

## FIRST LIFE INSURANCE COMPANY 2000

---

Financial results of the second quarter ended June 30, 2000 reflect substantial improvement over the same period last year as a result of the acquisition of the group life and health portfolios from FINSAC In July 1999.

Group revenues climbed 52% to \$1,045.0 million. Administrative expenses increased by 24% over 1999 reflecting the additional staffing required to operate the expanded portfolios, However, as a percentage of revenues, administrative expenses fell to 19% compared to 24% for the same period last year, reflecting the economics of the enlarged portfolios.

Operating profit Increased by 59% to \$135.8 million (1999: \$85.5 million), improved contributions come from all profit centres.

Net profit after tax amounted to \$128.6 million, an increase of 34% over the \$95.9 million of 1999. Transfers from Investment reserves in net profits were \$16.3 million (1998: \$22.0 million) reflecting a reduction in the rate to 7.5% (1999: 10%).

Our property holding subsidiary, Jamaica property Company Ltd., completed the half-year with revenues up 12% over the same period last year and an occupancy rate of 96%.

Pan Caribbean Merchant Bank continues to produce Increased profits. At June 2000 the Bank had profits after tax of \$30.0 million (1999: \$20.6 million) an Increase of 46%. The results of our associated company, Trafalgar Development Bank, are consolidated into our profits.

## Unaudited Consolidated Business Revenue

Six Months Ended June 30, 2000

	June 2000 \$'000	June 1999 \$'000
<b>Income</b>		
Insurance	823,487	505,858
Property Investment and management	133,387	113,030
Merchant Banking	87,911	66,126
Share of Profit of associated companies	256	(33)
	<u>1,045,041</u>	<u>685,981</u>
<b>Expenses</b>		
Policyholders' Benefits & Reserve	646,836	400,868
Commissions	41,769	19,965
Management & Property Expenses	201,902	163,188
Interest Expense	18,727	16,489
	<u>909,234</u>	<u>600,510</u>
<b>Operating Profit</b>	135,807	85,471
Transfer from Investment Reserve	16,346	22,030
Profit before Taxation	152,153	107,501
Taxation	(23,598)	(11,560)
Net Profit	<u>128,555</u>	<u>95,941</u>
Average Issued Capital number of \$1.00 Stock units	300,000	100,000
<b>EARNINGS PER STOCK UNIT</b>	<b>\$0.43</b>	<b>\$0.32</b>

## Unaudited Balance Sheet

As at June 30, 2000

	June 2000 \$'000	December 1999 \$'000
<b>ASSETS</b>		
Investments		
Government of Jamaica Securities	2,199,239	1,587,278
Mortgage, Loans, Bonds	85,823	274,479
Equities	101,978	83,523
Real Estate	<u>1,483,354</u>	<u>1,495,617</u>
	3,870,394	3,440,897
Investment in associated Companies	117,097	88,662
Fixed Assets	141,231	120,383
Other Assets	656,382	718,062
Goodwill	74,581	67,088
	<u>989,291</u>	<u>994,195</u>
Total Assets	<u>4,859,685</u>	<u>4,435,092</u>
<b>LIABILITIES</b>		
Policyholders' Funds	2,218,955	1,968,162
Other Liabilities	788,766	759,420
Shareholders' Funds	<u>1,851,964</u>	<u>1,707,510</u>
	<u>4,859,685</u>	<u>4,435,092</u>

**Statement of changes in Shareholders' Funds**

	6 Months	12 Months
Equity at beginning of period	1,707,510	1,650,406
Net profit for the period	128,555	205,370
Changes in value of subsidiaries & Investments	32,245	(92,079)
Transfer from Investment reserves	(16,346)	(41,187)
Capital distribution	-	(15,000)
	<u>1,851,964</u>	<u>1,707,510</u>

---