

## 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	5,861		22,631		
		Investment Income due and accrued	02	1,537		2,290		
		Assets held for sale	50			0		
		Investments:						
40.12		Short Term Investments	04			0		
40.22		Bonds and Debentures	05	246,439		401,909		
40.32		Mortgage Loans	06			0		
40.42		Preferred Shares	07	26,598		35,717		
40.52		Common Shares	08			0		
40.70		Investment Properties	09	86,711		90,950		
40.80		Other Loans and Invested Assets	10	30,000		0		
40.07		<b>Total Investments (lines 04 to 10)</b>	19	<b>389,748</b>		<b>528,576</b>		0
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20			0		
		Policyholders	21	4,716		4,659		
		Instalment Premiums	22	88,670		87,601		
		Other Insurers	23	141,330		1,381		
		Facility Association and the "P.R.R."	24			0		
50.40		Subsidiaries, Associates & Joint Ventures	25	5,252		10,409		
50.20		Other Receivables	27	1,145		1,354		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	0		0		
60.30		Unpaid Claims and Adjustment Expenses	31	28,270		254,439		
		Other Recoverables on Unpaid Claims	37			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	26,568		28,353		
		Deferred Policy Acquisition Expenses	43	20,488		21,730		
		Current Tax Assets	52			1,564		
		Deferred Tax Assets	44	33,249		17,937		
		Goodwill	54			0		
		Intangible Assets	56	8,264		9,460		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	207		237		
		<b>TOTAL ASSETS</b>	89	<b>755,305</b>		<b>992,621</b>		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
		(55)	(01)	(03)	(05)
		<b>LIABILITIES</b>			
		Overdrafts	01	0	
		Borrowed Money and Accrued Interest	02	0	
		Payables:			
		Agents and Brokers	03	0	
		Policyholders	04	529	402
		Other Insurers	05	4,570	1,531
		Subsidiaries, Associates & Joint Ventures/Affiliates	06	3,022	3,053
		Expenses due and accrued	07	9,994	14,369
		Other Taxes due and accrued	09	12,562	13,369
		Policyholder Dividends and Rating Adjustments	10		0
		Encumbrances on Real Estate	11		0
		Unearned Premiums	12	141,716	145,356
		Unpaid Claims and Adjustment Expenses	13	410,442	630,199
		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		0
		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	4,450
		<b>Total Liabilities</b>	29	587,080	812,729
		<b>CANADIAN INSURERS ONLY:</b>			
		<b>EQUITY</b>			
		Shares issued and paid			
		Common	41	9,000	9,000
		Preferred	33	106,100	76,100
		Contributed Surplus	42	0	0
		(Specify)	43		0
		Retained Earnings	44	53,125	94,792
		Reserves	45	0	0
		Accumulated Other Comprehensive Income (Loss)	47	0	0
		<b>Total Policyholders/Shareholders' Equity</b>	59	168,225	179,892
		Non-controlling Interests	48	0	0
		<b>Total Equity</b>	49	168,225	179,892
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	755,305	992,621
		<b>FOREIGN INSURERS ONLY:</b>			
		<b>HEAD OFFICE ACCOUNT, RESERVES &amp; AOCI</b>			
		Head Office Account	51		
		(Specify)	53		
		Reserves	55		
		Accumulated Other Comprehensive Income (Loss)	56		
		<b>Total Head Office Account, Reserves &amp; AOCI</b>	69		
		<b>TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES &amp; AOCI</b>	79		

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	207,747	225,000
70.21		Reinsurance Assumed	02	0	0
70.21		Reinsurance Ceded	03	19,412	24,301
60.20		<b>Net Premiums Written</b>	04	188,335	200,699
		Decrease (increase) in Net Unearned Premiums	05	(6,530)	(5,288)
60.20		<b>Net Premiums Earned</b>	06	181,805	195,411
		Service Charges	07	6,261	6,871
		Other	08		0
		<b>Total Underwriting Revenue</b>	09	188,066	202,282
		Gross Claims and Adjustment Expenses	62	183,574	594,668
		Reinsurers' share of claims and adjustment expenses	64	1,499	366,002
60.20		<b>Net Claims and Adjustment Expenses</b>	10	182,075	228,666
		Acquisition Expenses			
80.10		Gross Commissions	66	23,326	25,087
80.10		Ceded Commissions	68	0	0
		Taxes	12	7,781	7,460
80.20		Other	14	7,776	9,137
80.20		General Expenses	16	13,908	13,233
		<b>Total Claims and Expenses</b>	19	234,866	283,583
		Premium Deficiency Adjustments	20		0
		<b>Underwriting Income (Loss)</b>	29	(46,800)	(81,301)
40.07		<b>INVESTMENT OPERATIONS</b>			
		Income	32	8,346	14,752
		Gains (Losses) from FVO or FVTPL	35	0	0
		Realized Gains (Losses)	33	(1,296)	3,719
		Expenses	34	521	696
		<b>Net Investment Income</b>	39	6,529	17,775
		<b>OTHER REVENUE AND EXPENSES</b>			
		Income (Loss) from Ancillary Operations (net of Expenses of \$'000 )	40		0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41		0
		Share of Net Income (Loss) of Pooled Funds using Equity Method	47		
		Gain (Losses) from fluctuations in Foreign Exchange Rates	42		0
		Other Revenues	44	139	419
		Finance costs	45		0
		Other Expenses	46		0
		<b>Net Income (Loss) before Income Taxes</b>	49	(40,132)	(63,107)
		<b>INCOME TAXES</b>			
		Current	50	290	(1,260)
		Deferred	51	(11,349)	(16,160)
		<b>Total Income Taxes</b>	59	(11,059)	(17,420)
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	89	(29,073)	(45,687)
		<b>ATTRIBUTABLE TO:</b>			
		Non-controlling Interests	80		0
		Equity Holders	82	(29,073)	(45,687)

(04)

CONSOLIDATED FINANCIAL STATEMENTS  
COMPREHENSIVE INCOME (LOSS)  
and  
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)  
(S'000)

Reference Page	FS Notes Reference		Current Period	Prior Period	
			(01)	(03)	
20.30		<b>Comprehensive Income (Loss)</b>			
		Net Income	01	(29,073)	(45,687)
		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		0
		- Bonds and Debentures	03		0
		- Equities	04		0
		Reclassification of (Gains) Losses to Net Income	05		0
		<b>Derivatives Designated as Cash Flow Hedges</b>			
		Change in Unrealized Gains and Losses	06		0
		Reclassification of (Gains) Losses to Net Income	07		0
		<b>Foreign Currency Translation</b>			
		Change in Unrealized Gains and Losses	08		0
		Impact of Hedging	09		0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)	14		
		Other	18		0
		Subtotal of items that may be reclassified subsequently to Net Income	19	0	0
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
	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	0	
	Total Other Comprehensive Income (Loss)	21	0	0	
	<b>Total Comprehensive Income (Loss)</b>	39	(29,073)	(45,687)	
	<b>Attributable to:</b>				
	Non-controlling Interests	60		0	
	Equity Holders	62	(29,073)	(45,687)	
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		0
		- Bonds and Debentures	43		0
		- Equities	44		0
		<b>Derivatives Designated as Cash Flow Hedges</b>	45		0
		<b>Foreign Currency (net of hedging activities)</b>	46		0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)	52		
		Other	68		0
		Subtotal of items that may be reclassified subsequently to Net Income	69	0	0
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
		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	0
		Balance at end of Year	59	0	0

CONSOLIDATED

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

	Current Period
(55)	(01)
<b>Capital Available:</b>	
Capital available (from page 30.62 - capital available)	01 126,712
Phase-in of capital available	03 (626)
(Specify)	08
<b>Total Capital Available</b>	<b>09 127,338</b>
<b>Assets Available:</b>	
Net Assets Available (from page 30.92 - net assets available)	11
Phase-in of net assets available	13
(Specify)	18
<b>Total Net Assets Available</b>	<b>19</b>
<b>Capital (Margin) Required at Target:</b>	
<b>Insurance Risk:</b>	
Premium liabilities	20 19,480
Unpaid claims	22 35,854
Catastrophes	24 0
Margin required for reinsurance ceded to unregistered insurers	26 0
Subtotal: Insurance risk margin	29 55,334
<b>Market Risk:</b>	
Interest rate risk	30 1,797
Foreign exchange risk	32 0
Equity risk	34 0
Real estate risk	36 19,907
Other market risk exposures	38 92
Subtotal: Market risk margin	39 21,796
<b>Credit Risk:</b>	
Counterparty default risk for balance sheet assets	40 8,771
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 8,771
Operational risk margin	50 14,611
Less: Diversification credit	52 10,485
<b>Total Capital (Margin) Required at Target</b>	<b>59 90,027</b>
Minimum Capital (Margin) Required (line 59 / 1.5)	60 60,018
Phase-in of Capital (Margin) Required	62 (546)
(Specify)	68 0
<b>Total Minimum Capital (Margin) Required</b>	<b>69 60,564</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79 66,774</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90 210.25%</b>

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