

FIRST LIFE INSURANCE COMPANY

and its subsidiaries

Unaudited Financial Results For the

Three Months Ended March 31, 2003

The following accounts for First Life and its subsidiaries, Pan Caribbean Financial Services (71%) and Jamaica Property Company Limited (100%), includes balances which have been prepared on the basis of International Accounting Standards (IAS).

The Directors are pleased to report that profit attributable to stockholders for the first quarter ended March 31, 2003 stood at \$158.6 million (2002: \$73.1 million). The back-office merger with Life of Jamaica and the co-insurance agreement with that company has begun to show the expected benefits in respect to the group insurance and pensions management business. Despite the high interest rates and the depreciation of the Jamaican dollar, both the insurance and banking operations produced good returns. Our property assets produced its usual solid contribution to profits and in face of the significant currency depreciation, has produced some valuation gains. An interim dividend of \$0.07 per stock unit has been announced for shareholders on record as at May 14, 2003.

Richard O. Byles
Chairman & CEO

Unaudited Consolidated Business Revenue

Three Months Ended March 31, 2003

	March 2003 \$'000	March 2002 \$'000
Income		
Insurance	400,047	333,882
Property Investment and management	92,587	78,944
Merchant banking	641,306	448,674
Property valuation gain/(loss)	15,000	(23,095)
Change in value of Associated Companies	536	(8,054)
	<u>1,149,476</u>	<u>830,351</u>
	=====	=====
Expenses		
Policyholders' benefits & reserve	250,627	226,245
Commissions	20,827	18,175
Management, property and other expenses	242,211	122,645
Interest expenses	450,420	369,616
	<u>964,085</u>	<u>736,681</u>
Operating Profit before tax	185,392	93,670
Taxation	(8,582)	(8,042)
Minority Interest	(18,248)	(12,501)
	<u>158,562</u>	<u>73,127</u>
	=====	=====
	\$'000	\$'000
Average Issued Capital		
number of \$1.00 Stock Units	300,258	300,000
EARNINGS PER STOCK UNIT		
Basic	\$0.53	\$0.24
Fully diluted	\$0.52	\$0.24

Unaudited Consolidated Balance Sheet

Three Months Ended March 31, 2003

	March 2003 \$'000	March 2002 \$'000
ASSETS		
Investments		
Government of Jamaica and other securities	14,863,330	13,746,264
Mortgages, loans and bonds	1,675,877	1,625,969
Equities	269,757	282,612
Real estate	<u>1,433,592</u>	<u>1,418,534</u>
	<u>18,242,556</u>	<u>17,073,379</u>
Investment in Associated Companies	59,755	59,958
Fixed Assets	343,042	318,728
Banking and Other Assets	1,536,886	1,675,454
Segregated Funds assets	46,449	44,225
Goodwill	<u>199,040</u>	<u>202,532</u>
	<u>2,185,172</u>	<u>2,300,897</u>
Total Assets	<u>20,427,728</u>	<u>19,374,276</u>
	=====	=====
LIABILITIES		
Policyholders' Funds	1,950,059	1,912,916
Banking and Other Liabilities	14,839,458	13,925,882
Segregated funds	46,449	44,225
Shareholders' Funds	<u>3,591,762</u>	<u>3,491,253</u>
Total Liabilities	<u>20,427,728</u>	<u>19,374,276</u>
	=====	=====

Statement of Changes in Shareholders' Fund

	March 2003 \$'000	March 2002 \$'000
Equity at beginning of the period	3,491,253	2,602,724
Net profit for the year	158,562	73,127
Change in value of investment	(7,377)	227,473
Change in value of minority interest	(29,658)	46,147
Dividends paid & proposed	<u>(21,018)</u>	<u>-</u>
Equity at end of the period	<u>3,591,762</u> =====	<u>2,949,471</u> =====

Unaudited Conolidated Staternent of Cash Flow

Three Months ended March 31, 2003

	March 2003 \$'000	March 2002 \$'000
Net profit	158,562	73,127
Items not affecting cash	<u>111,349</u>	<u>41,327</u>
	269,910	114,954
Changes in non-cash working components	<u>1,142,183</u>	<u>-165,768</u>
Cash Flow (used in)/from operating activities	1,412,094	(50,814)
Cash Flow (used in)/from investing activities	(1,301,905)	-327,429
Cash Flow from financing activities	<u>20,974</u>	<u>274,919</u>
(Decrease)/increase in cash resources	131,163	-103,424
Cash & equivalents at beginning of period	<u>958,616</u>	<u>1,169,552</u>
Net Cash & equivalents at end of period	<u>1,089,779</u> =====	<u>1,066,128</u> =====
