

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

		Current 01	Prior 03
Cash and Cash Equivalents	01	62,346	41,307
Investment Income due and accrued	02	1,683	2,620
Assets held for sale	50		
Investments:			
Short Term Investments	04	20,000	21,350
Bonds and Debentures	05	149,906	196,106
Mortgage Loans	06	21,992	20,990
Preferred Shares	07	13,438	12,807
Common Shares	08	93,025	71,986
Investment Properties	09	0	0
Other Investments	10	0	0
Total Investments (lines 04 to 10)	19	298,361	323,239
Receivables:			
Unaffiliated Agents and Brokers	20	0	0
Policyholders	21	0	0
Instalment Premiums	22	56,926	50,813
Other Insurers	23	4,178	1,926
"Facility Association" and the "PRR"	24	1,015	1,047
Subsidiaries, Associates & Joint Ventures	25	119	30
Income Taxes	26	1,895	1,423
Other Receivables	27	1,050	455
Recoverable from Reinsurers:			
Unearned Premiums	30	0	0
Unpaid Claims and Adjustment Expenses	31	19,200	18,971
Other Recoverables on Unpaid Claims	37	0	0
Interests in Subsidiaries, Associates & Joint Ventures	40	0	0
Property and Equipment	41	38,860	0
Deferred Policy Acquisition Expenses	43	16,098	15,837
Current Tax Assets	52		
Deferred Tax Assets	44	2,180	1,926
Goodwill	54		
Intangible Assets	56	9,260	9,881
Other Assets	88	469	4,691
TOTAL ASSETS	89	513,640	474,166

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		0
	Policyholders 04	481	111
	Other Insurers 05		0
	Subsidiaries, Associates & Joint Ventures 06	4,006	4,947
	Expenses due and accrued 07	6,232	4,683
	Income Taxes due and accrued 08		0
	Other Taxes due and accrued 09	6,857	6,149
	Policyholder Dividends and Rating Adjustments 10		0
	Encumbrances on Real Estate 11		0
	Unearned Premiums 12	113,081	110,327
	Unpaid Claims and Adjustment Expenses 13	231,491	214,271
80.10	Unearned Commissions 14	0	0
	Premium Deficiency 15		0
	Liabilities held for sale 17		
	Current Tax Liabilities 18		
	Deferred Tax Liabilities 21		0
	Provisions and Other Liabilities 28	6,317	4,147
	Total Liabilities 29	368,465	344,635
	EQUITY		
	Shares issued and paid 41	4,000	4,000
	Contributed Surplus 42		0
	43		0
20.40	Retained Earnings 44	141,175	123,535
20.40	Reserves 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) 47	0	1,996
	Non-controlling Interests 48		
	Total Equity 49	145,175	129,531
	TOTAL LIABILITIES AND EQUITY 89	513,640	474,166

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

		Current 01	Prior 03
UNDERWRITING OPERATIONS			
Premiums Written			
Direct	01	125,879	123,947
Reinsurance Assumed	02	0	0
Reinsurance Ceded	03	4,286	3,985
Net Premiums Written	04	121,593	119,962
Decrease (increase) in Net Unearned Premiums	05	(784)	(1,015)
Net Premiums Earned	06	120,809	118,947
Service Charges	07	3,496	3,267
Other	08		0
Total Underwriting Revenue	09	124,305	122,214
Gross Claims and Adjustment Expenses			
Gross Claims and Adjustment Expenses	62	90,935	76,380
Reinsurers' share of claims and adjustment expenses	64	1,943	850
Net Claims and Adjustment Expenses	10	88,992	75,530
Acquisition Expenses			
Gross Commissions	66	13,783	13,493
Ceded Commissions	68	0	
Taxes	12	3,831	3,740
Other	14	8,722	8,735
General Expenses	16	4,269	4,862
Total Claims and Expenses	19	119,597	106,360
Premium Deficiency Adjustments	20		0
Underwriting Income (Loss)	29	4,708	15,854
INVESTMENT OPERATIONS			
Income	32	5,127	6,193
Realized Gains (Losses)	33	2,424	(700)
Expenses	34	432	394
Net Investment Income	39	7,119	5,099
OTHER REVENUE AND EXPENSES			
Income (Loss) from Ancillary Operations (net of Expenses of \$'000)	40		0
Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41		0
Gain (losses) from fluctuations in Foreign Exchange Rates	42		0
Other Revenues	44	540	133
Finance costs	45		
Other Expenses	46		
Net Income (Loss) before Income Taxes	49	12,367	21,086
INCOME TAXES			
Current	50	2,998	6,153
Deferred	51	(216)	0
Total Income Taxes	59	2,782	6,153
Extraordinary Items (net of Income Taxes of \$'000) (CGAAP)	60		0
NET INCOME (LOSS) FOR THE PERIOD	89	9,585	14,933
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	133,590	113,602
Prior period adjustments:	02		0
	04		0
Adjusted balance at beginning of year	09	133,590	113,602
Net income (loss) for the Period	10	9,585	14,933
Dividends declared to shareholders	11	2,000	5,000
Decrease (increase) in Reserves	12		0
(Please Specify)	16		
Net increase (decrease) in Retained Earnings during the period	15	7,585	9,933
Balance at end of Period	89	141,175	123,535

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	9,585	14,933
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans 02		0
	- Bonds and Debentures 03		0
	- Equities 04		(1,257)
	Reclassification to Earnings of (Gains) Losses 05		0
	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		0
	Impact of Hedging 09		0
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures		
	Other 11		
	Other 12		0
	Total Other Comprehensive Income (Loss) 21	0	(1,257)
	Total Comprehensive Income (Loss) 39	9,585	13,676
	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		0
	- Equities 44		1,996
	Derivatives Designated as Cash Flow Hedges 45		0
	Foreign Currency (net of hedging activities) 46		0
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures 51		
	Other 49		0
20.20	Balance at end of Period 59	0	1,996

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

		Current 01	Prior 02
Capital Available			
Total Equity less Accumulated Other Comprehensive Income	02	145,175	127,535
Add:			
Subordinated Indebtedness and Redeemable Preferred Shares	03		0
Accumulated Other Comprehensive Income (Loss) on:			
Available for Sale Equity Securities	04	0	1,996
Available for Sale Debt Securities	06	0	0
Foreign Currency (Net of Hedging Activities)	08	0	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	2,180	9,881
	13		0
IFRS Conversion Phase in (IFRS)	18		
Total Capital Available	19	142,995	119,650
Minimum Capital Required			
Balance Sheet Assets	20	30,139	19,960
Unearned Premiums/Unpaid Claims/Premium Deficiencies	22	28,417	27,422
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		
Minimum Capital Required	29	58,556	47,382
Excess Capital Available over Minimum Capital Required			
(line 19 minus line 29)	89	84,439	72,268
Line 19 as a % of line 29	90	244.20%	252.52%