

FIRST LIFE INSURANCE COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2002

	2002	2001
	\$'000	\$'000
Cash Flows from Operating Activities		
Net profit	527,320	385,107
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	20,059	18,039
Deferred expenses amortised	8,111	17,149
Goodwill amortised	12,485	10,108
(Gain)/loss on sale of fixed assets	(1,205)	9,871
Loss on valuation of investments	-	132
Gain on disposal of investment property	(6,511)	-
Group share of profit retained in associated companies	(2,148)	(1,071)
Minority interest	64,243	51,037
(Decrease)/increase in reserve for future policyholders' benefits	(237,290)	214,123
Increase in policyholders' funds and dividends on deposit	16,029	48,652
Transfer from investment reserve	(62,905)	(54,489)
Provision for loan losses	58,664	98,927
Change in other assets and liabilities excluding cash and deferred expenses	28,228	60,483
Net cash provided by operating activities	<u>425,080</u>	<u>858,068</u>

Cash Flows From Investing Activities		
Carib investment fund	28	(150)
Cash and cash equivalents in subsidiary acquired	-	77,759
Proceeds from sale of fixed assets	2,145	26,259
Purchase of fixed assets	(125,935)	(18,544)
Investments	(311,394)	(577,210)
Investment in subsidiaries and associated companies	(14,707)	(23,840)
Loans advanced to associated companies	729	(3,612)
Deferred expenses	-	(5,374)
Net cash used in investing activities	<u>(449,134)</u>	<u>(524,712)</u>
Cash Flows From Financing Activities		
Holding company and fellow subsidiaries	(2,296)	(876)
Loans received	1,029,203	347,180
Loans repaid	(837,855)	(275,907)
Grants received and capitalised	9,067	3,000
Increase in share capital	(452)	-
Dividends paid	<u>(125,543)</u>	<u>(44,984)</u>
Net cash provided by financing activities	<u>73,028</u>	<u>28,413</u>
Increase in net cash and cash equivalents	48,974	361,769
Net cash and cash equivalents at beginning of year	<u>909,642</u>	<u>547,873</u>
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>958,616</u>	<u>909,642</u>
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