

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

		Current 01	Prior 03
Cash and Cash Equivalents	01	23,983	24,436
Investment Income due and accrued	02	727	743
Assets held for sale	50		
Investments:			
Short Term Investments	04	101	100
Bonds and Debentures	05	101,303	91,245
Mortgage Loans	06	0	0
Preferred Shares	07	0	0
Common Shares	08	18,560	17,775
Investment Properties	09	9,614	9,614
Other Investments	10	460	595
Total Investments (lines 04 to 10)	19	130,038	119,329
Receivables:			
Unaffiliated Agents and Brokers	20	9,484	8,610
Policyholders	21	0	0
Instalment Premiums	22	25,915	25,232
Other Insurers	23	1,454	1,081
"Facility Association" and the "PRR"	24	8,290	8,107
Subsidiaries, Associates & Joint Ventures	25	0	0
Income Taxes	26		0
Other Receivables	27	1,729	1,912
Recoverable from Reinsurers:			
Unearned Premiums	30	22,766	19,730
Unpaid Claims and Adjustment Expenses	31	58,781	39,811
Other Recoverables on Unpaid Claims	37	0	0
Interests in Subsidiaries, Associates & Joint Ventures	40	0	0
Property and Equipment	41	1,086	1,277
Deferred Policy Acquisition Expenses	43	20,940	19,921
Current Tax Assets	52	2,497	
Deferred Tax Assets	44	179	288
Goodwill	54		
Intangible Assets	56	1,521	1,504
Other Assets	88	3,231	2,902
TOTAL ASSETS	89	312,621	274,883

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	3,135	2,857
	Policyholders 04		0
	Other Insurers 05	13,789	9,747
	Subsidiaries, Associates & Joint Ventures 06		0
	Expenses due and accrued 07	2,606	1,832
	Income Taxes due and accrued 08		1,842
	Other Taxes due and accrued 09	3,544	3,181
	Policyholder Dividends and Rating Adjustments 10		0
	Encumbrances on Real Estate 11		0
	Unearned Premiums 12	84,048	80,182
	Unpaid Claims and Adjustment Expenses 13	125,076	103,974
80.10	Unearned Commissions 14	7,573	6,756
	Premium Deficiency 15		0
	Liabilities held for sale 17		
	Current Tax Liabilities 18		
	Deferred Tax Liabilities 21	1,004	1,002
	Provisions and Other Liabilities 28	871	863
	Total Liabilities 29	241,646	212,236
	EQUITY		
	Shares issued and paid 41	2,000	2,000
	Contributed Surplus 42	9,362	9,362
	43		0
20.40	Retained Earnings 44	55,854	49,159
20.40	Reserves 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) 47	3,759	2,126
	Non-controlling Interests 48		
	Total Equity 49	70,975	62,647
	TOTAL LIABILITIES AND EQUITY 89	312,621	274,883

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

	Current 01	Prior 03
UNDERWRITING OPERATIONS		
Premiums Written		
Direct	84,462	79,387
Reinsurance Assumed	0	0
Reinsurance Ceded	29,309	23,427
Net Premiums Written	55,153	55,960
Decrease (increase) in Net Unearned Premiums	(724)	(1,003)
Net Premiums Earned	54,429	54,957
Service Charges	992	990
Other		0
Total Underwriting Revenue	55,421	55,947
Gross Claims and Adjustment Expenses	71,248	39,570
Reinsurers' share of claims and adjustment expenses	34,807	11,079
Net Claims and Adjustment Expenses	36,441	28,491
Acquisition Expenses		
Gross Commissions	15,444	14,132
Ceded Commissions	6,168	5,112
Taxes	2,944	2,616
Other		0
General Expenses	9,927	9,241
Total Claims and Expenses	58,588	49,368
Premium Deficiency Adjustments		0
Underwriting Income (Loss)	(3,167)	6,579
INVESTMENT OPERATIONS		
Income	2,492	2,010
Realized Gains (Losses)	3,213	1,904
Expenses	239	217
Net Investment Income	5,466	3,697
OTHER REVENUE AND EXPENSES		
Income (Loss) from Ancillary Operations (net of Expenses of \$'000)		0
Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	(113)	(102)
Gain (losses) from fluctuations in Foreign Exchange Rates		0
Other Revenues	72	36
Finance costs		
Other Expenses		
Net Income (Loss) before Income Taxes	2,258	10,210
INCOME TAXES		
Current	680	3,261
Deferred		0
Total Income Taxes	680	3,261
Extraordinary Items (net of Income Taxes of \$'000) (CGAAP)		0
NET INCOME (LOSS) FOR THE PERIOD	1,578	6,949
ATTRIBUTABLE TO:		
Non-controlling Interests		
Equity Holders		

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 adjustments to IFRS	04	7,028	7,010
Adjusted balance at beginning of year	09	54,597	42,210
Net income (loss) for the Period	10	1,578	6,949
Dividends declared to shareholders	11	321	0
Decrease (increase) in Reserves (Please Specify)	12 16		0
Net increase (decrease) in Retained Earnings during the period	15	1,257	6,949
Balance at end of Period	89	55,854	49,159

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
20.30	Comprehensive Income (Loss)		
	Net Income 01	1,578	6,949
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans 02		0
	- Bonds and Debentures 03	585	1,506
	- Equities 04	112	(381)
	Reclassification to Earnings of (Gains) Losses 05	(2,281)	(1,352)
	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		(127)
	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	(1,584)	(354)
	Total Comprehensive Income (Loss) 39	(6)	6,595
	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	2,009	2,104
	- Equities 44	1,553	(180)
	Derivatives Designated as Cash Flow Hedges 45		0
	Foreign Currency (net of hedging activities) 46	197	202
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures 51		
	Other 49		0
20.20	Balance at end of Period 59	3,759	2,126

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

		Current 01	Prior 02
Capital Available			
Total Equity less Accumulated Other Comprehensive Income	02	67,216	60,521
Add:			
Subordinated Indebtedness and Redeemable Preferred Shares	03		0
Accumulated Other Comprehensive Income (Loss) on:			
Available for Sale Equity Securities	04	1,553	(180)
Available for Sale Debt Securities	06	2,009	2,104
Foreign Currency (Net of Hedging Activities)	08	197	202
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	3,118	3,058
	13		0
IFRS Conversion Phase in (IFRS)	18		
Total Capital Available	19	67,857	59,589
Minimum Capital Required			
Balance Sheet Assets	20	10,971	10,236
Unearned Premiums/Unpaid Claims/Premium Deficiencies	22	9,883	9,783
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	20,926	20,091
Excess Capital Available over Minimum Capital Required			
(line 19 minus line 29)	89	46,931	39,498
Line 19 as a % of line 29	90	324.27%	296.60%