

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(S'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	20,226		16,446		
		Investment Income due and accrued	02	2,152		967		
		Assets held for sale	50			0		
		Investments						
40 12		Short Term Investments	04			0		
40 22		Bonds and Debentures	05	124,205		132,047		
40 32		Mortgage Loans	06			0		
40 42		Preferred Shares	07			0		
40 52		Common Shares	08	29,253		33,602		
40 70		Investment Properties	09	9,006		9,006		
40 80		Other Loans and Invested Assets	10	4,157		3,345		
40 07		Total Investments (lines 04 to 10)	19	166,621		178,000	0	
		Receivables:						
50 20		Unaffiliated Agents and Brokers	20	9,194		10,212		
		Policyholders	21			0		
		Instalment Premiums	22	40,531		38,036		
		Other Insurers	23	5,062		2,202		
		"Facility Association" and the "P.R.R."	24	8,821		8,855		
50 40		Subsidiaries, Associates & Joint Ventures	25	0		0		
50 20		Other Receivables	27	861		764		
		Recoverable from Reinsurers:						
60 10		Unearned Premiums	30	46,562		30,174		
60 30		Unpaid Claims and Adjustment Expenses	31	152,069		40,287		
		Other Recoverables on Unpaid Claims	37			0		
50 32		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
40 70		Property and Equipment	41	5,580		5,738		
		Deferred Policy Acquisition Expenses	43	29,385		28,682		
		Current Tax Assets	52	2,171		420		
		Deferred Tax Assets	44	686		504		
		Goodwill	54			0		
		Intangible Assets	56	487		897		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	526		527		
		TOTAL ASSETS	89	490,934		362,711	0	

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:			
50.20		Agents and Brokers 03	5,526	4,960	
		Policyholders 04		0	
50.30		Other Insurers 05	5,854	6,341	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates 06	0	0	
		Expenses due and accrued 07	2,853	3,079	
		Other Taxes due and accrued 09	7,492	6,605	
		Policyholder Dividends and Rating Adjustments 10		0	
40.70		Encumbrances on Real Estate 11		0	
60.10		Unearned Premiums 12	119,184	115,818	
60.30		Unpaid Claims and Adjustment Expenses 13	247,867	129,025	
80.10		Unearned Commissions 14	13,403	8,799	
		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		0	
		Deferred Tax Liabilities 21	2,278	2,176	
		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	15,731	10,661	
		Total Liabilities 29	420,188	287,464	0
		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	
20.54		Retained Earnings 44	56,290	61,284	
20.45		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	3,094	2,601	
		Total Policyholders/Shareholders' Equity 59	70,746	75,247	0
		Non-controlling Interests 48	0	0	
		Total Equity 49	70,746	75,247	0
		TOTAL LIABILITIES AND EQUITY 89	490,934	362,711	0
		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
(S'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct	01	176,597
70 21		Reinsurance Assumed	02	0
70 21		Reinsurance Ceded	03	81,805
60 20		Net Premiums Written	04	94,792
		Decrease (increase) in Net Unearned Premiums	05	(2,300)
60 20		Net Premiums Earned	06	92,492
		Service Charges	07	2,234
		Other	08	0
		Total Underwriting Revenue	09	94,726
		Gross Claims and Adjustment Expenses	62	229,050
		Reinsurers' share of claims and adjustment expenses	64	160,834
60 20		Net Claims and Adjustment Expenses	10	68,216
		Acquisition Expenses		
80 10		Gross Commissions	66	34,059
80 10		Ceded Commissions	68	19,614
		Taxes	12	6,844
80 20		Other	14	0
80 20		General Expenses	16	18,099
		Total Claims and Expenses	19	107,604
		Premium Deficiency Adjustments	20	0
		Underwriting Income (Loss)	29	(12,878)
40 07		INVESTMENT OPERATIONS		
		Income	32	3,487
		Realized Gains (Losses)	33	1,888
		Expenses	34	346
		Net Investment Income	39	5,029
		OTHER REVENUE AND EXPENSES		
		Income (Loss) from Ancillary Operations (net of Expenses of S'000)	40	0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41	15
		Gains (losses) from fluctuations in Foreign Exchange Rates	42	0
		Other Revenues	44	251
		Finance costs	45	0
		Other Expenses	46	0
		Net Income (Loss) before Income Taxes	49	(7,583)
		INCOME TAXES		
		Current	50	(2,135)
		Deferred	51	0
		Total Income Taxes	59	(2,135)
		NET INCOME (LOSS) FOR THE YEAR	89	(5,448)
		ATTRIBUTABLE TO:		
		Non-controlling Interests	80	0
		Equity Holders	82	(5,448)

CONSOLIDATED FINANCIAL STATEMENTS

COMPREHENSIVE INCOME (LOSS)
and
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
(S'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
20.30		Comprehensive Income (Loss)		
		Net Income	01	(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
		- Bonds and Debentures	03	428
		- Equities	04	1,581
		Reclassification of (Gains) Losses to Net Income	05	(1,341)
		Derivatives Designated as Cash Flow Hedges		
		Change in Unrealized Gains and Losses	06	0
		Reclassification of (Gains) Losses to Net Income	07	0
		Foreign Currency Translation		
		Change in Unrealized Gains and Losses	08	0
		Impact of Hedging	09	0
		Other	18	0
		Subtotal of items that may be reclassified subsequently to Net Income	19	668
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus	31	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	11	0
		Remeasurements of Defined Benefit Plans	34	0
		Other	12	0
		Subtotal of items that will not be reclassified subsequently to Net Income	29	0
		Total Other Comprehensive Income (Loss)	21	668
		Total Comprehensive Income (Loss)	39	(4,780)
		Attributable to:		
		Non-controlling Interests	60	0
		Equity Holders	62	(4,780)
				(130)
		Accumulated Other Comprehensive Income (Loss)		
		Accumulated Gains (Losses) on:		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		- Loans	42	0
		- Bonds and Debentures	43	(4,298)
		- Equities	44	7,033
		Derivatives Designated as Cash Flow Hedges	45	0
		Foreign Currency (net of hedging activities)	46	0
		Other	68	0
		Subtotal of items that may be reclassified subsequently to Net Income	69	2,735
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus	71	359
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	51	0
		Remeasurements of Defined Benefit Plans	74	0
		Other	49	0
		Subtotal of items that will not be reclassified subsequently to Net Income	79	359
20.20		Balance at end of Period	59	3,094
				2,601

CONSOLIDATED

REQUIRED AND MCT (BAAT) RATIO
(S'000)

(55)	Current Period (01)
Capital Available:	
Capital available (from page 30.62 - capital available) 01	68,658
Phase-in of capital available 03	941
(Specify) 08	
Total Capital Available 09	67,717
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	10,725
Unpaid claims 22	11,182
Catastrophes 24	0
Margin required for reinsurance ceded to unregistered insurers 26	0
Subtotal: Insurance risk margin 29	21,907
Market Risk:	
Interest rate risk 30	1,412
Foreign exchange risk 32	1,422
Equity risk 34	8,776
Real estate risk 36	1,909
Other market risk exposures 38	243
Subtotal: Market risk margin 39	13,762
Credit Risk:	
Counterparty default risk for balance sheet assets 40	7,327
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	7,327
Operational risk margin 50	12,584
Less: Diversification credit 52	5,758
Total Capital (Margin) Required at Target 59	49,822
Minimum Capital (Margin) Required (line 59 / 1.5) 60	33,215
Phase-in of Capital (Margin) Required 62	859
(Specify) 68	0
Total Minimum Capital (Margin) Required 69	32,356
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required 79	35,361
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69) 90	209.29%

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