

PAN-JAMAICAN INVESTMENT TRUST LIMITED

and its subsidiaries

Six Months Ended June 30, 2003

Unaudited Financial Results

Chairman's Report

The following accounts for Pan-Jamaican have been prepared on the basis of International Accounting Standards (IAS) and as a result, the comparative statements for 2002 have been restated. Details are set out in the Statement of Changes in Equity.

Net profit for six months ended June 30, 2003 amounted to \$238.9 million (2002: \$132.9 million). The Insurance and Property Divisions performed above expectations producing 72% of profit before tax, a substantial improvement over 2002. Profit contribution from banking slowed considerably in the three months to June 2003 as the high interest rate regime squeezed margins on the fixed rate GOJ securities portfolio of PCFS. As interest rates fall we expect PCFS to regain its usual level of profitability. In the trading division, H&L's sales growth was satisfactory and particularly strong in the retail True Value stores.

However, some one-time IAS adjustments dampened net profits in this quarter.

Richard O. Byles

President & CEO

Maurice W. Facey
Chairman

Unaudited Consolidated Profit and Loss Account

Six Months Ended June 30, 2003

	3 Months to June 2003 \$'000	3 Months to June 2002 \$'000	6 Months to June 2003 \$'000	6 Months to June 2002 \$'000
Income	1,721,700	1,577,464	3,305,650	2,449,448
Operating Expenses	<u>853,796</u>	<u>768,187</u>	<u>1,795,133</u>	<u>1,505,026</u>
Operating Profits	867,904	809,277	1,510,517	944,422
Interest Expense	<u>707,247</u>	<u>677,623</u>	<u>1,148,451</u>	<u>717,269</u>
Profit before Taxation	160,657	31,654	362,066	227,153
Taxation	<u>5,938</u>	<u>4,059</u>	<u>18,020</u>	<u>14,280</u>
Profit after Taxation	154,719	127,595	344,046	212,873
Minority Interest	44,062	<u>46,339</u>	<u>105,122</u>	<u>79,931</u>
Net Profit	<u>110,657</u>	<u>81,256</u>	<u>238,924</u>	<u>132,942</u>

	'000's	'000's	'000's	'000's
Weighted Average Number of Stock Units	172,120	171,494	172,120	171,494
Earnings per Stock Unit				
Basic	\$0.64	\$0.47	\$1.39	\$0.78
Fully diluted	\$0.63	\$0.46	\$1.38	\$0.77

Unaudited Consolidated Balance Sheet

30 June, 2003

	June 2003 \$'000	December 2002 \$'000
NET ASSETS EMPLOYED		
Fixed Assets	412,014	3 66,750
Investment Properties	1,430,115	1,418,534
Investments	15,990,288	13,538,003
Other Insurance and Banking Assets	2,669,410	2,880,304
Goodwill	195,548	202,532
Current Assets	1,783,487	1,635,875
Current Liabilities	<u>(1,068,089)</u>	<u>(967,091)</u>
	<u>21,412,773</u>	<u>19,074,907</u>
	=====	=====

FINANCED BY:

Share Capital	17,216	17,216
Capital and Other Reserves	887,891	1,190,707
Retained Earnings	<u>1,610,917</u>	<u>1,397,864</u>
	<u>2,516,024</u>	<u>2,605,787</u>
Policyholders' Fund	1,904,673	1,912,916
Other Insurance and Banking Liabilities	2,762,695	2,424,262
Securities sold under agreement to repurchase	12,919,522	10,814,774
Minority Interest	1,118,048	1,159,034
Long Term Liabilities	<u>191,811</u>	<u>158,134</u>
	<u>21,412,773</u>	<u>19,074,907</u>
	=====	=====

Unaudited Consolidated Profit and Loss Account**Six Months Ended June 30, 2003**

	3 Months to June 2003 \$'000	3 Months to June 2002 \$'000	6 Months to June 2003 \$'000	6 Months to June 2002 \$'000
Income	1,721,700	1,577,464	3,305,650	2,449,448
Operating Expenses	<u>853,796</u>	<u>768,187</u>	<u>1,795,133</u>	<u>1,505,026</u>
Operating Profits	867,904	809,277	1,510,517	944,422
Interest Expense	<u>707,247</u>	<u>677,623</u>	<u>1,148,451</u>	<u>717,269</u>
Profit before Taxation	160,657	131,654	362,066	227,153
Taxation	<u>5,938</u>	<u>4,059</u>	<u>18,020</u>	<u>14,280</u>
Profit after Taxation	154,719	127,595	344,046	212,873
Minority Interest	<u>44,062</u>	<u>46,339</u>	<u>105,122</u>	<u>79,931</u>
Net Profit	<u>110,657</u>	<u>81,256</u>	<u>238,924</u>	<u>132,942</u>
	=====	=====	=====	=====

	'000's	'000's	'000's	'000's
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Earnings per Stock Unit				
Basic	\$0.64	\$0.47	\$1.39	\$0.78
Fully diluted	\$0.63	\$0.46	\$1.38	\$0.77

**Unaudited Consolidated Statement of
Changes in Stockholders' Funds**

	June 2003 \$'000	June 2002 \$'000
Equity at beginning of the period	2,371,053	2,109,996
-effect of adopting IFRS		
IAS 12 - Income Taxes	6,200	16,319
IAS 19 - Employee Benefits	87,719	84,944
IAS 28 - Investment in Associates	936	-
IAS 39 - Financial Instruments: Recognition and Measurement	207,999	(85,165)
IAS 40 - Investment Property	(68,120)	-
Equity as restated	<u>2,605,787</u>	<u>2,126,094</u>
Net profit for the period	238,924	132,942
Fair value adjustment	(293,743)	144,251
Dividends proposed and paid	(34,944)	-
	<u>2,516,024</u>	<u>2,403,287</u>
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**Unaudited Consolidated Statement
of Cash Flow**

Six Months Ended 30 June, 2003

	June 2003 \$'000	June 2002 \$'000
Net Profit	238,924	132,942
Items not affecting cash	144,075	130,242
	<u>382,999</u>	<u>263,184</u>
Changes in non-cash working capital components	(27,365)	(151,010)
Net cash provided by operations	355,634	112,174
Net cash used in investing activities	(2,731,372)	(907,294)
Net cash provided by financing activities	2,362,624	685,726
Decrease in net cash and cash equivalents	(13,114)	(109,394)
Cash & cash equivalents at beginning of period	777,987	909,642
Cash & cash equivalents at end of period	<u>764,873</u>	<u>800,248</u>
	=====	=====
Represented by:		
Assets held under repurchase agreements	450,068	655,661
Cash at bank and in hand	485,222	300,332
Bank loans and overdrafts	(170,417)	(155,745)
	<u>764,873</u>	<u>800,248</u>
	=====	=====

Unaudited Financial Information by Business Segment

6 Months ended 30 June, 2003.

	Insurance \$'000	Banking \$'000	Investment Property \$'000	Trading \$'000	Eliminations \$'000	Total \$'000
REVENUE						
Segment income	817,463	1,357,966	245,663	883,408	-	3,304,500
Inter-segment income	13,274	3,823	16,085	-	(33,182)	-
	<u>830,737</u>	<u>1,361,789</u>	<u>261,748</u>	<u>883,408</u>	<u>(33,182)</u>	<u>3,304,500</u>
=====						
RESULT						
Segment result	196,540	1,236,381	73,576	26,748	(23,878)	1,509,367
Interest expense	-	(1,149,788)	(9,000)	(7,479)	17,816	(1,148,451)
Share of results of Associated Companies	-	-	-	-	-	1,150
Profit before taxation	<u>196,540</u>	<u>86,593</u>	<u>64,576</u>	<u>19,269</u>	<u>(6,062)</u>	<u>362,066</u>
=====						
Taxation						18,020
Profit after taxation						<u>344,046</u>
Minority Interest						<u>105,122</u>
Net Profit						<u>238,924</u>
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6 Months ended 30 June, 2002

REVENUE

Segment income	677,426	907,881	118,541	752,439	-	2,456,287
Inter-segment income	4,585		25,848	52	(30,485)	-
	<u>682,011</u>	<u>907,881</u>	<u>144,389</u>	<u>752,491</u>	<u>(30,485)</u>	<u>2,456,287</u>

RESULT

Segment result	122,425	812,869	17,806	20,217	(22,056)	951,261
Interest expense	-	(704,382)	(10,718)	(8,647)	6,478	(717,269)
Share of results of Associated Companies	-	(6,839)	-	-	-	-
Profit before taxation	<u>122,425</u>	<u>108,487</u>	<u>7,088</u>	<u>11,570</u>	<u>(15,578)</u>	<u>227,153</u>
Taxation						<u>14,280</u>
Profit after taxation						<u>212,873</u>
Minority Interest						<u>79,931</u>
Net Profit						<u>132,942</u>