

## CONSOLIDATED FINANCIAL STATEMENTS

**ASSETS**  
(S'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	13,892		42,427		
		Investment Income due and accrued	02	1,257		1,941		
		Assets held for sale	50			0		
		Investments:						
40.12		Short Term Investments	04			0		
40.22		Bonds and Debentures	05	294,039		401,418		
40.32		Mortgage Loans	06			0		
40.42		Preferred Shares	07	33,007		34,512		
40.52		Common Shares	08			0		
40.70		Investment Properties	09	87,756		92,023		
40.80		Other Loans and Invested Assets	10	30,000		0		
40.07		<b>Total Investments (lines 04 to 10)</b>	19	444,802		527,953	0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20			0		
		Policyholders	21	4,083		4,270		
		Instalment Premiums	22	76,764		80,293		
		Other Insurers	23	85,879		5,373		
		Facility Association and the "P.R.R."	24			(1,915)		
50.40		Subsidiaries, Associates & Joint Ventures	25	5,516		3,629		
50.20		Other Receivables	27	2,134		2,322		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	0		0		
60.30		Unpaid Claims and Adjustment Expenses	31	87,445		305,969		
		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	27,039		28,773		
		Deferred Policy Acquisition Expenses	43	18,970		20,119		
		Current Tax Assets	52	0		4,484		
		Deferred Tax Assets	44	31,999		13,013		
		Goodwill	54			0		
		Intangible Assets	56	9,137		8,275		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	378		344		
		<b>TOTAL ASSETS</b>	89	809,295		1,047,270	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	
		Policyholders	04	401	373
		Other Insurers	05	6,189	0
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	3,122	3,207
		Expenses due and accrued	07	9,888	12,861
		Other Taxes due and accrued	09	7,856	8,607
		Policyholder Dividends and Rating Adjustments	10		0
40.70		Encumbrances on Real Estate	11		0
60.10		Unearned Premiums	12	131,845	137,772
60.30		Unpaid Claims and Adjustment Expenses	13	474,678	687,492
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	3,995	4,245
		<b>Total Liabilities</b>	29	638,074	854,557
		<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
20.54		Retained Earnings	44	56,121	107,613
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		<b>Total Policyholders/Shareholders' Equity</b>	59	171,221	192,713
		Non-controlling Interests	48	0	0
		<b>Total Equity</b>	49	171,221	192,713
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	809,295	1,047,270
		<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  
(S'000)

Reference Page	FS Notes Reference		Current Period	Prior Period	
			(01)	(03)	
		<b>UNDERWRITING OPERATIONS</b>			
		<b>Premiums Written</b>			
		Direct	01	130,259	144,735
70.21		Reinsurance Assumed	02	0	0
70.21		Reinsurance Ceded	03	11,887	17,073
60.20		<b>Net Premiums Written</b>	04	118,372	127,662
		Decrease (increase) in Net Unearned Premiums	05	3,341	2,296
60.20		<b>Net Premiums Earned</b>	06	121,713	129,958
		Service Charges	07	4,192	4,631
		Other	08		0
		<b>Total Underwriting Revenue</b>	09	125,905	134,589
		Gross Claims and Adjustment Expenses	62	134,985	518,299
		Reinsurers' share of claims and adjustment expenses	64	1,398	361,404
60.20		<b>Net Claims and Adjustment Expenses</b>	10	133,587	156,895
		Acquisition Expenses			
80.10		Gross Commissions	66	15,547	16,764
80.10		Ceded Commissions	68	0	0
		Taxes	12	5,455	4,975
80.20		Other	14	5,184	6,034
80.20		General Expenses	16	9,257	9,249
		<b>Total Claims and Expenses</b>	19	169,030	193,917
		Premium Deficiency Adjustments	20		0
		<b>Underwriting Income (Loss)</b>	29	(43,125)	(59,328)
40.07		<b>INVESTMENT OPERATIONS</b>			
		Income	32	6,964	8,143
		Gains (Losses) from FVO or FVTPL	35	0	0
		Realized Gains (Losses)	33	508	5,467
		Expenses	34	356	541
		<b>Net Investment Income</b>	39	7,116	13,069
		<b>OTHER REVENUE AND EXPENSES</b>			
		Income (Loss) from Ancillary Operations (net of Expenses of S'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	123	832
		Finance costs	45		0
		Other Expenses	46		0
		<b>Net Income (Loss) before Income Taxes</b>	49	(35,886)	(45,427)
		<b>INCOME TAXES</b>			
		Current	50	290	(1,326)
		Deferred	51	(10,099)	(11,235)
		<b>Total Income Taxes</b>	59	(9,809)	(12,561)
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	89	(26,077)	(32,866)
		<b>ATTRIBUTABLE TO:</b>			
		Non-controlling Interests	80		0
		Equity Holders	82	(26,077)	(32,866)

(04)

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

Reference Page	FS Notes Reference		Current Period	Prior Period	
			(01)	(03)	
20.30		<b>Comprehensive Income (Loss)</b>			
		Net Income	01	(26,077)	(32,866)
		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>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures (may be reclassified)</b>			
		Other	14		0
		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	(26,077)	(32,866)		
<b>Attributable to:</b>					
Non-controlling Interests	60		0		
Equity Holders	62	(26,077)	(32,866)		
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>			
		Other	52		0
		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)	01 130,061
Phase-in of capital available	03 (1,253)
(Specify)	08
<b>Total Capital Available</b>	<b>09 131,314</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 36,406
Catastrophes	24 0
Margin required for reinsurance ceded to unregistered insurers	26 6
Subtotal: Insurance risk margin	29 55,892
<b>Market Risk:</b>	
Interest rate risk	30 352
Foreign exchange risk	32 0
Equity risk	34 0
Real estate risk	36 20,152
Other market risk exposures	38 103
Subtotal: Market risk margin	39 20,607
<b>Credit Risk:</b>	
Counterparty default risk for balance sheet assets	40 10,382
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 10,382
Operational risk margin	50 14,757
Less: Diversification credit	52 10,617
<b>Total Capital (Margin) Required at Target</b>	<b>59 91,021</b>
Minimum Capital (Margin) Required (line 59 / 1.5)	60 60,681
Phase-in of Capital (Margin) Required	62 (1,092)
(Specify)	68 0
<b>Total Minimum Capital (Margin) Required</b>	<b>69 61,773</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79 69,541</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90 212.58%</b>

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