

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

		Current 01	Prior 03
Cash and Cash Equivalents	01	6,099	5,070
Investment Income due and accrued	02	1	62
Assets held for sale	50		
Investments:			
Short Term Investments	04	0	546
Bonds and Debentures	05	61	1,668
Mortgage Loans	06	0	0
Preferred Shares	07	156	154
Common Shares	08	257	280
Investment Properties	09	0	0
Other Investments	10	0	0
Total Investments (lines 04 to 10)	19	474	2,648
Receivables:			
Unaffiliated Agents and Brokers	20	214	761
Policyholders	21	0	0
Instalment Premiums	22	0	0
Other Insurers	23	310	563
"Facility Association" and the "PRR"	24	0	0
Subsidiaries, Associates & Joint Ventures	25	12	0
Income Taxes	26		0
Other Receivables	27	2	2
Recoverable from Reinsurers:			
Unearned Premiums	30	858	778
Unpaid Claims and Adjustment Expenses	31	1,836	1,293
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	181	567
Current Tax Assets	52		
Deferred Tax Assets	44	0	0
Goodwill	54		
Intangible Assets	56	48	59
Other Assets	88		
TOTAL ASSETS	89	10,035	11,803

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		237
	Policyholders 04		0
	Other Insurers 05	567	296
	Subsidiaries, Associates & Joint Ventures 06		0
	Expenses due and accrued 07	123	108
	Income Taxes due and accrued 08	247	355
	Other Taxes due and accrued 09	5	9
	Policyholder Dividends and Rating Adjustments 10		0
	Encumbrances on Real Estate 11		0
	Unearned Premiums 12	1,025	3,270
	Unpaid Claims and Adjustment Expenses 13	3,296	3,033
80.10	Unearned Commissions 14	185	153
	Premium Deficiency 15		0
	Liabilities held for sale 17		
	Current Tax Liabilities 18		
	Deferred Tax Liabilities 21		0
	Provisions and Other Liabilities 28		0
	Total Liabilities 29	5,448	7,461
	EQUITY		
	Shares issued and paid 41	6,480	6,480
	Contributed Surplus 42	4,593	4,593
	Retained Earnings 44	(6,486)	(6,731)
20.40	Reserves 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) 47	0	0
	Non-controlling Interests 48		
	Total Equity 49	4,587	4,342
	TOTAL LIABILITIES AND EQUITY 89	10,035	11,803

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

		Current 01	Prior 03
UNDERWRITING OPERATIONS			
Premiums Written			
Direct	01	6,820	10,525
Reinsurance Assumed	02	0	0
Reinsurance Ceded	03	5,850	8,050
Net Premiums Written	04	970	2,475
Decrease (increase) in Net Unearned Premiums	05	1,680	172
Net Premiums Earned	06	2,650	2,647
Service Charges	07		0
Other	08	59	69
Total Underwriting Revenue	09	2,709	2,716
Gross Claims and Adjustment Expenses	62	5,236	5,928
Reinsurers' share of claims and adjustment expenses	64	3,571	3,720
Net Claims and Adjustment Expenses	10	1,665	2,208
Acquisition Expenses			
Gross Commissions	66	366	696
Ceded Commissions	68	584	778
Taxes	12	278	376
Other	14	163	396
General Expenses	16	482	746
Total Claims and Expenses	19	2,370	3,644
Premium Deficiency Adjustments	20		0
Underwriting Income (Loss)	29	339	(928)
INVESTMENT OPERATIONS			
Income	32	24	133
Realized Gains (Losses)	33	(1)	19
Expenses	34		0
Net Investment Income	39	23	152
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		
Finance costs	45		
Other Expenses	46		
Net Income (Loss) before Income Taxes	49	362	(776)
INCOME TAXES			
Current	50		0
Deferred	51		0
Total Income Taxes	59	0	0
Extraordinary Items (net of Income Taxes of \$'000 _____) (CGAAP)	60		0
NET INCOME (LOSS) FOR THE PERIOD	89	362	(776)
ATTRIBUTABLE TO:			
Non-controlling Interests	80		
Equity Holders	82	362	(776)

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF RETAINED EARNINGS
(\$'000)

		Current 01	Prior 02
Balance at beginning of year	01	(6,848)	(5,955)
Prior period adjustments:	02		0
	04		0
Adjusted balance at beginning of year	09	(6,848)	(5,955)
Net income (loss) for the Period	10	362	(776)
Dividends declared to shareholders	11		0
Decrease (increase) in Reserves	12		0
(Please Specify)	16		
Net increase (decrease) in Retained Earnings during the period	15	362	(776)
Balance at end of Period	89	(6,486)	(6,731)

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	362	(776)
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans		0
	- Bonds and Debentures		0
	- Equities		0
	Reclassification to Earnings of (Gains) Losses		0
	Derivatives Designated as Cash Flow Hedges		
	Change in Unrealized Gains and Losses		0
	Reclassification to Earnings of (Gains) Losses		0
	Foreign Currency Translation		
	Change in Unrealized Gains and Losses		0
	Impact of Hedging		0
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures		
	Other		0
	Total Other Comprehensive Income (Loss)	0	0
	Total Comprehensive Income (Loss)	362	(776)
	Attributable to:		
	Non-controlling Interests		
	Equity Holders	362	(776)

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

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

		Current 01	Prior 02
Capital Available			
Total Equity less Accumulated Other Comprehensive Income	02	4,587	4,342
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	48	43
	13		0
IFRS Conversion Phase in (IFRS)	18		
Total Capital Available	19	4,539	4,299
Minimum Capital Required			
Balance Sheet Assets	20	97	239
Unearned Premiums/Unpaid Claims/Premium Deficiencies	22	115	288
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	212	527
Excess Capital Available over Minimum Capital Required			
(line 19 minus line 29)	89	4,327	3,772
Line 19 as a % of line 29	90	2141.04%	815.75%