

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	422		910			
		Investment Income due and accrued	168		281			
		Assets held for sale						
		Investments:						
40.12		Short Term Investments	1,795		1,407			
40.22		Bonds and Debentures	38,080		38,926			
40.32		Mortgage Loans						
40.42		Preferred Shares						
40.52		Common Shares						
40.70		Investment Properties						
40.80		Other Loans and Invested Assets						
40.07		<b>Total Investments (lines 04 to 10)</b>	<b>39,875</b>		<b>40,333</b>		<b>0</b>	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	646		748			
		Policyholders						
		Instalment Premiums						
		Other Insurers						
		Facility Association and the "P.R.R."						
50.40		Subsidiaries, Associates & Joint Ventures	0					
50.20		Other Receivables						
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	0					
60.30		Unpaid Claims and Adjustment Expenses	0					
		Other Recoverables on Unpaid Claims						
		Investments Accounted for Using the Equity Method:						
50.32		Interests in Subsidiaries, Associates & Joint Ventures	0					
		Pooled Funds						
40.70		Property and Equipment						
		Deferred Policy Acquisition Expenses						
		Current Tax Assets						
		Deferred Tax Assets	1,910		1,745			
		Goodwill						
		Intangible Assets						
		Defined Benefit Pension Plan						
		Other Assets	4,869		4,605			
		<b>TOTAL ASSETS</b>	<b>47,890</b>		<b>48,622</b>		<b>0</b>	

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

CONSOLIDATED FINANCIAL STATEMENTS

LIABILITIES, EQUITY, HEAD OFFICE ACCOUNT, RESERVES & AOCl  
(S'000)

Reference Page	FS Notes Reference		Current Period	Prior Period	Opening Prior Period Restated
		(55)	(01)	(03)	(05)
		<b>LIABILITIES</b>			
		Overdrafts	01		
		Borrowed Money and Accrued Interest	02		
		Payables:			
50.20		Agents and Brokers	03	92	1,042
		Policyholders	04		
		Other Insurers	05		
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	
		Expenses due and accrued	07	421	1,142
		Other Taxes due and accrued	09		
		Policyholder Dividends and Rating Adjustments	10		
40.70		Encumbrances on Real Estate	11		
60.10		Unearned Premiums	12	0	
60.30		Unpaid Claims and Adjustment Expenses	13	23,830	24,149
80.10		Unearned Commissions	14	0	
		Ceded Deferred Premium Taxes	20		
		Ceded Deferred Insurance Operations Expenses	34		
		Premium Deficiency	15		
		Liabilities held for sale	17		
		Current Tax Liabilities	18		
		Deferred Tax Liabilities	21		
		Self-Insured Retention (SIR) portion of unpaid claims	22		
		Defined Benefit Pension Plan	23		
		Employment Benefits (not including amounts on line 23 above)	24		
		Subordinated Debt	25		
		Preferred Shares - Debt	26		
		Provisions and Other Liabilities	28	4,651	4,433
		<b>Total Liabilities</b>	29	28,994	30,766
		<b>CANADIAN INSURERS ONLY:</b>			
		<b>EQUITY</b>			
		Shares issued and paid			
		Common	41	6,523	6,398
		Preferred	33	5,479	5,292
		Contributed Surplus	42	6,191	6,191
		(Specify)	43		
20.54		Retained Earnings	44	831	(107)
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	(128)	82
		<b>Total Policyholders/Shareholders' Equity</b>	59	18,896	17,856
		Non-controlling Interests	48	0	
		<b>Total Equity</b>	49	18,896	17,856
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	47,890	48,622
		<b>FOREIGN INSURERS ONLY:</b>			
		<b>HEAD OFFICE ACCOUNT, RESERVES &amp; AOCl</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; AOCl</b>	69		
		<b>TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES &amp; AOCl</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 4,075	1,956
70.21		Reinsurance Assumed	02 0	
70.21		Reinsurance Ceded	03 123	61
60.20		<b>Net Premiums Written</b>	04 3,952	1,895
		Decrease (increase) in Net Unearned Premiums	05 0	
60.20		<b>Net Premiums Earned</b>	06 3,952	1,895
		Service Charges	07	
		Other	08	
		<b>Total Underwriting Revenue</b>	09 3,952	1,895
		Gross Claims and Adjustment Expenses	62 87	(48)
		Reinsurers' share of claims and adjustment expenses	64 0	
60.20		<b>Net Claims and Adjustment Expenses</b>	10 87	(48)
		Acquisition Expenses		
80.10		Gross Commissions	66 1,100	511
80.10		Ceded Commissions	68 0	
		Taxes	12	
80.20		Other	14	
80.20		General Expenses	16 (748)	(342)
		<b>Total Claims and Expenses</b>	19 439	121
		Premium Deficiency Adjustments	20	
		<b>Underwriting Income (Loss)</b>	29 3,513	1,774
40.07		<b>INVESTMENT OPERATIONS</b>		
		Income	32 370	194
		Gains (Losses) from FVO or FVTPL	35 0	
		Realized Gains (Losses)	33 (65)	(45)
		Expenses	34	
		<b>Net Investment Income</b>	39 305	149
		<b>OTHER REVENUE AND EXPENSES</b>		
		Income (Loss) from Ancillary Operations (net of Expenses of \$'000 )	40	
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41	
		Share of Net Income (Loss) of Pooled Funds using Equity Method	47	
		Gain (Losses) from fluctuations in Foreign Exchange Rates	42	
		Other Revenues	44 18	7
		Finance costs	45	
		Other Expenses	46 2,177	1,045
		<b>Net Income (Loss) before Income Taxes</b>	49 1,659	885
		<b>INCOME TAXES</b>		
		Current	50	
		Deferred	51 (367)	(203)
		<b>Total Income Taxes</b>	59 (367)	(203)
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	89 2,026	1,088
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests	80	
		Equity Holders	82 2,026	1,088

(04)

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)
		<b>Comprehensive Income (Loss)</b>		
20.30		Net Income	2,026	1,088
		Other Comprehensive Income (Loss)		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		Change in Unrealized Gains and Losses:		
	02	- Loans		
	03	- Bonds and Debentures	(119)	111
	04	- Equities		
	05	Reclassification of (Gains) Losses to Net Income	65	45
		Derivatives Designated as Cash Flow Hedges		
	06	Change in Unrealized Gains and Losses		
	07	Reclassification of (Gains) Losses to Net Income		
		Foreign Currency Translation		
	08	Change in Unrealized Gains and Losses		
	09	Impact of Hedging		
	14	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)		
	18	Other		
	19	Subtotal of items that may be reclassified subsequently to Net Income	(54)	156
		Items that will not be reclassified subsequently to Net Income:		
	31	Revaluation Surplus		
	11	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures		
	34	Remeasurements of Defined Benefit Plans		
	12	Other		
	29	Subtotal of items that will not be reclassified subsequently to Net Income	0	0
	21	Total Other Comprehensive Income (Loss)	(54)	156
	39	<b>Total Comprehensive Income (Loss)</b>	1,972	1,244
		Attributable to:		
	60	Non-controlling Interests		
	62	Equity Holders	1,972	1,244
		<b>Accumulated Other Comprehensive Income (Loss)</b>		
		Accumulated Gains (Losses) on:		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
	42	- Loans		
	43	- Bonds and Debentures	(128)	82
	44	- Equities		
	45	Derivatives Designated as Cash Flow Hedges		
	46	Foreign Currency (net of hedging activities)		
	52	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)		
	68	Other		
	69	Subtotal of items that may be reclassified subsequently to Net Income	(128)	82
		Items that will not be reclassified subsequently to Net Income:		
	71	Revaluation Surplus		
	51	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures		
	74	Remeasurements of Defined Benefit Plans		
	49	Other		
	79	Subtotal of items that will not be reclassified subsequently to Net Income	0	0
20.20		Balance at end of Year	(128)	82

## CONSOLIDATED

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

	(55)	Current Period (01)
<b>Capital Available:</b>		
Capital available (from page 30.62 - capital available)	01	16,986
Phase-in of capital available	03	
(Specify)	08	
<b>Total Capital Available</b>	<b>09</b>	<b>16,986</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>		
<b>Insurance Risk:</b>		
Premium liabilities	20	509
Unpaid claims	22	3,059
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	3,568
<b>Market Risk:</b>		
Interest rate risk	30	388
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	0
Other market risk exposures	38	0
Subtotal: Market risk margin	39	388
<b>Credit Risk:</b>		
Counterparty default risk for balance sheet assets	40	315
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	315
Operational risk margin	50	586
Less: Diversification credit	52	304
<b>Total Capital (Margin) Required at Target</b>	<b>59</b>	<b>4,553</b>
Minimum Capital (Margin) Required (line 59 / 1.5)	60	3,035
Phase-in of Capital (Margin) Required	62	
(Specify)	68	0
<b>Total Minimum Capital (Margin) Required</b>	<b>69</b>	<b>3,035</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79</b>	<b>13,951</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90</b>	<b>559.67%</b>

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