$428 million), notes and loans payable (\$648 million), non-controlling interest (\$310 million) and total net CSM (\$690 million). This measure is the sum of several IFRS measures.

New business CSM: This measure is the amount of the contractual service margin added from contracts initially recognised in the period.

Total net CSM: This measure is the balance of the direct contractual service margin net of reinsurance contractual service margin.

Net CSM to shareholders: This measure is the amount of the total net CSM attributable to shareholders.

Shareholders' equity and net CSM to shareholders: This measure is the sum of total shareholders' equity and net CSM to shareholders. It is an important measure for monitoring growth and measuring insurance businesses' value.