

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	16,584		22,369		
		Investment Income due and accrued	02	2,065		920		
		Assets held for sale	50	0		0		
		Investments:						
40.12		Short Term Investments	04	0		0		
40.22		Bonds and Debentures	05	216,842		186,916		
40.32		Mortgage Loans	06	0		0		
40.42		Preferred Shares	07	0		0		
40.52		Common Shares	08	49,304		38,508		
40.70		Investment Properties	09	3,721		4,882		
40.80		Other Loans and Invested Assets	10	4,473		5,498		
40.07		Total Investments (lines 04 to 10)	19	274,340		235,804	0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20	15,523		13,107		
		Policyholders	21	0		0		
		Instalment Premiums	22	54,395		50,892		
		Other Insurers	23	14,237		1,978		
		Facility Association and the "P.R.R."	24	10,343		8,933		
50.40		Subsidiaries, Associates & Joint Ventures	25	0		0		
50.20		Other Receivables	27	684		814		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	48,578		58,463		
60.30		Unpaid Claims and Adjustment Expenses	31	68,149		61,819		
		Other Recoverables on Unpaid Claims	37	0		0		
		Investments Accounted for Using the Equity Method:						
50.32		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
		Pooled Funds	45	0		0		
40.70		Property and Equipment	41	6,164		6,659		
		Deferred Policy Acquisition Expenses	43	49,652		42,813		
		Current Tax Assets	52	2,085		103		
		Deferred Tax Assets	44	972		579		
		Goodwill	54	0		0		
		Intangible Assets	56	1,236		1,233		
		Defined Benefit Pension Plan	58	0		0		
		Other Assets	88	1,290		553		
		TOTAL ASSETS	89	566,297		507,039	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	0	
		Borrowed Money and Accrued Interest 02	0	0	
		Payables:			
50.20		Agents and Brokers 03	10,715	7,438	
		Policyholders 04	0	0	
50.30		Other Insurers 05	7,552	12,035	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates 06	0	0	
		Expenses due and accrued 07	4,150	3,016	
		Other Taxes due and accrued 09	7,851	7,068	
		Policyholder Dividends and Rating Adjustments 10	0	0	
40.70		Encumbrances on Real Estate 11	0	0	
60.10		Unearned Premiums 12	178,693	157,174	
60.30		Unpaid Claims and Adjustment Expenses 13	207,432	176,638	
80.10		Unearned Commissions 14	13,967	18,613	
		Ceded Deferred Premium Taxes 20	0	0	
		Ceded Deferred Insurance Operations Expenses 34	0	0	
		Premium Deficiency 15	0	0	
		Liabilities held for sale 17	0	0	
		Current Tax Liabilities 18	0	2,988	
		Deferred Tax Liabilities 21	1,309	1,539	
		Self-Insured Retention (SIR) portion of unpaid claims 22	0	0	
		Defined Benefit Pension Plan 23	0	0	
		Employment Benefits (not including amounts on line 23 above) 24	0	0	
		Subordinated Debt 25	0	0	
		Preferred Shares - Debt 26	0	0	
		Provisions and Other Liabilities 28	14,329	13,556	
		Total Liabilities 29	445,998	400,065	0
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common 41	2,000	2,000	
		Preferred 33	5,000	5,000	
		Contributed Surplus 42	9,362	9,362	
		(Specify) 43	0	0	
20.54		Retained Earnings 44	115,008	84,540	
20.45		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	-11,071	6,072	
		Total Policyholders/Shareholders' Equity 59	120,299	106,974	0
		Non-controlling Interests 48	0	0	
		Total Equity 49	120,299	106,974	0
		TOTAL LIABILITIES AND EQUITY 89	566,297	507,039	0
		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	Prior Period
			(01)	(03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct	174,682	158,454
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	37,566	61,173
60.20		Net Premiums Written	137,116	97,281
		Decrease (increase) in Net Unearned Premiums	-23,843	-9,576
60.20		Net Premiums Earned	113,273	87,705
		Service Charges	2,561	2,370
		Other	0	0
		Total Underwriting Revenue	115,834	90,075
		Gross Claims and Adjustment Expenses	80,771	62,944
		Reinsurers' share of claims and adjustment expenses	25,440	23,525
60.20		Net Claims and Adjustment Expenses	55,331	39,419
		Acquisition Expenses		
80.10		Gross Commissions	34,379	28,808
80.10		Ceded Commissions	20,073	14,929
		Taxes	6,681	6,015
80.20		Other	0	0
80.20		General Expenses	15,550	13,822
		Total Claims and Expenses	91,868	73,135
		Premium Deficiency Adjustments	0	0
40.07		Underwriting Income (Loss)	23,966	16,940
		INVESTMENT OPERATIONS		
		Income	2,728	1,368
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	-1,997	1,574
		Expenses	319	283
		Net Investment Income	412	2,659
		OTHER REVENUE AND EXPENSES		
		Income (Loss) from Ancillary Operations (net of Expenses of \$'000)	0	0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	-388	-243
		Overlay approach adjustment for financial instruments (Reclass from P&L to OCI)	0	0
		Share of Net Income (Loss) of Pooled Funds using Equity Method	0	0
		Gain (Losses) from fluctuations in Foreign Exchange Rates	0	0
		Other Revenues	226	189
		Finance costs	0	0
		Other Expenses	0	0
		Net Income (Loss) before Income Taxes	24,216	19,545
		INCOME TAXES		
		Current	6,055	4,892
		Deferred	0	0
		Total Income Taxes	6,055	4,892
		NET INCOME (LOSS) FOR THE YEAR	18,161	14,653
		ATTRIBUTABLE TO:		
		Non-controlling Interests	0	0
		Equity Holders	18,161	14,653

(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)
		Comprehensive Income (Loss)		
20.30		Net Income 01	18,161	14,653
		Other Comprehensive Income (Loss):		
		Items that may be reclassified subsequently to Net Income:		
		FVOCI:		
		Change in Unrealized Gains and Losses:		
		- Loans 02	0	0
		- Bonds and Debentures 03	-9,218	-1,750
		- Equities (IAS 39) 04	-4,344	3,453
		Reclassification of (Gains) Losses to Net Income 05	1,500	-1,182
		Overlay approach		
		Change in Unrealized Gains and Losses related to overlay approach for financial instruments		
		Unrealized Gains and Losses 15	0	0
		Reclassification of (Gains) Losses from Net Income 16	0	0
		Derivatives Designated as Cash Flow Hedges		
		Change in Unrealized Gains and Losses 06	0	0
		Reclassification of (Gains) Losses to Net Income 07	0	0
		Foreign Currency Translation		
		Change in Unrealized Gains and Losses 08	0	0
		Impact of Hedging 09	0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified) 14	0	0
		Other 18	0	0
		Subtotal of items that may be reclassified subsequently to Net Income 19	-12,062	521
		Items that will not be reclassified subsequently to Net Income:		
		FVOCI:		
		Change in Unrealized Gains and Losses:		
		- Equities (IFRS 9) 25	0	0
		Revaluation Surplus 31	0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures 11	0	0
		Remeasurements of Defined Benefit Plans 34	0	0
		Other 12	0	0
		Subtotal of items that will not be reclassified subsequently to Net Income 29	0	0
		Total Other Comprehensive Income (Loss) 21	-12,062	521
		Total Comprehensive Income (Loss) 39	6,099	15,174
		Attributable to:		
		Non-controlling Interests 60	0	0
		Equity Holders 62	6,099	15,174
		Accumulated Other Comprehensive Income (Loss)		
		Accumulated Gains (Losses) on:		
		Items that may be reclassified subsequently to Net Income:		
		FVOCI:		
		- Loans 42	0	0
		- Bonds and Debentures 43	-8,509	432
		- Equities (IAS 39) 44	-3,670	4,532
		Overlay approach 55	0	0
		Derivatives Designated as Cash Flow Hedges 45	0	0
		Foreign Currency (net of hedging activities) 46	0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified) 52	0	0
		Other 68	0	0
		Subtotal of items that may be reclassified subsequently to Net Income 69	-12,179	4,964
		Items that will not be reclassified subsequently to Net Income:		
		FVOCI:		
		- Equities (IFRS 9) 65	0	0
		Revaluation Surplus 71	1,108	1,108
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures 51	0	0
		Remeasurements of Defined Benefit Plans 74	0	0
		Other 49	0	0
		Subtotal of items that will not be reclassified subsequently to Net Income 79	1,108	1,108
20.20		Balance at end of Year 59	-11,071	6,072

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	116,400
(Specify)	08	
Total Capital Available	09	116,400
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	17,505
Unpaid claims	22	15,542
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	33,047
Market Risk:		
Interest rate risk	30	2,439
Foreign exchange risk	32	0
Equity risk	34	14,791
Real estate risk	36	840
Other market risk exposures	38	217
Subtotal: Market risk margin	39	18,287
Credit Risk:		
Counterparty default risk for balance sheet assets	40	6,600
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	6,600
Operational risk margin	50	16,134
Less: Diversification credit	52	7,596
Total Capital (Margin) Required at Target	59	66,472
Minimum Capital (Margin) Required (line 59 / 1.5)	60	44,315
(Specify)	68	
Total Minimum Capital (Margin) Required	69	44,315
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	72,085
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	262.67%

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