

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

Reference Page	FS Notes Reference		Current Period		Prior Period		Opening Prior Period Restated	
			Total (01)	Vested in Trust* (02)	Total (03)	Vested in Trust* (04)	Total (05)	Vested in Trust* (06)
		Cash and Cash Equivalents	14,327		11,712			
		Investment Income due and accrued	1,203		1,125			
		Assets held for sale			0			
		Investments:						
40.12		Short Term Investments			0			
40.22		Bonds and Debentures	119,360		121,847			
40.32		Mortgage Loans			0			
40.42		Preferred Shares			0			
40.52		Common Shares	23,036		23,908			
40.70		Investment Properties	7,987		7,987			
40.80		Other Loans and Invested Assets	5,379		3,448			
40.07		Total Investments (lines 04 to 10)	155,762		157,190		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	8,042		7,285			
		Policyholders			0			
		Instalment Premiums	32,241		31,920			
		Other Insurers	1,812		8,840			
		Facility Association and the "P.R.R."	7,551		7,405			
50.40	19	Subsidiaries, Associates & Joint Ventures	0		0			
50.20		Other Receivables	495		587			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	38,855		39,924			
60.30	7	Unpaid Claims and Adjustment Expenses	69,031		101,580			
		Other Recoverables on Unpaid Claims			0			
		Investments Accounted for Using the Equity Method:						
50.32		Interests in Subsidiaries, Associates & Joint Ventures	0		0			
		Pooled Funds			0			
40.70		Property and Equipment	4,780		5,112			
		Deferred Policy Acquisition Expenses	25,928		26,292			
		Current Tax Assets	260		51			
		Deferred Tax Assets	5,289		2,636			
		Goodwill			0			
		Intangible Assets	566		349			
		Defined Benefit Pension Plan			0			
		Other Assets	508		502			
		TOTAL ASSETS	366,650		402,510		0	

* Foreign insurers: Excludes deposits of reinsurers held in special trust accounts.

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)
		LIABILITIES			
		Overdrafts	01	0	
		Borrowed Money and Accrued Interest	02	0	
		Payables:			
50.20		Agents and Brokers	03	2,978	2,967
		Policyholders	04	0	
		Other Insurers	05	1,644	1,803
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	2,973	3,380
		Other Taxes due and accrued	09	2,544	2,396
		Policyholder Dividends and Rating Adjustments	10	0	
40.70		Encumbrances on Real Estate	11	0	
60.10		Unearned Premiums	12	100,213	102,522
60.30		Unpaid Claims and Adjustment Expenses	13	169,659	193,995
80.10		Unearned Commissions	14	10,847	10,946
		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	2,119	2,124
		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	10,839	12,322
		Total Liabilities	29	303,816	332,455
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	2,000	2,000
		Preferred	33	0	
		Contributed Surplus	42	9,362	9,362
		(Specify)	43	0	
20.54		Retained Earnings	44	50,869	56,401
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	603	2,292
		Total Policyholders/Shareholders' Equity	59	62,834	70,055
		Non-controlling Interests	48	0	0
		Total Equity	49	62,834	70,055
		TOTAL LIABILITIES AND EQUITY	89	366,650	402,510
		FOREIGN INSURERS ONLY:			
		HEAD OFFICE ACCOUNT, RESERVES & AOCI			
20.45		Head Office Account	51		
		(Specify)	53		
20.45		Reserves	55		
20.42		Accumulated Other Comprehensive Income (Loss)	56		
		Total Head Office Account, Reserves & AOCI	69		
		TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES & AOCI	79		

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct	44,566	44,150
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	18,443	18,446
60.20		Net Premiums Written	26,123	25,704
		Decrease (increase) in Net Unearned Premiums	5,001	7,143
60.20		Net Premiums Earned	31,124	32,847
		Service Charges	667	717
		Other		0
		Total Underwriting Revenue	31,791	33,564
		Gross Claims and Adjustment Expenses	34,103	32,961
		Reinsurers' share of claims and adjustment expenses	11,977	10,792
60.20		Net Claims and Adjustment Expenses	22,126	22,169
		Acquisition Expenses		
		Gross Commissions	10,288	10,986
80.10		Ceded Commissions	5,182	6,343
80.10		Taxes	2,161	2,096
		Other		0
80.20		General Expenses	5,544	5,720
80.20		Total Claims and Expenses	34,937	34,628
		Premium Deficiency Adjustments		0
40.07		Underwriting Income (Loss)	(3,146)	(1,064)
		INVESTMENT OPERATIONS		
		Income	1,347	1,625
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	(374)	(462)
		Expenses	113	115
		Net Investment Income	860	1,048
		OTHER REVENUE AND EXPENSES		
		Income (Loss) from Ancillary Operations (net of Expenses of \$000)		0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	(119)	(10)
		Overlay approach adjustment for financial instruments (Reclass from P&L to OCI)		
		Share of Net Income (Loss) of Pooled Funds using Equity Method		0
		Gain (Losses) from fluctuations in Foreign Exchange Rates		0
		Other Revenues	167	91
		Finance costs		0
		Other Expenses		0
		Net Income (Loss) before Income Taxes	(2,238)	65
		INCOME TAXES		
		Current	46	17
		Deferred	(646)	0
		Total Income Taxes	(600)	17
		NET INCOME (LOSS) FOR THE YEAR	(1,638)	48
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	(1,638)	48

(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		Comprehensive Income (Loss)		
		Net Income	01	(1,638) 48
		Other Comprehensive Income (Loss):		
		Items that may be reclassified subsequently to Net Income:		
		FVOCI:		
		Change in Unrealized Gains and Losses:		
		- Loans	02	0
		- Bonds and Debentures	03	(364) (330)
		- Equities (IAS 39)	04	(438) 428
		Reclassification of (Gains) Losses to Net Income	05	274 328
		Overlay approach		
		Change in Unrealized Gains and Losses related to overlay approach for financial instruments		
		Unrealized Gains and Losses	15	
		Reclassification of (Gains) Losses from Net Income	16	
		Derivatives Designated as Cash Flow Hedges		
		Change in Unrealized Gains and Losses	06	0
		Reclassification of (Gains) Losses to Net Income	07	0
		Foreign Currency Translation		
		Change in Unrealized Gains and Losses	08	0
		Impact of Hedging	09	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)	14	0
		Other	18	0
		Subtotal of items that may be reclassified subsequently to Net Income	19	(528) 426
		Items that will not be reclassified subsequently to Net Income:		
		FVOCI:		
		Change in Unrealized Gains and Losses:		
		- Equities (IFRS 9)	25	
	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	(528) 426	
	Total Comprehensive Income (Loss)	39	(2,166) 474	
	Attributable to:			
	Non-controlling Interests	60	0	
	Equity Holders	62	(2,166) 474	

		Current Period	Prior Period
		(01)	(03)
	Accumulated Other Comprehensive Income (Loss)		
	Accumulated Gains (Losses) on:		
	Items that may be reclassified subsequently to Net Income:		
	FVOCI:		
	- Loans	42	0
	- Bonds and Debentures	43	(499) 374
	- Equities (IAS 39)	44	994 1,810
	Overlay approach	55	
	Derivatives Designated as Cash Flow Hedges	45	0
	Foreign Currency (net of hedging activities)	46	0
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)	52	0
	Other	68	0
	Subtotal of items that may be reclassified subsequently to Net Income	69	495 2,184
	Items that will not be reclassified subsequently to Net Income:		
	FVOCI:		
	- Equities (IFRS 9)	65	
	Revaluation Surplus	71	108 108
	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	108 108
20.20	Balance at end of Year	59	603 2,292

CONSOLIDATED

MINIMUM CAPITAL TEST/BRANCH ADEQUACY OF ASSETS TEST: CAPITAL (MARGIN) REQUIRED AND MCT (BAAT) RATIO

(\$'000)

		Current Period
	(55)	(01)
Capital Available:		
Capital available (from page 30.62 - capital available)	01	60,784
(Specify)	08	
Total Capital Available	09	60,784
Assets Available:		
Net Assets Available (from page 30.92 - net assets available)	11	
(Specify)	18	
Total Net Assets Available	19	
Capital (Margin) Required at Target:		
Insurance Risk:		
Premium liabilities	20	8,706
Unpaid claims	22	11,451
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	61
Subtotal: Insurance risk margin	29	20,218
Market Risk:		
Interest rate risk	30	876
Foreign exchange risk	32	0
Equity risk	34	6,911
Real estate risk	36	1,698
Other market risk exposures	38	205
Subtotal: Market risk margin	39	9,690
Credit Risk:		
Counterparty default risk for balance sheet assets	40	5,327
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	5,327
Operational risk margin	50	10,571
Less: Diversification credit	52	4,610
Total Capital (Margin) Required at Target	59	41,196
Minimum Capital (Margin) Required (line 59 / 1.5)	60	27,464
(Specify)	68	
Total Minimum Capital (Margin) Required	69	27,464
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	33,320
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	221.32%

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