

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	910		862				
		Investment Income due and accrued	281		230				
		Assets held for sale							
		Investments:							
40 12		Short Term Investments	1,407		375				
40 22		Bonds and Debentures	38,926		34,377				
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		Total Investments (lines 04 to 10)	40,333		34,752		0		
		Receivables:							
50 20		Unaffiliated Agents and Brokers	748		3,132				
		Policyholders							
		Instalment Premiums							
		Other Insurers							
		Facility Association and the "P.R.R."							
50 40		Subsidiaries, Associates & Joint Ventures							
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	1,745						
		Goodwill							
		Intangible Assets							
		Defined Benefit Pension Plan							
		Other Assets	4,605		4,454				
		TOTAL ASSETS	48,622		43,430		0		

* 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)
		LIABILITIES			
		Overdrafts	01		
		Borrowed Money and Accrued Interest	02		
		Payables:			
50.20		Agents and Brokers	03	1,042	
		Policy holders	04		
		Other Insurers	05		
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	
		Expenses due and accrued	07	1,142	454
		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	24,149	25,339
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	4,433	4,334
		Total Liabilities	29	30,766	30,127
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	6,398	6,282
		Preferred	33	5,292	5,118
		Contributed Surplus	42	6,191	
		(Specify)	43		
20.54		Retained Earnings	44	(107)	1,699
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	82	204
		Total Policyholders/Shareholders' Equity	59	17,856	13,303
		Non-controlling Interests	48	0	
		Total Equity	49	17,856	13,303
		TOTAL LIABILITIES AND EQUITY	89	48,622	43,430
		FOREIGN INSURERS ONLY:			
		HEAD OFFICE ACCOUNT, RESERVES & AOCl			
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 & AOCl	69		
		TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES & AOCl	79		

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(S'000)

Reference Page	FS Notes Reference		Current Period	Prior Period
			(01)	(03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct	1,956	2,390
70.21		Reinsurance Assumed	0	
70.21		Reinsurance Ceded	61	60
60.20		Net Premiums Written	1,895	2,330
		Decrease (increase) in Net Unearned Premiums	0	
60.20		Net Premiums Earned	1,895	2,330
		Service Charges		
		Other		
		Total Underwriting Revenue	1,895	2,330
		Gross Claims and Adjustment Expenses	(48)	(463)
		Reinsurers' share of claims and adjustment expenses	0	
60.20		Net Claims and Adjustment Expenses	(48)	(463)
		Acquisition Expenses		
80.10		Gross Commissions	511	317
80.10		Ceded Commissions	0	0
		Taxes		
80.20		Other		
80.20		General Expenses		
		Total Claims and Expenses	463	(146)
		Premium Deficiency Adjustments		
40.07		Underwriting Income (Loss)	1,432	2,476
		INVESTMENT OPERATIONS		
		Income	194	155
		Gains (Losses) from FVO or FVTPL	0	
		Realized Gains (Losses)	(45)	3
		Expenses		
		Net Investment Income	149	158
		OTHER REVENUE AND EXPENSES		
		Income (Loss) from Ancillary Operations (net of Expenses of S'000)		
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures		
		Share of Net Income (Loss) of Pooled Funds using Equity Method		
		Gain (Losses) from fluctuations in Foreign Exchange Rates		
		Other Revenues	7	9
		Finance costs		
		Other Expenses	703	944
		Net Income (Loss) before Income Taxes	885	1,699
		INCOME TAXES		
		Current		
		Deferred	(203)	
		Total Income Taxes	(203)	0
		NET INCOME (LOSS) FOR THE YEAR	1,088	1,699
		ATTRIBUTABLE TO:		
		Non-controlling Interests		
		Equity Holders	1,088	1,699

(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		Comprehensive Income (Loss)		
		Net Income	1,088	1,699
		Other Comprehensive Income (Loss):		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		Change in Unrealized Gains and Losses:		
		- Loans		
		- Bonds and Debentures		
		- Equities		
		Reclassification of (Gains) Losses to Net Income		
		Derivatives Designated as Cash Flow Hedges		
		Change in Unrealized Gains and Losses		
		Reclassification of (Gains) Losses to Net Income		
		Foreign Currency Translation		
		Change in Unrealized Gains and Losses		
		Impact of Hedging		
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)		
		Other		
		Subtotal of items that may be reclassified subsequently to Net Income	0	0
		Items that will not be reclassified subsequently to Net Income:		
	Revaluation Surplus			
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures			
	Remeasurements of Defined Benefit Plans			
	Other			
	Subtotal of items that will not be reclassified subsequently to Net Income	0	0	
	Total Other Comprehensive Income (Loss)	0	0	
	Total Comprehensive Income (Loss)	1,088	1,699	
	Attributable to:			
	Non-controlling Interests			
	Equity Holders	1,088	1,699	

		Current Period	Prior Period
		(01)	(03)
	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains (Losses) on:		
	Items that may be reclassified subsequently to Net Income:		
	Available for Sale:		
	- Loans		
	- Bonds and Debentures	82	204
	- Equities		
	Derivatives Designated as Cash Flow Hedges		
	Foreign Currency (net of hedging activities)		
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)		
	Other		
	Subtotal of items that may be reclassified subsequently to Net Income	82	204
	Items that will not be reclassified subsequently to Net Income:		
	Revaluation Surplus		
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures		
	Remeasurements of Defined Benefit Plans		
	Other		
	Subtotal of items that will not be reclassified subsequently to Net Income	0	0
20.20	Balance at end of Year	82	204

CONSOLIDATED

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

	Current Period	
(55)		(01)
Capital Available:		
Capital available (from page 30.62 - capital available)	01	16,111
Phase-in of capital available	03	
(Specify)	08	
Total Capital Available	09	16,111
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	508
Unpaid claims	22	3,101
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	3,609
Market Risk:		
Interest rate risk	30	365
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	365
Credit Risk:		
Counterparty default risk for balance sheet assets	40	342
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	342
Operational risk margin	50	588
Less: Diversification credit	52	306
Total Capital (Margin) Required at Target	59	4,598
Minimum Capital (Margin) Required (line 59 / 1.5)	60	3,065
Phase-in of Capital (Margin) Required	62	
(Specify)	68	0
Total Minimum Capital (Margin) Required	69	3,065
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	13,046
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	525.64%

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