

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	14,604		33,827		
		Investment Income due and accrued	02	784		622		
		Assets held for sale	50	0		0		
		Investments						
40.12		Short Term Investments	04	0		0		
40.22		Bonds and Debentures	05	127,456		87,902		
40.32		Mortgage Loans	06	0		0		
40.42		Preferred Shares	07	0		0		
40.52		Common Shares	08	34,045		32,731		
40.70		Investment Properties	09	9,006		9,006		
40.80		Other Loans and Invested Assets	10	3,572		4,266		
40.07		Total Investments (lines 04 to 10)	19	174,079		133,905		0
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20	11,352		10,929		
		Policyholders	21			0		
		Instalment Premiums	22	34,981		31,189		
		Other Insurers	23	2,188		1,511		
		"Facility Association" and the "P.R.R."	24	9,182		7,570		
50.40		Subsidiaries, Associates & Joint Ventures	25	0		0		
50.20		Other Receivables	27	715		1,018		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	29,111		26,658		
60.30		Unpaid Claims and Adjustment Expenses	31	36,770		39,161		
		Other Recoverables on Unpaid Claims	37			0		
50.32		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
40.70		Property and Equipment	41	5,855		5,801		
		Deferred Policy Acquisition Expenses	43	27,257		24,622		
		Current Tax Assets	52	116		8,645		
		Deferred Tax Assets	44	504		441		
		Goodwill	54			0		
		Intangible Assets	56	911		1,110		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	627		401		
		TOTAL ASSETS	89	349,036		327,410		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	4,224	3,734	
		Policyholders 04		0	
50.30		Other Insurers 05	5,587	6,802	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates 06	0	0	
		Expenses due and accrued 07	2,454	3,222	
		Other Taxes due and accrued 09	4,432	3,803	
		Policyholder Dividends and Rating Adjustments 10		0	
40.70		Encumbrances on Real Estate 11		0	
60.10		Unearned Premiums 12	110,287	100,021	
60.30		Unpaid Claims and Adjustment Expenses 13	119,813	112,924	
80.10		Unearned Commissions 14	7,801	7,086	
		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	1,603	18	
		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	10,535	8,532	
		Total Liabilities 29	268,912	248,469	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	63,852	62,294	
20.45		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	4,910	5,285	
		Total Policyholders/Shareholders' Equity 59	80,124	78,941	0
		Non-controlling Interests 48		0	
		Total Equity 49	80,124	78,941	0
		TOTAL LIABILITIES AND EQUITY 89	349,036	327,410	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	110,292	100,575
70.21		Reinsurance Assumed	02	0	0
70.21		Reinsurance Ceded	03	33,868	33,147
60.20		Net Premiums Written	04	76,424	67,428
		Decrease (increase) in Net Unearned Premiums	05	(2,384)	(2,703)
60.20		Net Premiums Earned	06	74,040	64,725
		Service Charges	07	1,296	1,149
		Other	08		0
		Total Underwriting Revenue	09	75,336	65,874
		Gross Claims and Adjustment Expenses	62	60,805	53,689
		Reinsurers' share of claims and adjustment expenses	64	16,866	16,062
60.20		Net Claims and Adjustment Expenses	10	43,939	37,627
		Acquisition Expenses			
80.10		Gross Commissions	66	20,760	18,497
80.10		Ceded Commissions	68	7,226	6,058
		Taxes	12	3,708	3,340
80.20		Other	14		0
80.20		General Expenses	16	11,991	11,566
		Total Claims and Expenses	19	73,172	64,972
		Premium Deficiency Adjustments	20		0
		Underwriting Income (Loss)	29	2,164	902
40.07		INVESTMENT OPERATIONS			
		Income	32	1,634	1,456
		Realized Gains (Losses)	33	1,359	1,414
		Expenses	34	225	183
		Net Investment Income	39	2,768	2,687
		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	(12)	(79)
		Gains (losses) from fluctuations in Foreign Exchange Rates	42		0
		Other Revenues	44	282	217
		Finance costs	45		0
		Other Expenses	46		0
		Net Income (Loss) before Income Taxes	49	5,202	3,727
		INCOME TAXES			
		Current	50	1,454	1,061
		Deferred	51		0
		Total Income Taxes	59	1,454	1,061
		NET INCOME (LOSS) FOR THE PERIOD	89	3,748	2,666
		ATTRIBUTABLE TO:			
		Non-controlling Interests	80		0
		Equity Holders	82	3,748	2,666

CONSOLIDATED FINANCIAL STATEMENTS

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

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
20.30		Comprehensive Income (Loss)		
		Net Income	3,748	2,666
		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	371	688
		- Equities	1,628	1,984
		Reclassification of (Gains) Losses to Net Income	(999)	(1,144)
		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	1,000	1,528
		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)	1,000	1,528
		Total Comprehensive Income (Loss)	4,748	4,194
		Attributable to:		
		Non-controlling Interests	0	0
		Equity Holders	4,748	4,194
		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	(3,912)	(4,426)
		- Equities	8,463	9,352
		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	4,551	4,926
		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
20.20		Balance at end of Period	4,910	5,285

CONSOLIDATED

REQUIRED AND MCT (BAAT) RATIO
(\$'000)

		Current Period (01)
Capital Available:		
Capital available (from page 30.62 - capital available)	01	77,610
Phase-in of capital available	03	1,882
Total Capital Available	09	75,728
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	11,692
Unpaid claims	22	9,608
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	21,300
Market Risk:		
Interest rate risk	30	2,226
Foreign exchange risk	32	1,627
Equity risk	34	10,214
Real estate risk	36	1,916
Other market risk exposures	38	265
Subtotal: Market risk margin	39	16,248
Credit Risk:		
Counterparty default risk for balance sheet assets	40	4,453
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	4,453
Operational risk margin	50	11,012
Less: Diversification credit	52	5,626
Total Capital (Margin) Required at Target	59	47,387
Minimum Capital (Margin) Required (line 59 / 1.5)	60	31,591
Phase-in of Capital (Margin) Required	62	1,717
Total Minimum Capital (Margin) Required	69	29,874
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	45,854
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	253.49%