

CHAIRMAN'S STATEMENT

I am pleased to report that the operating performance of the Group in the second quarter enhanced the successes recorded in the first quarter, resulting in an operating profit of \$167 million for the six (6) month period ended June 30, 2007. This was a very substantial improvement over the corresponding period in 2006 when a loss of \$22 million was incurred.

Contributing to this good performance was notable revenue growth in all classes of our business as evidenced by increases in life premiums of 20%, health premiums of 10% and property and casualty premiums of 29% over the 2006 levels.

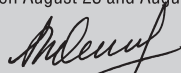
In addition, our UK business, GHL Europe, which was emerging from a challenging period, contributed with a 32% increase in premium income. In fact, the restructuring of this business is now yielding positive results and the prognosis for the remainder of the year is good.

Our asset management companies continued to grow with third party funds under management increasing in spite of the bearish conditions that pervade the regional stock markets.

However regarding our own equity investments we continue to contend with the adverse and frustrating effects of the depressed state of the regional stock markets which have resulted in net unrealized fair value losses of \$250 million thereby erasing the gains made in our operations. Although we remain cautiously optimistic about the quality equities we hold, there continues to be minimal positive movement in prices and disposal of blocs of shares at this time is not a viable option.

The Board has given prudent consideration to the resumption of dividend payments in the context of the overall improvements of the Group's operations and have decided upon a modest interim dividend of 5 cents. We wish to thank our shareholders for the patience and understanding they displayed following the suspension of dividends earlier this year.

The Board has fixed August 23, 2007 as the Record Date for determination of shareholders entitled to the payment of dividends. For this purpose, the register of members will be closed on August 23 and August 24, 2007. Dividend cheques will be mailed on August 30, 2007.



**Arthur Lok Jack,
Chairman
August 10, 2007**

Consolidated Income Statement

	Unaudited 6-Months June 2007 TT\$'000	Unaudited 6-Months June 2006 TT\$'000 (Re-stated)	Audited 12-Months Dec 2006 TT\$'000	Unaudited 3-Months June 2007 TT\$'000	Unaudited 3-Months June 2006 TT\$'000 (Re-stated)
Insurance premium revenue	2,430,835	2,193,303	4,592,636	1,173,871	1,068,086
Insurance premium ceded to reinsurers	(371,683)	(533,891)	(897,688)	(146,733)	(249,231)
Net insurance premium revenue	2,059,152	1,659,412	3,694,948	1,027,138	818,855
Investment income	392,721	335,964	696,739	217,367	175,198
Fees & commission income	62,871	17,578	65,938	32,137	(1,786)
Other revenue	114,249	103,083	257,041	33,972	50,300
	2,628,993	2,116,037	4,714,666	1,310,614	1,042,567
Net insurance benefits and claims	(1,578,937)	(1,219,269)	(2,742,834)	(778,258)	(601,977)
Expenses	(882,501)	(918,660)	(1,902,687)	(451,446)	(470,234)
Operating profit / (loss) before fair value (losses) / gains	167,555	(21,892)	69,145	80,910	(29,644)
Fair value (losses) / gains	(249,738)	(487,135)	(103,454)	1,400	(79,107)
Operating (loss) / profit	(82,183)	(509,027)	(34,309)	82,310	(108,751)
Share of profit / (loss) of associated companies	18,894	6,675	24,090	11,430	(2)
Finance charges	(74,076)	(65,944)	(148,242)	(39,587)	(34,505)
(Loss) / profit before taxation	(137,365)	(568,296)	(158,461)	54,153	(143,258)
Taxation	(47,116)	(32,063)	(77,383)	(22,061)	(15,270)
(Loss) / profit after taxation	(184,481)	(600,359)	(235,844)	32,092	(158,528)
Amount attributable to participating policyholders	16,787	51,549	1,351	(3,757)	3,206
(Loss) / profit for the period	(167,694)	(548,810)	(234,493)	28,335	(155,322)
Attributable to:					
Equity holders of the company	(168,861)	(549,817)	(235,855)	27,664	(155,783)
Minority interest	1,167	1,007	1,362	671	461
	(167,694)	(548,810)	(234,493)	28,335	(155,322)
Loss Per Stock Unit - Basic	(0.84)	(2.73)	(1.17)		
Loss Per Stock Unit - Diluted	(0.81)	(2.67)	(1.14)		

Conversion Rate: US\$1.00:TT\$6.3174

Consolidated Balance Sheet

	Unaudited June 2007 TT\$'000	Unaudited June 2006 TT\$'000 (Re-stated)	Audited Dec.2006 TT\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	620,658	405,855	627,659
Investment properties	771,676	604,962	706,681
Goodwill	1,094,933	839,221	1,077,046
Investment in associated companies	279,500	327,561	271,179
Financial assets	8,486,689	8,071,355	7,955,551
Loans and receivables	720,303	739,436	721,702
Pension plan assets	147,092	135,294	144,383
Value to shareholders of in force long-term business	610,549	531,265	576,843
Deferred tax asset	49,528	51,395	51,043
Reinsurance assets	990,067	1,061,894	1,002,718
	13,770,995	12,768,238	13,134,805
Current assets	6,515,929	5,246,310	6,130,559
Total assets	20,286,924	18,014,548	19,265,364
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	1,520,398	1,506,826	1,512,951
Reserves	(53,024)	(153,660)	(50,294)
Retained earnings	1,946,121	1,811,220	2,094,025
	3,413,495	3,164,386	3,556,682
Minority interests	11,708	17,211	11,096
	3,425,203	3,181,597	3,567,778
Non-current liabilities			
Insurance contracts	10,840,148	9,454,523	10,091,585
Financial liabilities	2,686,055	2,552,107	2,678,862
Post retirement benefit obligations	66,856	59,366	65,478
Deferred consideration	188,722	-	184,249
Deferred tax liability	236,409	219,955	231,005
	14,018,190	12,285,951	13,251,179
Current liabilities	2,843,531	2,547,000	2,446,407
Total liabilities	16,861,721	14,832,951	15,697,586
Total equity and liabilities	20,286,924	18,014,548	19,265,364

Consolidated Statement Of Changes In Equity

	Unaudited June 2007 TT\$'000	Unaudited June 2006 TT\$'000 (Re-stated)	Audited Dec.2006 TT\$'000
Balance at the beginning of the period	3,567,778	3,750,175	3,750,175
Share option scheme - value of services provided	7,447	3,982	10,107
(Deficit) / Surplus on revaluation of properties	(237)	-	38,735
Translation adjustments	22,931	58,275	117,602
Other reserve movements	(4,232)	(1,345)	3,975
Purchase of minority interest	-	-	(6,562)
Loss for the year	(167,694)	(548,810)	(234,493)
Dividends	(790)	(80,680)	(111,761)
Balance at the end of the period	3,425,203	3,181,597	3,567,778

Consolidated Cash Flow Statement

	Unaudited June 2007 TT\$'000	Unaudited June 2006 TT\$'000 (Re-stated)	Audited Dec.2006 TT\$'000
Loss before taxation	(137,365)	(568,296)	(158,461)
Adjustments for non-cash items	(166,418)	168,982	(515,155)
Interest and dividends received	337,616	404,141	725,571
Operating profit before working capital changes	33,833	4,827	51,955
Net purchases of financial assets	(776,596)	(751,381)	(859,793)
Net movement in other operating assets and liabilities	744,214	1,271,422	765,749
Cash generated from / (used in) operations	1,451	524,868	(42,089)
Interest paid	(76,850)	(69,608)	(150,945)
Taxation paid	(14,472)	(45,391)	(45,491)
Net cash (used in) / generated from operating activities	(89,871)	409,869	(238,525)
Net cash used in investing activities	(14,794)	(161,769)	(138,448)
Net cash provided by financing activities	246,927	528,952	665,862
Net increase in cash and cash equivalents	142,262	777,052	288,889

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