
AN
OVERVIEW
OF SAGICOR
FINANCIAL
CORPORATION

Prepared by:

The Caribbean Centre for Money and Finance

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SAGICOR FINANCIAL CORPORATION¹

Sagicor Financial Corporation, incorporated on December 6th, 2002 in Barbados, grew out of the former Barbados Mutual Life Assurance Society, whose roots go back to the mid nineteenth century. They operate in 22 countries in the Caribbean, Latin America, the UK and the US. Sagicor has developed an incomparable reputation because of its financial stability. That solid reputation is based on the Company's excellent financial performance and financial prudence over the years. Our insurance subsidiaries, Sagicor Life Inc, Sagicor Capital Life, Sagicor Life Insurance Company and Sagicor General Insurance are rated "A-" (Excellent) by A.M. Best and Company, and Sagicor at Lloyd's, a member of Lloyd's of London, is rated "A+" by A.M. Best and Company. Sagicor Life Jamaica is rated "BBB". Sagicor Life Inc has a financial strength rating of BBB- from Standard and Poor's.

| SUBSIDIARY COMPANIES | COUNTRY OF INCORPORATION | EFFECTIVE SHAREHOLDERS' INTEREST (%) |
|--|--------------------------|--------------------------------------|
| Sagicor Life Inc | Barbados | 100 |
| Sagicor Life of Jamaica Limited | Jamaica | 59 |
| Sagicor Life Insurance Com. | Texas, USA | 100 |
| Sagicor Capital Life Insurance Company Ltd. | Barbados | 100 |
| Sagicor Life Aruba NV | Aruba | 100 |
| Capital Life Insurance Company Bahamas Ltd. | The Bahamas | 100 |
| Sagicor Panama, SA | Panama | 100 |
| Nationwide Insurance Com. Ltd. | Trinidad and Tobago | 100 |
| Sagicor Life of the Cayman Islands Ltd. | The Cayman Islands | 59 |
| Laurel Life Insurance Company | Texas, USA | 100 |
| Sagicor Insurance Brokers Limited | Jamaica | 59 |
| Sagicor Corporate Capital Two Limited | UK | 100 |
| Sagicor Pooled Investment Funds Limited | Jamaica | 59 |
| Employee Benefits Administrator Limited | Jamaica | 59 |
| Sagicor Corporate Capital Limited | UK | 100 |
| Sagicor General Insurance Inc | Barbados | 53 |
| Sagicor Re Insurance Limited | The Cayman Islands | 59 |
| Sagicor International Administrators Limited | Jamaica | 59 |
| Sagicor at Lloyd's Limited | UK | 100 |
| Sagicor Syndicate Services Limited | UK | 100 |
| Sagicor Underwriting Limited | UK | 100 |
| Sagicor Claims Management Inc | California, USA | 100 |
| Sagicor Insurance Managers Limited | The Cayman Islands | 59 |
| Pan Caribbean Financial Services | Jamaica | 51 |
| Pan Caribbean Bank Limited | Jamaica | 51 |
| Globe Finance Inc | Barbados | 51 |
| Sagicor Finance Inc | St. Lucia | 70 |
| Sagicor Cayman Reinsurance Company Limited | The Cayman Islands | 100 |
| Sagicor Asset Management (T&T) Limited | Trinidad and Tobago | 100 |
| Sagicor Asset Management Inc | Barbados | 100 |
| Sagicor Property Services Limited | Jamaica | 59 |
| Barbados Farms Limited | Barbados | 77 |
| Sagicor Finance Limited | The Cayman Islands | 100 |
| LOJ Holdings Limited | Jamaica | 100 |
| Sagicor USA Inc | Delaware, USA | 100 |
| Sagicor Europe Limited | The Cayman Islands | 100 |
| Sagicor Syndicate Holdings Limited | UK | 100 |
| The Mutual Financial Services Inc | Barbados | 73 |
| Sagicor Funds Incorporated | Barbados | 100 |
| Source : 2011 Annual Report | | |

¹<http://www.sagicor.com>


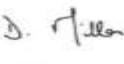
| ASSOCIATED COMPANIES | COUNTRY OF INCORPORATION | EFFECTIVE SHAREHOLDERS' INTEREST |
|---|--------------------------|----------------------------------|
| RGM Ltd | Trinidad and Tobago | 33 |
| FamGuard Corporation Ltd | Bahamas | 20 |
| Family Guardian Insurance Com. Ltd | Bahamas | 20 |
| Family Guardian General Insurance Agency Ltd. | Bahamas | 20 |
| BahamaHealth Insurance Brokers and Benefit Consultants Ltd. | Bahamas | 20 |
| Primo Holding Ltd | Barbados | 38 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2012

Sagicor Financial Corporation

Amounts expressed in US\$000

| | Note | 2012 | 2011 | | Note | 2012 | 2011 |
|---|------|------------------|------------------|--|------|------------------|------------------|
| ASSETS | | | | LIABILITIES | | | |
| Investment property | 5 | 115,224 | 122,185 | Actuarial liabilities | 13 | 2,040,907 | 1,876,477 |
| Property, plant and equipment | 7 | 145,818 | 137,017 | Other insurance liabilities | 14 | 187,199 | 788,680 |
| Investment in associated companies | 6 | 36,559 | 33,683 | Investment contract liabilities | 15 | 346,196 | 315,559 |
| Intangible assets | 8 | 79,512 | 120,787 | Total policy liabilities | | 2,574,302 | 2,980,716 |
| Financial investments | 9 | 4,041,326 | 4,092,166 | Notes and loans payable | 16 | 241,556 | 232,530 |
| Reinsurance assets | 10 | 102,686 | 331,309 | Deposit and security liabilities | 17 | 1,082,429 | 1,083,565 |
| Income tax assets | 11 | 33,073 | 41,706 | Provisions | 18 | 43,413 | 44,172 |
| Miscellaneous assets and receivables | 12 | 106,329 | 300,558 | Income tax liabilities | 19 | 33,513 | 31,170 |
| Cash resources | | 183,596 | 184,652 | Accounts payable and accrued liabilities | 20 | 114,425 | 194,387 |
| Assets of discontinued operation | 38 | 705,732 | - | Liabilities of discontinued operation | 38 | 630,977 | - |
| Total assets | | 5,549,355 | 5,364,073 | Total liabilities | | 4,730,715 | 4,566,540 |
| | | | | EQUITY | | | |
| These financial statements have been approved for issue by the Board of Directors on April 2, 2013. | | | | Share capital | 21 | 296,058 | 296,048 |
|  | | | | Reserves | 22 | 16,411 | 20,865 |
| Director | | | | Retained earnings | | 288,136 | 290,222 |
|  | | | | Total shareholders' equity | | 601,605 | 607,135 |
| Director | | | | Participating accounts | 23 | (10,333) | 2,201 |
| | | | | Minority interest in subsidiaries | | 227,368 | 188,197 |
| | | | | Total equity | | 815,640 | 797,533 |
| | | | | Total equity and liabilities | | 5,549,355 | 5,364,073 |

CONSOLIDATED STATEMENT OF INCOME

Year ended December 31, 2012

 Sagcor Financial Corporation
 Amounts expressed in US\$'000

| | Note | 2012 | 2011 ⁽¹⁾ | | Note | 2012 | 2011 ⁽¹⁾ |
|--|------|-----------|---------------------|---|------|--------------|---------------------|
| REVENUE | | | | Net income from continuing operations | | | |
| Premium revenue | 24 | 757,223 | 691,208 | | | 74,060 | 75,715 |
| Reinsurance premium expense | 24 | (92,220) | (86,058) | | 30 | (42,036) | (43,872) |
| Net premium revenue | | 665,003 | 604,950 | NET INCOME FOR THE YEAR | | 32,025 | 31,843 |
| Net investment income | 25 | 205,348 | 277,090 | Net income(loss) is attributable to: | | | |
| Fees and other revenue | 26 | 604,253 | 62,347 | Common shareholders | | | |
| Total revenue | | 1,584,804 | 944,493 | From continuing operations | | 52,438 | 44,545 |
| | | | | From discontinued operation | | (42,036) | (43,872) |
| BENEFITS | | | | | | 10,374 | 873 |
| Policy benefits and change in actuarial liabilities | 27 | 599,758 | 503,630 | Participating policyholders | | (12,520) | (1,878) |
| Policy benefits and change in actuarial liabilities reinsured | 27 | (28,840) | (32,332) | Minority interests | | 24,177 | 32,748 |
| Net policy benefits and change in actuarial liabilities | | 570,918 | 471,298 | | | 32,025 | 31,843 |
| Interest expense | 29 | 68,405 | 70,395 | Basic earnings per common share: | 34 | | |
| Total benefits | | 639,323 | 541,703 | From continuing operations | | 16.8 cents | 15.1 cents |
| | | | | From discontinued operation | | (12.9) cents | (14.9) cents |
| EXPENSES | | | | | | 2.9 cents | 0.2 cents |
| Administrative expenses | | 192,121 | 177,874 | Fully diluted earnings per common share: | 34 | | |
| Commissions and related compensation | | 88,026 | 94,232 | From continuing operations | | 16.8 cents | 15.1 cents |
| Premium and asset taxes | | 11,356 | 9,448 | From discontinued operation | | (13.9) cents | (14.9) cents |
| Finance costs | | 17,887 | 18,330 | | | 2.9 cents | 0.2 cents |
| Depreciation and amortisation | | 16,301 | 17,894 | | | | |
| Total expenses | | 325,511 | 308,178 | | | | |
| | | | | | | | |
| INCOME BEFORE TAXES | | 95,516 | 97,052 | | | | |
| Income taxes | 32 | (24,890) | (21,832) | | | | |
| NET INCOME FROM CONTINUING OPERATIONS | | 74,060 | 75,715 | | | | |

⁽¹⁾Revised to reflect Sagcor Europe as discontinued

