



# Insurance Corporation of Barbados Limited

## Financial Statements

FOR THE SIX MONTHS ENDED JUNE 30, 2004 (expressed in Barbados dollars)

### BALANCE SHEET

For the six months ended June 30, 2004  
With comparative figures for 2003

|   | Unaudited<br>Jun 30, 2004 | Audited<br>Dec 31, 2003 |
|---|---------------------------|-------------------------|
| <b>ASSETS</b>                                   |                           |                         |
| Property, plant and equipment                   | 18,943,893                | 19,254,206              |
| Investments                                     | 115,031,366               | 109,153,062             |
| Loans   | 11,577,069                | 10,383,005              |
| Investment property                             | 9,178,200                 | 9,178,200               |
| Joint venture                                   | 21,280,446                | 20,660,342              |
| <b>Other Assets</b>                             |                           |                         |
| Cash and short term deposits                    | 5,518,565                 | 5,706,655               |
| Premiums due by policyholders                   | 19,987,355                | 6,305,086               |
| Due by shareholder                              | 5,506,759                 | 5,940,700               |
| Reinsurance receivables                         | 3,792,688                 | 3,157,177               |
| Other receivables                               | 4,584,099                 | 4,678,823               |
| Deferred acquisition costs                      | 1,024,565                 | 1,014,665               |
| Deferred taxes                                  | 269,984                   | 279,884                 |
|   | 40,684,015                | 27,082,990              |
| <b>TOTAL ASSETS</b>                             | <b>216,694,989</b>        | <b>195,711,805</b>      |
| <b>LIABILITIES</b>                              |                           |                         |
| Reinsurance payables                            | 5,853,058                 | 2,503,522               |
| Accounts payable and accruals                   | 1,948,618                 | 3,117,126               |
| Provision for outstanding claims                | 56,521,667                | 54,349,085              |
| Provision for unearned premiums                 | 19,735,934                | 13,492,233              |
| Dividend payable                                | 3,437,491                 | 317,929                 |
| Corporation tax payable                         | 1,305,245                 | 1,094,003               |
|   | 88,802,013                | 74,873,898              |
| <b>Other Liabilities</b>                        |                           |                         |
| Pension plan                                    | 1,272,707                 | 1,272,707               |
| Life fund                                       | 1,667,488                 | 1,667,488               |
| Deposit administration fund                     | 58,523,252                | 55,219,489              |
| Total Other Liabilities                         | 61,463,447                | 58,159,684              |
| <b>TOTAL LIABILITIES</b>                        | <b>150,265,460</b>        | <b>133,033,582</b>      |
| <b>NET ASSETS</b>                               | <b>66,429,529</b>         | <b>62,678,223</b>       |
| <b>REPRESENTED BY:<br/>SHAREHOLDERS' EQUITY</b> |                           |                         |
| Share capital                                   | 38,740,891                | 38,740,891              |
| Catastrophe reserve                             | 2,813,706                 | 1,832,352               |
| Surplus reserve                                 | 7,341,135                 | 5,848,632               |
| Revaluation account                             | 6,123,008                 | 5,222,151               |
| Retained earnings                               | 11,410,789                | 11,034,197              |
|   | 66,429,529                | 62,678,223              |

Signed on the behalf of the Board:

..... Chairman  
..... Managing Director

### STATEMENT OF CASH FLOWS

For the six months ended June 30, 2004  
With comparative figures for 2003

|  | Unaudited<br>Jun 30, 2004 | Audited<br>Dec 31, 2003 |
|--|---------------------------|-------------------------|
| Net cash from operating activities                     | 810,679                   | 9,822,201               |
| Net cash from financing activities                     | 3,303,763                 | 4,210,267               |
| Cash flows used in investing activities                | (4,302,532)               | (14,080,214)            |
| <b>Net increase (decrease) in cash for the period</b>  | <b>(188,090)</b>          | <b>(47,746)</b>         |
| Cash and short-term deposits - beginning of the period | 5,706,655                 | 5,754,401               |
| Cash and short-term deposits - end of period           | 5,518,565                 | 5,706,655               |

### STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended June 30, 2004

|                                 | Share<br>Capital<br>\$ | Statutory<br>Reserves<br>\$ | Revaluation<br>Surplus<br>\$ | Retained<br>Earnings<br>\$ | TOTAL<br>\$       |
|---------------------------------|------------------------|-----------------------------|------------------------------|----------------------------|-------------------|
| Balance at December 31, 2003    | 38,740,891             | 7,680,984                   | 5,222,151                    | 11,034,197                 | 62,678,223        |
| Net income after tax            | --                     | --                          | --                           | 5,970,011                  | 5,970,011         |
| Dividends                       | --                     | --                          | --                           | (3,119,562)                | (3,119,562)       |
| Transfer to Catastrophe Reserve | --                     | 981,354                     | --                           | (981,354)                  | 0                 |
| Transfer to Surplus Reserve     | --                     | 1,492,503                   | --                           | (1,492,503)                | 0                 |
| Revaluation Account             | --                     | --                          | 900,857                      | --                         | 900,857           |
| <b>Balance at June 30, 2004</b> | <b>38,740,891</b>      | <b>10,154,841</b>           | <b>6,123,008</b>             | <b>11,410,789</b>          | <b>66,429,529</b> |

### STATEMENT OF INCOME

For the six months ended June 30, 2004  
With comparative figures for 2003

|   | Unaudited<br>Jun 30, 2004 | Audited<br>Dec 31, 2003 |
|---|---------------------------|-------------------------|
| Gross premium income                                | 43,548,956                | 67,245,146              |
| <b>Net income/(loss) from underwriting accounts</b> |                           |                         |
| Motor   | (2,163,362)               | 815,112                 |
| Property  | 3,574,650                 | 1,371,517               |
| Miscellaneous accident                              | 2,143,513                 | 714,135                 |
| Marine  | 143,378                   | 250,070                 |
| Group medical                                       | 16,093                    | (139,404)               |
| Group life  | 880,643                   | 1,202,546               |
| <b>Net income from underwriting</b>                 | <b>4,594,915</b>          | <b>4,213,976</b>        |
| Investment income - net                             | 2,050,094                 | 4,261,805               |
| Share of profits of joint venture                   | 620,104                   | 2,144,575               |
| Other income  | 586,970                   | 1,071,334               |
| <b>Net income before taxes</b>                      | <b>7,852,083</b>          | <b>11,691,690</b>       |
| Corporation taxes                                   | 1,882,072                 | 2,371,604               |
| <b>Net income for the period</b>                    | <b>5,970,011</b>          | <b>9,320,086</b>        |
| Basic earnings per share                            | 0.15                      | 0.24                    |

### CHAIRMAN'S REVIEW

For the six months ended June 30, 2004

Gross Premium Income for the six months ended June 30, 2004 totalled \$43,548,956. This represents a slight decrease of 1.38% over the corresponding period in 2003. Net income from underwriting amounted to \$4,594,915.

Our Investment Portfolio continues to perform satisfactorily, and income from this source grew by 17.56% when compared to the corresponding period last year. After tax net income for the period was \$5,970,011, and earnings per share are 15 cents.

Despite a significant reduction in property premium rates during the current year, our property account continues to perform satisfactorily, recording only a slight decline in underwriting income of 2.67%. Improvements in our Group Medical and Group Life Accounts have been achieved. Other classes of business are performing as budgeted.

General insurance business is extremely competitive in nature and management is committed to maintaining high levels of customer satisfaction at all times. Management continues to focus its attention on writing and renewing quality business and on loss minimization measures.

The Board of Directors and Management of the Corporation are committed to enhancing shareholder value. In the insurance environment, future events and developments over which we have no control generally determine the extent to which our results will improve throughout the year. Currently, we are on target to achieving our financial goals for the year 2004.

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ANTHONY HOYOS  
Chairman