

## Sagicor Financial Corporation Limited (SFC) Results for the Half Year Ended June 30, 2018

### Key Points:

Sagicor Financial Corporation Limited's ('SFC') adopted 2 new accounting standards which became effective from January 1, 2018.

- International Financial Reporting Standard No 9, this accounting standard changed the way that financial instruments were recognized and measured. It also introduced new measurement categories for financial instruments and an expected credit loss model for impairment.
- IFRS15, Revenue from Contracts with Customers was adopted, and effected how income was recognized on contracts by companies.

In June 2018, the Government of Barbados announced its intention to suspend all payments to creditors of its external commercial debt and plans to maintain interest-only payments on its domestic debt. In light of this, Sagicor, has increased its provision for expected losses on Government of Barbados debt in accordance with IFRS9.

### Diluted Earnings Per Share (EPS):

SFC reported an EPS of US\$0.080, up 2.56 per cent or US\$0.002 per share on the corresponding period's EPS of US\$0.078 in HY17.

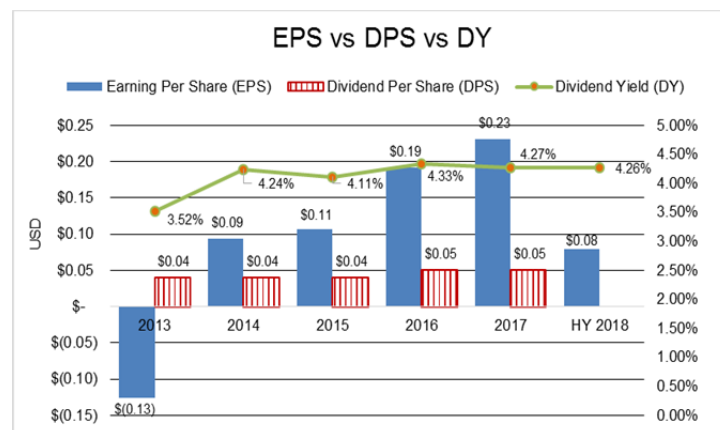
### Dividend:

The Board of Directors has not declared an interim dividend to be paid to date. Based on previous historic data the interim dividend for the past five years ranged between US\$0.02 – US\$0.03 per share.

Diluted EPS	Q1	Q2	Q3	Q4	Total
<b>2018</b>	0.06	0.02			<b>\$ 0.08</b>
<b>2017 Restated</b>	0.05	0.02			<b>\$ 0.078</b>
<b>2017</b>	0.04	0.02	0.09	0.08	<b>\$ 0.23</b>
<b>2016</b>	0.04	0.01	0.11	0.03	<b>\$ 0.19</b>
<b>2015</b>	0.03	-0.01	0.04	0.05	<b>\$ 0.11</b>
<b>2014</b>	0.01	-0.04	0.01	0.11	<b>\$ 0.09</b>
<b>2013</b>	0.02	-0.09	0.02	-0.07	<b>\$ (0.13)</b>

Financial Year End	December 30
<b>Sector</b>	<b>Non-Banking Finance</b>
Symbol on TTSE	SFC
Issued Share Capital	TTD306.56MM
Market Capitalization	TTD\$2.41B
Current Price (August 30, 2018)	TTD\$7.74
52 Week Price Range	TTD\$7.50 - TTD\$8.50
Trailing EPS	TTD\$1.56
Price to Earnings Multiple	4.96x
Current Book Value/Share	TTD\$13.03
Price to Book	0.59x
Return on Equity	5.45%
Return on Assets	0.72%
Dividend Yield (August 30, 2018)	4.32%

Dividend	Interim	Final	Total	Dividend Yield
2017	0.03	0.03	0.05	4.27%
2016	0.03	0.03	0.05	4.33%
2015	0.02	0.02	0.04	4.11%
2014	0.02	0.02	0.04	4.24%
2013	0.02	0.02	0.04	3.52%



### Income Statement as at June 30, 2018

	HY18 US\$'000	HY17 US\$'000	\$ Change HY18 - HY17 US\$'000	% Change HY18 - HY17	Change	YE17 US\$'000
<b>Revenue</b>						
Net premium revenue	410,030	340,145	69,885	20.55%	↑	558,804
Net investment and other income	228,529	222,495	6,034	2.71%	↑	352,125
<b>Total revenue</b>	<b>638,559</b>	<b>562,640</b>	<b>75,919</b>	<b>13.49%</b>	<b>↑</b>	<b>910,929</b>
<b>Benefits and Expenses</b>						
Benefits	298,416	279,425	18,991	6.80%	↑	474,373
Expenses	286,918	224,300	62,618	27.92%	↑	329,148
<b>Total benefits and expenses</b>	<b>585,334</b>	<b>503,725</b>	<b>81,609</b>	<b>16.20%</b>	<b>↑</b>	<b>803,521</b>
<b>Income Before Taxes</b>	<b>53,225</b>	<b>58,915</b>	<b>(5,690)</b>	<b>-9.66%</b>	<b>↓</b>	<b>107,408</b>
Income taxes	(17,195)	(18,792)	(1,597)	-8.50%	↓	(29,303)
<b>Net Income From Continuing Operations</b>	<b>36,030</b>	<b>40,123</b>	<b>(4,093)</b>	<b>-10.20%</b>	<b>↓</b>	<b>78,105</b>
Net income/(loss) from discontinued operations	3,357	6,208	(2,851)	-45.92%	↓	
<b>Net Income For The Period</b>	<b>39,387</b>	<b>46,331</b>	<b>(6,944)</b>	<b>-14.99%</b>	<b>↓</b>	<b>78,105</b>
<b>Net Income Attributable To:</b>						
Common Shareholders						
From continuing operations	21,543	17,982	3,561	19.80%	↑	47,211
From discontinued operation	3,357	6,208	(2,851)	-45.92%	↓	0
Participating policyholders	24,900	24,190	710	2.94%	↑	47,211
Non-controlling interests	(8,310)	(474)	7,836	1653.16%	↑	(1,595)
	22,797	22,615	182	0.80%	↑	32,489
	39,387	46,331	(6,944)	-14.99%	↓	78,105
<b>Basic earnings per common share (cents):</b>						
From continuing operations	7.0	5.9	1.1	18.64%	↑	15.5
From discontinued operation	1.1	2.0	(0.9)	-45.00%	↓	0.0
	8.1	7.9	0.2	2.53%	↑	15.5
<b>Fully diluted earnings per common share (cents):</b>						
From continuing operations	6.9	5.8	1.1	18.97%	↑	15.2
From discontinued operation	1.1	2.0	(0.9)	-45.00%	↓	0.0
	8.0	7.8	0.2	2.56%	↑	15.2

### Balance Sheet as at June 30, 2018

	HY 2018 USD \$'000	HY 2017 USD \$'000	\$ Change HY18 - HY17 USD \$'000	% Change HY18 - HY17	Change	YE17 USD \$'000
<b>Total Assets</b>	<b>6,942,916</b>	<b>6,617,555</b>	<b>325,361</b>	<b>4.92%</b>	<b>↑</b>	<b>6,814,642</b>
<b>Total Liabilities</b>	<b>6,053,909</b>	<b>5,771,647</b>	<b>282,262</b>	<b>4.89%</b>	<b>↑</b>	<b>5,875,089</b>
<b>Total Equities</b>	<b>889,007</b>	<b>845,908</b>	<b>43,099</b>	<b>5.09%</b>	<b>↑</b>	<b>939,553</b>
	<b>6,942,916</b>	<b>6,617,555</b>	<b>325,361</b>			<b>6,814,642</b>

### Financials:

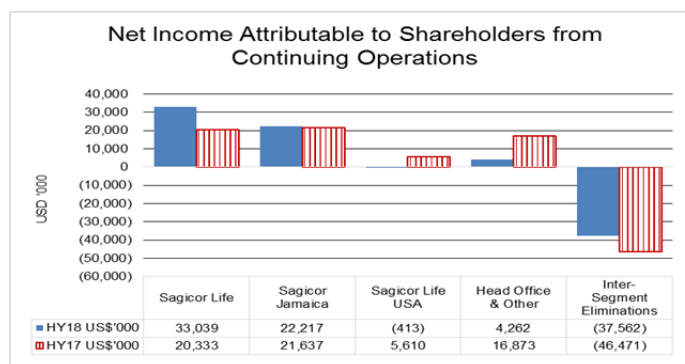
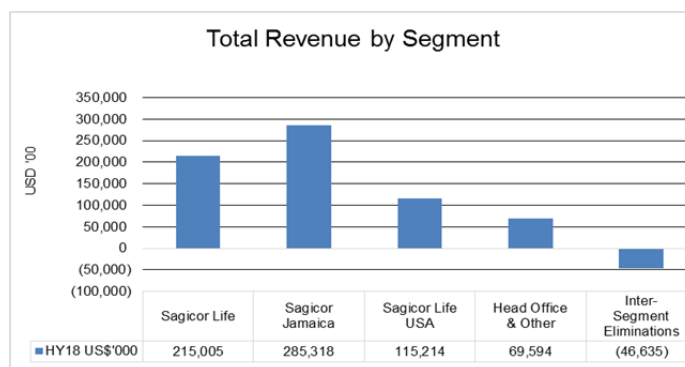
- Total revenue closed at \$638.56MM, up 13.49 per cent or \$75.92MM from HY17's total of \$562.64MM, this was mainly due to the growth in premiums in the USA Segment.
- Total Expenses increased by 16.20 per cent or \$81.61MM to end at \$585.33MM in HY18, this was attributed to the provision for losses on all assets arising from the adoption of IFRS9 and the provision for the Government of Barbados securities.
- Profit Before Tax for HY18 stands at \$53.26MM, down 9.66 per cent or \$5.69MM from \$58.92MM in HY17.
- The effective tax rate remained at 32 per cent from HY17.

- Profit attributable to equity holders totaled \$24.90MM in HY18 up 2.94 per cent or \$0.71MM from \$24.19MM in HY17.

Total Assets increased by 4.92 per cent or \$325.36MM to \$6.94B in HY18. Total Liabilities amounted to \$6.05B in HY18 and Total Equities increased by 5.09 per cent or \$43.10MM to close at \$889.01MM.

The Sagicor Jamaica segment was the major contributors to the Group's Total Revenue. Sagicor Life segment and in third place was Sagicor Life USA segment.

Sagicor Life segment was the major contributor of the Group's Net Income Attributable to Shareholders from Continuing Operations. In second place was Sagicor Jamaica, followed by Head Office & Other segment.



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