

**180  
& BEYOND**



**Sagicor Financial Company Ltd. (TSX: SFC)**

*Q3 2021 Financial Results*



## Caution regarding forward-looking information and non-IFRS measures

Certain information contained in this presentation may be forward-looking statements within the meaning of Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as “expect”, “anticipate”, “believe”, “foresee”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “will”, “may” and “should” and similar expressions or words suggesting future outcomes. These forward-looking statements reflect material factors and expectations and assumptions of Sagikor. Sagikor’s estimates, beliefs and assumptions are inherently subject to uncertainties and contingencies regarding future events and, as such, are subject to change. No assurance can be given that growth or capital optimization will occur or be successful. Risks and uncertainties not presently known to Sagikor 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. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Sagikor expectations only as of the date of this document. Sagikor disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

The Company reports certain non-IFRS measures that are used to evaluate the performance of its businesses and the performance of their respective segments. As non-IFRS measures generally do not have a standardized meaning, they may not be comparable to similar measures presented by other issuers. Securities regulators require such measures to be clearly defined and reconciled with their most comparable IFRS measure.

The Company references non-IFRS measures and insurance industry metrics in this document and elsewhere. Non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these are provided as additional information to complement those 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: underlying net income, return on shareholders’ equity, book value per share, MCCSR, debt to capital ratio, debt to equity ratio, dividend pay-out ratio, and coverage ratio. Please see the “Non-IFRS Financial Information” section of the Management’s Discussion and Analysis for a reconciliation of these non-IFRS measures.

**All figures in this presentation are in US\$ unless otherwise noted**



# Dodridge Miller

---

Group President & Chief Executive Officer

## Q3 2021 financial highlights

Net income to  
shareholders

**\$50m**

+1,780% Y/Y

Total revenue

**\$782m**

+94% Y/Y

Return on  
shareholders' equity  
(annualised)

**18.5%**

+19.6 pts Y/Y

Earnings  
per share

**US\$0.349**

+1,845% Y/Y

Book value  
per share

**US\$7.92**

+9% Y/Y

MCCSR

**247%**

stable Q/Q

- **Excellent quarter of strong profitability and growth**
  - Sagicor Life USA posted yet another strong quarter reflecting continued progress in our U.S. strategy as that business grows towards scale
  - Sagicor Jamaica had a very solid quarter overall, supported by new life insurance sales and positive emergence from the annual review of actuarial reserves



# Andre Mousseau

---

Group COO & CFO

## Q3 2021 results



Profitability	Q3'20	Q2'21	Q3'21	Y/Y
Net premium revenue	264.9	364.9	623.5	135%
Net investment income	103.4	107.8	103.2	0%
Other revenue	33.9	43.6	55.2	63%
Net income to shareholders	(3.0)	9.3 / 14.9 <sup>1</sup>	50.4	1780%
EPS (basic) – US\$	(2.0¢)	6.4¢ / 10.2¢ <sup>1</sup>	34.9¢	1845%
ROE (annualized)	(1.1%)	3.4% / 5.5% <sup>1</sup>	18.5%	19.6 pts

Driven by strong sales of life and annuity premiums mostly in the USA, flat health and property and casualty revenue Y/Y

Stable net investment income

Driven by particularly strong revenue growth in the USA and higher profitability margins from higher yielding assets backing new business, solid result in Sagikor Jamaica

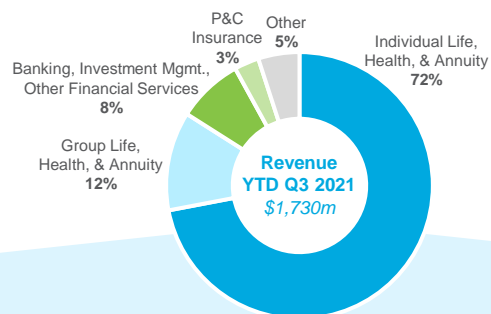


Financial Strength	Q3'20	Q2'21	Q3'21	Y/Y
Shareholder's equity	1,062.3	1,102.0	1,134.7	7%
Debt / capital	22.6%	31.3%	24.4%	(1.8 pts)
MCCSR	250%	247%	247%	(3 pts)

\$ millions unless otherwise stated

<sup>1</sup>Core earnings figures in Q2 2021 exclude \$5.6 million in one-time costs related to bond refinancing

# Group performance

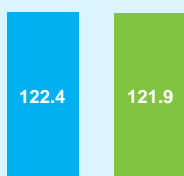


## Sagikor Life

(100% ownership)

22%  
of YTD Q3'21  
group revenue

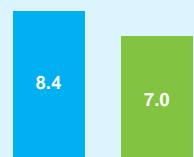
Total net revenue  
(\$ millions)



Q3'20

Q3'21

Net income to shareholders  
(\$ millions)



Q3'20

Q3'21

### Q3 2021 Highlights

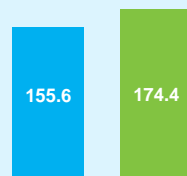
- Total net revenue of \$122 million was stable Y/Y as the segment grew new business sales to individuals
- Net income to shareholders of \$7.0 million decreased by \$1.4 million Y/Y as adverse policyholder behavior impacted by continued slow economic activity in the southern Caribbean more than offset growth in new business sales to individuals

## Sagikor Jamaica

(49% ownership)

30%  
of YTD Q3'21  
group revenue

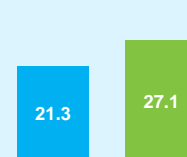
Total net revenue  
(\$ millions)



Q3'20

Q3'21

Net income to shareholders  
(\$ millions)



Q3'20

Q3'21

### Q3 2021 Highlights

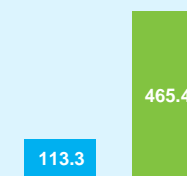
- Total net revenue of \$174 million increased 12% Y/Y as the commercial and investment banking businesses benefited from a market rebound, resulting in improved transaction volumes and fee income
- Net income to shareholders, after consideration of Sagikor's 49.1% ownership, increased by 27% Y/Y to \$27.1 million, relative to a profit of \$21.3 million in the same quarter in the prior year. The segment benefitted from releases of actuarial reserves following their actuarial review

## Sagikor Life USA

(100% ownership)

45%  
of YTD Q3'21  
group revenue

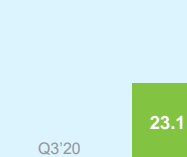
Total net revenue  
(\$ millions)



Q3'20

Q3'21

Net income to shareholders  
(\$ millions)



Q3'20

Q3'21

### Q3 2021 Highlights

- Total net revenue of \$465 million increased 311% Y/Y as the segment increased sales of annuities as part of its stated strategy to scale the business
- Revenue was impacted by increased interest income of \$24.6 million, up 43% Y/Y due to the strong growth of the investment portfolio as a result of strong sales
- Net income to shareholders was \$23.1 million compared to a loss of \$18.7 million in the same quarter in the prior year driven by growth in new annuity business and improved asset spreads

## Executing on capital management priorities



### Funding *organic growth*

- Focused on supporting growth in Sagicor Life USA and leveraging our industry leading digital capabilities
- Continuing growth in core Caribbean markets leveraging Sagicor's brand and customer loyalty to deepen penetration
- Expanding product shelf in banking and wealth management



### Capital returns to investors

- Paid US\$33 million in dividends to investors in 2020 and US\$25 million year-to-date Q3 2021 (~4% annualized dividend yield at the current share price)
- Repurchased US\$13 million in common shares in 2020 with continued momentum of US\$19 million year-to-date Q3 2021



### M&A opportunities and strategic investments

- Constantly exploring inorganic opportunities that meet strategic and financial hurdle targets
- Affiliate reinsurance strategy
- Look to build scale and leverage our brand and capabilities in the markets in which we operate and to best serve our customers



### Maintain *strong capital base*

- Bond refinancing during Q2 2021 to save \$7 million in annual interest costs and provided \$70 million in additional growth capital
- SFC credit rating upgrade to BB+ during Q4 2020 by S&P
- Strong capital available with MCCSR ratio of 247% at Q3 2021
- Significant capital deployment potential



## Sagikor investment highlights



**Diversified operations** with **solid market-leading positions** in the Caribbean and a **fast-growing** US business



**Significant growth opportunities** both organic and inorganic



**Established track record** of robust growth driving consistent profitability



**Well capitalized to execute growth**, conservative leverage and strong risk culture



**Technological transformation** deeply embedded throughout the organization



**Best in class management** team and Board of Directors

## Investor Inquiries

**Samantha Cheung**

*EVP Investor Relations*

✉ [Samantha\\_Cheung@Sagikor.com](mailto:Samantha_Cheung@Sagikor.com)

☎ 1-416-898-4324 or 800-342-0719

**Andre Mousseau**

*Group Chief Operating Officer and Chief Financial Officer*

✉ [Andre\\_Mousseau@Sagikor.com](mailto:Andre_Mousseau@Sagikor.com)

Please visit **[Sagikor.com](http://Sagikor.com)**

