

CHAIRMAN'S STATEMENT

The Sagicor Group of Companies recorded a commendable performance for the three months ended March 31st 2009, despite a business environment which continues to be challenging. Net income for the quarter amounted to US \$17.8 million compared to US \$20.0 million for the same quarter last year. When one excludes the gain on acquisition of US \$5.1 million from the 2008 revenue, the 2009 results represent a growth of 19.0% over the same period in 2008.

Net income attributable to shareholders was US \$10.5 million compared to US \$8.4 million (excluding the 2008 gain on acquisition). Earnings per share for the three months totaled US \$3.8 cents and the annualized return on shareholders' equity was 9.7%.

Total revenue for the period reached US \$250.0 million representing an increase of US \$24.5 million over the corresponding three months of 2008, with premium revenue being mainly responsible for the growth. Net premium revenue increased by 19.6% over 2008 to reach US \$166.2 million for the period. This increase was largely attributable to the growth in our US and UK operations whose contribution to premium has increased by US \$25.3 million. Premium revenue from the traditional Caribbean markets remained flat, reflecting the prevailing economic circumstances in these territories. Our US and UK operations now account for 36.5% of total premium, up from 25.5% for the same period of 2008. This is consistent with our strategy to diversify our operations away from complete reliance on potentially vulnerable Caribbean markets. However the impact on net income is expected to be slower as these new operations are still in their developmental stage.

Investments and other income, at US \$83.8 million, recorded a slight increase over the previous year's total of US \$81.3 million. Investment income experienced a small decline due to the lack of gains in the equity markets while fees and other income registered an increase.

Total benefits recorded were US \$134.4 million for the three months, an increase of US \$16.4 million. This was mainly due to the growth in business from our US and UK operations. Expenses totaled US \$94.0 million for the period, an increase of US \$11.1 million; the main reasons being the increased commission expense of US \$6.0 million in our UK operation in line with its revenue growth, and the reorganization cost of US \$3.0 million within our Caribbean operations.

Total assets as of March 31, 2009 amounted to US \$3,945.1 million and total liabilities US \$3,389.2 million, resulting in total equity of US \$555.9 million. With the continued difficulties in the international and regional financial markets, the market values of some of our financial assets continue to be impacted. The decline in value of our available for sale securities during the period was US \$12.2 million compared to US \$19.8 million for the same period last year. However, the mark to market losses of the financial investments in our US operations, after declining throughout 2008, have abated in the first quarter of 2009, as that market is showing signs of improving. Foreign exchange translation losses, net of exchange gains, primarily from our Jamaica operations, amounted to US \$14.9 million of which the gain of US \$4.5 million was recorded in income while the translation loss of US \$19.4 million went directly to the Equity Statement.

Sagicor continues to enjoy strong financial ratings from Standard and Poor's (BBB+) and A.M. Best & Company ("A" Excellent). Both ratings received an outlook

change from stable to negative reflecting the Group's exposure to the weak Jamaica economy. Sagicor remains committed to its Jamaica operations, which has contributed to the Group's performance and success over the years. We nevertheless have been implementing strategies to minimize our relative exposure to Jamaica and to minimize the impact on our overall financial performance.

The first three months of 2009 saw a continuation of the challenging financial and economic environment from the previous year. Uncertainty continues in the financial markets with declining equity prices and market spreads on debt securities increasing. Currencies, particularly in some Caribbean markets, continue to decline against the US dollar. Your Board and Management continue to adopt conservative and prudent strategies designed to protect our balance sheet and strengthen internal operating capability while delivering credible performance.



Terrence A Martins

Chairman

May 28, 2009

FINANCIAL HIGHLIGHTS	March 31, 2009	March 31, 2008
Group net income	US \$17.8m	US \$20.0m
Net income attributable to shareholders	US \$10.5m	US \$13.5m
Annualised return on shareholders' equity	9.7%	11.9%
Shareholders' equity	US \$431.1m	US \$463.5m
Revenue	US \$250.0m	US \$225.4m

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SAGICOR FINANCIAL CORPORATION

Amounts expressed in US \$000

	March 31 2009 (unaudited)	December 31 2008 (audited)
ASSETS		
Financial investments	2,786,250	2,879,466
Other investments and assets	1,158,854	1,099,850
Total assets	3,945,104	3,979,316
LIABILITIES		
Policy liabilities	2,120,372	2,103,247
Other liabilities	1,268,792	1,294,422
Total liabilities	3,389,164	3,397,669
EQUITY		
Shareholders' equity	431,106	447,751
Participating accounts	11,488	12,499
Minority interest	113,346	121,397
Total equity	555,940	581,647
Total liabilities and equity	3,945,104	3,979,316

These financial statements have been approved for issue by the Board of Directors on May 28, 2009.



Director



Director

CONSOLIDATED INCOME STATEMENT

SAGICOR FINANCIAL CORPORATION

Amounts expressed in US \$000

	Three months ended March 31	
	2009 (unaudited)	2008 (unaudited)
REVENUE		
Net premium revenue	166,184	138,939
Net investment and other income	83,771	81,385
Net gains arising on acquisitions	-	5,104
Total revenue	249,955	225,428
BENEFITS AND EXPENSES		
Benefits	134,415	118,060
Expenses	94,041	82,988
Total benefits and expenses	228,456	201,048
INCOME FROM ORDINARY ACTIVITIES	21,499	24,380
Income taxes	(3,734)	(4,359)
NET INCOME FOR THE PERIOD	17,765	20,021
NET INCOME ATTRIBUTABLE TO:		
Shareholders	10,538	13,499
Participating policyholders	(821)	267
Minority interest	8,048	6,255
	17,765	20,021
Net income attributed to shareholders - EPS		
Basic earnings per common share	3.8 cents	4.9 cents
Fully diluted earnings per common share	3.8 cents	4.9 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SAGICOR FINANCIAL CORPORATION

Amounts expressed in US \$000

	Three months ended	
	March 31	
	2009	2008
	(unaudited)	(unaudited)
NET INCOME FOR THE PERIOD	17,765	20,021
OTHER COMPREHENSIVE INCOME:		
Changes in fair value reserves:		
Owner occupied property	-	1,104
Available for sale financial assets	(12,837)	(28,271)
Cash flow hedges	244	-
	(12,593)	(27,167)
Retranslation of foreign currency operations	(19,361)	(1,814)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	(31,954)	(28,981)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(14,189)	(8,960)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Shareholders	(10,261)	(7,029)
Participating policyholders	(945)	256
Minority interest	(2,983)	(2,187)
	(14,189)	(8,960)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SAGICOR FINANCIAL CORPORATION

Amounts expressed in US \$000

	Three months ended March 31, 2009					
	(unaudited)					
	Share Capital	Reserves	Retained Earnings	Participating Accounts	Minority Interest	Total
Balance, beginning of period	258,153	(85,272)	274,870	12,499	121,397	581,647
Total comprehensive income /(loss) for the period	-	(20,799)	10,538	(945)	(2,983)	(14,189)
Issue of shares	-	-	-	-	220	220
Dividends declared	-	-	(5,553)	-	(5,273)	(10,826)
Other movements	-	(877)	46	(66)	(15)	(912)
Balance, end of period	258,153	(106,948)	279,901	11,488	113,346	555,940
	Three months ended March 31, 2008					
	(unaudited)					
	Share Capital	Reserves	Retained Earnings	Participating Accounts	Minority Interest	Total
Balance, beginning of period	231,695	21,735	201,744	9,396	122,137	586,707
Total comprehensive income /(loss) for the period	-	(20,528)	13,499	256	(2,187)	(8,960)
Issue of shares	25,800	-	-	-	272	26,072
Minority interest acquired	-	-	-	-	13,485	13,485
Dividends declared	-	-	(11,087)	-	(5,869)	(16,956)
Other movements	-	268	419	(66)	(93)	528
Balance, end of period	257,495	1,475	204,575	9,586	127,745	600,876

CONSOLIDATED CASH FLOW STATEMENT

SAGICOR FINANCIAL CORPORATION

Amounts expressed in US \$000

	Three months ended	
	March 31	
	2009	2008
	(unaudited)	(unaudited)
CASH FLOWS		
Operating activities	62,276	25,449
Investing activities	(2,855)	693
Financing activities	(9,830)	12,160
Effects of exchange rate changes	(5,997)	(872)
Net change in cash and cash equivalents	43,594	37,430
Cash and cash equivalents, beginning of period	226,852	113,492
Cash and cash equivalents, end of period	270,446	150,922

NOTE TO THE FINANCIAL STATEMENT

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, 2008 audited financial statements.