

CHAIRMAN'S REVIEW

The economic difficulties of 2014 rolled seamlessly into 2015 unabated. In our "one pony" energy economy, production levels fell in both oil and gas, accompanied by significant declines in their market prices. Naturally, the ensuing reduction in energy revenues precipitated a huge shortfall in the supply of foreign exchange and its attendant ripple effect throughout the wider economy. However, all the warning signals were masked by frenetic political activity, given that it was an election year. Thus, the truth only began to emerge post September, 2015.

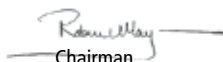
According to the Central Bank (CBTT), the T&T economy contracted in each of the first three quarters of 2015, for an overall decline of 1.9%. In particular the energy sector decline was 4.7%. The CBTT forecasts a further decline in GDP for the last quarter, so that the environment in which we had to operate could be safely described as "challenging."

Despite these conditions the COLFIRE Group reported an increase in its Gross Written Premium from \$293 million in 2014 to \$300 million in 2015. However, our profitability was impacted by the number of claims during the year as profit before tax fell from \$15.5 million to \$8.9 million in 2015.

We kept faith with our commitment to our customers to enhance their experience doing business with us and it is to this end we introduced and expanded our reach in 2015. We continued investing in online facilities at our intermediaries with five brokerage firms added to an existing compliment of online Agencies. The focus is our insureds and reducing the time taken to process an insurance policy. The Group also introduced the Emergency Roadside Assistance to its motor product and intentionally leaves this service optional to our clients, giving them the right to choose.

Undoubtedly, 2016 will be equally challenging as continued retrenchment, foreign exchange shortages and the concomitant depreciation in the exchange rate, along with the volatility now pervading energy prices will all have a bearing on our performance. Nevertheless, the COLFIRE Group will continue to rely on its sound underwriting practices and unwavering customer focus to see us through these rough times.

Once again, I acknowledge the tremendous contributions of my fellow directors for their continued support and wise counsel. I also commend the Management and Staff, Agents, Brokers and other intermediaries for their commitment to the cause and their sterling efforts to drive the Group forward. I remain eternally grateful to all our stakeholders, especially our policyholders, and thank you for your continued support and for making COLFIRE the Insurer of Choice.


 Chairman
 17th March 2016

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Colonial Fire and General Insurance Company Limited

Report on the Summary Consolidated Financial Statements

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31st December 2015, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, are derived from the audited consolidated financial statements of Colonial Fire and General Insurance Company Limited and its subsidiaries (the Group) for the year ended 31st December 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 23rd March 2016.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the audited consolidated financial statements of Colonial Fire and General Insurance Company Limited. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Colonial Fire and General Insurance Company Limited.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary version of the audited consolidated financial statements for publication.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Colonial Fire and General Insurance Company Limited for the year ended 31st December 2015 are consistent, in all material respects, with those audited consolidated financial statements.


 Chartered Accountants

23rd March 2016
 Port of Spain,
 Trinidad, West Indies

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	2015 \$'000	2014 \$'000
ASSETS		
Retirement benefit asset	34,824	27,317
Property and equipment	60,207	60,525
Investment properties	11,250	11,250
Financial assets held to maturity	143,866	117,262
Deferred tax asset	6	6
Reinsurance assets	56,181	52,022
Financial assets at fair value through profit or loss	37,098	41,338
Other assets	33,247	30,413
Cash and cash equivalents	39,894	51,993
Total assets	416,573	392,126
EQUITY		
Capital and Reserves		
Share capital	15,751	15,751
Revaluation and other reserves	17,201	16,623
Statutory surplus reserve	35,107	33,641
Catastrophe reserve	29,303	27,059
Retained earnings	54,415	49,503
Total equity	151,777	142,577
LIABILITIES		
Insurance liabilities	226,882	212,931
Deferred tax liabilities	17,974	15,587
Other liabilities	19,940	21,031
Total liabilities	264,796	249,549
Total equity and liabilities	416,573	392,126

On 17th March 2016, Colonial Fire and General Insurance Company Limited's Board of Directors authorised these consolidated financial statements for issue.

 Director
 Director
 Corporate Secretary

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	2015 \$'000	2014 \$'000
Insurance premium revenue	292,027	290,969
Insurance premium ceded to reinsurers	(101,486)	(105,535)
Net insurance premium revenue	190,541	185,434
Fee income from insurance contracts	18,428	18,588
Investment income	6,423	7,169
Net realised gains/(losses) on financial assets	40	(398)
Other (losses)/gains on financial assets at fair value	(474)	941
Other operating income	3,233	1,069
Net income	218,191	212,803
Insurance claims and loss adjustment expenses	(107,282)	334,311
Insurance claims and loss adjustment expenses recovered from reinsurers	9,311	(424,262)
Net insurance claims	(97,971)	(89,951)
Expenses for the acquisition of insurance contracts	(32,661)	(29,279)
Expenses for marketing and administration	(78,616)	(78,096)
Expenses	(209,248)	(197,326)
Profit before tax	8,943	15,477
Taxation expense	(2,509)	(4,259)
Net profit after tax attributable to shareholders	6,434	11,218
Other comprehensive income, net of tax:		
Items that will never be reclassified to profit or loss:		
Remeasurement of retirement benefit plan assets	956	622
Remeasurement of retirement benefit plan obligations	4,068	122
Remeasurement of retirement benefit asset	5,024	744
Revaluation of property and equipment	522	702
	5,546	1,446
Items that may be reclassified to profit or loss:		
Currency translation difference	56	(79)
Other comprehensive income for the year, net of tax	5,602	1,367
Total comprehensive income for the year	12,036	12,585

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	Share Capital	Revaluation and Other Reserves	Statutory Surplus Reserve	Catastrophe Reserve	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
BALANCE AT 1st JANUARY 2014	15,751	16,000	30,704	26,484	43,160	132,099
Profit or loss for the year:						
Net Profit after tax attributable to shareholders	0	0	0	0	11,218	11,218
Other comprehensive income, net of tax:						
Revaluation of property and equipment	0	702	0	0	0	702
Transfer to Statutory Surplus Reserve	0	0	2,937	0	(2,937)	0
Transfer to Catastrophe Reserve	0	0	0	575	(575)	0
Remeasurement of Retirement Benefit Asset	0	0	0	0	744	744
Currency translation difference	0	(79)	0	0	0	(79)
Other comprehensive income for the year	0	623	2,937	575	(2,768)	1,367
Transactions with owners:						
Dividends paid	0	0	0	0	(2,107)	(2,107)
BALANCE AT 31st DECEMBER 2014	15,751	16,623	33,641	27,059	49,503	142,577
BALANCE AT 1st JANUARY 2015	15,751	16,623	33,641	27,059	49,503	142,577
Profit or loss for the year:						
Net Profit after tax attributable to shareholders	0	0	0	0	6,434	6,434
Other comprehensive income, net of tax:						
Revaluation of property and equipment	0	522	0	0	0	522
Transfer to Statutory Surplus Reserve	0	0	1,466	0	(1,466)	0
Transfer to Catastrophe Reserve	0	0	0	2,244	(2,244)	0
Remeasurement of Retirement Benefit Asset	0	0	0	0	5,024	5,024
Currency translation difference	0	56	0	0	0	56
Other comprehensive income for the year	0	578	1,466	2,244	1,314	5,602
Transactions with owners:						
Dividends paid	0	0	0	0	(2,836)	(2,836)
BALANCE AT 31st DECEMBER 2015	15,751	17,201	35,107	29,303	54,415	151,777

CONSOLIDATED STATEMENT OF CASH FLOWS (EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	2015 \$'000	2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,943	15,477
Adjustment for items not involving the use of cash:		
Depreciation	4,605	4,614
Unrealised losses/(gains) on financial assets at fair value through income	474	(941)
Dividend income	(623)	(454)
Interest income	(5,742)	(6,683)
Retirement benefit adjustment	3,591	5,387
Losses/(gains) on disposal of property and equipment	105	(60)
Realised (gains)/losses on disposal of financial assets	(40)	398
Exchange gains	(251)	(68)
	11,062	17,670
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Change in reinsurance assets	(4,153)	435,751
Change in liabilities for insurance contracts	13,951	(430,829)
Change in receivables	(1,908)	(5,462)
Change in payables	(900)	5,491
Cash provided by operations	18,052	22,621
Retirement benefit contributions paid	(4,403)	(4,176)
Taxation paid	(2,854)	(4,334)
Net cash provided by operating activities	10,795	14,111
FINANCING ACTIVITIES		
Dividends received	623	454
Dividends paid	(2,836)	(2,107)
Cash used in financing activities	(2,213)	(1,653)
INVESTING ACTIVITIES		
Purchase of property and equipment	(3,903)	(4,506)
Purchase of financial assets	(48,013)	(48,845)
Proceeds from sale of property and equipment	33	119
Proceeds from sale or redemption of financial assets	25,278	48,443
Interest received	5,868	8,790
Cash (used in)/generated by investing activities	(20,737)	4,001
CHANGE IN CASH AND CASH EQUIVALENTS	(12,155)	16,459
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	56	(39)
CASH AND CASH EQUIVALENTS at beginning of year	51,993	35,573
CASH AND CASH EQUIVALENTS at end of year	39,894	51,993
REPRESENTED BY:		
Cash and bank balances	36,003	48,165
Cash deposits - maturities less than three (3) months	3,891	3,828
	39,894	51,993

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