

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	42,427		50,123			
		Investment Income due and accrued	1,941		1,724			
		Assets held for sale			0			
		Investments:						
40.12		Short Term Investments			0			
40.22		Bonds and Debentures	401,418		289,992			
40.32		Mortgage Loans			0			
40.42		Preferred Shares	34,512		33,568			
40.52		Common Shares			95,717			
40.70		Investment Properties	92,023		18,945			
40.80		Other Loans and Invested Assets			0			
40.07		Total Investments (lines 04 to 10)	527,953		438,222		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers			0			
		Policyholders	4,270		4,436			
		Instalment Premiums	80,293		83,398			
		Other Insurers	5,373		2,668			
		"Facility Association" and the "P.R.R."	(1,915)		0			
50.40		Subsidiaries, Associates & Joint Ventures	3,629		55			
50.20		Other Receivables	2,322		1,267			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	0		0			
60.30		Unpaid Claims and Adjustment Expenses	305,969		14,482			
		Other Recoverables on Unpaid Claims			0			
50.32		Interests in Subsidiaries, Associates & Joint Ventures	0		0			
40.70		Property and Equipment	28,773		28,250			
		Deferred Policy Acquisition Expenses	20,119		20,395			
		Current Tax Assets	4,484		0			
		Deferred Tax Assets	13,013		1,443			
		Goodwill			0			
		Intangible Assets	8,275		6,842			
		Defined Benefit Pension Plan			0			
		Other Assets	344		635			
		TOTAL ASSETS	1,047,270		653,940		0	

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
		(55)	(01)	(03)	(05)
		LIABILITIES			
		Overdrafts 01		0	
		Borrowed Money and Accrued Interest 02		0	
		Payables:			
50.20		Agents and Brokers 03		0	
		Policyholders 04	373	976	
50.30		Other Insurers 05		177	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates 06	3,207	7,134	
		Expenses due and accrued 07	12,861	9,591	
		Other Taxes due and accrued 09	8,607	7,981	
		Policyholder Dividends and Rating Adjustments 10		0	
40.70		Encumbrances on Real Estate 11		0	
60.10		Unearned Premiums 12	137,772	143,089	
60.30		Unpaid Claims and Adjustment Expenses 13	687,492	318,617	
80.10		Unearned Commissions 14	0	0	
		Ceded Deferred Premium Taxes 20		0	
		Ceded Deferred Insurance Operations Expenses 34		0	
		Premium Deficiency 15		0	
		Liabilities held for sale 17		0	
		Current Tax Liabilities 18		1,691	
		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	4,245	4,388	
		Total Liabilities 29	854,557	493,644	0
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common 41	9,000	9,000	
		Preferred 33	76,100	0	
		Contributed Surplus 42	0	0	
		(Specify) 43		0	
20.54		Retained Earnings 44	107,613	151,296	
20.45		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	0	0	
		Total Policyholders/Shareholders' Equity 59	192,713	160,296	0
		Non-controlling Interests 48	0	0	
		Total Equity 49	192,713	160,296	0
		TOTAL LIABILITIES AND EQUITY 89	1,047,270	653,940	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	01 144,735	152,231
70.21		Reinsurance Assumed	02 0	0
70.21		Reinsurance Ceded	03 17,073	5,844
60.20		Net Premiums Written	04 127,662	146,387
		Decrease (increase) in Net Unearned Premiums	05 2,296	3,842
60.20		Net Premiums Earned	06 129,958	150,229
		Service Charges	07 4,631	4,830
		Other	08 0	0
		Total Underwriting Revenue	09 134,589	155,059
		Gross Claims and Adjustment Expenses	62 518,299	115,984
		Reinsurers' share of claims and adjustment expenses	64 361,404	811
60.20		Net Claims and Adjustment Expenses	10 156,895	115,173
		Acquisition Expenses		
80.10		Gross Commissions	66 16,764	17,442
80.10		Ceded Commissions	68 0	0
		Taxes	12 4,975	4,684
80.20		Other	14 6,034	5,406
80.20		General Expenses	16 9,249	12,452
		Total Claims and Expenses	19 193,917	155,157
		Premium Deficiency Adjustments	20 0	0
		Underwriting Income (Loss)	29 (59,328)	(98)
40.07		INVESTMENT OPERATIONS		
		Income	32 8,143	(2,262)
		Realized Gains (Losses)	33 5,467	11,116
		Expenses	34 541	652
		Net Investment Income	39 13,069	8,202
		OTHER REVENUE AND EXPENSES		
		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
		Gains (losses) from fluctuations in Foreign Exchange Rates	42 0	0
		Other Revenues	44 832	839
		Finance costs	45 0	0
		Other Expenses	46 0	0
		Net Income (Loss) before Income Taxes	49 (45,427)	8,943
		INCOME TAXES		
		Current	50 (1,326)	2,184
		Deferred	51 (11,235)	81
		Total Income Taxes	59 (12,561)	2,265
		NET INCOME (LOSS) FOR THE YEAR	89 (32,866)	6,678
		ATTRIBUTABLE TO:		
		Non-controlling Interests	80 0	0
		Equity Holders	82 (32,866)	6,678

(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)
		Comprehensive Income (Loss)		
20.30		Net Income	01 (32,866)	6,678
		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
		- Bonds and Debentures	03	0
		- Equities	04	0
		Reclassification of (Gains) Losses to Net Income	05	0
		Derivatives Designated as Cash Flow Hedges		
		Change in Unrealized Gains and Losses	06	0
		Reclassification of (Gains) Losses to Net Income	07	0
		Foreign Currency Translation		
		Change in Unrealized Gains and Losses	08	0
		Impact of Hedging	09	0
		Other	18	0
		Subtotal of items that may be reclassified subsequently to Net Income	19	0
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus	31	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	11	0
		Remeasurements of Defined Benefit Plans	34	0
		Other	12	0
		Subtotal of items that will not be reclassified subsequently to Net Income	29	0
		Total Other Comprehensive Income (Loss)	21	0
		Total Comprehensive Income (Loss)	39	(32,866) 6,678
		Attributable to:		
		Non-controlling Interests	60	0
		Equity Holders	62	(32,866) 6,678
		Accumulated Other Comprehensive Income (Loss)		
		Accumulated Gains (Losses) on:		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		- Loans	42	0
		- Bonds and Debentures	43	0
		- Equities	44	0
		Derivatives Designated as Cash Flow Hedges	45	0
		Foreign Currency (net of hedging activities)	46	0
		Other	68	0
		Subtotal of items that may be reclassified subsequently to Net Income	69	0
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus	71	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	51	0
		Remeasurements of Defined Benefit Plans	74	0
		Other	49	0
		Subtotal of items that will not be reclassified subsequently to Net Income	79	0
20.20		Balance at end of Period	59	0

CONSOLIDATED

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

(55)	Current Period (01)
Capital Available:	
Capital available (from page 30.62 - capital available)	01 171,425
Phase-in of capital available	03 (3,758)
(Specify)	08
Total Capital Available	09 175,183
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 19,643
Unpaid claims	22 39,676
Catastrophes	24 0
Margin required for reinsurance ceded to unregistered insurers	26 0
Subtotal: Insurance risk margin	29 59,319
Market Risk:	
Interest rate risk	30 5,195
Foreign exchange risk	32 0
Equity risk	34 0
Real estate risk	36 21,144
Other market risk exposures	38 138
Subtotal: Market risk margin	39 26,477
Credit Risk:	
Counterparty default risk for balance sheet assets	40 13,629
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 13,629
Operational risk margin	50 16,506
Less: Diversification credit	52 12,786
Total Capital (Margin) Required at Target	59 103,145
Minimum Capital (Margin) Required (line 59 / 1.5)	60 68,763
Phase-in of Capital (Margin) Required	62 (3,275)
(Specify)	68 0
Total Minimum Capital (Margin) Required	69 72,038
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79 103,145
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90 243.18%

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