

Chairman's Statement

I am very pleased to be able to report a 73% increase in the Group's profit attributable to equity holders for the full year 2008 as compared to 2007's full year results. Profits attributable to equity holders for the year amounted to \$201.3 million. This satisfying result was achieved despite the onset of the worst global financial crisis since the Great Depression of 1929-1930, and after recording an exceptional goodwill impairment charge of \$256 million. This attests to the strength and robustness of GHL.

The operating profits of our businesses amounted to \$608.7 million, or 121% above last year's figure. The gain on the sale of Grupo Mundial contributed \$308 million to this figure, without which the Group's operating profit performance still showed an impressive 9% increase as compared to 2007.

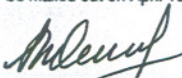
The global financial crisis saw collapses in the US bond and equity markets, as well as the other major markets around the world. The Dow Jones Industrial Average fell 34% during 2008. Our markets closer to home also experienced significant decreases in value. The Trinidad & Tobago Stock Exchange and the Jamaican Stock Exchange Composite fell 14% and 25% respectively. Given the disruptions in the markets, the Group took strategic measures to re-balance our investment portfolio. At year-end, out of \$10.97 billion in Financial Assets, 50% were invested in Government Securities, 39% in either fixed income securities or short term deposits, and only 11% invested in equities. Despite these measures, fair value losses on our financial assets amounted to \$428 million. These fair value losses are non-cash items, and we fully expect that these losses will reverse themselves as markets return to normal.

Another significant non-cash item to report on is the impairment charge we took on the goodwill associated with our UK motor business. While we have taken significant steps to turnaround this business, the impairment charge of \$256 million brings the amount of Goodwill associated with Zenith Insurance, more in line with our future expectations for the performance of this company.

On a much more positive note regarding the Group's operating activities, during 2008 GHL disposed of its interest in RBTT, and subsequently its shares in RBC. These transactions resulted in significant gains for our Group. The proceeds from this and the Mundial sale were primarily used to pay down the Group's debt obligations, which were reduced by \$390 million. Our core businesses, excluding the effects of fair value losses, demonstrated strong results for the year.

The ability of the Group to deliver quality earnings and improve its EPS from 0.56 in 2007 to 0.96 in 2008, despite operating in a very difficult financial environment, is a testament to the resiliency of GHL. There is no doubt that 2009 will continue to bring its challenges, but I am confident in our business and our people to continue along a successful path.

Your Directors are pleased to announce a final dividend of 37 cents per share, bringing the total dividend for 2008 to 77 cents per share (which includes the 25 cent special dividend). This represents the Group's highest dividend payout on record. Your Directors have fixed April 9th, 2009 as the Record Date for determination of shareholders entitled to payment of this dividend. The register of members will be closed from April 9th. Dividend cheques will be mailed out on April 16, 2009. The Annual Meeting of the company will take place on May 13, 2009.



ARTHUR LOK JACK
CHAIRMAN

Consolidated Profit And Loss Statement

	Audited 12-Months Dec 2008 TT\$'000	Audited 12-Months Dec 2007 TT\$'000 (Restated)	Audited 3-Months Dec 2008 TT\$'000	Audited 3-Months Dec 2007 TT\$'000 (Restated)
Insurance premium income	5,682,087	5,450,721	1,725,006	1,742,691
Insurance premium ceded to reinsurers	(867,453)	(879,660)	(257,547)	(304,381)
Net insurance premium income	4,814,634	4,571,061	1,467,459	1,438,310
Investment income	914,250	816,173	254,642	234,848
Realised gains from Grupo Mundial Tenedora S.A.	308,419	-	-	-
Fee & commission income	157,837	198,262	42,326	105,305
Other operating income	590,520	321,816	115,589	121,046
Total revenue	6,785,660	5,907,312	1,880,016	1,899,509
Net insurance benefits and claims	(3,559,008)	(3,474,550)	(1,052,375)	(1,022,037)
Expenses	(2,189,820)	(2,026,706)	(657,534)	(731,340)
Operating profit before fair value (losses) / gains	1,036,832	406,056	170,107	146,132
Fair value (losses) / gains	(428,154)	(130,958)	(284,489)	52,012
Operating profit	608,678	275,098	(114,382)	198,144
Impairment of goodwill	(256,568)	-	(256,568)	-
Share of profit of associated companies	26,086	84,407	13,193	63,711
Finance charges	(145,011)	(165,997)	(38,440)	(53,860)
Profit / (loss) before taxation	233,185	193,508	(396,197)	207,995
Taxation	(24,846)	(71,851)	23,738	(6,046)
Profit / (loss) after taxation	208,339	121,657	(372,459)	201,949
Amount attributable to participating policyholders	(4,019)	(3,217)	13,357	(14,332)
Profit / (loss) for the year	204,320	118,440	(359,102)	187,617
Attributable to:				
Equity holders of the company	201,359	116,285	(359,632)	187,171
Minority interest	2,961	2,155	530	446
	204,320	118,440	(359,102)	187,617
Earnings Per Stock Unit - Basic	\$1.00	\$0.58		
Earnings Per Stock Unit - Diluted	\$0.96	\$0.56		

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.

Consolidated Balance Sheet

	Audited Dec 2008 TT\$'000	Audited Dec 2007 TT\$'000 (Restated)
ASSETS		
Property, plant and equipment	941,602	867,124
Investment properties	614,258	650,125
Intangible assets	646,676	1,112,238
Investment in associated companies	145,159	359,958
Financial assets	10,971,010	11,278,682
Loans and receivables	1,114,292	1,161,976
Pension plan assets	80,573	121,347
Value to shareholders of inforce long-term business	665,573	624,849
Deferred tax asset	68,360	67,997
Reinsurance assets	1,047,447	980,402
Segregated funds' assets	386,585	449,616
Deferred acquisition costs	535,737	594,434
Taxation recoverable	128,117	130,031
Cash and cash equivalents	3,151,269	3,342,680
Other assets	1,388,017	1,041,871
Total assets	21,884,675	22,783,330
EQUITY		
Capital and reserves		
Share capital	1,539,271	1,520,154
Reserves	(570,777)	(62,440)
Retained earnings	2,193,188	2,113,730
	3,161,682	3,571,444
Minority interest	101,659	56,633
Total equity	3,263,341	3,628,077
LIABILITIES		
Insurance contracts	12,104,425	11,916,250
Financial liabilities	4,978,739	5,142,289
Segregated funds' liabilities	386,585	449,616
Post retirement medical benefit obligations	71,673	57,815
Deferred consideration	-	188,157
Deferred tax liability	216,842	243,160
Provision for taxation	76,436	130,355
Other liabilities	786,634	1,027,611
Total liabilities	18,621,334	19,155,253
Total equity and liabilities	21,884,675	22,783,330

Consolidated Statement Of Changes In Equity

	Audited Dec 2008 TT\$'000	Audited Dec 2007 TT\$'000 (Restated)
Balance at the beginning of the year - restated	3,628,077	3,463,824
Surplus on revaluation of properties	20,818	32,111
Translation adjustments	(515,007)	(24,972)
Other reserve movements	(13,455)	(6,974)
Net (expense) / income recognised directly in equity	(507,644)	165
Profit for the year	204,320	118,440
Total recognised (expense) / income	(303,324)	118,605
Issue of shares - minority interest	43,889	43,648
Share option scheme - issue of shares	12,413	-
Share option scheme - value of services provided	14,276	12,882
Dividends	(131,990)	(10,882)
Balance at the end of the period	3,263,341	3,628,077

Consolidated Cash Flow Statement

	Audited Dec 2008 TT\$'000	Audited Dec 2007 TT\$'000 (Restated)
Profit before taxation	233,185	193,508
Adjustment for specific items included on the accruals basis:		
- Interest expense	145,011	165,997
- Investment income	(914,250)	(816,173)
Adjustments for non-cash items	162,135	(40,350)
Interest and dividends received	740,130	786,906
Operating profit before changes in operating assets / liabilities	366,211	289,888
Net increase in insurance liabilities	188,175	1,136,573
Net proceeds from sales / (purchases) of financial assets	(549,832)	(1,908,762)
Net movement in other operating assets and liabilities	(150,643)	700,115
Cash (used in) / provided by operating activities	(146,089)	217,814
Interest paid	(148,353)	(155,352)
Net taxation paid	(66,088)	(55,254)
Net cash (used in) / provided by operating activities	(360,530)	7,208
Net cash provided by / (used in) investing activities	560,135	(148,430)
Net cash (used in) / provided by financing activities	(26,242)	941,871
Net increase in cash and cash equivalents	173,363	800,649