



Insurance Corporation of Barbados Limited

Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2002 (expressed in Barbados dollars)

BALANCE SHEET

December 31, 2002 with Comparative figures for 2001	2002 \$	2001 \$
Assets		
Property, plant and equipment	19,177,703	16,527,063
Investment property	97,083,618	79,686,968
Investment in joint venture	8,478,200	7,492,560
	19,282,546	17,806,143
Other Assets		
Cash and short-term deposits	5,754,401	8,250,107
Premiums due by policyholders, agents and brokers	7,367,788	8,266,452
Due by shareholder	5,940,700	5,940,700
Reinsurance receivables	1,628,518	2,196,341
Other receivables	6,250,998	5,909,792
Deferred taxes	240,853	--
Deferred acquisition costs	1,030,398	1,098,981
Total Other Assets	28,233,656	31,662,373
Total Assets	172,435,723	153,175,107
Liabilities		
Reinsurance payables	3,160,201	3,285,275
Accounts payable and accruals	2,774,699	4,052,653
Due to shareholder	--	8,266,152
Provision for outstanding claims	48,966,285	42,975,608
Provision for unearned premiums	13,752,832	14,486,245
Dividends payable	317,929	--
Corporation tax payable	321,648	1,470,836
Deferred taxes	--	89,110
	69,293,594	74,625,879
Other Liabilities		
Pension plan	1,116,119	929,368
Life fund	1,235,924	1,274,290
Deposit administration fund	48,691,169	40,136,676
Total Other Liabilities	51,063,212	42,340,334
Total Liabilities	120,356,806	116,966,013
Net Assets	52,078,917	36,209,094
Represented by:		
Shareholders' Equity		
Share capital	38,740,891	30,474,739
Catastrophe reserve	1,208,631	583,439
Surplus reserve	3,518,610	1,551,856
Revaluation surplus	1,213,314	(473,070)
Retained earnings	7,397,471	4,072,130
	52,078,917	36,209,094

Signed on the behalf of the Board:

J. R. ... Chairman *...* Managing Director

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Year ended December 31, 2002 with figures for the period December 6, 2000 to December 31, 2001	Share Capital	Statutory Reserves	Revaluation Surplus	Retained Earnings	TOTAL
Share issue - Class A & B	\$30,474,739	--	--	--	30,474,739
Net income for the Period	--	--	--	6,207,425	6,207,425
Transfer to Catastrophe Reserve	--	583,439	--	(583,439)	--
Transfer to Surplus Reserve	--	1,551,856	--	(1,551,856)	--
Revaluation Account	--	--	(473,070)	--	(473,070)
Balance at December 31, 2001 - as restated	\$30,474,739	2,135,295	(473,070)	4,072,130	36,209,094
Share issue - Class B	\$ 8,266,152	--	--	--	8,266,152
Net income for the year	--	--	--	7,867,014	7,867,014
Dividends	--	--	--	(1,949,272)	(1,949,272)
Transfer to Catastrophe Reserve	--	625,192	--	(625,192)	--
Transfer to Surplus Reserve	--	1,966,754	--	(1,966,754)	--
Revaluation adjustment	--	--	1,686,384	--	1,686,384
Balance at December 31, 2002	\$38,740,891	4,727,241	1,213,314	7,397,471	52,078,917

STATEMENT OF CASH FLOWS

Year ended December 31, 2002 with figures for the period December 6, 2000 to December 31, 2001	2002 \$	2001 \$
Net cash flows from operating activities	56,497,313	8,123,586
Net cash flows from financing activities	6,904,529	7,669,428
Net cash from operating and financing activities	13,401,842	15,793,014
Net cash used in investing activities	(15,897,548)	(12,411,985)
Net (decrease) increase in cash for the period	(2,495,706)	3,381,029
Cash and short-term deposits - beginning of period	8,250,107	4,869,078
Cash and short-term deposits - end of period	5,754,401	8,250,107

STATEMENT OF INCOME

Year ended December 31, 2002 with figures for the period December 6, 2000 to December 31, 2001	2002 \$	2001 \$
Gross premium income	55,682,446	63,096,767
Net income/(loss) from underwriting accounts		
Motor	(2,958,096)	(1,456,982)
Property	1,059,566	2,124,375
Miscellaneous accident	2,568,735	663,946
Marine	288,361	245,119
Group medical	(342,691)	(213,760)
Group life	1,145,529	1,013,546
Net income from underwriting	1,761,404	2,376,244
Investment income - net	4,878,765	4,376,223
joint venture	1,288,277	647,899
Other income	1,423,864	767,652
Interest	--	(392,198)
Income before corporation tax	9,352,310	7,775,820
Corporation tax	(1,485,296)	(1,568,395)
Net income	7,867,014	6,207,425
Basic earnings per share (cents)	0.70	0.19

AUDITORS' REPORT

To The Shareholders of Insurance Corporation of Barbados Limited

We have audited the accompanying balance sheet of Insurance Corporation of Barbados Limited as of December 31, 2002 and the related statements of changes in shareholders' equity, income and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Company as of December 31, 2001 were audited by another auditor whose report dated March 25, 2002, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG
Chartered Accountants
Bridgetown, Barbados
August 12, 2003