

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(S'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	50,123		57,051		
		Investment Income due and accrued	02	1,724		1,291		
		Assets held for sale	50			0		
		Investments						
40.12		Short Term Investments	04			0		
40.22		Bonds and Debentures	05	289,992		220,655		
40.32		Mortgage Loans	06			16,561		
40.42		Preferred Shares	07	33,568		26,559		
40.52		Common Shares	08	95,717		111,834		
40.70		Investment Properties	09	18,945		19,866		
40.80		Other Loans and Invested Assets	10			0		
40.07		Total Investments (lines 04 to 10)	19	438,222		395,475		0
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20			0		
		Policyholders	21	4,436		3,987		
		Instalment Premiums	22	83,398		74,965		
		Other Insurers	23	2,668		3,664		
		"Facility Association" and the "P.R.R."	24	0		1,987		
50.40		Subsidiaries, Associates & Joint Ventures	25	55		47		
50.20		Other Receivables	27	1,267		1,249		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30			0		
60.30		Unpaid Claims and Adjustment Expenses	31	14,482		16,186		
		Other Recoverables on Unpaid Claims	37			0		
50.32		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
40.70		Property and Equipment	41	28,250		29,828		
		Deferred Policy Acquisition Expenses	43	20,395		19,610		
		Current Tax Assets	52	0		0		
		Deferred Tax Assets	44	1,443		1,822		
		Goodwill	54			0		
		Intangible Assets	56	6,842		8,132		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	635		545		
		TOTAL ASSETS	89	653,940		615,839		0

CONSOLIDATED FINANCIAL STATEMENTS
LIABILITIES, EQUITY, HEAD OFFICE ACCOUNT, RESERVES & AOCI
(S'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)	Opening Prior Period Restated (05)
		LIABILITIES			
		Overdrafts 01		0	
		Borrowed Money and Accrued Interest 02		0	
		Payables:			
50.20		Agents and Brokers 03		0	
		Policyholders 04	976	914	
50.30		Other Insurers 05	177	0	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates 06	7,134	4,636	
		Expenses due and accrued 07	9,591	6,847	
		Other Taxes due and accrued 09	7,981	7,486	
		Policyholder Dividends and Rating Adjustments 10		0	
40.70		Encumbrances on Real Estate 11		0	
60.10		Unearned Premiums 12	143,089	140,587	
60.30		Unpaid Claims and Adjustment Expenses 13	318,617	299,179	
80.10		Unearned Commissions 14	0	0	
		Ceded Deferred Premium Taxes 20			
		Ceded Deferred Insurance Operations Expenses 34			
		Premium Deficiency 15		0	
		Liabilities held for sale 17		0	
		Current Tax Liabilities 18	1,691	474	
		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	4,388	4,076	
		Total Liabilities 29	493,644	464,199	0
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common 41	9,000	4,000	
		Preferred 33			
		Contributed Surplus 42		0	
		(Specify) 43		0	
20.54		Retained Earnings 44	151,296	147,640	
20.45		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	0	0	
		Total Policyholders/Shareholders' Equity 59	160,296	151,640	0
		Non-controlling Interests 48		0	
		Total Equity 49	160,296	151,640	0
		TOTAL LIABILITIES AND EQUITY 89	653,940	615,839	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			

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF INCOME
(S'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)	
		UNDERWRITING OPERATIONS			
		Premiums Written			
		Direct	01	152,231	155,048
70.21		Reinsurance Assumed	02	0	0
70.21		Reinsurance Ceded	03	5,844	5,406
60.20		Net Premiums Written	04	146,387	149,642
		Decrease (increase) in Net Unearned Premiums	05	3,842	(6,947)
60.20		Net Premiums Earned	06	150,229	142,695
		Service Charges	07	4,830	4,360
		Other	08	0	0
		Total Underwriting Revenue	09	155,059	147,055
		Gross Claims and Adjustment Expenses	62	115,984	118,802
		Reinsurers' share of claims and adjustment expenses	64	811	2,740
60.20		Net Claims and Adjustment Expenses	10	115,173	116,062
		Acquisition Expenses			
80.10		Gross Commissions	66	17,442	16,568
80.10		Ceded Commissions	68	0	0
		Taxes	12	4,684	4,489
80.20		Other	14	5,406	5,095
80.20		General Expenses	16	12,452	11,540
		Total Claims and Expenses	19	155,157	153,754
		Premium Deficiency Adjustments	20	0	0
		Underwriting Income (Loss)	29	(98)	(6,699)
40.07		INVESTMENT OPERATIONS			
		Income	32	(2,262)	15,339
		Realized Gains (Losses)	33	11,116	3,970
		Expenses	34	652	566
		Net Investment Income	39	8,202	18,743
		OTHER REVENUE AND EXPENSES			
		Income (Loss) from Ancillary Operations (net of Expenses of \$'000)	40		(04) 0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41		0
		Gains (losses) from fluctuations in Foreign Exchange Rates	42		0
		Other Revenues	44	839	916
		Finance costs	45		0
		Other Expenses	46		0
		Net Income (Loss) before Income Taxes	49	8,943	12,960
		INCOME TAXES			
		Current	50	2,184	3,030
		Deferred	51	81	240
		Total Income Taxes	59	2,265	3,270
		NET INCOME (LOSS) FOR THE PERIOD	89	6,678	9,690
		ATTRIBUTABLE TO:			
		Non-controlling Interests	80		0
		Equity Holders	82	6,678	9,690

CONSOLIDATED FINANCIAL STATEMENTS

COMPREHENSIVE INCOME (LOSS)
and
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
(\$'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
20 30		Comprehensive Income (Loss)		
		Net Income	6,678	9,690
		Other Comprehensive Income (Loss):		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		Change in Unrealized Gains and Losses:		
		- Loans		0
		- Bonds and Debentures		0
		- Equities		0
		Reclassification of (Gains) Losses to Net Income		0
		Derivatives Designated as Cash Flow Hedges		
		Change in Unrealized Gains and Losses		0
		Reclassification of (Gains) Losses to Net Income		0
		Foreign Currency Translation		
		Change in Unrealized Gains and Losses		0
		Impact of Hedging		0
		Other		0
		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		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)	0	0
		Total Comprehensive Income (Loss)	6,678	9,690
		Attributable to:		
		Non-controlling Interests		0
		Equity Holders	6,678	9,690
20 20		Accumulated Other Comprehensive Income (Loss)		
		Accumulated Gains (Losses) on:		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		- Loans		0
		- Bonds and Debentures		0
		- Equities		0
		Derivatives Designated as Cash Flow Hedges		0
		Foreign Currency (net of hedging activities)		0
		Other		0
		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		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 Period	0	0

CONSOLIDATED

REQUIRED AND MCT (BAAT) RATIO
(S'000)

		Current Period (01)
Capital Available:		
Capital available (from page 30.62 - capital available)	01	153,722
Phase-in of capital available	03	(6,263)
Total Capital Available	09	159,984
Assets Available:		
Net Assets Available (from page 30.92 - net assets available)	11	
Phase-in of net assets available	13	
Total Net Assets Available	19	
Capital (Margin) Required at Target:		
Insurance Risk:		
Premium liabilities	20	20,314
Unpaid claims	22	28,987
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	49,301
Market Risk:		
Interest rate risk	30	3,466
Foreign exchange risk	32	0
Equity risk	34	28,715
Real estate risk	36	6,436
Other market risk exposures	38	178
Subtotal: Market risk margin	39	38,795
Credit Risk:		
Counterparty default risk for balance sheet assets	40	4,642
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	4,642
Operational risk margin	50	16,195
Less: Diversification credit	52	12,371
Total Capital (Margin) Required at Target	59	96,562
Minimum Capital (Margin) Required (line 59 / 1.5)	60	64,375
Phase-in of Capital (Margin) Required	62	(5,458)
Total Minimum Capital (Margin) Required	69	69,833
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	90,152
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	229.10%