

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	24,504		24,518		
		Investment Income due and accrued	02	993		787		
		Assets held for sale	50			0		
		Investments:						
40.12		Short Term Investments	04			0		
40.22		Bonds and Debentures	05	111,672		87,860		
40.32		Mortgage Loans	06			0		
40.42		Preferred Shares	07			0		
40.52		Common Shares	08	33,204		31,313		
40.70		Investment Properties	09	9,006		9,006		
40.80		Other Loans and Invested Assets	10	3,719		2,696		
40.07		Total Investments (lines 04 to 10)	19	157,601		130,875	0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20	8,588		7,923		
		Policyholders	21			0		
		Instalment Premiums	22	30,553		27,570		
		Other Insurers	23	2,224		3,234		
		"Facility Association" and the "P.R.R."	24	7,551		7,764		
50.40		Subsidiaries, Associates & Joint Ventures	25	0		0		
50.20		Other Receivables	27	769		995		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	27,045		24,176		
60.20		Unpaid Claims and Adjustment Expenses	31	38,402		39,145		
		Other Recoverables on Unpaid Claims	37			0		
50.32		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
40.70		Property and Equipment	41	5,841		5,776		
		Deferred Policy Acquisition Expenses	43	25,034		22,620		
		Current Tax Assets	52	115		8,925		
		Deferred Tax Assets	44	504		441		
		Goodwill	54			0		
		Intangible Assets	56	961		1,180		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	483		315		
		TOTAL ASSETS	89	331,168		306,244	0	

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

Reference Page	FS Notes Reference		Current Period	Prior Period	Opening Prior Period Restated
			(01)	(03)	(05)
		LIABILITIES			
		Overdrafts 01		0	
		Borrowed Money and Accrued Interest 02		0	
		Payables:			
50.20		Agents and Brokers 03	2,601	2,344	
		Policyholders 04		0	
50.30		Other Insurers 05	3,665	2,236	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates 06	0	0	
		Expenses due and accrued 07	2,474	3,248	
		Other Taxes due and accrued 09	2,199	1,906	
		Policyholder Dividends and Rating Adjustments 10		0	
40.70		Encumbrances on Real Estate 11		0	
60.10		Unearned Premiums 12	100,832	91,044	
60.30		Unpaid Claims and Adjustment Expenses 13	118,150	110,328	
80.10		Unearned Commissions 14	7,210	6,538	
		Ceded Deferred Premium Taxes 20			
		Ceded Deferred Insurance Operations Expenses 34			
		Premium Deficiency 15		0	
		Liabilities held for sale 17		0	
		Current Tax Liabilities 18	1,559	21	
		Deferred Tax Liabilities 21	2,176	2,327	
		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	10,543	7,880	
		Total Liabilities 29	251,409	227,872	0
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common 41	2,000	2,000	
		Preferred 33			
		Contributed Surplus 42	9,362	9,362	
		(Specify) 43		0	
20.54		Retained Earnings 44	62,868	62,194	
20.45		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	5,529	4,816	
		Total Policyholders/Shareholders' Equity 59	79,759	78,372	0
		Non-controlling Interests 48		0	
		Total Equity 49	79,759	78,372	0
		TOTAL LIABILITIES AND EQUITY 89	331,168	306,244	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	Prior Period
			(01)	(03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct 01	45,835	42,220
70.21		Reinsurance Assumed 02	0	0
70.21		Reinsurance Ceded 03	14,252	13,729
60.20		Net Premiums Written 04	31,583	28,491
		Decrease (increase) in Net Unearned Premiums 05	5,005	3,792
60.20		Net Premiums Earned 06	36,588	32,283
		Service Charges 07	641	565
		Other 08		0
		Total Underwriting Revenue 09	37,229	32,848
		Gross Claims and Adjustment Expenses 62	28,760	24,754
		Reinsurers' share of claims and adjustment expenses 64	7,153	6,588
60.20		Net Claims and Adjustment Expenses 10	21,607	18,166
		Acquisition Expenses		
80.10		Gross Commissions 66	10,096	9,034
80.10		Ceded Commissions 68	3,498	3,062
		Taxes 12	1,820	1,641
80.20		Other 14		0
80.20		General Expenses 16	5,672	5,335
		Total Claims and Expenses 19	35,697	31,114
		Premium Deficiency Adjustments 20		0
		Underwriting Income (Loss) 29	1,532	1,734
40.07		INVESTMENT OPERATIONS		
		Income 32	814	769
		Realized Gains (Losses) 33	1,448	930
		Expenses 34	113	72
		Net Investment Income 39	2,149	1,627
		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	(6)	(48)
		Gains (losses) from fluctuations in Foreign Exchange Rates 42		0
		Other Revenues 44	160	128
		Finance costs 45		0
		Other Expenses 46		0
		Net Income (Loss) before Income Taxes 49	3,835	3,441
		INCOME TAXES		
		Current 50	1,073	875
		Deferred 51		0
		Total Income Taxes 59	1,073	875
		NET INCOME (LOSS) FOR THE PERIOD 89	2,762	2,566
		ATTRIBUTABLE TO:		
		Non-controlling Interests 80		0
		Equity Holders 82	2,762	2,566

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	2,762	2,566
		Other Comprehensive Income (Loss):		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		Change in Unrealized Gains and Losses:		
		- Loans	0	0
		- Bonds and Debentures	807	(518)
		- Equities	1,876	(1,220)
		Reclassification of (Gains) Losses to Net Income	(1,064)	679
		Derivatives Designated as Cash Flow Hedges		
		Change in Unrealized Gains and Losses	0	0
		Reclassification of (Gains) Losses to Net Income	0	0
		Foreign Currency Translation		
		Change in Unrealized Gains and Losses	0	0
		Impact of Hedging	0	0
		Other	0	0
		Subtotal of items that may be reclassified subsequently to Net Income	1,619	(1,059)
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus	0	0
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	0	0	
	Remeasurements of Defined Benefit Plans	0	0	
	Other	0	0	
	Subtotal of items that will not be reclassified subsequently to Net Income	0	0	
	Total Other Comprehensive Income (Loss)	1,619	(1,059)	
	Total Comprehensive Income (Loss)	4,381	1,507	
	Attributable to:			
	Non-controlling Interests	0	0	
	Equity Holders	4,381	1,507	
20.20		Accumulated Other Comprehensive Income (Loss)		
		Accumulated Gains (Losses) on:		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		- Loans	0	0
		- Bonds and Debentures	(4,004)	(4,645)
		- Equities	9,174	9,102
		Derivatives Designated as Cash Flow Hedges	0	0
		Foreign Currency (net of hedging activities)	0	0
		Other	0	0
		Subtotal of items that may be reclassified subsequently to Net Income	5,170	4,457
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus	359	359
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	0	0
		Remeasurements of Defined Benefit Plans	0	0
		Other	0	0
		Subtotal of items that will not be reclassified subsequently to Net Income	359	359
	Balance at end of Period	5,529	4,816	

CONSOLIDATED

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

		Current Period (01)
Capital Available:		
Capital available (from page 30.62 - capital available)	01	77,197
Phase-in of capital available	03	2,070
Total Capital Available	09	75,127
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	10,607
Unpaid claims	22	9,141
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	19,748
Market Risk:		
Interest rate risk	30	1,772
Foreign exchange risk	32	1,696
Equity risk	34	9,961
Real estate risk	36	1,917
Other market risk exposures	38	262
Subtotal: Market risk margin	39	15,608
Credit Risk:		
Counterparty default risk for balance sheet assets	40	4,340
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	4,340
Operational risk margin	50	10,659
Less: Diversification credit	52	5,318
Total Capital (Margin) Required at Target	59	45,037
Minimum Capital (Margin) Required (line 59 / 1.5)	60	30,025
Phase-in of Capital (Margin) Required	62	1,889
Total Minimum Capital (Margin) Required	69	28,136
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	46,991
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	267.01%

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