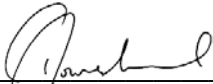



**Amounts expressed in Barbados \$ 000**

	Notes	<u>2010</u>	<u>2009</u> (restated)
<b>ASSETS</b>			
Property, plant and equipment	5	7,816	8,435
Investment in associated company	6	3,694	3,574
Financial investments	7	55,672	50,403
Reinsurance assets	8	57,108	45,627
Net deferred income tax assets	9	192	1,012
Premiums receivable and deferred acquisition costs	10	27,015	22,263
Miscellaneous assets and receivables	11	1,845	1,524
Deposits with Sagicor Group companies	28	8,064	2,258
Amounts receivable from Sagicor Group companies	28	540	1,274
Corporation tax recoverable		576	87
Cash and cash equivalents		<u>17,243</u>	<u>24,791</u>
<b>Total assets</b>		<b><u>179,765</u></b>	<b><u>161,248</u></b>
<b>LIABILITIES</b>			
Policyholders' liabilities	12	97,276	82,126
Provisions	13	262	248
Loans payable to parent company	14	-	1,191
Due to reinsurers, deferrals and premium tax payable	15	21,128	18,624
Amounts payable to Sagicor Group companies	28	-	117
Corporation tax payable		-	1,706
Accounts payable and accrued liabilities		<u>1,778</u>	<u>2,645</u>
<b>Total liabilities</b>		<b><u>120,444</u></b>	<b><u>106,657</u></b>
<b>EQUITY</b>			
Share capital	16	3,000	3,000
Reserves	17	28,590	29,651
Retained earnings		<u>27,731</u>	<u>21,940</u>
<b>Total equity</b>		<b><u>59,321</u></b>	<b><u>54,591</u></b>
<b>Total equity and liabilities</b>		<b><u>179,765</u></b>	<b><u>161,248</u></b>

These financial statements have been approved for issue by the Board of Directors on April 13, 2011.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**Amounts expressed in Barbados \$ 000**

	Notes	<u>2010</u>	<u>2009</u> <u>(restated)</u>
<b>REVENUE</b>			
Premium revenue	18	109,931	107,939
Reinsurance expense	18	<u>(80,515)</u>	<u>(79,341)</u>
Net premium revenue		29,416	28,598
Investment income	19	5,571	6,995
Share of operating income of associated company	6	120	380
Fees and other revenue	20	<u>22,536</u>	<u>23,033</u>
<b>Total revenue</b>		<u><b>57,643</b></u>	<u><b>59,006</b></u>
<b>CLAIMS INCURRED</b>			
Claims incurred	21	35,929	27,697
Claims reinsured	21	<u>(20,524)</u>	<u>(16,030)</u>
<b>Net claims incurred</b>		<u><b>15,405</b></u>	<u><b>11,667</b></u>
<b>EXPENSES</b>			
Administrative expenses		17,662	17,098
Commissions and related compensation		13,344	12,563
Premium taxes		804	763
Finance costs		7	29
Depreciation		<u>1,232</u>	<u>1,300</u>
<b>Total expenses</b>		<u><b>33,049</b></u>	<u><b>31,753</b></u>
<b>INCOME BEFORE TAXES</b>		9,189	15,586
Income taxes	24	<u>(1,432)</u>	<u>(3,570)</u>
<b>NET INCOME FOR THE YEAR</b>		<u><b>7,757</b></u>	<u><b>12,016</b></u>

**Amounts expressed in Barbados \$ 000**

	Year ended December 31, 2010			
	Share capital Note 16	Reserves Note 17	Retained earnings	Total
Balance, beginning of year, as restated	3,000	29,651	21,940	54,591
Total comprehensive income	-	(1,827)	7,757	5,930
Other movements	-	766	(766)	-
Dividends paid (Note 25)	-	-	(1,200)	(1,200)
Balance, end of year	<b>3,000</b>	<b>28,590</b>	<b>27,731</b>	<b>59,321</b>

	Year ended December 31, 2009			
	Share capital Note 16	Reserves Note 17	Retained earnings	Total
Balance, beginning of year	3,000	31,958	10,543	45,501
Total comprehensive income				
As previously reported	-	(2,926)	13,410	10,484
Prior year adjustment (Note 31)	-	-	(1,394)	(1,394)
Total comprehensive income, restated	-	(2,926)	12,016	9,090
Other movements	-	619	(619)	-
Balance, end of year, as restated	<b>3,000</b>	<b>29,651</b>	<b>21,940</b>	<b>54,591</b>

The accompanying notes form an integral part of these financial statements.