

**180
& BEYOND**



Sagicor Financial Company Ltd. (TSX: SFC)

Q4 and Full Year 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



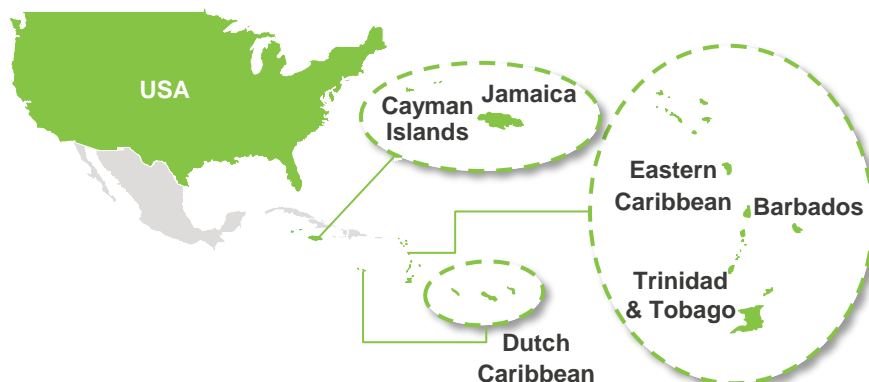
Outlook



Key takeaways

Sagicor at a glance

- **Leading financial services provider in 20 countries** primarily in the Caribbean, with a growing presence in the USA
- Provides **life, health, and P&C insurance, annuities, banking, asset management and pension products** to individuals and groups
- Over 180-years-old, with a **long track record of strong organic and inorganic growth**
- **Public company listed on the Toronto Stock Exchange** (ticker: SFC)



Financial Results (US\$ million)

	2019	2020
Revenue	1,867	1,878
Net income to shareholders	87	(4)
Total assets	8,729	9,266
Shareholders' equity	1,154	1,110
Total capital	2,266	2,128

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



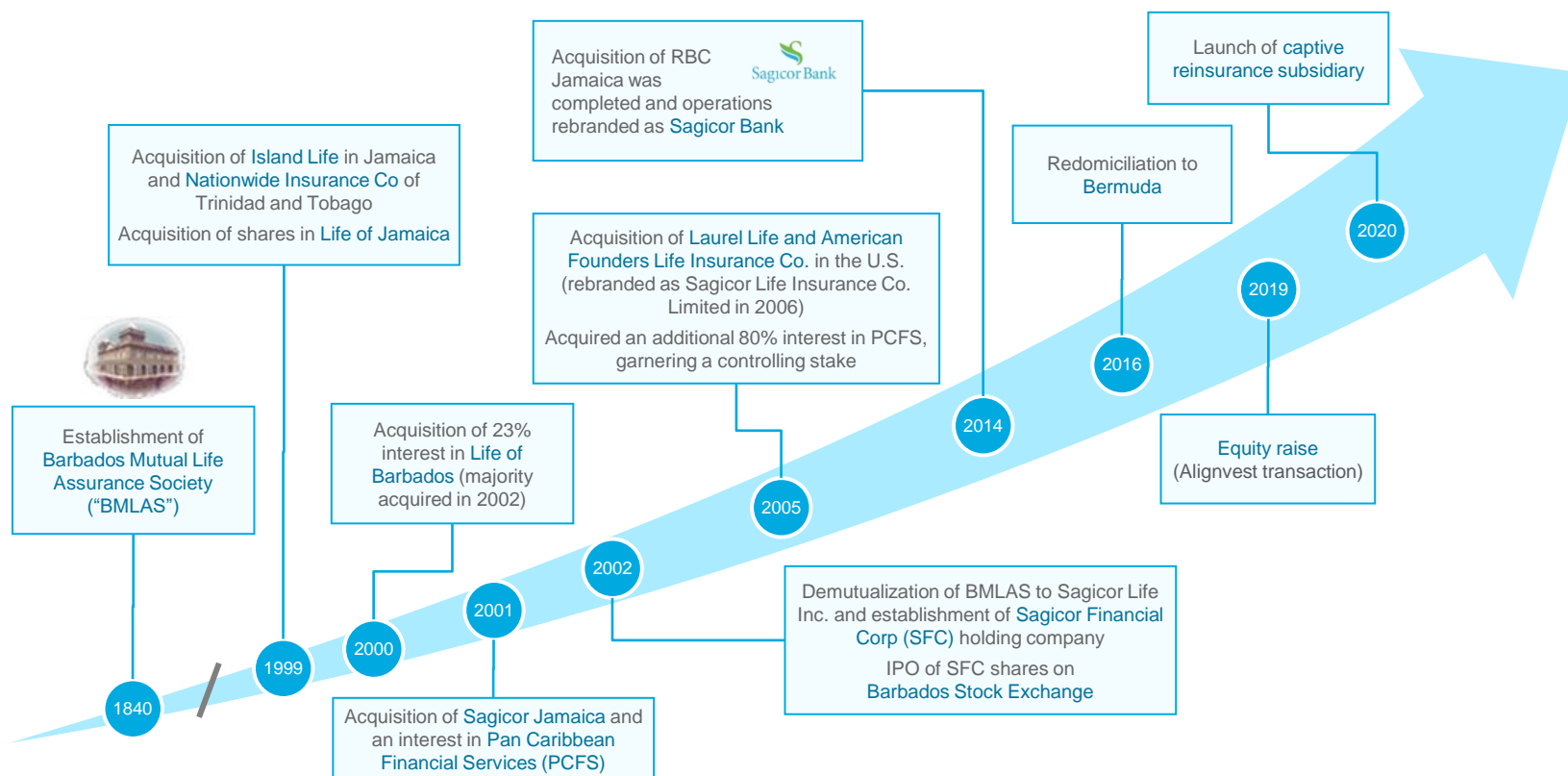
Technological transformation deeply embedded throughout the organization



Best in class management team and Board of Directors

Compelling valuation with US\$7.58 book value per share (C\$9.63) and ~5% dividend yield

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



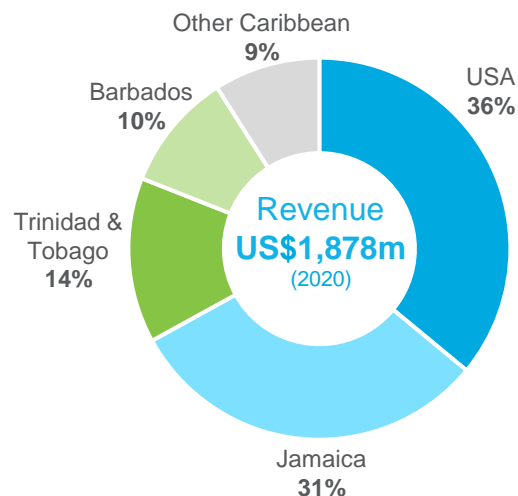
Diversified business model with a market leading position in the Caribbean and a growing US business

- Leading indigenous life insurer in English-speaking Caribbean countries
- Strong market share across core geographies and an emerging leader in the USA
- Over 180-year history, 4,500+ employees with 1,300+ advisors in 20 countries

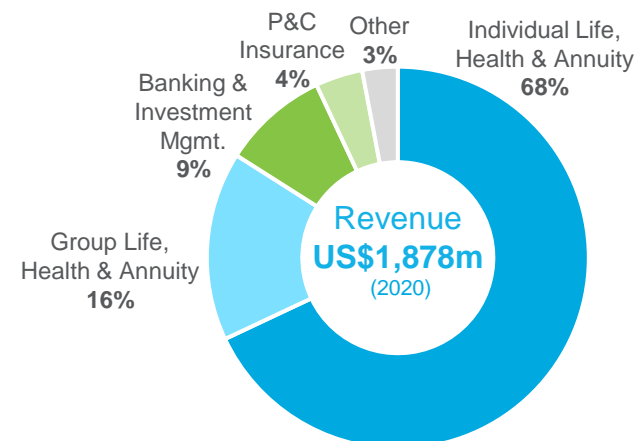
Leading market position



Geographic breakdown



Product breakdown



Sagikor is a leader in digital

State of the art direct to consumer platform

SAGICORNOW®

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 Sagikor products conveniently and from anywhere on your mobile device

Automated underwriting

ACCELEWRITING®

Sagikor 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

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



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Key takeaways

Q4 2020 financial highlights

Net income to
shareholders

\$29m

+152 Y/Y

Total revenue

\$675m

+43% Y/Y

Net insurance
premium revenue

\$511m

+70% Y/Y

Shareholders'
equity

\$1,110m

+\$60m compared to Q1

Leverage ratio

22.2%

improved 0.6 pts Y/Y

MCCSR

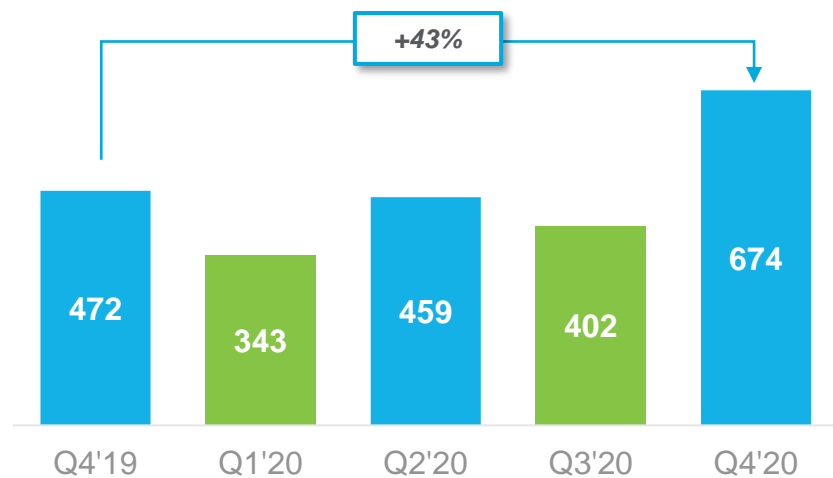
252%

down 1 pt Y/Y

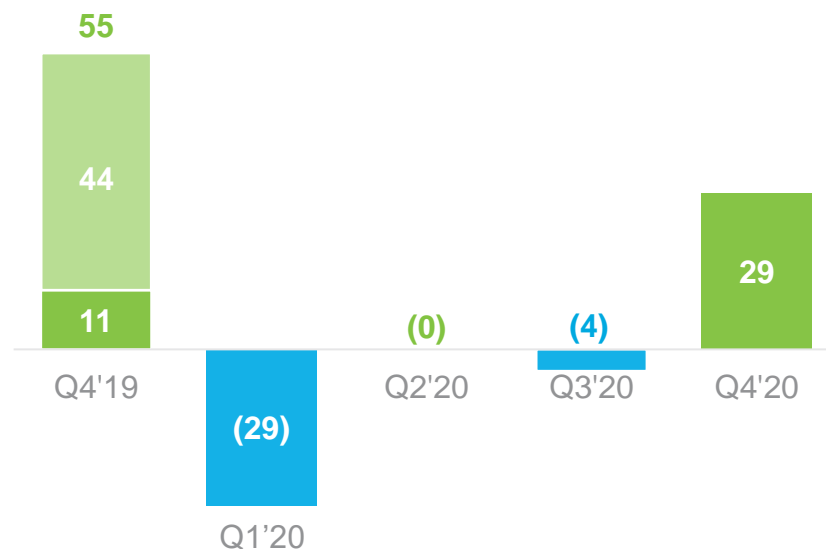
- Q4 2020 was a strong quarter and Sagicor aims to build on this momentum in 2021
- Main contributing factors:
 - Normalisation of new business sales levels across all our geographies
 - Positive impact of our asset liability matching in our Sagicor Life segment

Strong Q4

Total revenue (US\$ million)

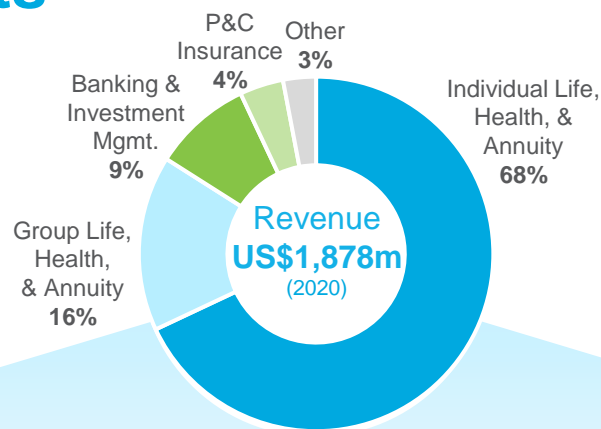


Net income to shareholders (US\$ million)

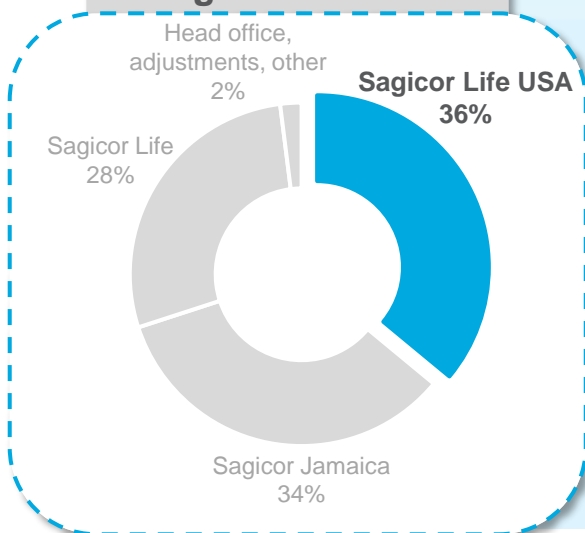


Note: Q4 2019 net income to shareholders affected by approximately \$44 million one-time charge related to equity raise (Alignvest transaction)

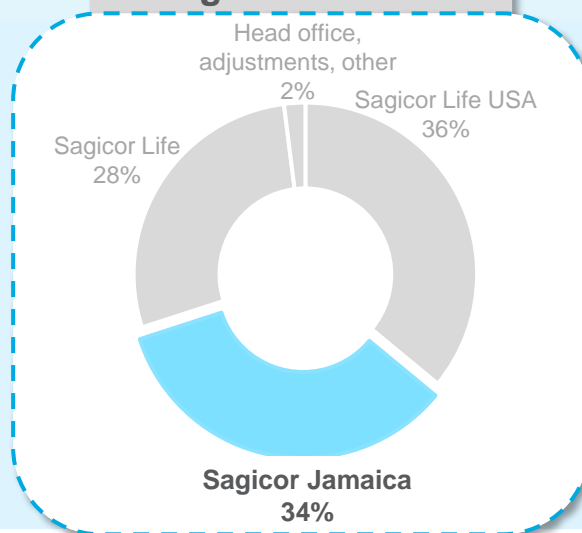
Diversified business model driven by the strength of three core segments



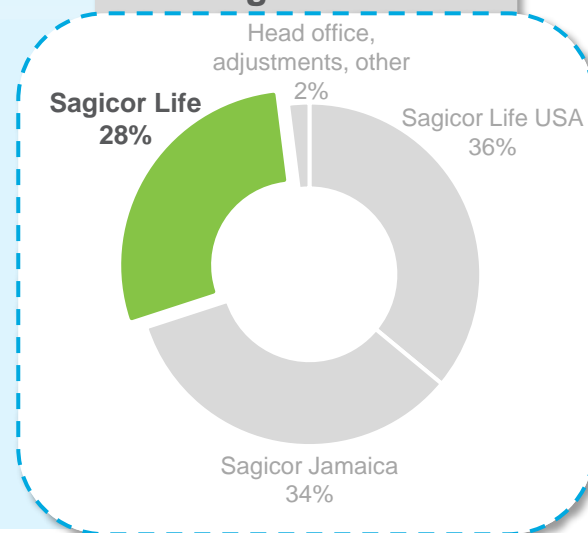
Sagicor Life USA



Sagicor Jamaica



Sagicor Life



Sagicor Life USA

(100% ownership)

36%
of 2020 group
revenue



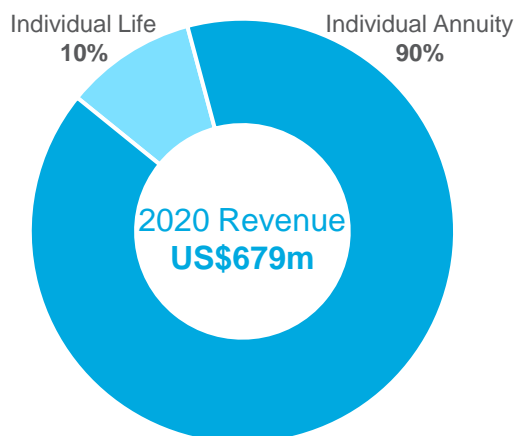
Fast-growing provider of individual annuities and life insurance with opportunities to cross-sell



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

A-
Stable

Excellent financial strength rating from AM Best



Q4 2020 Highlights

- Revenue of \$295 million up 186% Y/Y
 - Net premium revenue of \$255 million, up 260% Y/Y due to higher multi-year guaranteed annuity (MYGA) sales
 - Revenues were also positively impacted by higher net investment income resulting from the continued reversal of some of the unrealized mark-to-market losses incurred earlier in the year
- Net income to shareholders of \$9 million as compared to net income of \$16 million in the same quarter last year
- Strong premium growth offset by an \$18 million strengthening of actuarial liabilities associated with forward-looking assumptions

Sagicor Jamaica

(49% ownership)

34%
of 2020 group
revenue



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

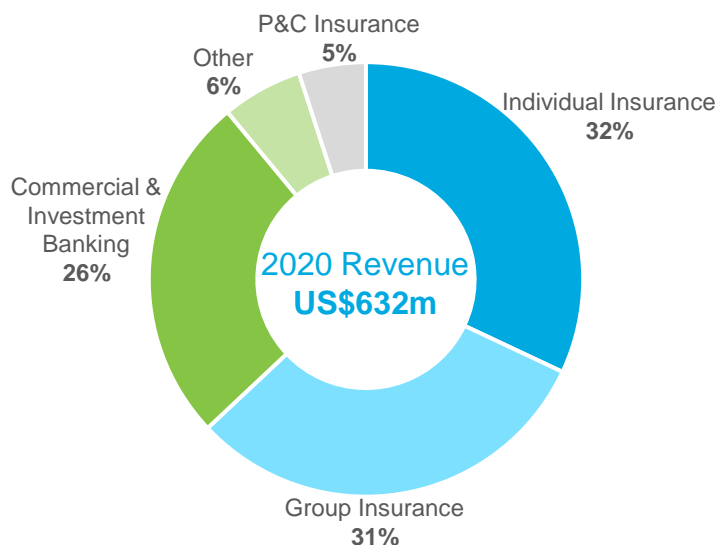


Offers **investment management and commercial & investment banking** services



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

- ~US\$1.4 billion market cap
- SFC stake ~US\$660 million



Q4 2020 Highlights

- Revenue of \$177 million declined 9% Y/Y
 - Driven principally by a devaluation of nearly 8% year over year in the Jamaican dollar
- Net income to shareholders (reflecting our 49%) of \$11 million, down 40% from \$18 million for the same period in the prior year
- Actuarial gains in Q4 2019 did not recur in Q4 2020

Sagicor Life

(100% ownership)

28%
of 2020 group
revenue

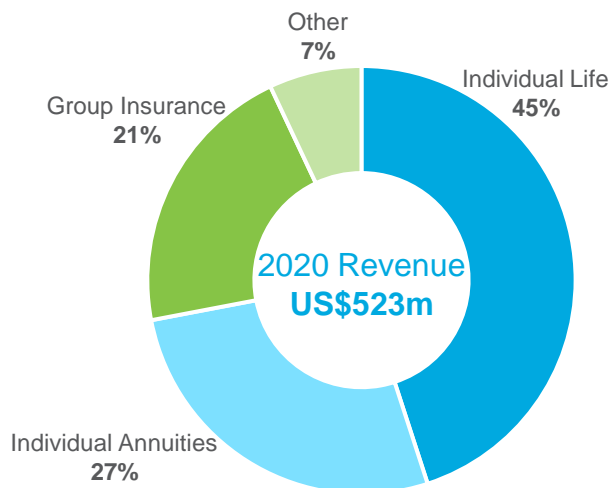


Leading market shares in the English-speaking Caribbean

- 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



Q4 2020 Highlights

- Revenue of \$191 million up 18% Y/Y
 - Net premium revenue of \$156 million, increased 24% Y/Y
 - Impacted by the sale of a large single premium annuity of \$64 million
- Net income to shareholders of \$35 million compared to \$29 million for the same period in the prior year
- Gains from improved asset liability matching



Business overview



Group results and highlights



Capital management



Outlook



Key takeaways

Executing on capital deployment priorities



Funding organic growth

- Supporting growth in Sagikor Life USA, other organic initiatives



Dividend to investors

- US\$33 million paid to investors in 2020, representing ~5% dividend yield at current market price



M&A opportunities and strategic investments

- Constantly exploring inorganic opportunities that meet strategic and financial hurdle targets
- Captive reinsurance strategy



Share buybacks

- US\$13 million of accretive share repurchases in 2020

Sagikor's credit rating upgraded by S&P to BB+ in Q4 2020

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

“(S&P Global Ratings) We're upgrading Sagikor group (Sagikor) 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.

Sagikor'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-'...

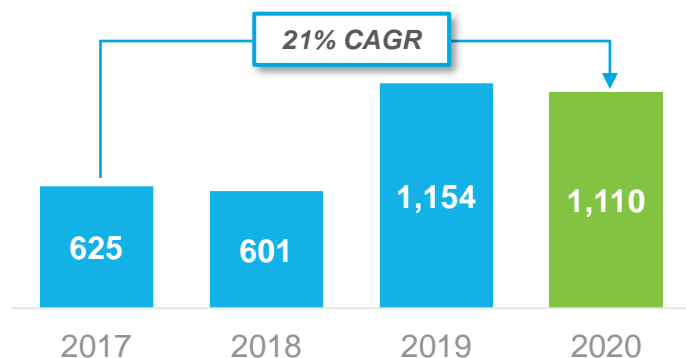
We also raised our issue-level rating on SF15's \$320 seven-year senior unsecured notes due 2022 to 'BB+' from 'BB'.

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.”

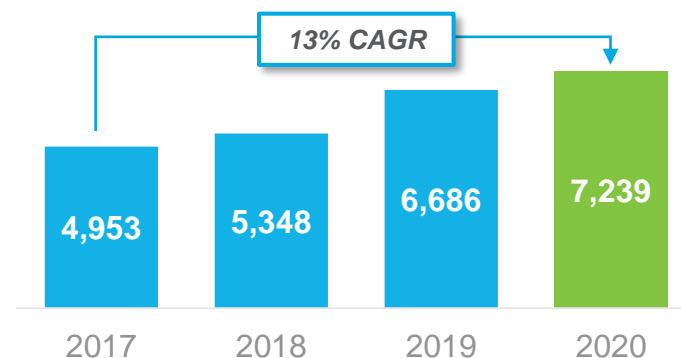
November 25, 2020

Sustained balance sheet growth

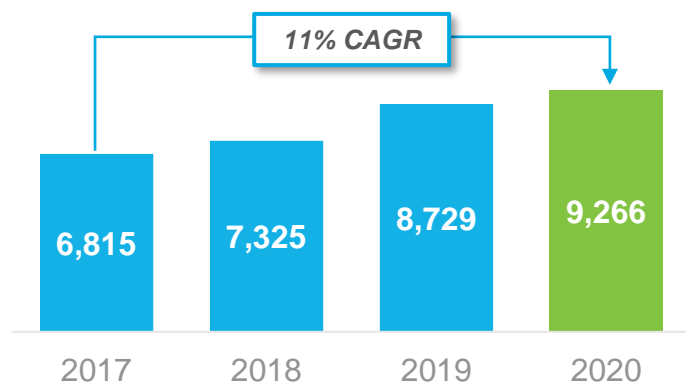
Shareholders' equity (US\$ million)



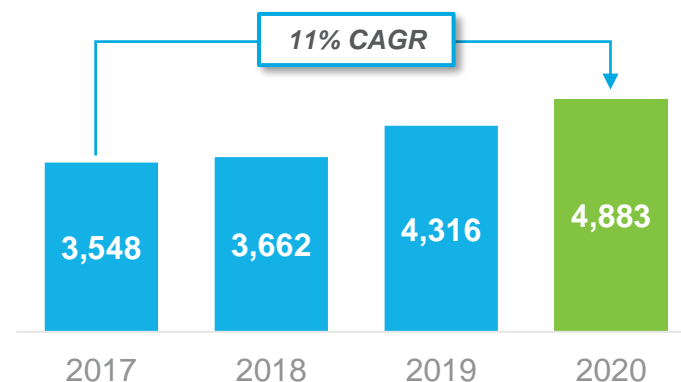
Financial investments (US\$ million)



Total assets (US\$ million)



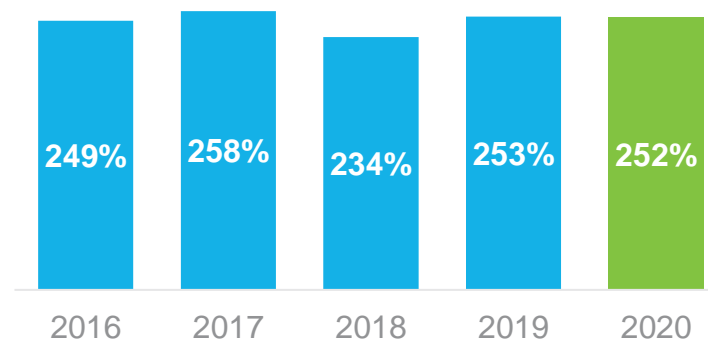
Policy liabilities (US\$ million)



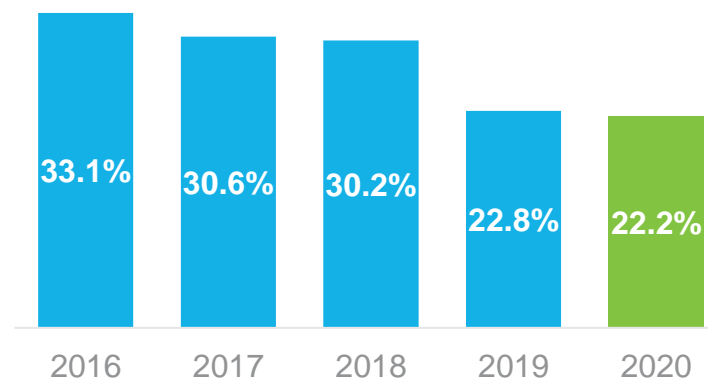
Strong capital position with major deployment potential

- \$1,110 million of shareholders equity, including **additional equity capital raised in 2019 to be deployed in 2021 and beyond**
- **Robust capitalization with MCCR of 252%** for its insurance entities as at Q4 2020
- **Conservative leverage with debt/capital ratio of 22.2%** including \$375 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+ Stable), Fitch (BB Stable) and AM Best (bbb- Stable) ratings reflecting geographic footprint
- Total available capital of \$2.1 billion
 - Shareholders' equity: \$1,110 million
 - Non-controlling interest: \$547 million
 - Notes and loans payable: \$472 million

MCCR (%)



Leverage ratio (%)



Share repurchases

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

2020 Market Cap

~C\$940 million

~US\$740 million

Ticker: SFC

2020 Share Price

High C\$9.75

Low C\$4.88

Close C\$6.40

- Effective September 2020, Sagikor expanded its share buyback program (Normal Course Issuer Bid) launched in June
- Sagikor can now repurchase up to 8,000,000 of its common shares outstanding
- Sagikor repurchased 354,500 shares in Q4 2020
- Sagikor purchased 2,942,500 million shares in the open market for cancellation for an aggregate purchase price of approximately US\$13.1 million during 2020
- 146.4 million shares outstanding, of which approximately 44% held by anchor shareholders with board representation

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

Note: Number of 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 surpass approximately \$1.26 billion by December 2024



Business overview



Group results and highlights



Capital management



Outlook



Key takeaways

Good performance in 2020 in the context of a difficult operating environment

- 2020 started with positive momentum after exceeding targets in 2019
 - Q4 was a very solid quarter with strong profitability and sales, and improved asset prices
 - Q3 saw improvements in sales as pandemic lockdown restrictions eased
 - Q2 showed asset price improvements but slower sales due to the pandemic
 - Q1 results were primarily affected by asset price movements
- We will resume providing specific guidance with respect to earnings targets when the timing of recovery from the pandemic becomes more certain
- Sagikor is well capitalized and positioned to continue to grow once economies recover

Significant growth opportunities

Caribbean



- Continue growth in Caribbean markets where Sagikor is a leader and population is under-insured and under-pensioned, leveraging our digital initiatives



- Expand product base in core markets into banking and wealth management

United States



- Continue to grow U.S. business in life and annuities leveraging our digital capabilities

All geographies and TopCo



- Optimize balance sheet



- Use excess capital for inorganic growth



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Key takeaways

Strong track record and well positioned for future growth



- 1 Proven resilience in the context of a challenging operating environment in 2020 with a strong 180-year track record
- 2 Significant organic and inorganic growth opportunities in core markets
- 3 Well-capitalized with \$450 million recent equity raise, and significant capital deployment potential to execute on our growth strategy
- 4 Compelling entry point with listing on **TSX (ticker: SFC)** at an attractive discount to book value
- 5 Leading brand and customer loyalty

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