

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

		Current 01	Prior 03
Cash and Cash Equivalents	01	16,400	42,167
Investment Income due and accrued	02	2,071	2,252
Assets held for sale	50		
Investments:			
Short Term Investments	04	55,679	21,708
Bonds and Debentures	05	161,503	203,155
Mortgage Loans	06	22,755	21,508
Preferred Shares	07	13,398	13,164
Common Shares	08	89,902	79,197
Investment Properties	09	0	
Other Investments	10	0	
Total Investments (lines 04 to 10)	19	343,237	338,732
Receivables:			
Unaffiliated Agents and Brokers	20	0	
Policyholders	21	0	
Instalment Premiums	22	64,008	55,308
Other Insurers	23	4,233	2,780
"Facility Association" and the "PRR"	24	1,131	2,005
Subsidiaries, Associates & Joint Ventures	25	138	32
Income Taxes	26		7,684
Other Receivables	27	913	237
Recoverable from Reinsurers:			
Unearned Premiums	30	0	
Unpaid Claims and Adjustment Expenses	31	19,338	30,230
Other Recoverables on Unpaid Claims	37	0	
Interests in Subsidiaries, Associates & Joint Ventures	40	0	
Property and Equipment	41	36,113	0
Deferred Policy Acquisition Expenses	43	17,058	16,628
Current Tax Assets	52	5,687	
Deferred Tax Assets	44	2,291	(1,012)
Goodwill	54		
Intangible Assets	56	9,168	9,798
Other Assets	88	2,655	4,569
TOTAL ASSETS	89	524,441	511,410

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

Page		Current 01	Prior 03
	LIABILITIES		
	Overdrafts 01		
	Borrowed Money and Accrued Interest 02		
	Payables:		
	Agents and Brokers 03		
	Policyholders 04	481	96
	Other Insurers 05		
	Subsidiaries, Associates & Joint Ventures 06	5,545	4,888
	Expenses due and accrued 07	5,451	6,613
	Income Taxes due and accrued 08		
	Other Taxes due and accrued 09	12,003	9,479
	Policyholder Dividends and Rating Adjustments 10		
	Encumbrances on Real Estate 11		
	Unearned Premiums 12	119,103	115,254
	Unpaid Claims and Adjustment Expenses 13	238,355	232,636
80.10	Unearned Commissions 14	0	
	Premium Deficiency 15		
	Liabilities held for sale 17		
	Current Tax Liabilities 18		
	Deferred Tax Liabilities 21		
	Provisions and Other Liabilities 28	6,648	4,558
	Total Liabilities 29	387,586	373,524
	EQUITY		
	Shares issued and paid 41	4,000	4,000
	Contributed Surplus 42		
	Retained Earnings 44	132,855	128,751
20.40	Reserves 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) 47	0	5,135
	Non-controlling Interests 48		
	Total Equity 49	136,855	137,886
	TOTAL LIABILITIES AND EQUITY 89	524,441	511,410

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

		Current 01	Prior 03
UNDERWRITING OPERATIONS			
Premiums Written			
Direct	01	197,037	192,187
Reinsurance Assumed	02	0	
Reinsurance Ceded	03	6,414	8,532
Net Premiums Written	04	190,623	183,655
Decrease (increase) in Net Unearned Premiums	05	(6,806)	(5,941)
Net Premiums Earned	06	183,817	177,714
Service Charges	07	5,301	4,976
Other	08		
Total Underwriting Revenue	09	189,118	182,690
Gross Claims and Adjustment Expenses	62	143,941	136,936
Reinsurers' share of claims and adjustment expenses	64	3,921	13,491
Net Claims and Adjustment Expenses	10	140,020	123,445
Acquisition Expenses			
Gross Commissions	66	20,954	20,464
Ceded Commissions	68	0	
Taxes	12	5,813	5,668
Other	14	7,264	6,992
General Expenses	16	13,304	13,367
Total Claims and Expenses	19	187,355	169,936
Premium Deficiency Adjustments	20		
Underwriting Income (Loss)	29	1,763	12,754
INVESTMENT OPERATIONS			
Income	32	7,699	9,223
Realized Gains (Losses)	33	(4,537)	6,268
Expenses	34	744	650
Net Investment Income	39	2,418	14,841
OTHER REVENUE AND EXPENSES			
Income (Loss) from Ancillary Operations (net of Expenses of \$'000 _____)	40		
Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41		
Gain (losses) from fluctuations in Foreign Exchange Rates	42		
Other Revenues	44	820	145
Finance costs	45		
Other Expenses	46		
Net Income (Loss) before Income Taxes	49	5,001	27,740
INCOME TAXES			
Current	50	1,062	7,591
Deferred	51	(326)	0
Total Income Taxes	59	736	7,591
Extraordinary Items (net of Income Taxes of \$'000 _____) (CGAAP)	60		
NET INCOME (LOSS) FOR THE PERIOD	89	4,265	20,149
ATTRIBUTABLE TO:			
Non-controlling Interests	80		
Equity Holders	82	4,265	20,149

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		
	04		
Adjusted balance at beginning of year	09	133,590	113,602
Net income (loss) for the Period	10	4,265	20,149
Dividends declared to shareholders	11	5,000	5,000
Decrease (increase) in Reserves	12		
(Please Specify)	16		
Net increase (decrease) in Retained Earnings during the period	15	(735)	15,149
Balance at end of Period	89	132,855	128,751

RESERVES
(\$'000)

		Current 01	Prior 02
Earthquake Reserves			
Reserve Complement	90		
Premium Reserve	91		
Mortgages Reserve	95		
Nuclear Reserve	96		
General and Contingency Reserves	98		
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	4,265	20,149
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans 02		
	- Bonds and Debentures 03		
	- Equities 04		1,882
	Reclassification to Earnings of (Gains) Losses 05		
	Derivatives Designated as Cash Flow Hedges		
	Change in Unrealized Gains and Losses 06		
	Reclassification to Earnings of (Gains) Losses 07		
	Foreign Currency Translation		
	Change in Unrealized Gains and Losses 08		
	Impact of Hedging 09		
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures 11		
	Other 12		
	Total Other Comprehensive Income (Loss) 21	0	1,882
	Total Comprehensive Income (Loss) 39	4,265	22,031
	Attributable to:		
	Non-controlling Interests 60		
	Equity Holders 62	4,265	22,031

		Current (01)	Prior (03)
	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains (Losses) on:		
	Available for Sale:		
	- Loans 42		
	- Bonds and Debentures 43		
	- Equities 44		5,135
	Derivatives Designated as Cash Flow Hedges 45		
	Foreign Currency (net of hedging activities) 46		
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures 51		
	Other 49		
20.20	Balance at end of Period 59	0	5,135

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

		Current 01	Prior 02
Capital Available			
Total Equity less Accumulated Other Comprehensive Income	02	136,855	132,751
Add:			
Subordinated Indebtedness and Redeemable Preferred Shares	03		
Accumulated Other Comprehensive Income (Loss) on:			
Available for Sale Equity Securities	04	0	5,135
Available for Sale Debt Securities	06	0	
Foreign Currency (Net of Hedging Activities)	08	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		
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	2,291	9,798
	13		
IFRS Conversion Phase in (IFRS)	18		
Total Capital Available	19	134,564	128,088
Minimum Capital Required			
Balance Sheet Assets	20	30,168	23,244
Unearned Premiums/Unpaid Claims/Premium Deficiencies	22	29,284	27,707
Catastrophes	24	0	
Reinsurance Ceded to Unregistered Insurers	26	0	
Structured Settlements, Letters of Credit, Derivatives and Other Exposures	28	0	
	34		
Minimum Capital Required	29	59,452	50,951
Excess Capital Available over Minimum Capital Required			
(line 19 minus line 29)	89	75,112	77,137
Line 19 as a % of line 29	90	226.34%	251.39%