

Pan Caribbean Merchant Bank Limited

The Pan-Jamaican Group is pleased to report significant improvement in profitability in its audited results for twelve months ended December 31, 2000. Profits attributable to stockholders increased 62% to \$208.1 million (1999: \$128.6 million) and earnings per share to \$1.29 (1999: \$0.81). These results were achieved on revenues of \$3,521.4 million (1999: \$2,894.0 million) an increase of 22% and reflect improved performances in the results of the Group's main subsidiaries, First Life and Hardware & Lumber.

The First Life Group increased revenues by 30% and net profits by 29%. All its main profit centres of insurance, Pension management, property and especially, banking, shared improved contributions to profits. Of great importance, the Group's balance sheet continued to strengthen with surplus invested assets increasing by 17% to \$1,724.7 million.

The H&L Group also produced much improved results, with net profits climbing 34%, and revenues up 12%. In a highly competitive business strongly affected by constricted consumer purchasing power, the Groups retail operation, H&L True Value, posted increased sales of 14% while the wholesale hardware business produced a 13% improvement.

As a result of this operating performance, Pan-Jamaican's balance sheet has strengthened appreciably with shareholders equity growing by \$356.2 million to \$1.66.4 million.

Audited consolidated Balance Sheet
As at December 31, 2000

2000

1999

Audited, Financial Results
Year Ended -December 31. 2000

| | 2000 \$'000 | 1999 \$'000 |
|-------------------------------------|------------------|------------------|
| Gross Operating Revenue | <u>3,521,431</u> | <u>2,894,032</u> |
| Group Profit before Taxation | 342,800 | 232,574 |
| Taxation | <u>(49,701)</u> | <u>(39,244)</u> |
| Group Profit after taxation | 293,099 | 193,330 |
| Minority interest | <u>(84,967)</u> | <u>(64,761)</u> |
| Profit Attributable to Stockholders | <u>208,132</u> | <u>128,569</u> |

000's 000's

AVERAGE ISSUED CAPITAL
number of 10c stock
unit outstanding

160,814 158,039

EARNINGS PER STOCK UNIT

| | | |
|----------------|--------|--------|
| Basic | \$1.29 | \$0.81 |
| fully dilluted | \$1.26 | \$0.81 |

NET ASSETS EMPLOYED

| | \$'000 | \$'000 |
|------------------------------------|------------------|------------------|
| Fixed Assets | 178,399 | 188,309 |
| Investrrient Properties | 1,523,959 | 1,495,617 |
| Investments | 2,225,970 | 1,640,411 |
| Other Insurance and Banking Assets | 678,241 | 933,698 |
| Deferred Expenses | 21,016 | 27,636 |
| Goodwill | 65,125 | 67,088 |
| Current Assets | 1,101,993 | 672,488 |
| Current Liabilities | <u>(509,639)</u> | <u>(485,499)</u> |
| | <u>5,285,064</u> | <u>4,539,748</u> |

FINANCED BY:

| | | |
|---|------------------|------------------|
| Shareholders' fund | 1,669,384 | 1,313,228 |
| Minority interest | 564,380 | 504,891 |
| Policyholders' Fund | 2,424,070 | 1,968,162 |
| Other Insurance and Banking Liabilities | 482,259 | 659,950 |
| Long Term Liabilities | <u>144,471</u> | <u>93,517</u> |
| | <u>5,285,064</u> | <u>4,539,748</u> |

Statement of changes in Shareholders' Fund

| | | |
|--|------------------|------------------|
| Equity at beginning of the year | 1,312,228 | 1,287,664 |
| Net profit for the year | 208,132 | 128,569 |
| Shares issued | 150,532 | 250 |
| Change in the value of investments | 50,821 | (68,312) |
| Transfer to insurance & banking reserves | 3,375 | - |
| Transfer from investment Reserves | (23,738) | (30,202) |
| Dividends paid and proposed | <u>(32,966)</u> | <u>(4,741)</u> |
| Equity at the end at the year | <u>1,676,384</u> | <u>1,313,228</u> |