*Trans Global Insurance Co*
Canadian/Foreign Insurer

30/09/2017
Date

*CONSOLIDATED FINANCIAL STATEMENTS*

**ASSETS**
**($'000)**

| Reference Page | FS Notes Reference | | | Current Period | | Prior Period | | Opening Prior Period Restated | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Total (01) | Vested in Trust* (02) | Total (03) | Vested in Trust* (04) | Total (05) | Vested in Trust* (06) |
| | | Cash and Cash Equivalents | 01 | 576 | | 1,259 | | | |
| | | Investment Income due and accrued | 02 | 19 | | 58 | | | |
| | | Assets held for sale | 50 | 0 | | 0 | | | |
| | | Investments: | | | | | | | |
| 40.12 | | Short Term Investments | 04 | 50 | | 50 | | | |
| 40.22 | | Bonds and Debentures | 05 | 0 | | 0 | | | |
| 40.32 | | Mortgage Loans | 06 | 0 | | 0 | | | |
| 40.42 | | Preferred Shares | 07 | 4,367 | | 2,858 | | | |
| 40.52 | | Common Shares | 08 | 1,687 | | 1,445 | | | |
| 40.70 | | Investment Properties | 09 | 0 | | 0 | | | |
| 40.80 | | Other Loans and Invested Assets | 10 | 0 | | 0 | | | |
| 40.07 | | **Total Investments (lines 04 to 10)** | 19 | 6,104 | | 4,353 | | 0 | |
| | | Receivables: | | | | | | | |
| 50.20 | | Unaffiliated Agents and Brokers | 20 | 0 | | 0 | | | |
| | | Policyholders | 21 | 854 | | 916 | | | |
| | | 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 | 63 | | 93 | | | |
| 50.20 | | Other Receivables | 27 | 0 | | 0 | | | |
| | | 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 | | | |
| | | Investments Accounted for Using the Equity Method: | | | | | | | |
| 50.32 | | Interests in Subsidiaries, Associates & Joint Ventures | 40 | 0 | | 0 | | | |
| | | Pooled Funds | 45 | | | | | | |
| 40.70 | | Property and Equipment | 41 | 0 | | 0 | | | |
| | | Deferred Policy Acquisition Expenses | 43 | 19 | | 0 | | | |
| | | Current Tax Assets | 52 | | | 0 | | | |
| | | Deferred Tax Assets | 44 | 105 | | 88 | | | |
| | | Goodwill | 54 | 0 | | 0 | | | |
| | | Intangible Assets | 56 | 0 | | 0 | | | |
| | | Defined Benefit Pension Plan | 58 | 0 | | 0 | | | |
| | | Other Assets | 88 | 41 | | 14 | | | |
| | | **TOTAL ASSETS** | 89 | 7,781 | | 6,781 | | 0 | |

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

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*CONSOLIDATED FINANCIAL STATEMENTS*

**LIABILITIES, EQUITY, HEAD OFFICE ACCOUNT, RESERVES & AOCI**
**($'000)**

| Reference Page | FS Notes Reference | (55) | | Current Period (01) | Prior Period (03) | Opening Prior Period Restated (05) |
|---|---|---|---|---|---|---|
| | | **LIABILITIES** | | | | |
| | | Overdrafts | 01 | 0 | 0 | |
| | | Borrowed Money and Accrued Interest | 02 | 0 | 0 | |
| | | Payables: | | | | |
| 50.20 | | Agents and Brokers | 03 | 0 | 0 | |
| | | Policyholders | 04 | 0 | 0 | |
| | | Other Insurers | 05 | 0 | 0 | |
| 50.40 | | Subsidiaries, Associates & Joint Ventures/Affiliates | 06 | 1,801 | 1,386 | |
| | | Expenses due and accrued | 07 | 132 | 226 | |
| | | Other Taxes due and accrued | 09 | 90 | 54 | |
| | | Policyholder Dividends and Rating Adjustments | 10 | 0 | 0 | |
| 40.70 | | Encumbrances on Real Estate | 11 | 0 | 0 | |
| 60.10 | | Unearned Premiums | 12 | 302 | 227 | |
| 60.30 | | Unpaid Claims and Adjustment Expenses | 13 | 471 | 432 | |
| 80.10 | | Unearned Commissions | 14 | 0 | 0 | |
| | | 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 | 89 | 82 | |
| | | Deferred Tax Liabilities | 21 | 0 | 0 | |
| | | 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 | 548 | 414 | |
| | | **Total Liabilities** | 29 | 3,433 | 2,821 | 0 |
| | | **CANADIAN INSURERS ONLY:** | | | | |
| | | **EQUITY** | | | | |
| | | Shares issued and paid | | | | |
| | | Common | 41 | 3,500 | 3,500 | |
| | | Preferred | 33 | 0 | 0 | |
| | | Contributed Surplus | 42 | 0 | 0 | |
| | | (Specify) | 43 | 0 | 0 | |
| 20.54 | | Retained Earnings | 44 | 292 | 363 | |
| 20.45 | | Reserves | 45 | 0 | 0 | |
| 20.42 | | Accumulated Other Comprehensive Income (Loss) | 47 | 556 | 97 | |
| | | **Total Policyholders/Shareholders' Equity** | 59 | 4,348 | 3,960 | 0 |
| | | Non-controlling Interests | 48 | 0 | 0 | |
| | | **Total Equity** | 49 | 4,348 | 3,960 | 0 |
| | | **TOTAL LIABILITIES AND EQUITY** | 89 | 7,781 | 6,781 | 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 | | | |

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*CONSOLIDATED FINANCIAL STATEMENTS*

**STATEMENT OF INCOME**
**($'000)**

| Reference Page | FS Notes Reference | | | Current Period (01) | Prior Period (03) |
|---|---|---|---|---|---|
| | | **UNDERWRITING OPERATIONS** | | | |
| | | **Premiums Written** | | | |
| | | Direct | 01 | 4,624 | 4,462 |
| 70.21 | | Reinsurance Assumed | 02 | 0 | 0 |
| 70.21 | | Reinsurance Ceded | 03 | 0 | 0 |
| 60.20 | | **Net Premiums Written** | 04 | 4,624 | 4,462 |
| | | Decrease (increase) in Net Unearned Premiums | 05 | (75) | 7 |
| 60.20 | | **Net Premiums Earned** | 06 | 4,549 | 4,469 |
| | | Service Charges | 07 | | 0 |
| | | Other | 08 | | 0 |
| | | **Total Underwriting Revenue** | 09 | 4,549 | 4,469 |
| | | Gross Claims and Adjustment Expenses | 62 | 112 | 110 |
| | | Reinsurers' share of claims and adjustment expenses | 64 | 0 | 0 |
| 60.20 | | **Net Claims and Adjustment Expenses** | 10 | 112 | 110 |
| | | Acquisition Expenses | | | |
| 80.10 | | Gross Commissions | 66 | 0 | 0 |
| 80.10 | | Ceded Commissions | 68 | 0 | 0 |
| | | Taxes | 12 | 169 | 186 |
| 80.20 | | Other | 14 | 53 | 0 |
| 80.20 | | General Expenses | 16 | 3,958 | 3,917 |
| | | **Total Claims and Expenses** | 19 | 4,292 | 4,213 |
| | | Premium Deficiency Adjustments | 20 | | 0 |
| | | **Underwriting Income (Loss)** | 29 | 257 | 256 |
| 40.07 | | **INVESTMENT OPERATIONS** | | | |
| | | Income | 32 | 187 | 154 |
| | | Gains (Losses) from FVO or FVTPL | 35 | 0 | 0 |
| | | Realized Gains (Losses) | 33 | 78 | 139 |
| | | Expenses | 34 | | 0 |
| | | **Net Investment Income** | 39 | 265 | 293 |
| | | **OTHER REVENUE AND EXPENSES** | | | (04) |
| | | Income (Loss) from Ancillary Operations (net of Expenses of $'000 ) | 40 | 0 | 0 |
| | | Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures | 41 | 0 | 0 |
| | | Share of Net Income (Loss) of Pooled Funds using Equity Method | 47 | | |
| | | Gain (Losses) from fluctuations in Foreign Exchange Rates | 42 | 0 | 0 |
| | | Other Revenues | 44 | | 6 |
| | | Finance costs | 45 | 0 | 0 |
| | | Other Expenses | 46 | 11 | 0 |
| | | **Net Income (Loss) before Income Taxes** | 49 | 511 | 555 |
| | | **INCOME TAXES** | | | |
| | | Current | 50 | 108 | 93 |
| | | Deferred | 51 | (15) | 19 |
| | | **Total Income Taxes** | 59 | 93 | 112 |
| | | **NET INCOME (LOSS) FOR THE YEAR** | 89 | 418 | 443 |
| | | **ATTRIBUTABLE TO:** | | | |
| | | Non-controlling Interests | 80 | | 0 |
| | | Equity Holders | 82 | 418 | 443 |

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*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) |
|---|---|---|---|---|---|
| | | **Comprehensive Income (Loss)** | | | |
| 20.30 | | Net Income | 01 | 418 | 443 |
| | | 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 | 0 | 0 |
| | | - Equities | 04 | 336 | 72 |
| | | Reclassification of (Gains) Losses to Net Income | 05 | (57) | (104) |
| | | **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 |
| | | **Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)** | 14 | | |
| | | **Other** | 18 | 0 | 0 |
| | | **Subtotal of items that may be reclassified subsequently to Net Income** | 19 | 279 | (32) |
| | | **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 | 279 | (32) |
| | | **Total Comprehensive Income (Loss)** | 39 | 697 | 411 |
| | | **Attributable to:** | | | |
| | | Non-controlling Interests | 60 | 0 | 0 |
| | | Equity Holders | 62 | 697 | 411 |

| | | | | Current Period (01) | Prior Period (03) |
|---|---|---|---|---|---|
| | | **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 | 0 | 0 |
| | | - Equities | 44 | 556 | 97 |
| | | **Derivatives Designated as Cash Flow Hedges** | 45 | 0 | 0 |
| | | **Foreign Currency (net of hedging activities)** | 46 | 0 | 0 |
| | | **Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)** | 52 | | |
| | | **Other** | 68 | 0 | 0 |
| | | **Subtotal of items that may be reclassified subsequently to Net Income** | 69 | 556 | 97 |
| | | **Items that will not be reclassified subsequently to Net Income:** | | | |
| | | **Revaluation Surplus** | 71 | 0 | 0 |
| | | **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 | 0 | 0 |
| 20.20 | | Balance at end of Year | 59 | 556 | 97 |

**Trans Global Insurance Co**
Canadian/Foreign Insurer

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*CONSOLIDATED*

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

| (55) | | Current Period (01) |
|---|---|---|
| **Capital Available:** | | |
| Capital available (from page 30.62 - capital available) | 01 | 4,337 |
| Phase-in of capital available | 03 | 127 |
| (Specify) | 08 | |
| **Total Capital Available** | **09** | 4,210 |
| | | |
| **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 | 378 |
| Unpaid claims | 22 | 71 |
| Catastrophes | 24 | 0 |
| Margin required for reinsurance ceded to unregistered insurers | 26 | 0 |
| Subtotal: Insurance risk margin | 29 | 449 |
| Market Risk: | | |
| Interest rate risk | 30 | 159 |
| Foreign exchange risk | 32 | 0 |
| Equity risk | 34 | 506 |
| Real estate risk | 36 | 0 |
| Other market risk exposures | 38 | 0 |
| Subtotal: Market risk margin | 39 | 665 |
| Credit Risk: | | |
| Counterparty default risk for balance sheet assets | 40 | 296 |
| 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 | 296 |
| Operational risk margin | 50 | 276 |
| Less: Diversification credit | 52 | 162 |
| **Total Capital (Margin) Required at Target** | 59 | 1,524 |
| Minimum Capital (Margin) Required (line 59 / 1.5) | 60 | 1,016 |
| Phase-in of Capital (Margin) Required | 62 | |
| (Specify) | 68 | 127 |
| **Total Minimum Capital (Margin) Required** | 69 | 889 |
| **Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required** | 79 | 3,321 |
| **MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)** | 90 | 473.57% |

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