

CHAIRMAN'S REPORT

Dear Shareholders,

I am pleased to report that Group Profit attributable to equity shareholders for the half-year ended June 30, 2017 amounted to \$193 million, an increase of \$31 million or 19% over the corresponding period last year (\$162 million).

The Group's results continued to be driven by a strong performance from our investments that generated income of \$565 million compared to \$470 million last year.

Net income from insurance underwriting activities of \$211 million was \$49 million lower than the same period last year, principally because the 2016 half-year results of our Life, Health and Pensions (LHP) segment included certain net favourable actuarial adjustments arising from the peculiarities of transitioning to the Caribbean Policy Premium Method of reserving. Notwithstanding the reserving adjustments, LHP organic premium income growth was steady with an 8% increase over the comparable period. In our Property and Casualty segment, premium income and underwriting results increased marginally over 2016.

Overall, your Board is satisfied with the Group's half-year performance, which was achieved despite a weak performance of the economies in which we operate. Your Directors have therefore recommended an interim dividend of \$0.22 per common share (2016: \$0.21).



Henry Peter Ganteaume
Deputy Chairman GH
August 4, 2017

FORWARD LOOKING STATEMENTS

This statement may contain certain forward looking statements, including but not limited to, statements as to future operating results and plans that involve risks and uncertainties. We use words such as "expects", "anticipates", "believes", or "estimates", the negative of these terms and similar expressions to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements for any reason.

SUMMARY CONSOLIDATED STATEMENT OF INCOME

	Unaudited 6-Months Jun 2017 TT\$'000	Unaudited 6-Months Jun 2016 TT\$'000	Unaudited 3-Months Jun 2017 TT\$'000	Unaudited 3-Months Jun 2016 TT\$'000	Audited 12-Months Dec 2016 TT\$'000
Gross written premiums	2,904,530	2,735,381	1,284,978	1,142,264	5,475,136
Net written premiums	2,004,348	1,882,209	930,753	808,381	4,011,462
Net income from insurance underwriting activities	210,495	259,278	107,597	154,613	612,654
Net income from investing activities	565,000	470,471	286,269	238,304	1,027,706
Net income from brokerage activities	7,478	9,872	2,955	5,665	4,050
Net income from all activities	782,973	739,621	396,821	398,582	1,644,410
Operating expenses	(464,241)	(453,972)	(229,003)	(237,515)	(997,503)
Finance charges	(64,373)	(65,332)	(32,212)	(32,558)	(129,605)
Operating profit	254,359	220,317	135,606	128,509	517,302
Share of profit of associated companies	9,776	5,694	5,511	4,070	3,285
Profit before taxation	264,135	226,011	141,117	132,579	520,587
Taxation	(63,570)	(67,290)	(34,200)	(35,831)	(130,149)
Profit after taxation	200,565	158,721	106,917	96,748	390,438
Amount attributable to participating policyholders	(6,687)	3,593	(3,523)	2,811	(15,552)
Profit from continuing operations	193,878	162,314	103,394	99,559	374,886
Net gain from discontinued operations	-	58	-	190	22,771
Profit for the period	193,878	162,372	103,394	99,749	397,657
Profit attributable to non-controlling interests	(523)	(377)	(253)	(178)	(1,857)
Profit attributable to equity holders of the parent	193,355	161,995	103,141	99,571	395,800
Earnings per share					
- Basic	\$ 0.83	\$ 0.70			\$ 1.71
- Basic - for continuing operations	\$ 0.83	\$ 0.70			\$ 1.61

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6-Months Jun 2017 TT\$'000	Unaudited 6-Months Jun 2016 TT\$'000	Unaudited 3-Months Jun 2017 TT\$'000	Unaudited 3-Months Jun 2016 TT\$'000	Audited 12-Months Dec 2016 TT\$'000
Profit for the period	193,878	162,372	103,394	99,749	397,657
Other comprehensive income/(loss)					
Exchange differences on translating foreign operations	70,215	63,009	45,109	(18,349)	41,093
Gains on property revaluation	-	-	-	-	30,657
Actuarial gains on post employment benefits	-	-	-	-	8,609
Other reserve movements	(42)	62	54	(7)	(352)
Income tax relating to components of other comprehensive income	-	-	-	-	(3,948)
Other comprehensive income/(loss) for the period, net of tax	70,173	63,071	45,163	(18,356)	76,059
Total comprehensive income for the period, net of tax	264,051	225,443	148,557	81,393	473,716
Comprehensive (income)/loss attributable to non-controlling interests	(328)	(494)	(250)	352	(3,143)
Comprehensive income attributable to equity holders of the parent	263,723	224,949	148,307	81,745	470,573

**CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**

	Unaudited Jun 2017 TT\$'000	Audited Dec 2016 TT\$'000
ASSETS		
Property, plant and equipment	595,134	593,434
Investment properties	1,307,560	1,256,946
Intangible assets	514,211	515,163
Investment in associated companies	215,505	211,566
Financial assets	15,822,511	15,391,785
Financial assets of mutual fund unit holders	1,006,942	976,307
Loans and receivables	2,346,157	2,045,742
Properties for development and sale	185,307	168,972
Pension plan assets	108,706	106,140
Deferred tax assets	31,709	24,346
Reinsurance assets	932,342	790,796
Deferred acquisition costs	105,248	88,498
Taxation recoverable	157,143	177,151
Cash and cash equivalents	1,877,139	1,744,053
Cash and cash equivalents of mutual fund unit holders	142,402	161,142
Assets held for sale	-	251
Total assets	25,348,016	24,252,292
EQUITY AND LIABILITIES		
Share capital	2,004,398	2,032,282
Reserves	(475,473)	(547,186)
Retained earnings	1,662,416	1,556,032
Equity attributable to owners of the parent	3,191,341	3,041,128
Non-controlling interests in subsidiary	21,167	22,467
Total equity	3,212,508	3,063,595
Liabilities		
Insurance contracts	15,345,411	14,663,168
Financial liabilities	2,175,073	2,170,647
Investment contract liabilities	1,868,548	1,811,761
Third party interests in mutual funds	1,101,868	1,082,711
Pension plan liabilities	71,157	68,253
Post retirement medical benefit obligations	91,233	89,646
Deferred tax liabilities	264,081	246,783
Provision for taxation	45,264	76,841
Reinsurance liabilities	530,559	316,697
Other liabilities	642,314	661,939
Liabilities related to assets held for sale	-	251
Total liabilities	22,135,508	21,188,697
Total equity and liabilities	25,348,016	24,252,292

These consolidated financial statements have been approved for issue by the Board of Directors on August 4, 2017 and signed on its behalf:

Accountant *Director*

**SUMMARY CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY**

	Unaudited Jun 2017 TT\$'000	Unaudited Jun 2016 TT\$'000	Audited Dec 2016 TT\$'000
Balance at beginning of the period	3,063,595	2,754,009	2,754,009
Total comprehensive income	264,051	225,443	473,716
Other movements	(236)	(4)	(2,878)
Repurchase of vested options	(8,919)	-	-
Disposal of asset held for sale	-	-	(13,698)
Dividends	(105,983)	(98,789)	(147,554)
Balance at end of the period	3,212,508	2,880,659	3,063,595

**SUMMARY CONSOLIDATED STATEMENT
OF CASH FLOWS**

	Unaudited Jun 2017 TT\$'000	Unaudited Jun 2016 TT\$'000	Audited Dec 2016 TT\$'000
Profit before taxation from continuing operations	264,135	226,011	520,587
Profit before taxation from discontinued operations	-	58	22,771
	264,135	226,069	543,358
Adjustment for specific items included on the accruals basis:			
- Finance charges	64,373	65,332	129,605
- Investment income	(428,941)	(393,960)	(820,293)
Interest and dividends received	426,507	389,696	817,738
Adjustments for non-cash items	(60,086)	(125,862)	(239,057)
Operating profit before changes in operating assets/liabilities	265,988	161,275	431,351
Net increase in insurance liabilities	677,807	885,448	1,419,659
Net purchases of financial assets	(291,694)	(254,238)	(1,301,456)
Net purchases of/additions to investment properties	(22,911)	(14,909)	(224,259)
Net movement in other operating assets and liabilities	(231,783)	(349,329)	(155,239)
Cash provided by operating activities	397,407	428,247	170,056
Interest paid	(60,815)	(74,034)	(160,762)
Net taxation paid	(66,638)	(66,268)	(119,164)
Net cash provided by/(used in) operating activities	269,954	287,945	(109,870)
Net cash used in investing activities	(25,224)	(34,850)	(66,220)
Net cash used in financing activities	(130,197)	(76,475)	(33,913)
Net increase/(decrease) in cash and cash equivalents	114,533	176,620	(210,003)

**SEGMENT
INFORMATION**

	Life, health and pension business TT\$'000	Property and casualty business TT\$'000	Asset Management TT\$'000	Other including consolidation adjustments TT\$'000	Group TT\$'000
Six months ended 30 June 2017					
Gross written premiums	1,702,778	1,201,752	-	-	2,904,530
Net written premiums	1,597,463	406,885	-	-	2,004,348
Underwriting revenue	1,571,035	490,593	-	-	2,061,628
Underwriting expenses	(1,563,877)	(289,305)	-	2,049	(1,851,133)
Net income/(loss) from investing activities	517,543	46,785	42,747	(42,075)	565,000
Net income from brokerage activities	-	7,478	-	-	7,478
Net income/(loss) from all activities	524,701	255,551	42,747	(40,026)	782,973
Operating expenses	(272,397)	(151,264)	(21,800)	(18,780)	(464,241)
Finance charges	(1,706)	(9,358)	(417)	(52,892)	(64,373)
Operating profit/(loss)	250,598	94,929	20,530	(111,698)	254,359
Six months ended 30 June 2016					
Gross written premiums	1,574,209	1,161,172	-	-	2,735,381
Net written premiums	1,495,451	386,758	-	-	1,882,209
Underwriting revenue	1,456,546	477,240	-	-	1,933,786
Underwriting expenses	(1,388,954)	(288,374)	-	2,820	(1,674,508)
Net income/(loss) from investing activities	450,369	47,615	40,785	(68,298)	470,471
Net income from brokerage activities	-	9,872	-	-	9,872
Net income/(loss) from all activities	517,961	246,353	40,785	(65,478)	739,621
Operating expenses	(249,361)	(139,422)	(17,632)	(47,557)	(453,972)
Finance charges	(2,111)	(11,142)	(167)	(51,912)	(65,332)
Operating profit/(loss)	266,489	95,789	22,986	(164,947)	220,317
Total assets					
June 30, 2017	19,668,082	4,478,281	1,626,144	(424,491)	25,348,016
December 31, 2016	18,910,161	4,076,232	1,562,415	(296,516)	24,252,292

**BASIS OF
PREPARATION**

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the consolidated statement of financial position, summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows.

The summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the December 31, 2016 audited consolidated financial statements consistently applied from period to period. Any new Accounting Standards or interpretations which became effective in this financial year have had no material impact on the Group. The areas of critical accounting estimate and judgement as disclosed in "Note 3" of the December 31, 2016 audited consolidated financial statements, have also remained unchanged.