

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

		Current 01	Prior 03
Cash and Cash Equivalents	01	5,440	4,541
Investment Income due and accrued	02	63	43
Assets held for sale	50		
Investments:			
Short Term Investments	04	0	546
Bonds and Debentures	05	744	1,757
Mortgage Loans	06	0	0
Preferred Shares	07	164	869
Common Shares	08	295	259
Investment Properties	09	0	0
Other Investments	10	0	0
<b>Total Investments (lines 04 to 10)</b>	<b>19</b>	<b>1,203</b>	<b>3,431</b>
Receivables:			
Unaffiliated Agents and Brokers	20	469	1,284
Policyholders	21	0	0
Instalment Premiums	22	0	0
Other Insurers	23	311	419
"Facility Association" and the "PRR"	24	0	0
Subsidiaries, Associates & Joint Ventures	25	0	0
Income Taxes	26		0
Other Receivables	27	16	4
Recoverable from Reinsurers:			
Unearned Premiums	30	1,356	1,162
Unpaid Claims and Adjustment Expenses	31	2,010	1,411
Other Recoverables on Unpaid Claims	37	0	0
Interests in Subsidiaries, Associates & Joint Ventures	40	0	0
Property and Equipment	41	23	0
Deferred Policy Acquisition Expenses	43	289	591
Current Tax Assets	52		
Deferred Tax Assets	44	0	0
Goodwill	54		
Intangible Assets	56		
Other Assets	88	43	
<b>TOTAL ASSETS</b>	<b>89</b>	<b>11,223</b>	<b>12,886</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		232
	Policyholders 04		0
	Other Insurers 05	808	341
	Subsidiaries, Associates & Joint Ventures 06		0
	Expenses due and accrued 07	86	44
	Income Taxes due and accrued 08	222	286
	Other Taxes due and accrued 09	8	8
	Policyholder Dividends and Rating Adjustments 10		0
	Encumbrances on Real Estate 11		0
	Unearned Premiums 12	1,626	3,978
	Unpaid Claims and Adjustment Expenses 13	3,736	3,710
80.10	Unearned Commissions 14	291	228
	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>6,777</b>	<b>8,827</b>
	<b>EQUITY</b>		
	Shares issued and paid 41	6,480	6,480
	Contributed Surplus 42	4,593	3,993
	43		0
20.40	Retained Earnings 44	(6,627)	(6,414)
20.40	Reserves 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) 47	0	0
	Non-controlling Interests 48		
	<b>Total Equity</b> 49	<b>4,446</b>	<b>4,059</b>
	<b>TOTAL LIABILITIES AND EQUITY</b> 89	<b>11,223</b>	<b>12,886</b>

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

		Current 01	Prior 03
<b>UNDERWRITING OPERATIONS</b>			
<b>Premiums Written</b>			
Direct	01	5,252	8,014
Reinsurance Assumed	02	0	0
Reinsurance Ceded	03	4,751	6,042
<b>Net Premiums Written</b>	04	501	1,972
Decrease (increase) in Net Unearned Premiums	05	1,577	(151)
<b>Net Premiums Earned</b>	06	2,078	1,821
Service Charges	07	0	0
Other	08	39	52
<b>Total Underwriting Revenue</b>	09	2,117	1,873
Gross Claims and Adjustment Expenses	62	4,154	3,986
Reinsurers' share of claims and adjustment expenses	64	2,707	2,615
<b>Net Claims and Adjustment Expenses</b>	10	1,447	1,371
<b>Acquisition Expenses</b>			
Gross Commissions	66	228	
Ceded Commissions	68	378	
Taxes	12	207	265
Other	14	162	272
General Expenses	16	290	506
<b>Total Claims and Expenses</b>	19	1,956	2,414
Premium Deficiency Adjustments	20		0
<b>Underwriting Income (Loss)</b>	29	161	(541)
<b>INVESTMENT OPERATIONS</b>			
Income	32	64	60
Realized Gains (Losses)	33	(4)	22
Expenses	34		0
<b>Net Investment Income</b>	39	60	82
<b>OTHER REVENUE AND EXPENSES</b>			
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		
Finance costs	45		
Other Expenses	46		
<b>Net Income (Loss) before Income Taxes</b>	49	221	(459)
<b>INCOME TAXES</b>			
Current	50	0	0
Deferred	51	0	0
<b>Total Income Taxes</b>	59	0	0
Extraordinary Items (net of Income Taxes of \$'000 _____ ) (CGAAP)	60		0
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	89	221	(459)
<b>ATTRIBUTABLE TO:</b>			
Non-controlling Interests	80		
Equity Holders	82		

**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	0
	04	0	0
<b>Adjusted balance at beginning of year</b>	09	(6,848)	(5,955)
Net income (loss) for the Period	10	221	(459)
Dividends declared to shareholders	11	0	0
Decrease (increase) in Reserves	12	0	0
(Please Specify)	16		
Net increase (decrease) in Retained Earnings during the period	15	221	(459)
<b>Balance at end of Period</b>	89	(6,627)	(6,414)

**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
20.30	<b>Comprehensive Income (Loss)</b>		
	Net Income 01	221	(459)
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans 02	0	0
	- Bonds and Debentures 03	0	0
	- Equities 04	0	0
	Reclassification to Earnings of (Gains) Losses 05	0	0
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses 06	0	0
	Reclassification to Earnings of (Gains) Losses 07		0
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses 08	0	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	0
	Total Other Comprehensive Income (Loss) 21	0	0
	<b>Total Comprehensive Income (Loss)</b> 39	221	(459)
	<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	0
	- Bonds and Debentures 43	0	0
	- Equities 44	0	0
	<b>Derivatives Designated as Cash Flow Hedges</b> 45	0	0
	<b>Foreign Currency (net of hedging activities)</b> 46	0	0
	<b>Share of Other Comprehensive Income of     Subsidiaries, Associates &amp; Joint Ventures</b> 51		
	<b>Other</b> 49	0	0
20.20	Balance at end of Period 59	0	0

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

		Current 01	Prior 02
<b>Capital Available</b>			
Total Equity less Accumulated Other Comprehensive Income	02	4,446	4,059
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	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	0	58
	13		0
IFRS Conversion Phase in (IFRS)	18		
<b>Total Capital Available</b>	19	4,446	4,001
<b>Minimum Capital Required</b>			
Balance Sheet Assets	20	138	277
Unearned Premiums/Unpaid Claims/Premium Deficiencies	22	130	347
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	268	624
<b>Excess Capital Available over Minimum Capital Required</b>			
(line 19 minus line 29)	89	4,178	3,377
<b>Line 19 as a % of line 29</b>	90	1658.96%	641.19%