



Wise Financial Thinking for Life

Sagicor Life Jamaica Limited

Interim Report to Stockholders
for the nine months ended
September 30, 2008

INTERIM REPORT TO STOCKHOLDERS

On behalf of the Board of Directors, we are pleased to present the Financial Statements for the nine months period ended September 30, 2008.

Against the backdrop of the current global financial crisis, the Sagicor Life Jamaica Group's net profit attributable to Stockholders was \$2,312 million for the nine months period, a 2% improvement over the results for the comparative 2007 period. This outcome represents earnings per share of 62 cents, up from 61 cents in 2007.

The current nine months earnings benefited from continued strong new business growth, higher interest rates, lower reinsurance premium costs and lower amortization charges. However, inflation, which exceeded 16% for the year-to-date, impacted the cost of operations and the actuarial experience recognized for expense containment in Q3 2008 was \$100 million, much less favorable than the \$350 million recognized in Q3 2007.

The Sagicor Life Jamaica Group's exposure to the US financial services sector is limited, and we are pleased to report that the global financial crisis has not had a material impact on the profitability or solvency of the Group. During the third quarter, the Group experienced a decline in the fair value of international securities of approximately J\$430 million. This amount represents less than 1% of total assets and has been accounted for through Stockholders equity. Sagicor Life Jamaica is a long-term investor in most of these securities and we anticipate that market prices will recover over time. The Group continues to acquire quality assets and to prudently manage our investment portfolio during these challenging economic times.

Consolidated revenues for the nine month period of \$14,552 million were 17% better than the 2007 amount. Individual Life and Group Life earned premiums of \$5,184 million were up on prior year by 12%. Group Health earned premiums of \$3,535 million increased by 11% over the corresponding period in 2007, while Annuity contributions of \$1,171 million were up by 121%. Net Investment Income of \$3,407 million grew by 10%, while Fees, commissions and other revenues of \$1,390 million increased by 4%.

During the nine months period, a total of \$5,093 million was paid and or accrued as benefits to policyholders and beneficiaries. At \$3,306 million, Administration expenses were up 18% from \$2,800 million in the prior year but the ratio of Administration expenses to total revenue remained at 23%, same as for 2007. The 2008 costs include salary increases influenced by the significantly higher rate of inflation as well as increased expenses in the subsidiary, Pan Caribbean Financial Services, relating to set up of the commercial banking operations.

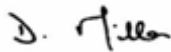
Total assets of the Sagicor Life Jamaica Group stood at \$98,677 million, an increase of 13% over the December 2007 amount. The book value of Stockholders equity at the end of the period was \$14,263 million compared to \$15,507 million at December 2007. The reduction was primarily due to declines in the fair value of securities. In particular, there were declines in the fair value of long-term GOJ securities caused by rising interest rates. Sagicor Life Jamaica also declared dividends to Stockholders of \$1,650 million or 44 cents per share (2007 - \$1,124 million or 30 cents per share). The return on opening Stockholders' Equity (ROE) was 19% as against 21% in 2007.

The Sagicor Life Jamaica Group, in the face of the challenges of the global financial crisis, has implemented various measures to safeguard profitability and solvency. These include a relentless focus on improving internal efficiencies, tight cost control, maintenance of higher than normal levels of liquidity and greater diversification of investments.

The Group remains aware of the continuing need to examine opportunities for profitable business expansion. On July 25, 2008 Sagicor Life Jamaica Limited entered into an agreement with Blue Cross Jamaica Limited (Blue Cross) to acquire their Group Health insurance portfolio. The transaction has been approved by the Financial Services Commission. The approved Vesting Order from the Ministry of Finance and the Public Service is now being awaited.

Mr. Bryan Ewen and Mr. David Allan recently retired from the Board of Directors of Sagicor Life Jamaica Limited. The Board expressed its appreciation for their services. Mr. Paul Hanworth replaced Mr. Bryan Ewen and Mr. Richard Downer replaced Mr. David Allan. The Group looks forward to their contributions in the years ahead.

On behalf of the Board of Directors:



Dodridge Miller
Chairman
October 29, 2008

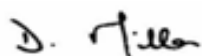


Richard Byles
President and CEO

Consolidated Balance Sheet
as at September 30, 2008
(Expressed in thousands of Jamaican dollars)

	Sept - 08 Un-audited	Sept - 07 Un-audited	Dec - 07 Audited
Assets:			
Financial Assets at fair value through income	0	1,510,066	1,503,840
Available-for-sale securities	60,730,213	52,367,530	54,293,848
Loans and receivables	10,128,382	10,264,866	9,697,918
Securities purchased under resale agreements	4,583,623	898,835	1,103,790
Short term deposits	699,133	683,337	681,721
Investment properties	293,180	252,668	264,084
Investment in associated companies	2,725	2,725	2,725
	<u>76,437,256</u>	<u>65,980,027</u>	<u>67,547,926</u>
Cash resources	3,312,796	2,265,641	2,006,509
Property, plant and equipment	1,332,994	1,093,765	1,230,028
Intangible assets	4,867,002	5,119,687	4,984,967
Deferred income taxes	138,665	11,386	46,422
Taxation recoverable	539,366	489,822	565,824
Reinsurance assets	1,432,030	1,444,042	1,341,326
Miscellaneous assets and receivables	3,703,626	3,418,424	3,085,032
Segregated funds' assets	6,912,898	5,998,467	6,261,696
	<u>22,239,377</u>	<u>19,841,234</u>	<u>19,521,804</u>
Total Assets	<u>98,676,633</u>	<u>85,821,261</u>	<u>87,069,730</u>
Liabilities:			
Insurance and annuity liabilities	7,732,821	5,957,669	6,291,051
Investment contracts liabilities	7,266,430	5,240,849	5,809,335
Other policy liabilities	2,828,189	2,783,558	2,530,477
	<u>17,827,440</u>	<u>13,982,076</u>	<u>14,630,863</u>
Securities sold under repurchase agreements	37,928,698	34,493,911	34,020,502
Customer Deposits	6,576,746	5,303,486	5,402,101
Due to Banks and other Financial Institutions	5,345,870	3,330,795	3,726,085
Redeemable preference shares	1,264,324	0	0
Provisions	118,402	94,188	81,181
Taxation payable	98,207	63,847	107,400
Deferred income taxes	111,994	147,139	216,139
Accounts payable and accrued liabilities	3,754,580	2,447,260	2,719,785
Segregated funds' liabilities	6,912,898	5,998,467	6,261,696
	<u>62,111,719</u>	<u>51,879,093</u>	<u>52,534,889</u>
Total liabilities	<u>79,939,159</u>	<u>65,861,169</u>	<u>67,165,752</u>
Equity:			
Share Capital	7,796,463	7,766,064	7,779,665
Investment and other reserves	(973,867)	605,363	727,709
Retained earnings	7,440,885	6,881,074	6,999,651
Stockholder's equity	<u>14,263,481</u>	<u>15,252,501</u>	<u>15,507,025</u>
Minority interest in subsidiaries	4,473,993	4,707,591	4,396,953
	<u>18,737,474</u>	<u>19,960,092</u>	<u>19,903,978</u>
Total Liabilities and Equity	<u>98,676,633</u>	<u>85,821,261</u>	<u>87,069,730</u>

On behalf of the Board of Directors:



Dodridge Miller
Chairman
October 29, 2008



Richard Byles
President and CEO

Consolidated Statement of Operations
for the period ended September 30, 2008
(Expressed in thousands of Jamaican dollars)

	Sept - 08 Quarter Unaudited	Sept- 07 Quarter Unaudited	Sept - 08 Year-to- date Unaudited	Sept - 07 Year-to-date Unaudited	Dec - 07 Full year Audited	YTD Variance Sept '08 vs '07
Revenues:						
Gross premium revenue	4,466,761	3,547,017	11,562,646	10,101,531	13,757,897	14%
Reinsurance premiums ceded	(688,093)	(773,720)	(1,807,089)	(2,095,245)	(2,669,850)	14%
Net premium revenue	3,778,668	2,773,297	9,755,557	8,006,286	11,088,047	22%
Net investment income	1,131,706	1,042,278	3,406,564	3,085,599	4,134,395	10%
Fees, commissions and other revenues	466,182	481,519	1,389,956	1,341,914	1,741,499	4%
Total revenue	5,376,556	4,297,094	14,552,077	12,433,799	16,963,941	17%
Benefits and expenses:						
Insurance benefits incurred	1,765,852	1,269,391	5,093,055	4,077,271	5,460,589	(25)%
Insurance benefits reinsured	(161,306)	(45,945)	(377,446)	(171,762)	(183,009)	120%
Net Insurance benefits incurred	1,604,546	1,223,446	4,715,609	3,905,509	5,277,580	(21)%
Changes in insurance and annuity liabilities	915,041	76,653	1,411,374	637,096	982,394	(122)%
Administration expenses	1,089,475	914,705	3,306,282	2,800,139	3,827,852	(18)%
Commissions and related expenses	514,673	529,785	1,550,861	1,488,356	2,031,833	(4)%
Amortization of intangible assets	70,052	96,313	210,818	287,409	504,022	27%
Finance cost	7,243	6,954	21,589	20,590	27,734	(5)%
Total benefits and expenses	4,201,030	2,847,856	11,216,533	9,139,099	12,651,415	(23)%
Profit before taxation	1,175,526	1,449,238	3,335,544	3,294,700	4,312,526	1%
Taxation	(217,160)	(237,773)	(598,977)	(636,192)	(891,442)	6%
Profit after taxation	958,366	1,211,465	2,736,567	2,658,508	3,421,084	3%
Net profit attributable to:						
Stockholders of the company	825,646	1,052,006	2,311,741	2,265,372	2,956,775	2%
Minority interest	132,720	159,459	424,826	393,136	464,309	8%
Net profit for period	958,366	1,211,465	2,736,567	2,658,508	3,421,084	3%
Earnings per share for profit attributable to stockholders:						
- Basic	\$0.22	\$0.28	\$0.62	\$0.61	\$0.79	2%
- Fully diluted	\$0.22	\$0.28	\$0.62	\$0.61	\$0.79	2%

Consolidated Statement of Changes in Stockholders' Equity

for the period ended September 30, 2008

(Expressed in thousands of Jamaican dollars)

	Share Capital	Investment & Fair Value Reserves	Currency Translation Reserve	Other Reserves	Retained Earnings	Minority Interest	Total
Year ended December 31, 2007:							
Balance as at January 1, 2007	7,651,537	987,213	461,123	134,435	5,177,479	4,586,380	18,998,167
Unrealised gains on revaluation of owner-occupied properties	0	173,267	0	0	0	0	173,267
Currency translation differences	0	2,987	73,546	0	0	31,303	107,836
Unrealised losses on available-for-sale securities	0	(750,574)	0	0	0	(52,443)	(803,017)
Gains recycled to revenue on disposal and maturity of available-for-sale securities	0	(376,501)	0	0	0	(160,286)	(536,787)
Net gains/(losses) not recognised in the statement of operations	0	(950,821)	73,546	0	0	(181,426)	(1,058,701)
Net profit					2,956,775	464,309	3,421,084
Total (expense)/income recognised for 2007	0	(950,821)	73,546	0	2,956,775	282,883	2,362,383
Transfer to retained earnings	0	(38,684)	0	0	38,684	0	0
Transfer to special investment reserve	0	0	0	39,468	(39,468)	0	0
Adjustment between regulatory loan provisioning and IFRS	0	0	0	10,237	(10,237)	0	0
Transfer to retained earning reserves	0	0		(91)		91	0
Employee share option scheme - value of services provided	0	0	0	23,746	0	4,627	28,373
Disposal of equity interest	0	0	0		0	(256,498)	(256,498)
Employee share options exercised	24,928	0	0	(12,463)	0		12,465
Issue of shares	103,200	0	0		0	49,423	152,623
Dividend paid to minorities	0	0	0	0	0	(269,953)	(269,953)
Dividends	0	0	0	0	(1,123,582)	0	(1,123,582)
Balance as at December 31, 2007	7,779,665	(2,292)	534,669	195,332	6,999,651	4,396,953	19,903,978
Period ended September 30, 2008:							
Balance as at January 1, 2008	7,779,665	(2,292)	534,669	195,332	6,999,651	4,396,953	19,903,978
Unrealised gains on revaluation of owner-occupied properties	0	63,395	0	0	0	0	63,395
Currency translation differences	0	191	103,057			11,765	115,013
Unrealised losses on available-for-sale securities	0	(1,938,489)	0	0	0	(123,733)	(2,062,222)
Gains recycled to revenue on disposal and maturity of available-for-sale securities	0	(162,213)	0	0	0	(55,142)	(217,355)
Net gains/(losses) not recognised in the statement of operations	0	(2,037,116)	103,057	0	0	(167,110)	(2,101,169)
Net profit	0				2,311,741	424,826	2,736,567
Total (expense)/income recognised for the period ended September 30, 2008	0	(2,037,116)	103,057	0	2,311,741	257,716	635,398
Transfer to special investment reserve	0	0	0	15,529	(15,529)	0	0
Transfer to retained earnings reserve	0	0	0	203,771	(203,771)		0
Adjustment between regulatory loan provisioning and IFRS	0	0	0	1,205	(1,205)	0	0
Employee share option scheme - value of services provided	0	0	0	20,377	0	3,585	23,962
Employee share options exercised	16,798	0	0	(8,399)	0	0	8,399
Dividend paid to minorities	0	0	0	0	0	(184,260)	(184,260)
Dividends	0	0	0	0	(1,650,003)	0	(1,650,003)
Balance as at September 30, 2008	7,796,463	(2,039,408)	637,726	427,815	7,440,884	4,473,994	18,737,474

Consolidated Statement of Cash Flows
for the period ended September 30, 2008
(Expressed in thousands of Jamaican dollars)

	Sept - 08	Sept - 07	Dec - 07
	Year-to-date	Year-to-date	Full year
	Un-audited	Un-audited	Audited
Cash Flows from operating activities:			
Net profit	2,736,573	2,658,506	3,421,084
Items not affecting cash	828,200	(727,370)	946,435
Changes in operating assets and liabilities	(363,122)	(3,486,775)	(6,228,402)
Interest received	6,078,857	5,157,434	7,044,207
Interest paid	(3,403,535)	(2,983,261)	(4,159,805)
Income taxes paid	(445,107)	(280,397)	(930,390)
Cash generated from operating activities	5,431,866	338,137	93,129
Cash Flows from investing activities:			
Acquisitions, net of cash acquired	0	0	(277,094)
Property, plant and equipment, net	(145,613)	(94,820)	(150,697)
Intangible assets, net	(61,285)	(19,982)	(61,396)
Cash used in investing activities	(206,898)	(114,802)	(489,187)
Cash Flows from financing activities:			
Dividends paid to stockholders	(899,368)	(559,340)	(1,116,543)
Dividend paid to minority interest	(170,341)	(113,171)	(269,953)
Ordinary shares issued	16,798	111,852	128,128
Preference shares issued	1,264,324	0	0
Proceeds from loans, net	0	(367,069)	(348,434)
Cash provided by/(used in) financing activities	211,413	(927,728)	(1,606,802)
Effects of exchange rate changes	99,970	44,664	73,315
Cash and cash equivalents:			
Cash and cash equivalents, at beginning of year	2,259,452	4,188,997	4,188,997
Increase/(Decrease) in net cash and cash equivalents	5,536,351	(659,729)	(1,929,545)
Net cash and cash equivalents, at end of period	7,795,803	3,529,268	2,259,452

Consolidated Segmental Financial Information
For the period ended September 30, 2008
(Expressed in thousands of Jamaica dollars)

Primary Segments:

	Individual Life Services	Employee Benefits Services	Banking and Asset Management Services	General Ins. Services	Other Services	Eliminations	Sept-08 Group
Total Revenue	4,467,452	7,041,788	2,035,856	445,908	695,209	(134,136)	14,552,077
Amortization of intangibles	(3,470)	(71,973)	(108,562)	(13,702)	(13,111)	0	(210,818)
Benefits and expenses	(3,544,483)	(5,783,415)	(818,597)	(352,049)	(609,680)	124,098	(10,984,126)
Finance costs	0	(11,337)	0	(11,337)	(8,953)	10,038	(21,589)
Profit / (loss) before tax	919,499	1,175,063	1,108,697	68,820	63,465	0	3,335,544
Taxation	(178,891)	(130,245)	(283,074)	0	(6,767)	0	(598,977)
Profit / (loss) after taxation	740,608	1,044,818	825,623	68,820	56,698	0	2,736,567
Segment Assets -							
Intangible assets	1,204,219	1,340,002	1,880,823	388,668	53,290	0	4,867,002
Other assets	20,963,490	11,444,284	56,756,503	3,658,719	3,451,576	(2,655,875)	93,618,697
	22,167,709	12,784,286	58,637,326	4,047,387	3,504,866	(2,655,875)	98,485,699
Unallocated Assets -							
Investment in associates							2,725
Deferred tax assets							138,665
Retirement benefit assets							49,544
Total Assets							98,676,633
Segment Liabilities							
Unallocated Liabilities -							
Deferred tax liabilities							111,994
Retirement benefit obligations							308,447
Business development loans							422,733
Total Liabilities	16,291,383	9,255,968	50,277,460	2,472,935	3,454,114	(2,655,875)	79,095,985

	Individual Life Services	Employee Benefits Services	Banking and Asset Management Services	General Ins. Services	Other Services	Eliminations	Sept-07 Group
Total Revenue	3,916,821	5,573,886	1,922,799	364,900	769,507	(114,114)	12,433,799
Amortization of intangibles	(8)	(64,274)	(186,610)	(14,946)	(21,571)	0	(287,409)
Benefits and expenses	(2,818,459)	(4,667,664)	(647,553)	(315,777)	(482,940)	101,293	(8,831,100)
Finance costs	0	(10,295)	0	(10,295)	(12,821)	12,821	(20,590)
Profit / (loss) before tax	1,098,354	831,653	1,088,636	23,882	252,175	0	3,294,700
Taxation	(157,355)	(93,287)	(347,273)	0	(38,277)	0	(636,192)
Profit / (loss) after taxation	940,999	738,366	741,363	23,882	213,898	0	2,658,508
Segment Assets -							
Intangible assets	1,265,166	1,409,160	2,080,913	364,240	208	0	5,119,687
Other assets	14,120,111	13,324,728	48,804,997	3,567,009	1,423,426	(566,224)	80,674,047
	15,385,277	14,733,888	50,885,910	3,931,249	1,423,634	(566,224)	85,793,734
Unallocated Assets -							
Investment in associates							2,725
Deferred tax assets							11,386
Retirement benefit assets							13,416
Total Assets							85,821,261
Segment Liabilities							
Unallocated Liabilities -							
Deferred tax liabilities							147,139
Retirement benefit obligations							291,977
Business development loans							410,464
Total Liabilities	9,948,595	9,785,828	41,908,686	2,500,854	1,433,850	(566,224)	65,011,589

Secondary Segments:

	Jamaica	Grand Cayman	Sept-08	Jamaica	Grand Cayman	Sept-07
Total Revenue	12,641,964	1,910,113	14,552,077	10,721,981	1,711,818	12,433,799
Total Assets	86,510,126	12,166,507	98,676,633	77,041,888	8,779,373	85,821,261

Explanatory Notes

1. Basis of Preparation

These consolidated financial statements have been prepared in accordance with the accounting policies as set out in note 2 of the December 31, 2007 audited financial statements.