CHAIRMAN’S STATEMENT

The Sagicor Group of companies recorded a commendable performance for the nine months ended September 30, 2009. Earnings per share totalled 12.9 US cents compared to 19.8 US cents in 2008. The annualised return on shareholders’ equity was 10.4%, against 17.4% for 2008, when the ratio benefited also from a decline in shareholders’ equity. Group net income for the period amounted to US $60.3 million, compared to US $74.1 million for the corresponding period in 2008. Net income attributable to shareholders was US $36.0 million compared to US $54.8 million for 2008.

Adjusting for exceptional items as follows:

(i) a foreign exchange loss in 2009 of US $7.8 million arising from the retranslation of net non-monetary liabilities at historic exchange rates rather than current exchange rates,
(ii) the acquisition gain on Barbados Farms of US $4.6 million in 2008,
(iii) the uplift in investment income from the disposal of the RBTT shares of approximately US $5 million in 2008,

the adjusted shareholder results are as follows:

<table>
<thead>
<tr>
<th>September 30, 2009</th>
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</thead>
<tbody>
<tr>
<td>Adjusted net income attributable to shareholders</td>
<td>US $44.7m</td>
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<td>Adjusted earnings per share</td>
<td>16.1 US cents</td>
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Our Caribbean divisions generated net income to shareholders of US $49.5 million, compared to an adjusted US $50.7 million for 2008 (US $60.3 million non-adjusted).

Our International division, which includes our USA and UK operations and our Property & Casualty business, generated an adjusted profit of US $14.0 million for the nine months ended September 30, 2009. The USA operations contributed a foreign exchange loss of US $8.7 million for 2009, up by 50% from US $3.74 million in 2008. This is a consequence of the increased business from the USA and UK operations and the acquisition of the business of Blue Cross in Jamaica. Expenses increased by 13% over 2008, reflecting the growth in the operating activity of the Group.

One significant feature during the period has been the continuing reversal of mark-to-market losses on available for sale financial assets. For the nine months under review, there was an unrealised net increase in the fair value of available for sale investments of US $57.9 million. This is to be compared with unrealised fair value losses of US $36.6 million for the same period last year. These are positive signs that the financial markets are stabilising as the effect of the financial crisis and the global recession begin to ease internationally. We continue to record foreign exchange translation losses on our Jamaica operations as the Jamaican dollar depreciated against the US dollar. However, there have been partially offset by foreign exchange translation gains from the pound sterling, which has appreciated against the dollar in 2009.

Total Group comprehensive income for the period, which includes the foregoing fair value and currency movements, amounted to US $100.0 million, compared with a comprehensive loss of US $20.8 million for 2008. As a result, total Group Equity amounted to US $512.9 million, up by 50% from US $374.6 million in 2008. This is a consequence of the increased business from the USA and UK operations, together with the positive impact of the acquisition of the business of Blue Cross in Jamaica at the end of 2008, accounted for the significant growth in net premium revenue.

Net investment and other income at US $271.7 million was 8% above that in 2008.

Benefits for the period under review reached US $560.4 million, up by 50% from US $374.6 million in 2008. This is a consequence of the increased business from the USA and UK operations and the acquisition of the business of Blue Cross in Jamaica. Expenses increased by 13% over 2008, reflecting the growth in the operating activity of the Group.

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Total assets reached US $4.4 billion, up from US $3.9 billion as at the beginning of 2008, an increase of US $577.4 million. As a result, total Group Equity amounted to US $100.0 million, compared with a comprehensive loss of US $20.8 million for 2008. As a result, total Group Equity amounted to US $512.9 million, up by 50% from US $374.6 million in 2008. This is a consequence of the increased business from the USA and UK operations, together with the positive impact of the acquisition of the business of Blue Cross in Jamaica at the end of 2008, accounted for the significant growth in net premium revenue.

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Accordingly, Sagicor continues to perform well in the USA and the UK. We believe that these results are a consequence of the increased business from the USA and UK operations, together with the positive impact of the acquisition of the business of Blue Cross in Jamaica at the end of 2008, accounted for the significant growth in net premium revenue.

The Sagicor Group of companies recorded a commendable performance for the nine months ended September 30, 2009. Earnings per share totalled 12.9 US cents compared to 19.8 US cents in 2008. The annualised return on shareholders’ equity was 10.4%, against 17.4% for 2008, when the ratio benefited also from a decline in shareholders’ equity. Group net income for the period amounted to US $60.3 million, compared to US $74.1 million for the corresponding period in 2008. Net income attributable to shareholders was US $36.0 million compared to US $54.8 million for 2008.

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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.