

INSURANCE CORPORATION OF BARBADOS LIMITED

BALANCE SHEET

AS AT JUNE 30, 2002

	Unaudited 30-Jun-02 \$	Unaudited 30-Jun-01 \$	Audited 31-Dec-01 \$
<u>Assets</u>			
Cash and short term deposits	11,532,098	1,748,409	8,250,107
Accounts receivables	28,528,146	31,615,865	24,503,368
Investments	88,033,106	85,193,007	86,090,428
Joint venture	18,061,028	13,025,772	17,331,450
Property, plant and equipment	16,710,352	16,849,879	16,527,063
Total assets	<u>162,864,730</u>	<u>148,432,932</u>	<u>152,702,416</u>
<u>Liabilities</u>			
Accounts payable and accruals	8,911,054	8,959,944	7,337,928
Shareholder's loan	7,791,459	7,795,226	7,791,459
General insurance liabilities	60,500,507	57,030,889	57,461,853
Corporation tax payable	1,827,646	1,505,168	1,907,277
Dividend payable	1,015,920	0	0
Deferred taxes	89,110	0	89,110
Life fund	1,274,290	1,227,539	1,274,290
Deposit administration fund	43,345,502	38,212,844	41,065,844
Total liabilities	<u>124,755,488</u>	<u>114,731,610</u>	<u>116,927,761</u>
Net assets	<u>38,109,242</u>	<u>33,701,322</u>	<u>35,774,655</u>
Represented by:			
<u>Shareholders' equity</u>			
Share capital	30,474,739	30,470,972	30,474,739
Statutory reserves	3,488,011	463,513	2,176,053
Revaluation account	(851,985)	0	(473,070)
Retained earnings	4,998,477	2,766,837	3,596,933
Total shareholders' equity	<u>38,109,242</u>	<u>33,701,322</u>	<u>35,774,655</u>

INSURANCE CORPORATION OF BARBADOS **LIMITED**

CHAIRMAN'S REVIEW **For the six months ended June 30th, 2002**

Gross Premium for the six months ended June 30, 2002 totaled \$39,739,933. However, Net Income from underwriting totaled \$3,602,961, an increase of 16% over the corresponding period in 2001.

The Company performed satisfactorily in every class of Insurance Business written except Group Medical which showed an underwriting loss of \$104,332.

The favourable results reflect the improved performance of the Motor Account which provides over 70% of the business retained.

Together with Investment Income the profit for the period after tax was \$4,345,651, an increase of 34.5% on the previous period. Earnings per share was 13 cents for the period compared with 10 cents per share for the corresponding period in 2001.

Increased Reinsurance costs incurred during the first half of the year will continue throughout the next six months. The very competitive nature of General Insurance business at this time, a reduction in the demand for motor vehicles and signs of recessionary forces at work in the economy, will continue to determine premium growth during the final half of the year. We will continue our efforts to emphasize loss control, loss prevention and risk improvement measures to policy holders, accompanied by the realistic underwriting of new and renewal business during the remainder of the year.

The events of September 11th, 2001 did impact negatively on Reinsurance Premiums and its availability. However, the Company has been able to successfully weather that storm. It is anticipated that with a continuation of this overall performance, which to a large extent, depends on the frequency and severity of losses, the Company will have a satisfactory year.

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John M. Mayers, C.B.E., PhD.
Chairman