

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	0	
		Borrowed Money and Accrued Interest 02	0	0	
		Payables:			
50.20		Agents and Brokers 03	3,445	2,601	
		Policyholders 04	0	0	
50.30		Other Insurers 05	5,276	3,665	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates 06	0	0	
		Expenses due and accrued 07	2,990	2,474	
		Other Taxes due and accrued 09	2,239	2,199	
		Policyholder Dividends and Rating Adjustments 10	0	0	
40.70		Encumbrances on Real Estate 11	0	0	
60.10		Unearned Premiums 12	107,516	100,832	
60.30		Unpaid Claims and Adjustment Expenses 13	119,577	118,150	
80.10		Unearned Commissions 14	14,982	7,210	
		Ceded Deferred Premium Taxes 20	0	0	
		Ceded Deferred Insurance Operations Expenses 34	0	0	
		Premium Deficiency 15	0	0	
		Liabilities held for sale 17	0	0	
		Current Tax Liabilities 18	1,047	1,559	
		Deferred Tax Liabilities 21	2,277	2,176	
		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	10,388	10,543	
		Total Liabilities 29	269,737	251,409	0
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common 41	2,000	2,000	
		Preferred 33	0	0	
		Contributed Surplus 42	9,362	9,362	
		(Specify) 43	0	0	
20.54		Retained Earnings 44	65,398	62,868	
20.45		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	1,943	5,529	
		Total Policyholders/Shareholders' Equity 59	78,703	79,759	0
		Non-controlling Interests 48	0	0	
		Total Equity 49	78,703	79,759	0
		TOTAL LIABILITIES AND EQUITY 89	348,440	331,168	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
(\$'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct	01 48,135	45,835
70.21		Reinsurance Assumed	02 0	0
70.21		Reinsurance Ceded	03 20,636	14,252
60.20		Net Premiums Written	04 27,499	31,583
		Decrease (increase) in Net Unearned Premiums	05 5,366	5,005
60.20		Net Premiums Earned	06 32,865	36,588
		Service Charges	07 720	641
		Other	08 0	0
		Total Underwriting Revenue	09 33,585	37,229
		Gross Claims and Adjustment Expenses	62 26,180	28,760
		Reinsurers' share of claims and adjustment expenses	64 10,243	7,153
60.20		Net Claims and Adjustment Expenses	10 15,937	21,607
		Acquisition Expenses		
80.10		Gross Commissions	66 11,583	10,096
80.10		Ceded Commissions	68 5,851	3,498
		Taxes	12 1,958	1,820
80.20		Other	14 0	0
80.20		General Expenses	16 6,079	5,672
		Total Claims and Expenses	19 29,706	35,697
		Premium Deficiency Adjustments	20 0	0
		Underwriting Income (Loss)	29 3,879	1,532
40.07		INVESTMENT OPERATIONS		
		Income	32 1,197	814
		Realized Gains (Losses)	33 26	1,448
		Expenses	34 116	113
		Net Investment Income	39 1,107	2,149
		OTHER REVENUE AND EXPENSES		
		Income (Loss) from Ancillary Operations (net of Expenses of \$'000)	40 0	0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41 10	(6)
		Gains (losses) from fluctuations in Foreign Exchange Rates	42 0	0
		Other Revenues	44 86	160
		Finance costs	45 0	0
		Other Expenses	46 0	0
		Net Income (Loss) before Income Taxes	49 5,082	3,835
		INCOME TAXES		
		Current	50 1,422	1,073
		Deferred	51 0	0
		Total Income Taxes	59 1,422	1,073
		NET INCOME (LOSS) FOR THE YEAR	89 3,660	2,762
		ATTRIBUTABLE TO:		
		Non-controlling Interests	80 0	0
		Equity Holders	82 3,660	2,762

(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	3,660	2,762
		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	(23)	807
		- Equities	04	(441)	1,876
		Reclassification of (Gains) Losses to Net Income	05	(19)	(1,064)
		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
		Other	18	0	0
		Subtotal of items that may be reclassified subsequently to Net Income	19	(483)	1,619
		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	(483)	1,619		
Total Comprehensive Income (Loss)	39	3,177	4,381		
Attributable to:					
Non-controlling Interests	60	0	0		
Equity Holders	62	3,177	4,381		
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	(4,534)	(4,004)
		- Equities	44	6,118	9,174
		Derivatives Designated as Cash Flow Hedges	45	0	0
		Foreign Currency (net of hedging activities)	46	0	0
		Other	68	0	0
		Subtotal of items that may be reclassified subsequently to Net Income	69	1,584	5,170
		Items that will not be reclassified subsequently to Net Income:			
		Revaluation Surplus	71	359	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	359	359		
Balance at end of Period	59	1,943	5,529		

CONSOLIDATED

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

(55)	Current Period (01)
Capital Available:	
Capital available (from page 30.62 - capital available) 01	76,465
Phase-in of capital available 03	1,318
(Specify) 08	
Total Capital Available 09	75,147
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	10,102
Unpaid claims 22	9,275
Catastrophes 24	0
Margin required for reinsurance ceded to unregistered insurers 26	6
Subtotal: Insurance risk margin 29	19,383
Market Risk:	
Interest rate risk 30	2,159
Foreign exchange risk 32	1,381
Equity risk 34	9,632
Real estate risk 36	1,912
Other market risk exposures 38	268
Subtotal: Market risk margin 39	15,352
Credit Risk:	
Counterparty default risk for balance sheet assets 40	4,366
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	4,366
Operational risk margin 50	11,685
Less: Diversification credit 52	5,238
Total Capital (Margin) Required at Target 59	45,548
Minimum Capital (Margin) Required (line 59 / 1.5) 60	30,365
Phase-in of Capital (Margin) Required 62	1,202
(Specify) 68	0
Total Minimum Capital (Margin) Required 69	29,163
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required 79	45,984
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69) 90	257.68%

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