

CONSOLIDATED FINANCIAL STATEMENTS**ASSETS**

(\$'000)

	Current	Prior
	01	03
Cash and Cash Equivalents..... 01	7,398	39,418
Investment Income due and accrued 02	1,117	797
Assets held for sale 50		
Investments:		
Short Term Investments 04	100	0
Bonds and Debentures 05	102,217	64,492
Mortgage Loans 06	0	0
Preferred Shares 07	0	1,692
Common Shares 08	25,288	21,625
Investment Properties 09	9,614	9,614
Other Investments 10	508	770
Total Investments (lines 04 to 10) 19	137,727	98,193
Receivables:		
Unaffiliated Agents and Brokers 20	7,402	7,348
Policyholders 21	0	0
Instalment Premiums 22	22,833	22,892
Other Insurers 23	2,468	955
"Facility Association" and the "P.R.R." 24	8,164	8,334
Subsidiaries, Associates & Joint Ventures 25	0	0
Income Taxes 26		0
Other Receivables 27	1,979	1,985
Recoverable from Reinsurers:		
Unearned Premiums 30	20,366	18,102
Unpaid Claims and Adjustment Expenses 31	34,901	42,230
Other Recoverables on Unpaid Claims 37	0	0
Interests in Subsidiaries, Associates & Joint Ventures 40	0	0
Property and Equipment 41	1,134	1,325
Deferred Policy Acquisition Expenses 43	19,393	18,540
Current Tax Assets 52	459	
Deferred Tax Assets 44	179	288
Goodwill..... 54		
Intangible Assets..... 56	1,576	1,560
Other Assets 88	3,150	2,391
TOTAL ASSETS 89	270,246	264,358

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

Page		Current 01	Prior 03
	LIABILITIES		
	Overdrafts 01		0
	Borrowed Money and Accrued Interest 02		0
	Payables:		
	Agents and Brokers 03	1,983	1,949
	Policyholders 04		0
	Other Insurers 05	8,396	5,920
	Subsidiaries, Associates & Joint Ventures 06		0
	Expenses due and accrued 07	2,450	1,837
	Income Taxes due and accrued 08		
	Other Taxes due and accrued 09	1,771	1,605
	Policyholder Dividends and Rating Adjustments 10		0
	Encumbrances on Real Estate 11		1,754
	Unearned Premiums 12	77,124	74,227
	Unpaid Claims and Adjustment Expenses 13	96,359	107,418
	Unearned Commissions 14	6,970	6,172
	Premium Deficiency 15		0
	Liabilities held for sale 17		
	Current Tax Liabilities 18		1,316
	Deferred Tax Liabilities 21	1,004	1,001
	Provisions and Other Liabilities 28	813	805
	Total Liabilities 29	196,870	204,004
	EQUITY		
	Shares issued and paid 41	2,000	2,000
	Contributed Surplus 42	9,362	9,362
 43		0
	Retained Earnings 44	57,686	45,467
	Reserves 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) 47	4,328	3,525
	Non-controlling Interests 48		
	Total Equity 49	73,376	60,354
	TOTAL LIABILITIES AND EQUITY 89	270,246	264,358

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

	Current 01	Prior 03
UNDERWRITING OPERATIONS		
Premiums Written		
Direct	01 36,104	34,337
Reinsurance Assumed	02 0	0
Reinsurance Ceded	03 11,577	10,080
Net Premiums Written	04 24,527	24,257
Decrease (increase) in Net Unearned Premiums	05 3,800	3,324
Net Premiums Earned	06 28,327	27,581
Service Charges	07 492	493
Other	08	0
Total Underwriting Revenue	09 28,819	28,074
Gross Claims and Adjustment Expenses	62 20,103	18,162
Reinsurers' share of claims and adjustment expenses	64 4,462	4,338
Net Claims and Adjustment Expenses	10 15,641	13,824
Acquisition Expenses		
Gross Commissions	66 7,657	7,052
Ceded Commissions	68 3,088	2,613
Taxes	12 1,393	1,302
Other	14	0
General Expenses	16 4,752	4,427
Total Claims and Expenses	19 26,355	23,992
Premium Deficiency Adjustments	20	0
Underwriting Income (Loss)	29 2,464	4,082
INVESTMENT OPERATIONS		
Income	32 1,348	818
Realized Gains (Losses)	33 1,219	17
Expenses	34 133	85
Net Investment Income	39 2,434	750
OTHER REVENUE AND EXPENSES		
Income (Loss) from Ancillary Operations	40	0
(net of Expenses of \$'000 _____)		
Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41 (53)	(60)
Gain (losses) from fluctuations in Foreign Exchange Rates	42	0
Other Revenues	44 28	29
Finance costs	45	
Other Expenses	46	
Net Income (Loss) before Income Taxes	49 4,873	4,801
INCOME TAXES		
Current	50 1,463	1,534
Deferred	51	0
Total Income Taxes	59 1,463	1,534
Extraordinary Items (net of Income Taxes of \$'000 _____) (CGAAP).....	60	0
NET INCOME (LOSS) FOR THE PERIOD	89 3,410	3,267
ATTRIBUTABLE TO:		
Non-controlling Interests	80	
Equity Holders	82	

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF RETAINED EARNINGS
(\$'000)

		Current 01	Prior 02
Balance at beginning of year	01	47,569	35,200
Prior period adjustments:	02		0
Transition adjustment to IFRS	04	7,028	7,000
Adjusted balance at beginning of year	09	54,597	42,200
Net income (loss) for the Period	10	3,410	3,267
Dividends declared to shareholders	11	321	0
Decrease (increase) in Reserves	12		0
(Please Specify)	16		
Net increase (decrease) in Retained Earnings during the period	15	3,089	3,267
Balance at end of Period	89	57,686	45,467

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
Total Reserves	99	0	0

CONSOLIDATED FINANCIAL STATEMENTS

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

Page		Current 01	Prior 03
	Comprehensive Income (Loss)		
20.30	Net Income 01	3,410	3,267
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans 02		0
	- Bonds and Debentures 03	(778)	(42)
	- Equities 04	628	(1,107)
	Reclassification to Earnings of (Gains) Losses 05	(866)	12
	Derivatives Designated as Cash Flow Hedges		
	Change in Unrealized Gains and Losses 06		0
	Reclassification to Earnings of (Gains) Losses 07		0
	Foreign Currency Translation		
	Change in Unrealized Gains and Losses 08		92
	Impact of Hedging 09		0
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures 11		
	Other 12		0
	Total Other Comprehensive Income (Loss) 21	(1,016)	(1,045)
	Total Comprehensive Income (Loss) 39	2,394	2,222
	ATTRIBUTABLE TO:		
	Non-controlling Interests 60		
	Equity Holders 62		

		Current (01)	Prior (03)
	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains/ (Losses) on:		
	Available for Sale:		
	- Loans 42		0
	- Bonds and Debentures 43	912	1,543
	- Equities 44	3,219	1,744
	Derivatives Designated as Cash Flow Hedges 45		0
	Foreign Currency (Net of Hedging Activities) 46	197	238
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures 51		
	Other 49		0
20.20	Balance at end of Period 59	4,328	3,525

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

	Current 01	Prior 02
Capital Available		
Total Equity less Accumulated Other Comprehensive Income 02	69,048	56,829
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares 03		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities 04	3,219	1,744
Available for Sale Debt Securities 06	912	1,543
Foreign Currency (Net of Hedging Activities) 08	197	238
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	3,385	3,066
..... 13		0
IFRS Conversion Phase in (IFRS) 18		
Total Capital Available 19	69,991	57,288
Minimum Capital Required		
Balance Sheet Assets 20	11,078	10,271
Unearned Premiums/Unpaid Claims/Premium Deficiencies 22	9,324	9,630
Catastrophes 24	0	0
Reinsurance Ceded to Unregistered Insurers 26	0	0
Structured Settlements, Letters of Credit, Derivatives and Other Exposures 28	72	72
..... 34		
Minimum Capital Required 29	20,474	19,973
Excess Capital Available over Minimum Capital Required		
(line 19 minus line 29) 89	49,517	37,315
Line 19 as a % of line 29 90	341.85%	286.83%