Your Goals. Full Stop.

Directors` Statement

The directors are pleased to announce the Group financial results for the nine months ended December 31, 2007. For the period, the Group produced net profit of J$808.5 million compared to J$764.4 million earned in the previous year.

The Group experienced growth in all revenue lines resulting in a 19% increase in operating revenue net of interest expense. Fees and commissions and margins from cambio trading increased by 33% and 69% respectively, reflecting our continued efforts to diversify revenue streams.

Our Associated Companies continue to recover from a challenging previous year and contributed J$149.8 million to the group profit for the period.

Administrative expenses increased by 28% due mainly to higher salary cost as a result of additional staff to cope with future expansion coupled with general salary and inflationary related increases granted at the start of the financial year. In addition, costs associated with building out our credit capability, expansion into the Dominican Republic and other product development expenses amounted to $177.08 million. Most of these initiatives are in the incubation phase and are expected to generate additional revenue in the future.

For the quarter, the Group returned profit after tax of J$334.8 million (2006: J$286.8 million), an increase of 23% over the J$271.7million (restated) for the quarter ended September 2007. This was spurred mainly by increase in net interest income and gains on securities trading.

Total assets under management now stand at $102.6 billion (2006 $89.3 billion).

The Directors extend thanks to our clients and team members who continue to support the results of the Group.

Keith P. Duncan
Group Chief Executive Officer

Noel A. Lyon
Chairman

GROUP BALANCE SHEET

	Notes	Unaudited as at 31-Dec-07 J$'000	Unaudited as at 31-Dec-06 J$'000		Audited as at 31-Mar-07 J$'000
ASSETS					
Cash and cash equivalents		3,368,027	1,443,740		1,368,878
Interest and other receivables		4,442,678	3,633,195		2,901,118
Notes receivable		1,501,480	1,394,263		2,593,624
Resale agreements and investments		85,125,630	76,141,385	* *	80,478,392
Membership share		15,000	15,000		15,000
Interest in associated companies		1,624,499	1,382,868	*	1,488,962
Deferred tax asset		40,026	6,456		25,043
Computer software		69,703	101,157		87,486
Property, plant and equipment		828,029	647,354		660,454
		97,015,072	**84,765,418**		**89,618,957**
EQUITY AND LIABILITIES					
Equity					
Share capital		365,847	365,847		365,847
Share premium		13,775	13,775		13,775
Investment revaluation reserve		(266,386)	461,549	*	194,372
Cumulative translation reserve		327,224	364,055	**	234,683
Retained profits		6,854,907	6,023,118	*	6,358,219
		7,295,367	7,228,344		7,166,896
Minority interest		1,444	2,378		2,354
Total equity		**7,296,811**	**7,230,722**		**7,169,250**
Liabilities					
Interest payable and other liabilities		1,392,374	1,560,437		1,415,328
Income tax payable		459,497	-		377,774
Repurchase agreements		82,394,745	73,391,226		77,353,059
Notes payable		2,489,755	2,010,900		2,508,751
Loans payable		302,291	305,107		325,334
Deferred tax liability		155,162	267,026		469,461
Cumulative Redeemable Preference Shares	3	2,524,437	-		-
		89,718,261	**77,534,696**		**82,449,707**
		97,015,072	**84,765,418**		**89,618,957**

* Restated seee note 2e
** Reclassified to conform with current period presentation

GROUP INCOME STATEMENT

	Unaudited 6 months ended 30-Sep-07 J$'000 (Restated see note 2f)	Unaudited 3 months ended 31-Dec-07 J$'000	Unaudited 3 months ended 31-Dec-06 J$'000	Unaudited 9 months ended 31-Dec-07 J$'000	Unaudited 9 months ended 31-Dec-06 J$'000
Net interest income and other operating revenue					
Interest income	4,415,314	2,407,585	2,173,986	6,822,899	6,400,194
Interest expense	(3,728,384)	(1,964,949)	(1,823,737)	(5,693,333)	(5,300,923)
Net interest income	**686,930**	**442,637**	**350,249**	**1,129,567**	**1,099,271**
Gains on securities trading, net	562,562	382,197	220,690	944,759	669,573
Fees and commissions	97,957	49,656	44,698	147,613	111,003
Foreign exchange margins from cambio trading	50,281	24,383	13,890	74,664	44,076
Operating revenue net of interest expense	**1,397,730**	**898,873**	**629,527**	**2,296,603**	**1,923,923**
Other Income/(expenses)					
Share of profits/ (losses) of associated companies	82,304	67,553	98,370	149,857	129,470
Others	1,528	(95)	(898)	1,433	2,231
	1,481,562	966,331	726,999	2,447,893	2,055,624
Administrative expenses	**(956,034)**	**(578,248)**	**(407,470)**	**(1,534,282)**	**(1,196,207)**
Profit before income tax	**525,528**	**388,082**	**319,529**	**913,610**	**859,417**
Income tax	**(51,832)**	**(53,262)**	**(32,713)**	**(105,094)**	**(94,978)**
Profit for the period	**473,696**	**334,820**	**286,816**	**808,516**	**764,439**
Attributable to:					
Equity holders of the parent	**473,214**	**336,212**	**286,356**	**809,426**	**766,741**
Minority interest	**482**	**(1,392)**	**460**	**(910)**	**(2,302)**
Profit for the period	**473,696**	**334,820**	**286,816**	**808,516**	**764,439**
Earnings per stock unit	**$0.34**	**$0.23**	**$0.20**	**$0.55**	**$0.52**

* Reclassified to conform with current period presentation
** Restated (see note 2f)

GROUP STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Investment revaluation reserve	Cumulative translation reserve	Retained Profits	Total attributable to equity holders of the parent	Minority interest	Total
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
Restated balances at March 31, 2006 (audited)	**365,847**	**13,775**	**970,109**	**279,437**	**5,564,601**	**7,193,769**	**4,680**	**7,198,449**
Change in fair value of available -for-sale portfolio, net of taxes	-	-	(508,560)	-	-	(508,560)	-	(508,560)
Profit for the period ended December 31, 2006	-	-	-	-	766,741	766,741	(2,302)	764,439
Foreign exchange translation differences	-	-	-	84,618	-	84,618	-	84,618
Dividends paid	-	-	-	-	(308,224)	(308,224)	-	(308,224)
Restated balances at December 31, 2006 (unaudited)	**365,847**	**13,775**	**461,549**	**364,055**	**6,023,118**	**7,228,344**	**2,378**	**7,230,722**
Balances at March 31, 2007 (audited)	**365,847**	**13,775**	**194,372**	**234,683**	**6,358,219**	**7,166,896**	**2,354**	**7,169,250**
Change in fair value of available -for-sale portfolio, net of taxes	-	-	(460,758)	-	-	(460,758)	-	(460,758)
Profit for the period ended December 31, 2007	-	-	-	-	810,244	810,244	(910)	809,334
Foreign exchange translation differences	-	-	-	92,541	-	92,541	-	92,541
Dividends paid	-	-	-	-	(313,556)	(313,556)	-	(313,556)
Balances at December 31, 2007 (unaudited)	**365,847**	**13,775**	**-266,386**	**327,224**	**6,854,907**	**7,295,367**	**1,444**	**7,296,811**

	2007	2006
Profits retained in the financial statements of:	**J$'000**	**J$'000**
The company	6,758,547	6,163,317
The subsidiaries	96,360	(140,199)
	6,854,907	6,023,118

STATEMENT OF GROUP CASH FLOWS

	Unaudited 9 months ended 31-Dec-07	Unaudited 9 months ended 31-Dec-06
	J$'000	J$'000
Cash flows from operating activities		
Profit for the period	808,516	764,439
Items not involving cash	503,035	34,485
	1,311,551	798,924
Cash flows from operating assets and liabilities	(1,486,085)	(110,937)
Net cash (used)/ generated from operating activities	**(174,534)**	**687,987**
Net cash used in investing activities	**(4,953,472)**	**(2,575,283)**
Net cash generated from financing activities	**7,127,155**	**2,454,362**
Net increase in cash and cash equivalents	**1,999,149**	**567,066**
Cash and cash equivalents at the beginning of the period	**1,368,878**	**876,674**
Cash and cash equivalents at end of period	**3,368,027**	**1,443,740**

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED DECEMBER 31, 2007

1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB"), and the relevant provisions of the Companies Act.

The financial statements are presented on the historical cost basis except for investments classified as fair value through profit or loss and available-for-sale, which are carried at fair value.

Accounting policies applied in these financial statements are consistent with those used in the audited financial statements for the year ended March 31, 2007.
These financial statements are presented in Jamaica dollars.

2. Significant accounting policies
(a) Investments
Investments are classified as fair value through profit and loss, loans and receivables, held-to-maturity or available-for-sale.

Investments classified as fair value through profit or loss, including those held for trading, are carried at fair value, with changes in fair value being recognised in the group income statement.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and that the group does not intend to sell immediately or in the near term. Loans and receivables are measured at amortised cost less impairment losses.

Where the group has the positive intent and ability to hold investments to maturity, they are classified as held-to-maturity investments and measured at amortised cost less impairment losses.

Other investments are classified as available-for-sale and are stated at fair value with gains or losses arising from changes in fair value being included in investment revaluation reserve.

The fair value of investments is based on their quoted market bid price, if available, at the balance sheet date without any deduction for transaction costs. Where a quoted market price is not available, fair value is estimated using a generally accepted alternative method such as discounted cash flow.

Investments are recognised or derecognised by the company on the date of settlement.
During the year ended March 31, 2007, certain investments previously classified as held-to-maturity were sold. The held-to-maturity classification may not be used for the next two financial years – i.e., years ending March 31, 2008 and 2009.

(b) Taxation
Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

(i) Current income tax:
Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the balance sheet date, and any adjustment to income tax payable in respect of previous periods.

(ii) Deferred income tax:
Deferred income tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(c) Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, demand and call deposits with banks and very short-term balances with other broker/dealers.

(d) Earnings per stock unit
Earnings per stock unit ("EPS") is computed by dividing profit attributable to the equity holders of the parent of J$809,426,000 (2006: J$766,741,000) by the number of stock units in issue during the period, numbering 1,463,386,752.

(e) Prior year adjustments
These represent corrections to previously issued financial statements of certain associated companies to (i) reverse a portion of a previously reported deferred tax asset in order to restrict it to the estimated recoverable amount and (ii) recognize in the income statement the accretion of discount and amortization of premium that had not been originally recognized.

f) Prior Period adjustments:
The unaudited financial statements for the six months ended September 30, 2007 have been restated as a result of adjustments in the financial statements of a subsidiary.

(g) Segment Reporting
A segment is a distinguishable component of the Group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. At this time there are no material segments into which the Group's business may be broken down.

(h) Seasonality of Revenue
Gains on securities trading are dependent on market conditions and may result in fluctuations in reported results from period to period.

3. Preference Shares

On December 28, 2007, the company issued preference shares as follows:

	$
i) 12.00 % Redeemable Cumulative Preference shares (70,766,000 shares of $3.00 each)	212,298,000
ii) 12.25% Redeemable Cumulative Preference Shares (783,776,000 shares of $2.95 each)	2,312,139,200
	2,524,437,200