

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

Reference Page	FS Notes Reference		Current Period		Prior Period		Opening Prior Period Restated	
			Total	Vested in Trust*	Total	Vested in Trust*	Total	Vested in Trust*
			(01)	(02)	(03)	(04)	(05)	(06)
		Cash and Cash Equivalents	01	23,293		36,847		
		Investment Income due and accrued	02	834		691		
		Assets held for sale	50	0		0		
		Investments:						
		Short Term Investments	04	0		0		
		Bonds and Debentures	05	127,985		97,641		
		Mortgage Loans	06	0		0		
		Preferred Shares	07	0		0		
		Common Shares	08	35,583		32,871		
		Investment Properties	09	9,006		9,006		
		Other Loans and Invested Assets	10	3,186		3,879		
40.07		Total Investments (lines 04 to 10)	19	175,760		143,397	0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20	9,806		10,195		
		Policyholders	21	0		0		
		Instalment Premiums	22	37,159		33,979		
		Other Insurers	23	2,152		1,684		
		Facility Association and the "P.R.R."	24	9,268		8,561		
50.40		Subsidiaries, Associates & Joint Ventures	25	0		0		
50.20		Other Receivables	27	878		634		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	46,046		29,106		
60.30		Unpaid Claims and Adjustment Expenses	31	38,516		40,978		
		Other Recoverables on Unpaid Claims	37	0		0		
50.32		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
40.70		Property and Equipment	41	5,873		5,972		
		Deferred Policy Acquisition Expenses	43	28,915		26,604		
		Current Tax Assets	52	165		2,558		
		Deferred Tax Assets	44	686		504		
		Goodwill	54	0		0		
		Intangible Assets	56	695		972		
		Defined Benefit Pension Plan	58	0		0		
		Other Assets	88	474		424		
		TOTAL ASSETS	89	380,520		343,106	0	

* Foreign insurers: Excludes deposits of reinsurers held in special trust accounts.

CONSOLIDATED FINANCIAL STATEMENTS
LIABILITIES, EQUITY, HEAD OFFICE ACCOUNT, RESERVES & AOCI
(S'000)

Reference Page	FS Notes Reference		Current Period	Prior Period	Opening Prior Period Restated
			(01)	(03)	(05)
		LIABILITIES			
		Overdrafts	01	0	0
		Borrowed Money and Accrued Interest	02	0	0
		Payables:			
50.20		Agents and Brokers	03	7,153	5,228
		Policyholders	04	0	0
50.30		Other Insurers	05	20,216	5,619
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	2,207	3,323
		Other Taxes due and accrued	09	8,524	7,485
		Policyholder Dividends and Rating Adjustments	10		0
40.70		Encumbrances on Real Estate	11	0	0
60.10		Unearned Premiums	12	116,368	107,898
60.30		Unpaid Claims and Adjustment Expenses	13	122,985	117,454
80.10		Unearned Commissions	14	14,456	7,707
		Ceded Deferred Premium Taxes	20	0	0
		Ceded Deferred Insurance Operations Expenses	34	0	0
		Premium Deficiency	15	0	0
		Liabilities held for sale	17	0	0
		Current Tax Liabilities	18	0	(70)
		Deferred Tax Liabilities	21	2,278	2,176
		Self-Insured Retention (SIR) portion of unpaid claims	22	0	0
		Defined Benefit Pension Plan	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	10,757	10,530
		Total Liabilities	29	304,944	267,350
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	2,000	2,000
		Preferred	33	0	0
		Contributed Surplus	42	9,362	9,362
		(Specify)	43	0	0
20.54		Retained Earnings	44	61,788	60,485
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	2,426	3,909
		Total Policyholders/Shareholders' Equity	59	75,576	75,756
		Non-controlling Interests	48	0	0
		Total Equity	49	75,576	75,756
		TOTAL LIABILITIES AND EQUITY	89	380,520	343,106
		FOREIGN INSURERS ONLY:			
		HEAD OFFICE ACCOUNT, RESERVES & AOCI			
20.45		Head Office Account	51		
		(Specify)	53		
20.45		Reserves	55		
20.42		Accumulated Other Comprehensive Income (Loss)	56		
		Total Head Office Account, Reserves & AOCI	69		
		TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES & AOCI	79		

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

Reference Page	FS Notes Reference		Current Period	Prior Period
			(01)	(03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct	01 230,503	213,607
70.21		Reinsurance Assumed	02 0	0
70.21		Reinsurance Ceded	03 95,246	73,649
60.20		Net Premiums Written	04 135,257	139,958
		Decrease (increase) in Net Unearned Premiums	05 8,470	(8,132)
60.20		Net Premiums Earned	06 143,727	131,826
		Service Charges	07 2,734	2,417
		Other	08 0	0
		Total Underwriting Revenue	09 146,461	134,243
		Gross Claims and Adjustment Expenses	62 130,819	129,787
		Reinsurers' share of claims and adjustment expenses	64 39,585	44,747
60.20		Net Claims and Adjustment Expenses	10 91,234	85,040
		Acquisition Expenses		
80.10		Gross Commissions	66 44,703	39,099
80.10		Ceded Commissions	68 15,889	13,019
		Taxes	12 7,629	6,957
80.20		Other	14 (253)	(130)
80.20		General Expenses	16 23,120	22,765
		Total Claims and Expenses	19 150,544	140,712
		Premium Deficiency Adjustments	20	0
		Underwriting Income (Loss)	29 (4,083)	(6,469)
40.07		INVESTMENT OPERATIONS		
		Income	32 5,695	4,640
		Realized Gains (Losses)	33 944	2,769
		Expenses	34 452	431
		Net Investment Income	39 6,187	6,978
		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 (76)	(84)
		Gain (Losses) from fluctuations in Foreign Exchange Rates	42 0	0
		Other Revenues	44 432	463
		Finance costs	45 0	0
		Other Expenses	46 0	0
		Net Income (Loss) before Income Taxes	49 2,460	888
		INCOME TAXES		
		Current	50 855	233
		Deferred	51 (80)	(57)
		Total Income Taxes	59 775	176
		NET INCOME (LOSS) FOR THE YEAR	89 1,685	712
		ATTRIBUTABLE TO:		
		Non-controlling Interests	80 0	0
		Equity Holders	82 1,685	712

(04)

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

Reference Page	FS Notes Reference		Current Period	Prior Period	
			(01)	(03)	
20.30		Comprehensive Income (Loss)			
		Net Income	01	1,685	712
		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	14	1,140
		- Equities	04	(295)	1,441
		Reclassification of (Gains) Losses to Net Income	05	(1,202)	(2,428)
		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	0	0
		Impact of Hedging	09	0	0
		Other	18	0	0
		Subtotal of items that may be reclassified subsequently to Net Income	19	(1,483)	153
		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	0	0	
	Other	12	0	0	
	Subtotal of items that will not be reclassified subsequently to Net Income	29	0	0	
	Total Other Comprehensive Income (Loss)	21	(1,483)	153	
	Total Comprehensive Income (Loss)	39	202	865	
	Attributable to:				
	Non-controlling Interests	60	0	0	
	Equity Holders	62	202	865	
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	592	572
		- Equities	44	1,475	2,978
		Derivatives Designated as Cash Flow Hedges	45	0	0
		Foreign Currency (net of hedging activities)	46	0	0
		Other	68	0	0
		Subtotal of items that may be reclassified subsequently to Net Income	69	2,067	3,550
		Items that will not be reclassified subsequently to Net Income:			
		Revaluation Surplus	71	359	359
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	51	0	0
		Remeasurements of Defined Benefit Plans	74	0	0
		Other	49	0	0
		Subtotal of items that will not be reclassified subsequently to Net Income	79	359	359
	Balance at end of Year	59	2,426	3,909	

CONSOLIDATED

**MINIMUM CAPITAL TEST/BRANCH ADEQUACY OF ASSETS TEST: CAPITAL (MARGIN) REQUIRED AND
MCT (BAAT) RATIO
(\$'000)**

		Current Period (01)
Capital Available:		
Capital available (from page 30.62 - capital available)	01	73,280
Phase-in of capital available	03	1,506
Total Capital Available	09	71,774
Assets Available:		
Net Assets Available (from page 30.92 - net assets available)	11	
Phase-in of net assets available	13	
Total Net Assets Available	19	
Capital (Margin) Required at Target:		
Insurance Risk:		
Premium liabilities	20	10,614
Unpaid claims	22	9,694
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	20,308
Market Risk:		
Interest rate risk	30	1,894
Foreign exchange risk	32	1,695
Equity risk	34	10,675
Real estate risk	36	1,913
Other market risk exposures	38	269
Subtotal: Market risk margin	39	16,446
Credit Risk:		
Counterparty default risk for balance sheet assets	40	4,686
Counterparty default risk for off-balance sheet exposures	42	0
Counterparty default risk for unregistered reinsurance collateral and SIRs	44	0
Subtotal: Credit risk margin	49	4,686
Operational risk margin	50	11,666
Less: Diversification credit	52	5,550
Total Capital (Margin) Required at Target	59	47,556
Minimum Capital (Margin) Required (line 59 / 1.5)	60	31,704
Phase-in of Capital (Margin) Required	62	1,374
Total Minimum Capital (Margin) Required	69	30,330
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	41,444
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	236.64%

Note: See Section VI of the P&C instructions and the MCT Guideline.