

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	18,335		38,616		
		Investment Income due and accrued	02	2,168		1,993		
		Assets held for sale	50			0		
		Investments:						
40.12		Short Term Investments	04			0		
40.22		Bonds and Debentures	05	305,406		290,266		
40.32		Mortgage Loans	06			0		
40.42		Preferred Shares	07	33,888		31,872		
40.52		Common Shares	08	92,618		97,771		
40.70		Investment Properties	09	18,283		19,178		
40.80		Other Loans and Invested Assets	10			0		
40.02		<b>Total Investments (lines 04 to 10)</b>	19	450,195		439,087		0
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20			0		
		Policiesholders	21	3,883		4,114		
		Instalment Premiums	22	73,007		77,358		
		Other Insurers	23	5,762		5,203		
		"Facility Association" and the "P.R.R."	24	1,425		0		
50.40		Subsidiaries, Associates & Joint Ventures	25	3,334		75		
50.20		Other Receivables	27	1,157		1,779		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	0		0		
60.30		Unpaid Claims and Adjustment Expenses	31	10,944		17,587		
		Other Recoverables on Unpaid Claims	37			0		
50.32		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
40.70		Property and Equipment	41	26,943		28,640		
		Deferred Policy Acquisition Expenses	43	18,517		19,246		
		Current Tax Assets	52	586		0		
		Deferred Tax Assets	44	1,997		1,237		
		Goodwill	54			0		
		Intangible Assets	56	7,330		7,215		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	533		798		
		<b>TOTAL ASSETS</b>	89	626,116		642,948		0

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	473	1,081	
50.30		Other Insurers 05		741	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates 06	2,905	7,029	
		Expenses due and accrued 07	9,583	9,233	
		Other Taxes due and accrued 09	3,816	3,464	
		Policyholder Dividends and Rating Adjustments 10		0	
40.70		Encumbrances on Real Estate 11		0	
60.10		Unearned Premiums 12	129,222	136,523	
60.30		Unpaid Claims and Adjustment Expenses 13	319,493	326,450	
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		255	
		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	3,905	4,098	
		<b>Total Liabilities 29</b>	<b>469,397</b>	<b>488,874</b>	<b>0</b>
		<b>CANADIAN INSURERS ONLY:</b>			
		<b>EQUITY</b>			
		Shares issued and paid			
		Common 41	9,000	9,000	
		Preferred 33		0	
		Contributed Surplus 42	0	0	
		(Specify) 43		0	
20.54		Retained Earnings 44	147,719	145,074	
20.45		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	0	0	
		<b>Total Policyholders/Shareholders' Equity 59</b>	<b>156,719</b>	<b>154,074</b>	<b>0</b>
		Non-controlling Interests 48	0	0	
		<b>Total Equity 49</b>	<b>156,719</b>	<b>154,074</b>	<b>0</b>
		<b>TOTAL LIABILITIES AND EQUITY 89</b>	<b>626,116</b>	<b>642,948</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	63,548	67,314
70.21		Reinsurance Assumed	02	0	0
70.21		Reinsurance Ceded	03	2,494	2,506
60.20		<b>Net Premiums Written</b>	04	61,054	64,808
		Decrease (increase) in Net Unearned Premiums	05	10,846	10,408
60.20		<b>Net Premiums Earned</b>	06	71,900	75,216
		Service Charges	07	2,351	2,391
		Other	08		0
		<b>Total Underwriting Revenue</b>	09	74,251	77,607
		Gross Claims and Adjustment Expenses	62	50,739	67,415
		Reinsurers' share of claims and adjustment expenses	64	132	(257)
60.20		<b>Net Claims and Adjustment Expenses</b>	10	50,607	67,672
		Acquisition Expenses			
80.10		Gross Commissions	66	8,416	8,619
80.10		Ceded Commissions	68	0	0
		Taxes	12	2,471	2,330
80.20		Other	14	2,727	2,334
80.20		General Expenses	16	5,088	6,373
		<b>Total Claims and Expenses</b>	19	69,309	87,328
		Premium Deficiency Adjustments	20		0
		<b>Underwriting Income (Loss)</b>	29	4,942	(9,721)
40.07		<b>INVESTMENT OPERATIONS</b>			
		Income	32	4,070	661
		Realized Gains (Losses)	33	445	10,152
		Expenses	34	273	399
		<b>Net Investment Income</b>	39	4,242	10,414
		<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
		Gains (losses) from fluctuations in Foreign Exchange Rates	42		0
		Other Revenues	44	409	426
		Finance costs	45		0
		Other Expenses	46		0
		<b>Net Income (Loss) before Income Taxes</b>	49	9,593	1,119
		<b>INCOME TAXES</b>			
		Current	50	2,573	377
		Deferred	51	(220)	286
		<b>Total Income Taxes</b>	59	2,353	663
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	89	7,240	456
		<b>ATTRIBUTABLE TO:</b>			
		Non-controlling Interests	80		0
		Equity Holders	82	7,240	456

CONSOLIDATED FINANCIAL STATEMENTS

COMPREHENSIVE INCOME (LOSS)  
and  
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)  
(S'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
20.30		<b>Comprehensive Income (Loss)</b>		
		Net Income	7,240	456
		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		0
		- Bonds and Debentures		0
		- Equities		0
		Reclassification of (Gains) Losses to Net Income		0
		<b>Derivatives Designated as Cash Flow Hedges</b>		
		Change in Unrealized Gains and Losses		0
		Reclassification of (Gains) Losses to Net Income		0
		<b>Foreign Currency Translation</b>		
		Change in Unrealized Gains and Losses		0
		Impact of Hedging		0
		Other		0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	0	0
		<b>Items that will not be reclassified subsequently to Net Income:</b>		
		Revaluation Surplus		0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures		0
		Remeasurements of Defined Benefit Plans		0
		Other		0
		<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	0	0
		Total Other Comprehensive Income (Loss)	0	0
		<b>Total Comprehensive Income (Loss)</b>	7,240	456
		<b>Attributable to:</b>		
		Non-controlling Interests		0
		Equity Holders	7,240	456

			Current Period (01)	Prior Period (03)
		<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
		Other	68	0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	69	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
20.20		Balance at end of Period	0	0

## CONSOLIDATED

## REQUIRED AND MCT (BAAT) RATIO

(\$'000)

(55)	Current Period (01)
<b>Capital Available:</b>	
Capital available (from page 30.62 - capital available)	01 147,392
Phase-in of capital available	03 (4,384)
(Specify)	08
<b>Total Capital Available</b>	<b>09 151,776</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 19,853
Unpaid claims	22 28,879
Catastrophes	24 0
Margin required for reinsurance ceded to unregistered insurers	26 0
Subtotal: Insurance risk margin	29 48,732
<b>Market Risk:</b>	
Interest rate risk	30 2,902
Foreign exchange risk	32 0
Equity risk	34 27,785
Real estate risk	36 6,207
Other market risk exposures	38 144
Subtotal: Market risk margin	39 37,038
<b>Credit Risk:</b>	
Counterparty default risk for balance sheet assets	40 5,771
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 5,771
Operational risk margin	50 15,648
Less: Diversification credit	52 12,209
<b>Total Capital (Margin) Required at Target</b>	<b>59 94,980</b>
Minimum Capital (Margin) Required (line 59 / 1.5)	60 63,320
Phase-in of Capital (Margin) Required	62 (3,820)
(Specify)	68
<b>Total Minimum Capital (Margin) Required</b>	<b>69 67,140</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79 84,636</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90 226.06%</b>