

CHAIRMAN'S STATEMENT

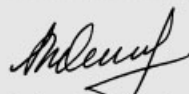
The group recorded profit attributable to shareholders of \$141.5 million in the first quarter of 2005. As expected, this performance falls short of the \$532.8 million posted in the first quarter of 2004, which arose then because of the exceptional increase in the value of certain investments amounting to \$480 million. On that occasion, we pointed out that the level of appreciation was unlikely to be sustained throughout the remainder of the year and that the group's performance should be measured by reference to the operating results of the companies. This proved to be correct as our whole year result for 2004 attests.

In fact, the solid performance achieved in the current quarter was delivered despite the depreciation in the value of the same investments since December 2004 and is in line with projected normalized earnings for the first quarter, and adjusted operating profit of \$128 million for the first quarter of 2004.

We are pleased with the strong performance of our operating companies in the first quarter. Notably, individual life insurance sales in Trinidad and Tobago increased by 24% over the corresponding quarter in 2004, another record-breaking performance by Guardian Life. In March 2005, Guardian Life commenced insurance sales in the Barbados market from a new branch office which was officially opened on April 29th. Revenue in our general insurance division rose by 138% owing mainly to the consolidation of the most recent UK acquisition, Zenith Insurance group.

The significant increase in the size of the group's balance sheet results from the adoption of IFRS 4 which governs the accounting for insurance contracts. With effect from January 2005 claims notified and outstanding are shown gross without deduction of reinsurance recoveries, the latter being reflected as reinsurance assets on the balance sheet. The consequence of the application of IFRS 4 is an increase to the balance sheet totals of \$1.8 billion. Effective this quarter we have also adopted IFRS 2 dealing with share based payments and IFRS 3 on Business Combinations which restricts goodwill amortization.

Notwithstanding the challenges they face, our group companies will remain focused on executing their strategic plans which we are confident will bring continued success.



Arthur Lok Jack
Chairman

Consolidated Balance Sheet

	Unaudited Mar. 2005 \$TT'000	Unaudited Mar. 2004 \$TT'000	Audited Dec. 2004 \$TT'000
Property, Plant and Equipment	432,952	547,856	404,396
Investment in Associated Companies	189,565	260,266	176,014
Financial Assets	9,933,218	8,339,059	9,123,040
Investment Properties	445,732	289,139	425,530
Pension Plan Assets	41,918	128,542	242,431
Value to Shareholders of In-Force Long-Term Business	479,092	429,460	477,387
Goodwill	800,537	313,589	362,392
Deferred Tax Asset	63,761	10,856	64,223
Reinsurance Assets	1,847,136	-	-
	<u>14,233,911</u>	<u>10,318,767</u>	<u>11,275,413</u>
Current Assets	3,495,965	2,487,874	2,491,187
Total Assets	<u>17,729,876</u>	<u>12,806,641</u>	<u>13,766,600</u>
Shareholders' Equity			
Share Capital	1,085,608	1,070,367	1,084,742
Reserves	(102,418)	(228,299)	(99,063)
Retained Earnings	2,231,290	2,120,593	2,162,833
	<u>3,214,480</u>	<u>2,962,661</u>	<u>3,148,512</u>
Minority Interests	15,006	15,100	14,141
	<u>3,229,486</u>	<u>2,977,761</u>	<u>3,162,653</u>
Post Retirement Benefit Obligations	47,489	42,872	47,059
Medium Term Debt	1,530,625	1,046,381	1,252,646
Deferred Tax Liability	219,856	124,641	217,580
Investment Contracts	349,593	-	-
Insurance Contracts	9,948,927	6,627,625	7,278,214
	<u>12,096,490</u>	<u>7,841,519</u>	<u>8,795,499</u>
Current Liabilities	2,403,900	1,987,361	1,808,448
Total Liabilities	<u>14,500,390</u>	<u>9,828,880</u>	<u>10,603,947</u>
Total Equity & Liabilities	<u>17,729,876</u>	<u>12,806,641</u>	<u>13,766,600</u>

Consolidated Statement Of Changes In Equity

	Unaudited Mar. 2005 \$TT'000	Unaudited Mar. 2004 \$TT'000	Audited Dec. 2004 \$TT'000
Balance at the Start of the Period	3,148,512	2,501,431	2,501,431
Issue of Shares	-	-	14,375
Employee Share Options	866	-	-
Surplus on Revaluation of Properties	-	-	26,959
Translation Adjustments	(4,025)	2,014	140,362
Other Reserve Movements	436	6,545	(14,746)
Profit Attributable to Shareholders	141,506	532,777	583,220
Dividends	(72,815)	(80,106)	(103,089)
Balance at the End of the Period	<u>3,214,480</u>	<u>2,962,661</u>	<u>3,148,512</u>

Consolidated Profit And Loss Statement

	Unaudited 3-Months Mar. 2005 \$TT'000	Unaudited 3-Months Mar. 2004 \$TT'000	Audited 12-Months Dec. 2004 \$TT'000
Revenue	1,128,669	1,234,851	3,667,334
Operating Profit	183,314	608,119	831,718
Share of Profits/(Losses) of Associated Companies	5,053	(6,477)	(71,863)
	188,367	601,642	759,855
Finance Charges	(28,046)	(22,452)	(105,135)
Goodwill Net of Negative Goodwill	-	(5,007)	32,962
Profit Before Taxation	160,321	574,183	687,682
Taxation	(18,137)	(40,899)	(103,452)
Profit after Taxation	142,184	533,284	584,230
Minority Interests	(678)	(507)	(1,010)
Profit Attributable to Shareholders	<u>141,506</u>	<u>532,777</u>	<u>583,220</u>
Earnings Per Share - Basic	0.74	2.79	3.05
Earnings Per Share - Diluted	0.73	2.75	3.00

Consolidated Cash Flow Statement

	Unaudited Mar. 2005 \$TT'000	Unaudited Mar. 2004 \$TT'000	Audited Dec. 2004 \$TT'000
Profit Before Taxation	160,321	574,183	687,682
Share of (Profits)/Losses of Associated Companies	(5,053)	6,477	71,863
Dividends from Associated Companies	-	131	5,293
Adjustments for Non-Cash Items	1,253,905	(183,237)	171,039
Operating Cash Flow Before Working Capital Changes	1,409,173	397,554	935,877
Net Working Capital Changes	(588,732)	(196,392)	409,892
Net Taxation Received/(Paid)	3,653	(793)	(45,508)
Cash Flow from Operating Activities	824,094	200,369	1,300,261
Investing Activities	(66,213)	(370,058)	(1,295,414)
Financing Activities	259,769	(8,684)	(134,566)
Increase/(Decrease) in Short-term Funds	<u>1,017,650</u>	<u>(178,373)</u>	<u>(129,719)</u>

These financial statements have been prepared in accordance with International Financial Reporting Standards.

Conversion Rate: US\$1.00:TT\$6.278