

## 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	17,425		17,059		
		Investment Income due and accrued	02	1,597		1,662		
		Assets held for sale	50			0		
		Investments:						
40.12		Short Term Investments	04			0		
40.22		Bonds and Debentures	05	380,771		310,380		
40.32		Mortgage Loans	06			0		
40.42		Preferred Shares	07	37,387		35,343		
40.52		Common Shares	08			89,418		
40.70		Investment Properties	09	89,910		18,516		
40.80		Other Loans and Invested Assets	10			0		
40.07		<b>Total Investments (lines 04 to 10)</b>	19	508,068		453,657		0
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20	0		0		
		Policyholders	21	4,435		4,395		
		Instalment Premiums	22	83,385		82,620		
		Other Insurers	23			6,467		
		Facility Association and the "P.R.R."	24			3,230		
50.40		Subsidiaries, Associates & Joint Ventures	25	3,093		0		
50.20		Other Receivables	27	1,091		1,231		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	0		0		
60.30		Unpaid Claims and Adjustment Expenses	31	199,723		12,197		
		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	27,917		27,397		
		Deferred Policy Acquisition Expenses	43	19,417		20,012		
		Current Tax Assets	52	1,714		2,953		
		Deferred Tax Assets	44	21,900		1,777		
		Goodwill	54			0		
		Intangible Assets	56	10,535		6,942		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	557		314		
		<b>TOTAL ASSETS</b>	89	900,857		641,913		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:			
50.20		Agents and Brokers	03	0	0
		Policyholders	04	338	658
		Other Insurers	05	8,849	0
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	1,386
		Expenses due and accrued	07	10,752	11,769
		Other Taxes due and accrued	09	16,912	16,097
		Policyholder Dividends and Rating Adjustments	10		0
40.70		Encumbrances on Real Estate	11	0	0
60.10		Unearned Premiums	12	135,186	140,068
60.30		Unpaid Claims and Adjustment Expenses	13	557,707	318,469
80.10		Unearned Commissions	14	0	0
		Ceded Deferred Premium Taxes	20		0
		Ceded Deferred Insurance Operations Expenses	34		0
		Premium Deficiency	15	0	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	3,814	3,987
		<b>Total Liabilities</b>	29	733,558	492,434
		<b>CANADIAN INSURERS ONLY:</b>			
		<b>EQUITY</b>			
		Shares issued and paid			
		Common	41	9,000	9,000
		Preferred	33	76,100	0
		Contributed Surplus	42		0
		(Specify)	43		0
20.54		Retained Earnings	44	82,199	140,479
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		<b>Total Policyholders/Shareholders' Equity</b>	59	167,299	149,479
		Non-controlling Interests	48		0
		<b>Total Equity</b>	49	167,299	149,479
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	900,857	641,913
		<b>FOREIGN INSURERS ONLY:</b>			
		<b>HEAD OFFICE ACCOUNT, RESERVES &amp; AOCI</b>			
20.45		Head Office Account	51		
		(Specify)	53		
20.45		Reserves	55		
20.42		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	285,588	304,924
70.21		Reinsurance Assumed	02	0	0
70.21		Reinsurance Ceded	03	28,932	13,532
60.20		<b>Net Premiums Written</b>	04	256,656	291,392
		Decrease (increase) in Net Unearned Premiums	05	4,882	6,863
60.20		<b>Net Premiums Earned</b>	06	261,538	298,255
		Service Charges	07	9,052	9,767
		Other	08		0
		<b>Total Underwriting Revenue</b>	09	270,590	308,022
		Gross Claims and Adjustment Expenses	62	646,263	237,665
		Reinsurers' share of claims and adjustment expenses	64	350,963	3,810
60.20		<b>Net Claims and Adjustment Expenses</b>	10	295,300	233,855
		Acquisition Expenses			
80.10		Gross Commissions	66	33,159	35,090
80.10		Ceded Commissions	68	0	0
		Taxes	12	9,833	9,351
80.20		Other	14	11,674	11,417
80.20		General Expenses	16	17,093	25,304
		<b>Total Claims and Expenses</b>	19	367,059	315,017
		Premium Deficiency Adjustments	20		0
40.07		<b>Underwriting Income (Loss)</b>	29	(96,469)	(6,995)
		<b>INVESTMENT OPERATIONS</b>			
		Income	32	10,898	(12,016)
		Gains (Losses) from FVO or FVTPL	35	0	0
		Realized Gains (Losses)	33	6,047	12,415
		Expenses	34	841	1,173
		<b>Net Investment Income</b>	39	16,104	(774)
		<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	551	1,655
		Finance costs	45		0
		Other Expenses	46		0
		<b>Net Income (Loss) before Income Taxes</b>	49	(79,814)	(6,114)
		<b>INCOME TAXES</b>			
		Current	50	(1,411)	(1,721)
		Deferred	51	(20,123)	(254)
		<b>Total Income Taxes</b>	59	(21,534)	(1,975)
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	89	(58,280)	(4,139)
		<b>ATTRIBUTABLE TO:</b>			
		Non-controlling Interests	80		0
		Equity Holders	82	(58,280)	(4,139)

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	(58,280)	(4,139)
		<b>Other Comprehensive Income (Loss):</b>			
		<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
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures (may be reclassified)</b>	14		
		<b>Other</b>	18		0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	19	0	0
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
	<b>Revaluation Surplus</b>	31		0	
	<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b>	11		0	
	<b>Remeasurements of Defined Benefit Plans</b>	34		0	
	<b>Other</b>	12		0	
	<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	29	0	0	
	<b>Total Other Comprehensive Income (Loss)</b>	21	0	0	
	<b>Total Comprehensive Income (Loss)</b>	39	(58,280)	(4,139)	
	<b>Attributable to:</b>				
	Non-controlling Interests	60		0	
	Equity Holders	62	(58,280)	(4,139)	
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
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures (may be reclassified)</b>	52		
		<b>Other</b>	68		0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	69	0	0
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
		<b>Revaluation Surplus</b>	71		0
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b>	51		0
		<b>Remeasurements of Defined Benefit Plans</b>	74		0
		<b>Other</b>	49		0
		<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	79	0	0
		<b>Balance at end of Year</b>	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)	01 134,704
Phase-in of capital available	03 (2,505)
(Specify)	08
<b>Total Capital Available</b>	<b>09 137,209</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 32,976
Catastrophes	24 0
Margin required for reinsurance ceded to unregistered insurers	26 16
Subtotal: Insurance risk margin	29 52,472
<b>Market Risk:</b>	
Interest rate risk	30 5,884
Foreign exchange risk	32 0
Equity risk	34 0
Real estate risk	36 20,656
Other market risk exposures	38 118
Subtotal: Market risk margin	39 26,658
<b>Credit Risk:</b>	
Counterparty default risk for balance sheet assets	40 10,634
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 10,634
Operational risk margin	50 15,493
Less: Diversification credit	52 11,656
<b>Total Capital (Margin) Required at Target</b>	<b>59 93,601</b>
Minimum Capital (Margin) Required (line 59 / 1.5)	60 62,400
Phase-in of Capital (Margin) Required	62 (2,183)
(Specify)	68 0
<b>Total Minimum Capital (Margin) Required</b>	<b>69 64,583</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79 72,626</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90 212.45%</b>

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