

## 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	16,446		30,695		
		Investment Income due and accrued	02	967		835		
		Assets held for sale	50	0		0		
		Investments:						
40.12		Short Term Investments	04	0		0		
40.22		Bonds and Debentures	05	132,047		97,089		
40.32		Mortgage Loans	06	0		0		
40.42		Preferred Shares	07	0		0		
40.52		Common Shares	08	33,602		34,427		
40.70		Investment Properties	09	9,006		9,006		
40.80		Other Loans and Invested Assets	10	3,345		4,020		
40.07		Total Investments (lines 04 to 10)	19	178,000		144,542		0
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20	10,212		9,805		
		Policyholders	21	0		0		
		Instalment Premiums	22	38,036		34,093		
		Other Insurers	23	2,202		2,278		
		"Facility Association" and the "P.R.R."	24	8,855		7,981		
50.40		Subsidiaries, Associates & Joint Ventures	25	0		0		
50.20		Other Receivables	27	764		792		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	30,174		28,029		
60.30		Unpaid Claims and Adjustment Expenses	31	40,287		47,521		
		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	5,738		5,962		
		Deferred Policy Acquisition Expenses	43	28,682		26,047		
		Current Tax Assets	52	420		3,081		
		Deferred Tax Assets	44	504		441		
		Goodwill	54	0		0		
		Intangible Assets	56	897		1,047		
		Defined Benefit Pension Plan	58	0		0		
		Other Assets	88	527		523		
		<b>TOTAL ASSETS</b>	<b>89</b>	<b>362,711</b>		<b>343,672</b>		<b>0</b>

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)
		<b>LIABILITIES</b>			
		Overdrafts	01	0	0
		Borrowed Money and Accrued Interest	02	0	0
		Payables:			
50.20		Agents and Brokers	03	4,960	4,388
		Policyholders	04	0	0
50.30		Other Insurers	05	6,341	6,527
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	3,079	4,180
		Other Taxes due and accrued	09	6,605	5,703
		Policyholder Dividends and Rating Adjustments	10	0	0
40.70		Encumbrances on Real Estate	11	0	0
60.10		Unearned Premiums	12	115,818	105,820
60.30		Unpaid Claims and Adjustment Expenses	13	129,025	124,554
80.10		Unearned Commissions	14	8,799	7,681
		Ceded Deferred Premium Taxes	20		
		Ceded Deferred Insurance Operations Expenses	34		
		Premium Deficiency	15	0	0
		Liabilities held for sale	17	0	0
		Current Tax Liabilities	18	0	17
		Deferred Tax Liabilities	21	2,176	2,327
		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	10,661	8,411
		<b>Total Liabilities</b>	29	287,464	269,608
		<b>CANADIAN INSURERS ONLY:</b>			
		<b>EQUITY</b>			
		Shares issued and paid			
		Common	41	2,000	2,000
		Preferred	33		
		Contributed Surplus	42	9,362	9,362
		(Specify)	43	0	0
20.54		Retained Earnings	44	61,284	57,982
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	2,601	4,720
		<b>Total Policyholders/Shareholders' Equity</b>	59	75,247	74,064
		Non-controlling Interests	48	0	0
		<b>Total Equity</b>	49	75,247	74,064
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	362,711	343,672
		<b>FOREIGN INSURERS ONLY:</b>			
		<b>HEAD OFFICE ACCOUNT, RESERVES &amp; AOCI</b>			
20.45		Head Office Account	51		
		(Specify)	53		
20.45		Reserves	55		
20.42		Accumulated Other Comprehensive Income (Loss)	56		
		<b>Total Head Office Account, Reserves &amp; AOCI</b>	69		
		<b>TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES &amp; AOCI</b>	79		

CONSOLIDATED FINANCIAL STATEMENTS  
STATEMENT OF INCOME  
(S'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)	
		<b>UNDERWRITING OPERATIONS</b>			
		<b>Premiums Written</b>			
		Direct	01	172,534	158,227
70.21		Reinsurance Assumed	02	0	0
70.21		Reinsurance Ceded	03	54,458	55,052
60.20		<b>Net Premiums Written</b>	04	118,076	103,175
		Decrease (increase) in Net Unearned Premiums	05	(6,852)	(7,131)
60.20		<b>Net Premiums Earned</b>	06	111,224	96,044
		Service Charges	07	2,013	1,776
		Other	08	0	0
		<b>Total Underwriting Revenue</b>	09	113,237	97,820
		Gross Claims and Adjustment Expenses	62	102,118	100,941
		Reinsurers' share of claims and adjustment expenses	64	30,515	37,807
60.20		<b>Net Claims and Adjustment Expenses</b>	10	71,603	63,134
		Acquisition Expenses			
80.10		Gross Commissions	66	31,646	28,339
80.10		Ceded Commissions	68	10,790	9,441
		Taxes	12	5,655	5,122
80.20		Other	14	0	0
80.20		General Expenses	16	17,982	17,433
		<b>Total Claims and Expenses</b>	19	116,096	104,587
		Premium Deficiency Adjustments	20	0	0
40.07		<b>Underwriting Income (Loss)</b>	29	(2,859)	(6,767)
		<b>INVESTMENT OPERATIONS</b>			
		Income	32	2,675	2,506
		Realized Gains (Losses)	33	1,833	2,002
		Expenses	34	338	276
		<b>Net Investment Income</b>	39	4,170	4,232
		<b>OTHER REVENUE AND EXPENSES</b>			
		Income (Loss) from Ancillary Operations (net of Expenses of \$'000 )	40	0	0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41	(32)	(87)
		Gains (losses) from fluctuations in Foreign Exchange Rates	42		0
		Other Revenues	44	352	375
		Finance costs	45		0
		Other Expenses	46		0
		<b>Net Income (Loss) before Income Taxes</b>	49	1,631	(2,247)
		<b>INCOME TAXES</b>			
		Current	50	453	(601)
		Deferred	51	0	0
		<b>Total Income Taxes</b>	59	453	(601)
		<b>NET INCOME (LOSS) FOR THE PERIOD</b>	89	1,178	(1,646)
		<b>ATTRIBUTABLE TO:</b>			
		Non-controlling Interests	80		0
		Equity Holders	82	1,178	(1,646)

## 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		<b>Comprehensive Income (Loss)</b>		
		Net Income	1,178	(1,646)
		Other Comprehensive Income (Loss):		
		<b>Items that may be reclassified subsequently to Net Income:</b>		
		<b>Available for Sale:</b>		
		Change in Unrealized Gains and Losses:		
		- Loans	0	0
		- Bonds and Debentures	(158)	417
		- Equities	195	2,120
		Reclassification of (Gains) Losses to Net Income	(1,345)	(1,574)
		<b>Derivatives Designated as Cash Flow Hedges</b>		
		Change in Unrealized Gains and Losses	0	0
		Reclassification of (Gains) Losses to Net Income	0	0
		<b>Foreign Currency Translation</b>		
		Change in Unrealized Gains and Losses	0	0
		Impact of Hedging	0	0
		<b>Other</b>	0	0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	(1,308)	963
		<b>Items that will not be reclassified subsequently to Net Income:</b>		
		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
		<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	0	0
		<b>Total Other Comprehensive Income (Loss)</b>	(1,308)	963
		<b>Total Comprehensive Income (Loss)</b>	(130)	(683)
		<b>Attributable to:</b>		
		Non-controlling Interests	0	0
		Equity Holders	(130)	(683)
		<b>Accumulated Other Comprehensive Income (Loss)</b>		
		Accumulated Gains (Losses) on:		
		<b>Items that may be reclassified subsequently to Net Income:</b>		
		<b>Available for Sale:</b>		
		- Loans	0	0
		- Bonds and Debentures	(4,736)	(4,853)
		- Equities	6,978	9,214
		<b>Derivatives Designated as Cash Flow Hedges</b>	0	0
		<b>Foreign Currency (net of hedging activities)</b>	0	0
		<b>Other</b>	0	0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	2,242	4,361
		<b>Items that will not be reclassified subsequently to Net Income:</b>		
		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
		<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	359	359
20.20		<b>Balance at end of Period</b>	2,601	4,720

## CONSOLIDATED

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

		Current Period (01)
<b>Capital Available:</b>		
Capital available (from page 30.62 - capital available)	01	72,748
Phase-in of capital available	03	1,694
<b>Total Capital Available</b>	<b>09</b>	<b>71,054</b>
<b>Assets Available:</b>		
Net Assets Available (from page 30.92 - net assets available)	11	
Phase-in of net assets available	13	
<b>Total Net Assets Available</b>	<b>19</b>	
<b>Capital (Margin) Required at Target:</b>		
<b>Insurance Risk:</b>		
Premium liabilities	20	12,475
Unpaid claims	22	10,345
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	25
Subtotal: Insurance risk margin	29	22,845
<b>Market Risk:</b>		
Interest rate risk	30	2,970
Foreign exchange risk	32	1,533
Equity risk	34	10,081
Real estate risk	36	1,915
Other market risk exposures	38	254
Subtotal: Market risk margin	39	16,753
<b>Credit Risk:</b>		
Counterparty default risk for balance sheet assets	40	4,360
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	4,360
Operational risk margin	50	11,260
Less: Diversification credit	52	5,879
<b>Total Capital (Margin) Required at Target</b>	<b>59</b>	<b>49,339</b>
Minimum Capital (Margin) Required (line 59 / 1.5)	60	32,893
Phase-in of Capital (Margin) Required	62	1,545
<b>Total Minimum Capital (Margin) Required</b>	<b>69</b>	<b>31,348</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79</b>	<b>39,706</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90</b>	<b>226.66%</b>

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