

Statement of Retained Earnings

Years ended February 29/28	2008	2007
Basic Insurance (in thousands of dollars)		
Rate Stabilization Reserve		
Balance beginning of year	\$ 128,122	\$ 136,071
Transition adjustment (Note 4)	(22,693)	–
Net income (loss) from annual operations		
after surplus distribution (Notes 13 and 14)	6,475	(11,869)
Transfer from Immobilizer Incentive Fund	15,218	3,920
Balance end of year	127,122	128,122
Immobilizer Incentive Fund		
Balance beginning of year	33,143	37,063
Transfer to Rate Stabilization Reserve	(15,218)	(3,920)
Balance end of year (Note 18)	17,925	33,143
Balance Basic Insurance Retained Earnings end of year	145,047	161,265
Competitive Lines		
Retained Earnings		
Balance beginning of year	110,983	90,378
Transition adjustment (Note 4)	(255)	–
Net income (loss) from annual operations (Note 13)	28,400	20,605
Transfer to Extension Development Fund	(35,389)	–
Balance end of year	103,739	110,983
Extension Development Fund		
Balance beginning of year	–	–
Transfer from Retained Earnings	35,389	–
Balance end of year (Note 19)	35,389	–
Balance Competitive Lines Retained Earnings end of year	139,128	110,983
Balance Retained Earnings end of year	\$ 284,175	\$ 272,248

The accompanying notes are an integral part of these financial statements.