

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	22,894		20,226			
		Investment Income due and accrued	1,404		2,152			
		Assets held for sale	0		0			
		Investments:						
40.12		Short Term Investments	0		0			
40.22		Bonds and Debentures	119,571		124,205			
40.32		Mortgage Loans	0		0			
40.42		Preferred Shares	0		0			
40.52		Common Shares	25,091		29,253			
40.70		Investment Properties	7,987		9,006			
40.80		Other Loans and Invested Assets	5,544		4,157			
40.07		Total Investments (lines 04 to 10)	158,193		166,621		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	8,835		9,194			
		Policyholders			0			
		Instalment Premiums	37,005		40,531			
		Other Insurers	1,510		5,062			
		Facility Association and the "P.R.R."	7,677		8,821			
50.40		Subsidiaries, Associates & Joint Ventures	0		0			
50.20		Other Receivables	603		861			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	43,021		46,562			
60.30		Unpaid Claims and Adjustment Expenses	78,515		152,069			
		Other Recoverables on Unpaid Claims			0			
		Investments Accounted for Using the Equity Method:						
50.32		Interests in Subsidiaries, Associates & Joint Ventures	0		0			
		Pooled Funds						
40.70		Property and Equipment	4,956		5,580			
		Deferred Policy Acquisition Expenses	28,409		29,385			
		Current Tax Assets	650		2,171			
		Deferred Tax Assets	4,414		686			
		Goodwill			0			
		Intangible Assets	349		487			
		Defined Benefit Pension Plan			0			
		Other Assets	491		526			
		TOTAL ASSETS	398,926		490,934		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
		(55)	(01)	(03)	(05)
		LIABILITIES			
		Overdrafts	01	0	
		Borrowed Money and Accrued Interest	02	0	
		Payables:			
		Agents and Brokers	03	5,269	5,526
		Policyholders	04		0
		Other Insurers	05	4,568	5,854
		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	3,418	2,853
		Other Taxes due and accrued	09	7,242	7,492
		Policyholder Dividends and Rating Adjustments	10		0
		Encumbrances on Real Estate	11		0
		Unearned Premiums	12	111,097	119,184
		Unpaid Claims and Adjustment Expenses	13	177,654	247,867
		Unearned Commissions	14	11,919	13,403
		Ceded Deferred Premium Taxes	20		0
		Ceded Deferred Insurance Operations Expenses	34		0
		Premium Deficiency	15		0
		Liabilities held for sale	17		0
		Current Tax Liabilities	18	27	0
		Deferred Tax Liabilities	21	2,124	2,278
		Self-Insured Retention (SIR) portion of unpaid claims	22		0
		Defined Benefit Pension Plan	23		0
		Employment Benefits (not including amounts on line 23 above)	24		0
		Subordinated Debt	25		0
		Preferred Shares - Debt	26		0
		Provisions and Other Liabilities	28	11,233	15,731
		Total Liabilities	29	334,551	420,188
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	2,000	2,000
		Preferred	33		0
		Contributed Surplus	42	9,362	9,362
		(Specify)	43		0
		Retained Earnings	44	51,892	56,290
		Reserves	45	0	0
		Accumulated Other Comprehensive Income (Loss)	47	1,121	3,094
		Total Policyholders/Shareholders' Equity	59	64,375	70,746
		Non-controlling Interests	48	0	0
		Total Equity	49	64,375	70,746
		TOTAL LIABILITIES AND EQUITY	89	398,926	490,934
		FOREIGN INSURERS ONLY:			
		HEAD OFFICE ACCOUNT, RESERVES & AOCI			
		Head Office Account	51		
		(Specify)	53		
		Reserves	55		
		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	01 163,176	176,597
70.21		Reinsurance Assumed	02 0	0
70.21		Reinsurance Ceded	03 67,552	81,805
60.20		Net Premiums Written	04 95,624	94,792
		Decrease (increase) in Net Unearned Premiums	05 1,665	(2,300)
60.20		Net Premiums Earned	06 97,289	92,492
		Service Charges	07 2,126	2,234
		Other	08	0
		Total Underwriting Revenue	09 99,415	94,726
		Gross Claims and Adjustment Expenses	62 103,964	229,050
		Reinsurers' share of claims and adjustment expenses	64 34,410	160,834
60.20		Net Claims and Adjustment Expenses	10 69,554	68,216
		Acquisition Expenses		
80.10		Gross Commissions	66 32,382	34,059
80.10		Ceded Commissions	68 17,153	19,614
		Taxes	12 6,647	6,844
80.20		Other	14	0
80.20		General Expenses	16 17,421	18,099
		Total Claims and Expenses	19 108,851	107,604
		Premium Deficiency Adjustments	20	0
		Underwriting Income (Loss)	29 (9,436)	(12,878)
40.07		INVESTMENT OPERATIONS		
		Income	32 4,021	3,487
		Gains (Losses) from FVO or FVTPL	35 0	0
		Realized Gains (Losses)	33 (950)	1,888
		Expenses	34 334	346
		Net Investment Income	39 2,737	5,029
		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	41 177	15
		Share of Net Income (Loss) of Pooled Funds using Equity Method	47	
		Gain (Losses) from fluctuations in Foreign Exchange Rates	42	0
		Other Revenues	44 328	251
		Finance costs	45	0
		Other Expenses	46	0
		Net Income (Loss) before Income Taxes	49 (6,194)	(7,583)
		INCOME TAXES		
		Current	50 41	(2,135)
		Deferred	51 (1,778)	0
		Total Income Taxes	59 (1,737)	(2,135)
		NET INCOME (LOSS) FOR THE YEAR	89 (4,457)	(5,448)
		ATTRIBUTABLE TO:		
		Non-controlling Interests	80	0
		Equity Holders	82 (4,457)	(5,448)

(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 (4,457)	(5,448)
		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 (2,081)	428
		- Equities	04 661	1,581
		Reclassification of (Gains) Losses to Net Income	05 674	(1,341)
		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
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)	14	
		Other	18 0	0
		Subtotal of items that may be reclassified subsequently to Net Income	19 (746)	668
		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 (746)	668	
	Total Comprehensive Income (Loss)	39 (5,203)	(4,780)	
	Attributable to:			
	Non-controlling Interests	60 0	0	
	Equity Holders	62 (5,203)	(4,780)	
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 (781)	(4,298)
		- Equities	44 1,794	7,033
		Derivatives Designated as Cash Flow Hedges	45 0	0
		Foreign Currency (net of hedging activities)	46 0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)	52 0	
		Other	68 0	0
		Subtotal of items that may be reclassified subsequently to Net Income	69 1,013	2,735
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus	71 108	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	79 108	359	
	Balance at end of Year	59 1,121	3,094	

CONSOLIDATED

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

	(55)	Current Period (01)
Capital Available:		
Capital available (from page 30.62 - capital available)	01	62,654
Phase-in of capital available	03	188
(Specify)	08	
Total Capital Available	09	62,466
Assets Available:		
Net Assets Available (from page 30.92 - net assets available)	11	
Phase-in of net assets available	13	
(Specify)	18	
Total Net Assets Available	19	
Capital (Margin) Required at Target:		
Insurance Risk:		
Premium liabilities	20	9,725
Unpaid claims	22	11,471
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	21,196
Market Risk:		
Interest rate risk	30	1,121
Foreign exchange risk	32	749
Equity risk	34	7,527
Real estate risk	36	1,700
Other market risk exposures	38	220
Subtotal: Market risk margin	39	11,317
Credit Risk:		
Counterparty default risk for balance sheet assets	40	6,240
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	6,240
Operational risk margin	50	10,971
Less: Diversification credit	52	5,143
Total Capital (Margin) Required at Target	59	44,581
Minimum Capital (Margin) Required (line 59 / 1.5)	60	29,721
Phase-in of Capital (Margin) Required	62	172
(Specify)	68	0
Total Minimum Capital (Margin) Required	69	29,549
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	32,917
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	211.40%

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