

## CONSOLIDATED FINANCIAL STATEMENTS

ASSETS  
(\$'000)

	Current 01	Prior 03
Cash and Cash Equivalents..... 01	300	164
Investment Income due and accrued ..... 02	50	33
Assets held for sale ..... 50		
Investments:		
Short Term Investments ..... 04	2,346	1,641
Bonds and Debentures ..... 05	2,851	4,201
Mortgage Loans ..... 06	0	0
Preferred Shares ..... 07	295	237
Common Shares ..... 08	1,207	949
Investment Properties ..... 09	0	0
Other Investments ..... 10	0	0
<b>Total Investments (lines 04 to 10) ..... 19</b>	<b>6,699</b>	<b>7,028</b>
Receivables:		
Unaffiliated Agents and Brokers ..... 20	0	
Policyholders ..... 21	62	149
Instalment Premiums ..... 22	0	
Other Insurers ..... 23	0	
"Facility Association" and the "P.R.R." ..... 24	0	
Subsidiaries, Associates & Joint Ventures ..... 25	0	
Income Taxes ..... 26		
Other Receivables ..... 27	3,182	2,768
Recoverable from Reinsurers:		
Unearned Premiums ..... 30	0	
Unpaid Claims and Adjustment Expenses ..... 31	0	
Other Recoverables on Unpaid Claims ..... 37	0	0
Interests in Subsidiaries, Associates & Joint Ventures ..... 40	0	
Property and Equipment ..... 41	0	
Deferred Policy Acquisition Expenses ..... 43	0	
Current Tax Assets ..... 52		
Deferred Tax Assets ..... 44	0	
Goodwill..... 54		
Intangible Assets..... 56		
Other Assets ..... 88		
<b>TOTAL ASSETS ..... 89</b>	<b>10,293</b>	<b>10,142</b>

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

Page		Current 01	Prior 03
	<b>LIABILITIES</b>		
	Overdrafts ..... 01	0	0
	Borrowed Money and Accrued Interest ..... 02	0	0
	Payables:		
	Agents and Brokers ..... 03	0	0
	Policyholders ..... 04	0	0
	Other Insurers ..... 05	154	204
	Subsidiaries, Associates & Joint Ventures ..... 06	42	0
	Expenses due and accrued ..... 07	62	85
	Income Taxes due and accrued ..... 08	(1)	0
	Other Taxes due and accrued ..... 09	31	4
	Policyholder Dividends and Rating Adjustments ..... 10	0	0
	Encumbrances on Real Estate ..... 11	0	0
	Unearned Premiums ..... 12	0	0
	Unpaid Claims and Adjustment Expenses ..... 13	4,454	4,016
	Unearned Commissions ..... 14	0	0
	Premium Deficiency ..... 15	0	0
	Liabilities held for sale ..... 17	0	0
	Current Tax Liabilities ..... 18	0	0
	Deferred Tax Liabilities ..... 21	0	0
	Provisions and Other Liabilities ..... 28	0	0
	<b>Total Liabilities</b> ..... 29	<b>4,742</b>	<b>4,309</b>
	<b>EQUITY</b>		
	Shares issued and paid ..... 41	4,000	4,000
	Contributed Surplus ..... 42		
	..... 43		
	Retained Earnings ..... 44	1,551	1,833
	Reserves ..... 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) ..... 47	0	0
	Non-controlling Interests ..... 48		
	<b>Total Equity</b> ..... 49	<b>5,551</b>	<b>5,833</b>
	<b>TOTAL LIABILITIES AND EQUITY</b> ..... 89	<b>10,293</b>	<b>10,142</b>

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

	Current 01	Prior 03
<b>UNDERWRITING OPERATIONS</b>		
<b>Premiums Written</b>		
Direct .....	182	149
Reinsurance Assumed .....	0	0
Reinsurance Ceded .....	0	0
<b>Net Premiums Written</b> .....	<b>182</b>	<b>149</b>
Decrease (increase) in Net Unearned Premiums .....	0	0
<b>Net Premiums Earned</b> .....	<b>182</b>	<b>149</b>
Service Charges .....		
Other .....		
<b>Total Underwriting Revenue</b> .....	<b>182</b>	<b>149</b>
Gross Claims and Adjustment Expenses .....	301	313
Reinsurers' share of claims and adjustment expenses .....	0	
<b>Net Claims and Adjustment Expenses</b> .....	<b>301</b>	<b>313</b>
Acquisition Expenses		
Gross Commissions .....	0	0
Ceded Commissions .....	0	0
Taxes .....	5	4
Other .....	0	0
General Expenses .....	31	29
<b>Total Claims and Expenses</b> .....	<b>337</b>	<b>346</b>
Premium Deficiency Adjustments .....		
<b>Underwriting Income (Loss)</b> .....	<b>(155)</b>	<b>(197)</b>
<b>INVESTMENT OPERATIONS</b>		
Income .....	141	55
Realized Gains (Losses) .....	0	0
Expenses .....	0	0
<b>Net Investment Income</b> .....	<b>141</b>	<b>55</b>
<b>OTHER REVENUE AND EXPENSES</b>		
Income (Loss) from Ancillary Operations .....	0	0
(net of Expenses of \$'000 _____ )		
Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures .....	0	0
Gain (losses) from fluctuations in Foreign Exchange Rates .....	0	0
Other Revenues .....	396	353
Finance costs .....		0
Other Expenses .....		0
<b>Net Income (Loss) before Income Taxes</b> .....	<b>382</b>	<b>211</b>
<b>INCOME TAXES</b>		
Current .....	46	39
Deferred .....		0
<b>Total Income Taxes</b> .....	<b>46</b>	<b>39</b>
Extraordinary Items (net of Income Taxes of \$'000 _____ ) (CGAAP).....		
<b>NET INCOME (LOSS) FOR THE PERIOD</b> .....	<b>336</b>	<b>172</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	1,215	1,661
Prior period adjustments: ..... 02		
..... 04		
<b>Adjusted balance at beginning of year</b> ..... 09	1,215	1,661
Net income (loss) for the Period ..... 10	336	172
Dividends declared to shareholders ..... 11		
Decrease (increase) in Reserves ..... 12		
(Please Specify) ..... 16		
Net increase (decrease) in Retained Earnings during the period ..... 15	336	172
<b>Balance at end of Period</b> ..... 89	1,551	1,833

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

	Current 01	Prior 02
Earthquake Reserves		
Reserve Complement ..... 90		
Premium Reserve ..... 91		
Mortgages Reserve ..... 95		
Nuclear Reserve ..... 96		
General and Contingency Reserves ..... 98		
<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
20.30	<b>Comprehensive Income (Loss)</b>		
	Net Income ..... 01	336	172
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans ..... 02		
	- Bonds and Debentures ..... 03		
	- Equities ..... 04		
	Reclassification to Earnings of (Gains) Losses ..... 05		
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses ..... 06		
	Reclassification to Earnings of (Gains) Losses ..... 07		
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses ..... 08		
	Impact of Hedging ..... 09		
	<b>Share of Other Comprehensive Income of         Subsidiaries, Associates &amp; Joint Ventures</b> ..... 11		
	Other ..... 12		
	Total Other Comprehensive Income (Loss) ..... 21	0	0
	<b>Total Comprehensive Income (Loss)</b> ..... 39	336	172
	<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		
	- Bonds and Debentures ..... 43		
	- Equities ..... 44		
	<b>Derivatives Designated as Cash Flow Hedges</b> ..... 45		
	<b>Foreign Currency (Net of Hedging Activities)</b> ..... 46		
	<b>Share of Other Comprehensive Income of         Subsidiaries, Associates &amp; Joint Ventures</b> ..... 51		
	Other ..... 49		
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	5,551	5,833
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares ..... 03		
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities ..... 04	0	
Available for Sale Debt Securities ..... 06	0	
Foreign Currency (Net of Hedging Activities) ..... 08		
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		
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	0	
..... 13		
IFRS Conversion Phase in (IFRS) ..... 18		
<b>Total Capital Available</b> ..... 19	<b>5,551</b>	<b>5,833</b>
<b>Minimum Capital Required</b>		
Balance Sheet Assets ..... 20	358	596
Unearned Premiums/Unpaid Claims/Premium Deficiencies ..... 22	473	151
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>831</b>	<b>747</b>
<b>Excess Capital Available over Minimum Capital Required</b> (line 19 minus line 29) ..... 89	<b>4,720</b>	<b>5,086</b>
<b>Line 19 as a % of line 29</b> ..... 90	<b>667.99%</b>	<b>780.86%</b>