

First Life Insurance Company Limited 1998

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We are pleased to report First Life continues to be profitable and to build its capital base. For the six month period ended June 30, 1998 profits amounted to \$93.9 million (June 1997: \$68.5 million) producing an Earnings per Share of \$0.31 (June 1997: \$0.23). Net worth of First Life as at June 30, 1998 stood at \$1,644.9 million (Dec 1997: \$1,598.0 million). The balance sheet also showed strengthening in respect of our surplus assets which grew to \$1,583.6 million (Dec 1997: \$1,530.0 million). Liquidity of the balance sheet improved too, with marketable, income yielding securities increasing by \$144.2 million in the six months of 1998.

For the period, the health and life insurance portfolios continued to make satisfactory profit contributions, as did the pension management portfolio. Our subsidiary, Jamaica Property Company has stabilized its vacancy factor at the December 1997 level of 11% and in a difficult market also made a good profit contribution. Our banking subsidiary, Pan Caribbean made a significant profit improvement over 1997 and continues to meet all Bank of Jamaica standards.

	JUNE 1998 \$'000	JUNE 1997 \$'000
INCOME		
Net premiums	375,689	308,435
Investment and other income	128,081	90,906
Property investment	101,831	90,015
Merchant banking	39,505	41,763
Share of profits of associated companies	<u>1,324</u>	<u>1,095</u>
	646,430	532,214

**EXPENSES**

Policyholders' benefits	308,036	247,413
Commissions	22,892	22,482
Administrative and other expenses	155,840	160,707
Increase in reserves for future benefits	43,172	8,409
Interest	13,891	16,455
Taxation	8,739	8,245
	<u>552,570</u>	<u>463,711</u>

**NET PROFIT****93,860**      **68,503****EARNINGS PER SHARE**

\$0.31      \$0.23

JUNE	DEC
1998	1997
\$'000	\$'000

**ASSETS**

Investments		
Government of Jamaica securities	720,975	536,474
Mortgages, loans, bonds	303,765	344,100
Equities	32,949	44,346
Real Estate	<u>1,610,421</u>	<u>1,605,526</u>
	<u>2,668,110</u>	<u>2,530,446</u>

Investment in associated companies	39,422	43,189
Fixed assets	112,335	110,663
Other assets	<u>333,068</u>	<u>259,622</u>
	<u>484,825</u>	<u>413,474</u>

**Total Assets****3,152,935**      **2,943,920**

## LIABILITIES

Policyholders' funds	1,084,486	1,000,431
Other liabilities	423,527	345,496
Investment reserves	501,034	547,965
Shareholders' funds	<u>1,143,888</u>	<u>1,050,028</u>

**Total Liabilities****3,152,935**      **2,943,920**

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