



NOTICE TO SAGICOR SHAREHOLDERS

The Annual Meeting of Sagicor Financial Corporation was held on Friday, August 11, 2006.

2005 Performance

Chairman Arthur Bethell said that 2005 was the most profitable year in the Group's 165 year history and highlighted the performance of the Sagicor Group in 2005.

By the end of 2005, the Group's Total Assets increased by 105% from Bds \$3.1 billion to Bds \$6.4 billion and Total Equity stood at Bds \$993.6 million compared to Bds \$759.8 million at the end of 2004. Total Revenue of the Group increased by 40.6% to Bds \$1.2 billion and Net Earnings for the year amounted to Bds \$199.6 million, 174% higher than the previous year.

Mr Bethell explained that the most significant factors influencing the 2005 results were the five acquisitions the Group made during the year. Through these acquisitions, the Sagicor Group strengthened its position in its core Caribbean markets and has diversified its earnings base through expansion into the United States with insurance licences in 41 states.

The Chairman said that he was extremely pleased to report that subsequent to year end, Standard and Poor's gave Sagicor Life, the principal operating subsidiary, a financial strength investment grade rating of BBB+.

A M Best not only affirmed Sagicor Life's financial strength rating of "A" (Excellent) and its issuer credit rating of "A", but Life of Jamaica (LOJ) the Jamaican subsidiary, was also assigned a similar rating for the first time.

These ratings, he said, demonstrated the financial strength and operating capability of the Group and its commitment to a high standard of Corporate Governance.

Removal of 5% Restriction

Shareholders approved a Special Resolution to remove the restriction limiting any single shareholder to owning a maximum of 5%, and to retain a 20% single shareholder limit. These changes provide greater flexibility to engage in strategic acquisitions.

Election of Directors

Four Directors' terms of office came to an end, **Mr Arthur Bethell, Dr Oscar Jordan, Mrs Vivian-Anne Gittens and Mr Stephen McNamara**. Mrs Gittens had previously indicated that she would not be seeking re-election due to work commitments and **Mrs Joyce Dear** was nominated to replace her.

Mr Arthur Bethell, Dr Oscar Jordan, Mr Stephen McNamara and Mrs Joyce Dear were elected as Directors.

Chairman Arthur Bethell placed on record the Group's appreciation of Mrs Gittens' service as a Director of Sagicor Financial Corporation and Sagicor Life. Mrs Gittens, he said, joined the Board of Sagicor Life Inc, then Barbados Mutual, in 1989 as the first female Director and at an important time when, as a mutual company, policyholders were demanding wider representation at the board level. Mrs Gittens has made a significant contribution during her tenure and has passionately shared in Sagicor's vision.