

FIRST LIFE INSURANCE COMPANY

and its subsidiaries

Unaudited Financial Results For the

Three Months Ended March 31, 2004

The Director's are pleased to report that profits attributable to stockholders for the first quarter ended 31 March 2004 were \$243.5 million (2003:\$158.6 million). This represents an increase of 53% over the previous year and was led by a 73% increase in profits in our banking division, Pan Caribbean Financial Services Limited (PCFS)

During the quarter under review the merger between PCFS and Manufacturers Sigma Merchant Bank was concluded. These results reflect two months of PCFS operating as a subsidiary and one month as an associated company, our percentage interest in the banking group having declined to 38% from 77% prior to merger. It is anticipated that synergies arising from the merger will begin to reflect in our second and third quarter results.

Maurice W. Facey
Chairman

W.G. Bryan Ewen
Chief Executive Officer

Unaudited Consolidated Profit and Loss Account

	March 2004	March 2003
Income		
Insurance	452,168	400,047
Property investment and management	132,206	107,587
Banking	567,182	641,306
	<u>1,151,556</u>	<u>1,148,940</u>
	=====	=====
Policyholders' Benefits and Expenses		
Policyholders benefits & Reserves	300,107	250,627
Commissions	21,460	20,827
Management, property & other expenses	146,768	242,210
	<u>468,335</u>	<u>513,664</u>
Operating Profit	683,211	635,276
Interest expense	<u>457,177</u>	<u>450,420</u>
	226,044	184,856
Share of results of associated companies	44,762	536
Profit before taxation	<u>270,806</u>	<u>185,392</u>
Taxation	(9,903)	(8,582)
Profit after taxation	<u>260,903</u>	<u>176,810</u>
Minority interest in results of subsidiary	(17,360)	(18,248)
Net Profit	<u>243,543</u>	<u>158,562</u>
	=====	=====

EARNINGS PER STOCK UNIT	\$0.81	\$0.53
FULLY DILUTED EARNINGS PER STOCK UNIT	\$0.80	\$0.52

Unaudited Consolidated Balance Sheet

	March 2004 \$'000	March 2003 \$'000
ASSETS		
Investments	2,751,677	19,155,536
Investment property	1,665,107	1,585,759
Investment in associated companies	1,289,680	59,382
Property plant and equipment	138,465	232,569
Other assest	904,246	2,339,435
Deferred tax assets	3,477	23,067
Retirement benefits asset	55,301	59,340
Segregated funds assets	73,764	53,662
Intangible assets	208,991	204,370
	<u>7,090,708</u>	<u>23,713,120</u>
	=====	=====
LIABILITIES		
Stockholders' Equity		
Share capital	300,258	300,258
Share Premium	49,917	49,917
Capital redemption	3,000	3,000
Investment and other reserves	714,403	658,988

Retained earnings	<u>2,687,724</u>	<u>2,441,029</u>
	3,755,302	3,453,192
MINORITY INTEREST	-	346,053
Policyholders' funds	1,923,708	1,878,409
Deferred tax liabilities	55,022	55,658
Long term loans	132,004	136,344
Retirement benefit obligation	49,769	52,651
Segmented fund's liabilities	73,764	53,662
Other liabilities	1,101,242	17,736,737
Due (from)/ to related party	(103)	414
	<u>7,090,708</u>	<u>23,713,120</u>
	=====	=====

Unaudited Consolidated Statement of Cash Flows

	3-Months March 2004 \$'000	3-Months March 2003 \$'000
Net Profit	243,543	158,562
Items not affecting cash	<u>(55,822)</u>	<u>111,349</u>
	187,721	269,911
Changes in non-cash working capital components	<u>(290,040)</u>	<u>1,142,183</u>
Cash flow (used in)/from operating activities	(102,319)	1,412,094
Cash flow (used in)/from investment activities	150,659	(1,301,905)
Cash flow from financing activities	<u>3,873</u>	<u>20,974</u>
Net (decrease)/increase in cash		

and cash equivalents	52,213	131,163
Cash and cash equivalents at beginning of period	<u>740,825</u>	<u>958,616</u>
	<u>793,038</u>	<u>1,089,779</u>
	=====	=====
Represented by:		
Cash and bank balances	151,173	247,753
Short-term investment	641,865	860,392
Bank overdraft	-	(18,366)
	<u>793,038</u>	<u>1,089,779</u>
	=====	=====

Unaudited Consolidated Statement of Change in Stockholders' Equity

	March 2004	March 2003
Equity at beginning of the period	3,453,192	2,736,458
Net profit for the period	243,543	158,562
Unrealised gain on investments	58,567	96,052
Transfer to special reserves	-	(18,118)
Dividends paid	-	(21,018)
Equity at the end of period	<u>3,755,302</u>	<u>2,951,936</u>
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Unaudited Financial Information by Business Segment

	Insurance \$'000	Property \$'000	Banking \$'000	Elimination \$'000	Total \$'000
REVENUE					
External income	452,168	132,206	567,182	-	1,151,556
Inter-segment income	28,281	5,344	915	(34,540)	-
Total revenue	480,449	137,550	568,097	(34,540)	1,151,556
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RESULTS					
Segment results	113,136	68,407	536,218	(34,540)	683,221
Interest expense	-	(972)	(458,694)	2,489	(457,177)
	113,136	67,435	77,524	(32,051)	226,044
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Share of results of associated companies					44,752
Profit before taxation					270,806
Taxation					(9,903)
Profit after taxation					260,903
Minority interest in results of subsidiaries					(17,360)
Net Profit					243,543
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31 March 2003					
REVENUE					
External income	400,047	107,587	641,306	-	1,148,940
Inter-segment income	20,996	10,422	10,083	(41,501)	-
Total revenue	421,043	118,009	651,389	(41,501)	1,148,940
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RESULTS

Segment results	103,466	51,115	522,196	(41,501)	635,276
Interest expense	-	(616)	(452,323)	2,519	(450,420)
	<u>103,466</u>	<u>50,499</u>	<u>69,873</u>	<u>(38,982)</u>	<u>184,856</u>
	=====				
Share of results of associated companies					536
Profit before taxation					<u>185,392</u>
Taxation					<u>(8,582)</u>
Profit after taxation					176,810
Minority interest in results of subsidiaries					<u>(18,248)</u>
Net Profit					<u>158,562</u>
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