

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

		Current	Prior
		01	03
Cash and Cash Equivalents	01	14,447	26,240
Investment Income due and accrued	02	204	284
Assets held for sale	50		
Investments:			
Short Term Investments	04	39,759	23,000
Bonds and Debentures	05	23,031	23,650
Mortgage Loans	06	0	0
Preferred Shares	07	95,881	78,071
Common Shares	08	46,371	46,843
Investment Properties	09	11,140	11,378
Other Investments	10	17,906	6,287
<b>Total Investments (lines 04 to 10)</b>	<b>19</b>	<b>234,088</b>	<b>189,229</b>
Receivables:			
Unaffiliated Agents and Brokers	20	0	0
Policyholders	21	2,966	2,203
Instalment Premiums	22	13,347	12,480
Other Insurers	23	0	0
"Facility Association" and the "PRR"	24	606	652
Subsidiaries, Associates & Joint Ventures	25	0	0
Income Taxes	26		0
Other Receivables	27	(317)	671
Recoverable from Reinsurers:			
Unearned Premiums	30	0	0
Unpaid Claims and Adjustment Expenses	31	587	404
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	939	762
Current Tax Assets	52		
Deferred Tax Assets	44	4,379	4,091
Goodwill	54		
Intangible Assets	56		
Other Assets	88	205	165
<b>TOTAL ASSETS</b>	<b>89</b>	<b>271,451</b>	<b>237,181</b>

**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	2,367	1,740
	Subsidiaries, Associates & Joint Ventures 06		0
	Expenses due and accrued 07	1,904	2,201
	Income Taxes due and accrued 08	(1,259)	521
	Other Taxes due and accrued 09	2,756	1,674
	Policyholder Dividends and Rating Adjustments 10		0
	Encumbrances on Real Estate 11		0
	Unearned Premiums 12	140,913	121,331
	Unpaid Claims and Adjustment Expenses 13	19,459	19,613
80.10	Unearned Commissions 14	0	0
	Premium Deficiency 15		0
	Liabilities held for sale 17		
	Current Tax Liabilities 18		
	Deferred Tax Liabilities 21	(2,417)	264
	Provisions and Other Liabilities 28	69	10
	<b>Total Liabilities 29</b>	<b>163,792</b>	<b>147,354</b>
	<b>EQUITY</b>		
	Shares issued and paid 41	11,500	11,500
	Contributed Surplus 42		0
	43		0
20.40	Retained Earnings 44	93,359	72,213
20.40	Reserves 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) 47	2,800	6,114
	Non-controlling Interests 48		
	<b>Total Equity 49</b>	<b>107,659</b>	<b>89,827</b>
	<b>TOTAL LIABILITIES AND EQUITY 89</b>	<b>271,451</b>	<b>237,181</b>

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

		Current 01	Prior 03
<b>UNDERWRITING OPERATIONS</b>			
<b>Premiums Written</b>			
Direct	01	116,759	94,386
Reinsurance Assumed	02	0	0
Reinsurance Ceded	03	8,508	7,016
<b>Net Premiums Written</b>	<b>04</b>	<b>108,251</b>	<b>87,370</b>
Decrease (increase) in Net Unearned Premiums	05	(16,504)	(12,019)
<b>Net Premiums Earned</b>	<b>06</b>	<b>91,747</b>	<b>75,351</b>
Service Charges	07		0
Other	08		0
<b>Total Underwriting Revenue</b>	<b>09</b>	<b>91,747</b>	<b>75,351</b>
Gross Claims and Adjustment Expenses	62	19,827	17,525
Reinsurers' share of claims and adjustment expenses	64	0	0
<b>Net Claims and Adjustment Expenses</b>	<b>10</b>	<b>19,827</b>	<b>17,525</b>
Acquisition Expenses			
Gross Commissions	66	48,974	36,371
Ceded Commissions	68	0	
Taxes	12	3,114	2,529
Other	14	1,080	1,052
General Expenses	16	3,799	3,397
<b>Total Claims and Expenses</b>	<b>19</b>	<b>76,794</b>	<b>60,874</b>
Premium Deficiency Adjustments	20		0
<b>Underwriting Income (Loss)</b>	<b>29</b>	<b>14,953</b>	<b>14,477</b>
<b>INVESTMENT OPERATIONS</b>			
Income	32	6,266	5,492
Realized Gains (Losses)	33	1,432	2,478
Expenses	34	47	6
<b>Net Investment Income</b>	<b>39</b>	<b>7,651</b>	<b>7,964</b>
<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	2,330	1,531
<b>Net Income (Loss) before Income Taxes</b>	<b>49</b>	<b>20,274</b>	<b>20,910</b>
<b>INCOME TAXES</b>			
Current	50	4,799	5,259
Deferred	51		0
<b>Total Income Taxes</b>	<b>59</b>	<b>4,799</b>	<b>5,259</b>
Extraordinary Items (net of Income Taxes of \$'000 _____ ) (CGAAP)	60		0
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>89</b>	<b>15,475</b>	<b>15,651</b>
<b>ATTRIBUTABLE TO:</b>			
Non-controlling Interests	80		
Equity Holders	82	15,475	15,651

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

		Current 01	Prior 02
<b>Balance at beginning of year</b>	01	80,384	56,562
Prior period adjustments:	02		0
	04		0
<b>Adjusted balance at beginning of year</b>	09	80,384	56,562
Net income (loss) for the Period	10	15,475	15,651
Dividends declared to shareholders	11	2,500	0
Decrease (increase) in Reserves	12		0
(Please Specify)	16		
Net increase (decrease) in Retained Earnings during the period	15	12,975	15,651
<b>Balance at end of Period</b>	89	93,359	72,213

**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	15,475	15,651
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans		0
	- Bonds and Debentures	507	401
	- Equities	(5,095)	1,980
	Reclassification to Earnings of (Gains) Losses	(1,572)	(1,765)
	<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     Subsidiaries, Associates &amp; Joint Ventures</b>		
	Other		0
	Total Other Comprehensive Income (Loss)	(6,160)	616
	<b>Total Comprehensive Income (Loss)</b>	9,315	16,267
	<b>Attributable to:</b>		
	Non-controlling Interests		
	Equity Holders	9,315	16,267

Page		Current (01)	Prior (03)
20.20	<b>Accumulated Other Comprehensive Income (Loss)</b>		
	Accumulated Gains (Losses) on:		
	<b>Available for Sale:</b>		
	- Loans		0
	- Bonds and Debentures	1,601	1,105
	- Equities	1,199	5,009
	<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     Subsidiaries, Associates &amp; Joint Ventures</b>		
	Other		0
	Balance at end of Period	2,800	6,114

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

		Current 01	Prior 02
<b>Capital Available</b>			
Total Equity less Accumulated Other Comprehensive Income	02	104,859	83,713
Add:			
Subordinated Indebtedness and Redeemable Preferred Shares	03		0
Accumulated Other Comprehensive Income (Loss) on:			
Available for Sale Equity Securities	04	1,199	5,009
Available for Sale Debt Securities	06	1,601	1,105
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	0
	13		0
IFRS Conversion Phase in (IFRS)	18		
<b>Total Capital Available</b>	19	<b>107,659</b>	<b>89,827</b>
<b>Minimum Capital Required</b>			
Balance Sheet Assets	20	16,042	13,883
Unearned Premiums/Unpaid Claims/Premium Deficiencies	22	13,209	11,592
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	<b>29,251</b>	<b>25,475</b>
<b>Excess Capital Available over Minimum Capital Required</b>			
(line 19 minus line 29)	89	78,408	64,352
<b>Line 19 as a % of line 29</b>	90	<b>368.05%</b>	<b>352.61%</b>