A member of the Sagicor Group

Life of Jamaica Limited
Un-audited Consolidated Financial Statements
For the period January to March 2006

Interim Report to Shareholders for the period January to March 2006

On behalf of the Board of Directors, we are pleased to present the un-audited consolidated financial statements for Life of Jamaica Limited (LOJ) for the first quarter of 2006.

The LOJ Group generated net profits attributable to shareholders of $513.7 million for the period January to March 2006. This outcome was 48.6% higher than the $345.8 million for the same period in 2005.

Revenues for the 2006 period were $3.5 billion, up 52.2% on the 2005 amount of $2.3 billion. The book value of Shareholders' Equity as at March 31, 2006 was $12.0 billion, compared to $11.6 billion as at December 31, 2005 and $5.7 billion as at March 31, 2005. Total assets of the Group stood at $73.8 billion. At December 31, 2005 total assets were $70.6 billion and at March 31, 2005 $60.4 billion.

Despite the substantial growth in first quarter earnings, the current EPS of 14 cents is level with the 2005 amount. This is a consequence of the number of shares in issue during the current quarter being about 46% more than those outstanding during the corresponding quarter of 2005. Shareholders will recall we acquired the First Life Insurance Company's (First Life) financial services business for the issue of 1,156,020,795 LOJ shares in the second quarter of 2005. In addition, the current quarter includes amortization charges of $22.3 million (before minority interest) and profit contributions from entities acquired at varying points during 2005. While the majority interest in Pan Caribbean Financial Services (PCFS) was taken up from January 2005, the 50% share of First Life's Employee Benefits business was assumed from April 1st 2005 and the 51% interest in Cayman General Insurance Company Limited (CGI) from December 1st 2005.

LOJ's first quarter results are usually lower than the following quarters as there is a disproportionate amount of costs in the period. This combined with lower interest rates and a retreating stock market resulted in an annualized return on shareholders' equity of 17.4%. Management expects this performance to improve over the remainder of the year.

Construction continued on our real estate development project, Winchester Estate and Winchester Business Centre where we are constructing for sale, 60 apartments and 120,000 square feet of light commercial and office space. We expect completion of the residential component in the third quarter and sales to date have been brisk. No profit from this project has been booked in these accounts.

On March 15, 2006, a first interim dividend of 11 cents per share (or $410.3 million) was declared, payable on April 21, 2006 to shareholders on record as at March 24, 2006. The ordinary shares in issue grew from 3,716,910,925 at December 2005 to 3,730,244,258 at the end of March 2006, as a result of 13,333,333 shares being issued to staff as part of the staff share purchase plan. At March 31, 2006, LOJ's market capitalization was $29.8 billion, down 18.6% from $36.6 billion at December 2005.

The Directors are pleased to report on two subsequent events. During May 2006 LOJ received a financial strength rating (FSR) of "A" (excellent) and an insurers credit rating (ICR) of "a" from the A.M. Best rating agency. In this accomplishment, LOJ joined its parent company, Sagicor Life Inc., who enjoyed similar ratings for a number of years. We welcome this endorsement. Also, in May our subsidiary PCFS received regulatory approval to convert its merchant bank license to a commercial bank license.

We are confident about the Jamaican economy and future prospects. Our efforts will remain focused on operational efficiency and strategies to ensure our sales and earnings targets for the year are met.

On behalf of the Board

J.Arthur Bethell
Chairman
April 20, 2006

Richard O. Byles
President & CEO

Consolidated Balance Sheet
as at March 31, 2006
(Expressed in thousands of Jamaican dollars)

	March-06 Un-audited	Restated March-05 Un-audited	Restated December-05 Audited
Assets:			
Financial Assets at fair value through income	1,130,648	1,539	717,697
Available-for-sale securities	43,574,681	35,786,913	41,325,217
Loans and leases	7,131,543	5,934,124	7,469,812
Securities purchased under resale agreements	2,975,804	3,990,928	2,000,132
Short term deposits	956,680	107,496	777,316
Investment properties	561,565	592,306	556,382
Investment in associated companies	2,725	4,099	2,725
	56,333,646	46,417,405	52,849,281
Cash resources	1,093,078	1,168,664	1,482,419
Property, plant and equipment	691,540	513,755	694,074
Intangible assets	5,671,946	3,406,523	5,743,013
Reinsurance assets	907,684	28,843	1,172,698
Other assets	3,892,633	3,546,995	3,568,326
Segregated funds' assets	5,160,696	5,308,053	5,057,466
	17,417,577	13,972,833	17,717,996
Total Assets	**73,751,223**	**60,390,238**	**70,567,277**
Liabilities:			
Insurance and annuity liabilities	5,063,594	3,924,235	4,882,483
Deposit administration funds	2,213,782	1,469,514	2,351,237
Investment Contracts	2,188,729	1,436,463	2,307,700
	9,466,105	6,830,212	9,541,420
Loans Payable	2,359,320	2,674,314	1,678,765
Customer Deposits	3,847,578	4,462,290	4,203,475
Securities sold under re-purchase agreements	30,579,340	27,430,124	29,228,380
Other liabilities	6,075,230	4,186,566	5,070,908
Segregated funds' liabilities	5,160,696	5,308,053	5,057,466
	48,022,164	44,061,347	45,238,994
Total liabilities	**57,488,269**	**50,891,559**	**54,780,414**
Equity:			
Capital and reserves attributable to the Company' Shareholders			
Share Capital	7,654,212	3,152,626	7,547,679
Investment and other reserves	532,376	512,917	428,465
Retained earnings	3,773,530	2,068,339	3,670,155
	11,960,118	5,733,882	11,646,299
Minority interest in subsidiaries	4,302,836	3,764,797	4,140,564
	16,262,954	9,498,679	15,786,863
Total Liabilities and Equity	**73,751,223**	**60,390,238**	**70,567 277**

On behalf of the Board

J. Arthur Bethell
Chairman
April 20, 2006

Richard Byles
President & CEO

Consolidated Statement of Operations
for the period January to March 31, 2006
(Expressed in thousands of Jamaican dollars)

	March-06 Year-to-date Un-audited	Restated March-05 Year-to-date Un-audited	Restated December-05 Full year Audited
Revenues:			
Gross premium revenue	2,700,157	1,518,606	8,031,557
Reinsurance premium ceded	(332,543)	(106,985)	(556,041)
Net premium revenue	**2,367,614**	**1,411,621**	**7,475,516**
Net investment income	727,088	626,789	3,075,717
Gains on sale of shares to ultimate parent company	0	0	429,940
Fees and other revenues	394,395	308,725	1,142,262
Total revenue	**3,489,097**	**2,347,135**	**12,123,435**
Benefits and expenses:			
Insurance benefits incurred	1,264,464	682,597	3,794,030
Insurance benefits reinsured	(12,425)	(9,855)	(81,664)
Net Insurance benefits incurred	**1,252,039**	**672,742**	**3,712,366**
Changes in insurance and annuity liabilities	166,187	103,562	382,135
Administration expenses	784,621	613,476	2,730,819
Commissions and related compensation	390,444	257,202	1,288,361
Depreciation and amortization	113,990	78,528	387,638
Finance cost	3,600	25,036	31,941
Total benefits and expenses	**2,710,881**	**1,750,546**	**8,533,260**
Profit before taxation	**778,216**	**596,589**	**3,590,175**
Taxation	(145,605)	(145,044)	(708,686)
Profit after taxation	**632,611**	**451,545**	**2,881,489**
Net profit attributable to:			
Shareholders of the company	513,702	345,829	2,460,150
Minority interest	118,909	105,716	421,339
Net profit for period	**632,611**	**451,545**	**2,881,489**
Earnings per share for profit attributable to shareholders:			
- Basic	$0.14	$0.14	$0.72
- Fully diluted	$0.13	$0.13	$0.71

Consolidated Statement of Changes in Stockholders' Eq uity
for the period January to March 31, 2006
(Expressed in thousands of Jamaican dollars)

	Share capital	Investment & fair value reserves	Currency translation reserve	Other reserves	Retained earnings	Minority interest	Total
Year ended December 31, 2005							
Balance as at January 1, 2005, as restated	3,006,856	742,006	317,078	106,888	1,978,599	0	6,151,427
Currency translation differences	0	0	72,761	0	0	0	72,761
Reversal of unrealized fair value gains on acquired subsidiary		(861,222)					(861,222)
Unrealised gains on available-for-sale securities	0	365,986	0	0	0	(174,072)	191,914
Gains recycled to revenue on disposal and maturity of available-for-sale securities	0	(372,148)	0	0	0	0	(372,148)
Unrealised gains on revaluation of owner-occupied properties	0	27,809	0	0	0	0	27,809
Net profit	0	0	0	0	2,460,150	421,339	2,881,489
Transfer to special investment reserve				5,483	(5,483)		-
Transfer to retained earnings		44,165			(44,165)		-
Adjustment between regulatory loan provisioning and IFRS				(20,341)	20,341		-
Minority interest net assets of acquired subsidiaries						4,219,646	4,219,646
Net movement in reserves for minority interest						(218,460)	(218,460)
Issue of shares	4,540,823						4,540,823
Dividend paid to minorities						(107,889)	(107,889)
Dividends	0	0	0	0	(739,287)	0	(739,287)
Balance as at December 31, 2005	**7,547,679**	**(53,404)**	**389,839**	**92,030**	**3,670,155**	**4,140,564**	**15,786,863**
Period ended March 31, 2006							
Balance as at January 1, 2006, as restated	7,547,679	(53,404)	389,839	92,030	3,670,155	4,140,564	15,786,863
Currency translation differences	0	0	28,703	0	0	0	28,703
Reversal of unrealized fair value gains on acquired subsidiary		0					0
Unrealised gains on available-for-sale securities	0	142,178	0	0	0	34,437	176,615
Gains recycled to revenue on disposal and maturity of available-for-sale securities	0	(66,970)	0	0	0	0	(66,970)
Unrealised gains on revaluation of owner-occupied properties	0		0	0	0	0	0
Net profit	0	0	0	0	513,702	118,909	632,611
Transfer to special investment reserve				0	0		0
Transfer to retained earnings		0			0		0
Adjustment between regulatory loan provisioning and IFRS				0	0		0
Minority interest net assets of acquired subsidiaries						0	0
Net movement in reserves for minority interest						8,926	8,926
Issue of shares	106,533						106,533
Dividend paid to minorities						0	0
Dividends	0	0	0	0	(410,327)	0	(410,327)
Balance as at March 31, 2006	**7,654,212**	**21,804**	**418,542**	**92,030**	**3,773,530**	**4,302,836**	**16,262,954**

Consolidated Statement of Cash Flows
for the period January to March 31, 2006
(Expressed in thousands of Jamaican dollars)

	March-06 Year-to-date Un-audited	Restated March-05 Year-to-date Un-audited	Restated December-05 Full year Audited
Cash Flows from operating activities:			
Net profit	632,611	451,545	2,881,489
Items not affecting cash	604,306	572,737	(1,877,658)
Changes in operating assets and liabilities	(1,429,660)	486,166	(695,290)
Interest received	311,382	199,153	4,822,317
Interest paid	(126,546)	(82,138)	(3,551,793)
Income taxes paid	(101,666)	(120,261)	(736,742)
Cash generated from operating activities	(109,513)	1,507,202	842,323
Cash Flows from investing activities:			
Property, plant and equipment	(27,030)	(14,795)	(114,642)
Purchase of computer software	(4,621)	0	(111,341)
Net (purchase of) / proceeds from sale of investments	(2,867,805)	806,343	5,423,640
Acquisitions, net of cash acquired	0	(2,449,949)	(3,110,009)
Cash (used in) / provided by investing activities	(2,899,456)	(1,658,401)	2,087,648
Cash Flows from financing activities:			
Dividends paid to stockholders	0	(256,089)	(724,221)
Dividend paid to minority interest	0	0	(107,889)
Ordinary shares issued	106,533	145,770	147,944
Proceeds from loans	2,717,700	1,108,896	3,176,607
Cash provided by financing activities	2,824,233	998,577	2,492,441
Net (decrease) / increase in net cash and cash equivalents	**(184,795)**	**847,378**	**5,422,412**
Cash and cash equivalents:			
Cash and cash equivalents, at beginning of year	5,985,833	277,776	277,776
Effects of exchange rate changes	92,095	(3,859)	285,645
(Decrease) / increase in net cash and cash equivalents	(184,796)	847,378	5,422,412
Net cash and cash equivalents, at end of year	**5,893,132**	**1,121,295**	**5,985,833**

Consolidated Segmental Financial Information
for the period January to March 31, 2006
(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 five primary business segments, these are:

a) Individual Life Services - Includes the provision of life insurance services to individuals.
b) Employee Benefits 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) General Insurance Services - Includes property and casualty insurance.
e) Other Services – Includes captives management, property management and shareholders funds.

	Individual Life Services	Employee Benefits Services	Other Services	General Ins. Services	Banking Services	Eliminations	March-06 Group
Total Revenue	1,210,079	1,591,665	68,822	109,248	537,214	(27,931)	**3,489,097**
Amortization of purchased intangibles	0	(18,093)	0	(4,183)	(55,759)	0	**(78,035)**
Benefits and expenses	(965,502)	(1,284,529)	(108,467)	(97,644)	(191,854)	18,750	**(2,629,246)**
Finance costs	0	0	(12,781)	0	0	9,181	**(3,600)**
Profit / (loss) before tax	244,577	289,043	(52,426)	7,421	289,601	0	**778,216**
Taxation	(34,101)	(40,812)	0	0	(70,692)	0	**(145,605)**
Profit / (loss) after taxation	210,476	248,231	(52,426)	7,421	218,909	0	**632,611**
Segment Assets -							
Intangible assets	1,256,485	1,527,095	40	461,222	2,427,104	**0**	**5,671,946**
Other assets	19,210,585	8,738,778	3,062	2,061,564	42,061,384	**(4,037,255)**	**68,038,118**
	20,467,070	10,265,873	3,102	2,522,786	44,488,488	**(4,037,255)**	**73,710,064**
Unallocated Assets -							
Investment in associates							**2,725**
Deferred tax assets							**21,729**
Retirement benefit asset							**16,705**
Total Assets							**73,751,223**
Segment Liabilities	12,968,047	6,689,923	24,769	1,260,462	36,345,095	**(304,993)**	**56,983,303**
Unallocated Liabilities -							
Deferred tax liabilities							**217,271**
Retirement benefit liabilities							**287,695**
Total Liabilities							**57,488,269**

	Individual Life Services	Employee Benefits Services	Other Services	General Ins Services	Banking Services	Eliminations	Dec-05 Group
Total Revenue	4,229,679	5,054,982	268,330	45,884	2,106,621	(12,000)	**11,693,495**
Amortization of purchased intangibles		(41,728)		(2,682)	(223,031)	0	**(267,441)**
Benefits and expenses	(3,247,492)	(3,938,468)	(343,724)	(24,982)	(691,212)	12,000	**(8,233,878)**
Finance costs			(4,941)		(27,000)		**(31,941)**
Profit / (loss) before tax	982,186	1,074,786	(80,335)	18,220	1,165,378	0	**3,160,235**
Gain on sale of PCFS shares to parent							**429,940**
Taxation	(171,017)	(178,762)	4,870	0	(363,777)	0	**(708,686)**
Profit / (loss) after taxation	811,169	896,024	(75,465)	18,220	801,601	0	**2,881,489**
Segment Assets -							
Intangible assets	1,242,449	1,541,005	40	469,602	2,489,917	**0**	**5,743,013**
Other assets	18,891,937	8,561,123	3,062	2,289,328	39,139,984	**(4,102,329)**	**64,783,105**
	20,134,386	10,102,128	3,102	2,758,930	41,629,901	**(4,102,329)**	**70,526,118**
Unallocated Assets -							
Investment in associates							**2,725**
Deferred tax assets							**21,729**
Retirement benefit assets							**16,705**
Total Assets							**70,567,277**
Segment Liabilities	12,982,499	6,627,896	24,769	1,542,487	33,770,226	**(672,429)**	**54,275,448**
Unallocated Liabilities -							
Deferred tax liabilities							**217,271**
Retirement benefit liabilities							**287,695**
Total Liabilities							**54,780,414**

The Group's secondary format for Segment information is geographic

	Jamaica	Grand Cayman	March-06 Group
Total Revenue	2,994,369	494,728	3,489,097
Total Assets	66,966,398	6,784,825	73,751,223

	Jamaica	Grand Cayman	Dec-05 Group
Total Revenue	11,483,517	639,918	12,123,435
Total Assets	63,756,172	6,811,105	70,567,277

Explanatory Notes

1. Significant Accounting Policies

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) which includes International Accounting Standards (IAS) and have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investment securities, investment property, certain property plant and equipment and financial assets held at fair value through income.

The computation of insurance and annuity reserves conforms 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, 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 and are initially recognized at cost. 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) Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components in other economic environments.

(d) *Investments*

Investments are classified as financial assets at fair value through income, available-for-sale financial assets or loans and leases, 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 Investment Income.

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

All purchases and sales of investment securities are recognized at settlement date.

(e) *Investment Properties*

Investment properties are carried at fair value as determined by external valuators. Changes in fair value are taken to Investment Income.

(f) *Repurchase and reverse repurchase agreements*

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (reverse repurchase agreements) are treated as collateralised financing and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

(g) *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 Limited), the Diversified Investment Funds (DIF), First Life Pooled Funds and other managed funds. 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 Statements. At March 31, 2006 the total pension funds under management were $35.5 billion (December 2005: $36.0 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 related to un-issued shares for the Staff Share Ownership Plan and un-issued shares for the Executive Stock Option Plan.

5. Intangible Assets

The item Intangible Assets includes, Group controlled computer software, goodwill and other intangible assets.

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired at the acquisition date. Goodwill is initially measured at cost and is not amortized. After initial recognition goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Other Intangible Assets

Other intangible assets include contractual customer relationships, trade names and computer software acquired through acquisitions. The fair values and estimates of useful life of these identifiable intangible assets are determined by independent appraisers at the point of acquisition. These assets are initially recorded at cost. If the estimated useful life is definite, then the cost of the asset is amortised over its life, and is tested for impairment when there is evidence of same. If the estimated useful life is indefinite, the asset is not amortized but is tested annually for impairment.

6. Business combinations

As allowed under IFRS 3, the accounting for the fair value of identifiable intangible assets acquired during 2005 from the PCFS, First Life and CGI business combinations was done using provisional values. Having received updated values for certain of the PCFS identifiable intangible assets, the carrying values of purchased goodwill, intangible assets and the related amortization charges have been adjusted from the acquisition date of January 1, 2005.

7. Restatements - Effect of adjustments to the value of intangibles and reclassification of comparative amounts

The adjustments to the value of certain intangibles (note 6) were applied retroactively from the date of the acquisition. Reclassifications have also been made to the prior year numbers to conform to current year reporting. The effect of these changes on the prior year financial statements is summarised as follows:

	Previously Stated	***Adjustments to Intangibles***	***Reclass-ifcations***	***Restated***
March 2005:				
Balance Sheet -				
Total Assets	59,191,437	(55,759)	1,254,560	60,390,238
Retained earnings	2,095,560	(27,221)	0	2,068,339
Shareholders' equity	5,761,103	(27,221)	0	5,733,882
Minority interest	2,538,777	(28,540)	1,254,560	3,764,797
Statement of Operations -				
Total revenue	2,347,135	0	0	2,347,135
Depreciation and amortization	22,769	55,759	0	78,528
Net profit attributable to:				
Shareholders	373,050	(27,221)	0	345,829
Minority Interest	134,254	(28,538)	0	105,716

December 2005				
Balance Sheet -				
Total Assets	70,669,887	(102,610)	0	70,567,277
Retained earnings	3,634,334	35,821	0	3,670,155
Shareholders' equity	11,610,478	35,821	0	11,646,299
Minority interest	4,278,996	(138,432)	0	4,140,564
Statement of Operations -				
Total revenue	12,136,778	(45,284)	31,941	12,123,435
Depreciation and amortization	534,075	(146,437)		387,638
Finance Cost	0	0	31,941	31,941
Net profit attributable to:				
Shareholders	2,424,329	35,821	0	2,460,150
Minority Interest	356,008	65,331	0	421,339