

Sagicor Financial Corporation Results for the Half Year June 30, 2017

All figures quoted in United States Dollars unless otherwise stated

Earnings Per Share

Sagicor Financial Corporation (SFC) for the Half Year Ended June 30, 2017 (HY17) reported a Diluted Earnings Per Share (EPS) of 6.1 cents, up 22 per cent on the corresponding period's EPS of 5.0 cents in fiscal 2016.

On Continuing Operations alone, SFC reported a Diluted EPS of 6.1 cents for HY17, an increase of 35.56 per cent from HY16's EPS from Continuing Operations of 4.5 cents.

	HY17	HY16	\$ Change	% Change
	US\$'000	US\$'000	HY17 -	HY17 -
			HY16	HY16
			US\$'000	
Revenue				
Net premium revenue	340,145	318,772	21,373	6.70%
Net investment and other income	222,495	234,262	(11,767)	-5.02%
Total revenue	562,640	553,034	9,606	1.74%
Benefits and Expenses				
Benefits	277,996	294,826	(16,830)	-5.71%
Expenses	224,300	209,800	14,500	6.91%
Total benefits and expenses	502,296	504,626	(2,330)	-0.46%
Income Before Taxes				
	60,344	48,408	11,936	24.66%
Income taxes	(19,233)	(16,179)	(3,054)	18.88%
Net Income From Continuing Operations				
	41,111	32,229	8,882	27.56%
Net income/(loss) from discontinued operations		1,865	(1,865)	-100.00%
Net Income For The Period				
	41,111	34,094	7,017	20.58%
Net Income Attributable To:				
Common Shareholders				
From continuing operations	19,006	14,877	4,129	27.75%
From discontinued operation		1,865	(1,865)	-100.00%
	19,006	16,742	2,264	13.52%
Participating policyholders	(474)	(354)	(120)	33.90%
Non-controlling interests	22,579	17,706	4,873	27.52%
	41,111	34,094	7,017	20.58%



Basic earnings per common share (cents):

From continuing operations	6.3	4.6	1.7	36.96%
From discontinued operation	0.0	0.6	(0.6)	-100.00%
	<u>6.3</u>	<u>5.2</u>	<u>1.1</u>	<u>21.15%</u>

Fully diluted earnings per common share (cents):

From continuing operations	6.1	4.5	1.6	35.56%
From discontinued operation	0.0	0.5	(0.5)	-100.00%
	<u>6.1</u>	<u>5.0</u>	<u>1.1</u>	<u>22.00%</u>

During the six month period under review, Net Premium Revenue increased by 6.70 per cent or \$21.37MM to \$340.15MM from \$318.77MM in HY16. Net Investment Income and Other Income fell by \$11.77MM, or 5.02 per cent to \$222.50MM in HY 17 from \$234.26MM in HY 16. As such, the Group recorded Total Revenue of \$562.64MM for HY17, up 1.74 per cent or \$9.61MM from \$553.03MM in the corresponding half year period in 2016.

For HY17, Benefits declined by 5.71 per cent or \$16.83MM to \$278.00MM compared to \$294.83MM for HY16, this was due to experience gains and actuarial refinements. On the other hand, Expenses rose by 6.91 per cent or \$14.50MM to \$224.30MM in HY 17 from \$209.80MM in HY 16, as a result of the expansion of credit card and payments businesses in the banking segment. Overall, Total Benefits and Expenses amounted to \$502.30MM down, 0.46 per cent or \$2.33MM from \$504.63MM in HY16.

The Group reported Income Before Taxes of \$60.34MM, up 24.66 per cent or \$11.94MM from the \$48.41MM in the comparable half year period in 2016. The Effective Tax Rate decreased from 33.42 per cent in HY16 to 31.87 per cent in HY17, however Taxes rose from \$16.18MM (HY16) to \$19.23MM (HY17). Net Income from Continuing Operations closed the half year at \$41.11MM, up 27.56 per cent or \$8.88MM from \$32.23MM in HY16. There was no Net Income/(Loss) from Discontinued Operations posted in HY17 compared to a loss of \$1.867MM in HY16. Thus, Net Income for the Period closed at \$41.11MM, up 20.58 per cent or \$7.02MM from \$34.09MM in HY16. Net Income Attributable to Shareholders increased by 13.52 per cent or \$2.26MM from \$16.72MM in HY16 to \$19.01MM in HY17.

	Sagikor Life		Sagikor Jamaica		Sagikor Life USA		Head Office and Other		Inter-segment Eliminations		Total	
	HY17	HY16	HY17	HY16	HY17	HY16	HY17	HY16	HY17	HY16	HY17	HY16
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Total Revenue	204,948	204,684	258,251	260,492	75,534	65,230	77,883	59,965	(53,976)	(37,337)	562,640	553,034
Total Benefits & Expenses	180,200	173,388	203,725	216,545	65,272	62,059	43,850	38,087	9,249	14,547	502,296	504,626
Income Before Taxes	24,748	31,296	54,526	43,947	10,262	3,171	34,033	21,878	(63,225)	(51,884)	60,344	48,408
Net Income from Continuing Operations	19,859	27,442	43,984	33,334	6,670	2,061	33,823	21,276	(63,225)	(51,884)	41,111	32,229
Net Assets	517,599	521,752	475,729	418,034	230,828	213,521	(389,688)	(388,592)	0	0	834,468	764,715



Key Developments

On September 1, 2017, Sagicor Bank Jamaica Limited listed preference shares on the Jamaica Stock Exchange, marking the first time in the Bank's 34 year history that it has listed preference share.

At the current price of TT\$8.00 the P/E ratio is 5.90 times and the historic dividend yield is 4.0 per cent.

Financial Year End	December 31
Symbol on TTSE	SFC
Issued Share Capital	304.49MM
Market Capitalization	TT\$2.35B
Current Price (as at September 20, 2017)	TT\$8.00
52 Week Price Range	TT\$6.56 - TT\$9.41
EPS	TT\$1.36
Price to Earnings Multiple	5.9 x
Current Book Value/Share	TT\$12.39
Price to Book	0.6x
Average Return on Equity	6.9%
Average Return on Assets	0.1%
Dividend Yield	4.0%

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