

**ASSETS**  
(\$'000)

Page			Current Year 01	Prior Year 03
	Cash.....	01	24,851	11,628
	Investment Income due and accrued.....	02	155	135
	Investments:			
	Term Deposits.....	04	8,987	3,224
	Bonds and Debentures .....	05	28,634	20,998
	Mortgage Loans .....	06	0	0
	Preferred Shares.....	07	79,078	68,265
	Common Shares.....	08	45,822	29,346
40.70	Real Estate.....	09	7,644	0
40.80	Other Investments.....	10	4,938	0
<u>40.01</u> <u>or/ou</u> <u>40.40</u>	<b>Total Investments (lines 04 to 10).....</b>	19	175,103	121,833
	Receivables:			
50.20	Unaffiliated Agents and Brokers .....	20	0	0
	Policyholders.....	21	1,708	1,462
	Instalment Premiums.....	22	10,625	9,025
50.30	Other Insurers.....	23	0	0
	"Facility Association" and the "P.R.R.".....	24	176	191
50.40	Subsidiaries, Affiliates and Partnerships .....	25	0	0
	Income Taxes.....	26	0	6,245
50.20	Other Receivables.....	27	26	54
	Recoverable from Reinsurers:			
60.10	Unearned Premiums.....	30	0	0
60.30	Unpaid Claims and Adjustment Expenses.....	31	404	538
	Other Recoverables on Unpaid Claims.....	37	0	0
50.40	Investment in Subsidiaries, Affiliates & Partnerships.....	40	0	0
40.70	Real Estate for Insurer's own use.....	41	0	0
	Deferred Policy Acquisition Expenses.....	43	636	616
	Future Income Taxes.....	44	4,091	4,630
50.50	Other Assets.....	88	194	328
	<b>TOTAL ASSETS.....</b>	89	217,969	156,685

**LIABILITIES AND EQUITY**  
(\$'000)

Page			Current Year 01	Prior Year 03
	<b>LIABILITIES</b>			
	Overdrafts.....	01		0
	Borrowed Money and Accrued Interest	02		0
	Payables:			
<u>50.20</u>	Unaffiliated Agents and Brokers .....	03	<u>0</u>	0
	Policyholders.....	04		0
<u>50.30</u>	Other Insurers.....	05	<u>1,602</u>	1,025
<u>50.40</u>	Subsidiaries, Affiliates and Partnerships .....	06	<u>0</u>	0
	Expenses due and accrued.....	07	937	1,084
	Income Taxes due and accrued.....	08	12,279	0
	Other Taxes due and accrued.....	09		0
	Policyholder Dividends and Rating Adjustments.....	10		0
<u>40.70</u>	Encumbrances on Real Estate.....	11	<u>0</u>	0
<u>60.10</u>	Unearned Premiums.....	12	<u>109,309</u>	96,873
<u>60.30</u>	Unpaid Claims and Adjustment Expenses.....	13	<u>18,188</u>	17,234
<u>80.10</u>	Unearned Commissions.....	14	<u>0</u>	0
	Premium Deficiency.....	15	<u>0</u>	0
	Future Income Taxes.....	21		0
<u>50.50</u>	Other Liabilities.....	28	<u>2,094</u>	2,236
	<b>Total Liabilities.....</b>	<b>29</b>	<b>144,409</b>	<b>118,452</b>
	<b>EQUITY</b>			
	Shares issued and paid.....	41	<u>11,500</u>	11,500
	Contributed Surplus.....	42		0
	.....	43		0
<u>20.40</u>	Retained Earnings.....	44	<u>56,562</u>	<u>38,971</u>
<u>20.40</u>	Reserves.....	45	<u>0</u>	<u>0</u>
<u>20.42</u>	Accumulated Other Comprehensive Income (Loss)	47	5,498	(12,238)
	<b>Total Equity.....</b>	<b>49</b>	<b>73,560</b>	<b>38,233</b>
	<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>89</b>	<b>217,969</b>	<b>156,685</b>

**STATEMENT OF INCOME**  
(\$'000)

Page			Current Year 01	Prior Year 03
	<b>UNDERWRITING OPERATIONS</b>			
	<b>Premiums Written</b>			
	Direct.....	01	108,629	105,627
70.21	Reinsurance Assumed.....	02	0	0
70.21	Reinsurance Ceded.....	03	10,573	5,624
60.20	<b>Net Premiums Written</b> .....	04	98,056	100,003
	Decrease (increase) in Net Unearned Premiums.....	05	(12,436)	(14,742)
60.20	<b>Net Premiums Earned</b> .....	06	85,620	85,261
	Service Charges .....	07		0
	Other .....	08		(3)
	<b>Total Underwriting Revenue</b> .....	09	85,620	85,258
60.20	Net Claims and Adjustment Expenses .....	10	23,241	22,916
	Acquisition Expenses			
80.10	Commissions.....	11	38,187	38,349
	Taxes.....	12	2,990	3,105
80.20	Other .....	14	2,088	2,110
80.20	General Expenses.....	16	3,237	2,891
	<b>Total Claims and Expenses</b> .....	19	69,743	69,371
	Premium Deficiency Adjustments.....	20		0
	<b>Underwriting Income (Loss)</b> .....	29	15,877	15,887
40.07 or/ou 40.10	<b>INVESTMENT OPERATIONS</b>			
	Income.....	32	6,843	209
	Realized Gains (Losses) .....	33	2,050	(340)
	Expenses.....	34	8	23
	<b>Net Investment Income</b> .....	39	8,885	(154)
	<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 and Affiliates.....	41		0
	Gain (losses) from fluctuations in Foreign Exchange Rates.....	42		0
	Other .....	43	(1,085)	(1,869)
	<b>Net Income (Loss) before Income Taxes and Extraordinary Items</b> .....	49	23,677	13,864
	<b>INCOME TAXES</b>			
	Current.....	50	5,547	4,721
	Future .....	51	539	(1,352)
	<b>Total Income Taxes</b> .....	59	6,086	3,369
	Extraordinary Items (net of Income Taxes of \$'000 .....).....	60		0
	<b>NET INCOME (LOSS) FOR THE YEAR</b> .....	89	17,591	10,495

**STATEMENT OF RETAINED EARNINGS**  
(\$'000)

Page			Current Year 01	Prior Year 02
20.30	<b>Balance at beginning of year</b>	01	38,971	33,476
	Prior period adjustments:	02		0
		04		0
	Adjusted balance at beginning of year	09	38,971	33,476
	Net Income (loss) for the year	10	<u>17,591</u>	<u>10,495</u>
	Dividends declared to shareholders	11		5,000
	Decrease (increase) in Reserves	12	0	0
	(Please specify)	16		
	Net increase (decrease) in Retained Earnings during the year	15	17,591	5,495
	<b>Balance at end of year</b>	89	<u>56,562</u>	<u>38,971</u>

**RESERVES**  
(\$'000)

		Current Year 01	Prior Year 02
Earthquake Reserves			
Reserve Complement	90		0
Premium Reserve	91		0
Mortgage Reserve	95		0
Nuclear Reserve	96		0
General and Contingency Reserves	98		0
<b>Total Reserves</b>	99	0	0

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

Page		Current Year 01	Prior Year 03
20.30	<b>Comprehensive Income (Loss)</b>		
	Net Income .....	17,591	10,495
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans .....		0
	- Bonds and Debentures .....	619	448
	- Equities .....	16,304	(12,310)
	Reclassification to Earnings of (Gains) Losses .....	814	(153)
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses .....		0
	Reclassification to Earnings of (Gains) Losses .....		0
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses .....		0
	Impact of Hedging .....		0
Income (Loss) from Subsidiaries .....		0	
Other .....		0	
Total Other Comprehensive Income (Loss) .....	17,737	(12,015)	
<b>Total Comprehensive Income (Loss) .....</b>	<b>35,328</b>	<b>(1,520)</b>	

		Current Year (01)	Prior Year (03)
20.20	<b>Accumulated Other Comprehensive Income (Loss)</b>		
	Accumulated Gains/ (Losses) on:		
	<b>Available for Sale:</b>		
	- Loans .....		0
	- Bonds and Debentures .....	1,162	571
	- Equities .....	4,336	(12,809)
	<b>Derivatives Designated as Cash Flow Hedges</b> .....		0
	<b>Foreign Currency (Net of Hedging Activities)</b> .....		0
	<b>Income (Loss) from Subsidiaries</b> .....		0
	<b>Other</b> .....		0
Balance at end of Period .....	5,498	(12,238)	

**Millennium Insurance Corporation**  
Insurer

2009  
Year

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

		Current Year 01	Prior Year 02
<b>Capital Available</b>			
Total Equity less Accumulated Other Comprehensive Income .....	02	<u>68,062</u>	<u>50,471</u>
Add:			
Subordinated Indebtedness and Redeemable Preferred Shares .....	03		0
Accumulated Other Comprehensive Income (Loss) on:			
Available for Sale Equity Securities .....	04	<u>4,336</u>	(12,809)
Available for Sale Debt Securities .....	06	<u>1,162</u>	571
Foreign Currency (Net of Hedging Activities) .....	08	<u>0</u>	0
Included in Capital Available of Regulated FI Subsidiaries .....	10	0	0
.....	30		0
Capital Available reported by Regulated FI Subsidiaries .....	11		0
Less:			
Accumulated net after-tax fair value gains (losses) arising from changes in the company's own credit risk .....	12		0
.....	13		0
Balance Sheet Value of Investments in Regulated FI Subsidiaries .....	14	<u>0</u>	0
Assets with a Capital Requirement of 100% .....	17	<u>0</u>	0
<b>Total Capital Available</b> .....	19	<u>73,560</u>	<u>38,233</u>
<b>Minimum Capital Required</b>			
Balance Sheet Assets .....	20	<u>12,570</u>	7,779
Unearned Premiums/Unpaid Claims/Premium Deficiencies .....	22	<u>10,480</u>	9,284
Catastrophes .....	24	<u>0</u>	0
Reinsurance Ceded to Unregistered Insurers .....	26	<u>0</u>	0
Capital Required reported by Regulated FI Subsidiaries .....	27		0
Structured Settlements, Letters of Credit, Derivatives and Other Exposures .....	28	<u>0</u>	0
<b>Minimum Capital Required</b> .....	29	<u>23,050</u>	<u>17,063</u>
<b>Excess of Capital Available over Capital Required</b> (line 19 minus line 29) .....	89	<u>50,510</u>	<u>21,170</u>
<b>Line 19 as a % of line 29</b> .....	90	<u>319.13%</u>	<u>224.07%</u>