

**180
& BEYOND**



Sagicor Financial Company Ltd. (TSX: SFC)

Q3 2020 Investor Presentation



Forward-looking information and non IFRS

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



Business overview



Group results and highlights



Capital management



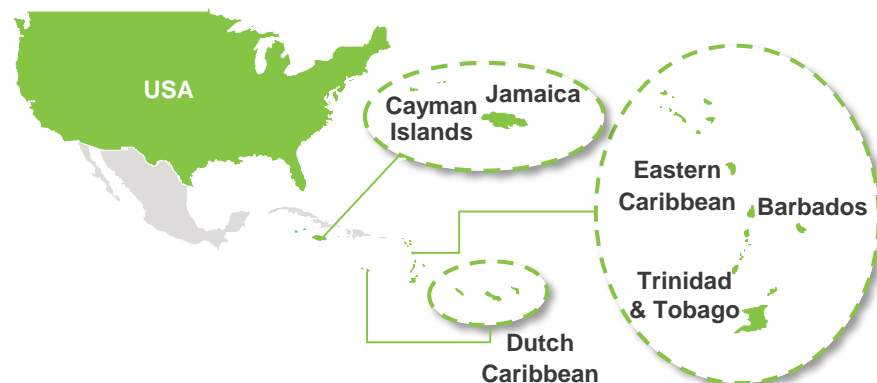
Outlook



Key takeaways

Sagicor at a glance

- Sagicor Financial Company Ltd. is a **leading financial services provider in 20 countries primarily in the Caribbean, with a growing presence in the USA**
- Sagicor offers **life, health, and P&C insurance, annuities, banking, asset management and pension products to individuals and groups**
- 180-year history since the company's founding in 1840, with a **long track record of strong organic and inorganic growth**
- Sagicor is a **public company listed on the Toronto Stock Exchange**



Financial Results (US\$ million)

	2019	YTD Q3 2020
Revenue	1,867	1,204
Net income to shareholders	87	(33)
Total assets	8,729	8,894
Shareholders' equity	1,154	1,062
Total capital	2,266	2,094

Sagicor Financial Company Ltd.

Sagicor Life

- English-speaking Caribbean operations outside of Jamaica
- Individual & group insurance, annuities

Sagicor Jamaica

- Individual life & group health insurance
- Investment management, commercial & investment banking

Sagicor Life USA

- Fast growing individual fixed annuities and life insurance provider
- Operates in 45 states and Washington DC

Sagikor investment highlights (TSX:SFC)



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



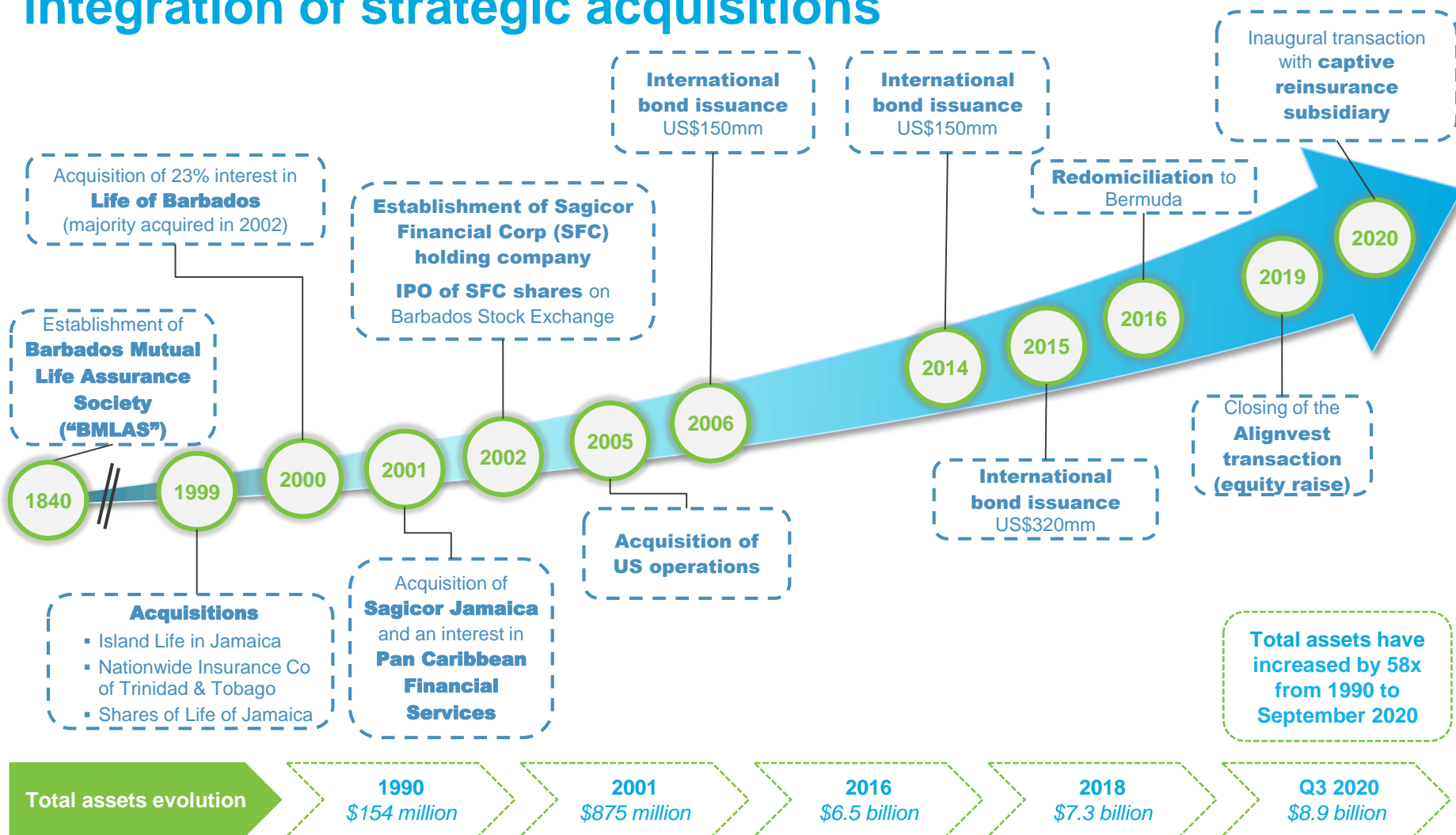
Technological transformation deeply embedded throughout the organization



Best in class management team and Board of Directors

Compelling valuation with US\$7.24 book value per share (~C\$9.65) and ~5% dividend yield

180 years of building a regional insurance leader through integration of strategic acquisitions



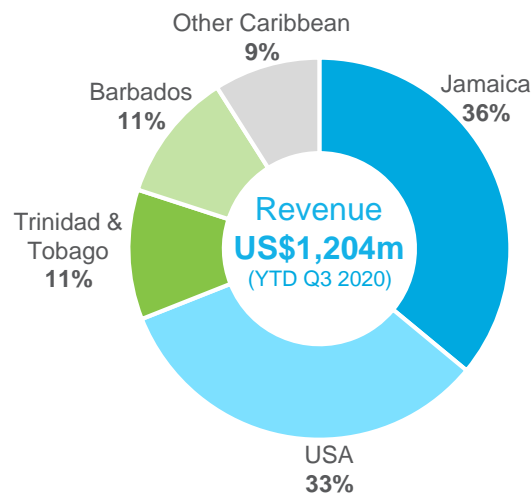
Diversified business model with a market leading position in the Caribbean and a growing US business

- Leading indigenous life insurer in English-speaking Caribbean countries
- Strong market share across core geographies and an emerging leader in the USA
- 180-year history, 4,000+ employees with 1,200+ advisors in 20 countries

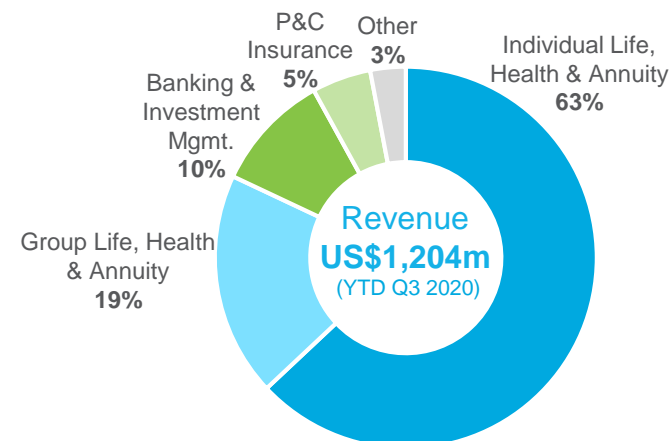
Leading market position



Geographic breakdown



Product breakdown



Sagicor is a leader in technology

State of the art direct to consumer platform

SAGICOR NOW[®]

A smarter way to buy life insurance

Apply within minutes

Start protecting your loved ones and what's important in your life.

State where located ⓘ	Gender	Date of birth
California ✓	Female ✓	10/26/1990 ✓
Do you use tobacco or nicotine products?*	Overall health ⓘ	Replacement policy ⓘ
No ✓	Excellent ✓	Yes ✓

*Tobacco or nicotine products include cigarettes, cigars, pipes, chewing tobacco, snuff, nicotine patches or gums.

You must be age 50+ to qualify for a Peace Assured Final Expense Whole Life Insurance policy. Sage Term Life, Sage Whole Life and Peace Assured are not available in all states.

GET YOUR QUOTE

CALCULATE YOUR NEEDS

Mobile application



- ✓ Manage your Sagicor products conveniently and from anywhere on your mobile device

Automated underwriting

ACCELEWRITING[®]

Sagicor recognized as one of the industry leaders in automated underwriting

- ✓ Instant (within seconds) underwriting decision
- ✓ Eliminates the need for face-to-face meeting with an agent and phone interview
- ✓ No medical exams, bodily fluids, Attending Physician's Statements (APS), or telephone interview required

Digital platforms



- ✓ Purchase coupon life insurance, critical illness and investment-type policies with no medical needed

Sagicor Connect – products for employers/members
Sagicor One Digital Experience – online platform



Business overview



Group results and highlights



Capital management



Outlook



Key takeaways

Q3 2020 financial highlights

Total revenue

\$402m

resilient Y/Y

Net insurance
premium revenue

\$265m

+1% Y/Y

Shareholders'
equity

\$1,062m

+\$450m from equity raise

MCCSR

250%

improved 16 pts since 2018

Leverage ratio

22.6%

improved 0.2 pts since 2019

Book value
per share

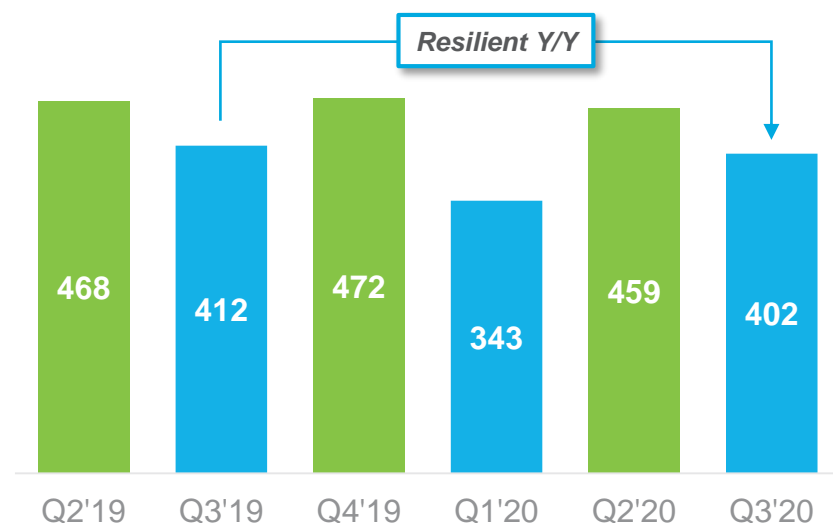
US\$7.24

~C\$9.65

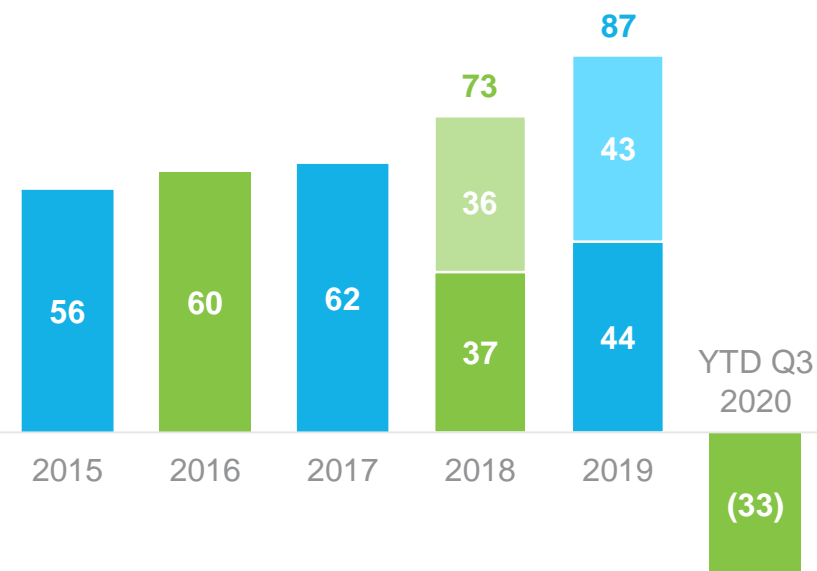
- COVID-19 continued to bring significant disruption to the regions in which we operated
- **Q3 2020 was another solid quarter in the context of a difficult operating environment**
- Net income to shareholders was a loss of \$3.0 million
 - Impacted by assumption changes leading to a strengthening of actuarial reserves in our US segment
- **Total revenue of \$402.2 million, -2% Y/Y**
- Total available capital of \$2.1 billion, total debt/capital of 22.6%
- Quarterly dividend of US\$0.05625

Solid revenue in line with prior year; and good earnings in the context of a difficult operating environment

Total revenue (US\$ million)



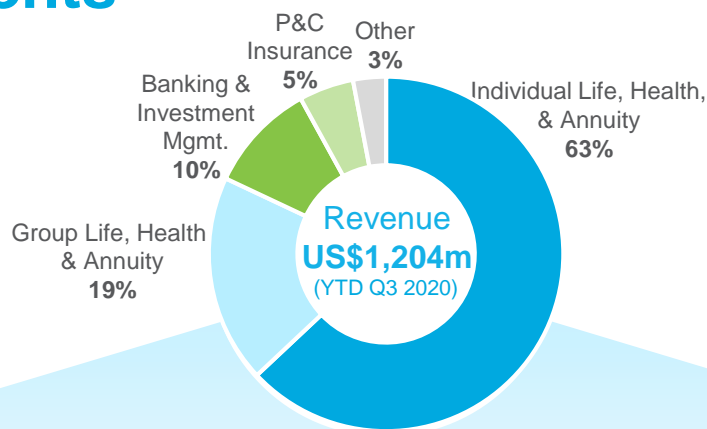
Net income (US\$ million)



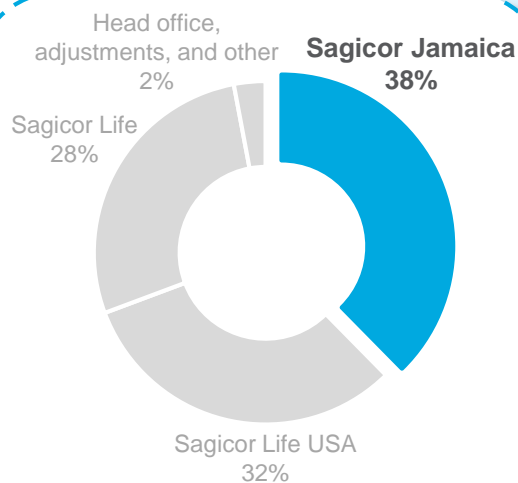
Note: net income to shareholders affected by:

- 2018: \$36 million one-time charge related to Barbados debt restructuring
- 2019: \$43 million one-time charge related to equity raise

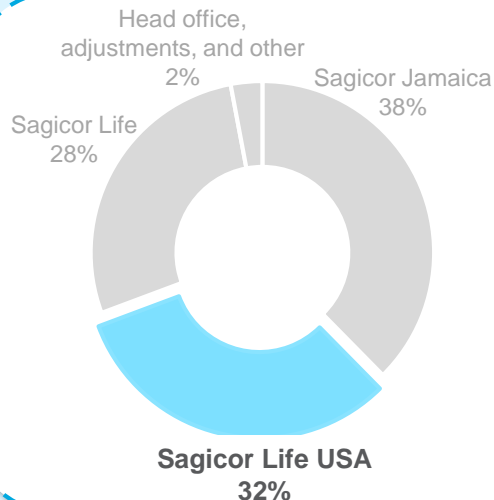
Diversified business model driven by the strength of three core segments



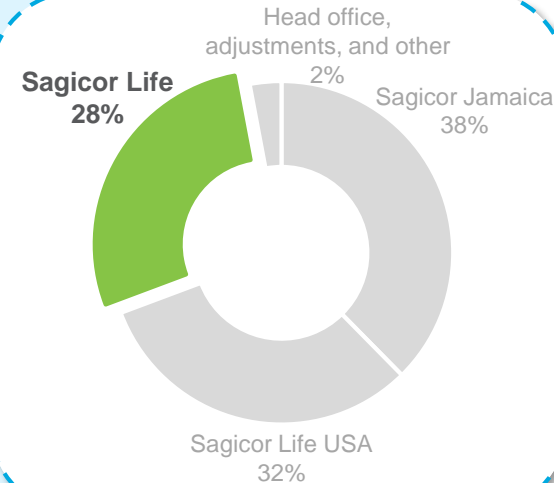
Sagicor Jamaica



Sagicor Life USA



Sagicor Life



Sagicor Jamaica

(49% ownership)

38%
of Q3 YTD 2020
group revenue



#1 market share in individual and group insurance, and asset management

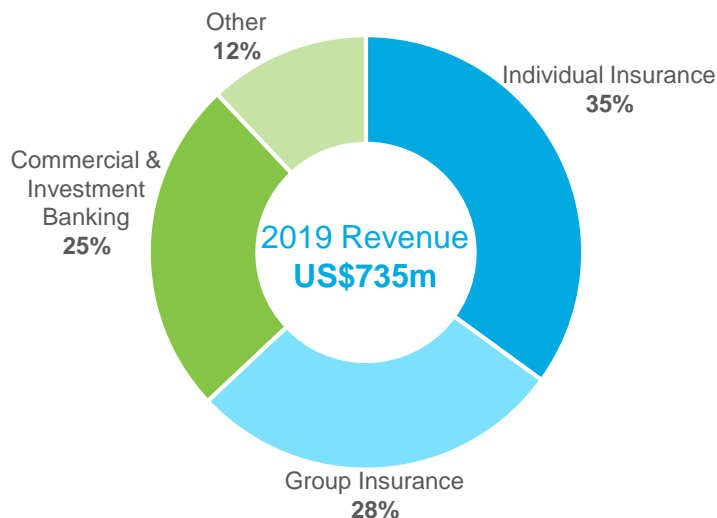


Offers **investment management and commercial & investment banking** services



2nd largest publicly traded company on Jamaica Stock Exchange (**JSE: SJ**)

- ~US\$1.4 billion market cap
- SFC stake ~US\$650 million



Q3 2020 Highlights

- Revenue of \$156 million declined 20% Y/Y
 - Decline in US\$ affected by declining J\$/US\$ exchange rate
 - Total revenue was also impacted by a decline in net premium revenue in the annuity and group health insurance business. The prior year included the sale of a significant annuity plan affecting our Y/Y comparison
- Annual review of actuarial assumptions versus experience resulted in a \$19 million net benefit to reserves
- Net income to shareholders (reflecting our 49%) of \$21 million, up 16% from \$18 million from the same period in the prior year

Sagicor Life USA

(100% ownership)

32%

of Q3 YTD 2020
group revenue



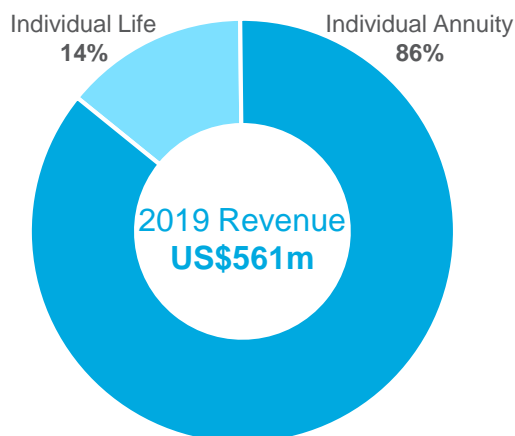
Fast-growing provider of individual annuities and life insurance with opportunities to cross-sell



Award-winning, simple, easy-to-buy life and annuity products

A-
Stable

Excellent financial strength rating from AM Best



Q3 2020 Highlights

- Revenue of \$113 million up 31% Y/Y
 - Net premium revenue of \$85 million, up 31% Y/Y
 - Revenues were positively impacted by higher net investment income resulting from the continued reversal of some of the unrealized mark-to-market losses experienced in the first quarter
- Annual review of actuarial assumptions versus experience resulted in \$18 million strengthening of reserves
- Net loss to shareholders of \$19 million as compared to net income of \$6 million in the same quarter last year

Sagicor Life

(100% ownership)



Leading market shares in the English-speaking Caribbean

- Trinidad & Tobago
- Barbados
- Cayman Islands
- Antigua & Barbuda
- Grenada
- St. Lucia
- Anguilla
- Dominica
- Montserrat
- St. Kitts & Nevis
- St. Vincent & the Grenadines
- Curacao
- St. Maarten
- Aruba

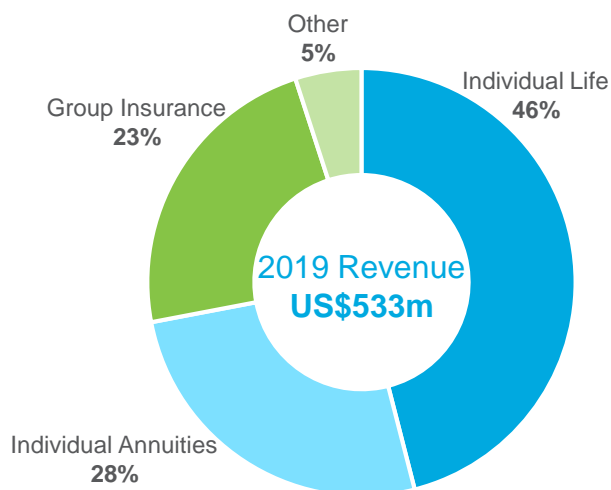


Significant growth upside in regions that remains under pensioned and underinsured

28%
 of Q3 YTD 2020
 group revenue

Q3 2020 Highlights

- Revenue of \$122 million declined 2% Y/Y demonstrating stability against a backdrop of a challenging economic environment
 - Net premium revenue of \$89 million, down 6% Y/Y
 - Impacted by lower annuity business
 - Net investment income of \$22 million was marginally lower Y/Y
- Net income to shareholders of \$8 million as compared to \$10 million for the same period in the prior year
- Annual review of actuarial assumptions resulted in no net change





Business overview



Group results and highlights



Capital management



Outlook



Key takeaways

Sagicor's credit rating upgraded by S&P to BB+ (Nov. 2020)

Sagicor Upgraded To 'BB+' From 'BB' On Consistently Stronger Capital Adequacy, Outlook Stable

“(S&P Global Ratings) We're upgrading Sagicor group (Sagicor) because we think its capitalization will remain strong in the next few years following the capital injection from its new shareholders after the group completed the business combination transaction with Alignvest in December 2019.

Sagicor's total adjusted capital has improved, and we expect it to remain above our 'A' benchmark in 2020-2022 despite the hit to earnings this year and the planned acquisition of the CLICO and BAT portfolios. As a result, we're revising the group credit profile (GCP) upward to 'bbb' from 'bbb-'.

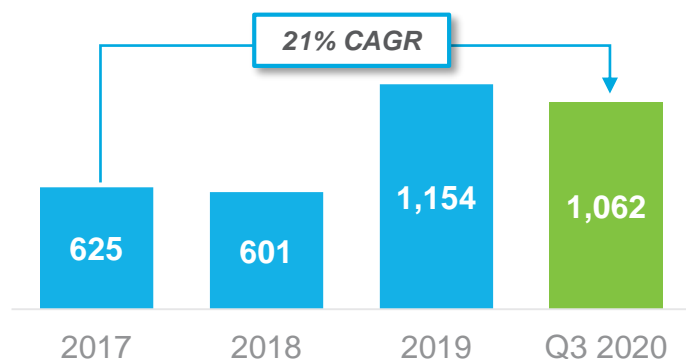
Consequently, we raised by one notch to 'BB+' from 'BB' the ratings on non-operating holding company (NOHC) SFC and its financing vehicle SF15. We also raised our issue-level rating on SF15's \$320 seven-year senior unsecured notes due 2022 to 'BB+' from 'BB'.

The outlook is stable, which reflects our expectation that the group will maintain its credit fundamentals in the next two years, despite the challenging conditions.”

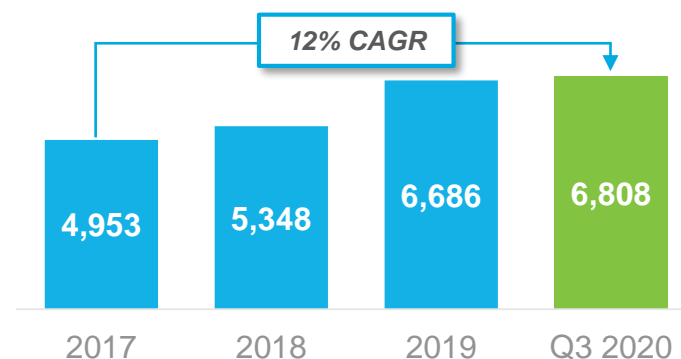
November 25, 2020

Sustained balance sheet growth

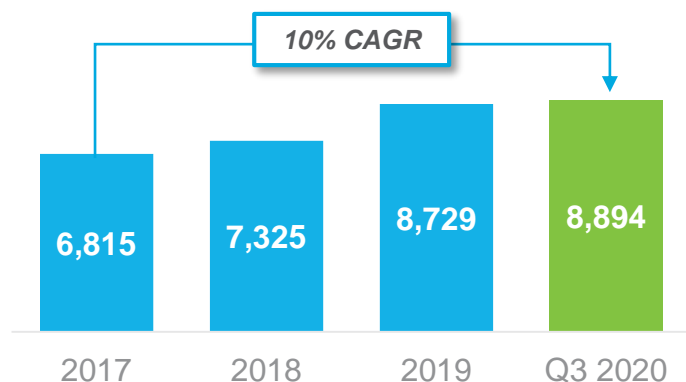
Shareholders' equity (US\$ million)



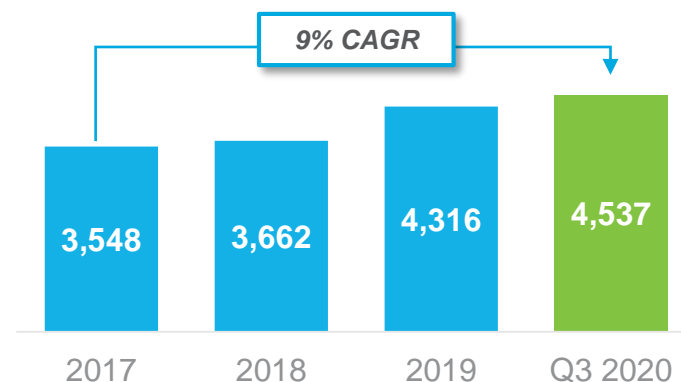
Financial investments (US\$ million)



Total assets (US\$ million)

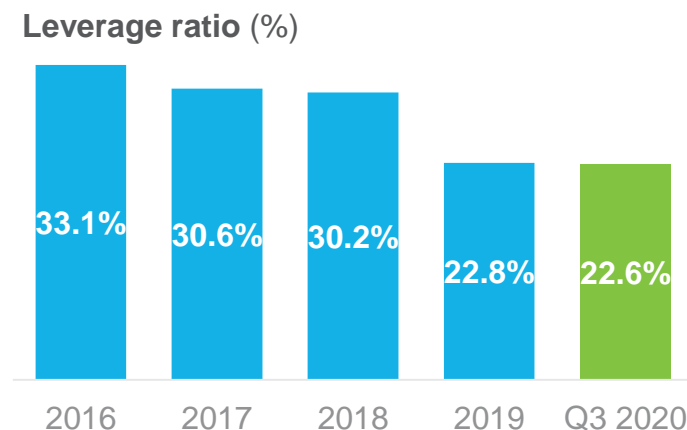
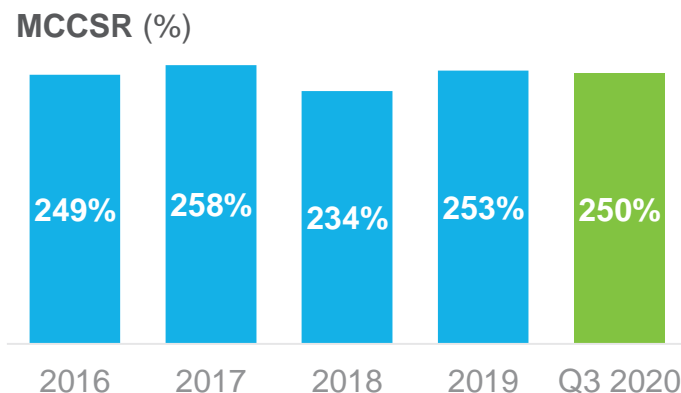


Policy liabilities (US\$ million)



Strong capital position with significant deployment potential

- \$1.1 billion of shareholders equity, including **\$450 million of additional equity capital raised in 2019 to be deployed in 2020 and beyond**
- **Robust capitalization with MCCR of 250%** for its insurance entities as at Q3 2020
- **Conservative leverage with debt/capital ratio of 22.6%** including \$395 million of financial debt at holding company
- **S&P recently upgraded credit rating to BB+ due to Sagikor's improved capitalization**
- **Financial metrics at investment grade level**
S&P (BB+) and Fitch (BB) ratings reflecting geographic footprint
- Total available capital of \$2.1 billion
 - Shareholders' equity: \$1,062 million
 - Non-controlling interest: \$559 million
 - Notes and loans payable: \$474 million



Share repurchases

Sagikor Financial Company Ltd. is a publicly traded company on the Toronto Stock Exchange

Market Cap

C\$1.0 billion

US\$0.8 billion

Ticker: SFC

Share Price

High C\$9.75

Low C\$4.88

Close C\$6.83

- During the quarter Sagikor expanded its share buyback program (Normal Course Issuer Bid) launched in June
- Sagikor can now repurchase up to 8.0 million of its common shares outstanding
- Sagikor purchased 1.6 million shares in the open market for cancellation for an aggregate purchase price of approximately C\$10 million during Q3
- 146.7 million shares outstanding, of which approximately 44% held by new anchor shareholders with board representation

**Please visit [Sagikor.com](https://www.sagikor.com)
for share price information, news releases, and more!**

Note: Share data year to date as at market close November 6, 2020

Note: Shares outstanding includes 3.2 million shares that will be cancelled if shares do not trade above C\$12 by December 2024 and 3.2 million shares that will be cancelled if book value does not increase by \$125 million by year end 2024



Business overview



Group results and highlights



Capital management



Outlook



Key takeaways

Solid outlook for 2020 in context of difficult operating environment

- 2020 started with positive momentum after exceeding targets in 2019
 - Q1 results were primarily affected by asset price movements
 - Q2 showed asset price improvements but slower sales due to the pandemic
 - Q3 saw improvements in sales as pandemic lockdown restrictions eased
- Guidance for financial targets are on hold given the length and severity of the pandemic's impact on the economy is not yet clear
- Sagikor is well capitalized to weather the storm and positioned to continue to grow once economies recover

Significant growth opportunities

- Continue growth in Caribbean markets where Sagicor is a leader and population is under-insured and under-pensioned
- Expand product base in core markets into banking and wealth management
- Continue to grow U.S. business in life and annuities
- Use excess capital for inorganic growth
- Optimize balance sheet





Business overview



Group results and highlights



Capital management



Outlook



Key takeaways

Key takeaways



- 1 Proven resilience in the context of a challenging operating environment
- 2 Established 180-year-old market-leading Caribbean life insurer with significant organic and inorganic growth opportunities in core markets
- 3 Strong brand and customer loyalty
- 4 Well-capitalized with \$450 million recent equity raise, and significant capital deployment potential
- 5 Compelling entry point with listing on **TSX (ticker: SFC)** at an attractive discount to book value

Investor Inquiries

Samantha Cheung

EVP Investor Relations

✉ Samantha_Cheung@Sagikor.com

☎ 1-416-898-4324 or 800-342-0719

Andre Mousseau

Group Chief Financial Officer

✉ Andre_Mousseau@Sagikor.com

Please visit Sagikor.com

