

FIRST LIFE INSURANCE COMPANY 2001

Financial results of the first quarter ended March 31, 2001 reflect improvement over last year despite a modest 3% increase in revenues to \$519.1 million. Net profit after tax for the quarter amounted to \$82.5 million, an improvement of 20% over the \$68.9 million in 2000. As a result, earnings per share rose to \$0.28 compared to \$0.23 for last year.

The insurance and pension management divisions performed as expected as did out property division which continues to enjoy an occupancy rate of 96%.

The significant development in this quarter is the sale of 100% of Pan Caribbean Merchant Bank (PCMB) in exchange for approximately 140.6 million Trafalgar Development Bank (TDB) shares. When added to our previous holding, First Life now owns 68% of the TDB Group. As a result of this transaction, the contribution of banking to our total profits for this quarter has risen. As the operations of the two entities are merged, costs stripped out and non-performing assets in TDB returned to income producing, we expect the banking division to make an increasing contribution to First Life's profits in the future.

Richard O. Bytes
Chairman & CEO

Unaudited Consolidated Business Revenue
Three Months Ended March 31, 2001

Unaudited Consolidated Balance Sheet Three
Months Ended March 31, 2001

	March 2001 \$'000	March 2000 \$'000		March 2001 \$'000	December 2000 \$'000
Income			ASSETS		
Insurance	387,717	400,106	Investments		
Property Investment and management	73,269	64,127	Government of Jamaica and other securities	2,462,126	2,202,367
Banking	57,030	39,246	Mortgage, loans and bonds	1,530,590	293,796
Share of results of associated companies	1,109	2,137	Equities	250,156	128,679
	519,125	505,616	Real estate	<u>1,523,959</u>	<u>1,523,959</u>
Expenses				<u>5,766,831</u>	<u>4,148,801</u>
Policyholders' benefit & reserve	288,165	310,982	Investment in Associated Companies	45,069	96,401
Commissions	20,620	20,226	Fixed Assets	158,310	111,874
Management property and other expenses	114,182	92,330	Other Assets	1,186,573	628,249
Interest expenses	5,171	8,777	Goodwill	62,598	65,125
	<u>428,138</u>	<u>432,315</u>		<u>1,452,550</u>	<u>901,649</u>
Operating Profit	90,987	73,301	Total Assets	<u>7,219,381</u>	<u>5,050,450</u>
Transfer from investment reserve	11,794	7,836	LIABILITIES		
Profit before taxation	102,781	81,137	Policyholders' Funds	2,556,468	2,424,070
Taxation	(7,239)	(12,206)	Other Liabilities	2,240,047	665,534
Minority Interest	(13,033)	-	Minority Interest	134,955	-
Profit Attributable to Stockholders	<u>82,509</u>	<u>68,931</u>	Shareholders' Funds-	<u>2,287,911</u>	<u>1,960,846</u>
			Total Liabilities	<u>7,219,381</u>	<u>5,050,450</u>
	000's	000's	Statement of Changes in Shareholders' Funds		
Average Issued Capital			Equity at beginning of the period	1,960,846	1,707,510
number of \$1.00 Stock Units	300,000	300,000	Net profit for the period	82,509	265,835
EARNINGS PER STOCK UNIT			Change in value of		
Basic	\$0.28	\$0.23	subsidiaries & investment	256,350	63,372
Fully diluted	\$0.27	\$0.23	Transfer from investment reserve	(11,794)	(32,371)
			Dividends paid & proposed	-	(43,500)
			Equity at end of the period	<u>2,287,911</u>	<u>1,960,846</u>