



# SAGICOR FINANCIAL CORPORATION

Investor Presentation

May 2019



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**ALIGNVEST**  
ACQUISITION II CORPORATION

# DISCLAIMER



## GENERAL

This presentation is qualified in its entirety by reference to, and must be read in conjunction with, the information to be contained in a final prospectus which will be prepared by **Alignvest Acquisition II Corporation** ("**Alignvest**") in connection with its proposed acquisition of **Sagikor Financial Corporation Limited** ("**Sagikor**") to form the resulting issuer ("**New Sagikor**"). An investor is not entitled to rely on parts of the information contained in this presentation to the exclusion of others. Alignvest has not authorized anyone to provide prospective purchasers with additional or different information.

In this presentation, all amounts are in US dollars, unless otherwise indicated. Capitalized terms that are not defined in this presentation have the meanings ascribed to them in the prospectus. Any graphs, tables or other information in this presentation demonstrating the historical performance of Sagikor or any other entity contained in this presentation are intended only to illustrate past performance of such entities and are not necessarily indicative of future performance of Sagikor or such entities.

## FORWARD-LOOKING INFORMATION

This presentation contains "forward-looking information" within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives, anticipated financial impacts of the proposed acquisitions, and the satisfaction of the closing conditions to and the timing of the completion of the proposed acquisitions. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "an opportunity exists", "outlook", "prospects", "strategy", "intends", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Forward-looking information contained in this presentation and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. New Sagikor's actual results may differ from these expectations, estimates and projections and consequently, you should not rely on these forward looking statements as predictions of future events. For further details on the forward-looking information included in this presentation, see "Forward-Looking Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operation – Financial Outlook" in the prospectus.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information in this presentation, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information in this presentation. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this presentation represents our expectations as of the date of this presentation or the date indicated, regardless of the time of delivery of the presentation. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

An investment in our securities is subject to a number of risks that should be considered by investors. Investors should carefully consider the risk factors described under "Risk Factors" in the prospectus. All of the forward-looking information contained in this presentation is expressly qualified by the foregoing cautionary statements. Investors should read the entire prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment.

## RISK FACTORS

There are numerous risk factors related to the proposed transaction that investors should take into account (they are expected to be more fully outlined in the prospectus), including without limitation: fluctuations in the fixed income markets may adversely affect New Sagikor's profitability and financial condition; the success of New Sagikor's operations in the United States depends on New Sagikor's ability to grow its business; New Sagikor's financial targets may prove materially inaccurate or incorrect; New Sagikor's exposure to the credit risk of its counterparties could adversely affect its profitability; differences between actual claims experience and estimated claims at the time the product was priced may result in increased losses, and so New Sagikor's reserves may be insufficient to cover actual policy benefits; New Sagikor could be forced to sell investments at a loss to cover policyholder withdrawals; New Sagikor's risk management policies and procedures could leave New Sagikor exposed to unidentified or unanticipated risk, which could negatively affect New Sagikor's business or result in losses; illiquidity of certain investment assets may prevent New Sagikor from selling investments at fair prices in a timely manner; New Sagikor's fiduciary relationship with certain counterparties could adversely affect its profitability; a prolonged labour dispute could hurt New Sagikor's business; a failure to successfully integrate New Sagikor's acquisitions could adversely affect New Sagikor's operations and profitability; a high level of redemptions of Alignvest Class A Restricted Voting Shares may necessitate sourcing of additional debt or equity to fund the proposed SJLIC and SLTT acquisitions; a failure to successfully execute current and future strategic acquisitions could adversely affect New Sagikor's profitability; if the conditions to the acquisition of Sagikor are not met, the acquisition may not occur; New Sagikor may be required to make an offer to purchase all of the 2022 Notes and Short Term Notes, but may not be financially able to repurchase the notes upon a change of control; New Sagikor's business is highly regulated and subject to numerous laws and regulations; litigation and regulatory proceedings outcomes could adversely affect New Sagikor's business; companies in the financial services industry are sometimes the target of law enforcement investigations and the focus of increased regulatory scrutiny; there may be adverse consequences if the status of New Sagikor's independent contractors is successfully challenged; failures to implement or comply with legally required anti-money laundering practices could subject New Sagikor to sanctions and/or criminal and civil penalties; the amount of statutory capital that New Sagikor's insurance subsidiaries have and the amount of statutory capital that they must hold to maintain their financial strength and credit ratings and meet other requirements can vary significantly from time to time and are sensitive to a number of factors outside of New Sagikor's control; a failure to maintain adequate levels of surplus capital may result in increased regulatory scrutiny or a downgrade by the private rating agencies; New Sagikor's financial condition may be adversely affected by geopolitical events; a change of control of New Sagikor may be difficult to effect under applicable laws; New Sagikor operates in a highly competitive industry; New Sagikor faces significant competition mainly from national and regional insurance companies and from self-insurance, and New Sagikor also faces competition from global companies – this competition could limit New Sagikor's ability to gain or maintain its position in the industry and could materially adversely affect its business, financial condition and results of operations; brokers that sell New Sagikor's products may sell insurance products of New Sagikor's competitors and such brokers may choose not to sell New Sagikor's products; computer viruses, network security breaches, disasters or other unanticipated events could affect New Sagikor's data processing systems or those of its business partners and could damage New Sagikor's business and adversely affect its financial condition and results of operations; a financial strength downgrade in New Sagikor's A.M. Best ratings or any other negative action by a rating agency may increase policy surrenders and withdrawals, adversely affect relationships with advisors and negatively affect New Sagikor's financial condition and results of operations; the unpredictable nature of the property and casualty insurance industry, or the impact of IFRS on the cashless exercise feature of Alignvest Warrants (unless removed), may cause fluctuations in New Sagikor's results; New Sagikor may be unable to reinsure risks on terms that are commercially reasonable or satisfactory to New Sagikor, or New Sagikor's reinsurers may fail to meet assumed obligations, increase rates, or be subject to adverse developments, negatively affecting New Sagikor's business, financial condition and result of operations; New Sagikor's business model depends on the performance of various third parties including actuarial consultants and other service providers; negative publicity in the insurance industry could adversely affect New Sagikor; New Sagikor depends on key personnel, and if they were to leave New Sagikor, New Sagikor might have an insufficient number of qualified employees; New Sagikor is

# DISCLAIMER (CONT'D)



highly dependent upon economic, political and other conditions and developments in Barbados, Jamaica, Trinidad and Tobago, the United States and the other jurisdictions in which it operates; New Sagikor's financial condition and operating results may be adversely affected by foreign exchange fluctuations; foreign exchange controls may restrict New Sagikor's ability to receive distributions from its subsidiaries and any such distributions may be subject to foreign withholding taxes; catastrophes and weather-related events, such as hurricanes, may adversely affect New Sagikor; the performance of New Sagikor's group life insurance may be adversely affected by the characteristics of the employees insured or through unexpected catastrophic events such as natural disasters; New Sagikor's credit ratings may be reduced, which may adversely affect New Sagikor; New Sagikor may be subject to Bermuda tax; Bermuda's compliance with the Organization for Economic Cooperation and Development international tax standards could subject New Sagikor to additional taxes; legislation enacted in Bermuda in response to the European Union's review of harmful tax competition could adversely affect New Sagikor's operations and financial condition; tax on corporate emigration under the Income Tax Act (Canada) could adversely affect New Sagikor; if New Sagikor were subject to Canadian federal income taxation, New Sagikor's after-tax returns and the value of New Sagikor Common Shares could be materially reduced; any additional taxes resulting from changes to tax regulations or the interpretation thereof in countries in which it does business could negatively impact New Sagikor's financial condition; New Sagikor is a Bermuda company and it may be difficult to enforce judgments against New Sagikor or its directors and officers; certain of New Sagikor's operating subsidiaries are incorporated outside of Canada and it may be difficult to enforce judgements against them or their directors and officers; Bermuda law differs from the laws in effect in Canada and may afford less protection to shareholders; New Sagikor may not pay dividends; potentially adverse tax consequences may result from the receipt of dividends on New Sagikor Common Shares; New Sagikor is a holding company that has no material assets other than its interest in Sagikor and, accordingly, it is dependent upon distributions from Sagikor to pay taxes and other expenses; although New Sagikor will exercise management control over its material subsidiaries, New Sagikor will be required to consider the interests of minority shareholders in Sagikor Jamaica; the market price of the New Sagikor Common Shares may be highly volatile; redemptions of a significant number of Alignvest Class A Restricted Voting Shares could adversely affect New Sagikor; sales of a substantial number of New Sagikor Common Shares may cause the price of New Sagikor Common Shares to decline; further equity financing may dilute the interests of shareholders of New Sagikor and depress the price of New Sagikor Common Shares; the trading market for New Sagikor Common Shares is influenced by securities industry analyst research reports; if New Sagikor is unable to implement and maintain effective internal control over financial reporting, New Sagikor might not be able to report financial results accurately and on a timely basis or prevent fraud, and/or investors may lose confidence in the accuracy and completeness of New Sagikor's financial reports and the market price of New Sagikor Common Shares may be negatively affected.

## **NON-IFRS MEASURES**

Unless otherwise indicated, all financial statements and information included in this prospectus were prepared in accordance with accounting principles consistent with International Financial Reporting Standards ("IFRS") generally applicable to Canadian-incorporated public companies.

This presentation makes reference to certain non-IFRS measures and insurance industry metrics. These 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 Sagikor's results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of financial information reported under IFRS. We believe that non-IFRS financial measures and operating metrics provide meaningful supplemental information and may be useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. These financial measures and operating metrics are intended to provide investors with supplemental measures of Sagikor's operating performance and thus highlight trends in its core business that may not otherwise be apparent when solely relying on the IFRS measures.

## **INFORMATION FOR CANADIAN INVESTORS**

No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein and any representation to the contrary is an offence.

## **CAUTIONARY NOTE REGARDING UNITED STATES SECURITIES LAWS**

This presentation does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. Any of the securities of New Sagikor described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons," as such term is defined in Regulation S under the U.S. Securities Act, unless an exemption from such registration is available.

In making an investment decision, investors must rely on their own examination of New Sagikor, including the merits and risks involved. The securities have not been approved or disapproved by the U.S. Securities and Exchange Commission or by any state securities commission or regulatory authority, nor have any of the foregoing authorities passed on the accuracy or adequacy of this presentation. Any representation to the contrary is a criminal offense.

## **CERTAIN ASSUMPTIONS**

The analyses and statements regarding announced acquisitions of ScotiaLife Trinidad & Tobago ("SLTT") and Scotia Jamaica Life Insurance Company ("SJLIC") by Sagikor contained in this presentation rely on the following assumptions:

- That the conditions precedents to closing contemplated by the agreements for the SLTT and SJLIC acquisition are satisfied in the timeframe anticipated.
- That assumed forward net earnings anticipated from these acquisitions are realized – see below for a detailed explanation of forward earnings assumptions.
- These transactions are subject to conditions and are not expected to close until after the AQY / SFC transaction. No assurance can be given as to when these transactions will close or if they will close at all.
- Redemptions of Alignvest Class A Restricted Voting Shares will not be at such a level that may necessitate sourcing of additional debt or equity in order to be in a position to fund the SLTT and SJLIC acquisitions.

Alignvest and Sagikor are targeting the following contributions to net income in 2019 and 2020:

### Sagikor's Continuing Operations

2019: US\$77 million

2020: US\$85 million

### SLTT and SJLIC Acquisitions

2020: US\$30 million (annualized run-rate)

Alignvest and Sagikor are accordingly targeting 2019 net income of approximately US\$77 million, excluding one-time transaction costs, and 2020 net income of approximately US\$115 million.

In developing the targets for set forth above, Alignvest and Sagikor have made the following assumptions and relied on the following factors and considerations:

- The targets are based on discussions with the management and historical results, particularly in respect of 2018 year to date results.

# DISCLAIMER (CONT'D)



- For the purpose of this earnings analysis, we assume that SLTT and SJLIC Acquisitions close at the end of 2019. The completion of these transactions is not cross-conditional on each other, but are conditional on the close of the acquisition of Sagicor. These closing dates are subject to regulatory approvals.
- Organic revenue growth has been assumed as 6% per annum for Sagicor's continuing operations in 2019 and 5% in 2020.
- Revenue growth has been assumed to be 14% in 2020 for the SLTT and SJLIC Acquisitions as new product penetration of the Scotia customer base increases.
- Investment returns in each of the three core segments have been assumed to be consistent with historical experience, excluding Government of Barbados debt.
- Product mixes have been assumed to be stable in the core business of Sagicor, and to move to a mix consisting of 12% life insurance starting in 2020 in the case of the SLTT and SJLIC Acquisitions.
- Head office costs are assumed to remain stable in 2019 and 2020.
- The SLTT and SJLIC Acquisitions are assumed to be financed with \$100 million of new borrowing at after-tax 6% per annum and \$140 million of AQY capital.
- Policy lapses, maturities and renewals, and claims histories, are assumed to be consistent with the year 2017.

Alignvest and Sagicor have also assumed that business and economic conditions affecting the businesses will continue substantially in the ordinary course, including, without limitation, with respect to general industry conditions, foreign exchange rates, interest rates, competition, regulations, reserve requirements, taxes, that there will be no catastrophic events or pandemics that are not adequately covered by reinsurance, and that there will be no material changes in customer or employee relations.

Deal pricing was based primarily on 2019 targets, and, accordingly, these targets have been presented to provide investors with the information that was used by Alignvest and Sagicor in negotiating the purchase prices of the various businesses.

These targets, and the related assumptions, involve known and unknown risks and uncertainties that may cause actual results to differ materially. Alignvest and Sagicor approved these targets on Nov. 26, 2018 and, while they believe that there is a reasonable basis for these targets, such targets may not be met.

These targets represent forward-looking information. Actual results may vary and differ materially from the targets.

#### Public Company Comparables

- Canadian peers assumed to be: Manulife Financial Corporation, Great-West Lifeco Inc., Sun Life Financial Inc., and Industrial Alliance Insurance and Financial Services Inc.
- Caribbean peers assumed to be: NCB Financial Group Limited, Republic Financial Holdings Limited, The Bank of N.T. Butterfield & Sons Limited, FirstCaribbean International Bank Limited, Scotiabank Trinidad and Tobago Limited, Scotia Group Jamaica Limited, First Citizens Bank Limited, Guardian Holdings Limited, PanJam Investment Limited, and JMMB Group Limited

#### THE BANK OF NOVA SCOTIA DISCLOSURE

In connection with the proposed acquisition of Sagicor, Scotia Capital Inc. ("SCI") is acting as financial advisor to Alignvest in furtherance of its role as underwriter for Alignvest's initial public offering in May 2017. SCI is also acting as M&A advisor to The Bank of Nova Scotia in respect of the Alignvest and Sagicor acquisitions of Scotia Jamaica Life Insurance Company Limited and ScotiaLife Trinidad and Tobago Limited. In both cases, SCI will receive a fee contingent on the successful completion of the acquisition of Sagicor. The Bank of Nova Scotia, SCI's parent, will benefit from the completion of the acquisition of Sagicor through the sale of its interest in Scotia Jamaica Life Insurance Company and ScotiaLife Trinidad and Tobago Limited.

# TODAY'S PRESENTERS



**Timothy Hodgson**

*BCom, MBA, CPA, CA*

Alignvest Managing Partner

- Managing Partner of Alignvest Management Corporation
- Former Special Advisor to Governor Mark Carney at the Bank of Canada from 2010 to 2012
- Former Chief Executive Officer of Goldman Sachs Canada
- Currently Board Director and Investment Committee Chair of PSP Investments
- Mr. Hodgson also sits on the boards of Hydro One and MEG Energy
- Will serve as Chair, Sagicor Board of Directors



**Dodridge D. Miller**

*FCCA, MBA, LLM, LLD (Hon)*

Group President & CEO

- President and CEO since 2002, with more than 30 years experience in banking, insurance and financial industries
- Obtained an MBA from the University of Wales and Manchester Business School; also holds an LLM in Corporate and Commercial Law from the University of the West Indies
- Former Treasurer and Executive Vice President - Finance and Investments, Deputy CEO and COO



**Ravi Rambarran**

*BSc, MSc, FIA*

Group COO

- Has been with Sagicor for 21 years and served in a range of senior executive capacities
- Has a BSc in Actuarial Science (City University), an MSc in Finance (University of London) and is a Fellow of the Institute of Actuaries
- Over 30 years of experience in pension, insurance and asset management



**Andre Mousseau**

*BA, MBA*

Group CFO

- Joined Sagicor as Group Chief Financial Officer in 2019 after working with management team for over a year
- Previously Partner of Alignvest Private Capital
- Significant private equity, M&A and board experience



**Samantha Cheung**

*BSc, MSc, MBA, ICD.D*

EVP, Investor Relations

- Former Head of Investor Relations for Genworth Canada and Intact Financial
- Held progressively senior roles at a large Canadian bank in Debt Origination, Derivatives and Investment Banking
- Holds an M.Sc.Eng from Queen's University, P.Eng designation, an MBA from the Rotman School of Management, and an ICD.D designation



# TRANSACTION UPDATE



- Transaction announced November 27, 2018
- AQY secured US\$120 million additional private placement from affiliates of Highgate, a strategic partner of Alignvest and investor in prior private placement, on April 10
  - This private placement means aggregate US\$240 million of capital has been committed
  - Minimum cash threshold has been met to close the Transaction subject to shareholder and regulatory approval
- AQY shareholder meeting May 23 to approve the Transaction; redemption deadline May 16
- Net income guidance is unchanged with a net income target of US\$77 million for 2019 (standalone) and US\$115 million (inclusive of US\$30 million for BNS transaction) for 2020

# Q1 2019 UPDATE



- Meaningful book value growth means transaction now valued at 0.97x book value
- Strong net income
  - Net income attributable to shareholders from continuing operations was \$15.1 million, compared to \$19.4 million in Q1 2018 (Q1 2018 included \$5.3 million acquisition gain)
  - Total comprehensive income attributable to shareholders of \$38.2 million, reflecting further gains through OCI
  - Net income to shareholders consistent with strategic plan as Q1 typically has lowest new business production rates
- Strong revenue growth driven by U.S. business growing to scale and retaining 100% of written premiums
- Sagicor net income guidance remains unchanged for 2019 at \$77 million and 2020 with \$115 million including \$30 million annual run rate from BNS acquisitions

# TRANSACTION OVERVIEW



## About SFC

- Sagicor Financial Corporation Limited (“SFC” or “Sagicor”) is a leading insurer and asset manager in the Caribbean with a growing presence in the United States and Central America
  - Sagicor was founded in 1840, is domiciled in Bermuda, and is headquartered in Barbados
- Publicly-listed on the London, Trinidad, and Barbados Stock Exchanges but with limited liquidity

## About AQY

- Alignvest Acquisition II Corporation (“AQY”) is a Canadian publicly-traded Special Purpose Acquisition Corporation (“SPAC”)
- Raised C\$403 million in its initial public offering on the Toronto Stock Exchange in May 2017 and secured in parallel C\$113 million of forward purchase commitments, a C\$50 million private placement pre-announcement at C\$10.00 per share, and a C\$160 million private placement at C\$10.00 per share
- AQY is sponsored by Alignvest Management Corporation (“AMC”), a leading alternative investment management firm based in Toronto

## Acquisition of SFC

- AQY to acquire 100% of the common shares of SFC for purchase price of US\$1.75 per share, representing total nominal consideration of US\$536 million to be paid in a combination of cash and shares
- As a result of the transaction, SFC intends to delist from the Trinidad, London and Barbados Stock Exchanges and New Sagicor will consolidate its liquidity on the TSX

## Transaction Financing

- Up to US\$205 million in cash to be offered to Sagicor shareholders for first 10,000 shares in SFC
- AQY stock valued at C\$10.00 per share given to all SFC shareholders who elect not to accept the cash for first 10,000 shares, and for any shares above 10,000 in SFC

## Management and Board

- Pro forma Board of Directors to include a combination of leading North American executives and current SFC Board members
- CEO and other key SFC executives to retain their roles post-acquisition

## Concurrently Announced Transactions

- Concurrently with the AQY / SFC transaction, SFC is announcing a partnership with Bank of Nova Scotia, including (i) the acquisition of Scotiabank Life Insurance Company (“SLTT”) and the Scotia Jamaica Life Insurance Company (“SJLIC”) from Scotiabank and (ii) 20-year exclusive bancassurance agreement
- These transactions are subject to conditions and are not expected to close until after the AQY / SFC transaction



# UPDATED TRANSACTION STEPS / TIMELINE



- **April 22<sup>nd</sup>**: Voting record date
- **April 26<sup>th</sup>**: Amended proxy circular filed
- **May 16<sup>th</sup>**: Redemption deposit deadline for AQY Class A Shareholders
- **May 23<sup>rd</sup>**: Alignvest shareholder meeting
- **Q3 2019**: Expected transaction close

# FINANCIAL SUMMARY AND ILLUSTRATIVE PRO FORMA OWNERSHIP



## Sources & Uses

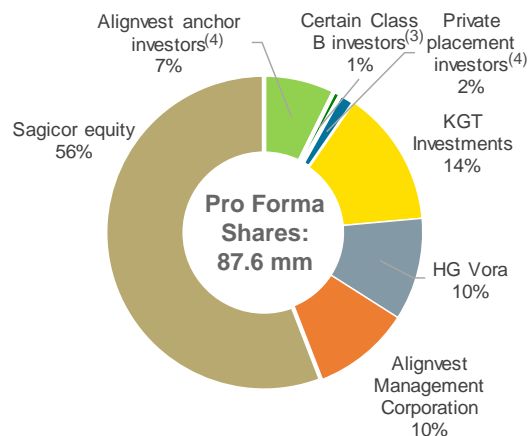
Sources of Funds (US\$ mm)	100% Redemptions	No Redemptions
AQY Cash	--	309
Cash from Forward Purchasers	85	85
Cash from Initial Private Placement	38	38
Cash from New Private Placement	120	120
SFC Rollover Equity	356	356
<b>Total Sources</b>	<b>\$599</b>	<b>\$908</b>

Use of Funds (US\$ mm)	100% Redemptions	No Redemptions
Cash to SFC Shareholders <sup>(1)</sup>	180	180
Transaction Expenses	20	20
Excess Cash to Balance Sheet	42	351
SFC Rollover Equity	356	356
<b>Total Uses</b>	<b>\$599</b>	<b>\$908</b>

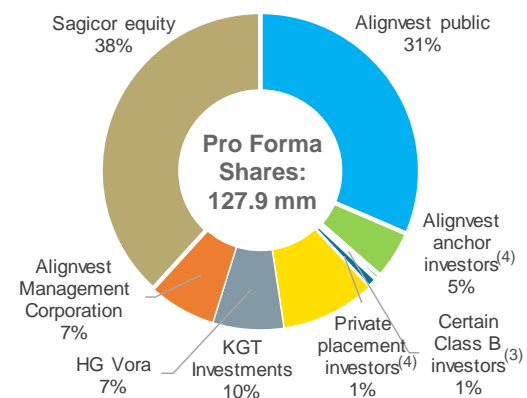
## Commentary

- AQY cash employed to provide liquidity to small shareholders (if desired)
- Excess cash on balance sheet expected to fund future transactions and support growth

## PF Ownership – Maximum AQY Redemptions<sup>(1)(2)</sup>



## PF Ownership – No AQY Redemptions<sup>(1)(2)</sup>



Note: Assumes USD per CAD exchange rate of 0.75.

1. Assumes take-up by Sagicor shareholders of US\$180 million cash consideration.
2. Excludes 6.508 million founders' shares placed in escrow and subject to forfeiture if certain milestones are not met.

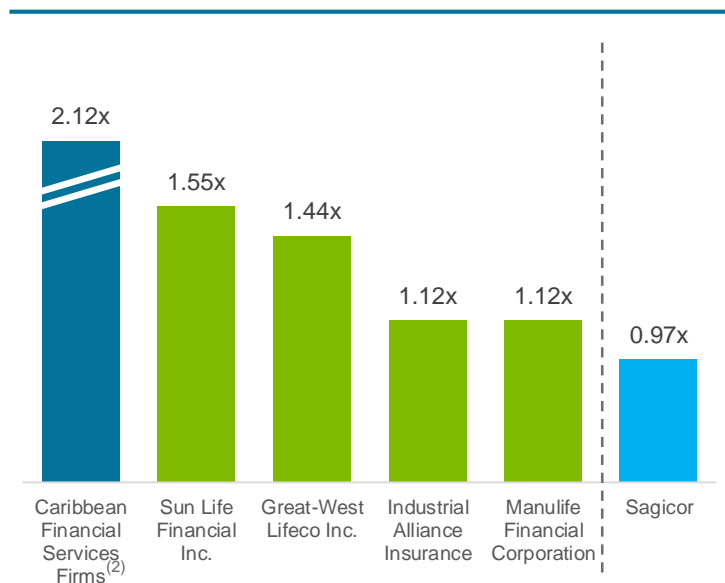
3. Represents Class B shares except those held by private placement investors, Alignvest Management Corporation, KGT Investments, and HG Vora.
4. Excludes Alignvest Management Corporation, KGT Investments, and HG Vora.

# VALUATION – A COMPELLING OPPORTUNITY

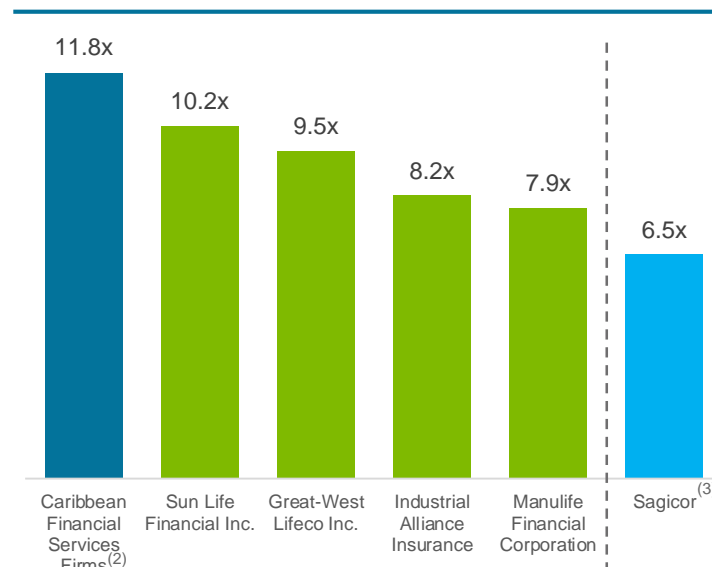


- Sagicor valuation at a substantial discount to peers on both a P/B and P/E basis
- Targeted 2019E ROE of 12%, anticipated to expand to 14% – 15% in 2020 as capital from AQY is employed with upside potential through enhanced capital management
- Pro forma equity value of US\$959 million / C\$1.28 billion<sup>(1)</sup>

### Price / Book



### Price / 2020 Earnings



Note: Market data as of 5/3/2019.

Note: All figures are USD unless otherwise indicated; assumes USD per CAD exchange rate of 0.75.

Note: Excludes 6.508 million founders' shares subject to forfeiture.

1. Assumes no redemptions by Alignvest shareholders and take-up by SFC shareholders of US\$180 million cash consideration. Based on C\$10.00 per AQY share.

2. See the "Certain Assumptions" section of the disclaimer slides for a list of the public company comparables.

3. Pro forma incremental earnings from the SLTT and SJLIC acquisitions and related bancassurance agreement.



## COMPANY OVERVIEW

# INVESTMENT HIGHLIGHTS



## 1 Established 175+ Year Franchise

- Stable and growing business lines: 56% individual life, health & annuity, 25% group life & benefits administration, 13% banking & investment management
- 50%+ market share in core markets; strong growth in net income and book value
- Core operations in the Caribbean deliver ~17% return on equity

## 2 Lower Risk Business

- Prudent and consistent history of provisioning for reserves
- Diversified operations spanning 22 countries
- No long-term care or variable annuity exposures

## 3 Well Defined Levers for Value Creation

- Earnings accretive partnership with Bank of Nova Scotia expected to increase net income by US\$30 million (annualized run-rate) in 2020
- Sagicor has identified potential opportunities for additional acquisitions
- Potential incremental accretion from refinancing of US\$320 million high yield holding company bond

## 4 Compelling Valuation

- 0.97x Price / Book
- Estimated Price / 2020E EPS of 6.5x after factoring in acquisitions
- 3.0% dividend yield with modest payout ratio

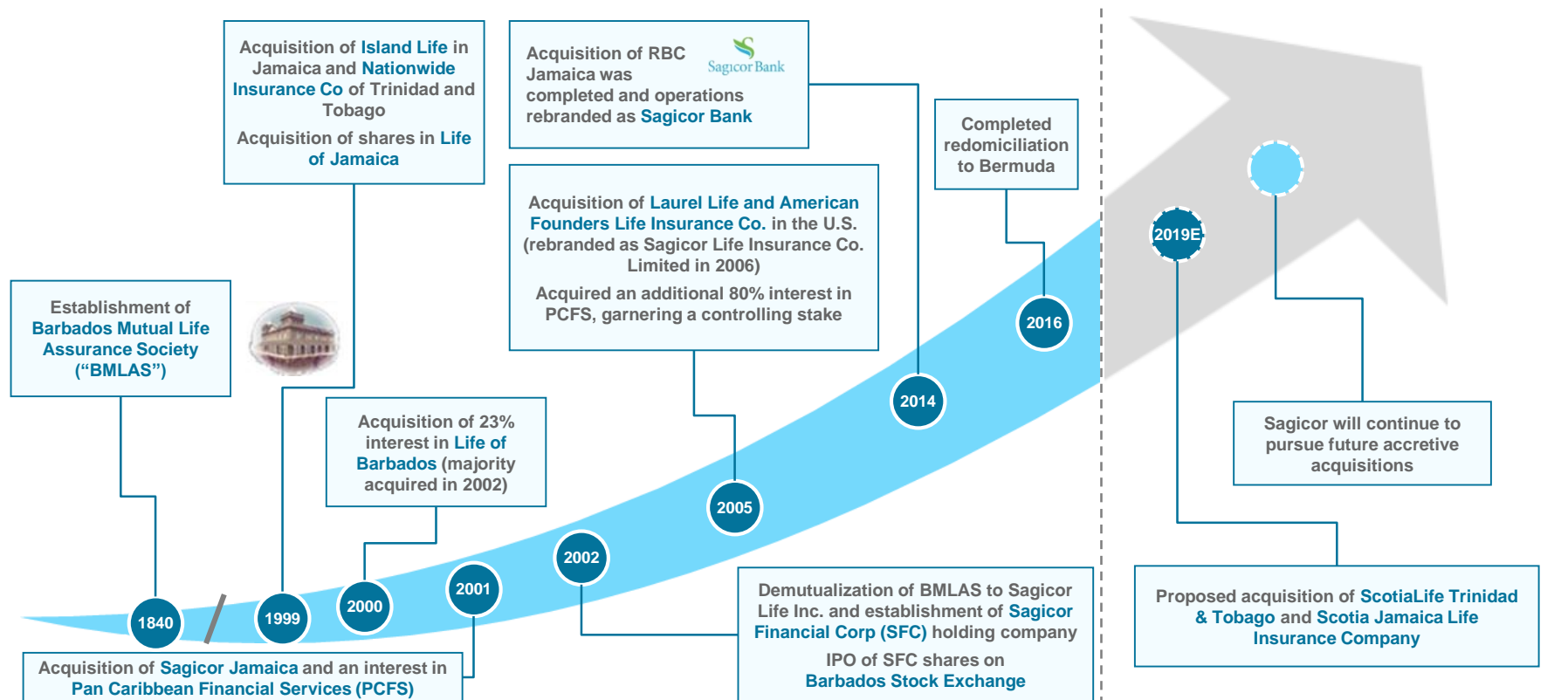
## 5 Best-in-Class Management

- Best-in-class management team with history of growing book value per share
- Alignvest M&A and investment management expertise adds complementary skill set

## 6 AQY Value Creation

- Alignvest and industry board members will further enhance governance and expand inorganic opportunities
- Alignvest Investment Management (“AIM”) brings global asset and risk management expertise and potential incremental value from portfolio optimization
- Alignvest showing commitment by making 50% of founders shares subject to forfeiture if certain targets not met

# SFC: BUILDING THE MARKET LEADER



Net Income <sup>(1)</sup> (US\$ mm)	\$2 million (1990)	\$17 million (2001)	\$60 million (2016)	\$77 million <sup>(2)(3)</sup> (2019)	Ongoing potential for upside from continued consolidation
Assets (US\$ mm)	\$154 million (1990)	\$850 million (2001)	\$6,532 million (2016)	\$7,000+ million <sup>(2)</sup> (2019)	

1. Net income to shareholders from continuing operations.
2. Reflects targeted figures.
3. Excluding one-time transaction costs.



# SFC: STRATEGIC PILLARS



## Achieved Market Leadership 1

## Implemented Best Practices 2

## Optimized Capital Structure 3

## Expanded Internationally 4

### Strategic Acquisitions

- **Jamaica:** Island Life Insurance, Life of Jamaica, PanJam Life in Jamaica
- **Barbados:** Life of Barbados; Eastern Caribbean
- **Trinidad:** Nationwide
- **Other:** Capital Life in Dutch and Northern Caribbean

### Implemented Progressive Governance Framework

- Adopted MCCSR Canadian standard
- Enterprise Risk Management
- Acquired A.M. Best rating of “A-” Excellent
- Corporate Governance Architecture
- Executive Management Committee

### Enhanced Capital Flexibility

- Demutualization
- Initial public offering in Barbados and Trinidad & Tobago

### Built Strong Platform for Growth

- Acquired Sagicor USA
- U.S. bond offering
- S&P rating: BB-
- Redomiciled to Bermuda in order to improve credit profile and avoid sovereign ceiling

- **ScotiaLife Trinidad & Tobago and Scotia Jamaica Life Insurance**
- **Additional near term opportunity**

- **Intended future adoption of LICAT**

- **TSX Listing**
- **Delisting from stock exchanges in Trinidad & Tobago, London, and Barbados**

- **Establishment of reinsurer in Bermuda**
- **Potential refinance of U.S. bond**

SFC Today

New Sagicor Tomorrow

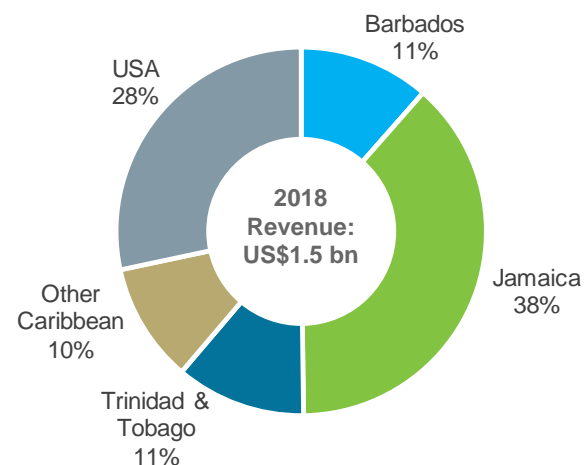
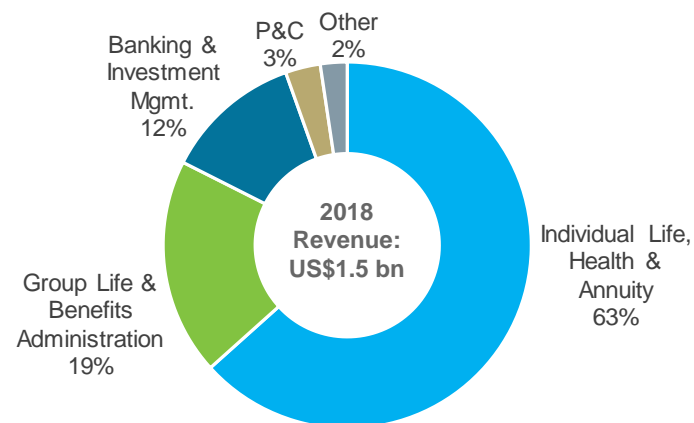
# SFC: WELL-POSITIONED WITH DIVERSIFIED MIX



## Key Highlights

- Successful 175+ year history built on customer focus and strategic acquisitions
- Core market leadership with attractive organic growth and U.S. expansion potential
- Demonstrated resilience with solid operating track record throughout economic cycles
- Consistently delivering strong ROEs over 10% with MCCSR of 234% (YE 2018)
- Well-respected management team with local expertise
- 16+ years experience as a public company

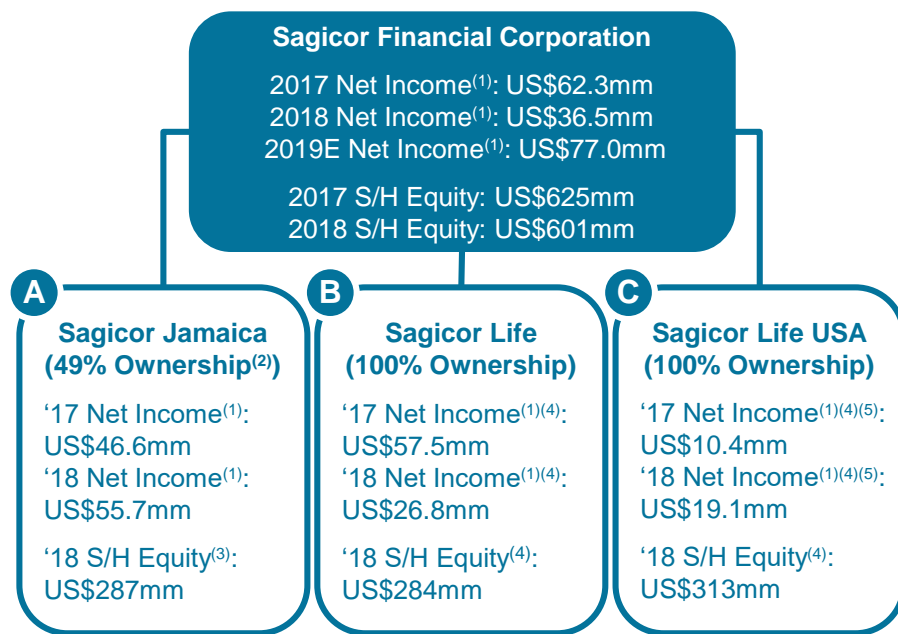
## Diversified Business Mix and Geography



# SFC: THREE CORE SEGMENTS



## Key Operating Segments






**A Sagikor Jamaica** – controlling stake in publicly traded company<sup>(2)</sup>

**B Sagikor Life** – leading Caribbean life insurer  
 2018 impacted by Barbados restructuring

**C Sagikor USA** – strong upside from growing presence

## Leading Market Positioning

	Rank	Market Share
 <b>Jamaica</b>	<b>1<sup>st</sup></b>	<ul style="list-style-type: none"> <li>61% Individual Life<sup>(6)</sup></li> <li>71% Group Life<sup>(6)</sup></li> <li>60% Pensions<sup>(6)</sup></li> <li>62% Group Health<sup>(6)</sup></li> </ul>
 <b>Trinidad &amp; Tobago</b>	<b>2<sup>nd</sup></b>	<ul style="list-style-type: none"> <li>17% Ordinary Life</li> <li>8% Group Life</li> <li>17% Pensions</li> <li>22% Group Health</li> <li>22% Individual Health</li> </ul>
 <b>Barbados</b>	<b>1<sup>st</sup></b>	<ul style="list-style-type: none"> <li>64% Life, Health and Annuities<sup>(7)</sup></li> </ul>
<b>Other Caribbean Life</b>	<b>1<sup>st</sup></b>	<ul style="list-style-type: none"> <li>Countries include: St. Vincent, Antigua, St. Lucia, Dominica, and Grenada</li> </ul>

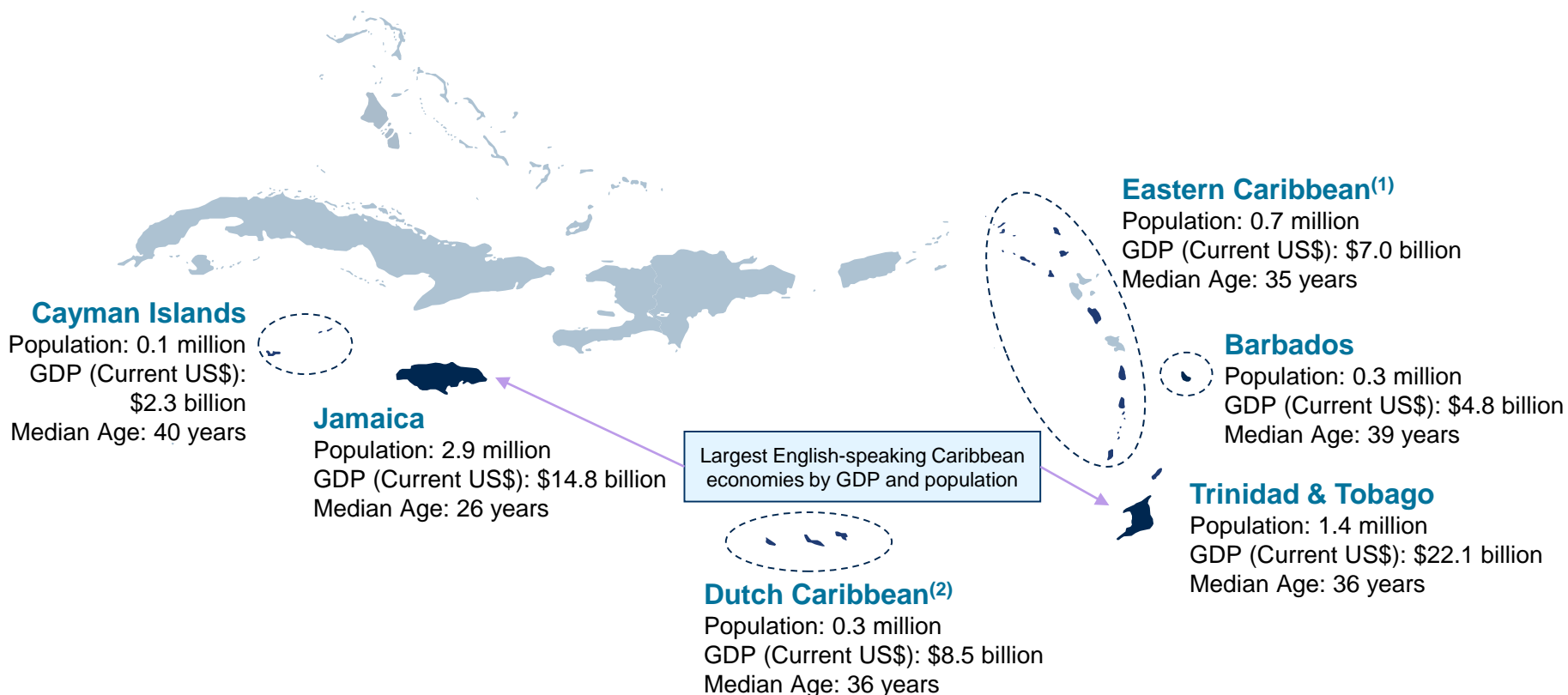
Source: Insurance Association of Jamaica, Association of Trinidad & Tobago Insurance Companies ("ATTIC"), Barbados' Financial Services Commission ("FSC")

1. Net income to shareholders from continuing operations.  
 2. Contractual control of board gives rise to consolidation for accounting purposes.  
 3. Based on Sagikor Jamaica's shareholders' equity multiplied by SFC's 49% stake.

4. Adjusted for inter-segment items.  
 5. Finance costs reported in USA segment allocated to holding company.  
 6. Based on 2017 data.  
 7. Based on preliminary 2017 data.

# SFC: LEADING MARKET POSITION IN CARIBBEAN

- Leading position in multiple Caribbean countries
- IMF projects ~4% growth in Caribbean region in 2019
- Median population ages of 26 – 40 is well below Canadian median age of 42, suggesting better long-term demand for insurance driven by demographics



Source: World Bank, CIA World Factbook  
Note: Data for 2017.

1. Includes Antigua and Barbuda, Grenada, St. Lucia, Anguilla, Dominica, Montserrat, St. Kitts and Nevis, and St. Vincent and the Grenadines.
2. Includes Curacao, St. Maarten (both Dutch and French parts), and Aruba.

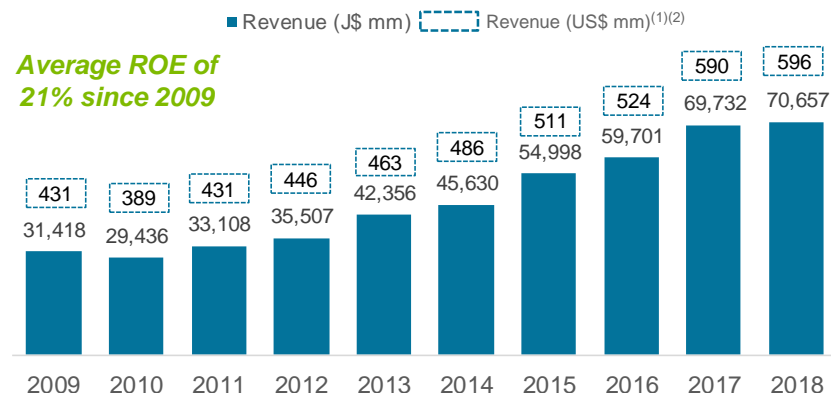
# SAGICOR JAMAICA: LEADING FINANCIAL SERVICES PROVIDER IN JAMAICA



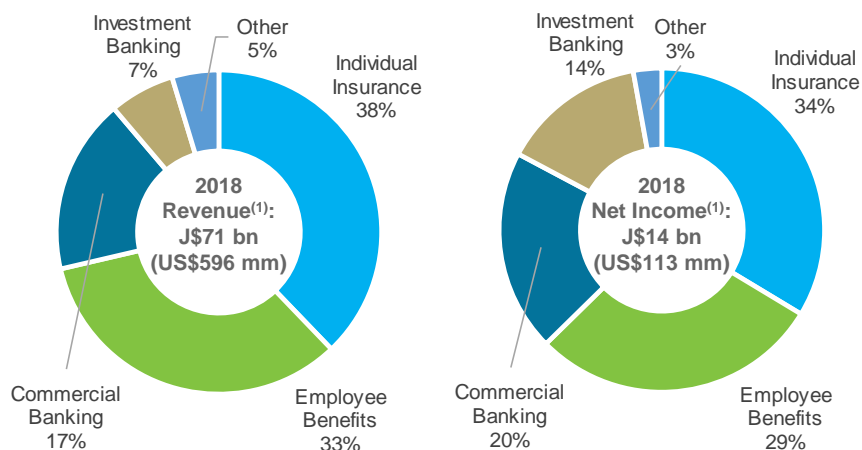
## Key Highlights

- SFC has 49% ownership in Sagicor Group Jamaica
- Consistently outstanding ROE performance
- Leading market positions in core business lines
- Sagicor Bank comprised of most attractive parts of RBC Jamaica (acquired in 2014) and Sagicor's other Jamaican banking operations

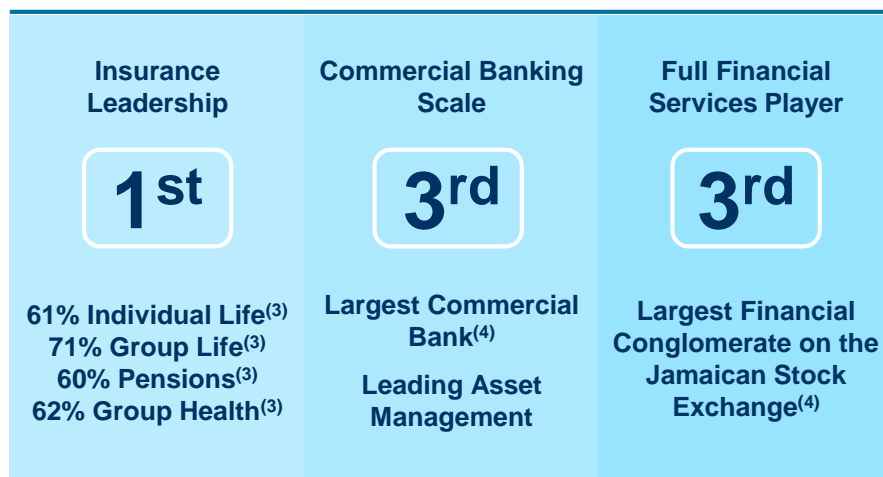
## Consistent Growth and Profitability



## Diversified Business Mix



## Leading Jamaican Financial Institution



Source: Insurance Association of Jamaica

1. Adjusted for inter-segment items.
2. Reflects figures from SFC's segmented financial statements.
3. Based on 2017 data.
4. Based on profitability.

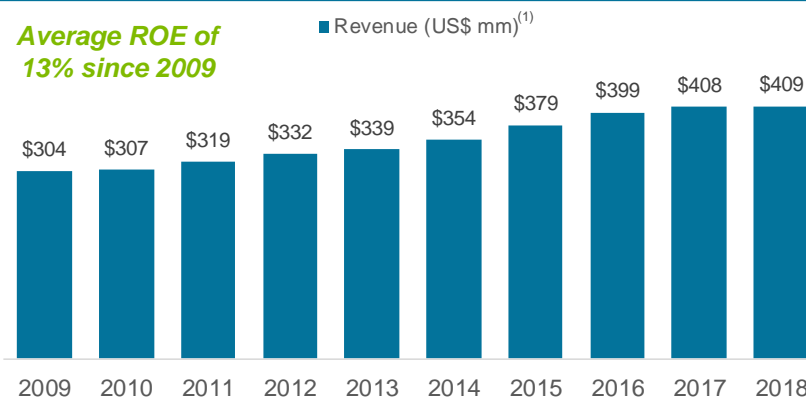
# SAGICOR LIFE: MARKET LEADING CARIBBEAN PLAYER



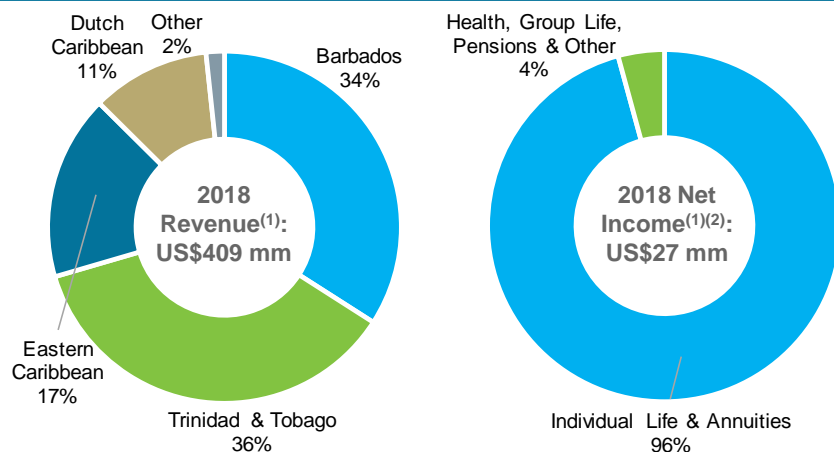
## Key Highlights

- Leading regional financial services company in the Southern Caribbean
- Strong brand and customer loyalty
- 2018 results affected by Barbados debt restructuring; 8% ROE vs. 13% 10-year average and 16% in 2017
- Demonstrated track record of premium growth

## Consistent Growth and Profitability



## Product Mix & Geographies



## Leading Market Share Across Caribbean

Country	Market Share <sup>(3)</sup>
St. Vincent & the Grenadines	73%
St. Lucia	70%
Dominica	68%
Antigua & Barbuda	68%
Barbados	64%
St. Kitts & Nevis	61%
Grenada	43%
Trinidad & Tobago	17%

Source: Financial Services Authority (St. Vincent & the Grenadines), Financial Services Regulatory Authority (St. Lucia), Financial Services Unit (Dominica), Financial Services Regulatory Commission (Antigua & Barbuda and St. Kitts & Nevis), Barbados' FSC, Grenada Authority for the Regulation of Financial Institutions, ATTIC

- Adjusted for inter-segment items.
- Reflects net income attributable to shareholders from continuing operations.
- 2017 market share figures, except for Dominica, which is as of 2016.



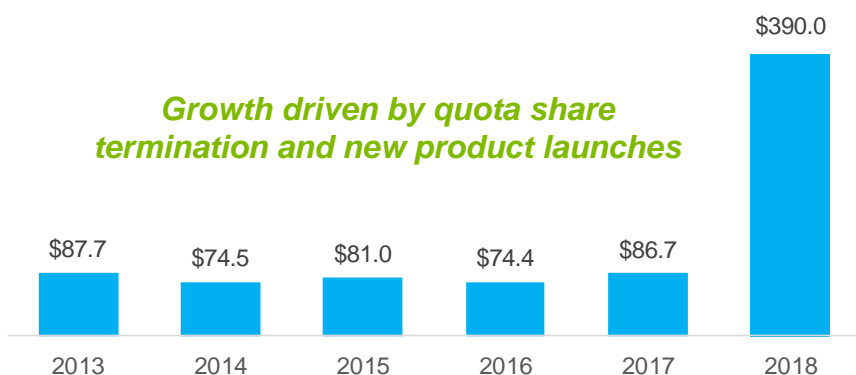
# SAGICOR USA: STRONG GROWTH OPPORTUNITIES



## Key Highlights

- Award-winning, simple, “easy-to-buy” life and annuity products targeting familiar customer profile
- State-of-the-art and scalable IT platform
- Strong distribution relationships
- A- (Excellent) financial strength rating
- 2017 ROE: 3.8%; 2018 ROE: 6.4%
- Pro forma ROE target of 10%+ in 2020

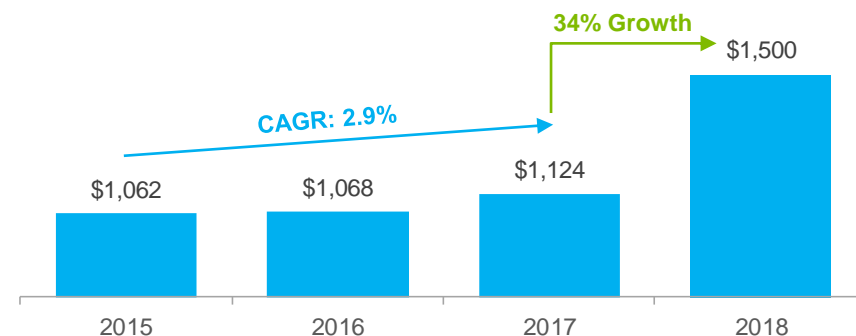
## Net Premiums Earned (US\$ mm)



## Steps to Improve Returns

- Increased production helps covers excess expenses
- Retaining 100% of gross premiums improves margins and further enhances scale
- Building on channel success in annuities products to expand distribution of term and permanent life products that generate higher IRRs
- Use Sagicor’s captive Bermuda reinsurer to optimize capital and enhance equity returns

## Financial Asset Growth (US\$ mm)



**Rated A- (Excellent) by A.M. Best**

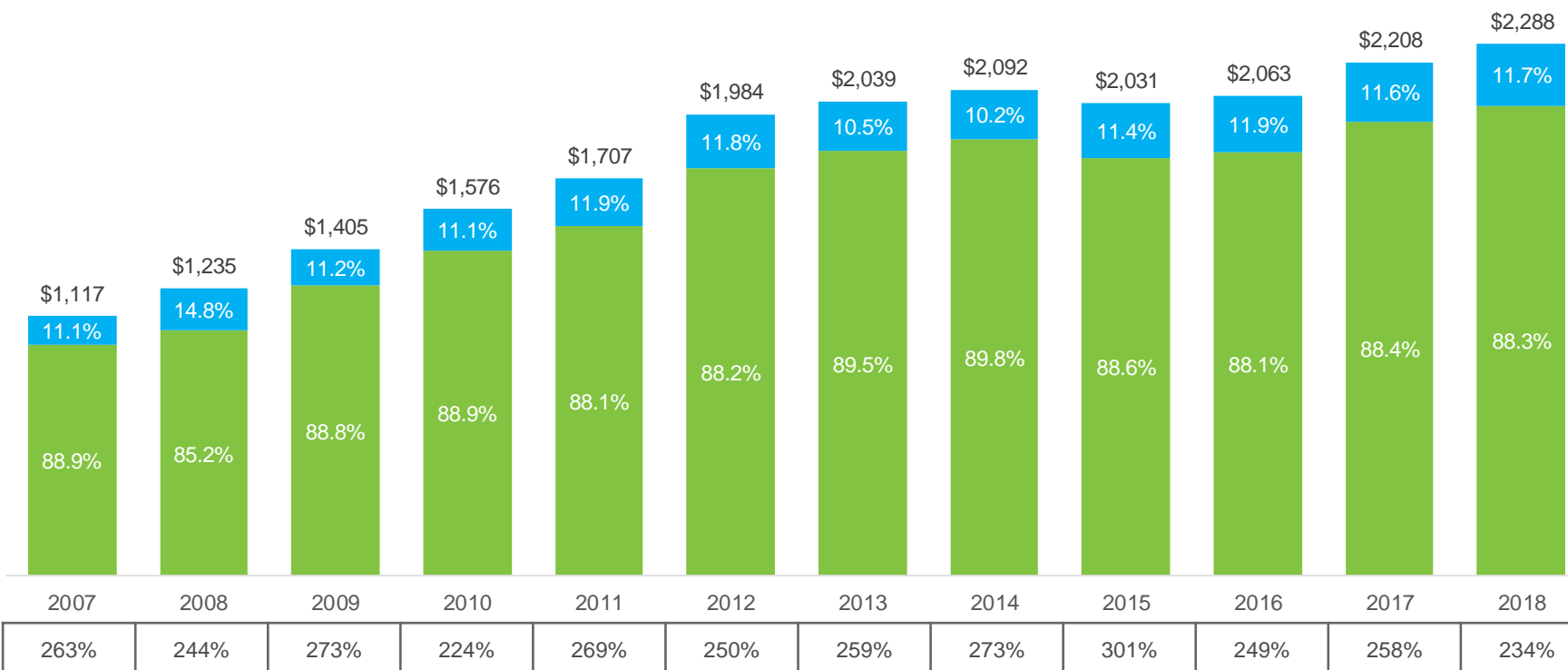
# SFC: PRUDENT CANADIAN RESERVING PHILOSOPHY ENSURES RESILIENCE



*Provision for adverse development (PfAD) consistently 10% - 12% of net reserves through economic cycles*

(US\$ millions)

■ Best Estimate Reserves ■ Provisions for Adverse Deviations



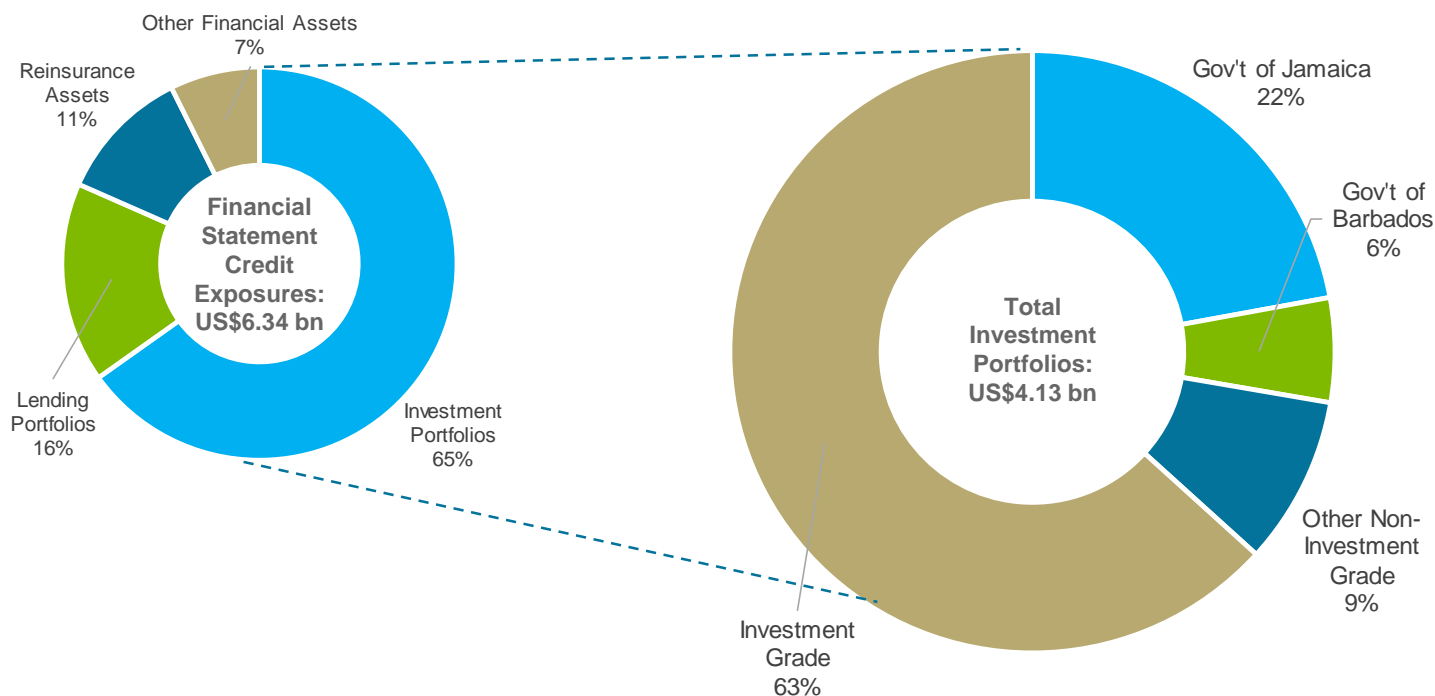
- SFC uses **Canadian actuarial** and **IFRS** reporting standards

Note: Net reserves represent gross reserves less ceded reserves.

# SFC: OVERVIEW OF INVESTED ASSETS

- Jamaica – de-risked by successful debt and economic restructuring; credit spread <1%
- Barbados – fully provisioned for and poised for recovery
- Lending portfolio is recourse and fully-collateralized

## Investment Portfolio Breakdown (2018)



Note: Investment losses, if any, relating to US\$520 million of the non-investment grade portfolio are passed through to policyholders rather than shareholders.

# INITIATIVES TO GROW EARNINGS



## 1 SLTT & SJLIC Acquisition<sup>(1)</sup>

- Purchase of life insurance operations of Scotiabank in Jamaica and Trinidad & Tobago
- 20 year bancassurance agreement to exclusively market insurance to bank customers
- US\$240 million purchase price
- Targeted funding sources of US\$140 million of growth capital, US\$100 million of local currency debt
- Targeted run-rate net income of US\$30 million inclusive of interest on debt financing in 2020
- SJLIC acquisition is expected to close in H2 2019
- SLTT acquisition is expected to close in H1 2020

## 2 Other Potential Acquisition Opportunities

- AQY and Sagicor have worked together for the past year and have identified multiple acquisition opportunities

## 3 Debt Refinance

- US\$320 million of holdco debt at 8.875% callable in August 2019
- Debt currently trading well above par
- Potentially material annual savings from debt refinance not accounted for in targets

1. Targets depend on certain assumptions as described in the "Certain Assumptions" section of the disclaimer slides.

# SCOTIABANK BANCASSURANCE: SCOPE TO IMPROVE PENETRATION



## Commentary

- The Caribbean's leading life insurer and bank, Sagikor and Scotiabank will enter into a 20-year bancassurance agreement
- An enhanced suite of insurance products will be provided by Sagikor to Scotiabank's customers
- Sagikor will be able to leverage partnership to cross-sell more of its products
- Significant opportunity for Sagikor to further enhance its penetration in the Jamaica and Trinidad & Tobago markets
- The transaction represents the coming together of two strong consumer brands, with shared corporate values

## SJLIC/SLTT – Sagikor Product Comparison

	SJLIC/SLTT	Sagikor
Individual Creditor	✓	✓
Other Traditional Life Insurance	✗	✓
Individual Annuities	✓	✓
Accidental Death & Dismemberment	✗	✓
Long-Term Disability	~	✓
Health Insurance	~	✓
Group Health	✗	✓
Group Creditor	✗	✓
Group Pension and Critical Illness	✗	✓
Property & Casualty Insurance	✗	✓

## FINANCIAL OVERVIEW



# SFC DE-CONSOLIDATED – ROE BREAKDOWN



- Management estimates 2018 return on equity would have been 12.4% excluding Barbados debt restructuring
- In 2017, the last unaffected year, the core Caribbean segments delivered 17% unlevered ROE
- Sagikor USA ROE improved from 3.8% to 6.4% in 2018 and has positive momentum

## ROE Breakdown – 2017A and 2018A<sup>(1)</sup>

(US\$ millions)

	2017 Consolidated	Less: Sagikor USA	Caribbean RemainCo	Less: HoldCo & Other OpCos	Core Carib. Segments	Of Which:	
						SLI	Jamaica
Sagikor Life	57.5	--	57.5	--	57.5	57.5	--
Sagikor Jamaica	46.6	--	46.6	--	46.6	--	46.6
Sagikor USA	10.4	(10.4)	--	--	--	--	--
Admin Expenses & Other Segments	(18.5)	--	(18.5)	18.5	--	--	--
<b>Income Subtotal</b>	<b>\$96.0</b>	<b>(\$10.4)</b>	<b>\$85.6</b>	<b>\$18.5</b>	<b>\$104.1</b>	<b>\$57.5</b>	<b>\$46.6</b>
Less: Finance Costs	(33.7)	--	(33.7)	33.7	--	--	--
<b>Net Income to Shareholders</b>	<b>\$62.3</b>	<b>(\$10.4)</b>	<b>\$51.9</b>	<b>\$52.2</b>	<b>\$104.1</b>	<b>\$57.5</b>	<b>\$46.6</b>
Add: Minority Interest / Participating Policies	43.5	--	43.5	3.8	47.3	(1.0)	48.3
<b>Reported Income from Continuing Operations</b>	<b>\$105.8</b>	<b>(\$10.4)</b>	<b>\$95.3</b>	<b>\$56.0</b>	<b>\$151.4</b>	<b>\$56.4</b>	<b>\$94.9</b>
<b>Average Net Assets (2016A - 2017A)</b>	<b>\$580.8</b>	<b>(\$273.2)</b>	<b>\$307.7</b>	<b>\$298.7</b>	<b>\$606.4</b>	<b>\$360.5</b>	<b>\$245.9</b>
<b>Implied ROE<sup>(2)</sup></b>	<b>10.7%</b>	<b>3.8%</b>	<b>16.9%</b>	n.a.	<b>17.2%</b>	<b>15.9%</b>	<b>19.0%</b>
	2018 Consolidated	Less: Sagikor USA	Caribbean RemainCo	Less: HoldCo & Other OpCos	Core Carib. Segments	Of Which:	
						SLI	Jamaica
Sagikor Life	26.8	--	26.8	--	26.8	26.8	--
Sagikor Jamaica	55.7	--	55.7	--	55.7	--	55.7
Sagikor USA	19.1	(19.1)	--	--	--	--	--
Admin Expenses & Other Segments	(31.0)	--	(31.0)	31.0	--	--	--
<b>Income Subtotal</b>	<b>\$70.6</b>	<b>(\$19.1)</b>	<b>\$51.5</b>	<b>\$31.0</b>	<b>\$82.5</b>	<b>\$26.8</b>	<b>\$55.7</b>
Less: Finance Costs	(34.1)	--	(34.1)	34.1	--	--	--
<b>Net Income to Shareholders</b>	<b>\$36.5</b>	<b>(\$19.1)</b>	<b>\$17.4</b>	<b>\$65.1</b>	<b>\$82.5</b>	<b>\$26.8</b>	<b>\$55.7</b>
Add: Minority Interest / Participating Policies	59.3	--	59.3	2.9	62.2	7.2	55.0
<b>Reported Income from Continuing Operations</b>	<b>\$95.8</b>	<b>(\$19.1)</b>	<b>\$76.7</b>	<b>\$68.0</b>	<b>\$144.7</b>	<b>\$34.0</b>	<b>\$110.7</b>
<b>Average Net Assets (2017A - 2018A)</b>	<b>\$612.7</b>	<b>(\$299.8)</b>	<b>\$313.0</b>	<b>\$285.6</b>	<b>\$598.6</b>	<b>\$318.1</b>	<b>\$280.5</b>
<b>Implied ROE<sup>(2)</sup></b>	<b>6.0%</b>	<b>6.4%</b>	<b>5.6%</b>	n.a.	<b>13.8%</b>	<b>8.4%</b>	<b>19.9%</b>

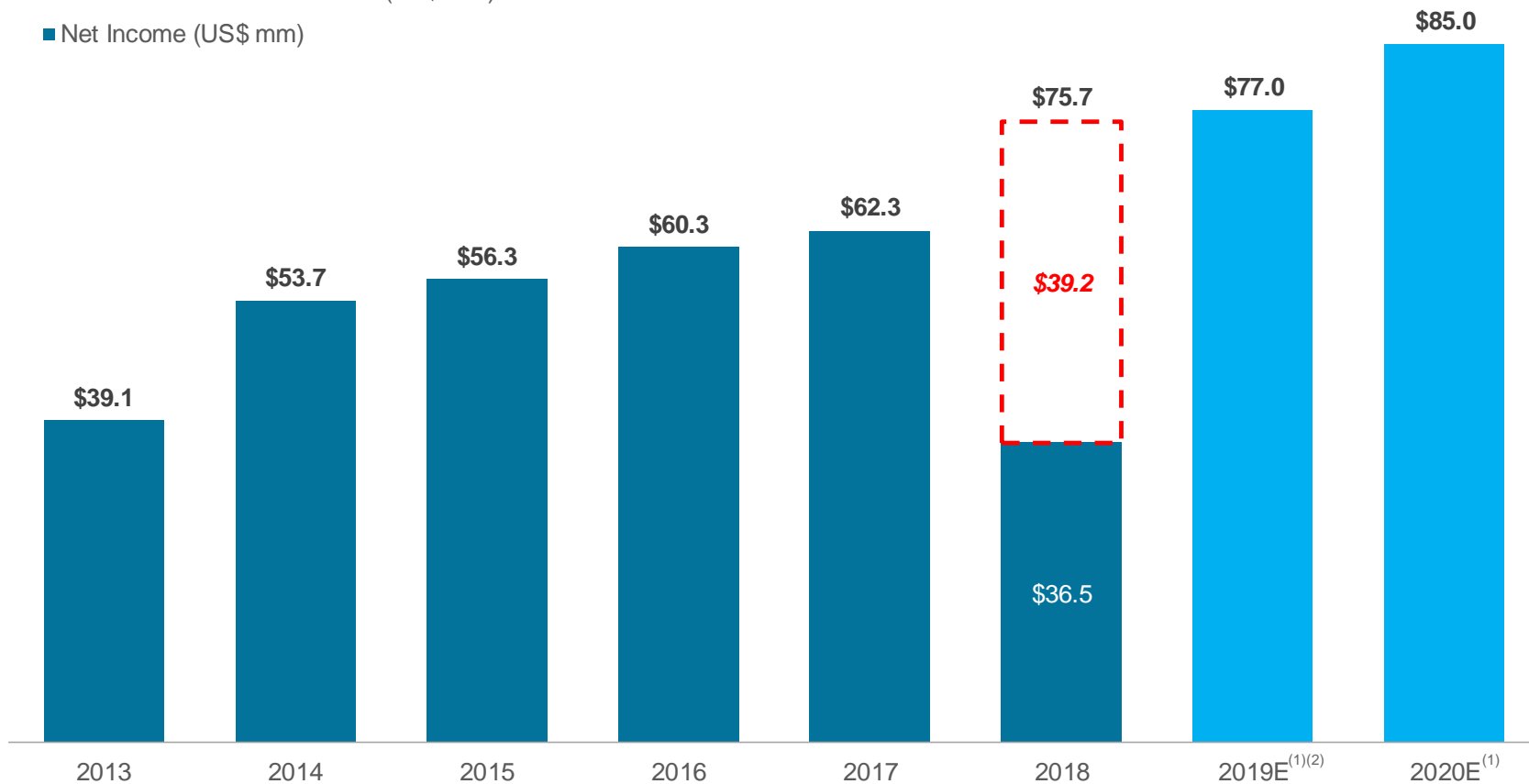
- Figures are adjusted for inter-segment items, except for Sagikor Jamaica's income.
- Calculated as net income to shareholders from continuing operations divided by average net assets.

# STANDALONE NET INCOME TO SHAREHOLDERS FROM CONTINUING OPERATIONS



■ Barbados Debt Net Provision (US\$ mm)

■ Net Income (US\$ mm)



1. Reflects targeted figures.

2. Excluding one-time transaction costs.

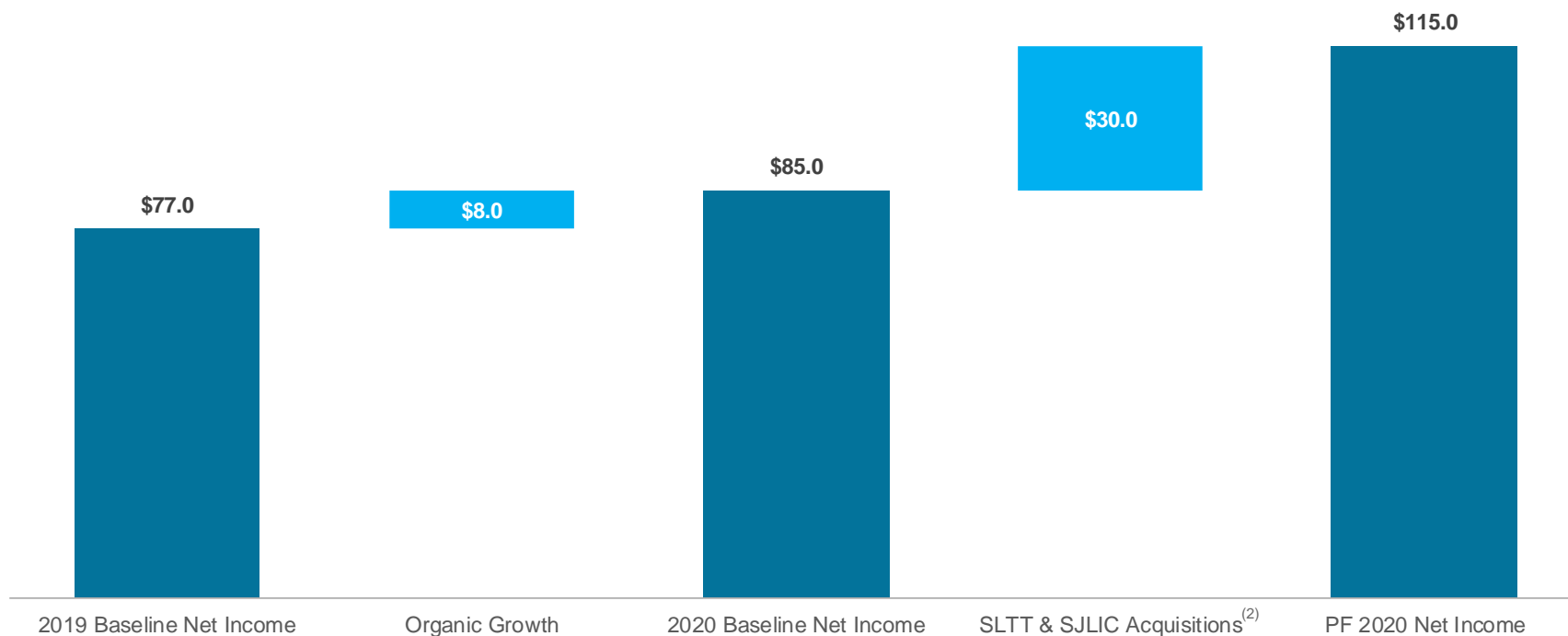
# PRO FORMA TARGETS BRIDGES



- 2019 excludes any income from the SJLIC & SLTT acquisitions, which may close in H2 2019 and H1 2020, respectively, subject to regulatory approval

## Pro Forma Net Income Bridge<sup>(1)</sup>

(US\$ millions)

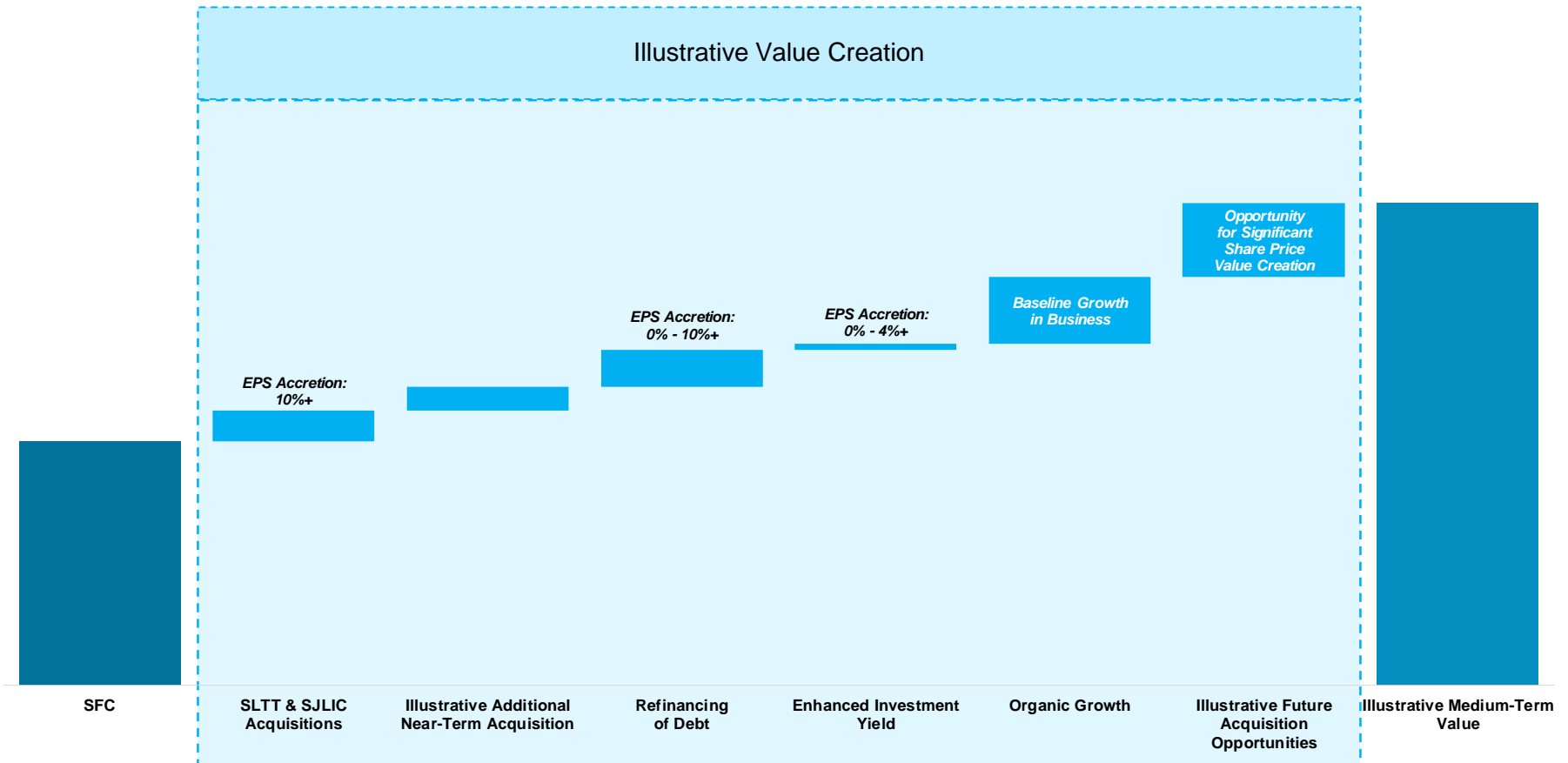


1. Targets depend on assumptions as described in the "Certain Assumptions" section of the disclaimer slides.  
2. Assumes run-rate.

# UNLOCKING UNDERVALUED ASSET CREATES INVESTOR UPSIDE



**Core Earnings Potential + Balance Sheet Optimization + Upside = Value Creation**



Note: EPS accretion for refinancing of debt, enhanced investment yield, and organic growth calculated by dividing the incremental expected net income by the share count excluding assumed excess capital of ~81 million shares. EPS accretion for the SLTT and SJLIC Acquisitions add ~19 million shares to the share count to account for the equity capital expected to be used in the acquisition.

# AT TRANSACTION PRICE, IMPLIED VALUE OF SAGICOR LIFE IS ATTRACTIVE



*Implied value of Sagicor Life is nominal after subtracting fair value for Jamaica, USA*

(US\$ millions)

## Sagicor Financial Corporation

	2019 Net Income	Book Value	Market Value	Price / Earnings	Price / Book
SFC Equity Value	\$77	\$640	\$608	7.9x	0.95x <sup>(1)</sup>
Plus: Debt	34	480 <sup>(2)</sup>	480 <sup>(2)</sup>	14.1x	n.a.
<b>SFC Enterprise Value</b>	<b>\$111</b>	<b>\$1,120</b>	<b>\$1,088</b>	<b>9.8x</b>	<b>0.97x</b>

- Minus Sagicor Jamaica -

## Implied Sagicor USA, Life and Other

	2019 Net Income	Book Value	Market Value	Price / Earnings	Price / Book
SFC Enterprise Value	\$111	\$1,120	\$1,088	9.8x	0.97x
Less: Sagicor Jamaica	(52)	(287) <sup>(3)</sup>	(605) <sup>(4)</sup>	11.6x <sup>(5)</sup>	2.11x <sup>(5)</sup>
<b>Implied Sagicor USA, Life, and Other</b>	<b>\$59</b>	<b>\$834</b>	<b>\$483</b>	<b>8.2x</b>	<b>0.58x</b>

- Minus Sagicor USA at 1.00x Book Value -

## Implied Value of Sagicor Life and Other

	2019 Net Income	Book Value	Market Value	Price / Earnings	Price / Book
Sagicor USA, Life, and Other	\$59	\$834	\$483	8.2x	0.58x
Less: Sagicor USA at 1.0x Book Value	(29)	(313)	(313)	10.9x	1.00x
<b>Sagicor Life and Other - Enterprise Value</b>	<b>\$30</b>	<b>\$521</b>	<b>\$171</b>	<b>5.6x</b>	<b>0.33x</b>
Less: Pro Rata Debt	(11)	(150)	(150)	n.a.	n.a.
<b>Sagicor Life and Other - Equity Value</b>	<b>\$20</b>	<b>\$371</b>	<b>\$21</b>	<b>1.1x</b>	<b>0.06x</b>

The unlevered P/B multiple of SFC is 0.97x

After subtracting SFC's share of the equity value in Sagicor Jamaica, the implied P/B of SFC is 0.58x

Valuing Sagicor USA at 1.00x book implies nominal value for Sagicor Life

Note: Market data as of 5/3/2019.

Note: Excludes 6.508 million founders' shares subject to forfeiture.

1. Calculation excludes excess capital.
2. Excludes 8.25% convertible redeemable preference shares.
3. Based on SFC's attributable portion of Q4 2018 shareholders' equity (adjusted for inter-segment items).

4. Based on SFC's shares in Sagicor Jamaica and Sagicor Jamaica's 20-day VWAP.
5. Implied P/B and P/E using 49.1% of Sagicor Jamaica's market capitalization and Sagicor Jamaica's book value attributable to Sagicor parent.

# INVESTMENT HIGHLIGHTS



## 1 Established 175+ Year Franchise

- Stable and growing business lines: 56% individual life, health & annuity, 25% group life & benefits administration, 13% banking & investment management
- 50%+ market share in core markets; strong growth in net income and book value
- Core operations in the Caribbean deliver ~17% return on equity

## 2 Lower Risk Business

- Prudent and consistent history of provisioning for reserves
- Diversified operations spanning 22 countries
- No long-term care or variable annuity exposures

## 3 Well Defined Levers for Value Creation

- Earnings accretive partnership with Bank of Nova Scotia expected to increase net income by US\$30 million (annualized run-rate) in 2020
- Sagicor has identified potential opportunities for additional acquisitions
- Potential incremental accretion from refinancing of US\$320 million high yield holding company bond

## 4 Compelling Valuation

- 0.97x Price / Book
- Estimated Price / 2020E EPS of 6.5x after factoring in acquisitions
- 3.0% dividend yield

## 5 Best-in-Class Management

- Best-in-class management team with history of growing book value per share
- Alignvest M&A and investment management expertise adds complementary skill set

## 6 AQY Value Creation

- Alignvest and industry board members will further enhance governance and expand inorganic opportunities
- Alignvest Investment Management (“AIM”) brings global asset and risk management expertise and potential incremental value from portfolio optimization
- Alignvest showing commitment by making 50% of founders shares subject to forfeiture if certain targets not met





# COMPANY SUPPLEMENT

# OVERALL CORPORATE STRATEGY



## 1 Drive Further Consolidation

- Identified opportunities to consolidate Jamaica, Trinidad & Tobago, and the Eastern Caribbean
- Sagicor is well-positioned to consolidate within its home markets given its M&A execution capabilities and experience

## 2 Continue to Extract Synergies

- Drive economies of scale, improve operational efficiencies, and increase margins
- Take advantage of strengths between regions to exploit and defend market opportunities

## 3 Profitable Growth Strategies

- Growth by scaling U.S. platform
- Leverage its extensive distribution network to increase product penetration and cross-sell

## 4 Leverage Cutting Edge Technology

- Deploy a fully-integrated IT platform to introduce advanced systems
- Utilize the U.S. platform as a technology incubator for the rest of the company

## 5 Focus on Capital Optimization

- Ongoing optimization of risk and return expectations as it relates to capital allocation decisions
- Continue to evolve approach to enterprise risk management

# INSURANCE EXPERTISE + CORPORATE DEVELOPMENT ACUMEN



## **Dodridge D. Miller**

*FCCA, MBA, LLM, LLD (Hon)*

Group President & CEO

- President and CEO since 2002, with more than 30 years experience in banking, insurance and financial industries
- Obtained an MBA from the University of Wales and Manchester Business School; also holds an LLM in Corporate and Commercial Law from the University of the West Indies
- Former Treasurer and Executive Vice President - Finance and Investments, Deputy CEO and COO



## **Ravi Rambarran**

*BSc, MSc, FIA*

Group COO

- Has been with Sagicor for 21 years and served in a range of senior executive capacities
- Has a BSc in Actuarial Science (City University), an MSc in Finance (University of London) and is a Fellow of the Institute of Actuaries
- Over 30 years of experience in pension, insurance and asset management



## **Andre Mousseau**

*BA, MBA*

Group CFO

- Joined Sagicor as Group Chief Financial Officer in 2019 after working with management team for over a year
- Previously Partner of Alignvest Private Capital
- Significant private equity, M&A and board experience

# INSURANCE EXPERTISE + CORPORATE DEVELOPMENT

## ACUMEN (CONT'D)



**Chris Zacca**

*MBA, BSc*

President & CEO, Sagikor Group Jamaica Limited

- Previously at Desnoes & Geddes, ATL Group, Air Jamaica
- Serves as President of the Private Sector Organization of Jamaica
- Former special advisor to the Jamaican PM
- Holds an MBA from University of Florida and a BSc from MIT



**Bart F. Catmull**

*BSc, CPA*

President & COO, USA

- Joined Sagikor in 2005, when the predecessor of Sagikor Life Insurance Company was acquired by the Group
- Has been with Sagikor since 1999
- Holds a Bachelor of Science in Accounting from Brigham Young University



**J. Andrew Gallagher**

*FSA, FCIA, CERA*

Group Chief Risk Officer

- CRO since 2001, with prior role as Resident Actuary and over 25 years of industry experience
- Academic qualifications from the University of Waterloo
- Prior senior role at Eckler Partners in Toronto in their financial institutions practice



**Nari Persad**

*FSA, FCIA*

Group Chief Actuary

- Previously at Crown Life, Canada Life, TD Life Insurance, Swiss Re and Dion Durrell + Associates
- Former partner at E&Y from 2011 to 2014; most recently a Principal at Eckler
- Holds a BSc in Biochemistry and a BSc in Actuarial Science from the University of Toronto



**Anthony Chandler**

*CPA, CGA, MBA*

Group Chief Controller

- Served as EVP and CFO of Sagikor Life from 2011
- Joined Sagikor in 1995 as a financial accountant
- Member of the Certified General Accountants Association of Canada, and holds an MBA from the University of Manchester



**Althea Hazzard**

*LLM, LLB*

EVP, General Counsel

- Received a LLB from the University of the West Indies and a Legal Education Certificate from the Hugh Wooding Law School in Trinidad before being called to the Bar in Barbados and Trinidad in 1989
- Holds a LLM from the University of Cambridge



**Ron Blitstein**

*BA, MBA*

Group Chief Information Officer

- Holds BA in Political Science, MBA from Syracuse University
- Previously served as Director, Business Technology & Strategies Practice for a global advisory firm
- Held key executive positions at Revlon, Pitney Bowes, BOC Group and Xerox



**Samantha Cheung**

*BSc, MSc, MBA, ICD.D*

EVP, Investor Relations

- Former Head of Investor Relations for Genworth Canada and Intact
- Held progressively senior roles at a large Canadian bank in Debt Origination, Derivatives and Investment Banking
- Holds an M.Sc.Eng from Queen's University, P.Eng designation, and an MBA from the Rotman School of Management

# PROPOSED BOARD MEMBERS



## Dodridge D. Miller

*FCCA, MBA, LLM, LLD (Hon)*  
Group President & CEO

- President and CEO of Sagicor since 2002



## Timothy Hodgson

*BCom, MBA, CPA, CA*  
Alignvest Managing Partner

- Managing Partner of Alignvest
- Former Advisor to the Governor of the Bank of Canada
- Former CEO of Goldman Sachs Canada



## Reza Satchu

*BCom, MBA*  
Alignvest Managing Partner

- Managing Partner of Alignvest
- Co-founded SupplierMarket, StorageNow, and KGS-Alpha Capital Markets



## Rik Parkhill

*BA*  
Director

- Former CEO of CIBC FirstCaribbean



## Aviva Shneider

*BMath, MBA*  
Director

- Founder of Bayes Ventures
- Former Co-Head of Caisse de Dépôt et Placement du Québec's direct private equity investments in the U.S. and Latin America



## Mahmood Khimji

*BA, JD*  
Director

- Co-Founder and President of Highgate Hotels, L.P.



## Monish Dutt

*BA, MBA, CPA*  
Director

- Currently a Consultant on Emerging Markets
- Former Chief Credit Officer for Global Financial Institutions & Private Equity Funds at IFC



## Stephen McNamara

*CBE, LLD (Hon)*  
Director

- Senior Partner of McNamara & Company, Attorney-at-Law of St. Lucia



## Sir Hilary Beckles

*BA, PhD*  
Director

- Vice Chancellor of the University of the West Indies
- Chairman of the Caribbean Examinations Council



## Peter Clarke

*BA, J.D. Law*  
Director

- Chairman of Guardian Media Ltd
- Former Chairman at Trinidad & Tobago Stock Exchange



## Stephen Facey

*BA, M. Arch*  
Director

- Chairman and Chief Executive Officer of PanJam Investment Limited



## John Shettle

*MBA*  
Director

- Operating Partner of Stone Point Capital

# AIM PORTFOLIO MANAGEMENT EXPERTISE TO CREATE VALUE



## Overview of Alignvest Investment Management

- Offers **multi-asset class solutions** and **customized institutional advisory mandates**
- Builds upon **best practices** of pension and endowment models to deliver superior returns
- **Proven investing approach** in global portfolios (public & private investments and alternative assets) is adaptable to a variety of client needs
- Team has **extensive senior experience** at pension funds, endowments, asset managers, and insurance firms

## AIM Senior Investment Team Credentials



**Don Raymond**  
AIM  
Managing  
Partner

- Chair of the AIM Investment Committee
- Former Chief Investment Strategist and Head of Total Portfolio Management at then \$220 bn Canada Pension Plan Investment Board
- Board Director of Great-West Life
- Ph.D. in Engineering, Queen's University



**Kerry Stirton**  
AIM  
Managing  
Partner

- Former Managing Director of \$26 bn CIBC Asset Management and Head of Institutional Advisory Business
- Vice-President, Goldman Sachs Global Proprietary Investments
- Harvard Law; Rhodes Scholar, University of Oxford; M.A., University of Toronto

## Sagicor Valuation Creation Overview

- AIM estimates incremental value can be secured annually for Sagicor from:
  - More optimized portfolios
  - Utilizing additional investment strategies
  - Lowering third party advisor costs
  - Added value from enhanced risk management expertise



# VALUATION SUPPLEMENT

# NORTH AMERICAN INSURANCE TRADING COMPARABLES



(\$ in USD millions)												
Company	Market Cap (\$mm)	Share Price	% of 52 Week High		Price /				ROE		Dividend Yield	Div. Payout Ratio
			High	Low	BV	Tangible BV	2019E EPS	2020E EPS	2019E	2020E		
<b>Sagcor (Pro Forma)</b>	<b>\$959</b>	<b>\$7.50</b>	<b>n.a.</b>	<b>n.a.</b>	<b>0.97x</b>	<b>1.07x</b>	<b>7.9x<sup>(1)</sup></b>	<b>6.5x<sup>(1)</sup></b>	<b>12.2%</b>	<b>15.0%</b>	<b>[3.0%]</b>	<b>[30%]</b>
<b>Sagcor Jamaica</b>	<b>\$1,364</b>	<b>\$0.35</b>	<b>84.5%</b>	<b>129.2%</b>	<b>2.34x</b>	<b>2.57x</b>	<b>12.8x<sup>(1)</sup></b>	<b>12.2x<sup>(1)</sup></b>	<b>17.2%</b>	<b>16.1%</b>	<b>2.9%</b>	<b>32.9%</b>
<b>Canadian Comparables:</b>												
Manulife Financial Corporation	\$36,503	\$18.59	99.0%	136.1%	1.12x	1.44x	8.4x	7.9x	12.6%	12.3%	3.8%	34.3%
Sun Life Financial Inc.	24,609	41.31	98.9	128.6	1.55	2.34	11.1	10.2	13.3	13.0	3.5	46.0
Great-West Lifeco Inc.	21,988	23.69	92.4	118.5	1.44	2.77	10.3	9.5	13.7	13.9	5.0	54.1
Industrial Alliance Insurance	4,214	39.45	96.2	128.1	1.12	1.67	8.9	8.2	11.6	11.5	3.1	n.a.
<b>Median</b>			<b>97.5%</b>	<b>128.4%</b>	<b>1.28x</b>	<b>2.00x</b>	<b>9.6x</b>	<b>8.9x</b>	<b>12.9%</b>	<b>12.7%</b>	<b>3.6%</b>	<b>46.0%</b>
<b>US Comparables:</b>												
MetLife, Inc.	\$45,687	\$48.00	98.1%	127.1%	0.83x	1.00x	8.6x	7.9x	11.1%	11.2%	3.5%	32.6%
Prudential Financial, Inc.	42,111	103.13	96.7	136.4	0.76	0.78	8.1	7.4	13.2	13.3	3.6	43.2
Aflac Incorporated	37,639	50.49	99.6	121.8	1.45	1.44	11.8	11.3	14.0	13.4	2.1	25.7
Ameriprise Financial	19,798	147.85	96.5	154.5	3.40	5.14	9.1	8.1	36.8	37.2	2.4	27.5
Principal Financial Group, Inc.	16,039	57.58	94.2	142.5	1.26	1.56	10.2	9.4	11.6	12.0	3.7	38.5
Lincoln National Corporation	13,587	67.15	94.2	139.7	0.83	0.93	7.2	6.5	12.4	12.4	2.1	20.1
Torchmark Corporation	9,697	87.90	96.3	126.1	1.62	1.75	13.2	12.3	12.6	12.4	0.7	10.5
Reinsurance Group of America	9,425	150.69	97.1	117.9	0.97	0.98	11.4	10.6	9.9	9.7	1.5	18.9
Athene Holding Ltd	8,930	45.47	84.3	122.2	1.08	1.08	6.1	5.4	14.1	13.4	-	-
Voya Financial	8,099	54.75	98.5	149.3	1.05	1.05	9.9	8.7	10.0	10.3	0.1	0.8
Unum Group	7,799	36.81	89.2	137.5	0.86	0.90	6.8	6.3	11.5	11.2	2.8	41.2
Primerica, Inc.	5,570	131.19	99.8	145.7	3.83	3.96	16.2	14.5	22.0	22.4	0.8	13.6
American Equity Investment Life	2,753	30.31	78.6	119.9	0.94	0.94	7.8	7.5	13.1	12.2	0.9	8.9
CNO Financial Group, Inc.	2,714	16.97	75.3	124.4	0.71	0.71	8.7	7.5	7.9	8.4	2.4	nmf
FGL Holdings	1,885	8.50	88.3	143.3	3.83	NM	6.2	4.9	17.6	18.6	0.1	nmf
<b>Median</b>			<b>96.3%</b>	<b>136.4%</b>	<b>1.05x</b>	<b>1.02x</b>	<b>8.7x</b>	<b>7.9x</b>	<b>12.6%</b>	<b>12.4%</b>	<b>2.1%</b>	<b>20.1%</b>
<b>Low</b>			<b>75.3%</b>	<b>117.9%</b>	<b>0.71x</b>	<b>0.71x</b>	<b>6.1x</b>	<b>4.9x</b>	<b>7.9%</b>	<b>8.4%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Median</b>			<b>96.3%</b>	<b>128.6%</b>	<b>1.12x</b>	<b>1.26x</b>	<b>8.9x</b>	<b>8.1x</b>	<b>12.6%</b>	<b>12.4%</b>	<b>2.4%</b>	<b>26.6%</b>
<b>High</b>			<b>99.8%</b>	<b>154.5%</b>	<b>3.83x</b>	<b>5.14x</b>	<b>16.2x</b>	<b>14.5x</b>	<b>36.8%</b>	<b>37.2%</b>	<b>5.0%</b>	<b>54.1%</b>

Source: FactSet, Company filings, and SNL Financial  
Note: Market data as of 5/3/2019.

1. Sagcor and Sagcor Jamaica 2019E and 2020E net income based on management targets.



# CARIBBEAN FINANCIAL TRADING COMPARABLES



(\$ in USD millions)						% of 52 Week		Price as a Multiple of:			ROE	
Company	Domicile	Market Cap (\$mm)	Share Price	High	Low	BV	Tangible BV	Implied '19E EPS <sup>(1)</sup>	Implied '20E EPS <sup>(1)</sup>	LTM	3 Month ADTV (000s)	
<b>Sagikor (Pro Forma)</b>	<b>Bermuda</b>	<b>\$959</b>	<b>\$7.50</b>	<b>n.a.</b>	<b>n.a.</b>	<b>0.97x</b>	<b>1.07x</b>	<b>7.9x</b>	<b>6.5x</b>	<b>12.4%<sup>(2)</sup></b>	<b>n.a.</b>	
<b>Sagikor Jamaica</b>	<b>Jamaica</b>	<b>\$1,364</b>	<b>\$0.35</b>	<b>84.5%</b>	<b>129.2%</b>	<b>2.34x</b>	<b>2.57x</b>	<b>12.8x</b>	<b>12.2x</b>	<b>19.9%</b>	<b>183.9</b>	
<b>Caribbean Comparables:</b>												
Republic Financial Holdings	Trinidad & Tobago	\$2,958	\$18.20	98.4%	123.0%	2.10x	2.19x	13.0x	11.4x	15.3%	3.4	
NCB Financial Group	Jamaica	2,691	1.09	89.1	157.2	2.79	3.02	11.7	10.1	20.6	941.8	
Bank of Butterfield	Bermuda	2,223	40.47	75.5	137.5	2.41	2.62	10.6	9.6	23.5	247.1	
FirstCaribbean International Bank	Barbados	1,939	1.23	93.4	103.9	1.72	2.13	19.8	19.5	7.0	11.8	
Scotiabank Trinidad & Tobago	Trinidad & Tobago	1,644	9.32	93.3	100.8	2.83	2.83	15.6	15.0	17.8	4.4	
First Citizens Bank	Trinidad & Tobago	1,376	5.47	100.0	113.8	1.39	1.44	12.8	12.3	10.5	3.8	
Scotia Group Jamaica	Jamaica	1,224	0.39	82.8	110.4	1.36	1.37	13.4	12.8	11.7	225.3	
PanJam Investment	Jamaica	712	0.67	100.0	204.5	2.90	2.90	17.2	15.3	15.9	61.4	
Guardian Holdings	Trinidad & Tobago	635	2.74	97.4	121.3	1.26	1.49	7.2	6.5	16.7	4.0	
JMMB Group	Jamaica	411	0.25	85.0	130.7	2.15	2.21	12.5	11.2	14.6	315.3	
<b>Low</b>				75.5%	100.8%	1.26x	1.37x	7.2x	6.5x	7.0%	3.4	
<b>Median</b>				93.4%	122.2%	2.12x	2.20x	12.9x	11.8x	15.6%	36.6	
<b>High</b>				100.0%	204.5%	2.90x	3.02x	19.8x	19.5x	23.5%	941.8	

Source: FactSet, Company filings, and SNL Financial

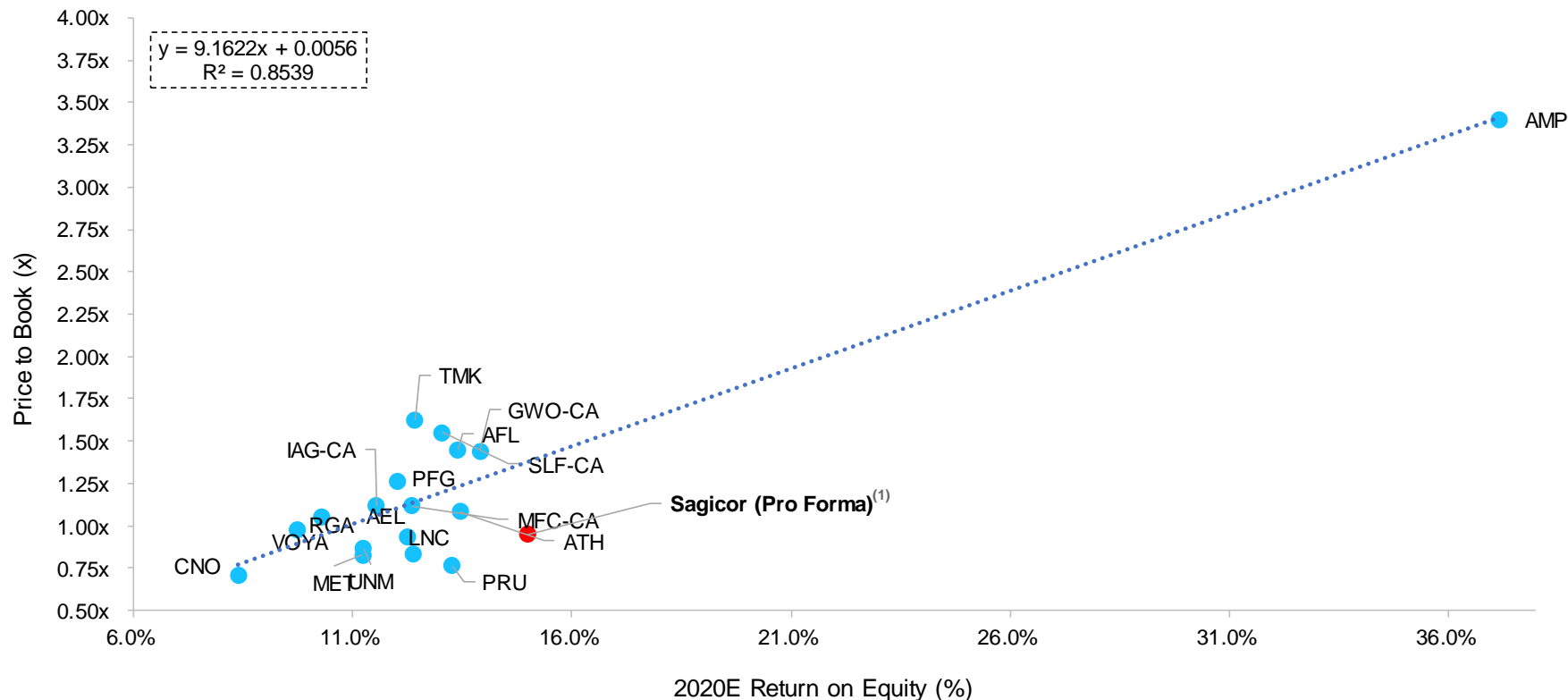
Note: Market data as of 5/3/2019.

1. Implied 2019E EPS and 2020E EPS for peers assumes dividend payout ratio and ROE are consistent with LTM figures; Sagikor and Sagikor Jamaica EPS per 2019E and 2020E management targets.
2. Calculated as 2018 net income to shareholders from continuing operations (excl. Barbados debt restructuring) divided by the average book value between 2017 and 2018.

# SAGICOR P/B vs. ROE REGRESSION



## ROE Regression (2020E)



***Sagicor is fundamentally undervalued relative to peers***

1. Calculation excludes excess capital.