



**FIRST JAMAICA INVESTMENTS LIMITED** AND ITS SUBSIDIARIES  
(formerly First Life Insurance Company Limited)

**Unaudited Financial Statements** 30 September 2005

Your Directors are pleased to report that for the nine months ended 30 September 2005, Group profit totaled \$2,518 million compared with \$1,146 million for the corresponding period of the previous year, an increase of \$1,372 million or 120%. The fully diluted earnings per stock unit also increase by 120% to \$8.30 compared to \$3.78 for the corresponding period.

These results include gain arising from the transfer of our Insurance and Banking operations to Life of Jamaica (LOJ) of \$1.687 million. Nevertheless, excluding this gain, net profit after tax, of \$830 million reflect an increase of 5% from \$794 million previous year profit.

Despite the many challenges which faced the Jamaican economy in the September quarter of 2005, our main operating subsidiary, Jamaica Property Company Limited, continued to produce satisfactory results – operating at occupancy levels in excess of 95%, its income improved by 18%. Moreover, we are encouraged by the performance of our new associate company, LOJ, which year to date has increased its earnings per stock unit by 35%. We therefore remain confident that LOJ will make an increasingly significant contribution to the future earnings of the Group.

As at 30 September 2005, the Unaudited Consolidated Balance Sheet records the Stockholders' Funds at \$7.37 billion. This is a substantial increase of 46% over the \$5.05 billion at 31 December 2004. As Note 3 indicates, this figure of \$7.37 billion is arrived at using an IFRS 3 fair value price of \$3.80 per stock unit for our stockholding in LOJ. However, if instead, the market value of LOJ stock units as at 30 September, 2005 were to be used, Stockholders' Funds would double, rising to \$13.16 billion or \$43.34 per stock unit. Clearly, this is a strong indication of the underlying strength of the Group Balance Sheet, which, coupled with the quality of our earnings, augurs well for the future.

Maurice Facey  
Chairman

Stephen Facey  
Chief Executive Officer

**Unaudited Consolidated Statement of Operations**

30 September 2005

	3 months to September 2005 \$'000	3 months to September 2004 \$'000	9 months to September 2005 \$'000	9 months to September 2004 \$'000
<b>Income</b>				
Premium Income	-	450,186	-	1,253,698
Investment Income	41,074	109,529	105,768	302,641
Property	159,260	134,825	446,592	378,869
Other	63,152	44,526	91,594	111,668
	<u>263,486</u>	<u>739,066</u>	<u>643,954</u>	<u>2,046,876</u>
<b>Operating Expenses</b>				
Policyholders' benefits and reserve	-	326,747	-	976,452
Commissions	-	30,978	-	72,400
Management and other expenses	100,609	120,447	267,757	346,526
Interest expense	13,808	507	19,385	1,915
	<u>114,417</u>	<u>478,679</u>	<u>287,142</u>	<u>1,397,293</u>
Operating profit	149,069	260,387	356,812	649,583
Share of results in associated company before taxation	152,407	132,560	536,941	266,571
Profit before taxation	<u>301,476</u>	<u>392,947</u>	<u>893,753</u>	<u>916,154</u>
Taxation	<u>(61,135)</u>	<u>(84,396)</u>	<u>(162,390)</u>	<u>(181,939)</u>
Profit from continuing operations	240,341	308,551	731,363	734,215
Profit from discontinued operations (Note 1)	-	-	98,751	59,695
	<u>240,341</u>	<u>308,551</u>	<u>830,114</u>	<u>793,910</u>
Gain on transfer of Insurance and Banking operation to associated company (Note 2)	-	-	1,687,658	-
Gain on dilution of stockholding in subsidiary	-	-	-	351,913
Net profit attributable to stockholders	<u>240,341</u>	<u>308,551</u>	<u>2,517,772</u>	<u>1,145,823</u>
Earnings per stock unit	\$0.79	\$1.02	\$8.30	\$3.80
Fully diluted earnings per stock unit	\$0.79	\$1.00	\$8.30	\$3.78



**Unaudited Consolidated Balance Sheet**

**30 September 2005**

	September 2005 \$'000	Audited ** December 2004 \$'000	**Restated September 2004 \$'000
<b>ASSETS</b>			
Cash and Bank Balances	87,484	420,609	132,668
Investments			
Securities			
Available-for-sale	1,293,841	2,399,017	2,356,329
Securities purchased under agreements to resell	403,738	542,014	540,057
Short term deposit	-	4,542	-
Loan & lease receivables	51,268	155,750	190,621
Investment properties	1,931,930	1,831,024	1,742,162
Investment in associated companies	3,832,239	2,117,919	2,035,416
	7,513,016	7,050,266	6,864,585
Taxation recoverable	150,922	105,432	136,901
Deferred tax assets	2,974	2,547	3,477
Other assets	316,942	420,416	553,109
Property, plant and equipment	105,104	87,835	127,512
Intangible assets	-	178,014	188,340
Retirement benefit assets	34,216	34,216	55,301
Segregated funds' assets	-	88,300	80,677
	<u>8,210,658</u>	<u>8,387,635</u>	<u>8,142,570</u>
<b>LIABILITIES AND STOCKHOLDERS' FUNDS</b>			
<b>Stockholders' Funds</b>			
Stated / Share capital	355,848	303,500	303,083
Share premium	-	52,348	52,035
Capital reserves	2,830,399	257,572	257,572
Investment and other reserves	(40,885)	567,759	644,187
Retained earning	4,227,092	3,867,498	3,539,483
	7,372,454	5,048,677	4,796,360
<b>Policyholders' Funds</b>			
Reserves for future policyholders' benefits	-	927,685	892,276
Approved deposit administration funds	-	771,097	736,084
Policyholders' funds on deposit	-	400,776	420,235
Policy dividends on deposit	-	19,617	19,688
	-	2,119,175	2,068,283
Bank Overdraft	909	6,425	32,792
Taxation payable	34,886	110,014	90,735
Deferred tax liability	70,728	70,637	55,022
Other liabilities	600,205	602,412	843,575
Due (from)/to related party	(748)	7005	363
Long term loans	74,862	277,628	124,994
Retirement benefit obligations	57,362	57,362	49,769
Segregated funds' liabilities	-	88,300	80,677
	<u>8,210,658</u>	<u>8,387,635</u>	<u>8,142,570</u>

\*\* 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 Changes in Stockholders' Funds**

Nine months period ended 30 September 2005

	Stated Capital	Share Premium	Capital Reserve	Investment & Other Reserves	Retained Earnings	Total
Balance at 1 January 2005	303,500	52,348	257,272	568,059	3,867,498	5,048,677
Transfer to stated capital	52,348	(52,348)	-	-	-	-
Net profit attributable to stockholders	-	-	-	-	2,517,772	2,517,772
Unrealised gain on investments	-	-	-	(2,790)	-	(2,790)
Transfer between reserves	-	-	533,556	(533,556)	-	-
Transfer from retained earnings	-	-	2,039,571	-	(2,039,571)	-
Transfer from special insurance reserve	-	-	-	(69,820)	69,820	-
Transfer from investment reserve	-	-	-	(2,778)	2,778	-
Dividends paid	-	-	-	-	(191,205)	(191,205)
	<b>355,848</b>	<b>-</b>	<b>2,830,399</b>	<b>(40,885)</b>	<b>4,227,092</b>	<b>7,372,454</b>

**30 September 2004**

	Share Capital	Share Premium	Capital Reserve	Investment & Insurance Reserves	Retained Earnings	Total
Balance at 1 January 2004	300,258	49,917	257,572	404,416	2,441,029	3,453,192
Unrealised gains on available-for-sale assets	-	-	-	294,749	-	294,749
Realised fair value gains transferred to Consolidated Statement of Operation	-	-	-	(29,617)	-	(29,617)
	-	-	-	265,132	-	265,132
Net profit attributable to stockholders	-	-	-	-	1,145,823	1,145,823
Issue of stock units	2,825	2,118	-	-	-	4,943
Transfer from special insurance reserve	-	-	-	(18,157)	18,157	-
Transfer to retained earnings	-	-	-	(7,205)	7,205	-
Dividends paid	-	-	-	-	(72,731)	(72,731)
	<b>303,083</b>	<b>52,035</b>	<b>257,572</b>	<b>644,186</b>	<b>3,539,483</b>	<b>4,796,359</b>

**Unaudited Financial Information by Business Segments**  
(including Discontinued Operations)**30 September 2005**

	Insurance and Pension Management Services	Property	Banking and Other Financial Services	Investments and other Financial Services	Eliminations	Total
<b>REVENUE</b>						
External	490,803	499,487	-	144,467	-	1,134,757
Inter-segment	-	2,574	-	89,049	(91,623)	-
Total Revenue	490,803	502,061	-	233,516	(91,623)	1,134,757
Operating profits	128,448	219,731	-	137,081	-	485,260
Share of results of associated companies before taxation						536,941
Profits before taxation						1,022,201
Taxation						(192,087)
						830,114
Gain on transfer of insurance and banking operation to associated company						1,687,658
Net profit						2,517,772

**30 September 2004**

	Insurance and other Financial Services	Property	Banking and other Financial Services	Eliminations	Total
<b>REVENUE</b>					
External revenue	1,506,204	432,169	674,893	-	2,613,266
Inter-segment income	88,970	6,987	915	(96,872)	-
Total Revenue	1,595,174	439,156	675,808	(96,872)	2,613,266
Operating profits	410,474	132,218	183,946	-	726,638
Share of results of associated companies before taxation					266,571
Profits before taxation					993,209
Taxation					(181,939)
Profit after taxation					811,270
Gain on dilution of stockholding in subsidiary					351,913
Minority Interest					(17,360)
Net Profit					1,145,823



**Unaudited Consolidated Statement of Cash Flows**

30 September 2005

	9 Month Sept., 2005 \$'000	9 Month Sept., 2004 \$'000
Net profit	2,517,772	1,145,823
Items not affecting cash	<u>(2,125,643)</u>	<u>(793,531)</u>
	392,129	352,292
Changes in non-cash working capital components	<u>330,607</u>	<u>(402,867)</u>
Cash flows from/(used in) operating activities	722,736	(50,575)
Cash flows used in investing activities	(994,861)	(7,289)
Cash flows used in financing activities	<u>(198,243)</u>	<u>(103,024)</u>
Net decrease in cash and cash equivalents	(470,368)	(160,888)
Cash and cash equivalents at beginning of period	<u>960,681</u>	<u>740,825</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>490,313</u></u>	<u><u>579,937</u></u>
<b>Comprising :</b>		
Cash and bank balances	87,484	132,668
Short term investments	403,738	480,061
Bank overdraft	<u>(909)</u>	<u>(32,792)</u>
	<u><u>490,313</u></u>	<u><u>579,937</u></u>

**NOTES**

**1. Unaudited Consolidated Statement of Operations - Discontinued Operations**  
30 September 2005

	9 months to September 2005 \$'000	9 months to September 2004 \$'000
Income	490,803	566,390
Operating expenses	<u>(362,355)</u>	<u>(489,335)</u>
Operating profits	128,448	77,055
Taxation	<u>(29,697)</u>	<u>-</u>
	98,751	77,055
Minority interest	<u>-</u>	<u>(17,360)</u>
Profit from discontinued operations	<u><u>98,751</u></u>	<u><u>59,695</u></u>

- The "gain on transfer of Insurance and Banking operations to associated company" represents the Directors best estimate of the quantum of this gain as at the date of the transfer. This figure, which is as yet unaudited, may be subject to adjustment when final settlement is reached with LOJ.
- LOJ issued First Jamaica Investments Limited 919,227,731 new ordinary shares at an IFRS 3 fair value price of \$3.80 per share and, these accounts reflect our resulting 25% holding in LOJ at this price.