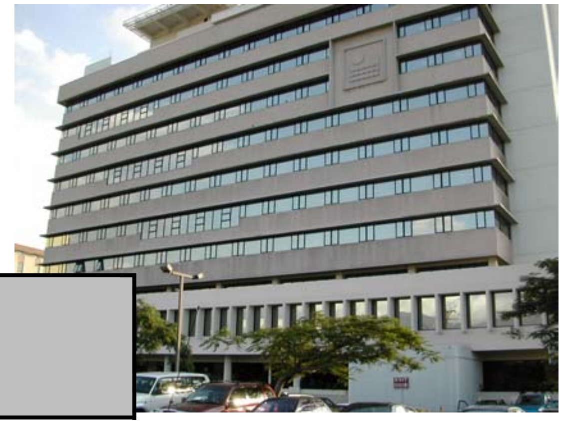
A member of the Sagicor Group



Life of Jamaica Limited
Un-audited Consolidated Financial Statements
For the period January to June 2005

Interim Report to our stockholders for the period January to June 2005

On behalf of The Board of Directors of Life of Jamaica Limited (LOJ), we are pleased to present the unaudited, consolidated financial results of the LOJ Group of companies for the half year ended June 30, 2005.

For the six months to June 30, 2005, the Group produced net profits after taxes, attributable to stockholders, of $1.2 billion, 83% better than the $634 million recorded for the same period in 2004. These profits were generated on revenues of $5.5 billion (2004: $3.5 billion).

On March 31, 2005 the Vesting Order for the transfer of First Life Insurance Company Limited's (First Life) Insurance assets and liabilities to LOJ was received. As of April 1, 2005, LOJ therefore effectively doubled its interest in the group life, health and pension management business segments. As reported in our first quarter, In January 2005, LOJ, which already owned 8% of the shares of Pan Caribbean Financial Services Ltd (PCFS), gained control of that company by acquiring a further 43% interest. The principal activities of the PCFS group of companies include the provision of development banking, merchant banking, unit trust management, securities trading and fund management services. The results of LOJ for the half year, therefore, include the consolidation of PCFS revenues, expenses, assets and liabilities and 51% of that company's profits for the period.

With the completion of these transactions LOJ has effectively achieved a major strategic initiative of enhancing and diversifying its sources of profits.

The results were negatively influenced by lower interest rates, a decline in the stock market, and financing costs of $26.9 million associated with the acquisition of PCFS shares. Balancing those effects were the positives of good new business growth, realized capital gains from the sale of certain securities and favorable mortality and morbidity experience.

LOJ's basic earnings per stock unit for the period under review was $0.37 (2004: $0.25) and $0.35 on a fully diluted basis (2004: $0.23). Earnings per stock unit will not grow proportionately to the earnings expected to be generated in the second half of the year. The basic earnings per stock unit was calculated on the basis of an average number of 3,136,033,861 shares outstanding for the period. Ordinary shares in issue grew from 2,543,690,130 at December 2004 to 3,716,910,925 at the end of June 2005. During January 2005, 17,200,000 shares were issued as part of the staff share purchase plan.

On May 6th 2005, LOJ issued 1,156,020,795 shares as part of an agreement to purchase the First Life's financial services business which included a 37% interest in Pan Caribbean Financial Services (PCFS). At the same time, LOJ transferred the PCFS interest to its ultimate parent company, Sagicor Financial Corporation, in order to liquidate the loan of J$2.5 billion which Sagicor had advanced to LOJ earlier in the year.

The Individual Life Division continued to generate strong new business. New annualized premium income was about 7% ahead of target and 14% better than that for the 2004 period. The Employee Benefits Division also registered strong sales and a high contract renewal rate during the period. Both divisions contributed as expected to the Group's profit outcome.

PCFS's performance for the period was also excellent. The banking group met its net interest income targets while revenue from fees and commissions were better than expected. The $26.9 million of financing costs associated with the purchase of the 43% share in PCFS will not recur in future results as the debt has been cleared.

LOJ's balance sheet shows total assets of $65.9 billion (December 2004: $20.1 billion), a dramatic increase as a result of the acquisition of PCFS. Shareholders' equity attributable to stockholders stood at $11.1 billion (December 2004: $6.2 billion). The net profits of $1.2 billion represent an annualized return on average equity of 27.0%. LOJ's share price was $10.50 at June 30, 2005. The market capitalization was $39 billion, the fifth largest market cap on the Jamaica Stock Exchange.

On March 15, 2005, a first interim dividend of $0.10 per share ($256 million) was declared and was paid on April 21, 2005 to stockholders on record as at March 24, 2005.

The Board of Directors and management continue to focus on the key strategic drivers of performance and value creation. We remain optimistic about the future performance of the LOJ Group of companies and expect the remainder of the year to continue the trend of performance experienced in the first half of the year.

On behalf of the Board

J.Arthur Bethell
Chairman

Richard O. Byles
President & CEO

July 28, 2005

Consolidated Balance Sheet
as at June 30, 2005
(Expressed in thousands of Jamaican dollars)

	June-05 Un-audited	June-04 Un-audited	December -04 Audited
Assets:			
Equity securities, at fair value through income	$ 285	$ 0	$ 0
Equity securities, available-for-sale	945,813	1,384,434	1,992,904
Debt securities, available-for-sale	38,962,736	5,835,906	6,124,002
Loans and leases	6,956,476	1,945,145	2,111,023
Securities purchased under resale agreements	2,610,053	295,967	710,476
Short term deposits	140,119	584,499	58,430
Investment properties	406,270	423,264	585,780
	50,021,752	10,469,215	11,582,615
Investment in associated companies	15,491	4,099	4,099
Cash resources	1,419,706	144,861	334,549
Property, plant and equipment	677,733	475,072	517,311
Intangible assets	3,621,212	1,084,311	1,020,640
Insurance receivables	612,741	495,846	516,149
Other assets	4,082,528	1,016,454	1,057,474
Segregated funds' assets	5,454,971	4,850,218	5,096,916
	15,868,891	8,066,762	8,543,039
Total Assets	**$ 65,906,134**	**$18,540,076**	**$20,129,753**
Liabilities:			
Insurance and annuity liabilities	$ 5,266,587	$ 3,923,275	$ 3,822,155
Deposit administration funds	2,290,930	1,465,739	1,389,064
Policy funds on deposit	1,571,524	1,420,032	1,476,529
Policy benefits payable	691,370	677,148	677,493
Other insurance payables	371,187	363,942	268,605
	10,191,598	7,850,136	7,633,846
Borrowings	147,631	82,094	154,943
Demand and term deposits	5,201,076	0	0
Securities sold under re-purchase agreements	27,868,213	0	0
Other liabilities	3,229,468	1,170,447	1,092,727
Segregated funds' liabilities	5,454,971	4,850,218	5,096,916
	41,901,359	6,102,759	6,344,586
Total liabilities	**52,092,957**	**13,952,895**	**13,978,432**
Equity:			
Capital and reserves attributable to the Company' Stockholders			
Share Capital	7,545,505	3,006,856	3,006,856
Other reserves	649,067	318,573	1,165,866
Retained earnings	2,883,926	1,261,752	1,978,599
	11,078,498	4,587,181	6,151,321
Minority interest	2,734,679	0	0
	13,813,177	4,587,181	6,151,321
Total Liabilities and Equity	**$65,906,134**	**$ 18,540,076**	**$20,129,753**

On behalf of the Board

J. Arthur Bethell
Chairman
July 28, 2005

Richard O. Byles
Director

Consolidated Statement of Operations
for the period January to June 2005
(Expressed in thousands of Jamaican dollars)

	June-05 Current Quarter Un-audited	June-05 Year-to-date Un-audited	June-04 Current quarter Un-audited	June-04 Year-to-date Un-Audited	December-04 Year-to-date Audited
Revenues:					
Net insurance premiums and annuity contributions	$ 1,944,484	$ 3,356,105	$ 1,318,078	$ 2,592,210	$ 5,216,692
Net investment income	854,649	1,481,438	384,371	621,749	1,278,439
Co-insurance distributions	0	19,906	21,251	(26,013)	0
Fees and other revenues	414,251	680,336	166,434	304,865	554,977
Total revenues	**$ 3,213,384**	**$ 5,537,785**	**$ 1,890,134**	**$ 3,492,811**	**$ 7,050,108**
Benefits and expenses:					
Insurance benefits	$ 917,862	$ 1,590,604	$ 601,059	$ 1,164,787	$ 2,355,824
Changes in insurance and annuity liabilities	90,320	193,882	95,720	170,288	29,060
Administration expenses and Commissions	1,070,790	1,964,237	749,320	1,376,183	2,873,377
Co-insurance distributions	22,734	0	0	0	100,896
Total benefits and expenses	**2,101,706**	**3,748,723**	**1,444,099**	**2,711,258**	**5,359,157**
Results of operating activities	1,111,678	1,789,062	446,035	781,553	1,690,951
Finance costs	(1,884)	(26,920)	0	0	0
Profit before taxation	**1,109,794**	**1,762,142**	**446,035**	**781,553**	**1,690,951**
Taxation	(163,242)	(308,286)	(122,828)	(147,401)	(257,161)
Profit after taxation	**946,552**	**1,453,856**	**323,207**	**634,152**	**1,433,790**
Minority interest	(158,186)	(292,440)	0	0	0
Net profit attributable to stockholders	**$ 788,366**	**$ 1,161,416**	**$ 323,207**	**$ 634,152**	**$ 1,433,790**
Earnings per share for profit attributable to stockholders:					
- Basic		$0.37		$0.25	$0.57
- Fully diluted		$0.35		$0.23	$0.56

Consolidated Statement of Changes in Stockholders' Equity
for the period January to June 2005
(Expressed in thousands of Jamaican dollars)

	Share capital	Investment & fair value reserves	Currency translation reserve	Special investment reserves	Retained earnings	Minority interest	Total
Year ended December 31, 2004:							
Balance as at December 31, 2003	$ 2,940,166	$ (86,144)	$ 294,030	$ 64,496	$ 627,600	$ 0	$ 3,840,148
Prior year adjustments	0	(503,141)	0	0	0	0	(503,141)
Currency translation differences	0	0	23,048	0	0	0	23,048
Unrealised gains on available-for-sale Securities	0	1,758,645	0	0	0	0	1,758,645
Gains recycled to revenue on disposal and maturity of available-for-sale securities	0	(286,092)	0	0	0	0	(286,092)
Unrealised gains on revaluation of owner-occupied properties	0	72,602	0	0	0	0	72,602
Net profit	0	0	0	0	1,433,790	0	1,433,790
Dividends	0	0	0	0	(254,369)	0	(254,369)
Transfer to special investment reserve	0	0	0	42,392	(42,392)	0	0
Transfer to retained earnings	0	(213,970)	0	0	213,970	0	0
Issue of shares	66,690	0	0	0	0	0	66,690
Balance as at December 31,2004	**$ 3,006,856**	**$ 741,900**	**$ 317,078**	**$ 106,888**	**$ 1,978,599**	**$ 0**	**$ 6,151,321**
Period January to June 2005:							
Balance as at December 31, 2004	$ 3,006,856	$ 741,900	$ 317,078	$ 106,888	$ 1,978,599	$ 0	$ 6,151,321
Assumed on acquisition	0	0	0	0	0	2,460,063	2,460,063
Currency translation differences	0	0	9,292	0	0	0	9,292
Unrealised losses on available-for-sale securities	0	(365,713)	0	0	0	(17,775)	(383,488)
Gains recycled to revenue on disposal and maturity of available-for-sale securities	0	(160,324)	0	0	0	0	(160,324)
Unrealised gains on revaluation of owner-occupied properties	0	0	0	0	0	0	0
Net profit	0	0	0	0	1,161,416	292,440	1,453,856
Dividends	0	0	0	0	(256,089)	0	(256,089)
Movement in loan loss reserves	0	0	0	(54)	0	(49)	(103)
Issue of shares	4,538,649	0	0	0	0	0	4,538,649
Balance as at June 30, 2005	**$ 7,545,505**	**$ 215,863**	**$ 326,370**	**$ 106,834**	**$ 2,883,926**	**$ 2,734,679**	**$ 13,813,177**

Consolidated Statement of Cash Flows
for the period ended June 30, 2005
(Expressed in thousands of Jamaican dollars)

	June-05 Year-to-date Un-audited	June-04 Year-to-date Un-audited	December-04 Year-to-date Audited
Cash Flows from operating activities:			
Net profit	$ 1,161,416	$ 634,152	$ 1,433,790
Items not affecting cash	925,299	210,325	(731,524)
Net non-cash changes in working capital	603,726	(292,937)	529,901
Cash generated from operations	2,690,441	551,540	1,232,167
Cash Flows from investing activities:			
Net purchase of investments	(1,876,642)	(456,620)	(611,981)
Acquisition of portfolios, net of cash acquired	(2,449,949)	58,805	(295,326)
Other investing activities	(96,479)	(22,542)	(40,356)
Cash used in investing activities	(4,423,070)	(420,357)	(947,663)
Cash Flows from financing activities:			
Dividends paid to stockholders	(256,089)	(151,253)	(254,369)
Ordinary shares issued	0	0	66,690
Proceeds from borrowing	2,519,450	0	0
Other financing activities	291,759	0	0
Cash from / (used in) financing activities	2,555,120	(151,253)	(187,679)
Net increase / (decrease) in net cash and cash equivalents	**$ 822,491**	**$ (114,918)**	**$ 96,825**
Cash and cash equivalents:			
Cash and cash equivalents, at beginning of year	$ 277,776	$ 177,153	$ 177,153
Currency translation adjustments	9,292	532	3,798
Cash acquired on equity issue	162,510	0	0
Increase / (decrease) in net cash and cash equivalents	822,491	(114,918)	96,825
Net cash and cash equivalents, at end of year	**$ 1,272,069**	**$ 62,767**	**$ 277,776**

Consolidated Segmental Financial Information
for the period January to June 2005
(Expressed in thousands of Jamaican dollars)

The Group is managed on a matrix basis, reflecting both line of business and geography. Accordingly, segment information is presented in two formats.
The Group is organized into four primary business segments, these are:

a) Individual Life Services - Includes the provision of life insurance services to individuals.
b) Group Services - Includes group insurance; creditor life; personal accident; group annuities; pension funds investment and administration services and the administration of trust accounts.
c) Banking and Asset Management Service – Includes development banking; merchant banking and asset management.
d) Other Services - Includes property management and general insurance.

	Individual Life Services	Group Services	Other Services	Banking Services	Eliminations	June-05 Group
	$	$	$	$	$	$
Total Revenue	2,132,740	2,104,118	167,853	1,145,071	(11,997)	**5,537,785**
Benefits and expenses	(1,553,122)	(1,691,486)	(140,768)	(363,347)	11,997	**(3,748,723)**
Finance costs	0	0	0	0	0	**(26,920)**
Profit / (loss) before tax	579,618	412,632	27,085	781,724	0	**1,762,142**
Taxation	(38,270)	(85,108)	0	(184,908)	0	**(308,286)**
Profit after taxation	541,348	327,524	27,085	596,816	0	**1,453,856**
Minority interest	0	0	0	(292,440)	0	**(292,440)**
Net profit attributable to Stockholders	**541,348**	**327,524**	**27,085**	**304,376**	**0**	**1,161,416**
Assets	22,819,909	7,577,404	152,029	39,967,420	(8,247,331)	**62,269,431**
Investment in associates						**15,491**
Goodwill						**3,621,212**
	22,819,909	7,577,404	152,029	39,967,420	(8,247,331)	**65,906,134**
Liabilities	12,350,310	6,879,733	170,529	34,386,437	(2,108,762)	**51,678,247**
Retirement benefit obligations						**267,079**
Borrowings						**147,631**
	12,350,310	6,879,733	170,529	34,386,437	(2,108,762)	**52,092,957**

	Individual Life Services	Group Services	Other Services	Banking Services	Eliminations	Dec-04 Group
Total Revenue	3,562,626	3,353,311	153,155	0	(18,984)	**7,050,108**
Benefits and expenses	(2,558,822)	(2,581,940)	(237,379)	0	18,984	**(5,359,157)**
Profit / (loss) before tax	1,003,804	771,371	(84,224)	0	0	**1,690,951**
Taxation	(100,555)	(156,201)	(405)	0	0	**(257,161)**
Net profit attributable to Stockholders	903,249	615,170	(84,629)	0	0	**1,433,790**
Assets	15,719,931	4,537,265	163,100	0	(1,315,282)	**19,105,014**
Investment in associates						**4,099**
Goodwill						**1,020,640**
	15,719,931	4,537,265	163,100	0	(1,315,282)	**20,129,753**
Liabilities	9,616,207	4,079,266	109,722	0	(90,477)	**13,714,718**
Retirement benefit obligations						**263,714**
	9,616,207	4,079,266	109,722	0	(90,477)	**13,978,432**

The Group's secondary format for segment information is geographic:

	Jamaica	Grand Cayman	June-05 Group
Revenues	5,150,886	386,899	**$ 5,537,785**
Total assets	62,582,626	3,323,508	**$ 65,906,134**

	Jamaica	Grand Cayman	Dec-04 Group
Total Revenues	6,545,667	504,441	**$ 7,050,108**
Assets	17,505,476	3,122,081	**$ 20,627,557**

Explanatory Notes

1. **Accounting Policies**

   (a) *Basis of preparation*

   These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investment securities, investment property and certain fixed assets.

   The computation of insurance and annuity reserves conform to standards established under the Insurance Regulation 2001, as no specific guidance is provided by IFRS in this area.

   (b) *Basis of consolidation*

   Subsidiaries are consolidated on a line-by-line basis from the date on which control is transferred to the Group and are no longer consolidated from the date on which control ceases. The Group uses the purchase method of accounting for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Inter-company transactions, balances and unrealized gains and losses on transactions between group companies are eliminated.

   Investments in associates are accounted for by the equity method of accounting. Under this method the company's share of the post-acquisition profits or losses of associates is recognized in the statement of operations and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the company's interest in the associate; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(c) Investments

Investments are classified as financial assets at fair value through income, available-for-sale financial assets or loans, as determined by management at the time of purchase.

Financial assets at fair value through income consist of held-for-trading securities. A financial asset is classified into this category at inception if acquired principally for the purpose of selling in the short-term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking or if so designated by management.

Available-for-sale securities are initially recognized at cost and are subsequently re-measured at their fair value based on quoted bid prices. If the market for a financial asset is not active the Group establishes fair values by using valuation techniques. Unrealized gains and losses arising from changes in fair value of securities classified as available-for-sale are deferred to Investments and Fair Value Reserves. When the securities are disposed of or impaired, the related accumulated unrealized gains or losses included in reserves are transferred to the statement of operations.

Loans are financial assets with fixed or determinable payments that are not quoted in an active market.

(d) Investment Properties

Investment properties are carried at fair value. Changes in fair value are recorded in the statement of operations.

(e) Securities purchased under agreements to resell

Securities purchased under agreements to resell (Repurchase Agreements) are treated as collateralized financing transactions. The difference between the purchase and resale price is treated as interest and accrued over the life of the agreements using the effective yield method.

(f) Cash and Cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the Cash Flow Statement, Cash and Cash equivalents comprise cash in hand, Deposits held with banks and Repurchase Agreements with a maturity date of three months or less from the date of acquisition and bank overdraft balances.

2. Segregated Funds

The Group manages various unitized funds on behalf of life insurance policyholders. The policyholders share all rewards and risks of the performance of the funds. Consequently, the assets and liabilities of these funds are recorded on the Consolidated Balance Sheet separately from the general funds of the Group. All income and expenditure are recorded directly to the Balance Sheet as an adjustment to “Segregated Funds’ Liabilities”. Income earned by the Group from investment fees is included in “Fees and Other Revenues” in the Consolidated Statement of Operations.

3. Pension Funds Under Management

These funds are held in trust through the subsidiary company, LOJ Pooled Investment Funds Limited (LOJ PIF) and the Diversified Investment Funds (DIF). All investment returns accrue directly to the funds with the Group assuming no risks. The assets, liabilities and operations of these funds are not included in these Consolidated Financial Statement. At June 30, 2005 the total pension funds under management were $35.0 billion (December 2004: $26.5 billion). Administration and investment fees earned by the Group are included in “Fees and Other Revenues” in the Consolidated Statement of Operations.

4. Earnings Per Stock Unit

Basic earnings per stock unit are calculated by dividing the net profit attributable to shareholders by the weighted-average number of ordinary shares in issue during the period.

The diluted earnings per stock unit is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The adjustments for the first quarter of 2005 and 2004 related to un-issued shares for the Staff Share Ownership Plan and un-issued shares for the Executive Stock Option Plan.

5. Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group’s share of net identifiable assets acquired. Goodwill on acquisition of subsidiaries is included in Intangible Assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

6. Business combination

Effective 1 January 2005 LOJ acquired 43% of the share capital of Pan Caribbean Financial Services (PCFS). Along with its previously held 8%, LOJ obtained a 51% controlling interest. The acquired business contributed revenues of $1.1 billion and net profit of $304.4 million to the LOJ Group, after minority interest, for the period January to June 2005.

LOJ also acquired First Life Insurance Company Limited's Insurance and Pensions Management business from April 1, 2005. These portfolios generated revenues for the period of $530.4 million and net profits of $58.5 million.

7. Borrowings

On January 13, 2005, Sagicor Financial Corporation, ultimate parent company of LOJ, provided LOJ with financing of $2.5 billion at the rate of 5% per annum. These funds were used as part consideration for the purchase of 43% of the share capital of PCFS. The loan was extinguished on May 6, 2005 when LOJ issues 1,156,020,795 shares to acquire First Life Insurance Company (First Life)'s Employee Benefits business and 37% interest in PCFS and transferred the 37% interest in PCFS to Sagicor Financial Corporation.

8. International Financial Reporting Standards (IFRS)

A number of International Financial Reporting Standards were revised effective January 1, 2005. These revisions have been adopted by the Group where relevant to its operations. Certain re-classifications and re-statements have been made to the prior-year amounts to conform to current-year reporting.

The principal change was fair valuing and reclassification of Debt Securities from the investments category "Originated Loans" to the category "Debt Securities, Available-for-sale". As originated loans, the securities were carried at their amortized cost. As Available-for-sale securities, they are being carried at fair value with the unrealized gain/ (losses) deferred in Investment Reserves with-in Equity. The effect of this change was to reduce total assets as at June 2004 by $287,832,000 and December 2004 by $231,262,000.