

## 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	01	677		764		
		Investment Income due and accrued	02	327		371		
		Assets held for sale	50					
		Investments:						
		Short Term Investments	04	1,790		1,916		
		Bonds and Debentures	05	46,643		44,430		
		Mortgage Loans	06	0		0		
		Preferred Shares	07	0		0		
		Common Shares	08	2,169		2,245		
		Investment Properties	09	0		0		
		Other Loans and Invested Assets	10	0		0		
40.07		<b>Total Investments (lines 04 to 10)</b>	19	50,602		48,591	0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20	0		0		
		Policyholders	21	0		0		
		Instalment Premiums	22	0		0		
		Other Insurers	23	0		0		
		Facility Association and the "P.R.R."	24	0		0		
50.40		Subsidiaries, Associates & Joint Ventures	25	0		0		
50.20		Other Receivables	27	2,986		3,947		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	0		0		
60.30		Unpaid Claims and Adjustment Expenses	31	0		0		
		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	571		313		
		Deferred Policy Acquisition Expenses	43	0		0		
		Current Tax Assets	52	0		0		
		Deferred Tax Assets	44	0		0		
		Goodwill	54	0		0		
		Intangible Assets	56	1,644		2,284		
		Defined Benefit Pension Plan	58	0		0		
		Other Assets	88	4,466		4,409		
		<b>TOTAL ASSETS</b>	89	61,273		60,679	0	

\* 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
			(01)	(03)	(05)
		<b>LIABILITIES</b>			
		Overdrafts 01			
		Borrowed Money and Accrued Interest 02			
		Payables:			
50.20		Agents and Brokers 03	0		
		Policyholders 04			
50.30		Other Insurers 05	0		
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates 06	0		
		Expenses due and accrued 07	2,466	2,087	
		Other Taxes due and accrued 09			
		Policyholder Dividends and Rating Adjustments 10			
40.70		Encumbrances on Real Estate 11	0		
60.10		Unearned Premiums 12	0		
60.30		Unpaid Claims and Adjustment Expenses 13	25,792	24,293	
80.10		Unearned Commissions 14	0		
		Ceded Deferred Premium Taxes 20			
		Ceded Deferred Insurance Operations Expenses 34			
		Premium Deficiency 15	0		
		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	4,622	4,257	
		<b>Total Liabilities 29</b>	<b>32,880</b>	<b>30,637</b>	<b>0</b>
		<b>CANADIAN INSURERS ONLY:</b>			
		<b>EQUITY</b>			
		Shares issued and paid			
		Common 41			
		Preferred 33			
		Contributed Surplus 42			
		(Specify) 43			
20.54		Retained Earnings 44	26,687	28,684	
20.45		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	1,705	1,358	
		<b>Total Policyholders/Shareholders' Equity 59</b>	<b>28,392</b>	<b>30,042</b>	<b>0</b>
		Non-controlling Interests 48			
		<b>Total Equity 49</b>	<b>28,392</b>	<b>30,042</b>	<b>0</b>
		<b>TOTAL LIABILITIES AND EQUITY 89</b>	<b>61,272</b>	<b>60,679</b>	<b>0</b>
		<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 69</b>			
		<b>TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES &amp; AOCI 79</b>			

## CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME  
(\$'000)

Reference Page	FS Notes Reference		Current Period	Prior Period
			(01)	(03)
		<b>UNDERWRITING OPERATIONS</b>		
		<b>Premiums Written</b>		
		Direct	01 10,635	13,859
70.21		Reinsurance Assumed	02 0	0
70.21		Reinsurance Ceded	03 0	0
60.20		<b>Net Premiums Written</b>	04 10,635	13,859
		Decrease (increase) in Net Unearned Premiums	05 0	
60.20		<b>Net Premiums Earned</b>	06 10,635	13,859
		Service Charges	07	
		Other	08	
		<b>Total Underwriting Revenue</b>	09 10,635	13,859
		Gross Claims and Adjustment Expenses	62 4,202	9,400
		Reinsurers' share of claims and adjustment expenses	64 0	0
60.20		<b>Net Claims and Adjustment Expenses</b>	10 4,202	9,400
		Acquisition Expenses		
80.10		Gross Commissions	66 0	0
80.10		Ceded Commissions	68 0	0
		Taxes	12	
80.20		Other	14 0	0
80.20		General Expenses	16 7,702	6,231
		<b>Total Claims and Expenses</b>	19 11,904	15,631
		Premium Deficiency Adjustments	20	
		<b>Underwriting Income (Loss)</b>	29 (1,269)	(1,772)
40.07		<b>INVESTMENT OPERATIONS</b>		
		Income	32 1,119	1,242
		Realized Gains (Losses)	33 180	377
		Expenses	34	
		<b>Net Investment Income</b>	39 1,299	1,619
		<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	
		Gain (Losses) from fluctuations in Foreign Exchange Rates	42	
		Other Revenues	44 1,030	1,024
		Finance costs	45	
		Other Expenses	46 3,057	3,792
		<b>Net Income (Loss) before Income Taxes</b>	49 (1,997)	(2,921)
		<b>INCOME TAXES</b>		
		Current	50	
		Deferred	51	
		<b>Total Income Taxes</b>	59 0	0
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	89 (1,997)	(2,921)
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests	80	
		Equity Holders	82	

(04)

*CONSOLIDATED FINANCIAL STATEMENTS*  
**COMPREHENSIVE INCOME (LOSS)**  
and  
**ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**  
(\$'000)

Reference Page	FS Notes Reference		Current Period	Prior Period	
			(01)	(03)	
20.30		<b>Comprehensive Income (Loss)</b>			
		Net Income	01	(1,997)	(2,921)
		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	02		
		- Bonds and Debentures	03	341	658
		- Equities	04	186	336
		Reclassification of (Gains) Losses to Net Income	05	(180)	(377)
		<b>Derivatives Designated as Cash Flow Hedges</b>			
		Change in Unrealized Gains and Losses	06		
		Reclassification of (Gains) Losses to Net Income	07		
		<b>Foreign Currency Translation</b>			
		Change in Unrealized Gains and Losses	08		
		Impact of Hedging	09		
		<b>Other</b>	18		
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	19	347	617
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
		<b>Revaluation Surplus</b>	31		
	<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b>	11			
	<b>Remeasurements of Defined Benefit Plans</b>	34			
	<b>Other</b>	12			
	<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	29	0	0	
	<b>Total Other Comprehensive Income (Loss)</b>	21	347	617	
	<b>Total Comprehensive Income (Loss)</b>	39	(1,650)	(2,304)	
	<b>Attributable to:</b>				
	Non-controlling Interests	60	(1,650)	(2,304)	
	Equity Holders	62			

		Current Period	Prior Period	
		(01)	(03)	
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	42	
		- Bonds and Debentures	43	1,120
		- Equities	44	585
		<b>Derivatives Designated as Cash Flow Hedges</b>	45	
		<b>Foreign Currency (net of hedging activities)</b>	46	
		<b>Other</b>	68	
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	69	1,705
		<b>Items that will not be reclassified subsequently to Net Income:</b>		
		<b>Revaluation Surplus</b>	71	
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b>	51	
		<b>Remeasurements of Defined Benefit Plans</b>	74	
		<b>Other</b>	49	
		<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	79	0
		<b>Balance at end of Year</b>	59	1,705
				1,358

*CONSOLIDATED*

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

		Current Period (01)
<b>Capital Available:</b>		
Capital available (from page 30.62 - capital available)	01	26,748
Phase-in of capital available	03	(1,479)
<b>Total Capital Available</b>	<b>09</b>	<b>28,227</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>		
Insurance Risk:		
Premium liabilities	20	638
Unpaid claims	22	3,380
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	4,018
Market Risk:		
Interest rate risk	30	635
Foreign exchange risk	32	0
Equity risk	34	651
Real estate risk	36	0
Other market risk exposures	38	57
Subtotal: Market risk margin	39	1,343
Credit Risk:		
Counterparty default risk for balance sheet assets	40	475
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	475
Operational risk margin	50	762
Less: Diversification credit	52	664
<b>Total Capital (Margin) Required at Target</b>	<b>59</b>	<b>5,934</b>
Minimum Capital (Margin) Required (line 59 / 1.5)	60	3,956
Phase-in of Capital (Margin) Required	62	(1,251)
<b>Total Minimum Capital (Margin) Required</b>	<b>69</b>	<b>5,207</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79</b>	<b>23,020</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90</b>	<b>542.10%</b>

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