

180 & BEYOND



Sagicor Financial Company Ltd. (TSX: SFC) to Acquire ivari

August 2022



Caution regarding forward-looking information and non-IFRS measures

Non-IFRS Measures

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: return on shareholders' equity, book value per share, debt to capital ratio, total capital and Minimum Continuing Capital and Surplus Requirements. Please see the "Non-IFRS Financial Information" section of Sagikor's Q2 2022 MD&A as filed on SEDAR, which is incorporated by reference herein, and the discussion below for information regarding these non-IFRS measures.

Book value and book value per share (BVPS): *To determine the book value per share, shareholders' equity is divided by the number of shares outstanding at the period end, net of any treasury shares. Book value is shareholders' equity. All components of this measure are IFRS measures.*

Debt to capital ratio: *The debt to capital ratio is the ratio of notes and loans payable (refer to note 16 to the 2021 audited consolidated financial statements) to total capital (excluding participating accounts), where capital is defined as the sum of notes and loans payable and total equity excluding participating accounts. This ratio measures the proportion of debt the Company uses to finance its operations as compared with its capital.*

Total capital: *This measure provides an indicator for evaluating the Company's performance. Total capital is the sum of shareholders' equity, notes and loans payable and non-controlling interest. This measure is the sum of several IFRS measures.*

Minimum Continuing Capital and Surplus Requirements (MCCSR): *The MCCSR is a capital adequacy measure for life insurance companies that was previously utilized by the Office of the Superintendent of Financial Institutions of Canada. It was used to monitor insurers maintaining adequate capital to meet their financial obligations, with 150% being the minimum standard that was recommended by the Canadian regulator when it was in effect; insurance companies were expected to establish and meet an internal target greater than 150%. Refer to note 45.2 to the Company's 2021 audited financial statements, for details. IFRS does not prescribe the calculation for the MCCSR, therefore a comparable measure under IFRS is not available.*

Forward-Looking Information / Cautionary Statements

Certain information contained in this document 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", "would" and "should" and similar expressions or words suggesting future outcomes. These forward-looking statements reflect material factors and expectations and assumptions of Sagikor. These forward-looking statements include the assumptions: that the transaction is able to be completed on the timelines and on the terms currently anticipated; that all regulatory approvals can be obtained on the timelines and in the manner currently anticipated; that the anticipated benefits of the transaction are able to be achieved; that the businesses of both Sagikor and ivari will continue to operate in a manner consistent with past practice; that the parties' transition plans are effective; that ivari is able to maintain the same target regulatory capital ratio range post-closing as applies under its current ownership (failing which additional regulatory capital infusions could be required to be made by Sagikor); that no material and mutually agreed management actions out of the ordinary course of business occur at ivari (if they do, then the net benefit to ivari would be shared between Sagikor and the seller and the purchase price would increase accordingly, and the required regulatory capital infusion and/or the purchase price would be less); and that no additional changes to OSFI's proposed LICAT 2023 regulatory capital regime and/or to IFRS 17 occur before their January 1, 2023 implementation dates. Sagikor's estimates, beliefs and assumptions are inherently subject to uncertainties and contingencies regarding future events and, as such, are subject to change. 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 that will be filed by Sagikor with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Sagikor's 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.

Transaction summary¹

Sagikor to Acquire ivari

- **ivari is a leading middle-market individual life insurer in Canada** focused on the universal and term life markets
- Expected purchase price of C\$325 million; prior to closing ivari is expected to have additional equity capital injected into the business to meet IFRS 17 and LICAT 2023 standards (reflected in purchase price)

Strong Strategic Fit

- **Transformational acquisition, expanding geography and accelerating growth**
- Expands Sagikor's offering of protection and wealth management solutions in Canada
- Positions Sagikor as a leading provider of protection and savings products to the middle-market in North America

Financially Attractive

- **Double digit percentage point EPS and BVPS accretion** expected in the first year
- Net assets acquired at a discount to book value
- Transaction internal rate of return well in excess of Sagikor's targets

Financing / Capital

- Expected to be financed largely through new debt and cash on hand
- Up to US\$320 million of new debt financing in the form of a 5-year senior secured term loan facility
- **Maintain strong capital:** MCCR ratio is expected to improve by over 10 percentage points, debt to capital ratio is expected to remain approximately unchanged

Timing

- Expected to close in the next 6 to 12 months
- Subject to receipt of regulatory approvals and satisfaction of customary closing conditions

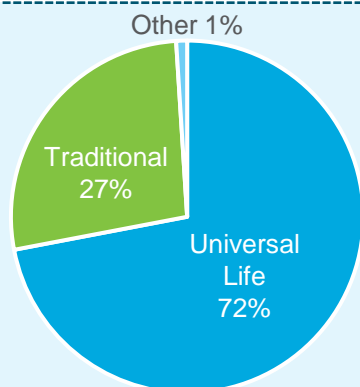
ivari: strong Canadian life insurance franchise



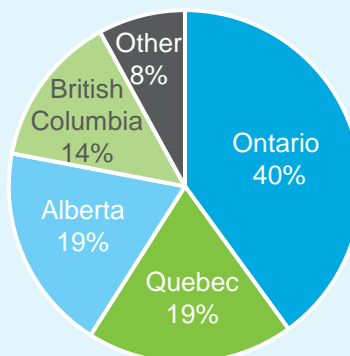
- Provides insurance and investment products and services to customers in the profitable high growth middle market in Canada
- Leader in individual universal and term life insurance
- Long-standing and growing distribution relationships
- Efficient operating platform designed to deliver excellent service and scale benefits
- Founded in 1927, based in Toronto, with over 250 employees

Gross Premiums

By Segment (C\$1.0 billion)

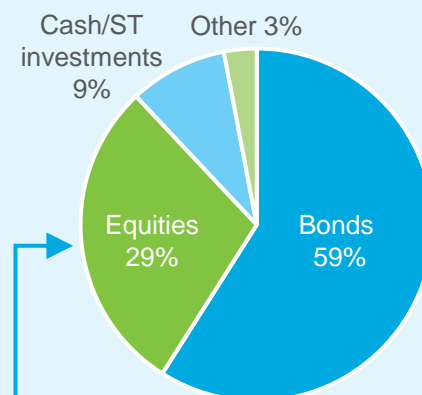


By Geography (C\$1.0 billion)



Invested Asset Mix

(C\$9.9 billion)



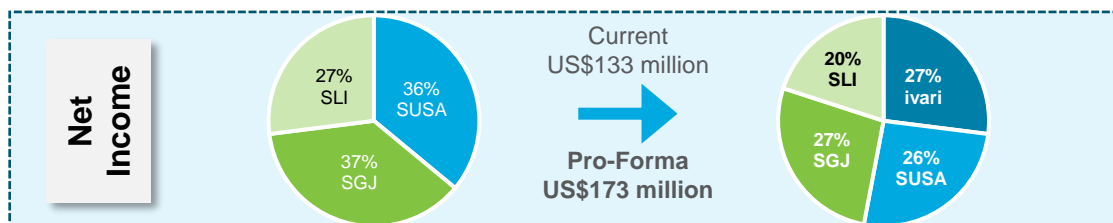
- No direct equity exposure by 2023¹
- Approximately C\$700 million of equities to be sold by year end 2022 and reinvested into investment grade bonds¹
- Remaining equity portfolio primarily comprised of universal life insurance policyholder pass-through funds

¹See the "Forward-Looking Information / Cautionary Statements" section in this document.
 Note: As at and for the year ending December 31, 2021.
 Note: Gross premiums by geography based on data from MSA Research.

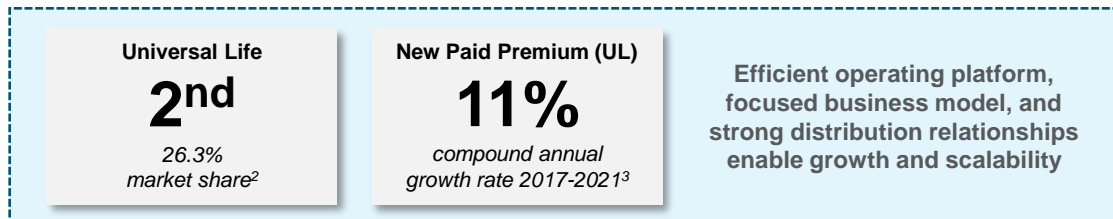
Strengthening Sagikor's position as a leading life insurer¹



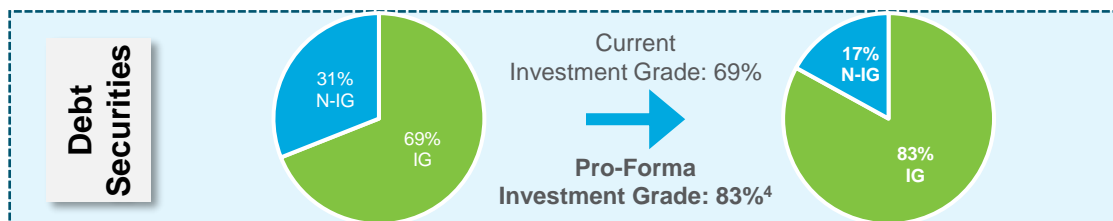
Geographic Diversification



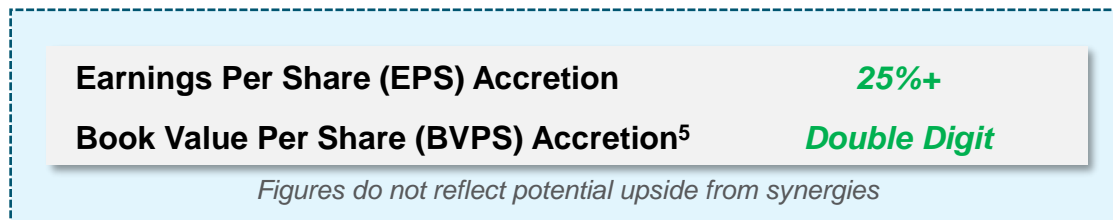
Leading Canadian Insurer Primed for Growth



Enhanced Investment Portfolio

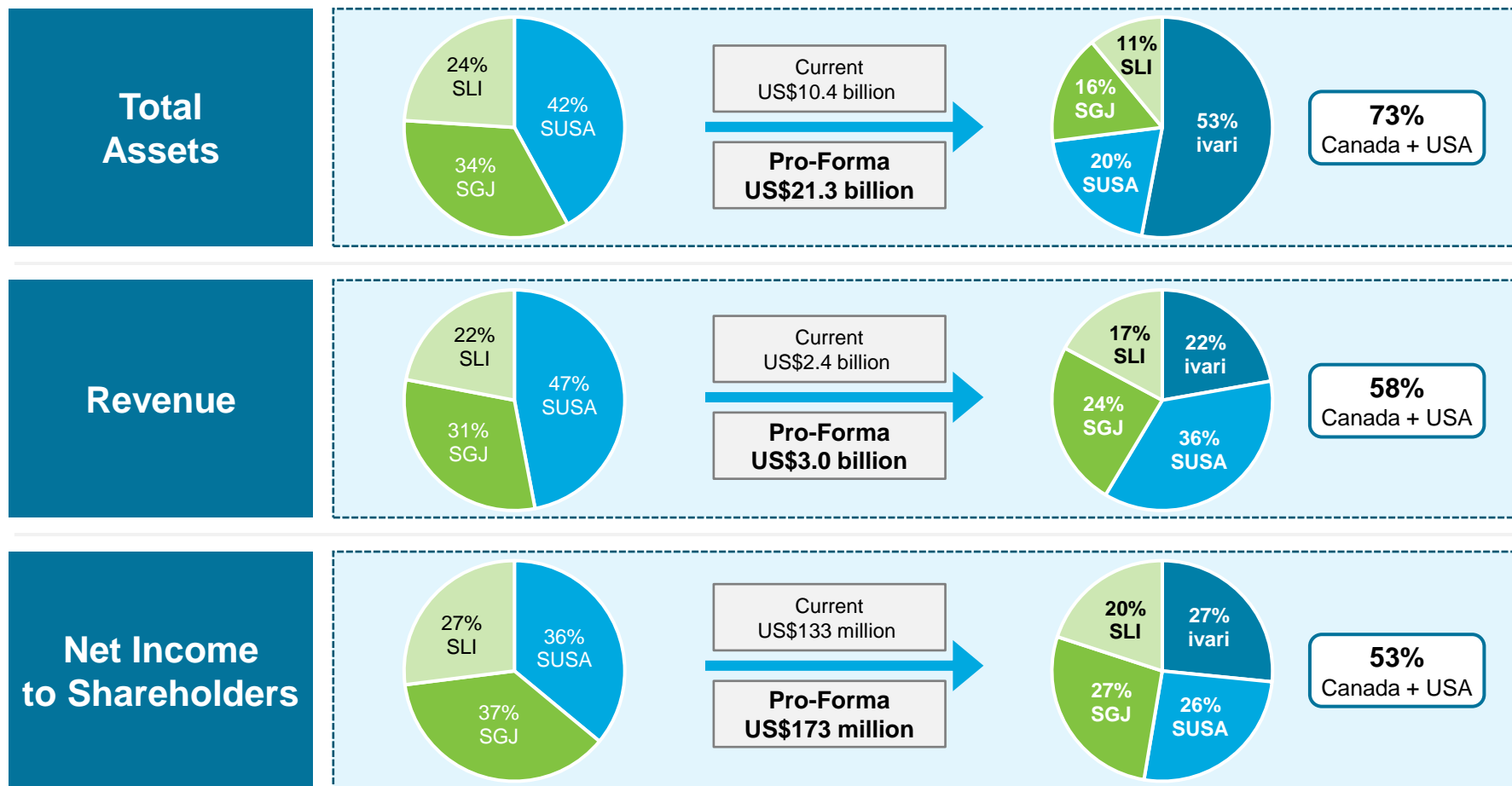


Financially Compelling



¹Certain statements on this slide are forward looking. See the "Forward-Looking Information / Cautionary Statements" section in this document. ²LIMRA's Canadian Universal Life Insurance Sales 2021. LIMRA numbers are carrier-reported, and participants vary year-to-year, impacting reported market share. ³Based on ivari company reports. ⁴Accounting for the planned sale of approximately C\$700 million of direct equities and reinvestment into investment grade bonds by ivari by year end 2022. ⁵Represents a non-IFRS measure. See the "Non-IFRS Measures" section in this document and in our MD&A for relevant information about such measures. Note: As at and for the year ending December 31, 2021. Note: Net income represents net income to shareholders. Note: USD/CAD exchange rate of 1.27 for end of period and 1.25 as average for the period. Note: Sagikor Life USA = SUSA, Sagikor Jamaica = SGJ, Sagikor Life = SLI, universal life insurance = UL, non-investment grade = N-IG, investment grade = IG

Geographic diversification into Canada



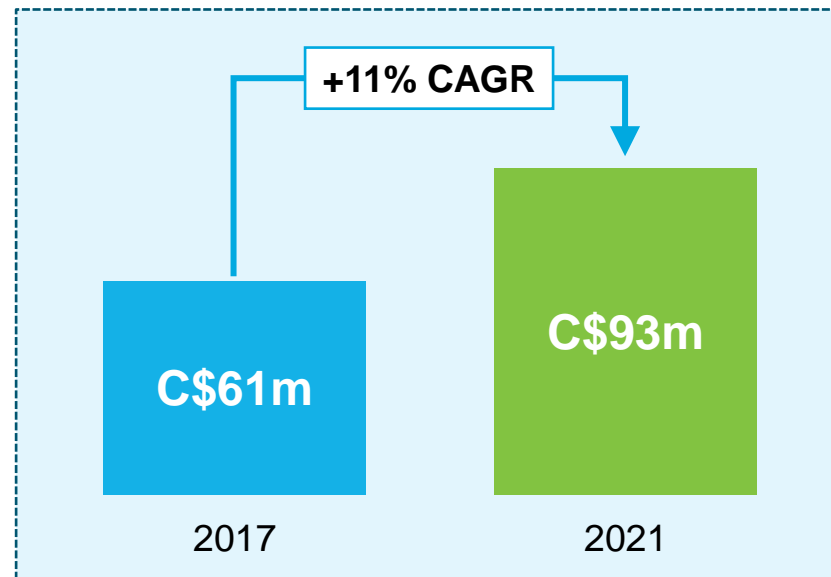
Note: As at and for the year ending December 31, 2021.
 Note: USD/CAD exchange rate of 1.27 for end of period and 1.25 as average for the period.
 Note: Sagicor Life USA = SUSA, Sagicor Jamaica = SGJ, Sagicor Life = SLI.

ivari is well positioned for continued growth

- **Leader in universal life** ranking second with 26% market share¹
- Focused on business lines where it has **scale and sustainable profits**
- Strong track record of adding and retaining clients in the **profitable high growth middle-market**
- **Efficient operating platform** designed to deliver **excellent service** and **scale benefits**
- **Long-standing** and **growing distribution relationships**

Strong Track Record of Growth

ivari New Paid Premium (Universal Life)²



ivari is a leading life insurer offering simplified products designed for the under-served middle market, with an efficient operating platform

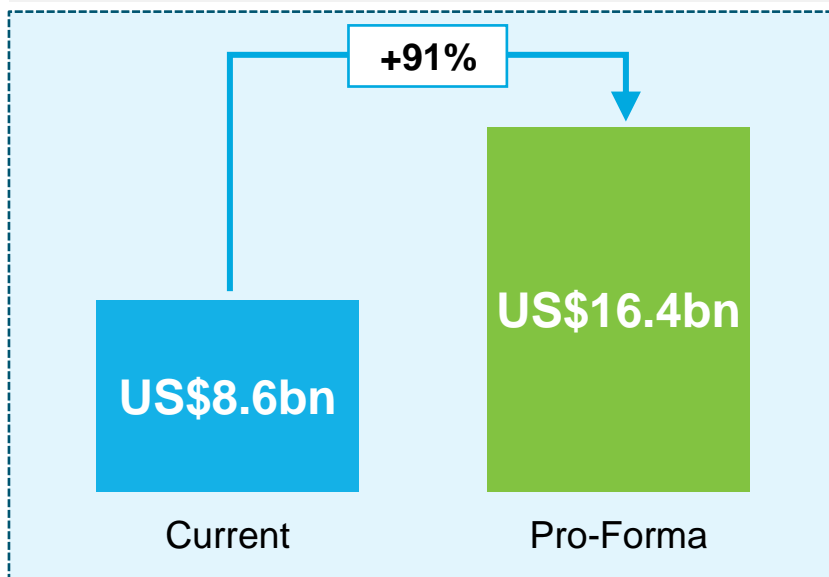
¹LIMRA's Canadian Universal Life Insurance Sales 2021. LIMRA numbers are carrier-reported, and participants vary year-to-year, impacting reported market share.

²Based on ivari company reports.

Added scale and enhanced credit quality

Significantly Increases Scale

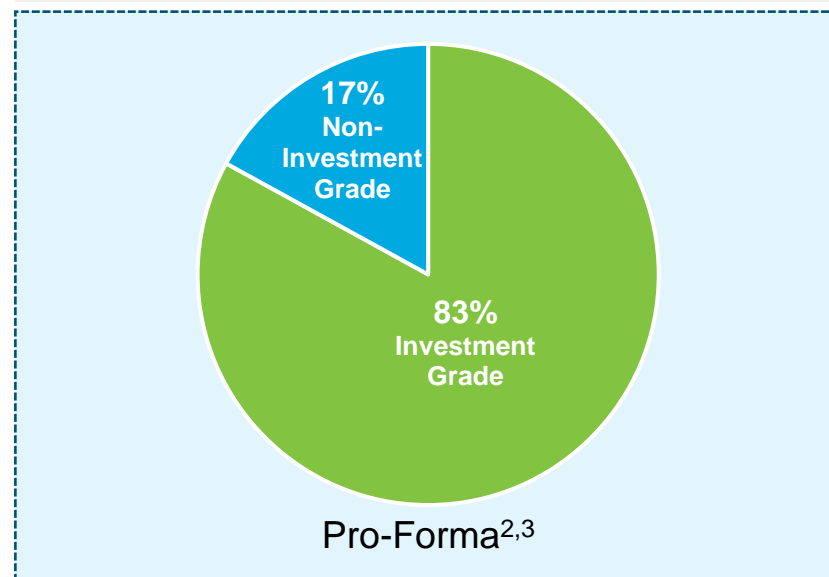
Investment Portfolio¹



ivari has a large asset base consisting primarily of debt securities adding significant scale and diversification to Sagikor's investment portfolio

Enhances Credit Quality

Investment Portfolio – Debt Securities



ivari's 100% investment grade and primarily Canada and USA bond portfolio enhances Sagikor's credit quality

ivari's large primarily North American investment portfolio comprised mostly of high quality bonds enhances Sagikor's pro-forma investment portfolio

¹ivari invested assets converted to US\$ at USD/CAD exchange rate of 1.27 and Sagikor financial investments.

²Accounting for the planned sale of approximately C\$700 million of direct equities and reinvestment into investment grade bonds by ivari by year end 2022.

³See the "Forward-Looking Information / Cautionary Statements" section in this document.

Note: As at and for the year ending December 31, 2021.

Financially compelling acquisition¹

Sources and Uses

C\$365 million
Total consideration²

*Funded by Approximately
80% Debt and 20% Cash*

Strong Returns

25%+
EPS Accretion³

Double Digit
BVPS⁴ Accretion

Figures do not reflect potential upside from synergies

Maintain Strong Capital

10 Points+ Improvement
Pro-Forma MCCR⁴

Approximately Unchanged
Pro-Forma Debt / Capital Ratio⁴

Outstanding IRR

Transaction Funding Sources:
New Acquisition Debt
ivari Capital⁴ Generation to Transaction Close
Minimal Use of Sagikor's Excess Capital⁴

Attractive and Powerful Use of Excess Capital⁴

¹Certain statements on this slide are forward looking. See the "Forward-Looking Information / Cautionary Statements" section in this document.

²Includes an estimated C\$40 million of transaction and financing costs.

³EPS based on pro-forma 2021 basis.

⁴Represents a non-IFRS measure. See the "Non-IFRS Measures" section in this document and in our MD&A for relevant information about such measures.

Note: USD/CAD exchange rate of 1.29.

Note: Pro-Forma debt to capital ratio includes contractual service margin as capital.

Strategically and financially attractive acquisition



Geographic Diversification

- Adds new geographic presence in a large, well-established and growing Canadian life insurance market
- Unique opportunity to enter the Canadian market with an established platform and significant scale
- Diversification of assets, revenue and net income



Leading Canadian Insurer Primed for Growth

- Provides a market leading platform for Sagikor to grow in the high growth middle-market in Canada
- Efficient operating platform, focused business model, and strong distribution relationships enable growth and scalability



Enhanced Investment Portfolio

- Nearly doubles size of investment portfolio by adding 100% investment grade bond portfolio
- High quality investment grade assets mainly residing in Canada and the USA favorable for credit rating



Financially Compelling

- Expected to be immediately and highly accretive to EPS and BVPS
- Net assets acquired at discount to book value
- Outstanding internal rate of return on capital deployed
- Opportunities for more significant upside

A unique opportunity to enter the Canadian market and to create significant shareholder value

About Sagicor

Sagikor investment highlights



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

 **Significant growth opportunities** both organic and inorganic

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

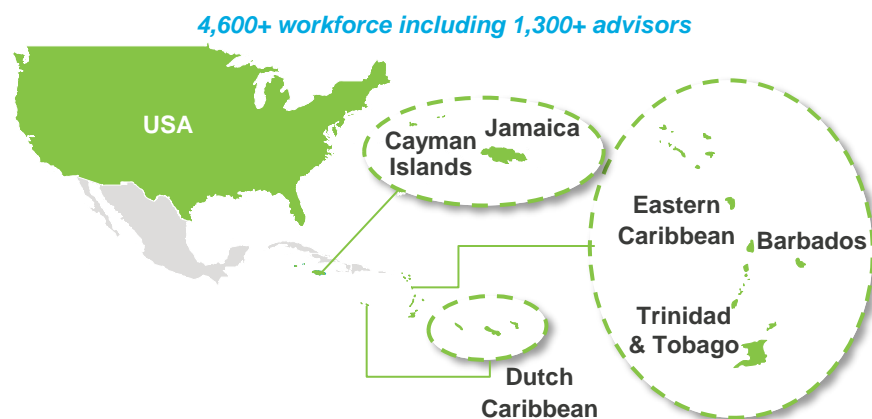
 **Well capitalized to execute growth**, conservative leverage and strong risk culture

 **Technological transformation** deeply embedded throughout the organization

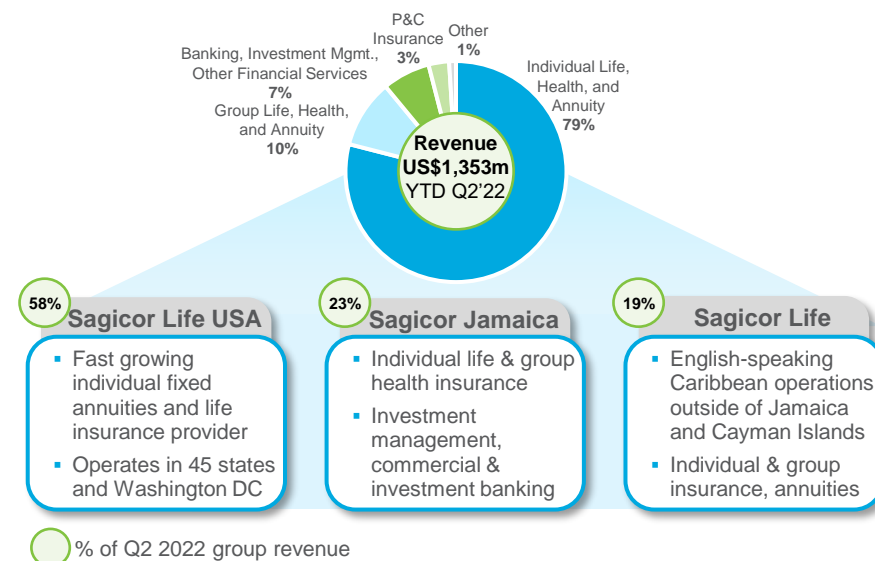
 **Best in class management** team and Board of Directors

Sagikor at a glance

- **Leading financial services provider in 20 countries** primarily in the Caribbean, with a growing presence in the U.S.
- 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**



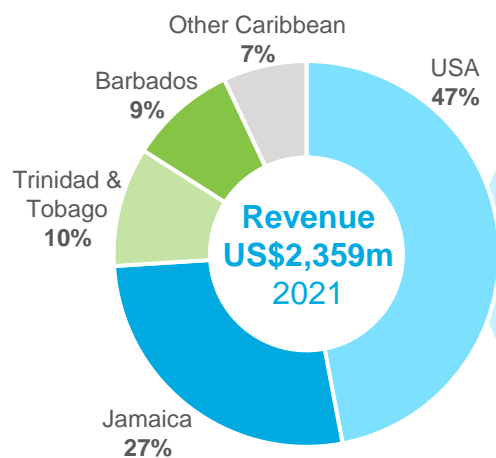
Financial Results (US\$ million)	2021	YTD Q2 2022
Revenue	2,359	1,353
Net income to shareholders	139	77
Total assets	10,378	10,593
Shareholders' equity	1,134	1,072
Total capital ¹	2,349	2,241



Note: Net income excludes one-time debt refinance costs in Q2 2021.

¹Represents a non-IFRS measure. See the "Non-IFRS Measures" section in this document and in our MD&A for relevant information about such measures.

Sagicor's leading market position in key geographies



Emerging leader



U.S.

- Rapidly growing in the largest insurance market in the world



Jamaica

- #1 market share in individual life insurance (66%), group life (61%), group health (56%), pensions (83%)
- #1 in asset management
- #3 largest commercial bank



Barbados

- #1 market share in ordinary life, group life, and annuities (71%)



Trinidad & Tobago

- #2 market share in ordinary life, group life, and annuities (26%)

- *Jamaica* data from the Insurance Association of Jamaica. Individual life based on annualized premium income (Aug. 2021), group life based on annualized premium income (Jun. 2021), pensions based on funds under management (Jun. 2021), group health based on annualized premium income (Jun. 2021)
 - *Barbados* data from the Financial Services Commission Barbados. Ordinary life, group life, and annuities based on gross premium income (Dec. 2020)
 - *Trinidad & Tobago* data from the Association of Trinidad and Tobago Insurance Companies. Ordinary life, group life, and annuities based on gross premium income (Dec. 2020)

Investor Inquiries

George Sipsis

SVP Corporate Development and Capital Markets

✉ George_Sipsis@Sagikor.com

☎ 1-813-287-1602 Ext. 6255

Andre Mousseau

Group Chief Operating Officer and Chief Financial Officer

✉ Andre_Mousseau@Sagikor.com

Please visit **Sagikor.com**

