

NEWS RELEASE

Governments of the Eastern Caribbean Currency Union and the Judicial Managers of BAICO

FOR IMMEDIATE RELEASE

DATE: November 02, 2012

Update on timing for the completion of the sale of BAICO's traditional life insurance business to Sagicor

St, George's , Grenada, Friday, November 02, 2012:

On June 29, 2012, the Governments of the Eastern Caribbean Currency Union (the "ECCU Governments") and the Judicial Managers of BAICO announced that:

- British-American Insurance Company Limited (In Judicial Management) ("BAICO") has entered into an agreement to sell part of its insurance business to Sagicor Life, Inc ("Sagicor"); and
- the ECCU Governments have undertaken to provide funding of up to US\$38 million to assist in restoring value to the transferring policies.

At the time of that announcement, the parties estimated that completion of the sale would take 4-6 months.

Due to a lengthier than expected process to finalize the Scheme document in The Bahamas, and also an extensive exercise to bring all policy records up to date, the parties now anticipate that the sale will complete during the first quarter of 2013.

BACKGROUND

Completion of the sale

BAICO's traditional life insurance business (the "Portfolio") can be transferred to Sagicor once the parties have obtained all necessary approvals for the transfer from the relevant Courts and insurance regulators in The Bahamas (where BAICO is incorporated) and throughout the ECCU countries.

It is expected that the approvals for all countries will take around another three months, at which point the transfer of the business can be legally finalized.

The ECCU Governments will continue to work with Sagicor and BAICO to finalize this as soon as possible.

It is intended that the entire Portfolio for the ECCU region will be transferred at the

same time. However, as a precaution, if any specific country approvals are delayed or not received by the date the parties have agreed for the transfer, it can be agreed to transfer the Portfolio over several stages, or to only transfer the parts of the Portfolio for which approval has been obtained.

What should policyholders do?

Policyholders whose policies are proposed to be transferred need not take any action at this point, except to continue to pay any premiums that are due in order to maintain their policies.

We expect that policyholders will be provided with information about the proposed transfer of the Portfolio by local advertising in the coming months as Sagicor and BAICO seek the approvals needed to transfer the Portfolio in each country.

Once the transfer is completed, Sagicor will contact individual policyholders to confirm that Sagicor have assumed obligations under the transferred policies, and policyholders will once again be able to operate their policies in accordance with the contract terms.

What about policies that have lapsed?

The ECCU Governments are mindful that, during the past three years, due to the uncertainty about BAICO's future, many policyholders may have stopped paying their premiums. In many cases, this will have resulted in the lapsing of their policies.

The Governments, Sagicor and BAICO are currently considering whether it will be possible to offer to reinstate policies that have lapsed in this period. This is expected to be quite complex, and different policies will, if such a plan is progressed, be affected in different ways. Further information will be made available if a proposal is able to be implemented.

Policyholder Queries

Many policyholders may not be aware if their policy is current. For example, they may have ceased paying premiums some time ago, but the automatic loan feature of their policy may have been triggered, meaning essentially that the accumulated value of their policy was used to pay their premiums.

If policyholders have queries, they can contact their local BAICO branch to find out what the status of their policy is.

Sagicor's commitments to the ECCU region

Sagicor has demonstrated its commitment to the ECCU region by:

- Agreeing to set up an ECCU Consultative Committee, whose role will be to play an oversight role (including compliance, anti-money laundering, capital adequacy and corporate governance) in relation to the performance of the Portfolio;
- Placing its ECCU business into a separate ECCU-based entity within one year after completion of the transaction; and
- listing the ECCU Entity on the Eastern Caribbean Securities Exchange.

We look forward to providing further updates as this process progresses.

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