

FIRST LIFE INSURANCE COMPANY LIMITED

and its subsidiaries

Unaudited Consolidated Profit and Loss Account

9-Months to 30 September 2002

	3-Months to September 2002 \$' 000	3-Months to September 2001 \$' 000	9-Months to September 2002 \$' 000	9-Months to September 2001 \$' 000
Revenue				
Insurance	382,740	369,917	1,140,953	1,089,207
Property investment and management	82,758	80,314	243,034	229,114
Merchant banking	147,147	133,603	412,344	359,105
Share of profits of associated companies	1,293	997	2,504	3,291
	<u>613,938</u>	<u>584,831</u>	<u>1,798,835</u>	<u>1,680,717</u>
Expenses				
Policyholders' benefits & reserves	271,280	265,986	809,637	793,973
Commissions	19,365	18,067	58,740	57,038
Management, property and other expenses	147,684	127,410	425,088	377,099
Interest	28,341	41,881	97,955	118,517
	<u>466,670</u>	<u>453,344</u>	<u>1,391,420</u>	<u>1,346,627</u>

Operating Profits	147,268	131,487	407,415	334,090
Transfer from investment reserve	14,068	12,187	42,235	34,665
Profit before Taxation	161,336	143,674	449,650	368,755
Taxation	(6,882)	(6,116)	(19,840)	(17,583)
Minority interest	(21,270)	(18,901)	(53,181)	(49,788)
Profit attributable to Stockholders	133,184	118,657	376,629	301,384
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Number of \$1.00 Stock Units Issued ('000)	300,080	300,000	300,080	300,000
Earnings Per Stock Unit				
Basic	\$0.44	\$0.40	\$1.26	\$1.00
Fully diluted	\$0.43	\$0.39	\$1.25	\$1.00

Unaudited Consolidated Balance Sheet

	September 2002 \$'000	December 2001 \$'000
ASSETS		
Investments		
Government of Jamaica and other securities	3,787,552	3,339,545
Bank loans and other assets	1,148,988	1,442,239
Equities	401,684	342,424
Real estate	<u>1,638,134</u>	<u>1,637,982</u>
	<u>6,976,358</u>	<u>6,762,190</u>
Other		
Investment in associated companies	53,205	53,064
Fixed assets	143,552	100,391
Other assets	1,330,930	1,147,812
Goodwill	<u>46,765</u>	<u>55,017</u>
	<u>1,574,452</u>	<u>1,356,284</u>
	8,550,810	8,118,474
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Policyholders' funds	2,861,399	2,897,775
Banking and other liabilities	2,639,073	2,504,906
Minority interest	224,408	141,369
Stockholders' equity	<u>2,825,930</u>	<u>2,574,424</u>
	<u>8,550,810</u>	<u>8,118,474</u>
	=====	=====

Unaudited Consolidated Statement of Changes in Equity

	September 2002 \$' 000	September 2001 \$' 000
Equity at beginning of the period	2,574,424	1,960,846
Net profit for the period	376,628	301,384
Goodwill on acquisition		
of subsidiary	-	177,077
Changes in value of investments	(33,819)	80,939
Transfer from investment reserve	(42,235)	(34,665)
Shares issued	258	-
Increase in share premium	194	-
Dividends proposed and paid	<u>(49,520)</u>	<u>-</u>
Equity at end of period	<u>2,825,930</u>	<u>2,485,581</u>
	=====	=====

Unaudited Consolidated Statement of Cash Flow

	September 2002 \$' 000	September 2001 \$' 000
CASH RESOURCES WERE PROVIDED		
BY/(USED IN):		
Operating Activities		
Net profit	376,629	301,384
Items not affecting cash resources	<u>(111,704)</u>	<u>192,323</u>
	264,925	493,707
Changes in non-cash working capital components	<u>(376,155)</u>	<u>(51,224)</u>
	(111,230)	442,483
Financing Activities	170,406	82,058
Investing Activities	<u>(393,964)</u>	<u>198,163</u>
(Decrease)/increase in cash resources	(334,788)	722,704
Net Cash balance at beginning of period	<u>1,169,552</u>	<u>547,873</u>
Net Cash balance at end of period	<u>834,764</u>	<u>1,270,577</u>
	=====	=====
Represented by:		
Cash in hand and at bank	175,606	690,236
Bank overdrafts	(52,758)	(34,533)
Assets under repurchase agreements	<u>711,916</u>	<u>614,874</u>
	<u>834,764</u>	<u>1,270,577</u>
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Note:

Accounting Policies

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2001.

30 September 2002

For the three quarters ended 30 September 2002, First Life and its subsidiaries, Trafalgar Development Bank (71%) and Jamaica Property Company (100%), produced net profits attributable to shareholders of \$376.6 million, an increase of 25% over the corresponding period last year. Earnings per share stand at \$1.26 and the return on opening equity of \$2,574.4 million, is annualized at 19.5% (2001: 16.8%).

Considerable progress has been made towards effecting the "back-office" merger with Life of Jamaica and completion is expected in December 2002.

Your Board of Directors has agreed to pay a second interim dividend of \$0.10 per share on 6 December 2002 to shareholders on record at 20 November 2002. The first interim dividend of \$0.85 was paid on 13 September 2002.

Richard O. Byles
Chairman & CEO
