



# SAGICOR FINANCIAL CORPORATION

Investor Presentation

November 27, 2018



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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 **Sagor Financial Corporation Limited ("Sagor")** to form the resulting issuer ("New Sagor"). 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 Sagor 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 Sagor 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 Sagor'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 Sagor's profitability and financial condition; the success of New Sagor's operations in the United States depends on New Sagor's ability to grow its business; New Sagor's financial targets may prove materially inaccurate or incorrect; New Sagor'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 Sagor's reserves may be insufficient to cover actual policy benefits; New Sagor could be forced to sell investments at a loss to cover policyholder withdrawals; New Sagor's risk management policies and procedures could leave New Sagor exposed to unidentified or unanticipated risk, which could negatively affect New Sagor's business or result in losses; illiquidity of certain investment assets may prevent New Sagor from selling investments at fair prices in a timely manner; New Sagor's fiduciary relationship with certain counterparties could adversely affect its profitability; a prolonged labour dispute could hurt New Sagor's business; a failure to successfully integrate New Sagor's acquisitions could adversely affect New Sagor's operations and profitability; 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 ScotiaLife Trinidad and Tobago and Scotia Jamaica Life Insurance Company acquisitions; a failure to successfully execute current and future strategic acquisitions could adversely affect New Sagor's profitability; New Sagor 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 Sagor's business is highly regulated and subject to numerous laws and regulations; litigation and regulatory proceedings outcomes could adversely affect New Sagor'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 Sagor's independent contractors is successfully challenged; failures to implement or comply with legally required anti-money laundering practices could subject New Sagor to sanctions and/or criminal and civil penalties; the amount of statutory capital that New Sagor'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 Sagor'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 Sagor's financial condition may be adversely affected by geopolitical events; a change of control of New Sagor may be difficult to effect under applicable laws; New Sagor operates in a highly competitive industry; New Sagor faces significant competition mainly from national and regional insurance companies and from self-insurance, and New Sagor also faces competition from global companies – this competition could limit New Sagor'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 Sagor's products may sell insurance products of New Sagor's competitors and such brokers may choose not to sell New Sagor's products; computer viruses, network security breaches, disasters or other unanticipated events could affect New Sagor's data processing systems or those of its business partners and could damage New Sagor's business and adversely affect its financial condition and results of operations; a financial strength downgrade in New Sagor'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 Sagor'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 Sagor's results; New Sagor may be unable to reinsure risks on terms that are commercially reasonable or satisfactory to New Sagor, or New Sagor's reinsurers may fail to meet assumed obligations, increase rates, or be subject to adverse developments, negatively affecting New Sagor's business, financial condition and result of operations; New Sagor'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 Sagor; New Sagor depends on key personnel, and if they were to leave New Sagor, New Sagor might have an insufficient number of qualified employees; New Sagor 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 reinsurers may not satisfy their obligations to New Sagikor; 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; 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 executive 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; 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.
- A high level of redemptions of Alignvest Class A Restricted Voting Shares 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 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.
- For the purpose of this earnings analysis, we assume that SLTT and SJLIC Acquisitions close at the end of 2019. These closing dates are subject to regulatory approvals.
- Organic revenue growth has been assumed as 6% per annum for Sagikor'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.

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- Investment returns in each of the three core segments have been assumed to be consistent with historical experience.
- Product mixes have been assumed to be stable in the core business of Sagor, 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 Sagor 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 Sagor 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 Sagor 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 Sagor, 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 Sagor 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 Sagor. The Bank of Nova Scotia, SCI's parent, will benefit from the completion of the acquisition of Sagor 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, Sagcor 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 Sagcor 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*

Incoming Group CFO

- Partner at Alignvest Private Capital; to join as Sagcor Group CFO role full-time after working on the AQY / Sagcor transaction for the past year
- Experience as a private equity investor includes senior roles with Alignvest Management Corporation, Ontario Teachers' Pension Plan ("OTPP"), and Edgestone Capital Partners
- Currently sits on the board of Edgewood Health Network and has previously served on the boards of Impark, Premier Lotteries, and Aurigen Reinsurance



**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 OVERVIEW



## About SFC

- Sagikor Financial Corporation Limited (“SFC” or “Sagikor”) is a leading insurer and asset manager in the Caribbean with a growing presence in the United States and Central America
  - Sagikor 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”) which raised C\$403 million in its initial public offering on the Toronto Stock Exchange in May 2017 and secured parallel C\$113 million forward purchase commitments and a C\$50 million private placement pre-announcement 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 Sagikor will consolidate its liquidity on the TSX

## Transaction Financing

- Up to US\$203 million in cash to be offered to Sagikor 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 ScotiaLife Trinidad & Tobago (“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

# 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

- 1.00x Price / Book
- Estimated Price / 2019E EPS of 7.8x and Price / 2020E EPS of 6.5x after factoring in acquisitions
- 3.0% dividend yield with an initial target payout ratio of ~30%

## 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

# TRANSACTION STEPS / ANTICIPATED TIMELINE



- **November 27<sup>th</sup>:** Transaction announcement
- **Late November / early December:** Preliminary prospectus is filed with the OSC
- **Early December:** Sagicor to seek directions in the form of an order of the Supreme Court of Bermuda to convene the shareholder meeting to approve the scheme of arrangement
- **Late December / early January:** Alignvest files its final prospectus in Canada and disclosure documents are mailed to each company's respective shareholders
- **Late January / early February:** Alignvest shareholder meeting
- **Late January / early February:** Sagicor shareholder meeting
- **Late Q1 / Q2 2019:** Transaction close subject to regulatory approval

# FINANCIAL SUMMARY AND ILLUSTRATIVE PRO FORMA OWNERSHIP



## Sources & Uses

| Sources of Funds (US\$ mm)            |              |
|---------------------------------------|--------------|
| AQY Cash <sup>(1)</sup>               | 304          |
| Cash from Forward Purchasers          | 85           |
| Cash from Committed Private Placement | 38           |
| SFC Rollover Equity                   | 333          |
| <b>Total Sources</b>                  | <b>\$760</b> |

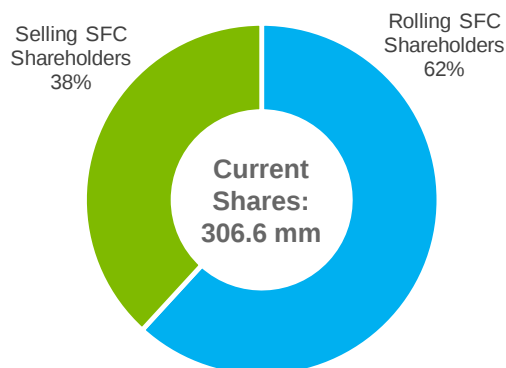
  

| Use of Funds (US\$ mm)                      |              |
|---------------------------------------------|--------------|
| Cash to SFC Shareholders <sup>(2)</sup>     | 203          |
| Transaction Expenses                        | 20           |
| Excess Cash to Balance Sheet <sup>(1)</sup> | 203          |
| SFC Rollover Equity                         | 333          |
| <b>Total Uses</b>                           | <b>\$760</b> |

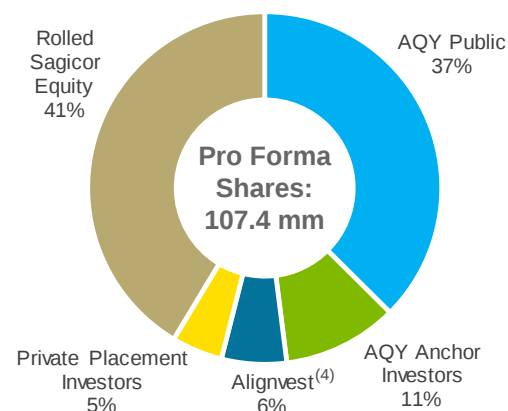
## Commentary

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

## Current SFC Ownership<sup>(2)</sup>



## Illustrative Pro Forma New Sagcor Ownership<sup>(1)(2)(3)</sup>



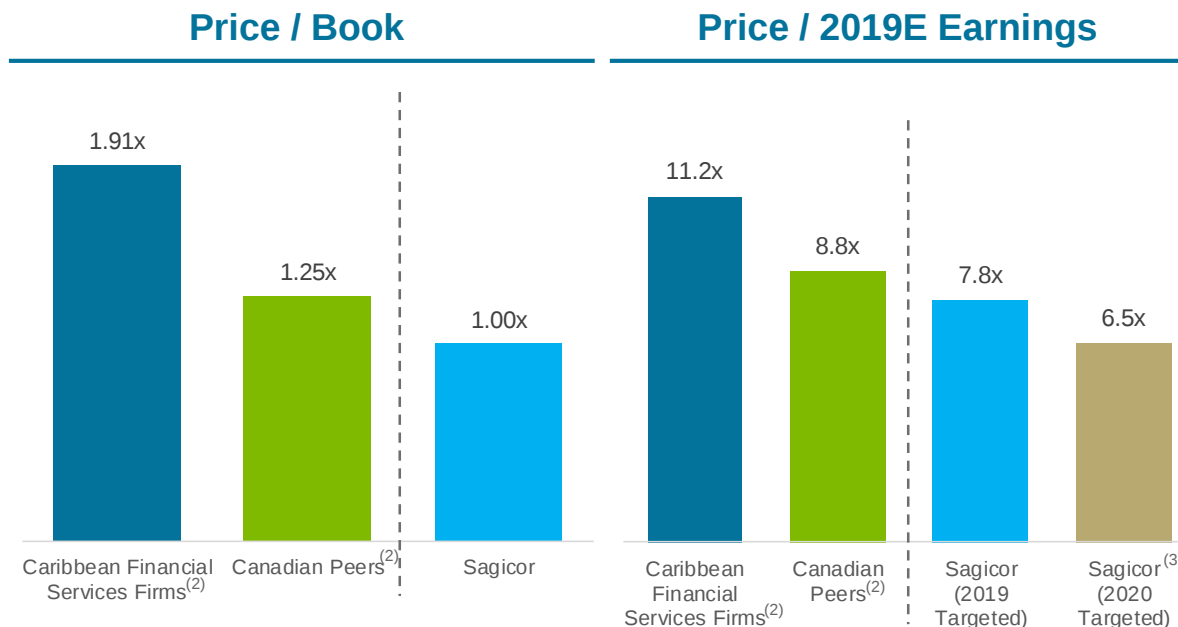
Note: Assumes USD per CAD exchange rate of 0.75.

1. Assumes no redemptions by Alignvest shareholders.
2. Chart assumes full take-up by Sagcor shareholders of US\$203 million cash consideration.
3. Excludes 6.508 million founders' shares subject to forfeiture if targets not met.
4. Includes Alignvest Class B Shares held by Forward Purchasers.

# VALUATION – A COMPELLING OPPORTUNITY



- Sagikor valuation at a substantial discount to peers on both a P/B and P/E basis
- Strong 2019E ROE of ~12%, which is anticipated to expand to 13% – 14% in 2020
- Pro forma equity value of US\$805 million / C\$1.07 billion<sup>(1)</sup>



Note: Market data as of 11/23/2018.

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.

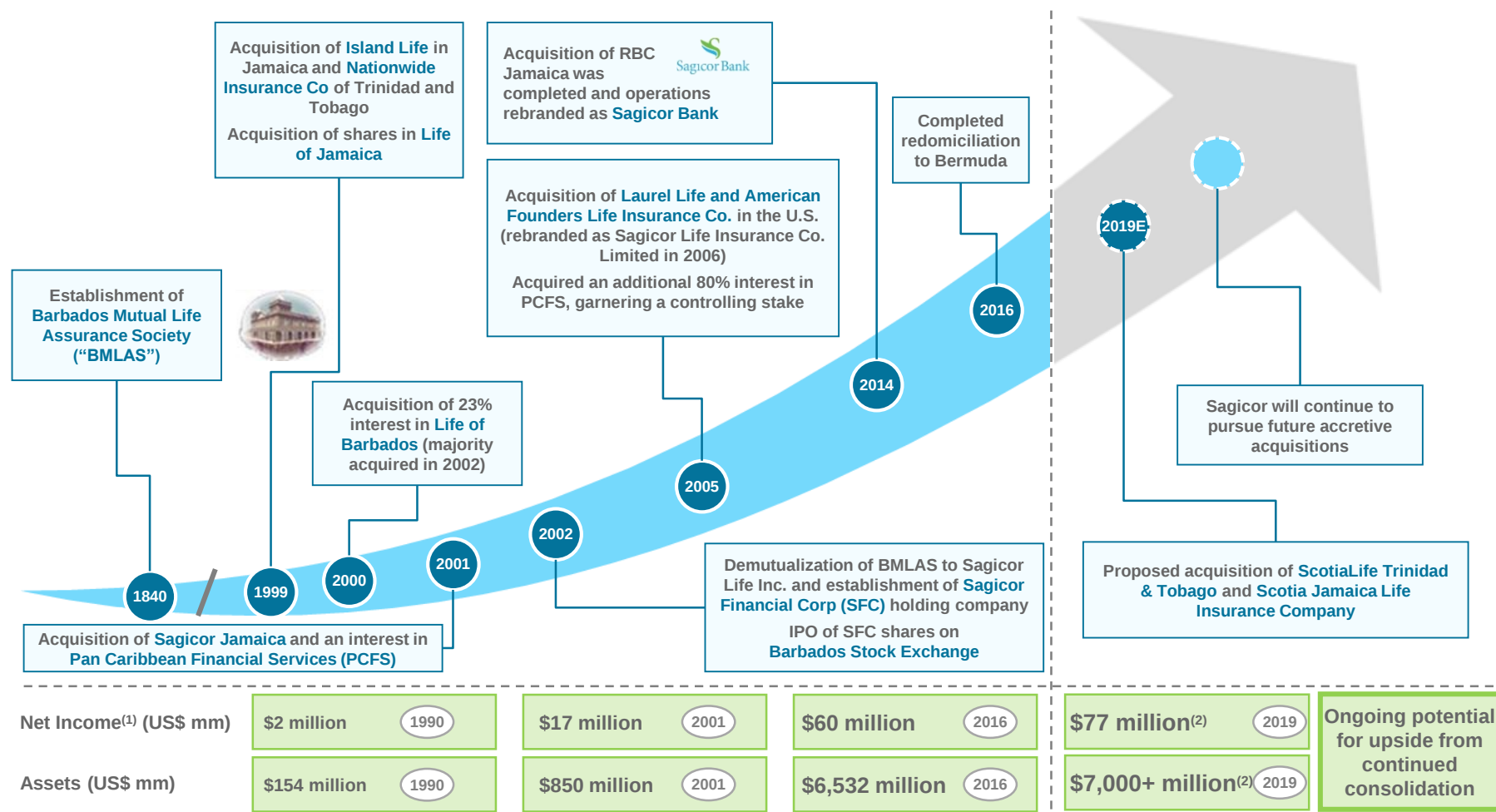
1. Assumes no redemptions by Alignvest shareholders and that SFC shareholders all take cash for initial 10,000 shares. Based on C\$10.00 per AQY share.

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

# SFC: BUILDING THE MARKET LEADER



1. Net income to shareholders from continuing operations.  
2. Reflects targeted figures.

# SFC: STRATEGIC PILLARS



|                      | Achieved Market Leadership <span>1</span>                                                                                                                                                                                                                                                                                                           | Implemented Best Practices <span>2</span>                                                                                                                                                                                                                                                                                       | Optimized Capital Structure <span>3</span>                                                                                                                                                 | Expanded Internationally <span>4</span>                                                                                                                                                                                                                                              |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SFC Today            | <p><b><u>Strategic Acquisitions</u></b></p> <ul style="list-style-type: none"> <li><b>Jamaica:</b> Island Life Insurance, Life of Jamaica, PanJam Life in Jamaica</li> <li><b>Barbados:</b> Life of Barbados; Eastern Caribbean</li> <li><b>Trinidad:</b> Nationwide</li> <li><b>Other:</b> Capital Life in Dutch and Northern Caribbean</li> </ul> | <p><b><u>Implemented Progressive Governance Framework</u></b></p> <ul style="list-style-type: none"> <li>Adopted MCCSR Canadian standard</li> <li>Enterprise Risk Management</li> <li>Acquired A.M. Best rating of "A-" Excellent</li> <li>Corporate Governance Architecture</li> <li>Executive Management Committee</li> </ul> | <p><b><u>Enhanced Capital Flexibility</u></b></p> <ul style="list-style-type: none"> <li>Demutualization</li> <li>Initial public offering in Barbados and Trinidad &amp; Tobago</li> </ul> | <p><b><u>Built Strong Platform for Growth</u></b></p> <ul style="list-style-type: none"> <li>Acquired Sagicor USA</li> <li>U.S. bond offering</li> <li>S&amp;P rating: BB-</li> <li>Redomiciled to Bermuda in order to improve credit profile and avoid sovereign ceiling</li> </ul> |
| New Sagicor Tomorrow | <ul style="list-style-type: none"> <li>ScotiaLife Trinidad &amp; Tobago and Scotia Jamaica Life Insurance</li> <li>Additional near term opportunity</li> </ul>                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Intended future adoption of LICAT</li> </ul>                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>TSX Listing</li> <li>Delisting from stock exchanges in Trinidad &amp; Tobago, London, and Barbados</li> </ul>                                       | <ul style="list-style-type: none"> <li>Establishment of reinsurer in Bermuda</li> <li>Potential refinance of U.S. bond</li> </ul>                                                                                                                                                    |

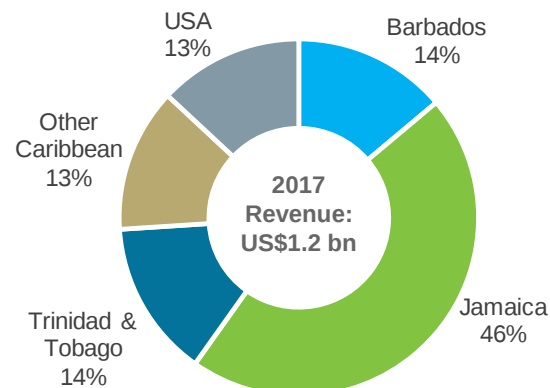
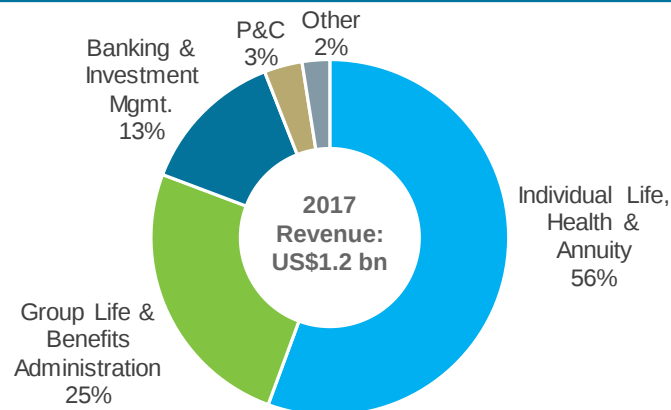
# SFC: WELL-POSITIONED WITH DIVERSIFIED MIX



## 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 258% (YE 2017)
- Well-respected management team with local expertise
- 16+ years experience as a public company

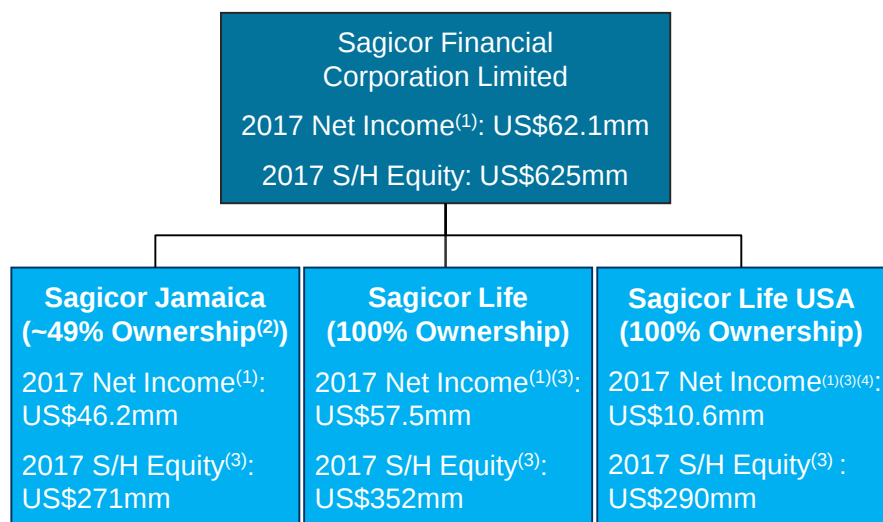
## Diversified Business Mix and Geography



# SFC: THREE CORE SEGMENTS



## Key Operating Segments



- **Sagicor Jamaica** – controlling stake in publicly traded company<sup>(2)</sup>
- **Sagicor Life** – leading Caribbean life insurer across all business lines
- **Sagicor USA** – strong upside from growing presence

## Leading Market Positioning

|                                                                                                                     | Rank                  | Market Share                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Jamaica</b>               | <b>1<sup>st</sup></b> | <ul style="list-style-type: none"> <li>▪ 61% Individual Life<sup>(5)</sup></li> <li>▪ 71% Group Life<sup>(5)</sup></li> <li>▪ 60% Pensions<sup>(5)</sup></li> <li>▪ 62% Group Health<sup>(5)</sup></li> </ul> |
| <br><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>                           |
| <br><b>Barbados</b>              | <b>1<sup>st</sup></b> | <ul style="list-style-type: none"> <li>▪ 64% Life, Health and Annuities<sup>(6)</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>                                                                                 |

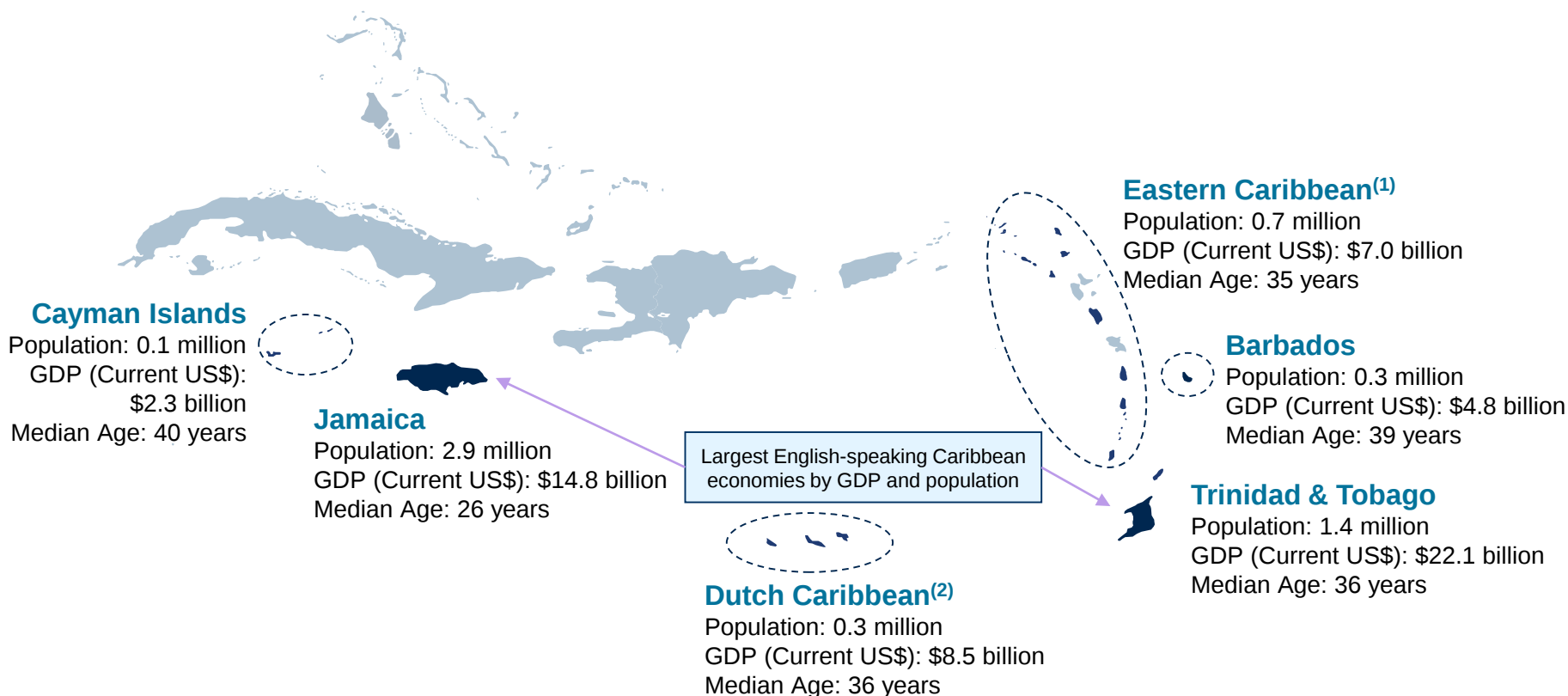
Source: Insurance Association of Jamaica, Association of Trinidad & Tobago Insurance Companies ("ATTIC"), Barbados' Financial Services Commission ("FSC")

1. Net income to shareholders from continuing operations.
2. Contractual control of board gives rise to consolidation for accounting purposes.
3. Adjusted for inter-segment items.

4. Finance costs reported in USA segment allocated to holding company.
5. Based on 2017 data.
6. 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.

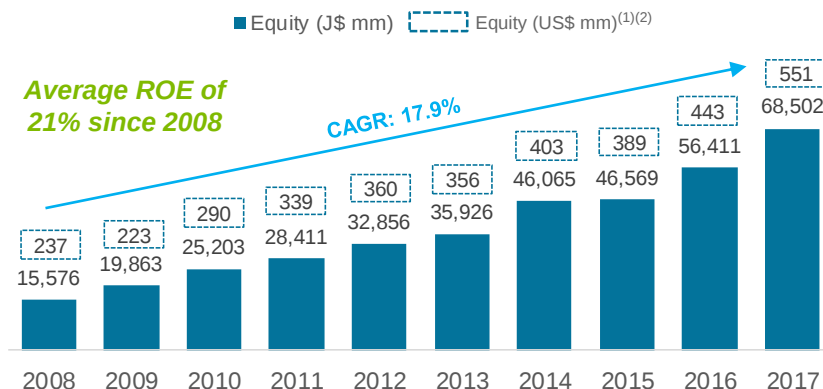
# SAGICOR JAMAICA: LEADING FINANCIAL SERVICES PROVIDER IN JAMAICA



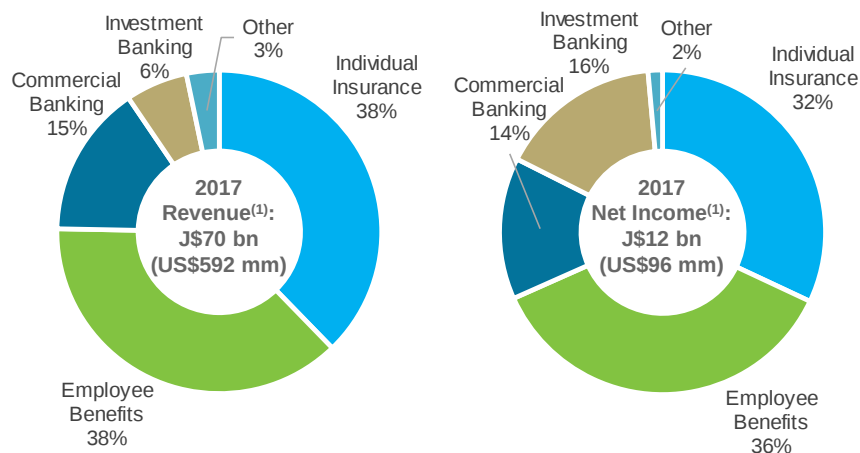
## Key Highlights

- SFC has ~49% ownership in Sagicor Group Jamaica
- Consistently outstanding ROE performance – better than 18% over last decade
  - 2017 ROE of ~19%
- 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 for SFC's segmented financial statements.

3. Based on 2017 data.

4. Based on profitability.

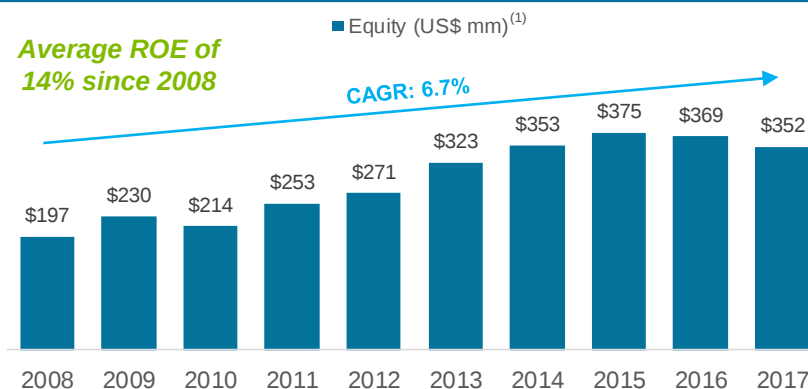
# SAGICOR LIFE: MARKET LEADING CARIBBEAN PLAYER



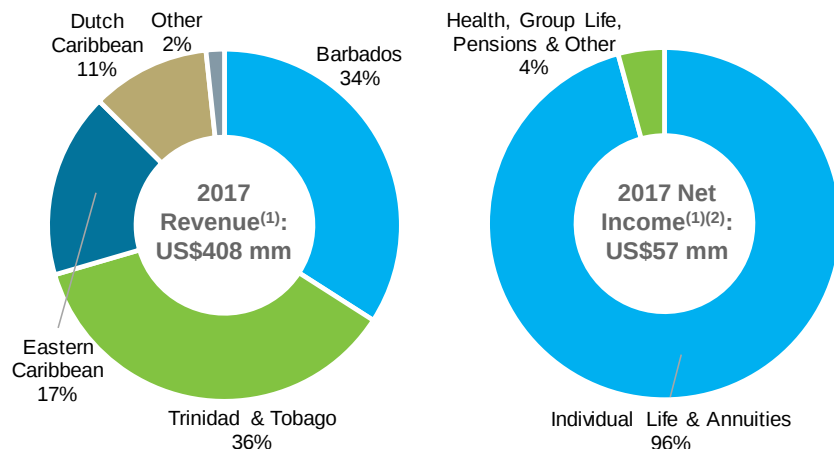
## Key Highlights

- Leading regional financial services company in the Southern Caribbean with strong customer loyalty
- 2017 ROE of 16%
- Demonstrated track record of premium growth via new customer acquisition and product diversification - notwithstanding market leading position

## 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.

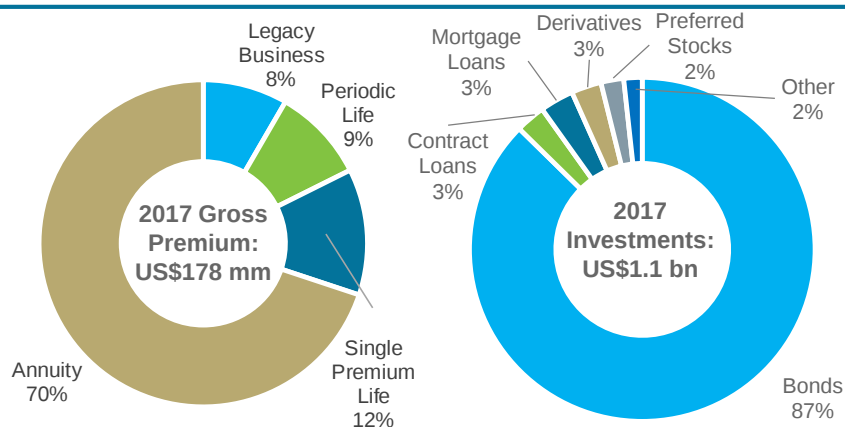
# SAGICOR USA: STRONG GROWTH OPPORTUNITIES



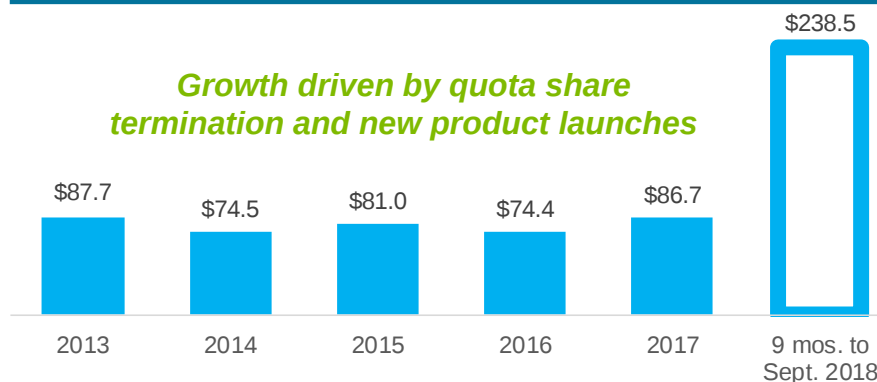
## Key Highlights

- Simple and “easy-to-buy” Life and Annuity products targeting a familiar customer profile
- State-of-the-art and scalable IT platform to be leveraged across the Caribbean
- Excellent product recognition – fixed annuity products with guaranteed rates ranked top two by Barron’s (2018)
- Strong distribution relationships supported by A- (Excellent) financial strength rating

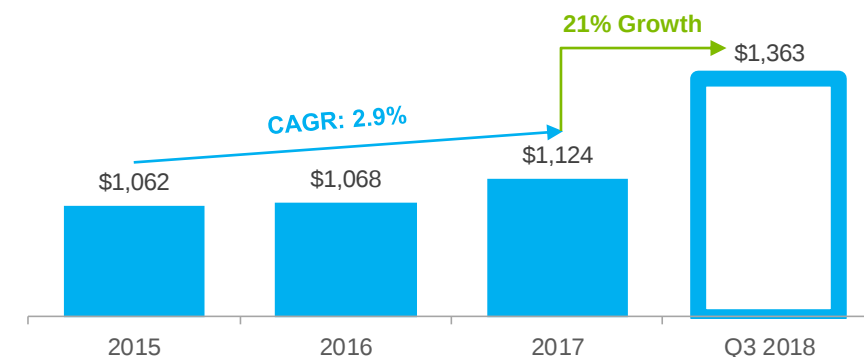
## Strong Annuity Revenues & Conservative Investments



## Net Premiums Earned (US\$ mm)



## Financial Asset Growth (US\$ mm)



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

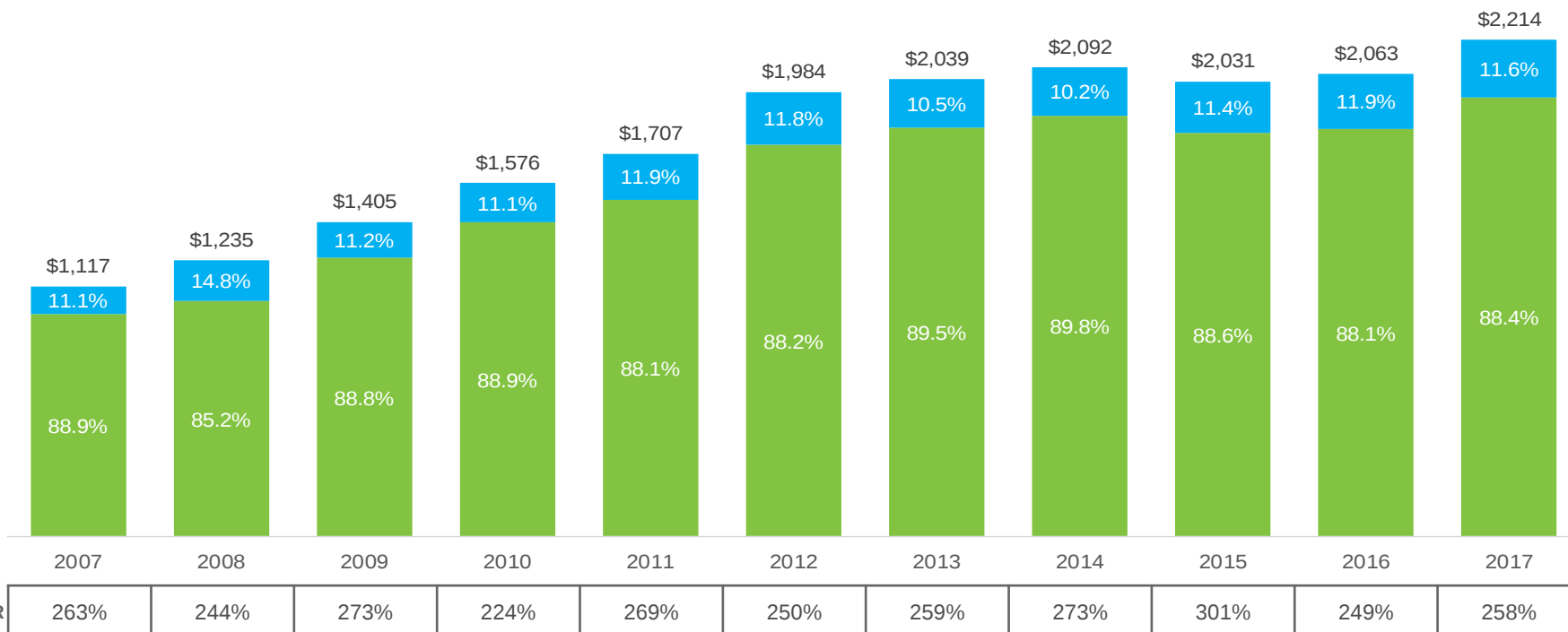
# SFC: PRUDENT CANADIAN RESERVING PHILOSOPHY ENSURES RESILIENCE



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

(US\$ millions)

■ Best Estimate Reserves ■ Provisions for Adverse Deviations



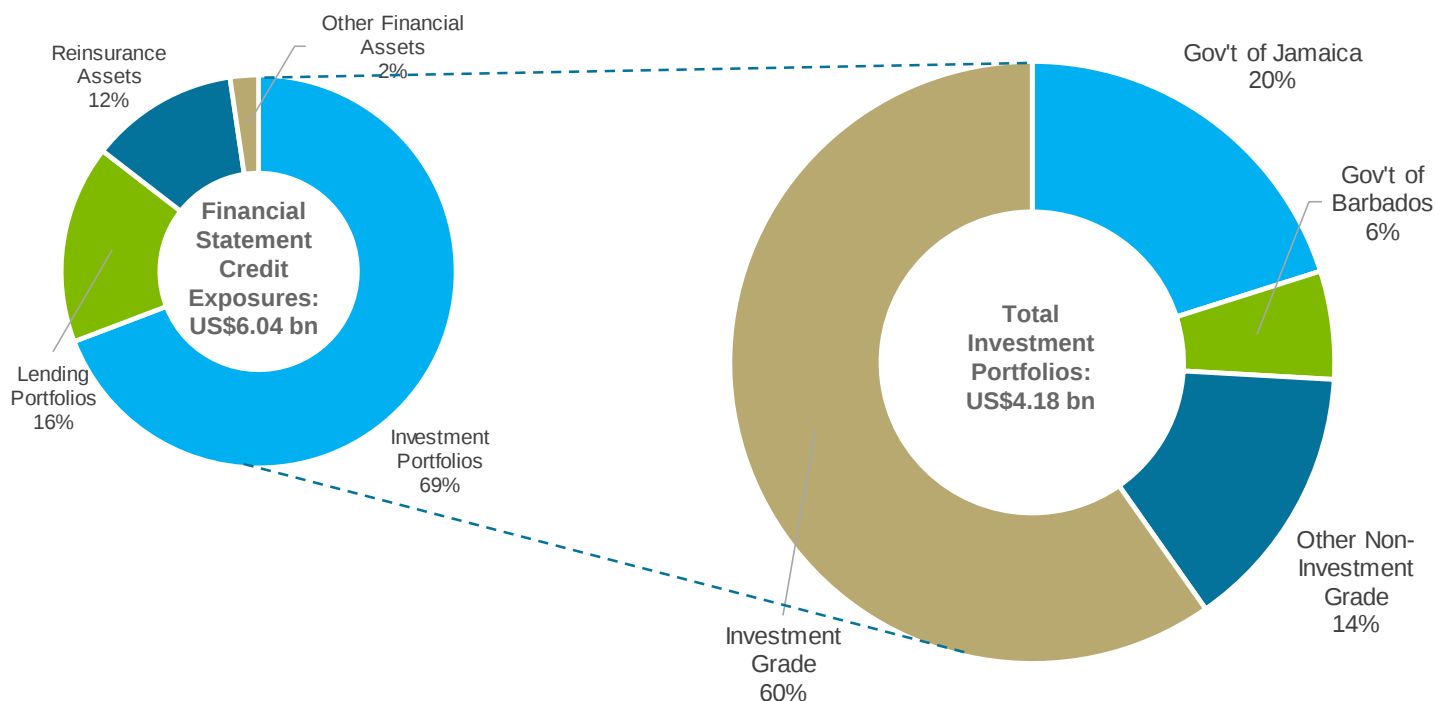
- SFC uses **Canadian actuarial** and **IFRS** reporting standards

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 (Q3 2018)



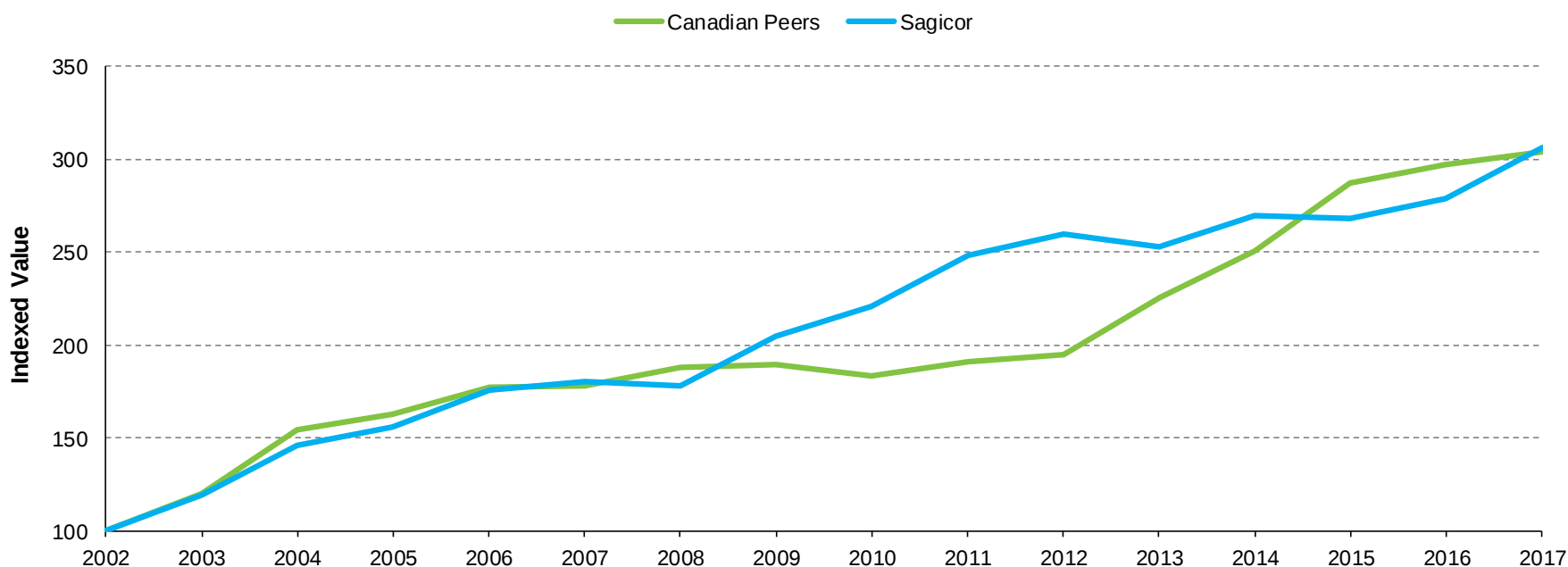
Note: Investment losses, if any, relating to US\$520 million of the non-investment grade portfolio are passed through to policyholders rather than shareholders.

# SFC: SUPERIOR BOOK VALUE GROWTH OVER TIME



- Since IPO in 2002, growth in core book value per share has been in line with Canadian peers
- Company is well-positioned to continue value creation due to leadership in core markets and experienced management team

## Consistent Book Value Per Share Growth<sup>(1)</sup>



1. Sagikor BVPS calculation based on change in book value per share adjusted for discontinued operations; Canadian peers consist of: Great-West Lifeco Inc., Sun Life Financial Inc., Industrial Alliance Insurance and Financial Services Inc., and Manulife Financial Corporation.

# 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 excess 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 Potential Near Term Acquisition Opportunity

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

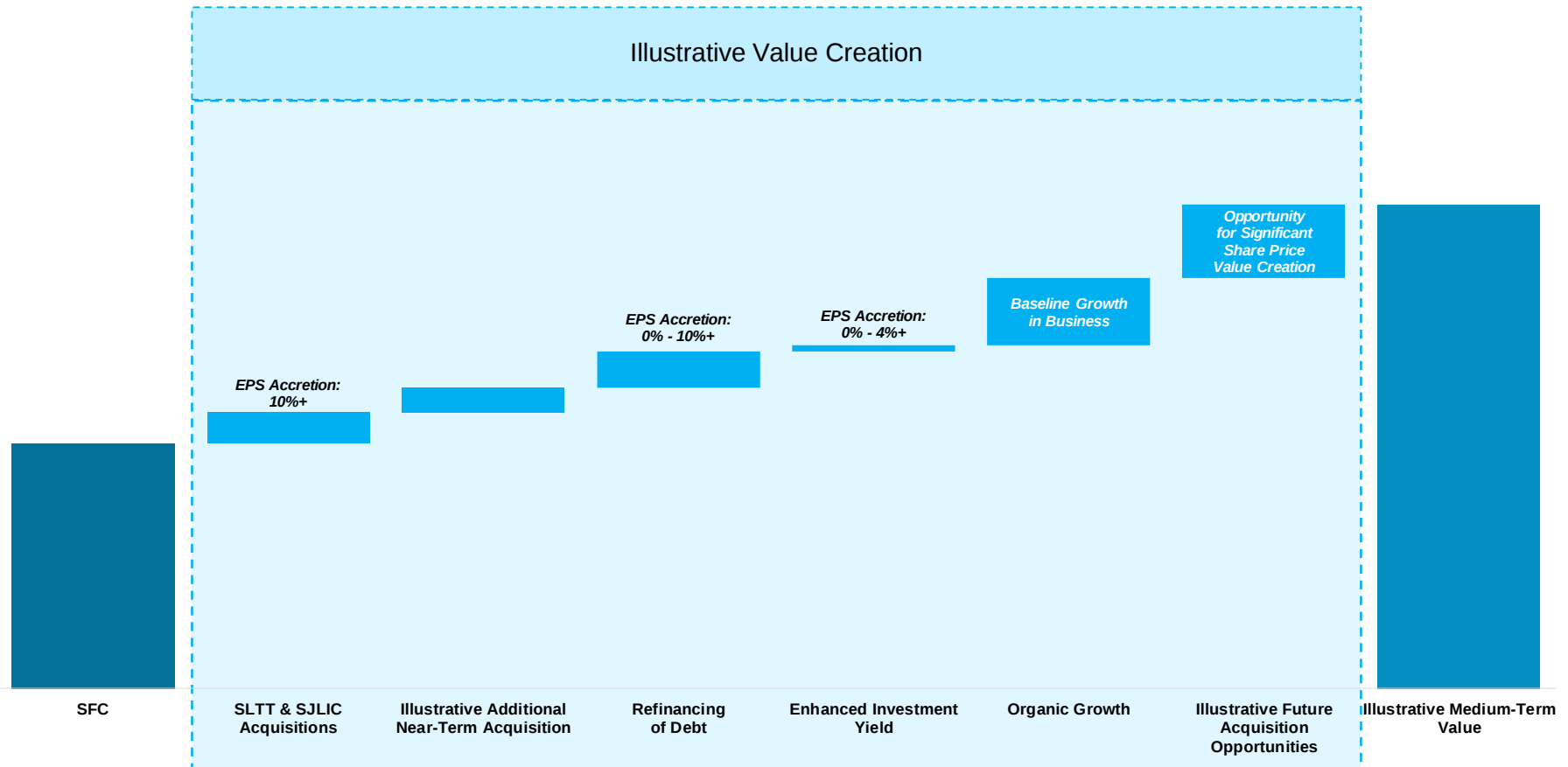
## 3 Debt Refinance

- 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.

# 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 ~80 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.

# 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 Sagikor 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*

Incoming Group CFO

- Partner at Alignvest Private Capital; to join as Sagikor Group CFO role full-time after working on the AQY / Sagikor transaction for the past year
- Experience as a private equity investor includes senior roles with Alignvest Management Corporation, Ontario Teachers' Pension Plan ("OTPP"), and Edgestone Capital Partners
- Currently sits on the board of Edgewood Health Network and has previously served on the boards of Impark, Premier Lotteries, and Aurigen Reinsurance

# 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 ALIGNVEST BOARD MEMBERS



**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, Sagikor Board of Directors



**Reza Satchu**

*BCom, MBA*

Alignvest Managing Partner

- Managing Partner and Co-Founder of Alignvest Management Corporation
- Has substantial experience as an entrepreneur and investor, co-founding, building and/or managing several operating businesses from inception
- Former General Partner at Fenway Partners, a US\$1.4 billion private equity firm
- Mr. Satchu is on the Board of Directors for Sick Children Foundation and is a member of the Advisory Board of the Arthur Rock Center for Entrepreneurship at Harvard Business School



**Rik Parkhill**

*BA*

Director

- Former CEO of CIBC FirstCaribbean International Bank from 2011 to 2015
- 30+ years in the financial services industry, including managing banks, brokerage firms and exchanges
- Mr. Parkhill's previous positions include the Head of Cash Equities and Capital Markets Sales at CIBC and the Interim Co-CEO with the TMX Group
- Holds a Bachelor of Arts (Honours) from Queen's University



**Alister Campbell**

*BA, MSc, MBA*

Director

- Former CEO of The Guarantee from 2012 to 2017, and President, CEO and Chief Agent of Zurich Canada from 2007 to 2012. Served as Senior Executive at ING Canada (now Intact Financial)
- 30+ years of experience in the financial services industry, including general management, marketing, brokerage distribution strategy, financial services and e-commerce
- Serves on Board of Global Risk Institute in Financial Services. Senior Fellow at CD Howe
- Holds a MSc from the London School of Economics and an MBA from The Wharton School
- Will serve as Chair, Risk and Investments Committee

***AQY's expertise to be enhanced with well-known Canadian executives***

# 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

## Sagcor Valuation Creation Overview

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

## FINANCIAL OVERVIEW

# OVERVIEW OF SAGICOR – CORPORATE AND CAPITAL STRUCTURE



## Funding / Capitalization<sup>(1)</sup>

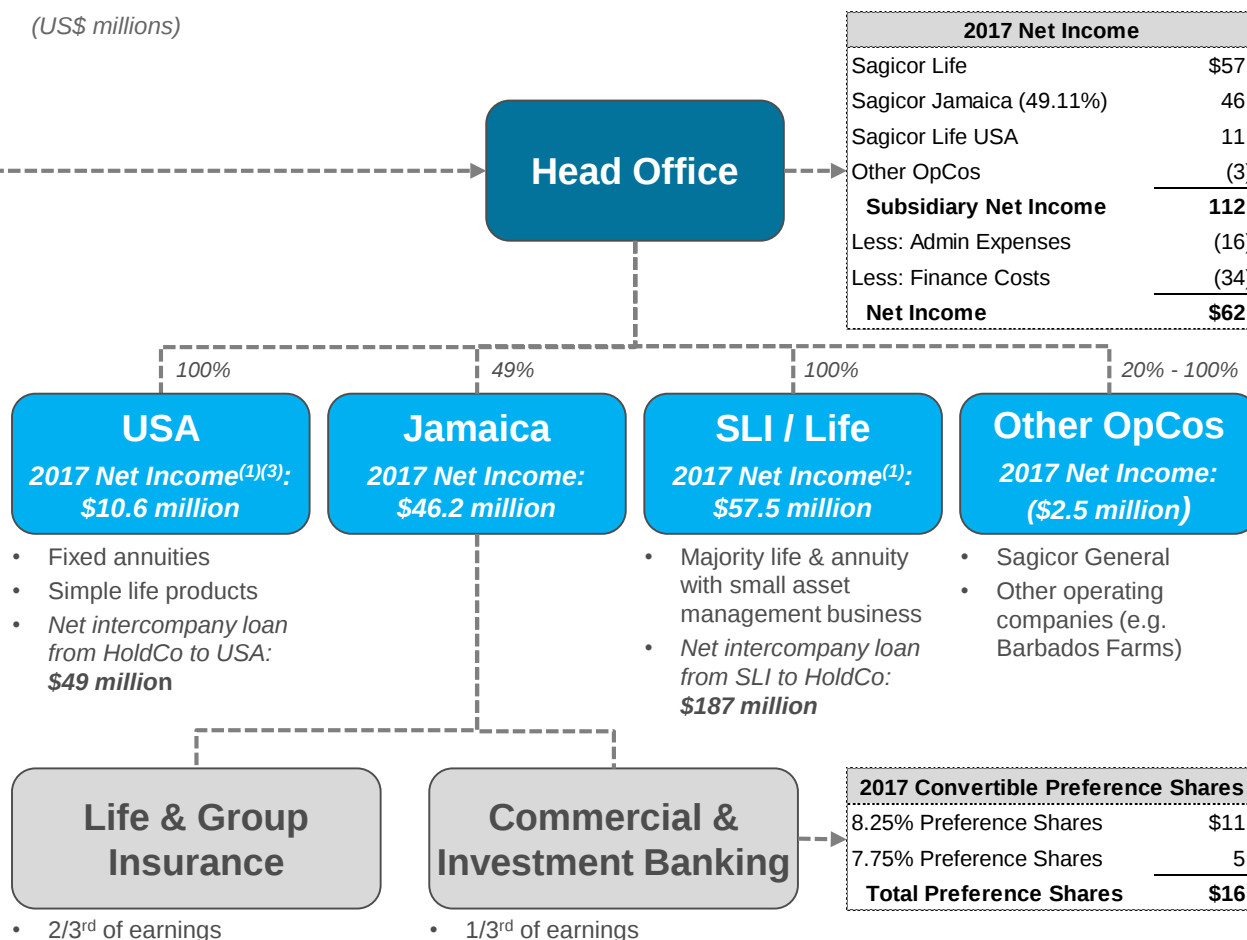
(US\$ millions)

| 2017 Funding                        |                |
|-------------------------------------|----------------|
| Notes & Loans Payable               | \$397          |
| Shareholders' Equity <sup>(2)</sup> | 625            |
| <b>Total Funding</b>                | <b>\$1,022</b> |

| 2017 Capitalization         |                |
|-----------------------------|----------------|
| Sagicor Life                | \$352          |
| Sagicor Jamaica (49.11%)    | 271            |
| Sagicor Life USA            | 290            |
| Head Office & Other OpCos   | 110            |
| <b>Total Capitalization</b> | <b>\$1,022</b> |

## Corporate and Capital Structure

(US\$ millions)



1. Adjusted for inter-segment items.  
 2. Equity available to SFC common shareholders before non-controlling interests.  
 3. Finance costs reported in the USA segment allocated to holding company.

# SFC DE-CONSOLIDATED – ROE BREAKDOWN



- SFC is an amalgamation of several businesses with varying profitability
- Excluding the U.S. segment, Sagicor would report a 16.8% ROE
- Accounting for minority interest, the core business in the Caribbean has an unlevered ROE of 17.2%
- Caribbean and in Jamaican businesses have ROEs of 15.9% and 19.0%, respectively
- Consolidated ROE of 10.7% in 2017A after adding in the U.S. business plus holdco expenses

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

| (US\$ millions)                                   |                      |                      |                       |                 |                      |                         |                |                |
|---------------------------------------------------|----------------------|----------------------|-----------------------|-----------------|----------------------|-------------------------|----------------|----------------|
|                                                   | 2017<br>Consolidated | Less:<br>Sagicor USA | Caribbean<br>RemainCo | Less:<br>HoldCo | Less:<br>Other OpCos | Core Carib.<br>Segments | Of Which:      |                |
|                                                   |                      |                      |                       |                 |                      |                         | SLI            | Jamaica        |
| Sagicor Life                                      | 57.5                 | --                   | 57.5                  | --              | --                   | 57.5                    | 57.5           | --             |
| Sagicor Jamaica                                   | 46.2                 | --                   | 46.2                  | --              | --                   | 46.2                    | --             | 46.2           |
| Sagicor USA                                       | 10.6                 | (10.6)               | --                    | --              | --                   | --                      | --             | --             |
| Other                                             | (2.5)                | --                   | (2.5)                 | --              | 2.5                  | --                      | --             | --             |
| <b>Total Income from Continuing Operations</b>    | <b>\$111.8</b>       | <b>(\$10.6)</b>      | <b>\$101.2</b>        | <b>--</b>       | <b>\$2.5</b>         | <b>\$103.7</b>          | <b>\$57.5</b>  | <b>\$46.2</b>  |
| Less: Admin Expenses                              | (16.0)               | --                   | (16.0)                | 16.0            | --                   | --                      | --             | --             |
| Less: Finance Costs                               | (33.7)               | --                   | (33.7)                | 33.7            | --                   | --                      | --             | --             |
| <b>Net Income to Shareholders</b>                 | <b>\$62.1</b>        | <b>(\$10.6)</b>      | <b>\$51.5</b>         | <b>\$49.7</b>   | <b>\$2.5</b>         | <b>\$103.7</b>          | <b>\$57.5</b>  | <b>\$46.2</b>  |
| Add: Min. Interests / Particip. Policies          | 43.0                 | --                   | 43.0                  | --              | 3.8                  | 46.9                    | (1.0)          | 47.9           |
| <b>Reported Income from Continuing Operations</b> | <b>\$105.2</b>       | <b>(\$10.6)</b>      | <b>\$94.6</b>         | <b>\$49.7</b>   | <b>\$6.4</b>         | <b>\$150.6</b>          | <b>\$56.4</b>  | <b>\$94.1</b>  |
| 2016A Net Assets                                  | 537.1                | (259.5)              | 277.6                 | 397.3           | (88.4)               | 586.4                   | 369.1          | 217.4          |
| 2017A Net Assets                                  | 624.6                | (289.8)              | 334.8                 | 396.7           | (109.1)              | 622.4                   | 351.9          | 270.5          |
| <b>Average Net Assets</b>                         | <b>\$580.8</b>       | <b>(\$274.6)</b>     | <b>\$306.2</b>        | <b>\$397.0</b>  | <b>(\$98.8)</b>      | <b>\$604.4</b>          | <b>\$360.5</b> | <b>\$244.0</b> |
| <b>Implied ROE<sup>(2)</sup></b>                  | <b>10.7%</b>         | <b>3.9%</b>          | <b>16.8%</b>          | <b>n.a.</b>     | <b>n.a.</b>          | <b>17.2%</b>            | <b>15.9%</b>   | <b>19.0%</b>   |

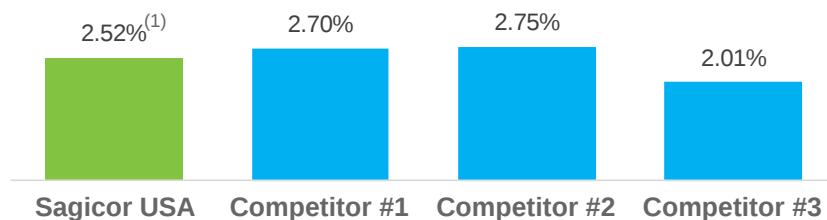
1. Figures are adjusted for inter-segment items, except for Sagicor Jamaica's income.
2. Calculated as net income to shareholders from continuing operations divided by average net assets.

# SAGICOR USA: OFFERS ATTRACTIVE EARNINGS GROWTH PLATFORM

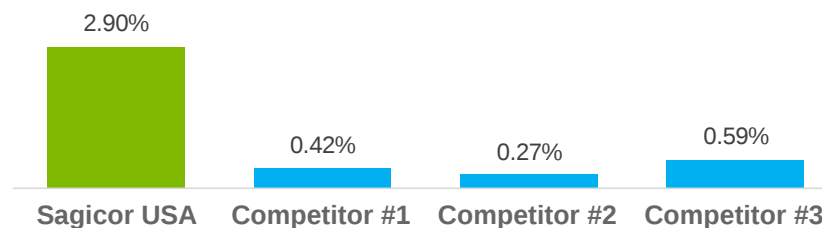


- **Sagcor USA currently represents a drag on SFC's ROE** – when the U.S. segment's ROE is improved, the returns of the overall business will be substantially improved
- **Enhanced profitability from increased scale** – asset returns are in line with peers, but unit expenses are higher and asset leverage is lower due to a lack of scale
- As the business grows, we expect these metrics to improve, which will drive higher ROE

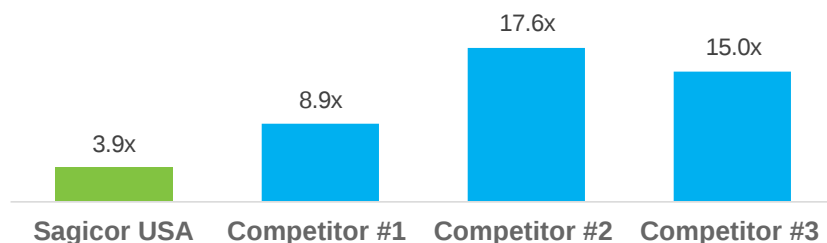
**Investment Spread (2017)**



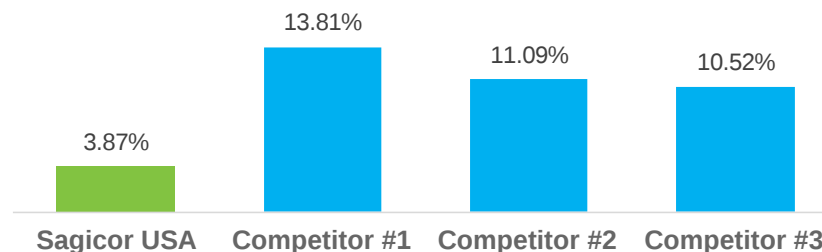
**Operating Expenses / Assets (2017)**



**Investment Asset Leverage (2017)<sup>(2)</sup>**



**Adjusted Operating ROE (2017)<sup>(3)</sup>**



Source: Company filings

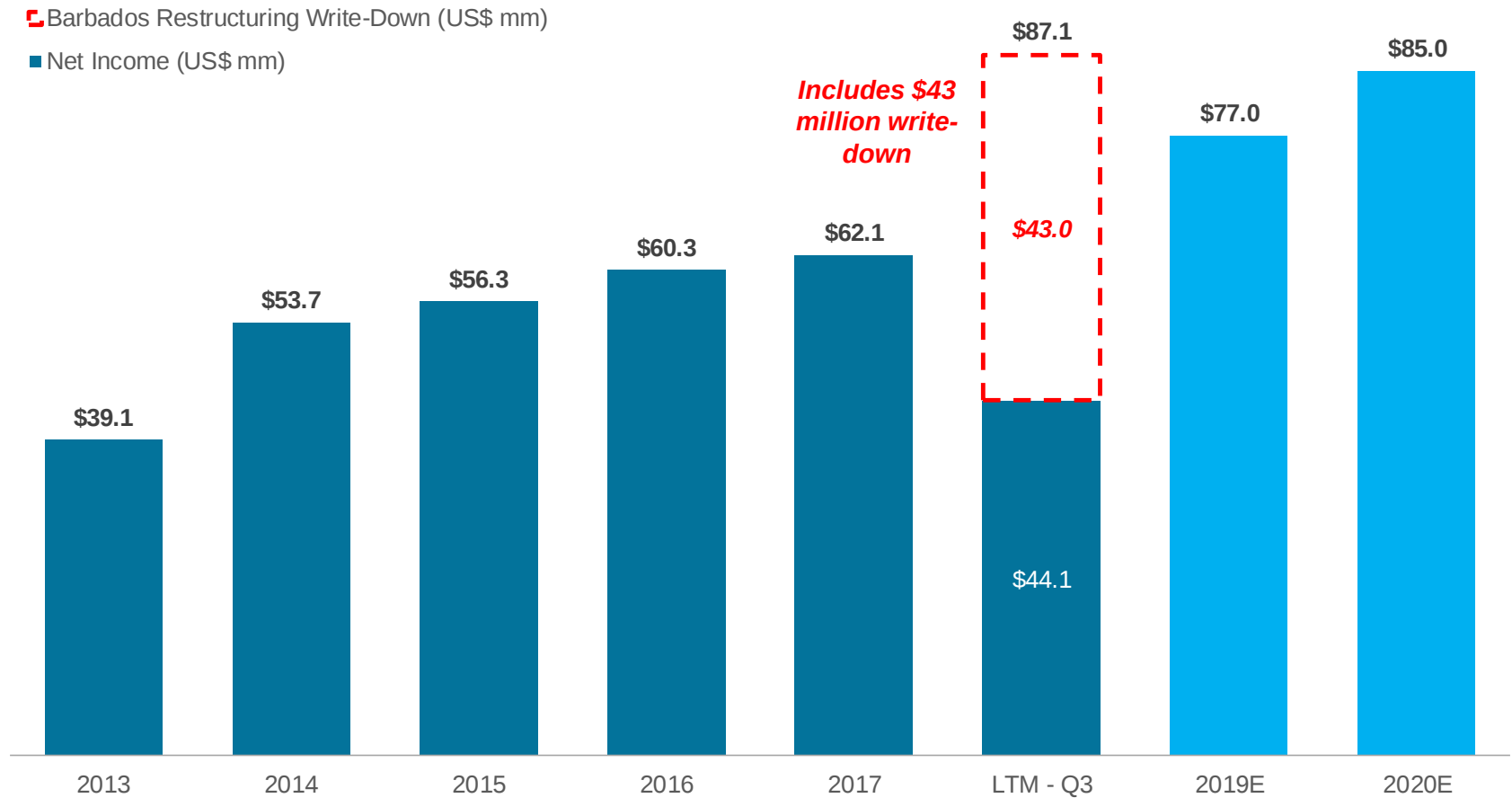
Note: Competitors #1, #2, and #3 based on U.S. GAAP, Sagcor USA based on IFRS.

1. Represents premiums plus net investment earnings less cost of crediting, divided by average total assets.

2. Represents 2017 investment assets / 2017 equity.

3. Calculated as operating income divided by average equity; pre-tax income adjustments include one-time items, other-than-temporary impairment losses, and net realized gains.

# STANDALONE NET INCOME TO SHAREHOLDERS FROM CONTINUING OPERATIONS



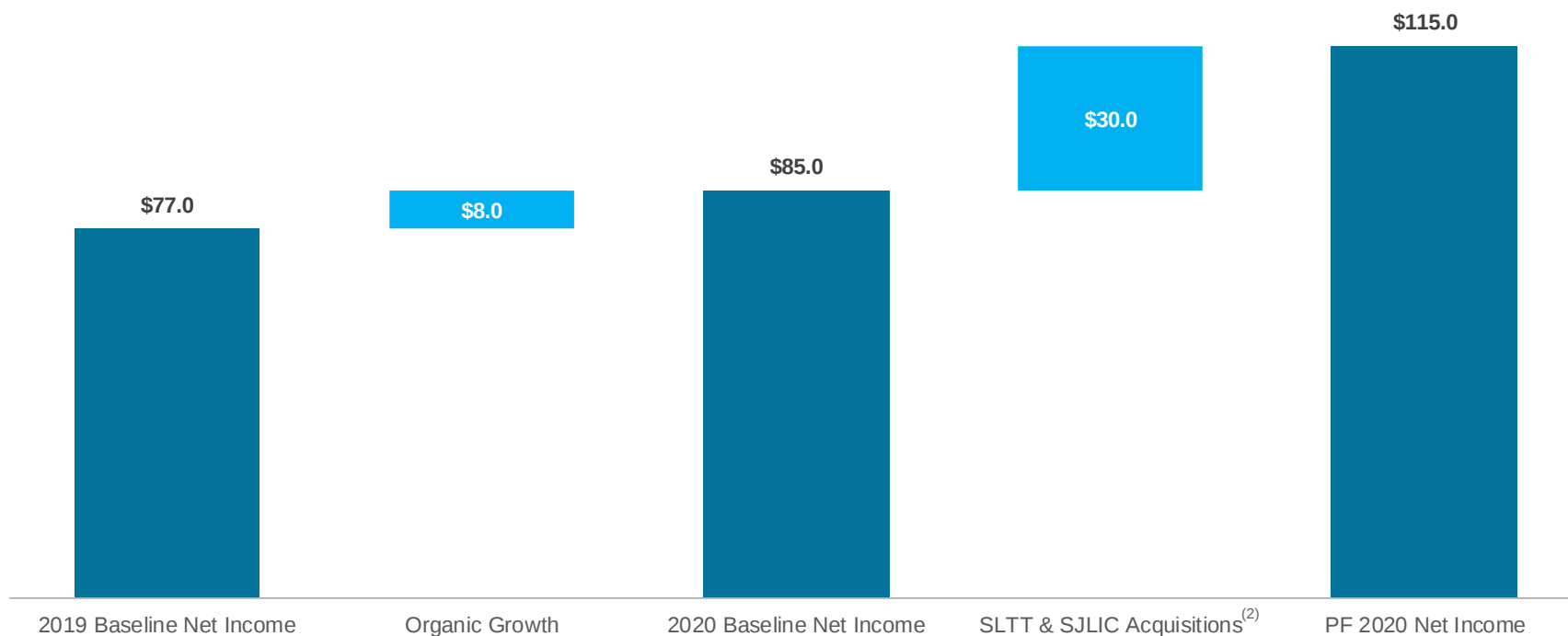
# PRO FORMA TARGETS BRIDGES



- 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)



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

## COMPANY SUPPLEMENT

# OVERALL CORPORATE STRATEGY



## 1 Drive Further Consolidation

- Identified opportunities to consolidate Jamaica, Trinidad & Tobago, and the Eastern Caribbean
- Sagikor 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

# BARBADOS DEBT RESTRUCTURING RESOLVED



## Background

- Barbados government announced it had reached restructuring with domestic creditors including Sagcor on October 14
- Sagcor has total exposure to Barbados government debt of US\$242 million on debt portfolio of US\$4.2 billion

## Impact

- Full impact to shareholders of US\$43 million reflected in Sagcor financials as of Q3

# SCOTIABANK BANCASSURANCE: SCOPE TO IMPROVE PENETRATION



## Commentary

- The Caribbean's leading life insurer and bank, Sagcor and Scotiabank will enter into a 20-year bancassurance agreement
- An enhanced suite of insurance products will be provided by Sagcor to Scotiabank's customers
- Sagcor will be able to leverage partnership to cross-sell more of its products
- Significant opportunity for Sagcor 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 – Sagcor Product Comparison

|                                    | SJLIC/SLTT | Sagcor |
|------------------------------------|------------|--------|
| 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      | ✗          | ✓      |