

CHAIRMAN'S STATEMENT

The Sagicor Group of Companies recorded overall net income of US \$45.4 million for the six months ended June 30, 2008. Net income attributable to shareholders totalled US \$33.3 million. Compared to the corresponding six months in 2007, these earnings represent improvements of 25% and 31% respectively for the Group and for shareholders.

Earnings per share for the period totalled US 12.1 cents and the annualised return on shareholders' equity was 15.1%.

Net premium revenue for the period totalled US \$285.8 million, an increase of 48% over the amount recorded in the first half of 2007. Net investment and other income for the period was US \$171.3 million, an increase of 17% over the corresponding period in 2007.

Net benefits recorded were US \$242.2 million for the six month period, an increase of 33% when compared with the same period in 2007. Expenses have also increased over the first half of 2007, increasing by some 45% to US \$164.5 million.

The inclusion in the current period of the Sagicor at Lloyd's business, which was acquired from September 1, 2007, has contributed significantly to the growth recorded in net premium revenue, net benefits and expenses, when compared to prior periods. Sagicor at Lloyd's manages Lloyd's of London Insurance Syndicate 1206 which is engaged in writing property and casualty insurance business internationally.

Effective April 1, 2008, Sagicor at Lloyd's became the managing agency for Lloyd's of London Insurance Syndicate 44, a small syndicate which is presently closed to new business and which engages in life insurance business. Sagicor intends to develop a new business plan for this syndicate and commence writing new business in the near future.

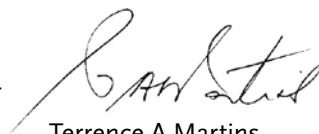
Another recent development in the Group has been the launch by Pan Caribbean of commercial banking operations in Jamaica. In June, 2008, the former merchant banking subsidiary was re-launched as a commercial bank under the name PanCaribbeanBank Limited. The bank offers a full suite of banking products to customers.

The Life of Jamaica Group re-branded during the second quarter and is now known as the Sagicor Life Jamaica Group. Also re-branding on July 1, 2008 was our UK underwriting agency, Sagicor Underwriting Limited (formerly known as Byrne & Stacey Underwriting Limited).

On July 25, 2008, Sagicor Life Jamaica announced that it has entered into an agreement to acquire the group health insurance portfolio of Blue Cross Jamaica Limited. The transaction is subject to due diligence and regulatory approval. The completion of this transaction will enhance Sagicor Life Jamaica's market position in Jamaica as the leading provider of employee benefits.

The Directors have decided on an interim dividend of US 3 cents per share in respect of the half year. The total dividend will amount to US \$8.3 million and represents a payout ratio of 25% of earnings.

Sagicor's performance for first half of 2008 has been very good. Regionally and internationally, 2008 has to date been a challenging year for many organisations engaged in financial services. In addition, the rapid increases in the prices of oil and food impact negatively the prospects for economic growth in many countries. While Sagicor to date has experienced no major downside as a result of these developments, we remain watchful and will continue to manage carefully the Group's affairs and pursue prudently available business opportunities.



Terrence A Martins
 Chairman
 August 11, 2008

FINANCIAL HIGHLIGHTS	June 30, 2008	June 30, 2007
Group net income	US \$45.4m	US \$36.2m
Net income attributable to shareholders	US \$33.3m	US \$25.4m
Annualised return on shareholders' equity	15.1%	12.6%
Shareholders' equity	US \$461.5m	US \$414.8m
Revenue	US \$461.7m	US \$339.1m

CONSOLIDATED BALANCE SHEET

Amounts expressed in US \$000

	June 30 2008	December 31 2007
	(unaudited)	(audited)
ASSETS		
Financial investments	2,829,311	2,683,007
Other investments and assets	1,111,789	966,694
Total assets	3,941,100	3,649,701
LIABILITIES		
Policy liabilities	2,055,972	1,920,595
Other liabilities	1,283,119	1,142,399
Total liabilities	3,339,091	3,062,994
EQUITY		
Shareholders' equity	461,522	455,174
Participating accounts	8,824	9,396
Minority interest	131,663	122,137
Total equity	602,009	586,707
Total liabilities and equity	3,941,100	3,649,701

These financial statements have been approved for issue by the Board of Directors on August 11, 2008.



Director



Director

CONSOLIDATED INCOME STATEMENT

Amounts expressed in US \$000

	Six months ended June 30		Three months ended June 30	
	2008	2007	2008	2007
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
REVENUE				
Net premium revenue	285,803	193,261	146,864	96,622
Net investment and other income	171,281	145,831	89,896	76,320
Gain arising on acquisition	4,645	-	(459)	-
Total revenue	461,729	339,092	236,301	172,942
BENEFITS AND EXPENSES				
Net benefits	242,194	181,686	124,134	90,224
Expenses	164,502	113,734	81,514	57,996
Total benefits and expenses	406,696	295,420	205,648	148,220
INCOME FROM ORDINARY ACTIVITIES	55,033	43,672	30,653	24,722
Income taxes	(9,584)	(7,433)	(5,225)	(4,595)
NET INCOME FOR THE PERIOD	45,449	36,239	25,428	20,127
NET INCOME ATTRIBUTABLE TO:				
Shareholders	33,291	25,380	19,792	15,485
Participating policyholders	(411)	1,410	(678)	66
Minority interest	12,569	9,449	6,314	4,576
	45,449	36,239	25,428	20,127

Net income attributed to shareholders - EPS

Basic earnings per common share	12.1 cents	9.5 cents	7.1 cents	5.8 cents
Fully diluted earnings per common share	12.0 cents	9.5 cents	7.1 cents	5.8 cents

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts expressed in US \$000

	Six months ended June 30, 2008					Total
	Share Capital	Reserves	Retained Earnings	Participating Accounts	Minority Interest	
Balance, beginning of period	231,695	21,735	201,744	9,396	122,137	586,707
Net losses recognised directly in equity	-	(40,316)	(5)	(30)	(11,780)	(52,131)
Net income for the period	-	-	33,291	(411)	12,569	45,449
Total recognised gains / (losses)	-	(40,316)	33,286	(441)	789	(6,682)
Issue of shares	25,800	-	-	-	1,222	27,022
Minority interest acquired	-	-	-	-	13,484	13,484
Value of employee services rendered	-	1,138	-	-	40	1,178
Purchase of treasury shares	(2,624)	-	-	-	-	(2,624)
Dividends declared	-	-	(11,087)	-	(6,005)	(17,092)
Other movements	-	(380)	531	(131)	(4)	16
	23,176	(39,558)	22,730	(572)	9,526	15,302
Balance, end of period	254,871	(17,823)	224,474	8,824	131,663	602,009

	Six months ended June 30, 2007					Total
	Share Capital	Reserves	Retained Earnings	Participating Accounts	Minority Interest	
Balance, beginning of period	230,235	48,106	135,509	9,902	118,553	542,305
Net losses recognised directly in equity	-	(15,232)	-	33	(2,699)	(17,898)
Net income for the period	-	-	25,380	1,410	9,449	36,239
Total recognised gains / (losses)	-	(15,232)	25,380	1,443	6,750	18,341
Issue of shares	-	-	-	-	1,169	1,169
Value of employee services rendered	-	830	-	-	-	830
Purchase of treasury shares	(663)	-	-	-	-	(663)
Dividends declared	-	-	(9,316)	-	(4,389)	(13,705)
Other movements	-	1,631	(1,701)	(130)	-	(200)
	(663)	(12,771)	14,363	1,313	3,530	5,772
Balance, end of period	229,572	35,335	149,872	11,215	122,083	548,077

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts expressed in US \$000

	Six months ended	
	June 30	June 30
	2008	2007
	(unaudited)	(unaudited)
CASH FLOWS		
Cash flows from operating activities	30,366	1,657
Cash flows used in investing activities	(4,856)	(6,913)
Cash flows used in financing activities	(603)	(14,526)
Effects of exchange rate changes	971	(1,113)
Net increase in cash and cash equivalents	25,878	(20,895)
Cash and cash equivalents at beginning of period	113,492	224,674
Cash and cash equivalents at end of period	139,370	203,779

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, 2007 audited financial statements.