

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                              | 97,714         |                  | 37,020         |                  |                               |                  |
|                |                    | Investment Income due and accrued                      | 684            |                  | 1              |                  |                               |                  |
|                |                    | Assets held for sale                                   |                |                  | 0              |                  |                               |                  |
|                |                    | Investments:   |                |                  |                |                  |                               |                  |
| 40.12          |                    | Short Term Investments                                 | 16             |                  | 7,516          |                  |                               |                  |
| 40.22          |                    | Bonds and Debentures                                   | 6,173          |                  | 54,831         |                  |                               |                  |
| 40.32          |                    | Mortgage Loans   |                |                  | 0              |                  |                               |                  |
| 40.42          |                    | Preferred Shares                                       | 271,222        |                  | 195,239        |                  |                               |                  |
| 40.52          |                    | Common Shares  | 76,029         |                  | 66,493         |                  |                               |                  |
| 40.70          |                    | Investment Properties                                  | 49,442         |                  | 51,125         |                  |                               |                  |
| 40.80          |                    | Other Loans and Invested Assets                        | 50,515         |                  | 55,283         |                  |                               |                  |
| 40.07          |                    | <b>Total Investments (lines 04 to 10)</b>              | <b>453,397</b> |                  | <b>430,487</b> |                  | <b>0</b>                      |                  |
|                |                    | Receivables:   |                |                  |                |                  |                               |                  |
| 50.20          |                    | Unaffiliated Agents and Brokers                        |                |                  | 0              |                  |                               |                  |
|                |                    | Policyholders  | 7,019          |                  | 7,242          |                  |                               |                  |
|                |                    | Instalment Premiums                                    | 23,964         |                  | 22,768         |                  |                               |                  |
|                |                    | Other Insurers   |                |                  | 0              |                  |                               |                  |
|                |                    | Facility Association and the "P.R.R."                  | 586            |                  | 224            |                  |                               |                  |
| 50.40          |                    | Subsidiaries, Associates & Joint Ventures              | 3,905          |                  | 2,250          |                  |                               |                  |
| 50.20          |                    | Other Receivables                                      | 49             |                  | 53             |                  |                               |                  |
|                |                    | Recoverable from Reinsurers:                           |                |                  |                |                  |                               |                  |
| 60.10          |                    | Unearned Premiums                                      | 0              |                  | 0              |                  |                               |                  |
| 60.30          |                    | Unpaid Claims and Adjustment Expenses                  | 4,436          |                  | 667            |                  |                               |                  |
|                |                    | Other Recoverables on Unpaid Claims                    |                |                  | 0              |                  |                               |                  |
|                |                    | Investments Accounted for Using the Equity Method:     |                |                  |                |                  |                               |                  |
| 50.32          |                    | Interests in Subsidiaries, Associates & Joint Ventures | 0              |                  | 0              |                  |                               |                  |
|                |                    | Pooled Funds   |                |                  |                |                  |                               |                  |
| 40.70          |                    | Property and Equipment                                 | 106            |                  | 61             |                  |                               |                  |
|                |                    | Deferred Policy Acquisition Expenses                   | 18,543         |                  | 17,331         |                  |                               |                  |
|                |                    | Current Tax Assets                                     |                |                  | 16,890         |                  |                               |                  |
|                |                    | Deferred Tax Assets                                    | 7,867          |                  | 6,502          |                  |                               |                  |
|                |                    | Goodwill   |                |                  | 0              |                  |                               |                  |
|                |                    | Intangible Assets                                      |                |                  | 0              |                  |                               |                  |
|                |                    | Defined Benefit Pension Plan                           |                |                  | 0              |                  |                               |                  |
|                |                    | Other Assets   | 11,224         |                  | 425            |                  |                               |                  |
|                |                    | <b>TOTAL ASSETS</b>                                    | <b>629,494</b> |                  | <b>541,921</b> |                  | <b>0</b>                      |                  |

\* Foreign insurers: Excludes deposits of reinsurers held in special trust accounts

## 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)                          |
|                |                    | <b>LIABILITIES</b>   |                |              |                               |
|                |                    | Overdrafts   | 01             | 0            |                               |
|                |                    | Borrowed Money and Accrued Interest                                | 02             | 0            |                               |
|                |                    | Payables:  |                |              |                               |
| 50.20          |                    | Agents and Brokers   | 03             | 0            |                               |
|                |                    | Policyholders  | 04             | 0            |                               |
|                |                    | Other Insurers   | 05             | 0            |                               |
| 50.40          |                    | Subsidiaries, Associates & Joint Ventures/Affiliates               | 06             | 400          | 423                           |
|                |                    | Expenses due and accrued   | 07             | 4,874        | 3,977                         |
|                |                    | Other Taxes due and accrued  | 09             | 1,956        | 3,063                         |
|                |                    | Policyholder Dividends and Rating Adjustments                      | 10             |              | 0                             |
| 40.70          |                    | Encumbrances on Real Estate  | 11             |              | 0                             |
| 60.10          |                    | Unearned Premiums  | 12             | 350,630      | 327,099                       |
| 60.30          |                    | Unpaid Claims and Adjustment Expenses                              | 13             | 40,600       | 30,553                        |
| 80.10          |                    | Unearned Commissions   | 14             | 0            | 0                             |
|                |                    | 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             | 4,591        | 0                             |
|                |                    | Deferred Tax Liabilities   | 21             |              | 0                             |
|                |                    | 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             |              | 0                             |
|                |                    | <b>Total Liabilities</b>   | 29             | 403,051      | 365,115                       |
|                |                    | <b>CANADIAN INSURERS ONLY:</b>                                     |                |              |                               |
|                |                    | <b>EQUITY</b>  |                |              |                               |
|                |                    | Shares issued and paid   |                |              |                               |
|                |                    | Common   | 41             | 11,500       | 11,500                        |
|                |                    | Preferred  | 33             |              | 0                             |
|                |                    | Contributed Surplus  | 42             | 0            | 0                             |
|                |                    | (Specify)  | 43             |              | 0                             |
| 20.54          |                    | Retained Earnings  | 44             | 226,213      | 206,479                       |
| 20.45          |                    | Reserves   | 45             | 0            | 0                             |
| 20.42          |                    | Accumulated Other Comprehensive Income (Loss)                      | 47             | (11,270)     | (41,173)                      |
|                |                    | <b>Total Policyholders/Shareholders' Equity</b>                    | 59             | 226,443      | 176,806                       |
|                |                    | Non-controlling Interests  | 48             | 0            | 0                             |
|                |                    | <b>Total Equity</b>  | 49             | 226,443      | 176,806                       |
|                |                    | <b>TOTAL LIABILITIES AND EQUITY</b>                                | 89             | 629,494      | 541,921                       |
|                |                    | <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 | Prior Period |
|----------------|--------------------|---|----------------|--------------|
|                |                    |   | (01)           | (03)         |
|                |                    | <b>UNDERWRITING OPERATIONS</b>  |                |              |
|                |                    | <b>Premiums Written</b>   |                |              |
|                |                    | Direct  | 32,590         | 31,351       |
| 70.21          |                    | Reinsurance Assumed   | 0              | 0            |
| 70.21          |                    | Reinsurance Ceded   | 11,637         | 9,809        |
| 60.20          |                    | <b>Net Premiums Written</b>   | 20,953         | 21,542       |
|                |                    | Decrease (increase) in Net Unearned Premiums                            | 368            | (975)        |
| 60.20          |                    | <b>Net Premiums Earned</b>  | 21,321         | 20,567       |
|                |                    | Service Charges   |                | 0            |
|                |                    | Other   |                | 0            |
|                |                    | <b>Total Underwriting Revenue</b>                                       | 21,321         | 20,567       |
|                |                    | Gross Claims and Adjustment Expenses                                    | 12,741         | 10,439       |
|                |                    | Reinsurers' share of claims and adjustment expenses                     | 1,007          | 718          |
| 60.20          |                    | <b>Net Claims and Adjustment Expenses</b>                               | 11,734         | 9,721        |
|                |                    | Acquisition Expenses  |                |              |
| 80.10          |                    | Gross Commissions   | (1)            | 6            |
| 80.10          |                    | Ceded Commissions   | 0              | 0            |
|                |                    | Taxes   | 1,415          | 1,150        |
| 80.20          |                    | Other   | 364            | 316          |
| 80.20          |                    | General Expenses  | 2,045          | 1,899        |
|                |                    | <b>Total Claims and Expenses</b>  | 15,557         | 13,092       |
|                |                    | Premium Deficiency Adjustments  |                | 0            |
| 40.07          |                    | <b>Underwriting Income (Loss)</b>                                       | 5,764          | 7,475        |
|                |                    | <b>INVESTMENT OPERATIONS</b>  |                |              |
|                |                    | Income  | 3,647          | 3,453        |
|                |                    | Gains (Losses) from FVO or FVTPL  | 0              | 0            |
|                |                    | Realized Gains (Losses)   | (1,617)        | 130          |
|                |                    | Expenses  | 364            | 297          |
|                |                    | <b>Net Investment Income</b>  | 1,666          | 3,286        |
|                |                    | <b>OTHER REVENUE AND EXPENSES</b>                                       |                |              |
|                |                    | Income (Loss) from Ancillary Operations<br>(net of Expenses of S'000 )  |                | 0            |
|                |                    | Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures |                | 0            |
|                |                    | Share of Net Income (Loss) of Pooled Funds using Equity Method          |                |              |
|                |                    | Gain (Losses) from fluctuations in Foreign Exchange Rates               | (465)          | (2,799)      |
|                |                    | Other Revenues  | 1,155          | 1,618        |
|                |                    | Finance costs   |                | 0            |
|                |                    | Other Expenses  | 1,155          | 1,196        |
|                |                    | <b>Net Income (Loss) before Income Taxes</b>                            | 6,965          | 8,384        |
|                |                    | <b>INCOME TAXES</b>   |                |              |
|                |                    | Current   | 1,265          | 1,525        |
|                |                    | Deferred  | 0              | 0            |
|                |                    | <b>Total Income Taxes</b>   | 1,265          | 1,525        |
|                |                    | <b>NET INCOME (LOSS) FOR THE YEAR</b>                                   | 5,700          | 6,859        |
|                |                    | <b>ATTRIBUTABLE TO:</b>   |                |              |
|                |                    | Non-controlling Interests   |                | 0            |
|                |                    | Equity Holders  | 5,700          | 6,859        |

(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          |  | <b>Comprehensive Income (Loss)</b>   |                |              |
|                |  | Net Income   | 5,700          | 6,859        |
|                |  | 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            |
|                |  | - Bonds and Debentures   | (1)            | (1)          |
|                |  | - Equities   | 14,254         | (9,359)      |
|                |  | Reclassification of (Gains) Losses to Net Income   | 1,524          | 1,954        |
|                |  | <b>Derivatives Designated as Cash Flow Hedges</b>  |                |              |
|                |  | Change in Unrealized Gains and Losses  |                | 0            |
|                |  | Reclassification of (Gains) Losses to Net Income   |                | 0            |
|                |  | <b>Foreign Currency Translation</b>  |                |              |
|                |  | Change in Unrealized Gains and Losses  |                | 0            |
|                |  | Impact of Hedging  |                | 0            |
|                |  | Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified) |                |              |
|                |  | Other  |                | 0            |
|                |  | Subtotal of items that may be reclassified subsequently to Net Income                                  | 15,777         | (7,406)      |
|                |  | <b>Items that will not be reclassified subsequently to Net Income:</b>                                 |                |              |
|                |  | Revaluation Surplus  |                | 0            |
|                |  | Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures                       |                | 0            |
|                |  | Remeasurements of Defined Benefit Plans  |                | 0            |
|                | Other  |  | 0              |              |
|                | Subtotal of items that will not be reclassified subsequently to Net Income | 0  | 0              |              |
|                | Total Other Comprehensive Income (Loss)                                    | 15,777   | (7,406)        |              |
|                | <b>Total Comprehensive Income (Loss)</b>                                   | 21,477   | (547)          |              |
|                | <b>Attributable to:</b>  |  |                |              |
|                | Non-controlling Interests  |  | 0              |              |
|                | Equity Holders   | 21,477   | (547)          |              |
| 20.20          |  | <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            |
|                |  | - Bonds and Debentures   | 16             | 20           |
|                |  | - Equities   | (11,286)       | (41,193)     |
|                |  | <b>Derivatives Designated as Cash Flow Hedges</b>  |                | 0            |
|                |  | <b>Foreign Currency (net of hedging activities)</b>  |                | 0            |
|                |  | Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified) |                | 0            |
|                |  | Other  |                | 0            |
|                |  | Subtotal of items that may be reclassified subsequently to Net Income                                  | (11,270)       | (41,173)     |
|                |  | <b>Items that will not be reclassified subsequently to Net Income:</b>                                 |                |              |
|                |  | Revaluation Surplus  |                | 0            |
|                |  | Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures                       |                | 0            |
|                |  | Remeasurements of Defined Benefit Plans  |                | 0            |
|                |  | Other  |                | 0            |
|                |  | Subtotal of items that will not be reclassified subsequently to Net Income                             | 0              | 0            |
|                |  | Balance at end of Year   | (11,270)       | (41,173)     |

## CONSOLIDATED

**MINIMUM CAPITAL TEST/BRANCH ADEQUACY OF ASSETS TEST: CAPITAL (MARGIN) REQUIRED AND MCT (BAAT) RATIO**  
(S'000)

|   | Current Period |                |
|---|----------------|----------------|
| (55)  |                | (01)           |
| <b>Capital Available:</b>   |                |                |
| Capital available (from page 30.62 - capital available)                             | 01             | 230,278        |
| Phase-in of capital available   | 03             | 828            |
| (Specify)   | 08             |                |
| <b>Total Capital Available</b>  | <b>09</b>      | <b>229,450</b> |
| <b>Assets Available:</b>  |                |                |
| Net Assets Available (from page 30.92 - net assets available)                       | 11             |                |
| Phase-in of net assets available  | 13             |                |
| (Specify)   | 18             |                |
| <b>Total Net Assets Available</b>   | <b>19</b>      |                |
| <b>Capital (Margin) Required at Target:</b>   |                |                |
| Insurance Risk:   |                |                |
| Premium liabilities   | 20             | 30,150         |
| Unpaid claims   | 22             | 3,502          |
| Catastrophes  | 24             | 0              |
| Margin required for reinsurance ceded to unregistered insurers                      | 26             | 0              |
| Subtotal: Insurance risk margin   | 29             | 33,652         |
| Market Risk:  |                |                |
| Interest rate risk  | 30             | 4,434          |
| Foreign exchange risk   | 32             | 1,292          |
| Equity risk   | 34             | 22,809         |
| Real estate risk  | 36             | 9,888          |
| Other market risk exposures   | 38             | 11             |
| Subtotal: Market risk margin  | 39             | 38,434         |
| Credit Risk:  |                |                |
| Counterparty default risk for balance sheet assets                                  | 40             | 20,988         |
| 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             | 20,988         |
| Operational risk margin   | 50             | 12,946         |
| Less: Diversification credit  | 52             | 11,446         |
| <b>Total Capital (Margin) Required at Target</b>                                    | <b>59</b>      | <b>94,574</b>  |
| Minimum Capital (Margin) Required (line 59 / 1.5)                                   | 60             | 63,049         |
| Phase-in of Capital (Margin) Required   | 62             | (953)          |
| (Specify)   | 68             | 0              |
| <b>Total Minimum Capital (Margin) Required</b>                                      | <b>69</b>      | <b>64,002</b>  |
| <b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b> | <b>79</b>      | <b>165,448</b> |
| <b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>                      | <b>90</b>      | <b>358.50%</b> |

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