



Third Quarter Results to September 30, 2007

Chairman's Statement

In our Reports for the first two quarters of 2007, we Indicated that the operating performance of the Group was showing steady improvement and that this progressive trend was expected to characterize our operations for the remainder of the year. I am now pleased to confirm that we have had another successful quarter and that the Group produced an operating profit (before fair value adjustments) of \$259.9 Million for the nine month period ended September, 2007.


All Our operating companies performed well and produced increased revenues. Life net premium income increased by 20%, health premium grew by 9% and P&C net premiums increased by 28% over the corresponding period in 2006. Significantly, the UK P&C entity, GHl Europe whose premium income grew by 32% over the same period, was responsible for 83% of the increase in the P&C income growth. In addition, third party funds under management experienced healthy growth and our proprietary Mutual Funds outperformed those of all our competitors.

However, our equity investments continued to be adversely affected by the lethargic state of the regional stock markets. Although net unrealized fair value losses declined to \$182.9 million, their adverse impact produced a Group loss of \$69 million. On the positive side, the recent announcement of the intent of the Royal Bank of Canada to acquire the RBTT Holdings Group of Companies, in which we hold a substantial stake, represents an excellent opportunity to realign our investment portfolios. When completed, this significant measure will promote a reversal of the fair market losses we have recorded and enable us to rebalance our investment profile with reduced exposure to the volatility of illiquid regional Stock markets.

All the relevant factors point to further success in our operations and encourage us to be optimistic about the Group returning to overall profitability in the near future.

I wish to take this opportunity to thank our management and staff at all levels, led by our CEO, Rory O'Brien, for the efforts they have exerted to ensure that your company attains its goals. However, I regret to inform you that in August this year Rory advised me of his desire to return to the UK to pursue other opportunities and will officially leave the Group on December 31, 2007. I thank him for the leadership and valuable contribution he has provided over the past two and a half years and wish him and his family well in their future endeavours.

At the same time I welcome Peter Ganteaume, the former CEO of the Group, who has agreed to assume the leadership role until a suitable replacement is found.


Arthur Lok Jack,
Chairman

Consolidated Balance Sheet

	Unaudited Sep 2007 TT\$'000	Unaudited Sep 2006 TT\$'000 (Re-stated)	Audited Dec.2006 TT\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	619,943	417,007	627,659
Investment properties	784,418	611,527	706,681
Goodwill	1,100,739	873,355	1,077,046
Investment in associated companies	300,929	338,286	271,179
Financial assets	9,055,131	8,082,405	7,955,551
Loans and receivables	725,386	693,799	721,702
Pension plan assets	148,259	136,186	144,383
Value to shareholders of in force long-term business	614,578	543,681	576,843
Deferred tax asset	48,362	50,836	51,043
Reinsurance assets	1,054,970	1,094,175	1,002,718
	<u>14,452,715</u>	<u>12,841,257</u>	<u>13,134,805</u>
Current assets	<u>6,280,919</u>	<u>5,056,626</u>	<u>6,130,559</u>
Total assets	<u>20,733,634</u>	<u>17,897,883</u>	<u>19,265,364</u>

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' Equity			
Share capital	1,524,715	1,509,596	1,512,951
Reserves	(65,630)	(20,828)	(50,294)
Retained earnings	<u>2,035,579</u>	<u>1,533,681</u>	<u>2,094,025</u>
	<u>3,494,664</u>	<u>3,022,449</u>	<u>3,556,682</u>
Minority interests	<u>12,057</u>	<u>11,457</u>	<u>11,096</u>
	<u>3,506,721</u>	<u>3,033,906</u>	<u>3,567,778</u>
Non-current liabilities			
Insurance contracts	11,121,905	9,713,184	10,091,585
Financial liabilities	2,824,394	2,669,663	2,678,862
Post retirement benefit obligations	66,761	60,115	65,478
Deferred consideration	190,178	-	184,249
Deferred tax liability	<u>236,384</u>	<u>222,022</u>	<u>231,005</u>
	<u>14,439,622</u>	<u>12,664,984</u>	<u>13,251,179</u>
Current liabilities	<u>2,787,291</u>	<u>2,198,993</u>	<u>2,446,407</u>
Total liabilities	<u>17,226,913</u>	<u>14,863,977</u>	<u>15,697,586</u>
Total equity and liabilities	<u>20,733,634</u>	<u>17,897,883</u>	<u>19,265,364</u>

Consolidated Income Statement

	Unaudited 9-Months Sep 2007 TT\$'000	Unaudited 9-Months Sep 2006 TT\$'000 (Re-stated)	Audited 12-Months Dec 2006 TT\$'000	Unaudited 3-Months Sep 2007 TT\$'000	Unaudited 3-Months Sep 2006 TT\$'000 (Re-stated)
Insurance premium revenue	3,708,030	3,266,053	4,592,636	1,277,195	1,072,750
Insurance premium ceded to reinsurers	<u>(575,279)</u>	<u>(739,513)</u>	<u>(897,688)</u>	<u>(203,596)</u>	<u>(205,622)</u>
Net insurance premium revenue	3,132,751	2,526,540	3,694,948	1,073,599	867,128
Investment income	581,325	501,192	696,739	188,604	165,228
Fees & commission income	92,957	63,143	65,938	30,086	45,565
Other revenue	<u>200,770</u>	<u>123,381</u>	<u>257,041</u>	<u>86,521</u>	<u>20,298</u>
	<u>4,007,803</u>	<u>3,214,256</u>	<u>4,714,666</u>	<u>1,378,810</u>	<u>1,098,219</u>
Net insurance benefits and claims Expenses	<u>(2,452,513)</u>	<u>(1,919,579)</u>	<u>(2,742,834)</u>	<u>(873,576)</u>	<u>(700,310)</u>
Operating profit / (loss) before fair value (losses) / gains	<u>259,924</u>	<u>(41,549)</u>	<u>69,145</u>	<u>92,369</u>	<u>(19,657)</u>
Fair value (losses) / gains	<u>(182,970)</u>	<u>(586,015)</u>	<u>(103,454)</u>	<u>66,768</u>	<u>(98,880)</u>
Operating profit / (loss)	<u>76,954</u>	<u>(627,564)</u>	<u>(34,309)</u>	<u>159,137</u>	<u>(118,537)</u>
Share of profit of associated companies	20,696	14,615	24,090	1,802	7,940
Finance charges	<u>(112,137)</u>	<u>(104,712)</u>	<u>(148,242)</u>	<u>(38,061)</u>	<u>(38,768)</u>
(Loss) / profit before taxation	<u>(14,487)</u>	<u>(717,661)</u>	<u>(158,461)</u>	<u>122,878</u>	<u>(149,365)</u>
Taxation	<u>(65,805)</u>	<u>(58,525)</u>	<u>(77,383)</u>	<u>(18,689)</u>	<u>(26,462)</u>
(Loss) / profit after taxation	<u>(80,292)</u>	<u>(776,186)</u>	<u>(235,844)</u>	<u>104,189</u>	<u>(175,827)</u>
Amount attributable to participating policyholders	<u>11,115</u>	<u>70,651</u>	<u>1,351</u>	<u>(5,672)</u>	<u>19,102</u>
(Loss) / profit for the period	<u>(69,177)</u>	<u>(705,535)</u>	<u>(234,493)</u>	<u>98,517</u>	<u>(156,725)</u>
Attributable to:					
Equity holders of the company	<u>(70,886)</u>	<u>(707,486)</u>	<u>(235,855)</u>	<u>97,975</u>	<u>(157,669)</u>
Minority interest	<u>1,709</u>	<u>1,951</u>	<u>1,362</u>	<u>542</u>	<u>944</u>
	<u>(69,177)</u>	<u>(705,535)</u>	<u>(234,493)</u>	<u>98,517</u>	<u>(156,725)</u>
Loss Per Stock Unit - Basic	(0.35)	(3.51)	(1.17)		
Loss Per Stock Unit - Diluted	(0.34)	(3.42)	(1.14)		

Conversion Rate: US\$1.00:TT\$6.3085

Consolidated Statement Of Changes In Equity

	Unaudited Sep 2007 TT\$'000	Unaudited Sep 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	11,764	6,752	10,107
(Deficit) / Surplus on revaluation of properties	(237)	-	38,735
Translation adjustments	5,394	92,167	117,602
Other reserve movements	2,083	8,661	3,975
Purchase of minority interest	-	(6,562)	(6,562)
Loss for the year	(69,177)	(705,535)	(234,493)
Dividends	<u>(10,884)</u>	<u>(111,752)</u>	<u>(111,761)</u>
	<u>3,506,721</u>	<u>3,033,906</u>	<u>3,567,778</u>

Consolidated Cash Flow Statement

	Unaudited Sep 2007 TT\$'000	Unaudited Sep 2006 TT\$'000 (Re-stated)	Audited Dec.2006 TT\$'000
Loss before taxation	(14,487)	(717,661)	(158,461)
Adjustments for non-cash items	(393,653)	369,231	(515,155)
Interest and dividends received	<u>487,675</u>	<u>523,389</u>	<u>725,571</u>
Operating profit before working capital changes	<u>79,535</u>	<u>174,959</u>	<u>51,955</u>
Net increase in insurance liabilities	1,030,321	608,011	986,411
Net purchases of financial assets	(1,176,591)	(804,476)	(859,793)
Net movement in other operating assets and liabilities	<u>104,727</u>	<u>857,263</u>	<u>(220,662)</u>
Cash generated from / (used in) operations	<u>37,992</u>	<u>835,757</u>	<u>(42,089)</u>
Interest paid	(95,411)	(98,632)	(150,945)
Net taxation paid	<u>(20,678)</u>	<u>(42,186)</u>	<u>(45,491)</u>
Net cash (used in) / generated from operating activities	<u>(78,097)</u>	<u>694,939</u>	<u>(238,525)</u>
Net cash used in investing activities	<u>(64,133)</u>	<u>(488,735)</u>	<u>(138,448)</u>
Net cash provided by financing activities	<u>420,861</u>	<u>422,950</u>	<u>665,862</u>
Net increase in cash and cash equivalents	<u>278,631</u>	<u>629,154</u>	<u>288,889</u>

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.