

SAGICOR FINANCIAL CORPORATION

INTERIM RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2004



Wise Financial Thinking for Life

CHAIRMAN'S REVIEW

I am pleased to present our review of the financial statements of the Sagicor Group for the first quarter of 2004.

The economic outlook continues to be positive in the major economies where we do business. Real economic growth in Barbados for the first quarter is estimated at 3% for the year largely driven by growth in the tourism sector.

In Jamaica, real economic growth is forecast for 2004, with the tourism and bauxite sectors leading the way. The Jamaican dollar has been stable during the period at approximately J\$60 to US\$1.

In Trinidad and Tobago, the economy is expected to grow by over 5% driven by a very buoyant energy sector.

The stock markets in the region have been active with quoted prices rising appreciably in some instances. The "All Jamaica Composite" index has increased over the period by 69%.

In Trinidad, the "All TT Index" increased by 23%. By comparison, in Barbados the BSE Index recorded a modest 6% growth for the period.

The appreciation in stock market prices has contributed an approximate increase of \$60 million dollars in the shareholders' equity of the company. At March 31, 2004, shareholders' equity totalled Bds \$650 million, compared to Bds \$574 million at December 31, 2003.

The Group's performance for the first quarter of 2004 has been encouraging. Net income for the period was Bds \$15.2 million, of which Bds \$14.9 million is attributable to shareholders. This represents an earnings per share of 6 cents and is exactly on track with our earnings forecast of 24 cents per share in our December 2002 share prospectus.

Revenue during the period reached Bds \$193 million, an increase of Bds \$23 million over the corresponding period in 2003. Both premium and investment income have recorded growth.

Benefits and expenses amounted at Bds \$172 million for the period. While policy benefits incurred and the amounts set aside for future policy benefits have increased, our expenses have declined some 5% over the corresponding period in 2003. This decline is a result of certain non-recurring costs incurred in 2003.

At March 31, 2004 the Group's assets had increased by Bds \$126 million to Bds \$2.9 billion, while total liabilities had grown by Bds \$42 million to Bds \$2.2 billion.

The company's balance sheet is strong with shareholders equity of Bds \$650 million and long-term debt of Bds \$25 million. This enables us to continue our plans for developing the Sagicor Group as the premier financial services group in the region.

Colin G. Goddard, Chairman, June 16, 2004.

CONSOLIDATED BALANCE SHEET

Amounts expressed in thousands of Barbados dollars

	March 31, 2004 (unaudited)	Dec. 31, 2003 (audited)
ASSETS		
Investments	2,308,293	2,197,449
Other assets	567,124	551,635
TOTAL ASSETS	2,875,417	2,749,084
LIABILITIES & EQUITY		
Policy liabilities	1,958,171	1,917,590
Other liabilities	201,360	199,848
Total liabilities	2,159,531	2,117,438
Minority interest in subsidiaries	64,230	56,289
Equity	651,656	575,357
TOTAL LIABILITIES AND EQUITY	2,875,417	2,749,084

CONSOLIDATED INCOME STATEMENT

Amounts expressed in thousands of Barbados dollars

	Three months ended March 31, 2004 (unaudited)	Three months ended March 31, 2003 (unaudited)	Year ended Dec. 31, 2003 (audited)
REVENUE			
Net premiums and contributions	128,868	118,792	470,236
Net investment and other income	64,266	50,866	252,287
TOTAL REVENUE	193,134	169,658	722,523
POLICY BENEFITS AND EXPENSES			
Net policy benefits	112,698	93,548	381,733
Expenses	59,607	62,578	260,572
Total policy benefits and expenses	172,305	156,126	642,305
INCOME FROM ORDINARY ACTIVITIES	20,829	13,532	80,218
Corporation taxes	(2,150)	(1,936)	(6,842)
NET INCOME BEFORE MINORITY INTEREST	18,679	11,596	73,376
Minority interest	(3,430)	(3,029)	(17,753)
NET INCOME FOR THE PERIOD	15,249	8,567	55,623
Net income attributed to participating policyholders	339	—	(1,278)
Net income attributed to shareholders	14,910	8,567	56,901
	15,249	8,567	55,623
Basic and diluted earnings per common share	6 cents	3 cents	22 cents

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts expressed in thousands of Barbados dollars

	Three months ended March 31, 2004				Year ended Dec. 31, 2003	
	SHARE CAPITAL	RESERVES	RETAINED EARNINGS	PARTICIPATING ACCOUNTS	(unaudited) TOTAL	(audited) TOTAL
Balance, beginning of period	432,495	98,323	43,317	1,222	575,357	468,826
Net gains/(losses) not recognised in income	—	61,050	—	—	61,050	59,057
Net income for the period	—	—	14,910	339	15,249	55,623
Transfers to/(from) retained earnings	—	283	(283)	—	—	—
Dividends on common shares	—	—	—	—	—	(7,801)
Dividends on preference shares of a subsidiary	—	—	—	—	—	(348)
Balance, end of period	432,495	159,656	57,944	1,561	651,656	575,357

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts expressed in thousands of Barbados dollars

	Three months ended March 31, 2004 (unaudited)	Year ended Dec. 31, 2003 (audited)
CASH FLOWS		
Cash flows from operating activities	111,916	13,883
Cash flows from investing activities	(141,362)	(39,671)
Cash flows from financing activities	(2,336)	(19,181)
Effects of exchange rate changes on cash and cash equivalents	(27)	796
Net increase/(decrease) in cash and cash equivalents	(31,809)	(44,173)
Cash and cash equivalents at beginning of period	161,796	205,969
Cash and cash equivalents at end of period	129,987	161,796

EXPLANATORY NOTE TO THE FINANCIAL STATEMENTS

These interim financial statements have been prepared in condensed form under the accounting policies adopted by the company at the close of its last financial year (December 31, 2003). The comparative amounts for the three month period March 31, 2003 have been restated to conform with the current presentation.