Sagicor Financial Corporation
SFC

Equity Research: Trinidad & Tobago

HY08 Results

All figures quoted in United States Dollars unless otherwise stated

Earnings Per Share

Sagicor Financial Corporation (SFC), for the Half Year Ended June 30, 2008, reported a diluted Earnings Per Share (EPS) of 12.0 cents. This represented an increase of 26.3 per cent or 2.5 cents on the corresponding EPS of 9.5 cents in HY07. Q208 on Q207, the Group's EPS rose 22.4 per cent or 1.3 cents from 5.8 cents to 7.1 cents. Included in the Half Year results was a gain arising on acquisition of $4.6 million. Excluding this gain, the Group's EPS was up approximately 16 per cent, from 9.5 cents (HY07) to 11 cents (HY08).

Financial Highlights

- Net Premium Revenue, up an outstanding 47.9 per cent or $92.5 million to $285.8 million. According to the Chairman, the Sagicor at Lloyd's business contributed significantly to this growth.
- Net Investment and Other Income, up 17.5 per cent or $25.5 million to $171.3 million
- Total Revenue, up 36.2 per cent or $122.6 million to $461.7 million
- Net Benefits, up 33.3 per cent or $60.5 million to $242.2 million
- Expenses, up 44.6 per cent or $50.8 million to $164.5 million
- Total Benefits and Expenses, up 37.7 per cent or $111.3 million to $406.7 million
- Group Net Income, up a significant 25.4 per cent or $9.2 million to $45.4 million
- Net Income Attributable to Shareholders, up 31.2 per cent or $7.9 million to $33.3 million

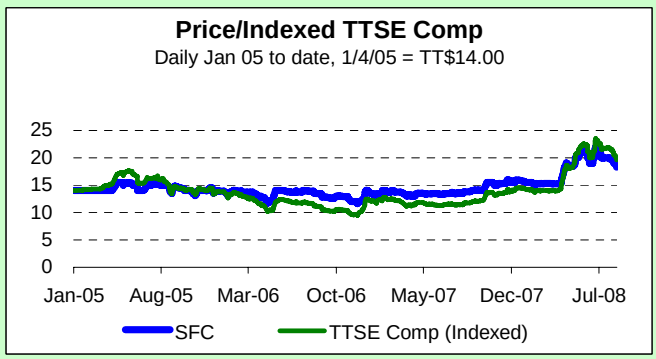
Dividends

The Board of Directors has approved an interim dividend of US 3 cents per share.

Recommendation

In light of these results we are revising our forecasted EPS for FY08 upwards to TT$2.25. At the current price of TT$18.35, SFC is trading at a P/E multiple of 8.2 times. Additionally, using a multiple of 11 times and the revised forecasted EPS, this share has an expected return of approximately 35 per cent or a target price of TT$24.75. We currently recommend a **BUY** on this share.

Date	20-Aug-08
Recommendation	**BUY**
Price (TT$)	18.35
Target Price (TT$; 12 months)	24.75
52 week high - low (TT$)	21.99 - 13.80
Market cap. (TT$MM)	5103.2
Float cap. (TT$MM)	5080.2



On 12/31/04 the TTSE Comp was at 1,074.

Period	**YE08E**	YE07A	YE06A	Chnge. %
(in US$MM except where noted)				
Net Premium Revenue		430	378	13.8%
Net Investment Income		261	238	9.7%
Total Revenue		773	662	16.8%
Total Benefits		385	346	11.3%
Total Expenses		260	216	20.4%
PAT		109	87	25.3%
Diluted EPS (cents)	**35.7**	32.4	25.4	27.6%
- Q1	**4.9**	3.7	3.5	5.7%
- Q2	**7.1**	5.8	5.8	0.0%
- Q3		9.2	5.3	73.6%
- Q4		13.7	10.8	26.9%

Period	**Q308E**	Q208A	Q207A	Chnge. %
(in US$MM except where noted)				
Net Premium Revenue		147	97	51.5%
Net Investment and Other Income		90	76	18.4%
Total Revenue		236	173	36.4%
Net Benefits		124	90	37.8%
Expenses		82	58	41.4%
PAT		25	20	25.0%
Diluted EPS (cents)		7.1	5.8	22.4%

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