

CHAIRMAN'S STATEMENT

The Sagicor Group of Companies recorded net income of US \$23.1 million for the six months ended June 30, 2010. Net income attributable to shareholders amounted to US \$12.4 million, earnings per share totaled US 4.3 cents, and the annualised return on shareholders' equity was 4.6%.

For the corresponding six months in 2009, the Group recorded net income of US \$40.4 million and net income attributable to shareholders amounted to US \$23.0 million.

As we reported in the first quarter's results, the Group's net income was adversely affected by insurance losses arising from the February 27 Chilean Earthquake. Following a further review of all individual client exposures, the estimate of total losses for this catastrophic event was increased to US \$10.4 million, net of reinsurance. Were it not for the provisions for this catastrophe, net income to shareholders for the period would have been level with the previous year.

Revenue totaled US \$587.7 million in 2010, and is approximately level with that recorded in 2009. Premium revenue was US \$411.3 million, recording a 1% reduction when compared to 2009's. Sagicor at Lloyd's operations significantly increased its premium revenue, while in contrast life and annuity single premiums in the USA were significantly less than in 2009. Net investment and other income totaled US \$176.4 million, recording a 3% increase when compared to 2009's.

Total benefits recorded were US \$354.2 million for the period, an overall reduction of US \$5.8 million over the corresponding total in 2009. The reduction in single premium life and annuity premium resulted in lower benefits, outweighing the increase in claims arising from the Chilean Earthquake and benefit increases in other markets.

Expenses for the period totaled US \$201.6 million, an increase of 12% over the corresponding total in 2009. Expenses incurred for insurance commissions and

administrative expenses increased as a result of growth in premium revenue at Sagicor at Lloyd's.

Total comprehensive income consists of net income plus other gains and losses (including reclassification adjustments) that are not recognised in the income statement. Sagicor recorded total comprehensive income of US \$58.3 million for the period. The Group's mark to market investments in Jamaica and the USA continued to experience fair value gains. The share of total comprehensive income for the period attributable to shareholders was US \$33.3 million.

In the statement of financial position, total assets reached US \$4.7 billion, an increase of US \$231.2 million from the beginning of the period. Total equity reached US \$726.8 million, an increase of US \$45.3 million from the beginning of the period. Of this, shareholders' equity increased by US \$28.3 million.

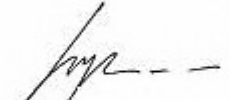
The Directors have declared an interim dividend of US 2 cents per share.

Subsequent to the end of the period in July 2010, A.M. Best, the insurance rating agency, reduced the credit ratings of Sagicor Life Inc and Sagicor Life Jamaica because of the economic and fiscal situation in Jamaica. Sagicor Life Inc's financial strength rating, which is the principal rating of the Group, was reduced one

notch to "A- (Excellent)". A.M. Best in its release also acknowledged the Sagicor Group's positive earnings performance, strong name recognition in the Caribbean and overall more than adequate risk adjusted capital.

The global financial and economic environment continues to present many challenges. While there are some signs of improvement, there is still considerable uncertainty as to the sustainability of the global and Caribbean regional economic recoveries. At Sagicor, we continue to experience improvements in the fair value of our investment portfolio and to enjoy growth in most of our business segments. We remain committed to the growth and development of our Caribbean markets, including Jamaica, where the government has taken steps, with the assistance of international institutions, to put the economy on a sounder footing. The Board of Directors and Management are encouraged that the Group continues to perform reasonably well in this economic climate.

We sincerely thank our policyholders, clients, staff, insurance advisors and business partners for their continued and valued support to Sagicor over the period.



Stephen McNamara
Chairman

FINANCIAL HIGHLIGHTS	June 30, 2010	June 30, 2009
Group net income	US \$23.1m	US \$40.4m
Total Group comprehensive income	US \$58.3m	US \$52.9m
Net income attributable to shareholders	US \$12.4m	US \$23.0m
Total comprehensive income attributable to shareholders	US \$33.3m	US \$41.2m
Annualised income return on shareholders' equity	4.6%	10.1%
Annualised comprehensive income return on shareholders' equity	12.5%	18.5%
Shareholders' equity	US \$565.2m	US \$483.4m
Revenue	US \$587.7m	US \$587.0m

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SAGICOR FINANCIAL CORPORATION

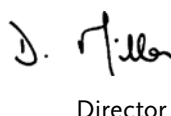
Amounts expressed in US \$000

	June 30 2010	December 31 2009
	(unaudited)	(audited)
ASSETS		
Financial investments	3,452,810	3,274,442
Other investments and assets	1,238,394	1,185,530
Total assets	4,691,204	4,459,972
LIABILITIES		
Policy liabilities	2,495,744	2,418,697
Other liabilities	1,468,688	1,359,847
Total liabilities	3,964,432	3,778,544
EQUITY		
Shareholders' equity	565,230	536,941
Participating accounts	5,879	6,984
Minority interest	155,663	137,503
Total equity	726,772	681,428
Total liabilities and equity	4,691,204	4,459,972

These financial statements have been approved for issue by the Board of Directors on August 10, 2010.



Director



Director

CONSOLIDATED STATEMENT OF INCOME

SAGICOR FINANCIAL CORPORATION

Amounts expressed in US \$000

	Six months ended June 30		Three months ended June 30	
	2010	2009	2010	2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
REVENUE				
Net premium revenue	411,277	415,972	214,010	249,788
Net investment and other income	176,417	171,002	81,146	87,231
Total revenue	587,694	586,974	295,156	337,019
BENEFITS AND EXPENSES				
Benefits	354,214	360,013	177,015	225,598
Expenses	201,628	180,078	103,479	86,037
Total benefits and expenses	555,842	540,091	280,494	311,635
INCOME BEFORE TAXES	31,852	46,883	14,662	25,384
Income taxes	(8,715)	(6,480)	(4,051)	(2,746)
NET INCOME FOR THE PERIOD	23,137	40,403	10,611	22,638
NET INCOME ATTRIBUTABLE TO:				
Shareholders	12,446	23,041	6,486	12,503
Participating policyholders	(1,307)	1,601	(894)	2,422
Minority interest	11,998	15,761	5,019	7,713
	23,137	40,403	10,611	22,638
Net income attributed to shareholders - EPS				
Basic earnings per common share	4.3 cents	8.3 cents	2.2 cents	4.5 cents
Fully diluted earnings per common share	4.3 cents	8.3 cents	2.2 cents	4.5 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SAGICOR FINANCIAL CORPORATION

Amounts expressed in US \$000

	Six months ended June 30		Three months ended June 30	
	2010 (unaudited)	2009 (unaudited)	2010 (unaudited)	2009 (unaudited)
NET INCOME FOR THE PERIOD	23,137	40,403	10,611	22,638
OTHER COMPREHENSIVE INCOME				
Changes in fair value reserves:				
Owner occupied property	40	-	40	-
Available for sale financial assets	32,626	22,195	3,948	35,032
Cash flow hedges	192	234	1	(10)
	32,858	22,429	3,989	35,022
Retranslation of foreign currency operations	2,418	(9,910)	8,629	9,451
Other items	(145)	-	(145)	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	35,131	12,519	12,473	44,473
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	58,268	52,922	23,084	67,111
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders	33,301	41,194	14,041	51,455
Participating policyholders	(976)	1,474	(856)	2,419
Minority interest	25,943	10,254	9,899	13,237
	58,268	52,922	23,084	67,111

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SAGICOR FINANCIAL CORPORATION

Amounts expressed in US \$000

	Six months ended June 30, 2010 (unaudited)					Total
	Share Capital	Reserves	Retained Earnings	Participating Accounts	Minority Interest	
Balance, beginning of period	278,252	(38,238)	296,927	6,984	137,503	681,428
Total comprehensive income	-	20,855	12,446	(976)	25,943	58,268
Minority interest disposed	-	-	-	-	(3,503)	(3,503)
Dividends declared	-	-	(5,794)	-	(4,607)	(10,401)
Other movements	(139)	1,381	(460)	(129)	327	980
Balance, end of period	278,113	(16,002)	303,119	5,879	155,663	726,772

	Six months ended June 30, 2009 (unaudited)					Total
	Share Capital	Reserves	Retained Earnings	Participating Accounts	Minority Interest	
Balance, beginning of period	258,153	(85,272)	274,870	12,499	121,397	581,647
Total comprehensive income	-	18,153	23,041	1,474	10,254	52,922
Issue of shares	-	-	-	-	383	383
Dividends declared	-	-	(5,553)	-	(5,138)	(10,691)
Other movements	-	(35)	26	(131)	-	(140)
Balance, end of period	258,153	(67,154)	292,384	13,842	126,896	624,121

CONSOLIDATED STATEMENT OF CASH FLOWS

SAGICOR FINANCIAL CORPORATION

Amounts expressed in US \$000

	Six months ended June 30	
	2010 (unaudited)	2009 (unaudited)
CASH FLOWS		
Operating activities	(48,094)	96,123
Investing activities	(5,976)	(6,643)
Financing activities	(5,029)	(2,617)
Effects of exchange rate changes	(8,686)	6,962
Net change in cash and cash equivalents	(67,785)	93,825
Cash and cash equivalents, beginning of period	324,985	226,852
Cash and cash equivalents, end of period	257,200	320,677

NOTE TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting policies set out in note 2 of the December 31, 2009 audited financial statements.