

**CONSOLIDATED FINANCIAL STATEMENTS****ASSETS**  
**(\$'000)**

	Current 01	Prior 03
Cash and Cash Equivalents..... 01	5,794	4,225
Investment Income due and accrued ..... 02	62	41
Assets held for sale ..... 50		
Investments:		
Short Term Investments ..... 04	0	0
Bonds and Debentures ..... 05	1,216	2,570
Mortgage Loans ..... 06	0	0
Preferred Shares ..... 07	163	575
Common Shares ..... 08	315	281
Investment Properties ..... 09	0	0
Other Investments ..... 10	0	0
<b>Total Investments (lines 04 to 10) ..... 19</b>	<b>1,694</b>	<b>3,426</b>
Receivables:		
Unaffiliated Agents and Brokers ..... 20	918	1,443
Policyholders ..... 21	0	0
Instalment Premiums ..... 22	0	0
Other Insurers ..... 23	229	854
"Facility Association" and the "P.R.R." ..... 24	0	0
Subsidiaries, Associates & Joint Ventures ..... 25	12	0
Income Taxes ..... 26		0
Other Receivables ..... 27	0	(20)
Recoverable from Reinsurers:		
Unearned Premiums ..... 30	1,016	889
Unpaid Claims and Adjustment Expenses ..... 31	1,085	1,607
Other Recoverables on Unpaid Claims ..... 37	0	0
Interests in Subsidiaries, Associates & Joint Ventures ..... 40	0	0
Property and Equipment ..... 41	25	0
Deferred Policy Acquisition Expenses ..... 43	197	357
Current Tax Assets ..... 52		
Deferred Tax Assets ..... 44	0	0
Goodwill..... 54		
Intangible Assets..... 56		
Other Assets ..... 88	147	93
<b>TOTAL ASSETS ..... 89</b>	<b>11,179</b>	<b>12,915</b>

**CONSOLIDATED FINANCIAL STATEMENTS**  
**LIABILITIES AND EQUITY**  
**(\$'000)**

Page		Current 01	Prior 03
	<b>LIABILITIES</b>		
	Overdrafts ..... 01		0
	Borrowed Money and Accrued Interest ..... 02		0
	Payables:		
	Agents and Brokers ..... 03		0
	Policyholders ..... 04		0
	Other Insurers ..... 05	903	738
	Subsidiaries, Associates & Joint Ventures ..... 06		0
	Expenses due and accrued ..... 07	112	106
	Income Taxes due and accrued ..... 08	152	191
	Other Taxes due and accrued ..... 09	7	11
	Policyholder Dividends and Rating Adjustments ..... 10		0
	Encumbrances on Real Estate ..... 11		0
	Unearned Premiums ..... 12	2,433	3,448
	Unpaid Claims and Adjustment Expenses ..... 13	2,887	4,162
	Unearned Commissions ..... 14	218	170
	Premium Deficiency ..... 15		0
	Liabilities held for sale ..... 17		
	Current Tax Liabilities ..... 18		
	Deferred Tax Liabilities ..... 21		0
	Provisions and Other Liabilities ..... 28		0
	<b>Total Liabilities</b> ..... 29	<b>6,712</b>	<b>8,826</b>
	<b>EQUITY</b>		
	Shares issued and paid ..... 41	6,480	6,480
	Contributed Surplus ..... 42	4,592	3,693
	..... 43		0
	Retained Earnings ..... 44	(6,605)	(6,084)
	Reserves ..... 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) ..... 47	0	0
	Non-controlling Interests ..... 48		
	<b>Total Equity</b> ..... 49	<b>4,467</b>	<b>4,089</b>
	<b>TOTAL LIABILITIES AND EQUITY</b> ..... 89	<b>11,179</b>	<b>12,915</b>

CONSOLIDATED FINANCIAL STATEMENTS  
STATEMENT OF INCOME  
(\$'000)

	Current 01	Prior 03
<b>UNDERWRITING OPERATIONS</b>		
<b>Premiums Written</b>		
Direct .....	3,245	3,769
Reinsurance Assumed .....	0	0
Reinsurance Ceded .....	2,196	2,818
<b>Net Premiums Written</b> .....	<b>1,049</b>	<b>951</b>
Decrease (increase) in Net Unearned Premiums .....	430	106
<b>Net Premiums Earned</b> .....	<b>1,479</b>	<b>1,057</b>
Service Charges .....		0
Other .....	17	33
<b>Total Underwriting Revenue</b> .....	<b>1,496</b>	<b>1,090</b>
Gross Claims and Adjustment Expenses .....	1,598	1,978
Reinsurers' share of claims and adjustment expenses .....	820	1,219
<b>Net Claims and Adjustment Expenses</b> .....	<b>778</b>	<b>759</b>
Acquisition Expenses		
Gross Commissions .....	346	249
Ceded Commissions .....	179	258
Taxes .....	113	134
Other .....	90	142
General Expenses .....	144	254
<b>Total Claims and Expenses</b> .....	<b>1,292</b>	<b>1,280</b>
Premium Deficiency Adjustments .....		0
<b>Underwriting Income (Loss)</b> .....	<b>204</b>	<b>(190)</b>
<b>INVESTMENT OPERATIONS</b>		
Income .....	38	36
Realized Gains (Losses) .....	1	25
Expenses .....		
<b>Net Investment Income</b> .....	<b>39</b>	<b>61</b>
<b>OTHER REVENUE AND EXPENSES</b>		
Income (Loss) from Ancillary Operations .....		0
(net of Expenses of \$'000 _____ )		
Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures .....		0
Gain (losses) from fluctuations in Foreign Exchange Rates .....		0
Other Revenues .....		
Finance costs .....		
Other Expenses .....		
<b>Net Income (Loss) before Income Taxes</b> .....	<b>243</b>	<b>(129)</b>
<b>INCOME TAXES</b>		
Current .....		0
Deferred .....		0
<b>Total Income Taxes</b> .....	<b>0</b>	<b>0</b>
Extraordinary Items (net of Income Taxes of \$'000 _____ ) (CGAAP) .....		0
<b>NET INCOME (LOSS) FOR THE PERIOD</b> .....	<b>243</b>	<b>(129)</b>
<b>ATTRIBUTABLE TO:</b>		
Non-controlling Interests .....		
Equity Holders .....		

**CONSOLIDATED FINANCIAL STATEMENTS**  
**STATEMENT OF RETAINED EARNINGS**  
**(\$'000)**

		Current 01	Prior 02
<b>Balance at beginning of year</b> .....	01	(6,848)	(5,955)
Prior period adjustments: .....	02		0
.....	04		0
<b>Adjusted balance at beginning of year</b> .....	09	(6,848)	(5,955)
Net income (loss) for the Period .....	10	243	(129)
Dividends declared to shareholders .....	11		0
Decrease (increase) in Reserves .....	12		0
(Please Specify) .....	16		
Net increase (decrease) in Retained Earnings during the period .....	15	243	(129)
<b>Balance at end of Period</b> .....	89	(6,605)	(6,084)

**RESERVES**  
**(\$'000)**

		Current 01	Prior 02
Earthquake Reserves			
Reserve Complement .....	90		0
Premium Reserve .....	91		0
Mortgages Reserve .....	95		0
Nuclear Reserve .....	96		0
General and Contingency Reserves .....	98		0
<b>Total Reserves</b> .....	99	0	0

## CONSOLIDATED FINANCIAL STATEMENTS

**COMPREHENSIVE INCOME (LOSS)**  
and  
**ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**  
(\$'000)

Page		Current 01	Prior 03
	<b>Comprehensive Income (Loss)</b>		
20.30	Net Income ..... 01	243	(129)
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans ..... 02		0
	- Bonds and Debentures ..... 03		0
	- Equities ..... 04		0
	Reclassification to Earnings of (Gains) Losses ..... 05		0
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses ..... 06		0
	Reclassification to Earnings of (Gains) Losses ..... 07		0
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses ..... 08		0
	Impact of Hedging ..... 09		0
	<b>Share of Other Comprehensive Income of     Subsidiaries, Associates &amp; Joint Ventures</b> ..... 11		
	<b>Other</b> ..... 12		0
	Total Other Comprehensive Income (Loss) ..... 21	0	0
	<b>Total Comprehensive Income (Loss)</b> ..... 39	243	(129)
	<b>ATTRIBUTABLE TO:</b>		
	Non-controlling Interests ..... 60		
	Equity Holders ..... 62		

		Current (01)	Prior (03)
	<b>Accumulated Other Comprehensive Income (Loss)</b>		
	Accumulated Gains/ (Losses) on:		
	<b>Available for Sale:</b>		
	- Loans ..... 42		0
	- Bonds and Debentures ..... 43		0
	- Equities ..... 44		0
	<b>Derivatives Designated as Cash Flow Hedges</b> ..... 45		0
	<b>Foreign Currency (Net of Hedging Activities)</b> ..... 46		0
	<b>Share of Other Comprehensive Income of     Subsidiaries, Associates &amp; Joint Ventures</b> ..... 51		
	<b>Other</b> ..... 49		0
20.20	<b>Balance at end of Period</b> ..... 59	0	0

**CONSOLIDATED  
MINIMUM CAPITAL TEST  
(\$'000)**

	Current 01	Prior 02
<b>Capital Available</b>		
Total Equity less Accumulated Other Comprehensive Income ..... 02	4,467	4,089
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares ..... 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities ..... 04	0	0
Available for Sale Debt Securities ..... 06	0	0
Foreign Currency (Net of Hedging Activities) ..... 08		0
Revaluation Losses in Excess of Gains on Own Use Properties (IFRS) ..... 32		
..... 30		
Less:		
Accumulated net after-tax fair value gains (losses) arising from changes in the company's own credit risk ..... 12		0
Unrealized Fair Value Gains (Losses) from Own Use Properties at Conversion (IFRS) ..... 15		
Shadow Accounting Impact (IFRS) ..... 16		
Assets with a Capital Requirement of 100% ..... 17	35	73
..... 13		0
IFRS Conversion Phase in (IFRS) ..... 18		
<b>Total Capital Available</b> ..... 19	<b>4,432</b>	<b>4,016</b>
<b>Minimum Capital Required</b>		
Balance Sheet Assets ..... 20	166	223
Unearned Premiums/Unpaid Claims/Premium Deficiencies ..... 22	204	343
Catastrophes ..... 24	0	0
Reinsurance Ceded to Unregistered Insurers ..... 26	0	0
Structured Settlements, Letters of Credit, Derivatives and Other Exposures ..... 28	0	0
..... 34		
<b>Minimum Capital Required</b> ..... 29	<b>370</b>	<b>566</b>
<b>Excess Capital Available over Minimum Capital Required</b>		
(line 19 minus line 29) ..... 89	4,062	3,450
<b>Line 19 as a % of line 29</b> ..... 90	<b>1197.84%</b>	<b>709.54%</b>