

FIRST LIFE INSURANCE COMPANY

and its subsidiaries

Unaudited Financial Results For the

Three Months Ended March 31, 2002

For the first quarter ended March 31, 2002, First Life and its subsidiaries produced net profits attributable to shareholders of \$110.8 million, an increase of 34% over the corresponding period last year. Earnings per share for the first quarter stand at \$0.37 cents (2001: \$0.28 cents). These profits were generated on revenues of \$609.4 million, an increase of 7% compared with prior year period.

All the main divisions of the group, insurance, banking and property performed to expectations increasing their contributions to profit compared to 2001 and return on equity improved to 17.2% from 16.8% in the prior year period.

Richard O. Byles
Chairman & CEO

Unaudited Consolidated Business Revenue

Three Months Ended March 31, 2002

	March 2002 \$' 000	March 2001 \$' 000
Income		
Insurance	415,589	387,717
Property Investment and management	79,841	73,269
Merchant banking	113,984	106,898
Share of results of associated companies	<u>(4)</u>	<u>1,109</u>
	<u>609,410</u>	<u>568,993</u>
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Expenses		
Policyholders' benefits & reserve	307,546	298,391
Commissions	19,300	20,620
Management, property and other expenses	127,691	123,220
Interest expenses	<u>36,485</u>	<u>35,775</u>
	<u>491,022</u>	<u>478,006</u>
Operating Profit	118,388	90,987
Transfer from investment reserve	<u>13,225</u>	<u>11,794</u>
Profit before taxation	131,613	102,781
Taxation	(7,791)	(7,239)
Minority Interest	<u>(13,016)</u>	<u>(13,033)</u>
Net Profit	<u>110,806</u>	<u>82,509</u>
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	'000' s	'000' s
Average Issued Capital		
number of \$1.00 Stock Units	300,000	300,000
EARNINGS PER STOCK UNIT		
Basic	\$0.37	\$0.28
Fully diluted	\$0.36	\$0.27

Unaudited Consolidated Balance Sheet

Three Months Ended March 31, 2002

	March 2002 \$' 000	December 2001 \$' 000
ASSETS		
Investments		
Government of Jamaica and other securities	3,922,779	3,339,545
Mortgages, loans and bonds	1,331,699	1,442,239
Equities	352,187	342,424
Real estate	<u>1,638,045</u>	<u>1,637,982</u>
	<u>7,244,710</u>	<u>6,762,190</u>
Investment in Associated Companies	49,301	53,064
Fixed Assets	98,574	100,391
Banking and Other Assets	1,129,833	1,147,812
Goodwill	<u>52,267</u>	<u>55,017</u>

Total Assets	<u>1,329,975</u>	<u>1,356,284</u>
	8,574,685	8,118,474
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LIABILITIES		
Policyholders' Funds	2,846,365	2,897,775
Banking and Other Liabilities	2,898,199	2,504,906
Minority Interest	175,985	141,369
Shareholders' Funds	<u>2,654,136</u>	<u>2,574,424</u>
Total Liabilities	8,574,685	8,118,474
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Statement of Changes in Shareholders' Funds

	March 2002	March 2001
Equity at beginning of the year	2,574,423	1,960,846
Net profit for the year	110,806	82,509
Change in value of subsidiaries & investment	(17,921)	256,350
Transfer from investment reserves	(13,225)	(11,794)
Shares Issued	30	-
Increase in share premium	23	-
Equity at end of the period	<u>2,654,136</u>	<u>2,287,911</u>
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Unaudited Consolidated Statement of Cash Flow

Three Months ended March 31, 2002

	March 2002 \$' 000	March 2001 \$' 000
Net profit	110,806	82,509
Items not affecting cash	<u>(92,809)</u>	<u>77,624</u>
	17,997	160,133
Changes in non-cash working capital components	<u>(132,403)</u>	<u>50,942</u>
Cash Flow (used in)/from operating activities	(114,406)	211,075
Cash Flow (used in)/from investing activities	(252,902)	150,061
Cash Flow from financing activities	<u>263,884</u>	<u>37,142</u>
(Decrease)/increase in cash resources	(103,424)	398,278
Cash & equivalents at beginning of period	<u>1,169,552</u>	<u>547,873</u>
Net Cash & equivalents at end of period	<u>1,066,128</u>	<u>946,151</u>
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