



Insurance Corporation of Barbados Limited

Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2004 (expressed in Barbados dollars)

BALANCE SHEET

December 31, 2004 with comparative figures for 2003	2004 \$	2003 \$
Assets		
Property, plant and equipment	18,099,842	19,254,206
Investments	125,762,681	109,153,062
Loans	9,676,174	10,383,005
Investment property	9,178,200	9,178,200
Investment in joint venture	21,912,296	20,660,342
	184,629,193	168,628,815
Other Assets		
Cash and cash equivalents	11,320,334	5,706,655
Premiums due by policyholders, agents and brokers	9,809,778	6,305,086
Due by shareholder	5,189,541	5,940,700
Reinsurance receivables	3,028,107	3,157,177
Other receivables	3,903,430	4,678,823
Deferred taxes	454,033	279,884
Deferred acquisition costs	1,110,002	1,014,665
Total Other Assets	34,815,225	27,082,990
Total Assets	219,444,418	195,711,805
Liabilities		
Reinsurance payables	1,719,097	2,503,522
Accounts payable and accruals	2,973,301	3,117,126
Provision for outstanding claims	59,386,541	54,349,085
Provision for unearned premiums	15,267,369	13,492,233
Dividends payable	--	317,929
Corporation tax payable	1,323,981	1,094,003
	80,670,289	74,873,898
Other Liabilities		
Pension plan	1,431,165	1,272,707
Life fund	1,942,232	1,667,488
Deposit administration fund	63,081,902	55,219,489
Total Other Liabilities	66,455,299	58,159,684
Total Liabilities	147,125,588	133,033,582
Net Assets	72,318,830	62,678,223
Represented by:		
Shareholders' Equity		
Share capital	38,740,891	38,740,891
Catastrophe reserve	2,698,227	1,832,352
Surplus reserve	8,277,414	5,848,632
Revaluation surplus	8,267,194	5,222,151
Retained earnings	14,335,104	11,034,197
	72,318,830	62,678,223

Signed on the behalf of the Board:

Chairman *[Signature]* Managing Director

STATEMENT OF INCOME

Year ended December 31, 2004 with comparative figures for 2003	2004 \$	2003 \$
Gross premium income	69,052,146	67,245,146
Net income/(loss) from underwriting accounts		
Motor	676,420	815,112
Property	894,426	1,371,517
Miscellaneous accident	1,938,390	714,135
Marine	377,200	250,070
Group medical	(137,821)	(139,404)
Group life	2,410,175	1,202,546
Net income from underwriting	6,158,790	4,213,976
Investment income - net	4,207,483	4,261,805
- joint venture	1,251,954	2,144,575
Other income	1,154,483	1,071,334
Income before corporation tax	12,772,710	11,691,690
Corporation tax	(3,057,584)	(2,371,604)
Net income	9,715,126	9,320,086
Basic earnings per share (cents)	0.25	0.24

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Year ended December 31, 2004 with comparative figures for 2003	Share Capital	Catastrophe Reserve	Surplus Reserve	Revaluation Surplus	Retained Earnings	TOTAL
Balance at December 31, 2002	\$38,740,891	1,208,631	3,518,610	1,213,314	7,397,471	52,078,917
Net Income	--	--	--	--	9,320,086	9,320,086
Dividends	--	--	--	--	(2,729,617)	(2,729,617)
Transfer to catastrophe reserve	--	623,721	--	--	(623,721)	--
Transfer to surplus reserve	--	--	2,330,022	--	(2,330,022)	--
Increase in Revaluation surplus	--	--	--	4,008,837	--	4,008,837
Balance at December 31, 2003	\$38,740,891	1,832,352	5,848,632	5,222,151	11,034,197	62,678,223
Net Income	--	--	--	--	9,715,126	9,715,126
Dividends	--	--	--	--	(3,119,562)	(3,119,562)
Transfer to Catastrophe Reserve	--	865,875	--	--	(865,875)	--
Transfer to Surplus Reserve	--	--	2,428,782	--	(2,428,782)	--
Increase in Revaluation surplus	--	--	--	3,045,043	--	3,045,043
Balance at December 31, 2004	\$38,740,891	2,698,227	8,277,414	8,267,194	14,335,104	72,318,830

STATEMENT OF CASH FLOWS

Year ended December 31, 2004 with comparative figures for 2003	2004 \$	2003 \$
Net cash from operating activities	8,621,192	9,822,201
Net cash from financing activities	5,017,595	4,210,267
Net cash from operating and financing activities	13,638,787	14,032,468
Net cash from (used in) investing activities	(8,025,108)	(14,080,214)
Net increase/(decrease) in cash for the year	5,613,679	(47,746)
Cash and short-term deposits - beginning of year	5,706,655	5,754,401
Cash and short-term deposits - end of year	\$11,320,334	5,706,655

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, 2004 and the related statements of income, changes in shareholders' equity 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.

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, 2004 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
June 06, 2005