

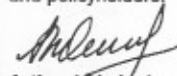
CHAIRMAN'S STATEMENT

The adverse factors which affected our performance last year continued to have their impact as the Group recorded a loss attributable to shareholders of \$394 million in the first quarter of 2006. This significant loss arises almost entirely from the net adverse valuation adjustment of our investment portfolios during the period, notably the Group's investment in RBTT Financial Holdings Limited. Over the quarter the composite indices of the Trinidad & Tobago and Jamaican stock markets fell 10% and 17% respectively, compared to an increase of 7% in Trinidad and Tobago and a relatively flat position in Jamaica for the corresponding period in 2005. This continuing decline in the regional capital markets during the first quarter has resulted in an extraordinary adjustment to the company values of our holdings in top performing companies listed on the Trinidad and Tobago and Jamaica Stock Exchange.

Two of our operating entities were also adversely affected by "one-off" events. Our UK Property and Casualty businesses incurred significant unbudgeted expenses when, earlier than had been planned, the opportunity arose to acquire the assets and personnel of our third party policy administration and claims service provider when that provider was placed under Administration. Further, Fatum, our Netherland Antilles company, was required to make a significant reserve increase in the quarter following the localization of the business that had been previously administered in Holland.

In the first quarter our Life, Health and Pensions businesses enjoyed growth in new premium income of 12% in Trinidad & Tobago and 4% in Jamaica over the corresponding period in 2005. Our Asset Management business continues to grow and our mutual funds continue to attract significant investment from our customers. Within the General Insurance division our Caribbean business is benefiting significantly from our focus on underwriting and claims management. The results from this have exceeded our expectations on both operational and financial measures. Meanwhile, our UK General Insurance Companies continue to be challenged by the soft market conditions which still prevail.

The performance of the GHL share price remains unsatisfactory and your Board and management, significant shareholders in their own right, share your concerns. We can assure you, however, that we continue to believe in the strength of the GHL foundation and the group's articulated strategy and our intense focus on managing the drivers of sustainable value creation. Our investment strategy is designed to deliver superior long term risk adjusted returns. We also remain confident in the companies in which we invest within our local markets as well as the underlying investment outlook for the Trinidad and Tobago market. We are sure that over the long term we will deliver superior returns to both our investors and policyholders.



Arthur Lok-Jack
Chairman

Consolidated Profit And Loss Statement

	Unaudited 3-Months Mar. 2006 TT\$'000	Unaudited 3-Months Mar. 2005 TT\$'000	Audited 12-Months Dec. 2005 TT\$'000
Insurance premium revenue	1,124,798	1,148,277	4,433,685
Insurance premium ceded to reinsurers	(284,631)	(367,503)	(1,192,396)
Net insurance premium revenue	840,167	780,774	3,241,289
Other revenue	(132,045)	347,895	1,140,412
Total revenue	708,122	1,128,669	4,381,701
Net insurance benefits and claims	(634,761)	(590,520)	(2,349,338)
Expenses	(427,779)	(354,835)	(1,537,024)
Operating (loss) / profit	(354,418)	183,314	495,339
Share of profits of associated companies	6,677	5,053	82,965
Finance charges	(31,439)	(28,046)	(122,345)
(Loss) / profit before taxation	(379,180)	160,321	455,959
Taxation	(14,308)	(18,137)	(83,735)
(Loss) / profit after taxation	(393,488)	142,184	372,224
Attributable to:			
Equity holders of the company	(394,034)	141,506	369,118
Minority interests	546	678	3,106
	(393,488)	142,184	372,224
Earnings per share - basic	(1.95)	0.74	1.88
Earnings per share - diluted	(1.92)	0.73	1.85

Conversion Rate: US\$1.00:TT\$6.3035

Consolidated Balance Sheet

	Unaudited Mar. 2006 TT\$'000	Unaudited Mar. 2005 TT\$'000	Audited Dec. 2005 TT\$'000
Property, plant and equipment	397,300	402,449	394,489
Investment properties	528,072	445,732	491,172
Goodwill	817,881	800,537	807,538
Investment in associated companies	363,520	189,565	356,686
Financial assets	9,300,294	9,985,433	9,091,456
Pension plan assets	133,885	41,140	132,414
Value to shareholders of in-force long-term business	528,265	479,092	513,505
Deferred tax assets	49,614	63,761	52,203
Reinsurance assets	1,148,166	1,847,136	1,191,740
	13,266,997	14,254,845	13,031,203
Current assets	4,429,048	3,495,965	4,306,899
Total assets	17,696,045	17,750,810	17,338,102
Shareholders' equity			
Share capital	1,505,031	1,096,000	1,502,844
Reserves	(196,364)	(92,608)	(210,727)
Retained earnings	1,948,059	2,227,130	2,422,716
	3,256,726	3,230,522	3,714,833
Minority interests	17,755	15,008	16,915
Total equity	3,274,481	3,245,528	3,731,748
Insurance contracts	9,344,319	9,925,655	9,096,122
Financial liabilities	2,477,068	1,936,574	2,480,976
Deferred tax liabilities	224,735	228,018	221,244
	12,046,122	12,090,247	11,798,342
Current liabilities	2,375,442	2,415,035	1,808,012
Total liabilities	14,421,564	14,505,282	13,606,354
Total equity & liabilities	17,696,045	17,750,810	17,338,102

Consolidated Statement Of Changes In Equity

	Unaudited Mar. 2006 TT\$'000	Unaudited Mar. 2005 TT\$'000	Audited Dec. 2005 TT\$'000
Balance at the beginning of the period	3,731,748	3,178,695	3,178,695
Issue of shares	-	-	399,016
Share option scheme - value of services provided	2,187	866	8,694
Surplus on revaluation of properties	-	-	2,896
Translation adjustments	15,639	(4,025)	(121,247)
Other reserve movements	(925)	623	(4,794)
(Loss) / profit for the year	(393,488)	142,184	372,224
Dividends	(80,680)	(72,815)	(103,736)
Balance at the end of the period	3,274,481	3,245,528	3,731,748

Consolidated Cash Flow Statement

	Unaudited Mar. 2006 TT\$'000	Unaudited Mar. 2005 TT\$'000	Audited Dec. 2005 TT\$'000
(Loss) / profit before taxation	(379,180)	160,321	455,959
Adjustment for non-cash items	252,181	1,248,852	(730,061)
Changes in operating assets and liabilities	142,212	(548,880)	468,625
Cash generated from operations	15,213	860,293	194,523
Interest received	92,336	92,236	567,258
Dividends received	7,559	4,250	123,692
Interest paid	(39,839)	(39,852)	(124,508)
Net taxation received / (paid)	2,407	3,653	(33,976)
Net cash generated from operations	77,676	920,580	726,989
Net cash used in investing activities	(372,053)	(162,699)	(1,685,137)
Net cash provided by financing activities	241,959	259,769	1,101,694
Net (decrease) / increase in cash and cash equivalents	(52,418)	1,017,650	143,546

These financial statements have been prepared in accordance with International Financial Reporting Standards. Comparative information has been adjusted in accordance with International Accounting Standard #8.