GLOBAL PREFERRED HOLDINGS, INC.
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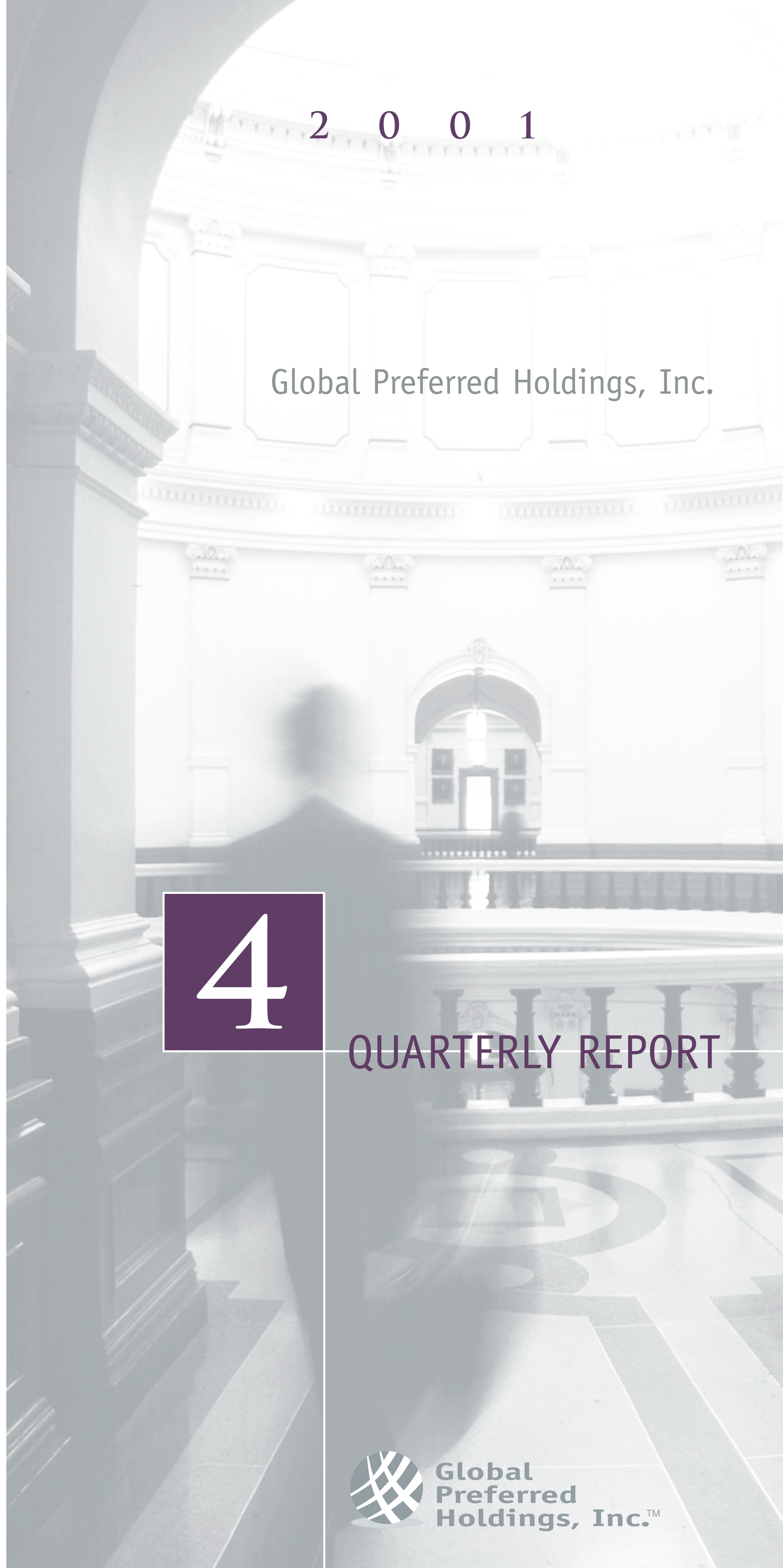

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Global Preferred Holdings, Inc.

4 QUARTERLY REPORT

Global Preferred Holdings, Inc.™

ED McKERNAN
President & CEO
Global Preferred Holdings, Inc.

MOVING FORWARD

This is the last quarterly report you will receive from us for the year 2001. We can clearly look upon 2001 as a year that brought about significant changes for all of us, especially as we define ourselves for the future. Reflecting on the year, we are pleased with the progress we made considering many of the challenges faced in redefining our potential. From this, we are very excited about the foundation we have established.

Our journey started in January, when we increased our reinsurance participation on *Imperium* variable annuity policies issued by *American Skandia* from 10% to 40%. Our financial resources, coupled with our long-standing relationship with American Skandia, permitted us to more effectively utilize our available surplus and cash flows.

During the first quarter 2001, we were also in the midst of establishing a new reinsurance relationship with *Pacific Life*, including its New York affiliate, *Pacific Life and Annuity Company*. This new relationship gave rise to an agreement providing for our reinsurance of all individual life insurance products issued by Pacific Life, including *Select Exec II*, sold by sales associates of World Financial Group. We are happy to have Pacific Life as one of our reinsurance partners, as it is clearly a testament of their long-term commitment to many of our stockholders, and we look forward to a long and mutually beneficial relationship.

In June, *World Financial Group, Inc.*, an indirect, wholly owned subsidiary of AEGON USA, Inc., acquired selected assets of World Marketing Alliance, Inc. ("WMA Agency"). While this transaction created a period of uncertainty for many, it also created a period of new opportunities. In connection with the transaction, World Financial Group assumed our Directed Reinsurance Agreement with WMA Agency. Under this agreement, World Financial Group committed to use its commercially reasonable efforts to assist us in attaining the opportunity to reinsure all insurance products sold by World Financial Group's sales representatives for insurance companies with which World Financial Group has selling agreements, other than Western Reserve and its affiliates. Additionally, the agreement provides that World Financial Group will grant certain benefits to the companies that reinsure business through our company.

Separately, we entered an agreement with *Western Reserve* providing us the right to reinsure certain variable universal life and variable annuity policies sold by sales representatives of World Financial Group. To exercise some of these reinsurance rights, we will need additional capital to support the increased amounts of reinsurance. Accordingly, because of these new reinsurance rights and related events, our Board of Directors established a Capital Finance Committee. The scope of the Committee's responsibility was to oversee the progress and activities regarding the exploration of various financing options and other alternative strategic transactions.

We took another significant step when our stockholders approved our new name, *Global Preferred Holdings, Inc.*, to better reflect the current and intended activities of our company. The development of our new identity was signified by the introduction of our new logo. During this same period, the Board of Directors approved a 3-for-2 stock split, a result of our strong financial condition and confidence in positioning ourself for the future.

December brought about the retirement of S. Hubert Humphrey, Jr. as our Chairman, Chief Executive Officer and board member. Hubert, through his vision, made WMA Agency a distribution force of great significance. His vision and concern for the sales associates in the field led to the formation of our company to create, through reinsurance, an ongoing economic interest in the policies that the sales associates sold. We wish Hubert well in his endeavors and recognize that without his valuable leadership in our pioneering years we would never be the company that we are today.

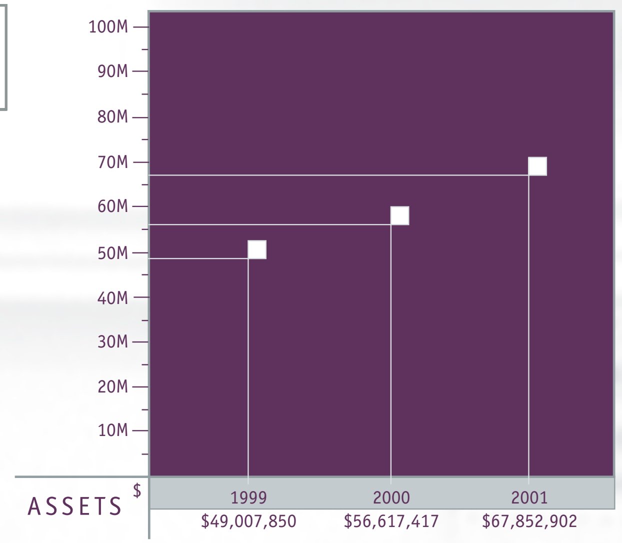
We look forward to continuing our journey together and thank you for your support.

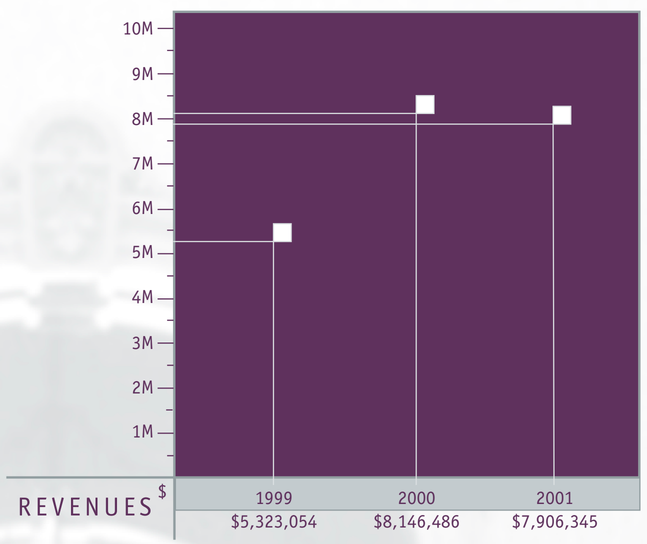
Ed McKernan

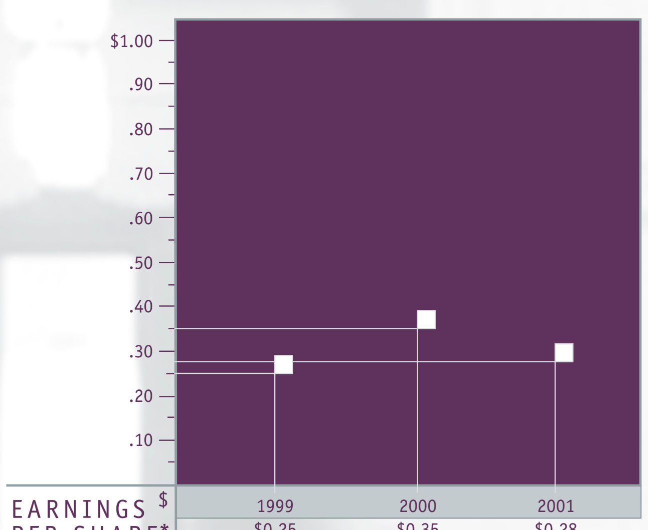
The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. This report contains forward-looking statements regarding anticipated revenue, profits and continued growth. These statements are subject to changing circumstances, risks and uncertainty; future results could differ materially from expectations. Interested parties should review the Company's SEC reports, including The WMA Corporation's Annual Report on Form 10-KSB for the year ended December 31, 2000 and Quarterly Reports on Form 10-QSB for the periods ending March 31, 2001, June 30, 2001 and September 30, 2001 for a detailed discussion of factors that may affect the Company's reinsurance revenues and operating results.

2001

FOURTH QUARTER







* Earnings per share amounts have been restated to reflect the three-for-two stock split paid on September 7, 2001.

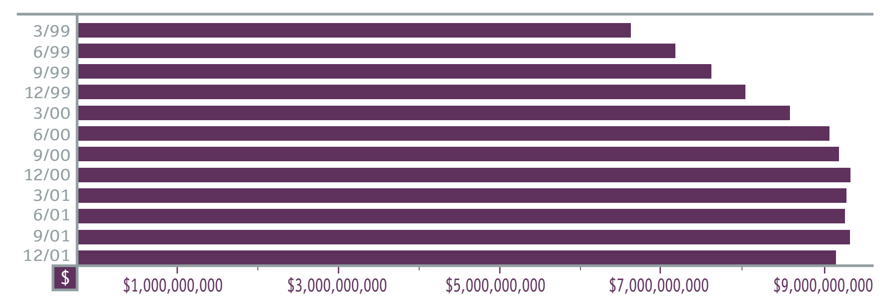
CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands except per share amounts)	For Three Months Ended December 31 2001	2000	For Twelve Months Ended December 31 2001	2000
Revenues:				
Reinsurance revenues	$ 7,642	$ 7,987	$ 30,478	$ 29,513
Investment income and realized gains	264	159	856	530
	7,906	8,146	31,334	30,043
Benefits and expenses:				
Benefits, claims and settlements	2,277	2,621	8,704	9,612
Reinsurance premium allowances, net	2,156	2,030	8,501	7,539
Amortization of deferred acquisition costs	1,325	895	3,945	4,017
Operating expenses	597	283	1,952	1,256
Interest expense	95	108	378	665
	6,450	5,937	23,480	23,089
Income before income taxes & dividends	1,456	2,209	7,854	6,954
Income tax expense	(341)	(823)	(2,392)	(1,821)
Net income	$ 1,115	$ 1,386	$ 5,462	$ 5,133
Preferred dividends	58	82	267	155
Net income available to common stockholders	$ 1,057	$ 1,304	$ 5,195	$ 4,978
Basic earnings per share	$ 0.28	$ 0.35	$ 1.39	$ 1.33
Diluted earnings per share	$ 0.27	$ 0.33	$ 1.32	$ 1.30
Weighted-average common shares outstanding	3,743	3,743	3,743	3,743
Weighted-average diluted common shares	4,142	4,142	4,142	3,944

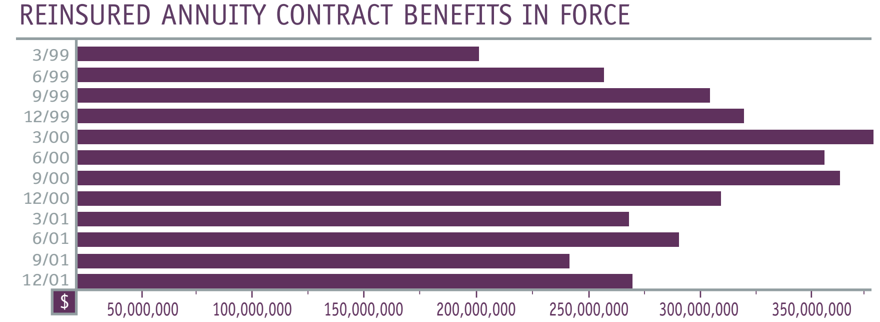
CONSOLIDATED BALANCE SHEET

(in thousands)	12/31/01	12/31/00
ASSETS		
Cash and invested assets	$ 20,277	$ 10,172
Deferred acquisition costs	42,800	42,752
Other assets	4,776	3,693
Total Assets	**$67,853**	**$56,617**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities	$ 25,884	$ 20,028
Stockholders' Equity	41,969	36,589
Total Liabilities and Stockholders' Equity	**$67,853**	**$56,617**

REINSURED LIFE INSURANCE IN FORCE



REINSURED ANNUITY CONTRACT BENEFITS IN FORCE



FOURTH QUARTER PERFORMANCE HIGHLIGHTS

REVENUES:

- Revenues increased by $1.29 million, or 4%, for the twelve months ended December 31, 2001, compared to the same period in 2000.
  Revenues decreased by $240,000, or 3%, for the quarter ended December 31, 2001, compared to the same period in 2000.

REINSURANCE REVENUES:

- Reinsurance revenues increased by $965,000, or 3%, for the twelve months ended December 31, 2001, compared to the same period in 2000.
  Reinsurance revenues decreased by $345,000, or 4%, for the quarter ended December 31, 2001, compared to the same period in 2000.

NET INCOME:

- Net income for the twelve months ended December 31, 2001 increased by 6% over the same period in 2000. Net income for the twelve month period was $5.46 million compared to $5.13 million for the same period in 2000.
- Net income for the quarter ended December 31, 2001 decreased by 20% over the same period in 2000. Net income for the quarter ended December 31, 2001 was $1.12 million, compared to $1.39 million for the same period in 2000.

IN FORCE AND NEW BUSINESS:

- A 10% increase in annuity policies reinsured during the period from December 31, 2000 to December 31, 2001, for more than 48,000 annuity policies in force.
- A 14% decrease in reinsured annuity contract benefits during the period from December 31, 2000 to December 31, 2001, with more than $266,000,000 of annuity contract benefits in force. Contract benefits in force will vary in accordance with the investment experience of the reinsured policy's fixed or separate accounts (i.e., a separate pool of assets, typically mutual funds). Accordingly, the decrease in reinsured annuity benefits reflects the decreases in the equity markets during 2001.
- More than 287,000 life insurance policies and riders in force, reflecting a 3% decrease during the period from December 31, 2000 to December 31, 2001.

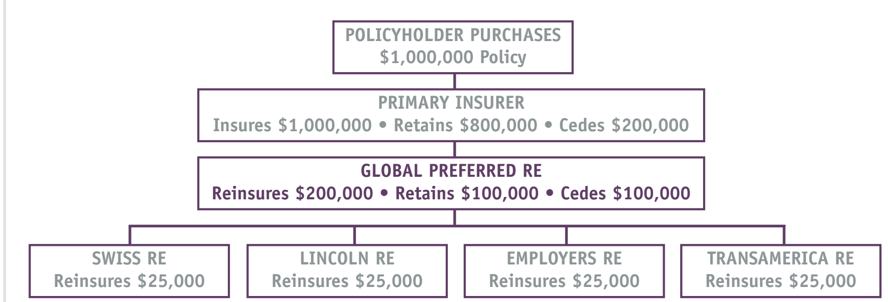
REINSURANCE REVIEW

The purpose of this section is to further acquaint our shareholders with the nature of our business. During 2001, our focus has been on the types of reinsurance agreements under which we reinsure risks from primary insurers. The risk transfer process does not stop with us or our subsidiary, Global Preferred Re. As a reinsurer, we also seek to transfer some of our risks to other reinsurers. The process of transferring the risk we assume from the primary insurance companies to other reinsurers is known as retrocession. This quarter we will discuss reinsurance on a retrocession basis.

RETROCESSION

In a reinsurance transaction, the insurer transferring the risk to a reinsurer is referred to as the ceding company. Under a retrocession agreement, Global Preferred Re would be considered the ceding company. The amount of coverage retained by the ceding company is called its net retention or retention limit. On most mortality risks, Global Preferred Re's current retention limit is $100,000. We purchase reinsurance on our individual mortality risks in excess of $100,000.

Currently, Global Preferred Re has one retrocession agreement in place with a pool of reinsurers, also referred to as retrocessionaires, namely Swiss Re Life and Health America, Inc. (Swiss Re), The Lincoln National Life Insurance Company (Lincoln Re), Employers Reassurance Corporation (Employers Re), and Transamerica Occidental Life Insurance Company (Transamerica Re). If there were a claim on a policy that has been reinsured by us and retroceded, in part, to the retrocessionaires, each insuring party would be responsible for a portion of the claim. The following figure graphically depicts a typical reinsurance transaction with an original death benefit of $1,000,000 and illustrates that the risk of a single policy may be ceded to more than one reinsurer.



In this example, the retrocessionaires would collectively pay Global Preferred Re $100,000; Global Preferred Re would pay the primary insurer $200,000; and the primary insurer would pay the beneficiary $1,000,000.