Life of Jamaica Limited
Un-audited Consolidated Financial Statements
For the period January to March 2008

Interim Report to our Stockholders for the period January to March 2008

On behalf of the Board of Directors, we are pleased to present the un-audited consolidated financial statements of Life of Jamaica Limited (LOJ) for the quarter ended 31 March 2008.

The LOJ Group began the year successfully producing strong first quarter results. Net profit attributable to stockholders was $757.2 million, a 28% growth over the corresponding period in 2007. This outcome represents earnings per share of 20 cents which were up 25% from the 16 cents in 2007. The current period earnings benefited from, continued strong business growth, higher interest rates, a larger share of the earnings from Sagicor General (our interest increased from 51% to 75.2% from November 2007), lower reinsurance premiums costs and lower amortization charges for purchased intangibles. Profitability was higher in all lines of business when compared with the same period in 2007.

Consolidated revenues for the first quarter of $4,534 million showed good growth of 10% over the 2007 amount. Individual Life and Group Life earned premiums of $1,662 million were up on prior year by 10%. Group Health earned premiums of $1,131 million were up by 8%. Net Investment Income of $1,170 million grew by 11%, while Fees, commissions and other revenues of $464 million increased by 25%. In relation to the generation of new business, Individual Life new annualized premium income in Jamaica and Cayman was ahead of the same period last year by 5%. LOJ's Employee Benefits new business was also strong, especially for Health insurance, surpassing the prior year amount and current year target.

During the first quarter, a total of $1,684 million was paid and or accrued as benefits to policyholders and beneficiaries, an increase of 23% over the same period in 2007. There was a larger death claims cost and Individual Life policy surrenders and withdrawals from savings funds were noticeably higher. Though the ratio of claims to premiums for Health insurance was at the same percentage as in 2007, it was on a larger premium base. At $1,105 million, Administration expenses and Depreciation were up 22% from $908 million in the prior year. The ratio of Administration expenses and Depreciation to total revenue therefore increased from 22% for Q1 2007 to 24% for Q1 2008 (2007 full year was 23%). The 2008 costs include higher than expected salary increases for 2007 and 2008. In addition, the 2008 costs reflect increased expenses in the subsidiary, Pan Caribbean Financial Services, relating to set up of the commercial banking operations. Commissions and related sales expenses to net premium income remained at 18%.

The book value of Stockholders equity ended the period at $14,410 million. LOJ distributed a $900 million (or 24 cents per share) dividend payment to stockholders in March. Due to rising interest rates there was a substantial decline in the fair value of available-for-sale long-term securities held by the Group. The return on opening Stockholders' Equity (ROE) was 20%. The corresponding return for 2007 was 16%. Total assets of the Group stood at $89,127 million, showing a modest 2% growth over the December 2007 amount. During the period under review, the subsidiary, Pan Caribbean Financial Services, issued $1,264 million of 5 year 12 1/2% cumulative, redeemable, preference shares.

The number of ordinary shares in issue grew from 3,748,110,163 at December 2007 to 3,750,263,846 at the end of March 2008, as a result of 2,153,683 shares issued for share options exercised.

The Jamaican Insurance Act and Regulations required Life Insurance companies to carry a Minimum Continuing Capital and Surplus Requirement (MCCSR) of at least 120% by the end of the 2007 financial year. The MCCSR measures the ratio of available capital to required capital. The policy within the Sagicor Group provides for an MCCSR of at least 150%, which is the internationally accepted standard for financially strong companies. At December 2007 LOJ's ratio was 187.0%. We also continue to enjoy a financial strength rating (FSR) of "A" (excellent) and an insurers credit rating (ICR) of "a" from the A.M. Best rating agency and the rating of jmAAA on the Jamaica national scale, from Caribbean Information and Credit Rating Services Limited (CariCRIS).

The double digit rate of inflation we have experienced over the past six months has a significant negative effect on our cost of operations and Life Insurance actuarial reserves. We will therefore have to redouble our efforts to improve internal efficiencies even as we pursue opportunities for business growth.

On behalf of the Board of Directors:

Dodridge D. Miller
Chairman

Richard O. Byles
President & CEO

April 28, 2008

Life of Jamaica Limited
Consolidated Balance Sheet
as at 31 March 2008
(Expressed in thousands of Jamaican dollars)

	March -08 Un-audited	March -07 Un-audited	December -07 Audited
Assets:			
Financial Assets at fair value through income	1,816,435	2,261,982	1,503,840
Available-for-sale securities	55,039,914	50,873,052	54,293,848
Loans and receivables	9,372,916	8,401,489	9,697,918
Securities purchased under resale agreements	2,202,549	1,717,928	1,103,790
Short term deposits	1,009,534	465,183	681,721
Investment properties	270,204	444,314	264,084
Investment in associated companies	2,725	2,725	2,725
	69,714,277	64,166,673	67,547,926
Cash resources	1,130,490	1,180,065	2,006,509
Property, plant and equipment	1,214,425	856,805	1,230,028
Intangible assets	4,934,583	5,275,934	4,984,967
Deferred income taxes	41,813	12,883	46,422
Taxation recoverable	633,391	542,080	565,824
Reinsurance assets	1,285,000	1,253,842	1,341,326
Miscellaneous assets and receivables	3,649,027	3,295,015	3,085,032
Segregated funds' assets	6,524,418	5,677,024	6,261,696
	19,413,147	**18,093,648**	**19,521,804**
Total Assets	**89,127,424**	**82,260,321**	**87,069,730**
Liabilities:			
Insurance and annuity liabilities	6,506,337	5,702,686	6,291,051
Investment contracts liabilities	5,881,668	4,725,262	5,809,335
Other policy liabilities	2,485,530	2,390,987	2,530,477
	14,873,535	12,818,935	14,630,863
Securities sold under repurchase agreements	35,173,154	32,700,048	34,020,502
Customer Deposits	5,444,309	4,580,154	5,402,101
Due to Banks and other Financial Institutions	4,091,405	3,972,437	3,726,085
Reedemable preference shares	1,264,348	-	-
Provisions	121,181	82,500	81,181
Taxation payable	112,029	135,625	107,400
Deferred income taxes	150,476	196,473	216,139
Accounts payable and accrued liabilities	2,769,687	2,347,637	2,719,785
Segregated funds' liabilities	6,524,418	5,677,024	6,261,696
	55,651,007	49,691,898	52,534,889
Total liabilities	**70,524,542**	**62,510,833**	**67,165,752**
Equity:			
Capital and reserves attributable to the Company's stockholders:			
Share Capital	7,796,463	7,759,063	7,779,665
Investment and other reserves	(217,936)	1,510,148	727,709
Retained earnings	6,831,804	5,768,923	6,999,651
	14,410,331	15,038,134	15,507,025
Minority interest in subsidiaries	4,192,551	4,711,354	4,396,953
	18,602,882	**19,749,488**	**19,903,978**
Total Liabilities and Equity	**89,127,424**	**82,260,321**	**87,069,730**

On behalf of the board:

D. Miller

Dodridge D. Miller
Chairman

Richard Byles
President and CEO

April 28, 2008

Life of Jamaica Limited
Consolidated Statement of Operations
for the period ended 31 March, 2008
(Expressed in thousands of Jamaican dollars)

	March-08 Year-to- date Unaudited	March-07 Year-to-date Unaudited	December-07 Full year Auditied
Revenues:			
Gross premium revenue	3,403,150	3,370,520	13,757,897
Reinsurance premiums ceded	(503,328)	(692,311)	(2,669,850)
Net premium revenue	2,899,822	2,678,209	11,088,047
Net investment income	1,170,216	1,056,446	4,134,395
Fees, commissions and other revenues	463,866	369,650	1,741,499
Total revenue	**4,533,904**	**4,104,305**	**16,963,941**
Benefits and expenses:			
Insurance benefits incurred	1,684,196	1,370,197	5,460,589
Insurance benefits reinsured	(173,311)	(80,493)	(183,009)
Net Insurance benefits incurred	1,510,885	1,289,704	5,277,580
Changes in insurance and annuity liabilities	207,161	422,195	982,394
Administration expenses	1,068,716	879,288	3,696,478
Commissions and related expenses	518,014	472,184	2,031,833
Depreciation	36,476	29,184	131,374
Amortization of intangible assets	69,821	94,663	504,022
Finance cost	7,168	6,787	27,734
Total benefits and expenses	**3,418,241**	**3,194,005**	**12,651,415**
Profit before taxation	1,115,663	910,300	4,312,526
Taxation	(236,509)	(192,219)	(891,442)
Profit after taxation	**879,154**	**718,081**	**3,421,084**
Net profit attributable to:			
Stockholders of the company	757,172	591,444	2,956,775
Minority interest	121,982	126,637	464,309
Net profit for period	**879,154**	**718,081**	**3,421,084**
Earnings per share for profit attributable to stockholders:			
- Basic	$0.20	$0.16	$0.79
- Fully diluted	$0.20	$0.16	$0.79

Life of Jamaica Limited

Consolidated Statement of Changes in Stockholders' Equity

for the period ended 31 March 2008

(Expressed in thousands of Jamaican dollars)

	Share Capital	Investment & Fair Value Reserves	Currency Translation Reserve	Other Reserves	Retained Earnings	Minority Interest	Total
Year ended 31 December 2007:							
Balance as at 1 January 2007	7,651,537	987,213	461,123	134,435	5,177,479	4,586,380	18,998,167
Unrealised gains on revaluation of owner-occupied properties	-	173,267	-	-	-	-	173,267
Currency translation differences	-	2,987	73,546	-	-	31,303	107,836
Unrealised gains on available-for-sale securities	-	(750,574)	-	-	-	(52,443)	(803,017)
Gains recycled to revenue on disposal and maturity of available-for-sale securities	-	(376,501)	-	-	-	(160,286)	(536,787)
Net gains/(losses) not recognised in the statement of operations	-	(950,821)	73,546	-	-	(181,426)	(1,058,701)
Net profit					2,956,775	464,309	3,421,084
Total (expense)/income recognised for 2007	-	(950,821)	73,546	-	2,956,775	282,883	2,362,383
Transfer to retained earnings	-	(38,684)	-	-	38,684	-	-
Transfer to special investment reserve	-	-	-	39,468	(39,468)	-	-
Adjustment between regulatory loan provisioning and IFRS	-	-	-	10,237	(10,237)	-	-
Transfer to retained earning reserves	-	-		(91)		91	-
Employee share option scheme - value of services provided	-	-	-	23,746	-	4,627	28,373
Disposal of equity interest	-	-	-		-	(256,498)	(256,498)
Employee share options excercised	24,928	-	-	(12,463)	-		12,465
Issue of shares	103,200	-	-		-	49,423	152,623
Dividend paid to minorities	-	-	-	-	-	(269,953)	(269,953)
Dividends	-	-	-	-	(1,123,582)	-	(1,123,582)
Balance as at 31 December 2007	7,779,665	(2,292)	534,669	195,332	6,999,651	4,396,953	19,903,978
Period ended 31 March 2008:							
Balance as at 1 January 2008	7,779,665	(2,292)	534,669	195,332	6,999,651	4,396,953	19,903,978
Unrealised gains on revaluation of owner-occupied properties	-	-	-	-	-	-	-
Currency translation differences	-	50	46,356			2,930	49,336
Unrealised gains on available-for-sale securities	-	(864,617)	-	-	-	(165,299)	(1,029,916)
Gains recycled to revenue on disposal and maturity of available-for-sale securities	-	(150,897)	-	-	-	5,030	(145,867)
Net gains/(losses) not recognised in the statement of operations	-	(1,015,464)	46,356	-	-	(157,339)	(1,126,447)
Net profit	-				757,172	121,982	879,154
Total (expense)/income recognised for the period ended 31 March 2008	-	(1,015,464)	46,356	-	757,172	(35,357)	(247,293)
Transfer to retained earnings	-	-	-	-	-	-	-
Transfer to special investment reserve	-	-	-	15,529	(15,529)	-	-
Adjustment between regulatory loan provisioning and IFRS	-	-	-	9,540	(9,540)	-	-
Transfer to retained earning reserves	-	-	-		-	-	-
Employee share option scheme - value of services provided	-	-	-	6,793	-	1,195	7,988
Disposal of equity interest	-	-	-		-	-	-
Employee share options excercised	16,798	-	-	(8,399)	-	-	8,399
Issue of shares		-	-	-	-	-	-
Dividend paid to minorities	-	-	-	-	-	(170,240)	(170,240)
Dividends	-	-	-	-	(899,950)	-	(899,950)
Balance as at 31 March 2008	7,796,463	(1,017,756)	581,025	218,795	6,831,804	4,192,551	18,602,882

Life of Jamaica Limited
Consolidated Statement of Cash Flows
for the period ended 31 March 2008
(Expressed in thousands of Jamaican dollars)

	March-08 Year-to-date Un-audited	March-07 Year-to-date Un-audited	December-07 Full year Audited
Cash Flows from operating activities:			
Net profit	879,154	718,081	3,421,084
Items not affecting cash	(439,515)	(118,126)	946,435
Changes in operating assets and liabilities	(1,106,577)	(3,066,920)	(6,228,402)
Interest received	1,968,256	1,678,147	7,044,207
Interest paid	(1,073,227)	(930,472)	(4,159,805)
Income taxes paid	(137,552)	(151,074)	(930,390)
Cash generated from/(used in) operating activities	**90,539**	**(1,870,364)**	**93,129**
Cash Flows from investing activities:			
Acquisitions, net of cash acquired	-	-	(277,094)
Property, plant and equipment, net	(18,420)	(33,242)	(150,697)
Intangible assets, net	(13,752)	(19)	(61,396)
Cash used in investing activities	**(32,172)**	**(33,261)**	**(489,187)**
Cash Flows from financing activities:			
Dividends paid to stockholders	(899,248)	(1,662)	(1,116,543)
Dividend paid to minority interest	(170,341)	-	(269,953)
Ordinary shares issued	16,798	103,200	128,128
Preference shares issued	1,264,348	-	-
Proceeds from loans, net	-	-	(348,434)
Cash (used in)/provided by financing activities	**211,557**	**101,538**	**(1,606,802)**
Effects of exchange rate changes	(248)	16,833	73,315
Cash and cash equivalents:			
Cash and cash equivalents, at beginning of year	2,259,452	4,188,997	4,188,997
(Decrease) / increase in net cash and cash equivalents	269,676	(1,785,254)	(1,929,545)
Net cash and cash equivalents, at end of year	**2,529,128**	**2,403,743**	**2,259,452**

Life of Jamaica Limited
Consolidated Segmental Financial Information
For the period ended 31 March 2008
(Expressed in thousands of Jamaica dollars)

The Group is managed on a matrix basis, reflecting both line of business and geography. Accordingly, segment information is presented in two formats. The Group is organized into five primary business segments, these are:

a) Individual Life Services – This includes provision of life insurance services to individuals.
b) Employee Benefits Services – This includes group and creditor life, personal accident, group annuities, pension funds investment and administration services and the administration of trust accounts.
c) Banking and Asset Management Service – This includes development banking; merchant banking and asset management.
d) General Insurance Services – This includes property and casualty insurance.
e) Other Services – This includes captives management, property management and Stockholders funds.

	Individual Life Services	Employee Benefits Services	General Ins. Services	Banking and Asset Management Services	Other Services	Eliminations	March-08 Group
Total Revenue	1,453,035	2,000,597	141,997	645,090	335,063	(41,878)	4,533,904
Amortization of intangibles	(1,151)	(23,974)	(4,549)	(35,774)	(4,373)	-	(69,821)
Benefits and expenses	(1,165,621)	(1,654,959)	(112,471)	(251,851)	(194,163)	37,813	(3,341,252)
Finance costs	-	(4,124)	(4,124)	-	(2,985)	4,065	(7,168)
Profit / (loss) before tax	286,263	317,540	20,853	357,465	133,542	-	1,115,663
Taxation	(62,172)	(36,677)	-	(128,508)	(9,152)	-	(236,509)
Profit / (loss) after taxation	224,091	280,863	20,853	228,957	124,390	-	879,154
Segment Assets -							
Intangible assets	1,186,680	1,375,659	398,214	1,907,181	66,849	-	4,934,583
Other assets	18,367,988	13,092,096	3,233,085	51,005,886	84,466	(1,684,762)	84,098,759
	19,554,668	14,467,755	3,631,299	52,913,067	151,315	(1,684,762)	89,033,342
Unallocated Assets -							
Investment in associates							2,725
Deferred tax assets							41,813
Retirement benefit assets							49,544
Total Assets							89,127,424
Segment Liabilities	15,401,696	9,061,502	2,080,042	44,697,197	96,020	(1,684,762)	69,651,695
Unallocated Liabilities -							
Deferred tax liabilities							150,476
Retirement benefit obligations							308,447
Business development loans							413,924
Total Liabilities							70,524,542

	Individual Life Services	Employee Benefits Services	General Ins. Services	Banking and Asset Management Services	Other Services	Eliminations	March-07 Group
Total Revenue	1,375,145	1,839,280	117,995	601,015	203,128	(32,258)	4,104,305
Amortization of intangibles	-	(21,171)	(3,458)	(54,677)			(79,306)
Benefits and expenses	(1,084,871)	(1,570,973)	(97,257)	(216,897)	(165,156)	27,332	(3,107,822)
Finance costs	-	(3,394)	(3,393)	-	(4,926)	4,926	(6,787)
Profit / (loss) before tax	290,274	243,742	13,887	329,441	33,046	-	910,390
Taxation	(59,706)	(25,842)	-	(103,958)	(2,713)	-	(192,219)
Profit / (loss) after taxation	230,568	217,900	13,887	225,483	30,333	-	718,171
Segment Assets -							
Intangible assets	1,175,143	1,447,012	374,496	2,186,022	93,261	-	5,275,934
Other assets	17,315,675	10,406,482	2,966,684	46,692,560	56,186	(482,224)	76,955,363
	18,490,818	11,853,494	3,341,180	48,878,582	149,447	(482,224)	82,231,297
Unallocated Assets -							
Investment in associates							2,725
Deferred tax assets							12,883
Retirement benefit assets							13,416
Total Assets							82,260,321
Segment Liabilities	12,308,574	7,397,250	1,928,162	39,683,865	91,483	(482,224)	60,927,110
Unallocated Liabilities -							
Deferred tax liabilities							339,337
Retirement benefit obligations							291,977
Business development loans							952,409
Total Liabilities							62,510,833

Life of Jamaica Limited
Consolidated Segmental Financial Information (continued)
For the period ended 31 March 2008
(Expressed in thousands of Jamaican dollars)

	Individual Life Services	Employee Benefits Services	General Ins. Services	Banking and Asset Management Services	Other Services	Eliminations	Dec-07 Group
Total Revenue	5,541,075	7,663,897	513,357	2,561,346	845,677	(161,411)	16,963,941
Amortization of intangibles	(4,142)	(95,698)	(17,387)	(369,262)	(17,533)	-	(504,022)
Benefits and expenses	(4,210,296)	(6,116,554)	(445,794)	(854,416)	(633,323)	140,724	(12,119,659)
Finance costs	-	(15,632)	(15,633)	-	(17,156)	20,687	(27,734)
Profit / (loss) before tax	1,326,637	1,436,013	34,543	1,337,668	177,665	-	4,312,526
Taxation	(216,501)	(133,485)	-	(461,742)	(79,714)	-	(891,442)
Profit / (loss) after taxation	1,110,136	1,302,528	34,543	875,926	97,951	-	3,421,084
Segment Assets -							
Intangible assets	1,184,168	1,393,492	404,184	1,930,260	72,863	-	4,984,967
Other assets	17,729,875	13,342,351	3,331,836	48,941,111	82,989	(1,442,090)	81,986,072
	18,914,043	14,735,843	3,736,020	50,871,371	155,852	(1,442,090)	86,971,039
Unallocated Assets -							
Investment in associates							2,725
Deferred tax assets							46,422
Retirement benefit assets							49,544
Total Assets							87,069,730
Segment Liabilities	13,396,502	9,785,828	2,245,184	42,142,173	102,508	(1,442,090)	66,230,105
Unallocated Liabilities -							
Deferred tax liabilities							216,139
Retirement benefit obligations							308,447
Business development loans							411,061
Total Liabilities							67,165,752

The Group's secondary format for segment information is geographic:

	Jamaica	Grand Cayman	Mar-08
Total Revenue	3,895,492	638,412	4,533,904
Total Assets	80,071,246	9,056,178	89,127,424

	Jamaica	Grand Cayman	Mar-07
Total Revenue	3,481,172	623,133	4,104,305
Total Assets	74,653,201	7,607,120	82,260,321

	Jamaica	Grand Cayman	Dec-07
Total Revenue	14,634,633	2,329,308	16,963,941
Total Assets	78,287,820	8,781,910	87,069,730

Explanatory notes

1. Significant Accounting Policies

(a) *Basis of preparation*

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) which includes International Accounting Standards (IAS) and have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investment securities, investment property, certain property plant and equipment and financial assets held at fair value through income.

(b) *Basis of consolidation*

Subsidiaries are consolidated on a line-by-line basis from the date on which control is transferred to the Group and are no longer consolidated from the date on which control ceases. The Group uses the purchase method of accounting for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Inter-company transactions, balances and unrealized gains and losses on transactions between group companies are eliminated.

Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost. Under this method the company's share of the post-acquisition profits or losses of associates is recognized in the statement of operations and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the company's interest in the associate; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(c) *Segment reporting*

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components in other economic environments.

(d) *Investments*

Investments are classified as financial assets at fair value through income, available-for-sale financial assets or loans and receivables, as determined by management at the time of purchase.

Financial assets at fair value through income consist of held-for-trading securities. A financial asset is classified into this category at inception if acquired principally for the purpose of selling in the short-term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking or if so designated by management.

Available-for-sale securities are initially recognized at cost and are subsequently re-measured at their fair value based on quoted bid prices. If the market for a financial asset is not active the Group establishes fair values by using valuation techniques. Unrealized gains and losses arising from changes in fair value of securities classified as available-for-sale are deferred to Investments and Fair Value Reserves. When the securities are disposed of or impaired, the related accumulated unrealized gains or losses included in reserves are transferred to Investment Income.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

All purchases and sales of investment securities are recognized on the trade date.

(e) Investment Properties

Investment properties are held for long term rental yields, and are not occupied by companies within the group. Investment properties are carried at fair value as determined annually by external valuators. Changes in fair value are taken to Investment Income.

(f) Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (reverse repurchase agreements) are treated as collateralised financing and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

(g) Cash and Cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash balances, short term deposits, other liquid balances with maturities of three months or less from the acquisition date, bank overdrafts which are repayable on demand, other borrowings from financial institutions made for the purpose of meeting cash commitments and which have maturities of three months or less from origination.

Cash and cash equivalents exclude balances held to meet statutory requirements.

(h) Insurance and Investment contracts

The Group issues contracts that transfer insurance risk or financial risk or both.

Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. The Group defines insurance risk as significant if an insured event could cause an insurer to pay significant additional benefits in a scenario that has a discernible effect on the economics of the transactions.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk as defined above.

2. Segregated Funds

The Group manages various unitized funds on behalf of life insurance policyholders. The policyholders share all rewards and risks of the performance of the funds. Consequently, the assets and liabilities of these funds are recorded on the consolidated Balance Sheet separately from the general funds of the Group. All income and expenditure are recorded directly to the Balance Sheet as an adjustment to "Segregated Funds' Liabilities". Income earned by the Group from investment fees is included in "Fees, Commissions and Other Revenues" in the consolidated Statement of Operations.

3. Pension Funds Under Management

These funds are held in trust through the subsidiary company, LOJ Pooled Investment Funds Limited (LOJ PIF Limited), the Diversified Investment Funds (DIF) and other managed funds. All investment returns accrue directly to the funds with the Group assuming no risks. The assets, liabilities and operations of these funds are not included in these consolidated Financial Statements. At 31 March 2008 the total pension funds under management were $52.143 billion (December 2007: $50.705 billion). Administration and investment fees earned by the Group are included in "Fees, Commissions and Other Revenues" in the consolidated Statement of Operations.

4. Earnings Per Stock Unit

Basic earnings per stock unit are calculated by dividing the net profit attributable to Stockholders by the weighted-average number of ordinary shares in issue during the period.

The diluted earnings per stock unit is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The adjustments related to un-issued shares for the Staff Share Ownership Plan and un-issued shares for the Executive Stock Option Plan and Long-term Incentive Plan.

5. Intangible Assets

The item Intangible Assets includes, Group controlled computer software, goodwill and other intangible assets.

Goodwill:
Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired at the acquisition date. Goodwill is initially measured at cost and is not amortized. After initial recognition goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Other Intangible Assets:
Other intangible assets include contractual customer relationships, trade names and computer software acquired through acquisitions. The fair values and estimates of useful life of these identifiable intangible assets are determined by independent appraisers at the point of acquisition. These assets are initially recorded at cost. If the estimated useful life is definite, then the cost of the asset is amortised over its life, and is tested for impairment when there is evidence of same. If the estimated useful life is indefinite, the asset is not amortized but is tested annually for impairment.