

*CONSOLIDATED FINANCIAL STATEMENTS***ASSETS**

(\$'000)

		Current	Prior
		01	03
Cash and Cash Equivalents	01	907	988
Investment Income due and accrued	02	31	0
Assets held for sale	50		
Investments:			
Short Term Investments	04	50	0
Bonds and Debentures	05	0	52
Mortgage Loans	06	0	0
Preferred Shares	07	6,721	6,737
Common Shares	08	2,217	2,113
Investment Properties	09	0	0
Other Investments	10	0	0
<b>Total Investments (lines 04 to 10)</b>	19	8,988	8,902
Receivables:			
Unaffiliated Agents and Brokers	20	0	0
Policyholders	21	1,470	0
Instalment Premiums	22	0	0
Other Insurers	23	0	0
"Facility Association" and the "PRR"	24	0	0
Subsidiaries, Associates & Joint Ventures	25	257	2,379
Income Taxes	26	93	919
Other Receivables	27	0	1,735
Recoverable from Reinsurers:			
Unearned Premiums	30	0	0
Unpaid Claims and Adjustment Expenses	31	0	0
Other Recoverables on Unpaid Claims	37	0	0
Interests in Subsidiaries, Associates & Joint Ventures	40	0	0
Property and Equipment	41	0	0
Deferred Policy Acquisition Expenses	43	149	186
Current Tax Assets	52		
Deferred Tax Assets	44	14	19
Goodwill	54		
Intangible Assets	56		
Other Assets	88	18	15
<b>TOTAL ASSETS</b>	89	11,927	15,143

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

Page		Current 01	Prior 03
	<b>LIABILITIES</b>		
	Overdrafts..... 01		0
	Borrowed Money and Accrued Interest..... 02		0
	Payables:		
	Agents and Brokers..... 03		0
	Policyholders..... 04		0
	Other Insurers..... 05		0
	Subsidiaries, Associates & Joint Ventures..... 06	3,784	6,382
	Expenses due and accrued..... 07	1,029	751
	Income Taxes due and accrued..... 08		0
	Other Taxes due and accrued..... 09		18
	Policyholder Dividends and Rating Adjustments..... 10		0
	Encumbrances on Real Estate..... 11		0
	Unearned Premiums..... 12	512	676
	Unpaid Claims and Adjustment Expenses..... 13	1,072	1,411
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		0
	<b>Total Liabilities</b> ..... 29	<b>6,397</b>	<b>9,238</b>
	<b>EQUITY</b>		
	Shares issued and paid..... 41	4,000	4,000
	Contributed Surplus..... 42	1,000	1,000
	Retained Earnings..... 44	139	917
20.40	Reserves..... 45	0	0
20.40	Accumulated Other Comprehensive Income (Loss)..... 47	391	(12)
20.42	Non-controlling Interests..... 48		
	<b>Total Equity</b> ..... 49	<b>5,530</b>	<b>5,905</b>
	<b>TOTAL LIABILITIES AND EQUITY</b> ..... 89	<b>11,927</b>	<b>15,143</b>

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

		Current 01	Prior 03
<b>UNDERWRITING OPERATIONS</b>			
<b>Premiums Written</b>			
Direct	01	8,307	7,778
Reinsurance Assumed	02	0	0
Reinsurance Ceded	03	0	0
<b>Net Premiums Written</b>	04	8,307	7,778
Decrease (increase) in Net Unearned Premiums	05	(64)	291
<b>Net Premiums Earned</b>	06	8,243	8,069
Service Charges	07		0
Other	08		0
<b>Total Underwriting Revenue</b>	09	8,243	8,069
Gross Claims and Adjustment Expenses	62	425	868
Reinsurers' share of claims and adjustment expenses	64	0	0
<b>Net Claims and Adjustment Expenses</b>	10	425	868
Acquisition Expenses			
Gross Commissions	66	14	22
Ceded Commissions	68	0	
Taxes	12	274	267
Other	14	3,832	2,837
General Expenses	16	3,297	3,647
<b>Total Claims and Expenses</b>	19	7,842	7,641
Premium Deficiency Adjustments	20		0
<b>Underwriting income (Loss)</b>	29	401	428
<b>INVESTMENT OPERATIONS</b>			
Income	32	188	254
Realized Gains (Losses)	33	40	6
Expenses	34		0
<b>Net Investment Income</b>	39	228	260
<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	206	0
Finance costs	45		
Other Expenses	46		
<b>Net Income (Loss) before Income Taxes</b>	49	835	688
<b>INCOME TAXES</b>			
Current	50	73	144
Deferred	51	111	4
<b>Total Income Taxes</b>	59	184	148
Extraordinary Items (net of Income Taxes of \$'000 ) (CGAAP)	60		0
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	89	651	540
<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	758	877
Prior period adjustments:	02		0
	04		0
<b>Adjusted balance at beginning of year</b>	09	758	877
Net income (loss) for the Period	10	651	540
Dividends declared to shareholders	11	1,270	500
Decrease (increase) in Reserves	12		0
(Please Specify)	16		
Net increase (decrease) in Retained Earnings during the period	15	(619)	40
<b>Balance at end of Period</b>	89	139	917

**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	651	540
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans		0
	- Bonds and Debentures		0
	- Equities	51	(105)
	Reclassification to Earnings of (Gains) Losses	(39)	(6)
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses		0
	Reclassification to Earnings of (Gains) Losses		0
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses		0
	Impact of Hedging		0
	<b>Share of Other Comprehensive Income of</b>		
	<b>Subsidiaries, Associates &amp; Joint Ventures</b>		
	<b>Other</b>		0
	Total Other Comprehensive Income (Loss)	12	(111)
	<b>Total Comprehensive Income (Loss)</b>	<b>663</b>	<b>429</b>
	<b>Attributable to:</b>		
	Non-controlling Interests		
	Equity Holders		
	<b>Accumulated Other Comprehensive Income (Loss)</b>		
	Accumulated Gains (Losses) on:		
	<b>Available for Sale:</b>		
	- Loans		0
	- Bonds and Debentures		0
	- Equities	391	(12)
	<b>Derivatives Designated as Cash Flow Hedges</b>		0
	<b>Foreign Currency (net of hedging activities)</b>		0
	<b>Share of Other Comprehensive Income of</b>		
	<b>Subsidiaries, Associates &amp; Joint Ventures</b>		
	<b>Other</b>		0
20.20	Balance at end of Period	391	(12)

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

	Current 01	Prior 02
<b>Capital Available</b>		
Total Equity less Accumulated Other Comprehensive Income	5,139	5,917
Add:		
Subordinated Indebtedness and Redeemable Preferred Shares		0
Accumulated Other Comprehensive Income (Loss) on:		
Available for Sale Equity Securities	391	(12)
Available for Sale Debt Securities	0	0
Foreign Currency (Net of Hedging Activities)	0	0
Revaluation Losses in Excess of Gains on Own Use Properties (IFRS)		
Less:		
Accumulated net after-tax fair value gains (losses) arising from changes in the company's own credit risk		0
Unrealized Fair Value Gains (Losses) from Own Use Properties at Conversion (IFRS)		
Shadow Accounting Impact (IFRS)		
Assets with a Capital Requirement of 100%	0	0
IFRS Conversion Phase in (IFRS)		0
<b>Total Capital Available</b>	<b>5,530</b>	<b>5,905</b>
<b>Minimum Capital Required</b>		
Balance Sheet Assets	726	760
Unearned Premiums/Unpaid Claims/Premium Deficiencies	735	751
Catastrophes	0	0
Reinsurance Ceded to Unregistered Insurers	0	0
Structured Settlements, Letters of Credit, Derivatives and Other Exposures	0	0
<b>Minimum Capital Required</b>	<b>1,461</b>	<b>1,511</b>
<b>Excess Capital Available over Minimum Capital Required</b> (line 19 minus line 29)	<b>4,069</b>	<b>4,394</b>
<b>Line 19 as a % of line 29</b>	<b>378.51%</b>	<b>390.80%</b>