

PAN-JAMAICAN INVESTMENT TRUST Limited

and its subsidiaries

Unaudited Financial Results

Three Months Ended March 31, 2005

The Directors are pleased to present the unaudited financial results of the Pan-Jam Group for the first quarter ended 31 March 2005. The profit before taxation and non-recurring gain rose from \$285.5 million to \$375.9 million, an increase of over 32%. There was also a marked increase in the Share of Results of Associated Companies before Taxation, which rose from \$51.5 million in the March quarter of 2004 to \$142.5 million. This reflected the change in status of Pan Caribbean Financial Services Limited (PCFS) from that of a subsidiary to an associated company, as a consequence of its merger with Manufacturers Investments Limited in February 2004. Thus, in the first quarter of 2004, PCFS operated as a subsidiary for two months and as an associated company for only one month, as opposed to three months in the March quarter 2005. This change largely explains the 41% reduction in Total Income in the March quarter 2005, which was more than offset by a 52% reduction in Operating Expenses.

In the third quarter of 2004, PCFS changed the method of accounting for this merger from the "Uniting of Interests" method to the "Acquisition" method. This change gave rise to a non-recurring gain of \$351.9 million on the dilution of our shareholding in the subsidiary. Accordingly, the results of the March quarter 2004 have been restated to reflect this non-recurring gain.

We are also pleased to report the signing of the final transfer document necessary to complete the acquisition by Life of Jamaica (LOJ) of First Life's insurance and pension management businesses as well as our 37% stake in PCFS, pursuant to our earlier agreements. With effect from 1 April 2005, our Group will own a 25% stake in the enlarged LOJ, which will therefore

be an associated company of our Group. Our second quarter results will reflect this significant re-structuring of our Group.

Maurice W. Facey, OJ, JP
Chairman

Stephen B. Facey
President & CEO

Unaudited Consolidated Statement of Operations

Three Months ended 31 March 2005

	March 2005 \$'000	*Restated March 2004 \$'000
Income		
Premium, net	446,458	378,924
Investments, net	79,432	638,003
Property	139,688	118,561
Other	16,615	26,887
	<u>682,193</u>	<u>1,162,375</u>
Operating Expenses		
Policyholders' benefits and reserves	301,637	300,107
Commissions	32,470	21,460
Management, property and other expenses	112,598	151,174
Interest expense	2,076	455,604
	<u>448,781</u>	<u>928,345</u>
Operating Profit	233,412	234,030
Share of results of associated companies		

before taxation	142,471	51,491
Profit before taxation and non-recurring item	<u>375,883</u>	<u>285,521</u>
Gain on dilution of stockholding in subsidiary	-	351,913
Profit before taxation	375,883	637,434
Taxation	<u>(72,150)</u>	<u>(26,999)</u>
Profit after taxation	303,733	610,435
Minority interest	<u>(79,902)</u>	<u>(169,615)</u>
NET PROFIT	<u>223,831</u>	<u>440,820</u>
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EARNINGS PER STOCK UNIT	\$1.29	\$2.56
FULLY DILUTED EARNINGS PER STOCK UNIT	\$1.29	\$2.55
EARNINGS PER STOCK UNIT EXCLUDING GAIN ON DILUTION OF STOCKHOLDING IN SUBSIDIARY	\$1.29	\$1.05

*The comparative numbers have been restated to reflect the change in the consolidation method of our associated company Pan Caribbean Financial Services and their reversal of deferred taxation utilized.

Unaudited Consolidated Balance Sheet

	March 2005 \$ '000	**Audited December 2004 \$ '000	*Restated March 2004 \$ '000
ASSETS			
Cash and Bank Balances	367,507	518,042	276,012
Investments			
Securities			
Available-for-sale	2,739,368	2,738,635	2,078,664
Securities purchased under agreements to resell	771,748	542,014	641,865
Short term deposits	4,771	4,542	10,492
Loan and lease receivables	133,609	132,402	167,981
Investment properties	1,858,726	1,825,455	1,650,013
Investment in associated companies	<u>2,511,870</u>	<u>2,286,059</u>	<u>1,795,898</u>
	8,020,092	7,529,107	6,344,913
Taxation Recoverable	125,998	114,585	103,288
Deferred Tax Assets	35,875	35,450	35,955
Other Assets	503,504	450,108	683,830
Property, Plant and Equipment	108,586	95,827	156,404
Intangible Assets	174,949	178,014	208,991
Retirement Benefit Assets	38,136	38,136	115,606
Segregated Funds' Assets	<u>93,623</u>	<u>88,300</u>	<u>73,764</u>
	<u>9,468,270</u>	<u>9,047,569</u>	<u>7,998,763</u>
LIABILITIES AND STOCKHOLDERS' FUNDS			
Stockholders' Funds			
Share capital	17,353	17,353	17,216
Share premium	16,801	168,001	165,388
Capital redemption reserve	2,176	2,176	2,200

Insurance and banking reserves	49,958	51,577	59,909
Investment and other reserves	914,974	778,007	650,331
Retained earnings	<u>3,374,214</u>	<u>3,182,081</u>	<u>2,546,181</u>
	4,526,676	4,199,195	3,441,225
Minority interest	1,476,183	1,365,955	1,062,422
Policyholders' Funds			
Reserve for future policyholders' benefits	948,660	927,685	814,601
Approved deposit administration funds	792,647	771,097	710,802
Policyholders' funds on deposit	403,385	400,776	378,310
Policy dividends on deposit	<u>19,811</u>	<u>19,617</u>	<u>19,995</u>
	2,164,503	2,119,175	1,923,708
Bank overdraft	3,810	14,363	34,339
Taxation payable	40,418	110,281	655
Deferred tax liability	70,728	70,637	80,205
Other liabilities	729,103	694,883	998,045
Due (to)/from related party	-	8,036	-
Long term loans	288,925	302,443	318,307
Retirement benefit liabilities	74,301	74,301	66,093
Segregated funds' liabilities	<u>93,623</u>	<u>88,300</u>	<u>73,764</u>
	<u>9,468,270</u>	<u>9,047,569</u>	<u>7,998,763</u>
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**The prior year's accounts have been restated to reflect the change in IAS 39 which was effective January 1, 2005.

Unaudited Consolidated Statement of Cash Flows

Three Months ended 31 March 2005

	March 2005 \$'000	March 2004 \$'000
Net profit	223,831	440,820
Items not affecting cash	<u>(107,503)</u>	<u>(259,695)</u>
	116,328	181,125
Changes in non-cash working capital components	<u>(18,680)</u>	<u>176,552</u>
Net cash provided by operations	97,648	4,573
Net cash from investing activities	48,589	173,498
Net cash provided by (used in)/from financing activities	<u>(56,256)</u>	<u>3,873</u>
Net (decrease)/increase in cash and cash equivalents	89,981	181,944
Cash and cash equivalents at beginning of year	<u>1,050,235</u>	<u>712,086</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,140,216</u>	<u>894,030</u>
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Comprising		
Cash at bank and in hand	367,507	276,012
Bank loans and overdrafts	(3,810)	(34,339)
Short term investments	<u>776,519</u>	<u>652,357</u>
	<u>1,140,216</u>	<u>894,030</u>
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Unaudited Segmental Financial Information

31 March 2005

	Insurance and other Financial Services \$'000	Banking and other Financial Services \$'000	Investment Property and Other \$'000	Eliminations \$'000	Group \$'000
External operating revenue	510,794	-	171,399	-	682,193
Revenue from other segments	1,693	-	44,260	(45,953)	-
Total revenues	512,487	-	215,659	(45,953)	682,193
Segment results	173,011	-	96,935	(36,534)	233,412
Share of results of associated companies before taxation					142,471
Profit before taxation					375,883
'Taxation					(72,150)
Profit after taxation					303,733
Minority interest					(79,902)
Net profit					223,831
					=====

31 March 2004

REVENUE

External operating revenue	453,085	566,390	142,900	-	1,162,375
Revenue from other segments	122	-	11,213	(11,335)	-
Operating revenue	453,207	566,390	154,113	(11,335)	1,162,375
Segment results	112,594	75,480	45,956	-	234,030
Share of results of associated companies before taxation					51,491
Profit before taxation and non-recurring item					285,521
Gain on dilution of stockholding in					

subsidiary	351,913
Profit before taxation	637,434
Taxation	<u>(26,999)</u>
Profit after taxation	610,435
Minority interest	<u>(169,615)</u>
Net profit	<u>440,820</u>
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Unaudited Statement of Change in Stockholders' Equity

	March 2005 \$'000	March 2004 \$'000
Equity at beginning of period	4,199,195	2,989,858
Net profit for the period	223,831	440,820
Unrealised gains on investments	54,927	(17,419)
Change in associated company reserve	83,070	27,966
Unrealised gains on transaction	122	-
Realised loss on sale of investment transfer to statement of operation	234	-
Dividends paid	<u>(34,703)</u>	<u>-</u>
Equity at end of period	<u>4,526,676</u>	<u>3,441,225</u>
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