

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	16,070		20,817		
		Investment Income due and accrued	02	1,697		949		
		Assets held for sale	50			0		
		Investments:						
40.12		Short Term Investments	04			0		
40.22		Bonds and Debentures	05	121,827		121,253		
40.32		Mortgage Loans	06			0		
40.42		Preferred Shares	07			0		
40.52		Common Shares	08	29,428		23,635		
40.70		Investment Properties	09	7,987		7,987		
40.80		Other Loans and Invested Assets	10	5,290		6,021		
40.07		Total Investments (lines 04 to 10)	19	164,532		158,896	0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20	9,334		10,129		
		Policyholders	21			0		
		Instalment Premiums	22	36,920		34,738		
		Other Insurers	23	832		1,541		
		Facility Association and the "P.R.R."	24	7,769		7,716		
50.40		Subsidiaries, Associates & Joint Ventures	25	0		0		
50.20		Other Receivables	27	340		687		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	42,581		41,971		
60.30		Unpaid Claims and Adjustment Expenses	31	66,297		86,444		
		Other Recoverables on Unpaid Claims	37			0		
		Investments Accounted for Using the Equity Method:						
50.32		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
		Pooled Funds	45			0		
40.70		Property and Equipment	41	4,685		5,048		
		Deferred Policy Acquisition Expenses	43	28,001		27,624		
		Current Tax Assets	52	68		291		
		Deferred Tax Assets	44	6,032		2,926		
		Goodwill	54			0		
		Intangible Assets	56	591		366		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	607		682		
		TOTAL ASSETS	89	386,356		400,825	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	4,395	4,511
		Policyholders	04	0	
		Other Insurers	05	7,661	5,972
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	839	3,037
		Other Taxes due and accrued	09	5,554	4,872
		Policyholder Dividends and Rating Adjustments	10	0	
40.70		Encumbrances on Real Estate	11	0	
60.10		Unearned Premiums	12	109,729	108,145
60.30		Unpaid Claims and Adjustment Expenses	13	170,186	180,188
80.10		Unearned Commissions	14	11,723	11,549
		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	107	22
		Deferred Tax Liabilities	21	2,120	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	11,244	11,438
		Total Liabilities	29	323,558	331,858
		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	50,015	55,978
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	1,421	1,627
		Total Policyholders/Shareholders' Equity	59	62,798	68,967
		Non-controlling Interests	48	0	0
		Total Equity	49	62,798	68,967
		TOTAL LIABILITIES AND EQUITY	89	386,356	400,825
		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	107,485	105,264
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	44,472	43,649
60.20		Net Premiums Written	63,013	61,615
		Decrease (increase) in Net Unearned Premiums	(789)	3,567
60.20		Net Premiums Earned	62,224	65,182
		Service Charges	1,363	1,424
		Other		0
		Total Underwriting Revenue	63,587	66,606
		Gross Claims and Adjustment Expenses	71,769	62,817
		Reinsurers' share of claims and adjustment expenses	28,185	19,769
60.20		Net Claims and Adjustment Expenses	43,584	43,048
		Acquisition Expenses		
		Gross Commissions	20,482	21,751
80.10		Ceded Commissions	10,628	11,768
		Taxes	4,351	4,389
80.20		Other		0
80.20		General Expenses	11,745	11,865
		Total Claims and Expenses	69,534	69,285
		Premium Deficiency Adjustments		0
40.07		Underwriting Income (Loss)	(5,947)	(2,679)
		INVESTMENT OPERATIONS		
		Income	2,191	2,767
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	78	(691)
		Expenses	225	241
		Net Investment Income	2,044	1,835
		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	(180)	119
		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	306	202
		Finance costs		0
		Other Expenses		0
		Net Income (Loss) before Income Taxes	(3,777)	(523)
		INCOME TAXES		
		Current	104	141
		Deferred	(1,389)	(289)
		Total Income Taxes	(1,285)	(148)
		NET INCOME (LOSS) FOR THE YEAR	(2,492)	(375)
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	(2,492)	(375)

(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	(2,492)	(375)
		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	(118)	(978)
		- Equities (IAS 39)	04	466	249
		Reclassification of (Gains) Losses to Net Income	05	(58)	491
		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	290	(238)
		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	290	(238)	
	Total Comprehensive Income (Loss)	39	(2,202)	(613)	
	Attributable to:				
	Non-controlling Interests	60		0	
	Equity Holders	62	(2,202)	(613)	
20.20		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	(606)	0
		- Equities (IAS 39)	44	1,919	1,519
		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	1,313	1,519
		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	
	Balance at end of Year	59	1,421	1,627	

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	60,822
(Specify)	08	
Total Capital Available	09	60,822
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	9,540
Unpaid claims	22	11,857
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	209
Subtotal: Insurance risk margin	29	21,606
Market Risk:		
Interest rate risk	30	669
Foreign exchange risk	32	0
Equity risk	34	8,828
Real estate risk	36	1,696
Other market risk exposures	38	197
Subtotal: Market risk margin	39	11,390
Credit Risk:		
Counterparty default risk for balance sheet assets	40	5,581
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	5,581
Operational risk margin	50	10,948
Less: Diversification credit	52	5,088
Total Capital (Margin) Required at Target	59	44,437
Minimum Capital (Margin) Required (line 59 / 1.5)	60	29,625
(Specify)	68	
Total Minimum Capital (Margin) Required	69	29,625
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	31,197
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	205.31%

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