

FIRST LIFE INSURANCE COMPANY

The financial results for nine (9) months ended September 30 show significant improvement over the same period last year driven by good performances in the Insurance, property and banking divisions. Group revenues Increased 41 % to \$1,581.4 million (1999: \$1,124.3 million). Net profit after tax amounted to \$212.8 million (1999: \$149.8 million) an improvement of 42%, Transfers from investment reserves in net profits were: \$22.1 million (1999:\$35.6 million) reflecting a reduction in the transfer rate to 7.5% (1999: 10%).

Administrative expenses as a percentage of revenues continues to fall, registering 20.0% for the period to September compared to 23.0% last year and reflects our constant vigilance over cost efficiency.

The Insurance Portfolios purchased from the defunct Mutual Life, Dyll Life and Crown Eagle companies have performed to expectation and coupled with our fast growing pension management business, have fueled the strong growth In earnings.

Pan Caribbean merchant Bank continues to have an outstanding year producing profits after tax of \$51.3 million (1999. \$30.8 million) an improvement of 67%. The acquisition and subsequent merger of Knutsford Capital Merchant Bank In June has helped to produce this strong growth. The performance of our associated company Trafalgar Development Bank is consolidated Into our profits.

Our property holding subsidiary, Jamaica Property Company Ltd. produced revenues comparable to 1999 despite the adverse property market At the end of this third quarter, Jamaica Property Company has an occupancy rate of 95%,

Your Directors believe these results for the first three quarters are reasonably indicative of profits expected for the financial year.

**Unaudited Consolidated Business Revenue
Nine Months Ended September 30, 2000**

	Sept 2000 \$'000	Sept 1999 \$'000
Income		
Insurance	1,236,931	854,696
Property investment and management	201,922	176,143
Merchant Banking	144,386	93,366
Share of Profit of associated companies	(1,870)	110
	<u>1,581,369</u>	<u>1,124,315</u>
Expenses		
Policyholders' Benefits & Reserve commissions	953,385	673,814
Management & Property Expenses	62,333	33,599
Interest Expenses	311,557	255,592
	29,070	23,601
	<u>1,356,345</u>	<u>986,606</u>
Operating Profit	225,024	137,709
Transfer from investment Reserve	22,115	35,624
Profit before Taxation	247,139	173,333
Taxation	(34,326)	(23,487)
Net Profit	<u>212,813</u>	<u>149,846</u>
	000's	000's
Average number of \$1.00 Stock Units	300,000	300,000
EARNINGS PER STOCK UNIT	\$0.71	\$0.50

**Unaudited Consolidated Balance Sheet
As at September 30, 2000**

	September 2000 \$ '000	September 1999 \$ '000
ASSETS		
Investments		
Government of Jamaica Securities	2,392,521	1,587,278
Mortgage, Loan Bonds	21,512	274,479
Equities	101,408	83,523
Real Estate	<u>1,510,213</u>	<u>1,495,617</u>
	<u>4,025,654</u>	<u>3,440,897</u>
Investment In associated Companies	114,684	88,662
Fixed Assets	114,012	120,383
Other Assets	655,633	718,062
Goodwill	71,559	67,088
	<u>955,888</u>	<u>994,195</u>
Total Assets	<u>4,981,542</u>	<u>4,435,092</u>
LIABILITIES		
Policyholders' Funds	2,309,150	1,968,162
Other Liabilities	751,729	759,420
Shareholders' Funds	<u>1,920,663</u>	<u>1,707,510</u>
Total Liabilities	<u>4,981,542</u>	<u>4,435,092</u>

Statement of Changes in Shareholders' Funds

	9-months	12-months
Equity at beginning of period	1,707,510	1,650,406
Net profit for the period	212,813	205,370
Changes in value of subsidiaries & investment	31,455	(92,079)
Transfer from investmnet reserves	(22,115)	(41,187)
Capital distribution	<u>(9,000)</u>	<u>(15,000)</u>
Equity at end of period	<u>1,920,663</u>	<u>1,707,510</u>
