

## CONSOLIDATED FINANCIAL STATEMENTS

ASSETS  
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (03)	Opening Prior Year Restated (05)
		Cash and Cash Equivalents	87,817	35,600	30,143
		Investment Income due and accrued	1,467	1,963	2,532
		Assets held for sale			
		Investments:			
40.12		Short Term Investments	0	21,708	21,000
40.22		Bonds and Debentures	150,499	191,477	224,435
40.32		Mortgage Loans	19,432	21,434	10,205
40.42		Preferred Shares	12,644	13,380	9,309
40.52		Common Shares	94,804	90,219	74,647
40.70		Investment Properties	12,501	0	
40.80		Other Investments	0	0	
40.07		<b>Total Investments (lines 04 to 10)</b>	<b>289,880</b>	<b>338,218</b>	<b>339,596</b>
		Receivables:			
50.20		Agents and Brokers	0	0	
		Policyholders		0	
		Instalment Premiums	61,296	55,684	51,378
50.30		Other Insurers	4,352	4,050	1,763
		Facility Association and the "P.R.R."	972	1,763	1,830
50.40		Subsidiaries, Associates & Joint Ventures	760	837	423
		Income Taxes (CGAAP)			
50.20		Other Receivables	958	687	634
		Recoverable from Reinsurers:			
60.10		Unearned Premiums	0	0	
60.30		Unpaid Claims and Adjustment Expenses	19,024	24,133	20,701
		Other Recoverables on Unpaid Claims		0	
50.40		Interests in Subsidiaries, Associates & Joint Ventures	0	0	
40.70		Property and Equipment	23,217	0	
		Deferred Policy Acquisition Expenses	16,761	15,992	15,722
		Current Tax Assets (IFRS)	4,935	7,265	0
		Deferred Tax Assets:	1,806	1,965	595
50.50		Goodwill	0	0	
		Intangible Assets	9,102	9,633	0
50.50		Other Assets	2,724	2,823	12,188
		<b>TOTAL ASSETS</b>	<b>525,071</b>	<b>500,613</b>	<b>477,515</b>

CONSOLIDATED FINANCIAL STATEMENTS  
LIABILITIES AND EQUITY  
(S'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (03)	Opening Prior Year Restated (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		0	180
50.30		Other Insurers 05	0	0	
50.40		Subsidiaries, Associates & Joint Ventures 06	182	734	481
		Expenses due and accrued 07	8,248	6,172	5,619
		Income Taxes due and accrued (CGAAP) 08			10,880
		Other Taxes due and accrued 09	13,993	12,346	11,359
		Policyholder Dividends and Rating Adjustments 10		0	
40.70		Encumbrances on Real Estate 11	0	0	
60.10		Unearned Premiums 12	116,626	112,297	109,312
60.30		Unpaid Claims and Adjustment Expenses 13	242,119	226,890	216,869
80.10		Unearned Commissions 14	0	0	
		Premium Deficiency 15	0	0	
		Liabilities held for sale 17			
		Current Tax Liabilities (IFRS) 18		0	
		Deferred Tax Liabilities 21		0	
50.50		Provisions and Other Liabilities 28	3,641	4,585	4,801
		<b>Total Liabilities 29</b>	<b>384,809</b>	<b>363,024</b>	<b>359,501</b>
		<b>EQUITY</b>			
		Shares issued and paid 41	4,000	4,000	4,000
		Contributed Surplus 42		0	
		(Specify) 43		0	
20.40		Retained Earnings 44	136,262	133,589	114,014
20.40		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	0	0	0
		Non-controlling Interests 48			
		<b>Total Equity 49</b>	<b>140,262</b>	<b>137,589</b>	<b>118,014</b>
		<b>TOTAL LIABILITIES AND EQUITY 89</b>	<b>525,071</b>	<b>500,613</b>	<b>477,515</b>

CONSOLIDATED FINANCIAL STATEMENTS  
STATEMENT OF INCOME  
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (03)
		<b>UNDERWRITING OPERATIONS</b>		
		<b>Premiums Written</b>		
		Direct	01	
70.21		Reinsurance assumed	02	
70.21		Reinsurance ceded	03	
60.20		<b>Net Premiums Written</b>	04	
		Decrease (increase) in Net Unearned Premiums	05	
60.20		<b>Net Premiums Earned</b>	06	
		Service Charges	07	
		Other	08	
		<b>Total Underwriting Revenue</b>	09	
		Gross Claims and Adjustment Expenses	62	
		Reinsurers' share of claims and adjustment expenses	64	
60.20		<b>Net Claims and Adjustment Expenses</b>	10	
		Acquisition Expenses		
80.10		Gross Commissions	66	
80.10		Ceded Commissions	68	
		Taxes	12	
80.20		Other	14	
80.20		General Expenses	16	
		<b>Total Claims and Expenses</b>	19	
		Premium Deficiency Adjustments	20	
		<b>Underwriting Income (Loss)</b>	29	
40.07		<b>INVESTMENT OPERATIONS</b>		
		Income	32	
		Realized Gains (Losses)	33	
		Expenses	34	
		<b>Net Investment Income</b>	39	
		<b>OTHER REVENUE AND EXPENSES</b>		
		Income (Loss) from Ancillary Operations (net of Expenses of \$'000 )	40	
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41	
		Gain (Losses) from fluctuations in Foreign Exchange Rates	42	
		Other Revenues	44	
		Finance costs	45	
		Other Expenses	46	
		<b>Net Income (Loss) before Income Taxes</b>	49	
		<b>INCOME TAXES</b>		
		Current	50	
		Deferred	51	
		<b>Total Income Taxes</b>	59	
		Extraordinary Items (net of Income Taxes of \$'000 ) (CGAAP)	60	
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	89	
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests	80	
		Equity Holders	82	

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF RETAINED EARNINGS  
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (02)
20.30		<b>Balance at beginning of year</b>	133,589	114,014
		Prior period adjustments:	0	0
		(Specify)	0	0
		Adjusted balance at beginning of year	133,589	114,014
		Net income (loss) for the year	7,673	29,735
		Dividends declared to shareholders	5,000	10,160
		Decrease (increase) in Reserves	0	0
		(Specify)	0	0
		Net increase (decrease) in Retained Earnings during the year	2,673	19,575
		<b>Balance at end of year</b>	136,262	133,589

RESERVES  
(\$'000)

Page	FS Notes Reference		Current Year (01)	Prior Year (02)
		Earthquake Reserves		
		Reserve Complement		0
		Premium Reserve		0
		Mortgage Reserve		0
		Nuclear Reserve		0
		General and Contingency Reserves		0
		<b>Total Reserves</b>	0	0

**CONSOLIDATED FINANCIAL STATEMENTS**  
**COMPREHENSIVE INCOME (LOSS)**  
**and**  
**ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**  
**(\$'000)**

Page	FS Notes Reference		Current Year (01)	Prior Year (03)
20.30		<b>Comprehensive Income (Loss)</b>		
		Net Income 01	7,673	29,735
		Other Comprehensive Income (Loss):		
		<b>Available for Sale:</b>		
		Change in Unrealized Gains and Losses:		
		- Loans 02		0
		- Bonds and Debentures 03		0
		- Equities 04		0
		Reclassification to Earnings of (Gains) Losses 05		0
		<b>Derivatives Designated as Cash Flow Hedges</b>		
		Change in Unrealized Gains and Losses 06		0
		Reclassification to Earnings of (Gains) Losses 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</b> 11		
		<b>Other</b> 12		0
		Total Other Comprehensive Income (Loss) 21	0	0
		<b>Total Comprehensive Income (Loss)</b> 39	<b>7,673</b>	<b>29,735</b>
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests 60		
		Equity Holders 62	7,673	29,735
		<b>Accumulated Other Comprehensive Income (Loss)</b>		
		Accumulated Gains (Losses) on:		
		<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</b> 51		
		<b>Other</b> 49		0
20.20		Balance at end of Period 59	0	0

**Alberta Motor Association Insurance Company**  
Insurer

2011  
Year

**CONSOLIDATED  
MINIMUM CAPITAL TEST  
(\$'000)**

		Current Year (01)	Prior Year (02)
<b>Capital Available</b>			
Total Equity less Accumulated Other Comprehensive Income	02	140,262	137,589
Add:			
Subordinated Indebtedness and Redeemable Preferred Shares	03		0
Accumulated Other Comprehensive Income (Loss) on:			
Available for Sale Equity Securities	04	0	6,980
Available for Sale Debt Securities	06	0	0
Foreign Currency (Net of Hedging Activities)	08	0	0
Revaluation Losses in Excess of Gains on Own Use Properties (IFRS)	32		
(Specify)	30		0
Less:			
Accumulated net after-tax fair value gains (losses) arising from changes in the company's own credit risk	12		0
Unrealized Fair Value Gains (Losses) from Own Use Properties at Conversion (IFRS)	15		
Shadow Accounting Impact (IFRS)	16		
Assets with a Capital Requirement of 100%	17	1,806	10,637
(Specify)	13		0
IFRS Conversion Phase in (IFRS)	18		
<b>Total Capital Available</b>	19	138,456	133,932
<b>Minimum Capital Required</b>			
Balance Sheet Assets	20	31,293	24,866
Unearned Premiums/Unpaid Claims/Premium Deficiencies .	22	29,680	27,815
Catastrophes	24	0	0
Reinsurance Ceded to Unregistered Insurers	26	0	0
Structured Settlements, Letters of Credit, Derivatives and Other Exposures .	28	0	0
(Specify)	34		
<b>Minimum Capital Required</b>	29	60,973	52,681
<b>Excess Capital Available over Minimum Capital Required</b> (line 19 minus line 29)	89	77,483	81,251
<b>Line 19 as a % of line 29</b>	90	227.08%	254.23%
<b>Minimum Gross Capital Level</b>	96	7,574	6,713