First Life Insurance Company Limited 1998

Unaudited Results September 1998

For the nine month period ended September 30, 1998 profits amounted to $131.8 million (September 1997: $96.4 million) producing an Earnings per Share of $0.44 (September 1997: $0.32). Net worth of First Life as at September 30,1998 stood at $1,675.2 million (December 1997: $1,598.0 million). The balance sheet also showed strengthening in respect of our surplus assets which grew to $1,653.10 million (December 1997: $1,530,0 million), Liquidity of the balance sheet has also improved, with income yielding securities increasing by $311.9 million in the nine months of 1999. Adminisitrative expenses have been tightly managed and show a 3.4% reduction over the same period last year.

Compared to September 1997, net premiums showed satisfactory growth of 20.1 %, contributed in the main by increased health insurance business. Profitability of the health and pension division was acceptable and we expect that trend to be maintained to year-end. Very little ordinary life insurance has been sold by the Company as we continue to pursue a policy of portfolio maintenance and cost containment, rather than growth. The existing portfolio now makes a satisfactory contribution to profits.

Our banking subsidiary Pan Caribbean Merchant Bank continues to produce significantly improved profits this year. We expect this performance to remain through December 1998, Our property subsidiary, Jamaica Property Company, has seen no deterioration since June in its occupancy level hence its profit contribution remains strong.

Based on the improved results, the Directors recommend the payment of an interim Capital Distribution in the amount of 5 cents per share (1997, 3.33 cents per share) on November 30 and payable to shareholders on record as at November 13, 1998.

	SEPT 1998 $'000	SEPT 1997 $'000
INCOME		
Net premiums	566,599	471,767
Investment and other income	202,512	141,536
Property investment	144,664	138,734
Merchant banking	68,538	58,521
Share of profits of associated companies	942	2,045
	983,255	812,603
EXPENSES		
Policyholders' benefits	444,876	350,442
Commissions	34,544	33,910
Administrative and other expenses	246,877	255,502
Increase in reserves for future benefits	81,944	40,036
Interest	27,409	24,530
Taxation	15,748	11,764
	851,398	716,184
NET PROFIT	131,857	96,419
EARNINGS PER SHARE	$0.44	$0.32

	SEPT 1998 $'000	SEPT 1997 $'000
ASSETS		
Investments		
Government of Jamaica securities	830,479	536,474
Mortgages, loans, bonds	361,983	344,100
Equities	39,869	44,346
Real Estate	1,604,197	1,605,526
	2,836,528	2,530,446
Investment in associated companies	38,441	43,189
Fixed assets	115,961	110,663
Other assets	305,298	259,622
	459,700	413,474
Total Assets	**3,296,228**	**2,943,920**
LIABILITIES		
Policyholders' funds	1,142,499	1,000,431
Other liabilities	478,504	345,496
Investment reserves	495,373	547,965
Shareholders' funds	1,179,852	1,050,028
Total Liabilities	3,296,228	2,943,920