



# CITIZENS INC.

MIX SHIFT TO HIGHER GROWTH AND  
CLEAR REVENUE GROWTH OPPORTUNITIES



NOVEMBER 2024



[WWW.CITIZENSINC.COM](http://WWW.CITIZENSINC.COM)

NYSE: CIA



A photograph of two women in a market setting. The woman on the left is seen in profile, looking towards the right. The woman on the right is smiling broadly and looking towards the left. They are holding hands, with their fingers interlaced. The background shows a busy market with various stalls and people. A semi-transparent blue rectangular box is overlaid on the center of the image, containing white text.

**INSURANCE IS  
A PROMISE MADE.**

**CITIZENS IS  
A PROMISE KEPT.**

# SAFE HARBOR STATEMENT

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. All statements other than statements of historical facts contained in this presentation, including statements regarding Citizens' (the "Company") future results of operations and financial position, including financial targets, business strategy, plans and objectives for future operations, are forward-looking statements. The Company has based these forward-looking statements largely on its current estimates of its financial results and its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy, short term and long-term business operations and objectives, and financial needs as of the date of this presentation. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described under the heading "Risk Factors" in the Company's filings with the Securities and Exchange Commission (the "SEC"). Additionally, new risks emerge from time-to-time. It is not possible for Company management to predict all risks, nor can the Company assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements the Company may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee that the future results, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither the Company nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Except as required by law, the Company undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this presentation, to conform these statements to actual results or to changes in the Company's expectations.

The Company's filings with the Securities and Exchange Commission are available to you and you should read the documents the Company has filed with the SEC for more complete information about the Company. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov).

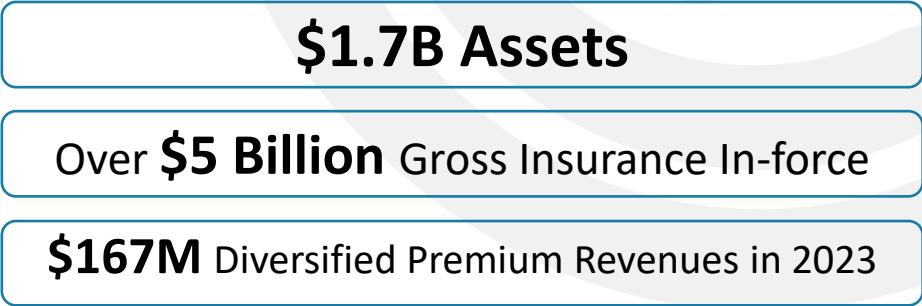
## USE OF NON-GAAP MEASURES

This presentation includes certain non-GAAP financial measures. While the Company believes these are useful measures for investors, they are not presented in accordance with GAAP. You should not consider non-GAAP measures in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. Because not all companies use identical calculations, the presentation herein of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. Please see the Appendix for important reconciliations between our non-GAAP and GAAP financial measures.

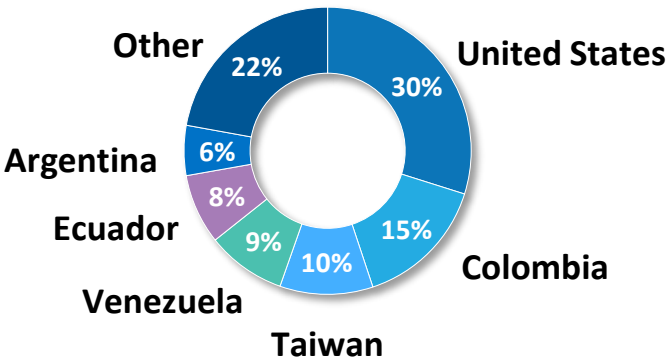
# Company Overview

# CITIZENS OVERVIEW (NYSE: CIA)

We specialize in offering International life and endowment products and Domestic final expense insurance in niche markets globally where we believe we are able to achieve competitive advantages



2023 Premium Revenue (Geography)



Information as of September 30, 2024 except where otherwise noted.

# COMPANY SNAPSHOT

## Our Markets

### International Life Insurance

We deliver U.S. dollar-denominated whole life and endowment insurance policies

Majority of premiums originate in Latin American countries

- Additional premiums sales in Taiwan

### Domestic Life Insurance

We deliver whole life insurance products, living benefits and critical illness

Existing licenses in 42 underpenetrated U.S. states and Washington, DC

White-labeled product strategy helps growth and quality of business

Streamlined sales process

### Domestic Home Service

We deliver whole life insurance: final expense for funeral and burial cost, and critical illness

Majority of premiums originate in Louisiana, Mississippi and Arkansas

Limited underwriting risk



# UNIQUELY POSITIONED FOR GROWTH OPPORTUNITIES

*PERSISTENT CUSTOMER BASE EXPANSION IN LARGE, GROWING UNDERSERVED NICHE MARKETS GLOBALLY*

## U.S. Dollar Denominated Products

Capital is invested in a more secure economic environment (the U.S.)  
Protection against devaluation of the policyowners' local currency  
Less prone to sudden geo-political shifts

## Expertise in the Latin Markets (US & International)

Latin markets have comprised >50% of total U.S. population growth between 2010 and 2020<sup>1</sup>  
Latin America life insurance is compelling: low penetration and increasing demand

## Growing in Niche Markets

White labeled products  
Professional athletics  
International Brokers

## Product Development

New product introductions and product revisions in 2023 and Q1 2024  
Increasingly sought out white labeled products by key agency partners

## Geographic and Distribution Capabilities

Existing licenses in 42 underpenetrated U.S. states and Washington, DC  
Increased global network of producing agents by 86% y/y YTD through 9/30/24  
Streamlined sales process  
End-to-end transactions in Spanish, Portuguese, Mandarin, and English

<sup>1</sup>) 2020 US Census - Between 2010 and 2020, the Hispanic population grew by 23%, accounting for >50% of the total U.S. population growth

# 2024 EXPECTED MILESTONES

## OUR DIFFERENTIATED BUSINESS MODEL AND STRONG EXECUTION FUELING MEANINGFUL GROWTH

For 2024, Citizens has the following aspirations:

- Increase first year premium revenues at least 25%  
**Status YTD through 9/30/24: Increased 66%**
- Expand global network of producing agents at least 20%  
**Status YTD through 9/30/24: Increased 86%**
- Introduce 2 to 3 new products or major product enhancements.  
**Status YTD through 9/30/24: Product enhancement in Q1 and new product in Q3**

*“As we look ahead, we enter the fourth quarter with momentum and expect continued sales growth leading to profit and revenue growth in the full year 2025.”*

Jon Stenberg, President and Chief Executive Officer

From Citizens Q3 2024 results press release on November 7, 2024

We are delivering on our commitments.

Our strategic roadmap is designed to deliver improved operating results and sustainable growth in book value per share.



# KEY INVESTMENT HIGHLIGHTS

## TRANSFORMING AND CLEAR REVENUE GROWTH OPPORTUNITIES

### Unique Market Position

- A Leader in USD-denominated whole life products, internationally
- Strong brand awareness among Latin American policy holders
- End-to-end transactions in Spanish, Portuguese, Mandarin, and English

### Clear Growth Opportunities

- Large unmet need for Spanish insurance products in US Latino market
- Licenses in 42 states and Washington, DC
- Continued growth in specialized markets:
  - White labeled products
  - Professional Athletics
  - International Brokers

### Executing on Goals

- Rapid expansion of sales force
- Improving first year sales trends
- Strong demand for new products

### Rapid Expansion of Sales Force

- Clear and defined runway for geographic expansion
- Expanding global network of producing agents
- Agent and Client servicing platforms

### Financial Strength

- Low risk business model and conservative balance sheet management
- Positive net cash from operations annually since 2004
- Reinsure with large globally recognized reinsures

# Roadmap Execution

# ACCOMPLISHMENTS

## MIX SHIFT TO HIGHER GROWTH OPPORTUNITIES

INITIATIVES	Rapid expansion of sales force	Clear and defined runway for geographic expansion	Disciplined expense and capital management
	Rapidly develop innovative products	Advantages in growing niche markets globally	
RECENT ACCOMPLISHMENTS	<ul style="list-style-type: none"> <li>Record number of global network of producing agents, up 57% in Q3 2024</li> <li>First year sales have increased for eight consecutive quarters</li> <li><b>Record insurance issued for four consecutive quarters: insurance issued was \$308M, +75% in Q3 2024</b></li> <li>Delivered product enhancement in Q1 and new product in Q3 2024</li> <li>Adding white-label partnerships that deliver unique products to established fast-growing distribution channels</li> </ul>	<ul style="list-style-type: none"> <li><b>A leader in U.S. dollar-denominated products, internationally</b></li> <li>Intimate knowledge of unique Latino cultures across varying nationalities</li> <li>End-to-end transactions in Spanish, Portuguese, Mandarin, and English</li> <li>Existing licenses in 42 underpenetrated U.S. states and Washington, DC</li> <li>Implementing sales promotions to drive our growth and retention initiatives</li> </ul>	<ul style="list-style-type: none"> <li><b>20 years of positive net cash from operations annually (since 2004)</b></li> <li>Reinsurance with large globally recognized reinsurers</li> <li>Share repurchases of \$4.4M available on the current authorization</li> <li>No debt. Access to \$20M line of credit</li> <li>A.M. Best Financial Strength Rating B++; Balance Sheet – (Very Strong) issued on CICA Life Insurance Company of America affirmed August 2024</li> </ul>

Price to Book Value, excluding AOCI\*, period ending September 30, 2024 was .60 compared to life insurance peers of 1.09. Book value excluding AOCI\* increased 8% y/y to \$6.06 on September 30, 2024. 20 years of positive net cash from operations annually (since 2004).

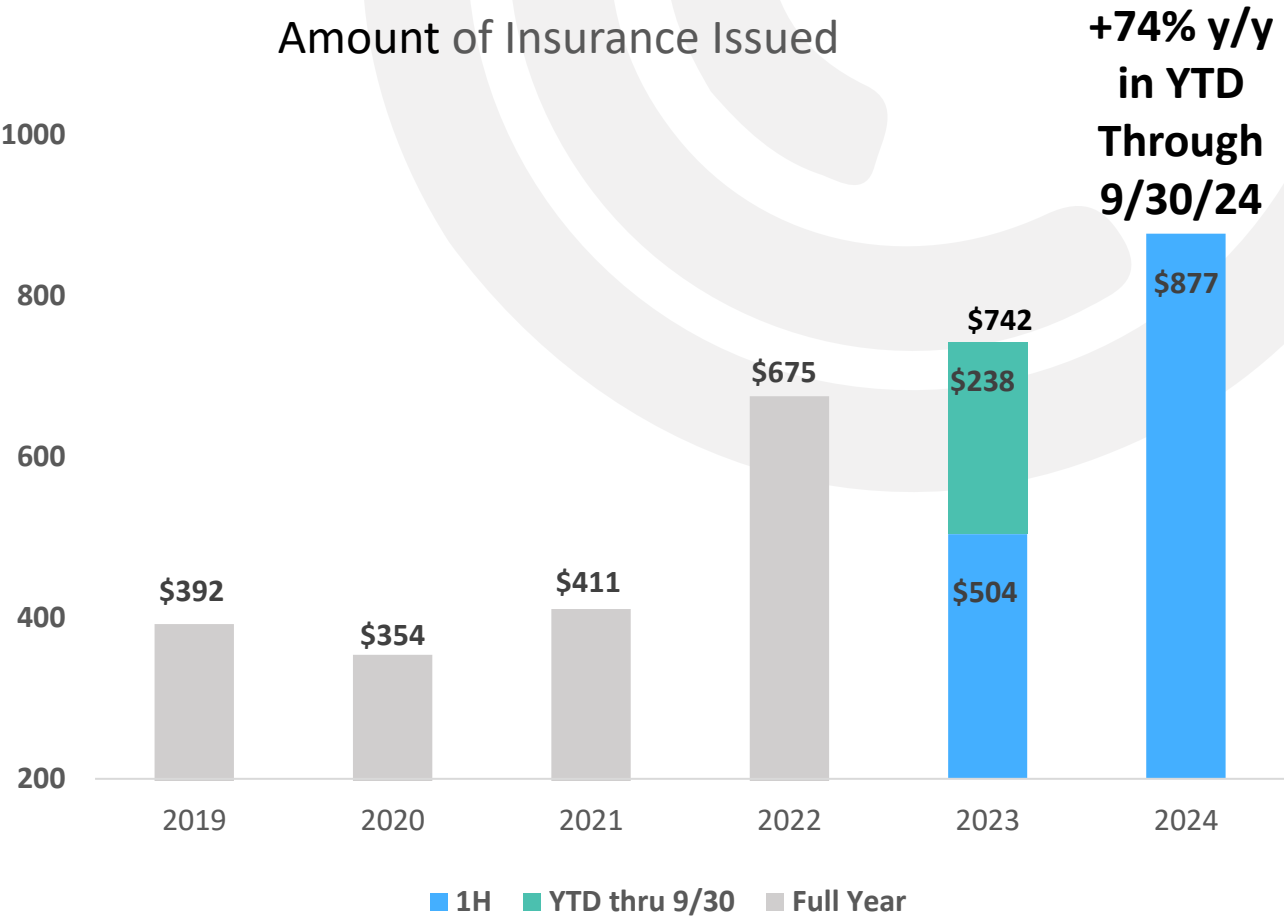
\*Adjusted price to book value is computed as stock price to book value that excludes accumulated other comprehensive income (AOCI).

# EXECUTING ON SUCCESS

- + New & Innovative Products
- + Successful Selling Campaigns
- + Growing Distributor Relationships

## Positive results

- Record insurance issued in the most recent four consecutive quarters
- Insurance issued grew 74% y/y YTD through 9/30/24



Over 40% of the \$877M insurance issued in YTD through 9/30/24 driven by strong sales of our new domestic final expense products.

# REVENUE GROWTH DRIVERS: OUR LIFE INSURANCE SEGMENT

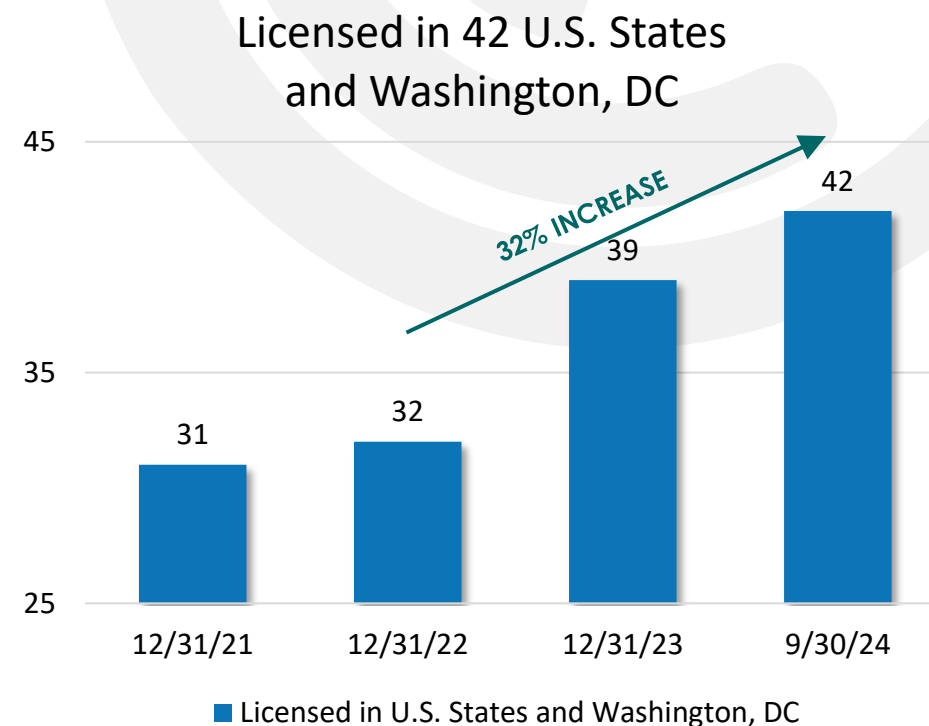
## *STRONG EXECUTION ON OUR ADVANTAGES IN GROWING NICHE MARKETS GLOBALLY*

### U.S. Domestic growth drivers:

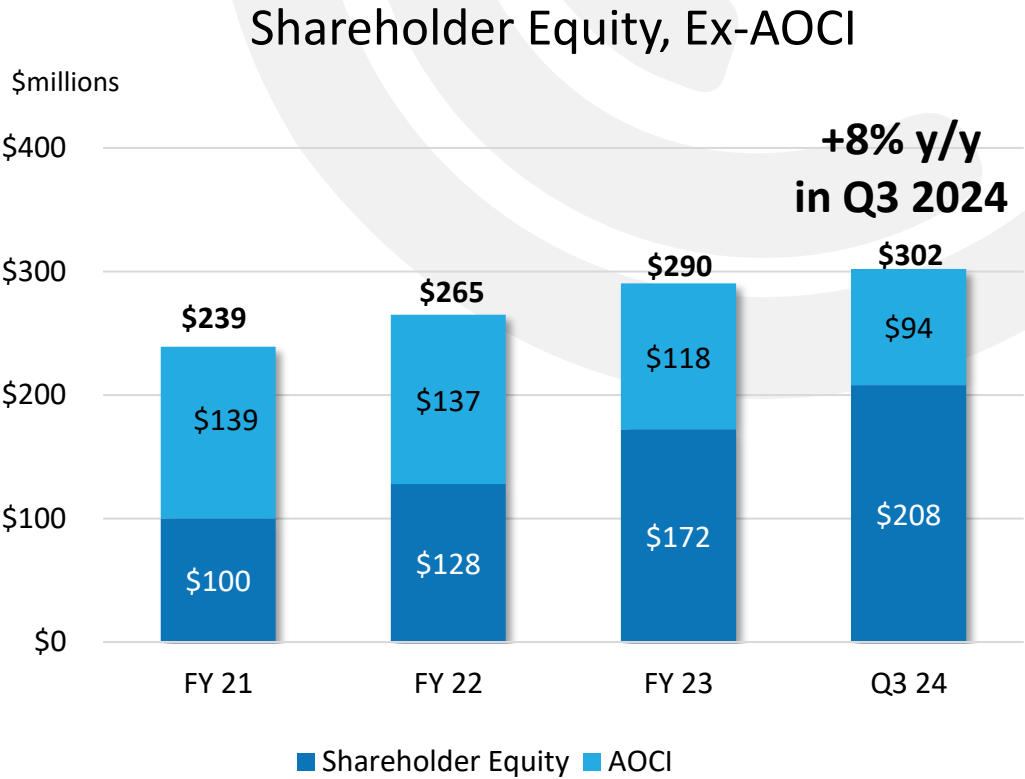
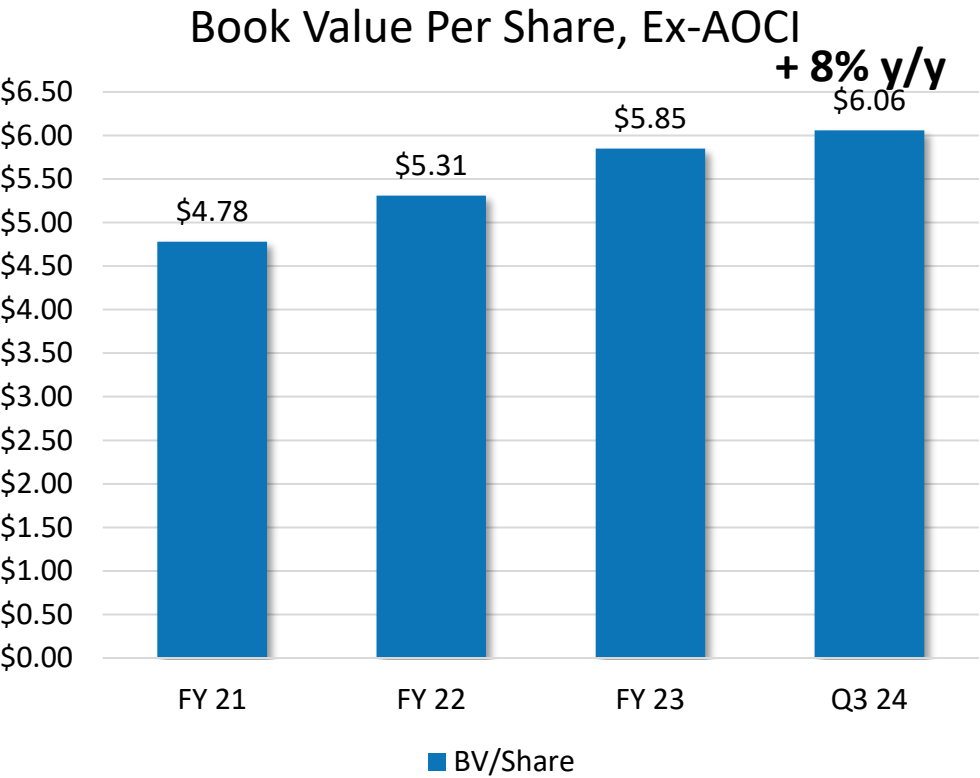
- Increased licenses to 42 underpenetrated U.S. states and Washington, DC
- New final expense products
- Added white-labeled products that deliver unique products to established fast-growing distribution channels
  - Latin American markets in U.S. are our focus
- Simplified sales process and training
- Developed agent and client servicing platforms that drives efficiency
- Added established fast-growing distribution channels
- Rapid expansion of producing agents

### International growth drivers:

- Strong demand for U.S. dollar-denominated whole life products internationally, continues as an important growth driver
- Streamlined sales process and training
- Increased penetration in new and existing countries served; Latin American life insurance is compelling
- Cross-selling opportunities



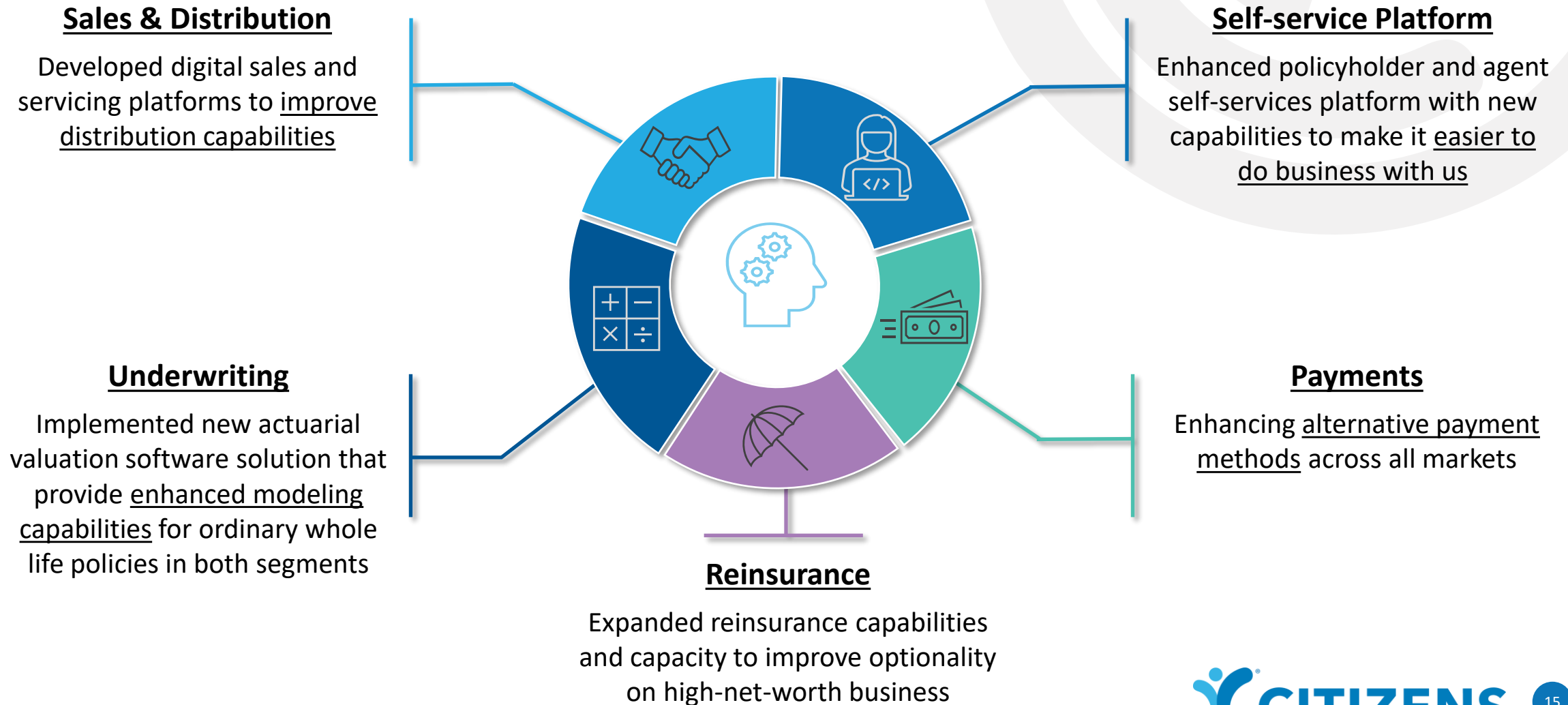
# SHAREHOLDER RETURNS





# PROCESS IMPROVEMENTS & TECHNOLOGY DRIVES EFFICIENCY

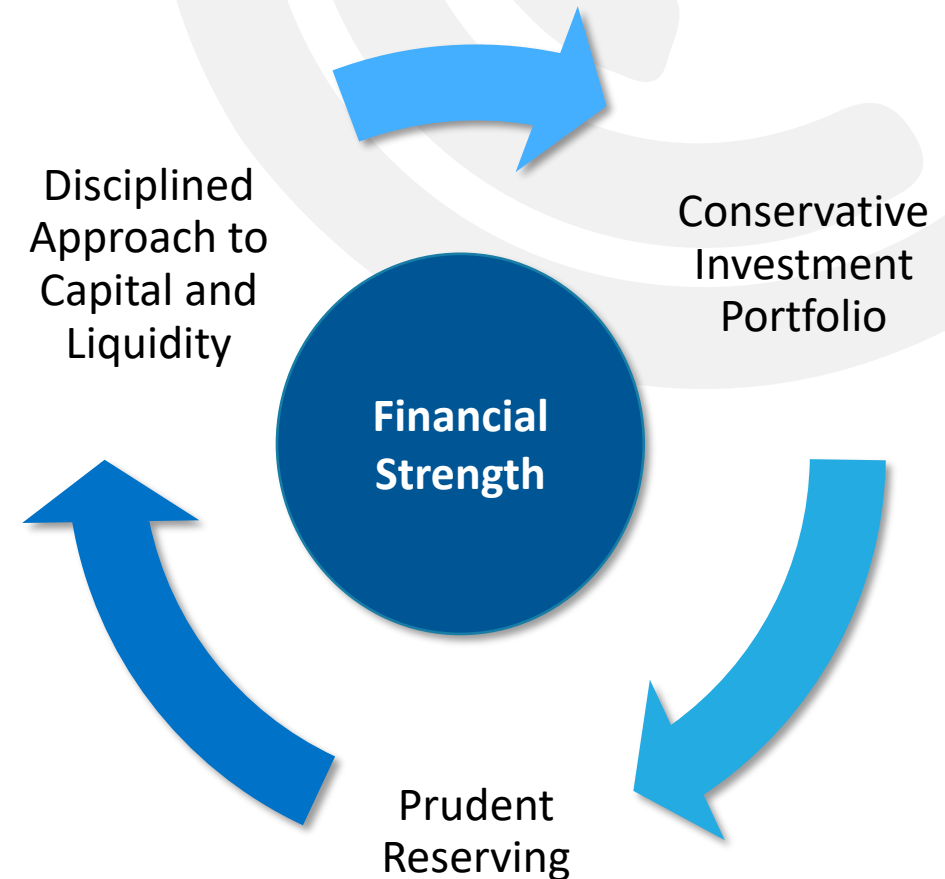
## *MAKING IT EASIER TO DO BUSINESS WITH CITIZENS*



# Financial Overview

# LOW RISK PROFILE AND FINANCIAL STRENGTH

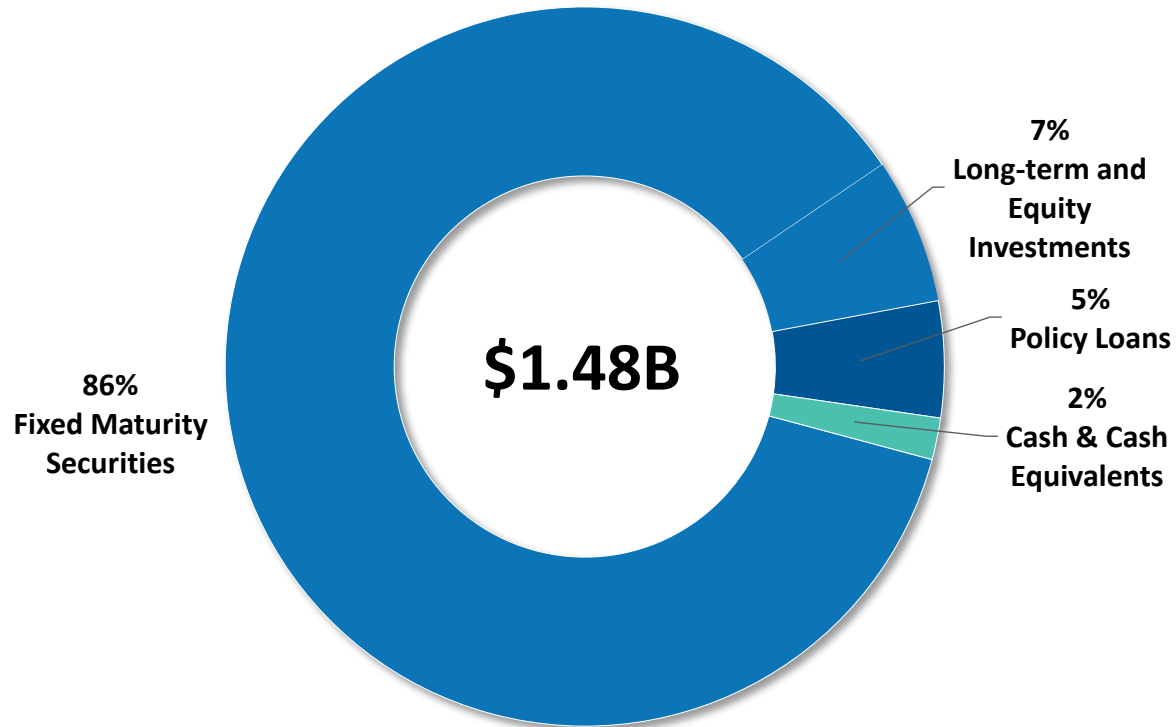
- Low risk business model with traditional products and conservative investment approach
- Strong balance sheet underpinned by a prudent approach to:
  - Investment portfolio mix
  - Prudent reserving
  - Capital and liquidity
- Reinsure business with large global reinsurers



# INVESTMENT PORTFOLIO

## *HIGH-QUALITY AND WELL-DIVERSIFIED*

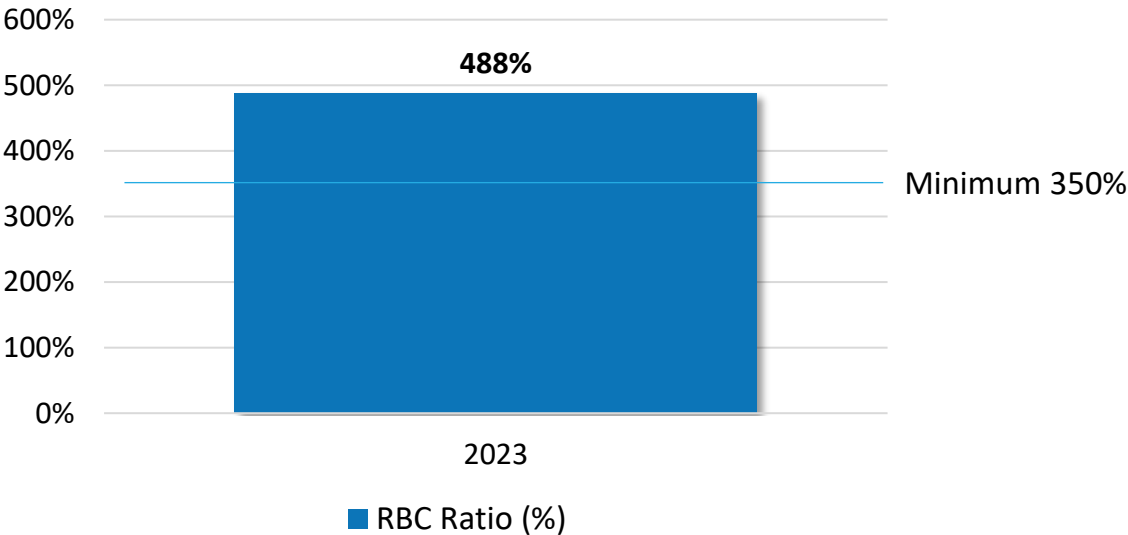
Cash and Invested Assets (Q3 2024)



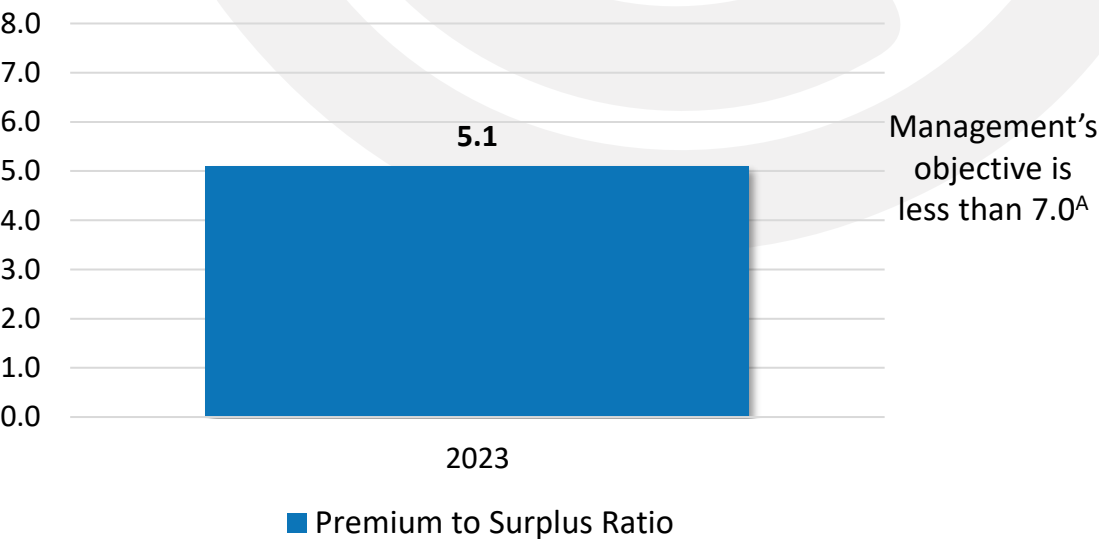
- Fixed income and cash securities represent 88% of the investment portfolio
- 99% of fixed income investments rated investment grade
- Annualized investment yield of 4.6%
- Diversified across asset class, sector, and issuer/borrower
- A average credit rating

# CAPITAL ADEQUACY AND LIQUIDITY

Risk Based Capital Ratio (%)  
(TAC/ACL RBC)



Our Puerto Rico Company  
Capital Ratio



<sup>A</sup>Our lower ratio of 5.1 is more conservative.

## Capital Position and Liquidity Strength

- A.M. Best Financial Strength Rating B++; Balance Sheet – (Very Strong) issued on CICA Life Insurance Company of America affirmed August 2024
- Parent company cash and cash equivalents totaling ~\$21 million
- Consistently have net cash provided from operating activities
- Access to \$20 million line of credit

# FINANCIAL HIGHLIGHTS FOR Q<sub>3</sub>

## GAAP Financial Results

As of and for the periods ended  
(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Total Revenues</b>	\$ 61,731	\$ 59,390	\$ 181,527	\$ 173,831
<b>Net income</b>	2,790	2,698	11,291	13,696
<b>Diluted EPS</b>	0.05	0.05	0.22	0.27
<b>Stockholders' equity, end of period</b>	207,573	152,747	207,573	152,747
<b>Book value per Class A common share</b>	4.16	3.08	4.16	4.16

## Adjusted Operating Financial Results

As of and for the periods ended  
(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Income (loss) before federal income tax</b>	\$ 3,037	\$ 4,641	\$ 11,264	\$ 17,400
Total Adjustments	(824)	1,051	2,037	1,641
<b>Adjusted income (loss) before federal income tax<sup>1</sup></b>	2,213	5,692	13,301	19,041
<b>Adjusted Stockholders' equity, end of period<sup>2</sup></b>	302,256	279,414	302,256	279,414
<b>Adjusted Book value per Class A common share<sup>2</sup></b>	6.06	5.63	6.06	5.63

## Performance Highlights

- Premium revenues increased in the most recent three consecutive quarters and Total Revenues increased 4% to \$61.7 million in Q3 2024 driven by new business
- Book value per share (GAAP) grew 35% y/y, and book value per share excluding AOCI grew 8% y/y

<sup>1,2</sup>Additional information and disclosures related to Adjusted Operating Financial Results can be found in the appendix under the heading "Explanatory Notes on Use of Non-GAAP Measure."





**INSURANCE IS**

**A PROMISE KEPT.**

# Appendix

## Explanatory Notes on Use of Non-GAAP Measures

### <sup>1</sup>Adjusted Operating Income

Adjusted Operating Income is a non-GAAP measure that is computed as pre-tax GAAP operating income, excluding net investment related gains (losses) and unusual one-time items. Management believes that this metric is meaningful, as it allows investors to evaluate underlying profitability and enhances comparability across periods, by excluding items that are heavily impacted by investment market fluctuations and other economic factors and are not indicative of operating trends. Management believes that the pre-tax metric is a more useful comparison than the post-tax metric, as the Company's effective tax rate can fluctuate significantly from quarter-to-quarter.

#### Reconciliation of Adjusted Income (Loss) Before Federal Income Tax

For the periods ended <i>Unaudited (In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Income (loss) before federal income tax</b>	\$ 3,037	4,641	\$ 11,264	17,400
Less:				
Investment related gains (losses)	827	(892)	1,537	(477)
Property insurance business income (loss)	(3)	(159)	(74)	(1,164)
Legal fee accrual	—	—	(3,500)	—
<b>Adjusted income (loss) before federal income tax</b>	<u>\$ 2,213</u>	<u>5,692</u>	<u>\$ 13,301</u>	<u>19,041</u>

## Explanatory Notes on Use of Non-GAAP Measures, Continued

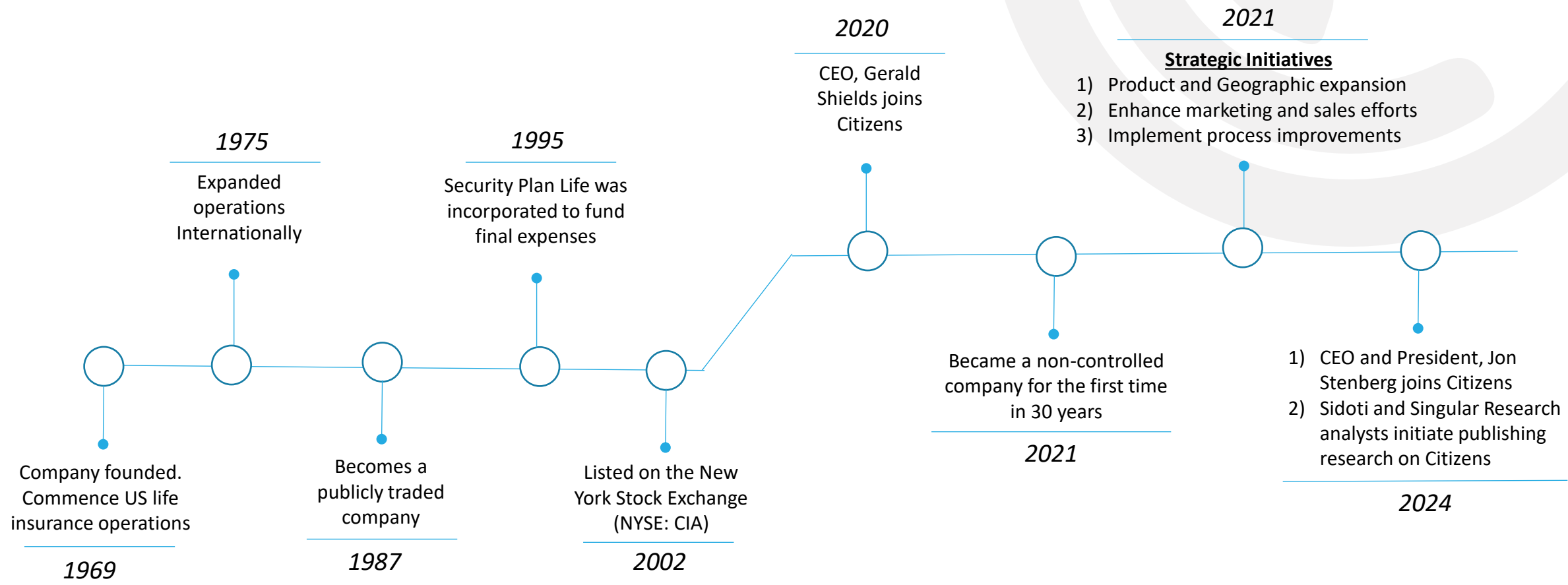
### <sup>2</sup>Adjusted Book Value Per Class A Common Share

Adjusted book value per Class A common share is a non-GAAP measure that is calculated by dividing actual Class A common stockholders' equity, excluding AOCI, by the number of Class A common shares outstanding at the end of the period. Management believes this metric is meaningful, as it allows investors to evaluate underlying book value growth by excluding the impact of interest rate volatility

#### Reconciliation of Stockholders' Equity and Book Value Per Class A Common Share

<i>Unaudited (In thousands, except per share data)</i>	<b>As of September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Stockholders' equity, end of period</b>	\$ 207,573	152,747
Less: Accumulated other comprehensive income (loss) (AOCI)	(94,683)	(126,667)
<b>Stockholders' equity, end of period, excluding AOCI</b>	<u>\$ 302,256</u>	<u>279,414</u>
<b>Book value per Class A common share - diluted</b>	\$ 4.16	3.08
Less: Per share impact of AOCI	(1.90)	(2.55)
<b>Book value per Class A common share - diluted, excluding AOCI</b>	<u>\$ 6.06</u>	<u>5.63</u>

# COMPANY TIMELINE



# DEDICATED & EXPERIENCED MANAGEMENT TEAM

## INTERDISCIPLINARY TEAM WITH BROAD CAPABILITIES

**JON STENBERG**  
CEO and President

**CEO and  
PRESIDENT**  
Since 2024

**MATT LEWIS**  
Vice President, Operations

**VP  
OPERATIONS**  
Since 2024

**JEFFERY P. CONKLIN**  
Vice President, Chief Financial Officer and  
Treasurer, Chief Investment Officer

**CFO Since  
2019**

**SHERYL KINLAW**  
Vice President, Chief Legal Officer and Secretary

**CLO Since  
2021**

**ROBERT M. MAULDIN, III**  
Vice President, Chief Marketing Officer

**CMO Since  
2017**

**HARVEY J. L. WAITE**  
Vice President, Chief Actuary

**Chief Actuary  
Since 2017**