

LIFE OF JAMAICA LIMITED 1998

Consolidated Statement of Cash Flows

Year ended December 31, 1998

	Thousands of Dollars	
	1998	1997
Cash flows from operating activities:		
Net profit for the year	17,344	92,113
Net movement in policyholders' funds	(237,878)	(115,957)
Preference dividends	(93)	-
Transfer to capital redemption reserve fund	(228)	-
Transfer from statutory banking reserve	-	30,483
	<u>(220,855)</u>	<u>6,639</u>
Adjustments to convert income and expense to the cash basis:		
Gain on sale of shares in subsidiary	-	(253,024)
Net investment in subsidiary sold	-	39,887
Transfer from investment reserves	(82,815)	139,901
Depreciation	166,447	71,314
Goodwill amortised	35,389	32,860
Amortisation of deferred expenses	30,240	71,104
Minority interest in subsidiaries	25,625	27,053
Loss on sale of fixed assets	76	11,438
Net adjustments to fixed assets on sale of subsidiary	-	237,261
Depreciation on unit linked policies	408,161	197,086
Translation and revaluation adjustment to fixed assets	(1,006)	(1,005)

Profit retained in associated companies	(38)	<u>(2,501)</u>
	361,224	578,013
Decrease in other assets	254,520	1,160,299
(Decrease) in other liabilities	<u>(541,345)</u>	<u>(13,119,181)</u>
Net cash provided by/(used in) operating activities	<u>74,399</u>	<u>(11,380,869)</u>
Cash flows from investing activities:		
Investments	200,779	7,333,927
Additions to fixed assets	(74,131)	(49,702)
Proceeds of sale of fixed assets	4,738	15,285
Proceeds from sale of shares in subsidiary	-	182,654
Net cash (used in)/provided by investing activities	<u>131,386</u>	<u>7,482,164</u>
Cash flows from financing activities:		
Increase in share capital	-	1,071,015
Share premium	-	128,985
Associated company	4,244	(15,519)
Bank loans and overdraft	(144,508)	262,858
Minority interest	<u>2,257</u>	<u>(4,438)</u>
Net cash (used in)/provided by financing activities	<u>(138,007)</u>	<u>1,442,901</u>
Net increase/(decrease) in cash resources	<u>67,778</u>	<u>(2,455,804)</u>
Cash resources at beginning of year	<u>150,159</u>	<u>2,605,963</u>
Cash resources at end of year	<u>217,937</u>	<u>150,159</u>

The accompanying notes form an integral part of the consolidated financial statements.
