

FIRST LIFE INSURANCE COMPANY LIMITED

and its subsidiaries

Unaudited Financial Results

9-Months to 30 September 2003

For the nine-month period ended September 30th, 2003 net profit attributable to stockholders amounted to \$478.8 million, compared to \$264.9 million for the same period last year (adjusted for IFRS.) These results represent earnings per share of \$1.56 on a fully diluted basis (2002: \$0.88) and a 22% annualized return on opening equity.

The 20% devaluation of the Jamaican dollar earlier this year combined with the imposition of GCT on health insurance premiums and the 2% import cess, has negatively impacted the that line of business in the quarter. Improvement in profitability is expected in the fourth quarter as pricing adjustments already implemented take effect. The life insurance and pension management businesses performed well and allowed the division to show an overall improved contribution to profits compared to last year. The property division (Jamaica Property Co Ltd) also produced a much improved contribution, the result of better rental rates, increased property values and lower operating costs.

After a difficult first six months occasioned by the abnormally high interest rate regime, the banking division represented by Pan Caribbean Financial Services Ltd, (PCFS) recovered to post good profits in the third quarter and should continue to do so for the rest of the year. The due diligence concerned with the merger PCFS with Manufacturers Sigma Merchant Bank, (MSMB) is proceeding well and to schedule. In the third quarter, First Life increased its holding in PCFS from 71% to 76%.

The Directors expect the full year results to continue the trend of profitability as seen in the third quarter and have approved a third interim dividend of 9.5c per share payable on December 3 for shareholders on record as at November 19, 2003.

Richard O. Byles
Chairman & CEO

Unaudited Consolidated Profit and Loss Account

	3-Months to September 2003 \$'000	3-Months to September 2002 \$'000	9-Months to September 2003 \$'000	9-Months to September 2002 \$'000
Income				
Insurance	442,217	335,284	1,272,954	1,017,295
Property Investment and management	115,647	56,063	331,577	166,495
Merchant banking	805,951	464,801	2,167,740	1,372,682
Share of results of associated companies	705	1,297	1,855	(5,542)
	<u>1,364,520</u>	<u>857,445</u>	<u>3,774,126</u>	<u>2,550,930</u>
	=====	=====	=====	=====
Policy Benefits and Expenses				
Policyholders' benefits & reserves	282,012	235,652	838,091	682,669
Commissions	23,849	19,365	67,500	58,740
Management, property and other expenses	157,237	143,667	482,216	420,514
	<u>463,098</u>	<u>398,684</u>	<u>1,387,807</u>	<u>1,161,923</u>
Operating Profit	<u>901,422</u>	<u>458,761</u>	<u>2,386,319</u>	<u>1,389,007</u>
Interest expense	686,647	343,718	1,837,842	1,051,037
Profit before Taxation	<u>214,775</u>	<u>115,043</u>	<u>548,477</u>	<u>337,970</u>
Taxation	<u>(9,422)</u>	<u>(6,525)</u>	<u>(23,274)</u>	<u>(19,840)</u>
Profit after Taxation	<u>205,353</u>	<u>108,518</u>	<u>525,203</u>	<u>318,130</u>
Minority Interest in results of Subsidiary	<u>(21,436)</u>	<u>(21,270)</u>	<u>(46,413)</u>	<u>(53,181)</u>
Net Profit	<u>183,917</u>	<u>87,248</u>	<u>478,790</u>	<u>264,949</u>
	=====	=====	=====	=====
EARNINGS PER STOCK UNIT	\$0.61	\$0.29	\$1.59	\$0.88
FULLY DILUTED EARNINGS PER STOCK UNIT	\$0.60	\$0.29	\$1.56	\$0.88

Unaudited Consolidated Balance Sheet

	September 2003 \$'000	December 2002 \$'000
ASSETS		
Investments		
Government of Jamaica and other securities	16,490,865	13,746,264
Mortgages, loans and bonds	1,450,931	1,539,174
Equities	121,691	282,612
Real estate	1,599,620	1,418,534
	19,663,107	16,986,584
	=====	=====
Investment In associated companies	60,562	59,958
Fixed Assets	252,233	318,728
Banking and Other Assets	2,683,002	1,666,442
Segregated Funds' Assets	51,404	44,225
Goodwill	192,056	202,532
	3,239,257	2,291,885
Total Assets	22,902,364	19,278,469
	=====	=====
LIABILITIES AND STOCKHOLDERS' FUNDS		
Policyholders' Funds	1,788,583	1,912,916
Banking and Other Liabilities	3,966,293	3,060,666
Securities sold under agreement to repurchase	13,527,603	10,814,774
Segregated Funds' Liabilities	51,404	44,225
Minority Interest	313,788	320,059
Stockholders' Funds	3,254,693	3,125,829
Total Liabilities	22,902,364	19,278,469
	=====	=====



Unaudited Consolidated Statement of Cash Flows

	September 2003	September 2002
Net profit	478,790	264,949
Items not affecting cash	<u>23,987</u>	<u>16,751</u>
	502,777	281,700
Changes in non-cash working capital components	<u>2,824,754</u>	<u>912,736</u>
Cash Flow (used in)/from operating activities	3,327,531	1,194,436
Cash Flow (used in)/from investing activities	<u>(3,216,238)</u>	<u>(1,759,230)</u>
Cash Flow from financing activities	<u>(118,518)</u>	<u>170,406</u>
(Decrease)/Increase in cash resources	(7,225)	(394,388)
Cash & cash equivalents at beginning of period	<u>958,616</u>	<u>998,406</u>
Net cash & cash equivalents at end of period	951,391	604,018
	=====	=====

Unaudited Consolidated Statement of Changes in Stockholders' Funds

	September 2003 \$'000	September 2002 \$'000
Equity as at 1 January		
- as previously reported	2,844,109	2,574,424
- effect of adopting IFRS		
IAS 10 - Events after balance sheet date	50,443	76,000
IAS 19 - Employee Benefits	23,531	28,300
IAS 28 - Investment in associates	936	
IAS 39 - Financial Instruments: Recognition and Measurement	299,188	134,155
IAS 40 - Investment Property	(92,378)	-
Equity as restated	3,125,829	2,812,879
Net profit for the period	478,790	264,949
Change in share capital	-	100
Change in share premium	-	75
Reserve on aquisition of subsidiary	16,950	-
Fair value adjustment	(274,397)	(37,946)
Final dividend paid for prior period	(50,443)	(76,000)
Interim dividend paid	(42,036)	(19,494)
	3,254,693	2,944,563
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Unaudited Financial Information by Business Segment

Nine Months Ended September 30, 2003.

	Insurance	Property	Banking	Eliminations	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	
REVENUE						
Segment income	1,272,954	331,577	2,167,740	-	3,772,271	
Inter-segment income	95,975	21,944	11,400	(129,319)	-	
Total Revenue	1,368,929	353,521	2,179,140	(129,319)	3,772,271	
	=====	=====	=====	=====	=====	
RESULT						
Segment result	294,099	177,061	2,017,238	(103,934)	2,384,464	
Interest expense		(86,407)	(1,845,395)	93,960	(1,837,842)	
Share of results of associated companies	-	-	-	-	1,855	
Profit before Taxation	294,099	90,654	171,843	(9,974)	548,477	
Taxation	=====	=====	=====	=====	=====	
Profit after Taxation					525,203	23,274
Minority Interest in results of subsidiaries					46,413	
Net Profit					478,790	
					=====	

Nine Months Ended September 30, 2002

REVENUE					
Segment Income	1,017,295	166,495	1,372,682	-	2,556,472
Inter-segment Income	92,166	30,719	2,667	(125,552)	-
Total Revenue	<u>1,109,461</u>	<u>197,214</u>	<u>1,375,349</u>	<u>(125,552)</u>	<u>2,556,472</u>
	=====	=====	=====	=====	=====
RESULT					
Segment result	217,333	31,169	1,234,448	(88,401)	1,394,549
Interest expense	-	(73,195)	(1,055,567)	77,725	(1,051,037)
Share of results of associated companies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,542)</u>
Profit before Taxation	<u>217,333</u>	<u>(42,026)</u>	<u>178,881</u>	<u>(10,676)</u>	<u>337,970</u>
	=====	=====	=====	=====	=====
Taxation					<u>19,840</u>
Profit after Taxation					<u>318,130</u>
Minority Interest in results of subsidiaries					<u>53,181</u>
Net Profit					<u>264,949</u>
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