

**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	22,631		64,313		
		Investment Income due and accrued	02	2,290		2,048		
		Assets held for sale	50			0		
		Investments:						
40.12		Short Term Investments	04			0		
40.22		Bonds and Debentures	05	401,909		283,494		
40.32		Mortgage Loans	06			0		
40.42		Preferred Shares	07	35,717		30,462		
40.52		Common Shares	08			90,439		
40.70		Investment Properties	09	90,950		18,712		
40.80		Other Loans and Invested Assets	10			0		
40.07		<b>Total Investments (lines 04 to 10)</b>	19	528,576		423,107	0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20			0		
		Policyholders	21	4,659		4,728		
		Instalment Premiums	22	87,601		88,900		
		Other Insurers	23	1,381		3,618		
		"Facility Association" and the "P.R.R."	24			0		
50.40		Subsidiaries, Associates & Joint Ventures	25	10,409		63		
50.20		Other Receivables	27	1,354		1,334		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	0		0		
60.30		Unpaid Claims and Adjustment Expenses	31	254,439		18,335		
		Other Recoverables on Unpaid Claims	37			0		
50.32		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
40.70		Property and Equipment	41	28,353		27,825		
		Deferred Policy Acquisition Expenses	43	21,730		21,134		
		Current Tax Assets	52	1,564		2,121		
		Deferred Tax Assets	44	17,937		1,336		
		Goodwill	54			0		
		Intangible Assets	56	9,460		6,468		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	237		250		
		<b>TOTAL ASSETS</b>	89	992,621		665,580	0	

CONSOLIDATED FINANCIAL STATEMENTS  
LIABILITIES, EQUITY, HEAD OFFICE ACCOUNT, RESERVES & AOCI  
(\$'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	
		Policyholders 04	402	969	
50.30		Other Insurers 05	1,531	1,872	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates 06	3,053	6,943	
		Expenses due and accrued 07	14,369	10,700	
		Other Taxes due and accrued 09	13,369	12,423	
		Policyholder Dividends and Rating Adjustments 10		0	
40.70		Encumbrances on Real Estate 11		0	
60.10		Unearned Premiums 12	145,356	147,599	
60.30		Unpaid Claims and Adjustment Expenses 13	630,199	330,768	
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		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	4,450	4,528	
		<b>Total Liabilities 29</b>	<b>812,729</b>	<b>515,802</b>	<b>0</b>
		<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	0	
		(Specify) 43		0	
20.54		Retained Earnings 44	94,792	140,778	
20.45		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	0	0	
		<b>Total Policyholders/Shareholders' Equity 59</b>	<b>179,892</b>	<b>149,778</b>	<b>0</b>
		Non-controlling Interests 48	0	0	
		<b>Total Equity 49</b>	<b>179,892</b>	<b>149,778</b>	<b>0</b>
		<b>TOTAL LIABILITIES AND EQUITY 89</b>	<b>992,621</b>	<b>665,580</b>	<b>0</b>
		<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 69</b>			
		<b>TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES &amp; AOCI 79</b>			

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

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)	
		<b>UNDERWRITING OPERATIONS</b>			
		<b>Premiums Written</b>			
		Direct	01 225,000	235,614	
70.21		Reinsurance Assumed	02 0	0	
70.21		Reinsurance Ceded	03 24,301	10,818	
60.20		<b>Net Premiums Written</b>	04 200,699	224,796	
		Decrease (increase) in Net Unearned Premiums	05 (5,288)	(668)	
60.20		<b>Net Premiums Earned</b>	06 195,411	224,128	
		Service Charges	07 6,871	7,318	
		Other	08	0	
		<b>Total Underwriting Revenue</b>	09 202,282	231,446	
		Gross Claims and Adjustment Expenses	62 594,668	180,712	
		Reinsurers' share of claims and adjustment expenses	64 366,002	6,252	
60.20		<b>Net Claims and Adjustment Expenses</b>	10 228,666	174,460	
		Acquisition Expenses			
80.10		Gross Commissions	66 25,087	26,405	
80.10		Ceded Commissions	68 0	0	
		Taxes	12 7,460	7,049	
80.20		Other	14 9,137	8,194	
80.20		General Expenses	16 13,233	18,330	
		<b>Total Claims and Expenses</b>	19 283,583	234,438	
		Premium Deficiency Adjustments	20	0	
		<b>Underwriting Income (Loss)</b>	29 (81,301)	(2,992)	
40.07		<b>INVESTMENT OPERATIONS</b>			
		Income	32 14,752	(14,533)	
		Realized Gains (Losses)	33 3,719	12,277	
		Expenses	34 696	905	
		<b>Net Investment Income</b>	39 17,775	(3,161)	
		<b>OTHER REVENUE AND EXPENSES</b>			
		Income (Loss) from Ancillary Operations (net of Expenses of \$'000 )	40	0	(04)
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41	0	
		Gains (losses) from fluctuations in Foreign Exchange Rates	42	0	
		Other Revenues	44 419	1,243	
		Finance costs	45	0	
		Other Expenses	46	0	
		<b>Net Income (Loss) before Income Taxes</b>	49 (63,107)	(4,910)	
		<b>INCOME TAXES</b>			
		Current	50 (1,260)	(1,258)	
		Deferred	51 (16,160)	188	
		<b>Total Income Taxes</b>	59 (17,420)	(1,070)	
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	89 (45,687)	(3,840)	
		<b>ATTRIBUTABLE TO:</b>			
		Non-controlling Interests	80	0	
		Equity Holders	82 (45,687)	(3,840)	

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	(45,687)	(3,840)
		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
		<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>			
		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	
	<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	(45,687)	(3,840)	
	<b>Attributable to:</b>				
	Non-controlling Interests	60		0	
	Equity Holders	62	(45,687)	(3,840)	

			Current Period	Prior Period	
			(01)	(03)	
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>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>			
		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
		<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	79	0	0
		Balance at end of Period	59	0	0

## CONSOLIDATED

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

(55)	Current Period (01)
<b>Capital Available:</b>	
Capital available (from page 30.62 - capital available) 01	152,388
Phase-in of capital available 03	(3,131)
(Specify) 08	
<b>Total Capital Available 09</b>	<b>155,519</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 19</b>	
<b>Capital (Margin) Required at Target:</b>	
Insurance Risk:	
Premium liabilities 20	19,560
Unpaid claims 22	38,827
Catastrophes 24	0
Margin required for reinsurance ceded to unregistered insurers 26	16
Subtotal: Insurance risk margin 29	58,403
Market Risk:	
Interest rate risk 30	5,368
Foreign exchange risk 32	0
Equity risk 34	0
Real estate risk 36	20,900
Other market risk exposures 38	125
Subtotal: Market risk margin 39	26,393
Credit Risk:	
Counterparty default risk for balance sheet assets 40	12,598
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	12,598
Operational risk margin 50	16,311
Less: Diversification credit 52	12,492
<b>Total Capital (Margin) Required at Target 59</b>	<b>101,213</b>
Minimum Capital (Margin) Required (line 59 / 1.5) 60	67,475
Phase-in of Capital (Margin) Required 62	(2,729)
(Specify) 68	0
<b>Total Minimum Capital (Margin) Required 69</b>	<b>70,204</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required 79</b>	<b>85,315</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69) 90</b>	<b>221.52%</b>