



# Insurance Corporation of Barbados Limited

## Financial Statements


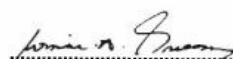
FOR THE SIX MONTHS ENDED JUNE 30, 2005 (expressed in Barbados dollars)

### BALANCE SHEET

For the six months ended June 30, 2005  
with comparative figures for 2004

	Unaudited Jun 30, 2005 \$	Unaudited Jun 30, 2004 \$
<b>Assets</b>		
Property, plant and equipment	17,876,377	18,943,893
Investments	141,777,463	115,031,366
Loans	9,832,387	11,577,069
Investment property	9,178,200	9,178,200
Investment in joint venture	22,525,273	21,280,446
	<b>201,189,700</b>	<b>176,010,974</b>
<b>Other Assets</b>		
Cash and short term deposits	8,637,824	5,518,565
Premiums due by policyholders	18,705,339	19,987,355
Due by shareholder	5,189,541	5,506,759
Reinsurance receivables	3,418,742	3,792,688
Other receivables	3,767,970	4,584,099
Deferred acquisition costs	1,336,042	1,024,565
Deferred taxes	454,033	269,984
	<b>41,509,491</b>	<b>40,684,015</b>
<b>Total Other Assets</b>		
	<b>41,509,491</b>	<b>40,684,015</b>
<b>Total Assets</b>	<b>242,699,191</b>	<b>216,694,989</b>
<b>Liabilities</b>		
Reinsurance payables	7,771,762	5,853,058
Accounts payable and accruals	2,544,898	1,948,618
Provision for outstanding claims	64,007,691	56,521,667
Provision for unearned premiums	16,887,552	19,735,934
Dividends payable	--	3,437,491
Corporation tax payable	2,232,932	1,305,245
	<b>93,444,835</b>	<b>88,802,013</b>
<b>Other Liabilities</b>		
Pension plan	1,431,165	1,272,707
Life fund	1,942,232	1,667,488
Deposit administration fund	67,443,124	58,523,252
	<b>70,816,521</b>	<b>61,463,447</b>
<b>Total Other Liabilities</b>		
	<b>70,816,521</b>	<b>61,463,447</b>
<b>Total Liabilities</b>	<b>164,261,356</b>	<b>150,265,460</b>
<b>Net Assets</b>	<b>78,437,835</b>	<b>66,429,529</b>
<b>Represented by:</b>		
<b>Shareholders' Equity</b>		
Share capital	38,740,891	38,740,891
Catastrophe reserve	3,398,394	2,813,706
Surplus reserve	10,234,574	7,341,135
Revaluation surplus	9,677,120	6,123,008
Retained earnings	16,386,856	11,410,789
	<b>78,437,835</b>	<b>66,429,529</b>

Signed on the behalf of the Board:

 Chairman  Managing Director

### STATEMENT OF CASH FLOWS

For the six months ended June 30, 2005  
with comparative figures for 2004

	Unaudited Jun 30, 2005 \$	Unaudited Jun 30, 2004 \$
Net cash from operating activities	8,305,280	810,679
Net cash from financing activities	1,241,660	3,303,763
Cash flows used in investing activities	(12,229,450)	(4,302,532)
<b>Net increase/(decrease) in cash for the period</b>	<b>(2,682,510)</b>	<b>(188,090)</b>
Cash and short-term deposits - end of period	11,320,334	5,706,655
	<b>8,637,824</b>	<b>5,518,565</b>

### STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended June 30, 2005

	Share Capital \$	Statutory reserves \$	Revaluation Surplus \$	Retained Earnings \$	TOTAL \$
Balance at December 31, 2004	38,740,891	10,975,641	8,267,194	14,335,103	72,318,829
Net Income after tax	--	--	--	7,828,642	7,828,642
Dividends	--	--	--	(3,119,562)	(3,119,562)
Transfer to catastrophe reserve	--	700,167	--	(700,167)	--
Transfer to surplus reserve	--	1,957,160	--	(1,957,160)	--
Revaluation account	--	--	1,409,926	--	1,409,926
Balance at June 30, 2005	38,740,891	13,632,968	9,677,120	16,386,856	78,437,835

### STATEMENT OF INCOME

For the six months ended June 30, 2005  
with comparative figures for 2004

	Unaudited Jun 30, 2005 \$	Unaudited Jun 30, 2004 \$
Gross premium income	48,927,248	43,548,956
<b>Net income/(loss) from underwriting accounts</b>		
Motor	766,924	(2,163,362)
Property	3,264,721	3,574,650
Miscellaneous accident	1,525,335	2,143,513
Marine	152,337	143,378
Group medical	(139,761)	16,093
Group life	1,030,305	880,642
<b>Net income from underwriting</b>	<b>6,599,861</b>	<b>4,594,914</b>
Investment income - net	2,261,602	2,050,094
- joint venture	612,978	620,104
Other income	704,483	586,970
<b>Income before corporation tax</b>	<b>10,178,924</b>	<b>7,852,082</b>
Corporation tax	(2,350,282)	(1,882,072)
<b>Net income</b>	<b>7,828,642</b>	<b>5,970,010</b>
Basic earnings per share (cents)	0.20	0.15


### CHAIRMAN'S REVIEW

For the six months ended June 30, 2005

The company performed satisfactorily over the first six months of our 2005 financial year. We are pleased with the results of our major business lines, which at June 30 were slightly ahead of our projections. Gross Premium Income for the six months ended June 30, 2005 increased by 12.3% over the corresponding period in 2004. Net premiums written for the period amounted to \$25,985,135. Our Investment Portfolio grew by 19.7%. Net income for the period was \$7,828,642 and our earnings per share reached twenty (20) cents compared to fifteen (15) cents in 2004.

Thus far, the early arrival of hurricane activity in the Caribbean has had little impact on our results. Our business is to provide risk cover for certain unpredictable events and consequently we are unable to forecast the outcome of the next six (6) months. However, the company has mitigated our financial exposure by maintaining adequate reinsurance to cover such unpredictable events.

Management continues to focus attention on enhancing customer care and ensuring that the premiums charged are competitive but adequate for the risks covered. The Board of Directors and Management of the company will continue to make timely decisions to enhance shareholder value.

  
ANTHONY HOYOS  
Chairman