

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (03)	Opening Prior Year Restated (05)
		Cash and Cash Equivalents	17,053	10,031	
		Investment Income due and accrued	374	328	
		Assets held for sale	0	0	
		Investments:			
40.12		Short Term Investments	26	406	
40.22		Bonds and Debentures	34,603	66,721	
40.32		Mortgage Loans	0	0	
40.42		Preferred Shares	206,571	136,089	
40.52		Common Shares	76,646	60,227	
40.70		Investment Properties	19,991	20,265	
40.80		Other Loans and Invested Assets	23,841	19,803	
40.07		Total Investments (lines 04 to 10)	361,678	303,511	0
		Receivables:			
50.20		Unaffiliated Agents and Brokers	0	0	
		Policyholders	6,040	4,292	
50.30		Instalment Premiums	17,243	15,657	
		Other Insurers	0	0	
50.40		Facility Association and the "P.R.R."	81	149	
50.20		Subsidiaries, Associates & Joint Ventures	753	343	
		Other Receivables	13	0	
		Recoverable from Reinsurers:			
60.10		Unearned Premiums	0	0	
60.30		Unpaid Claims and Adjustment Expenses	975	640	
		Other Recoverables on Unpaid Claims		0	
50.40		Interests in Subsidiaries, Associates & Joint Ventures	0	0	
40.70		Property and Equipment	73	59	
		Deferred Policy Acquisition Expenses	12,144	9,882	
		Current Tax Assets	37	0	
		Deferred Tax Assets	3,792	4,462	
		Goodwill	0	0	
		Intangible Assets	0	0	
		Defined Benefit Pension Plan Assets	0	0	
		Other Assets	234	136	
		TOTAL ASSETS	420,490	349,490	0

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LIABILITIES AND EQUITY
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (03)	Opening Prior Year (05)
		LIABILITIES			
		Overdrafts 01	0	0	
		Borrowed Money and Accrued Interest 02	0	0	
		Payables:			
50.20		Agents and Brokers 03	0	0	
		Policyholders 04	0	0	
50.30		Other Insurers 05	0	0	
50.40		Subsidiaries, Associates & Joint Ventures 06	991	275	
		Expenses due and accrued 07	2,130	1,980	
		Other Taxes due and accrued 09	5,119	4,263	
		Policyholder Dividends and Rating Adjustments 10	0	0	
40.70		Encumbrances on Real Estate 11	0	0	
60.10		Unearned Premiums 12	234,646	191,432	
60.30		Unpaid Claims and Adjustment Expenses 13	24,640	21,038	
80.10		Unearned Commissions 14	0	0	
		Premium Deficiency 15	0	0	
		Liabilities held for sale 17	0	0	
		Current Tax Liabilities 18	0	197	
		Deferred Tax Liabilities 21	0	0	
		Self-Insured Retention (SIR) portion of unpaid claims 22	0	0	
		Defined Benefit Pension Plan Obligation 23	0	0	
		Employment Benefits (not including amounts on line 23 above) 24	0	0	
		Subordinated Debt 25	0	0	
		Preferred Shares - Debt 26	0	0	
		Provisions and Other Liabilities 28	0	0	
		Total Liabilities 29	267,526	219,185	0
		EQUITY			
		Shares issued and paid 41	11,500	11,500	
		Contributed Surplus 42	0	0	
		(Specify) 43	0	0	
20.40		Retained Earnings 44	134,577	112,489	
20.40		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	6,887	6,316	
		Total Policyholders/Shareholders' Equity 59	152,964	130,305	0
		Non-controlling Interests 48	0	0	
		Total Equity 49	152,964	130,305	0
		TOTAL LIABILITIES AND EQUITY 89	420,490	349,490	0

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct	01 135,469	110,719
70.21		Reinsurance Assumed	02 0	0
70.21		Reinsurance Ceded	03 23,166	16,371
60.20		Net Premiums Written	04 112,303	94,348
		Decrease (increase) in Net Unearned Premiums	05 (43,214)	(36,032)
60.20		Net Premiums Earned	06 69,089	58,316
		Service Charges	07 0	0
		Other	08 0	0
		Total Underwriting Revenue	09 69,089	58,316
		Gross Claims and Adjustment Expenses	62 41,656	32,995
		Reinsurers' share of claims and adjustment expenses	64 3,404	1,817
60.20		Net Claims and Adjustment Expenses	10 38,252	31,178
		Acquisition Expenses		
80.10		Gross Commissions	66 336	399
80.10		Ceded Commissions	68 0	0
		Taxes	12 3,389	2,914
80.20		Other	14 1,274	1,531
80.20		General Expenses	16 6,267	6,046
		Total Claims and Expenses	19 49,518	42,068
		Premium Deficiency Adjustments	20 0	0
40.07		Underwriting Income (Loss)	29 19,571	16,248
		INVESTMENT OPERATIONS		
		Income	32 10,072	8,606
		Realized Gains (Losses)	33 3,699	423
		Expenses	34 936	53
		Net Investment Income	39 12,835	8,976
		OTHER REVENUE AND EXPENSES		
		Income (Loss) from Ancillary Operations (net of Expenses of \$'000)	40 0	0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41 0	0
		Gain (Losses) from fluctuations in Foreign Exchange Rates	42 538	(318)
		Other Revenues	44 5,931	4,371
		Finance costs	45 0	0
		Other Expenses	46 6,040	3,458
		Net Income (Loss) before Income Taxes	49 32,835	25,819
		INCOME TAXES		
		Current	50 5,077	5,167
		Deferred	51 670	(13)
		Total Income Taxes	59 5,747	5,154
		NET INCOME (LOSS) FOR THE YEAR	89 27,088	20,665
		ATTRIBUTABLE TO:		
		Non-controlling Interests	80 0	0
		Equity Holders	82 27,088	20,665

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF RETAINED EARNINGS
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (02)
20.30		Balance at beginning of year	112,489	96,824
		Prior period adjustments:	0	0
		(Specify)	0	0
		Adjusted balance at beginning of year	112,489	96,824
		Net income (loss) for the year	27,088	20,665
		Dividends declared to shareholders	5,000	5,000
		Decrease (increase) in Reserves	0	0
		(Specify)	0	0
		Net increase (decrease) in Retained Earnings during the year	22,088	15,665
		Balance at end of Year	134,577	112,489

RESERVES
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (02)
		Earthquake Reserves		
		Reserve Complement	0	0
		Premium Reserve	0	0
		Mortgage Reserve	0	0
		Nuclear Reserve	0	0
		General and Contingency Reserves	0	0
		Total Reserves	0	0

CONSOLIDATED FINANCIAL STATEMENTS
COMPREHENSIVE INCOME (LOSS)
and
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (03)
20.30		Comprehensive Income (Loss)		
		Net Income 01	27,088	20,665
		Other Comprehensive Income (Loss):		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		Change in Unrealized Gains and Losses:		
		- Loans 02	0	0
		- Bonds and Debentures 03	3	212
		- Equities 04	2,811	1,363
		Reclassification of (Gains) Losses to Net Income 05	(1,846)	(317)
		Derivatives Designated as Cash Flow Hedges		
		Change in Unrealized Gains and Losses 06	0	0
		Reclassification of (Gains) Losses to Net Income 07	0	0
		Foreign Currency Translation		
		Change in Unrealized Gains and Losses 08	(397)	238
		Impact of Hedging 09	0	0
		Other 18		
		Subtotal of items that may be reclassified subsequently to Net Income 19	571	1,496
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus 31	0	0
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures 11	0	0	
	Remeasurements of Defined Benefit Plans 34			
	Other 12			
	Subtotal of items that will not be reclassified subsequently to Net Income 29	0	0	
	Total Other Comprehensive Income (Loss) 21	571	1,496	
	Total Comprehensive Income (Loss) 39	27,659	22,161	
	Attributable to:			
	Non-controlling Interests 60	0	0	
	Equity Holders 62	27,659	22,161	
20.20		Accumulated Other Comprehensive Income (Loss)		
		Accumulated Gains (Losses) on:		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		- Loans 42	0	0
		- Bonds and Debentures 43	264	261
		- Equities 44	6,623	6,055
		Derivatives Designated as Cash Flow Hedges 45	0	0
		Foreign Currency (net of hedging activities) 46	0	0
		Other 68		
		Subtotal of items that may be reclassified subsequently to Net Income 69	6,887	6,316
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus 71	0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures 51	0	0
		Remeasurements of Defined Benefit Plans 74		
		Other 49		
		Subtotal of items that will not be reclassified subsequently to Net Income 79	0	0
	Balance at end of Year 59	6,887	6,316	

CONSOLIDATED

MINIMUM CAPITAL TEST
(\$'000)

		Current Year (01)	Prior Year (02)
Capital Available			
Total Equity less Accumulated Other Comprehensive Income	02	146,077	123,989
Add:			
Subordinated Indebtedness and Redeemable Preferred Shares	03		0
Accumulated Other Comprehensive Income (Loss) on:			
Available for Sale Equity Securities	04	6,623	6,055
Available for Sale Debt Securities	06	264	261
Foreign Currency (Net of Hedging Activities)	08	0	0
Share of Other Comprehensive Income of non-qualifying Subsidiaries,	36	0	0
Remeasurements of Defined Benefit Plans	42		
Revaluation Losses in Excess of Gains on Own Use Properties	32		0
(Specify)	30		0
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	15		0
Shadow Accounting Impact	16		0
Assets with a Capital Requirement of 100%	17	2,849	3,137
(Specify)	13		0
Accumulated Other Comprehensive Income (Loss) on Remeasurements of	44		
Total Capital Available	19	150,115	127,168
Minimum Capital Required			
Balance Sheet Assets	20	27,823	21,808
Unearned Premiums/Unpaid Claims/Premium Deficiencies	22	20,870	17,276
Catastrophes	24	0	0
Reinsurance Ceded to Unregistered Insurers	26	0	0
Interest Rate Risk	38	116	319
Foreign Exchange Risk (for future use only)	40		
Structured Settlements, Letters of Credit, Derivatives and Other Exposures	28	0	89
(Specify)	34		0
Minimum Capital Required	29	48,809	39,492
Excess Capital Available over Minimum Capital Required (line 19 minus line 29)	89	101,306	87,676
Line 19 as a % of line 29	90	307.56%	322.01%
Minimum Gross Capital Level	96	5,253	4,342