

CHAIRMAN'S STATEMENT

Dear Shareholder:

I am pleased to report on another period of solid performance for Sagicor Financial Corporation, and the Sagicor Group of Companies.

At the beginning of this year, I suggested that 2008 was going to be a challenging year for many of the countries in which we operate. As I report to you on the nine months ended September 30, 2008, the world economies are grappling with what has been described as perhaps the worst financial crisis of modern times. This crisis has thrown the financial markets into turmoil and is threatening to push world economies into recession.

Despite these circumstances, in our external environment, Sagicor has recorded a strong performance for the nine months under review. Net income for the period ended September 30, 2008 amounted to US \$74 million, compared to US \$68 million for the same period last year. These results are ahead of our expectations. Net Income to Shareholders amounted to US \$55 million compared to US \$50 million for 2007. All major subsidiaries within the Group returned strong results. Sagicor USA and Sagicor Europe, our newer operations, despite a slower than planned growth in revenue, performed well and combined to contribute US \$8 million to net income. Sagicor Life Inc, our Barbados-based operations, and Sagicor Life Jamaica Limited both contributed to net income in line with expectations. Sagicor General, our Caribbean Property & Casualty subsidiary recovered from operational challenges in 2007 to contribute US \$3 million to net income.

Total revenue for the period amounted to US \$705 million, up by 33% over 2007. This reflects the impact of the revenue from Sagicor at Lloyds, which was acquired during the third quarter of last year. Benefits and operating expenses also showed significant increases over 2007. Like revenue, these reflect the impact of the acquisition of Sagicor at Lloyds, but in addition, reflect our continued efforts to implement our business plan in the US and European markets. Total assets of the Group reached US \$3.9 billion, compared to US \$3.6 billion at the end of 2007.

Financial investments amounted to US \$2.8 billion, and represented 72% of total assets; 74% at the end of 2007. Earnings per share amounted to US 19.8 cents compared to US 18.8 cents for 2007. Return on shareholders' equity was 17.4% compared to 17.1% for the previous year.

In an earlier communication via the print media, we shared the limited impact of the financial crisis on the Sagicor Group. Sagicor is a well capitalized, diversified financial Group and we continue to invest in quality assets. In addition, we continue to take a prudent and conservative view of the environment. We expect that the current economic circumstances existing in the global economies will continue throughout the remainder of 2008 and well into 2009. Sagicor is well positioned to deal with this challenging environment.



Terrence A. Martins
Chairman

October 29, 2008

FINANCIAL HIGHLIGHTS	September 30 2008	September 30 2007
Group net income	US \$74.1m	US \$68.4m
Net income attributable to shareholders	US \$54.8m	US \$50.2m
Annualised return on shareholders' equity	17.4%	17.1%
Shareholders' equity	US \$436.6m	US \$420.2m
Revenue	US \$704.6m	US \$529.7m

CONSOLIDATED BALANCE SHEET

Amounts expressed in US \$000

	September 30 2008	December 31 2007
	(unaudited)	(audited)
ASSETS		
Financial investments	2,833,779	2,683,007
Other investments and assets	1,082,123	966,694
Total assets	3,915,902	3,649,701
LIABILITIES		
Policy liabilities	2,051,201	1,920,595
Other liabilities	1,287,288	1,142,399
Total liabilities	3,338,489	3,062,994
EQUITY		
Shareholders' equity	436,641	455,174
Participating accounts	10,014	9,396
Minority interest	130,758	122,137
Total equity	577,413	586,707
Total liabilities and equity	3,915,902	3,649,701

These financial statements have been approved for issue by the Board of Directors on October 29, 2008.



Director



Director

CONSOLIDATED INCOME STATEMENT

Amounts expressed in US \$000

	Nine months ended		Three months ended	
	September 30 2008	September 30 2007	September 30 2008	September 30 2007
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
REVENUE				
Net premium revenue	454,225	300,939	168,422	107,678
Net investment and other income	245,777	228,800	74,496	82,969
Gain arising on acquisitions	4,645	-	-	-
Total revenue	704,647	529,739	242,918	190,647
BENEFITS AND EXPENSES				
Net benefits	374,557	272,198	132,363	90,512
Expenses	241,908	177,308	77,406	63,574
Total benefits and expenses	616,465	449,506	209,769	154,086
INCOME FROM ORDINARY ACTIVITIES	88,182	80,233	33,149	36,561
Income taxes	(14,122)	(11,863)	(4,538)	(4,430)
NET INCOME FOR THE PERIOD	74,060	68,370	28,611	32,131
NET INCOME ATTRIBUTABLE TO:				
Shareholders	54,773	50,197	21,482	24,817
Participating policyholders	778	1,557	1,189	147
Minority interest	18,509	16,616	5,940	7,167
	74,060	68,370	28,611	32,131

Net income attributed to shareholders - EPS

Basic earnings per common share	19.8 cents	18.8 cents	7.7 cents	9.3 cents
Fully diluted earnings per common share	19.7 cents	18.8 cents	7.7 cents	9.3 cents

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts expressed in US \$000

	Nine months ended September 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	-	(81,130)	(198)	(30)	(15,964)	(97,322)
Net income for the period	-	-	54,773	778	18,509	74,060
Total recognised gains / (losses)	-	(81,130)	54,575	748	2,545	(23,262)
Issue of shares	27,623	-	-	-	1,394	29,017
Minority interest acquired	-	-	-	-	13,485	13,485
Value of employee services rendered	-	937	-	-	83	1,020
Purchase of treasury shares	(1,233)	-	-	-	-	(1,233)
Dividends declared	-	-	(19,453)	-	(9,048)	(28,501)
Other movements	-	3,138	(2,990)	(130)	162	180
	26,390	(77,055)	32,132	618	8,621	(9,294)
Balance, end of period	258,085	(55,320)	233,876	10,014	130,758	577,413

	Nine months ended September 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	-	(28,889)	(78)	15	(10,450)	(39,402)
Net income for the period	-	-	50,197	1,557	16,616	68,370
Total recognised gains / (losses)	-	(28,889)	50,119	1,572	6,166	28,968
Issue of shares	484	-	-	-	1,162	1,646
Value of employee services rendered	-	781	-	-	78	859
Disposal of treasury shares	975	-	-	-	-	975
Dividends declared	-	-	(17,321)	-	(3,893)	(21,214)
Other movements	-	1,018	(784)	(196)	84	122
	1,459	(27,090)	32,014	1,376	3,597	11,356
Balance, end of period	231,694	21,016	167,523	11,278	122,150	553,661

CONSOLIDATED CASH FLOW STATEMENT

Amounts expressed in US \$000

	Nine months ended	
	September 30	September 30
	2008	2007
	(unaudited)	(unaudited)
CASH FLOWS		
Cash flows from operating activities	118,009	(63,956)
Cash flows used in investing activities	(7,347)	7,150
Cash flows from financing activities	943	(9,266)
Effects of exchange rate changes	(14,059)	(1,225)
Net increase in cash and cash equivalents	97,546	(67,297)
Cash and cash equivalents at beginning of period	113,492	224,674
Cash and cash equivalents at end of period	211,038	157,377

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.