

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

		Current	Prior
		01	03
Cash and Cash Equivalents	01	520	383
Investment Income due and accrued	02	31	0
Assets held for sale	50		
Investments:			
Short Term Investments	04	0	0
Bonds and Debentures	05	50	51
Mortgage Loans	06	0	0
Preferred Shares	07	6,575	6,652
Common Shares	08	2,061	1,939
Investment Properties	09	0	0
Other Investments	10	0	0
Total Investments (lines 04 to 10)	19	8,686	8,642
Receivables:			
Unaffiliated Agents and Brokers	20	0	0
Policyholders	21	0	0
Instalment Premiums	22	0	0
Other Insurers	23	0	0
"Facility Association" and the "PRR"	24	0	0
Subsidiaries, Associates & Joint Ventures	25	622	33
Income Taxes	26	71	32
Other Receivables	27	1,649	1,583
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	143	177
Current Tax Assets	52		
Deferred Tax Assets	44	12	22
Goodwill	54		
Intangible Assets	56		
Other Assets	88	19	16
TOTAL ASSETS	89	11,753	10,888

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		0
	Policyholders 04		0
	Other Insurers 05		0
	Subsidiaries, Associates & Joint Ventures 06	3,976	1,758
	Expenses due and accrued 07	822	1,048
	Income Taxes due and accrued 08		0
	Other Taxes due and accrued 09		0
	Policyholder Dividends and Rating Adjustments 10		0
	Encumbrances on Real Estate 11		0
	Unearned Premiums 12	514	514
80.10	Unpaid Claims and Adjustment Expenses 13	932	1,613
	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
	Total Liabilities 29	6,244	4,933
	EQUITY		
	Shares issued and paid 41	4,000	4,000
	Contributed Surplus 42	1,000	1,000
	43		0
20.40	Retained Earnings 44	367	656
20.40	Reserves 45	0	0
20.42	Accumulated Other Comprehensive Income (Loss) 47	142	299
	Non-controlling Interests 48		
	Total Equity 49	5,509	5,955
	TOTAL LIABILITIES AND EQUITY 89	11,753	10,888

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

		Current 01	Prior 03
UNDERWRITING OPERATIONS			
Premiums Written			
Direct	01	12,319	12,371
Reinsurance Assumed	02	0	0
Reinsurance Ceded	03	0	0
Net Premiums Written	04	12,319	12,371
Decrease (increase) in Net Unearned Premiums	05	(66)	453
Net Premiums Earned	06	12,253	12,824
Service Charges	07		0
Other	08		0
Total Underwriting Revenue	09	12,253	12,824
Gross Claims and Adjustment Expenses	62	605	1,390
Reinsurers' share of claims and adjustment expenses	64	0	0
Net Claims and Adjustment Expenses	10	605	1,390
Acquisition Expenses			
Gross Commissions	66	20	29
Ceded Commissions	68	0	
Taxes	12	411	399
Other	14	5,533	4,829
General Expenses	16	4,823	5,493
Total Claims and Expenses	19	11,392	12,140
Premium Deficiency Adjustments	20		0
Underwriting Income (Loss)	29	861	684
INVESTMENT OPERATIONS			
Income	32	285	341
Realized Gains (Losses)	33	38	(141)
Expenses	34		0
Net Investment Income	39	323	200
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	1,184	884
INCOME TAXES			
Current	50	142	174
Deferred	51	113	1
Total Income Taxes	59	255	175
Extraordinary Items (net of Income Taxes of \$'000) (CGAAP)	60		0
NET INCOME (LOSS) FOR THE PERIOD	89	929	709
ATTRIBUTABLE TO:			
Non-controlling Interests	80		
Equity Holders	82	929	709

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

		Current 01	Prior 02
Balance at beginning of year	01	758	877
Prior period adjustments:	02		0
	04		0
Adjusted balance at beginning of year	09	758	877
Net income (loss) for the Period	10	929	709
Dividends declared to shareholders	11	1,320	930
Decrease (increase) in Reserves	12		0
(Please Specify)	16		
Net increase (decrease) in Retained Earnings during the period	15	(391)	(221)
Balance at end of Period	89	367	656

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

Tax Effective Rate for Mortgage Reserve

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	929	709
	Other Comprehensive Income (Loss):		
	Available for Sale:		
	Change in Unrealized Gains and Losses:		
	- Loans		0
	- Bonds and Debentures		0
	- Equities	(200)	87
	Reclassification to Earnings of (Gains) Losses	(38)	113
	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)	(238)	200
	Total Comprehensive Income (Loss)	691	909
	Attributable to:		
	Non-controlling Interests		
	Equity Holders	691	909
	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains (Losses) on:		
	Available for Sale:		
	- Loans		0
	- Bonds and Debentures		0
	- Equities	142	299
	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
20.20	Balance at end of Period	142	299

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

		Current 01	Prior 02
Capital Available			
Total Equity less Accumulated Other Comprehensive Income	02	5,367	5,656
Add:			
Subordinated Indebtedness and Redeemable Preferred Shares	03		0
Accumulated Other Comprehensive Income (Loss) on:			
Available for Sale Equity Securities	04	142	299
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	0	0
	13		0
IFRS Conversion Phase in (IFRS)	18		
Total Capital Available	19	5,509	5,955
Minimum Capital Required			
Balance Sheet Assets	20	717	630
Unearned Premiums/Unpaid Claims/Premium Deficiencies	22	704	805
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	1,421	1,435
Excess Capital Available over Minimum Capital Required			
(line 19 minus line 29)	89	4,088	4,520
Line 19 as a % of line 29	90	387.68%	414.98%