

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	22,206		17,144			
		Investment Income due and accrued	1,933		2,178			
		Assets held for sale	0		0			
		Investments:						
40.12		Short Term Investments	0		0			
40.22		Bonds and Debentures	132,650		125,021			
40.32		Mortgage Loans	0		0			
40.42		Preferred Shares	0		0			
40.52		Common Shares	25,258		26,117			
40.70		Investment Properties	7,987		7,987			
40.80		Other Loans and Invested Assets	12,971		5,747			
40.07		Total Investments (lines 04 to 10)	178,866		164,872		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	9,356		8,891			
		Policyholders			0			
		Instalment Premiums	43,087		40,498			
		Other Insurers	73		837			
		Facility Association and the "P.R.R."	9,285		7,603			
50.40		Subsidiaries, Associates & Joint Ventures	0		0			
50.20		Other Receivables	763		386			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	47,898		44,656			
60.30		Unpaid Claims and Adjustment Expenses	62,446		65,815			
		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	5,846		4,592			
		Deferred Policy Acquisition Expenses	31,329		29,375			
		Current Tax Assets			136			
		Deferred Tax Assets	5,973		5,980			
		Goodwill			0			
		Intangible Assets	1,472		696			
		Defined Benefit Pension Plan			0			
		Other Assets	477		536			
		TOTAL ASSETS	421,010		394,195		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	4,836	
		Policyholders	04	0	
		Other Insurers	05	5,290	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	
		Expenses due and accrued	07	2,586	
		Other Taxes due and accrued	09	8,488	
		Policyholder Dividends and Rating Adjustments	10	0	
40.70		Encumbrances on Real Estate	11	0	
60.10		Unearned Premiums	12	115,180	
60.30		Unpaid Claims and Adjustment Expenses	13	170,134	
80.10		Unearned Commissions	14	12,372	
		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	
		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	11,734	
		Total Liabilities	29	332,739	0
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	2,000	
		Preferred	33	0	
		Contributed Surplus	42	9,362	
		(Specify)	43	0	
20.54		Retained Earnings	44	49,267	
20.45		Reserves	45	0	
20.42		Accumulated Other Comprehensive Income (Loss)	47	827	
		Total Policyholders/Shareholders' Equity	59	61,456	0
		Non-controlling Interests	48	0	
		Total Equity	49	61,456	0
		TOTAL LIABILITIES AND EQUITY	89	394,195	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 (01)	Prior Period (03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct	182,958	169,143
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	75,136	70,253
60.20		Net Premiums Written	107,822	98,890
		Decrease (increase) in Net Unearned Premiums	(5,373)	(4,165)
60.20		Net Premiums Earned	102,449	94,725
		Service Charges	2,338	2,094
		Other		0
		Total Underwriting Revenue	104,787	96,819
		Gross Claims and Adjustment Expenses	99,695	109,512
		Reinsurers' share of claims and adjustment expenses	36,584	43,481
60.20		Net Claims and Adjustment Expenses	63,111	66,031
		Acquisition Expenses		
		Gross Commissions	31,885	30,907
80.10		Ceded Commissions	17,384	16,135
		Taxes	7,112	6,654
80.20		Other		0
80.20		General Expenses	18,820	17,409
		Total Claims and Expenses	103,544	104,866
		Premium Deficiency Adjustments		0
40.07		Underwriting Income (Loss)	1,243	(8,047)
		INVESTMENT OPERATIONS		
		Income	3,288	3,419
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	722	321
		Expenses	343	337
		Net Investment Income	3,667	3,403
		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	(250)	(265)
		Overlay approach adjustment for financial instruments (Reclass from P&L to OCI)		0
		Share of Net Income (Loss) of Pooled Funds using Equity Method		0
		Gain (Losses) from fluctuations in Foreign Exchange Rates		0
		Other Revenues	771	484
		Finance costs		0
		Other Expenses		0
		Net Income (Loss) before Income Taxes	5,431	(4,425)
		INCOME TAXES		
		Current	159	153
		Deferred	1,303	(1,337)
		Total Income Taxes	1,462	(1,184)
		NET INCOME (LOSS) FOR THE YEAR	3,969	(3,241)
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	3,969	(3,241)

(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	3,969	(3,241)
		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	1,325	(616)
		- Equities (IAS 39)	04	1,903	557
		Reclassification of (Gains) Losses to Net Income	05	(566)	(245)
		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	2,662	(304)
		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	2,662	(304)	
	Total Comprehensive Income (Loss)	39	6,631	(3,545)	
	Attributable to:				
	Non-controlling Interests	60	0	0	
	Equity Holders	62	6,631	(3,545)	
20.20		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	(4,127)	(1,014)
		- Equities (IAS 39)	44	5,436	1,733
		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	1,309	719
		Items that will not be reclassified subsequently to Net Income:			
		FVOCI:			
		- Equities (IFRS 9)	65	0	0
		Revaluation Surplus	71	108	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	108	108	
	Balance at end of Year	59	1,417	827	

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	67,318
(Specify)	08	
Total Capital Available	09	67,318
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	10,702
Unpaid claims	22	12,316
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	7
Subtotal: Insurance risk margin	29	23,025
Market Risk:		
Interest rate risk	30	1,314
Foreign exchange risk	32	0
Equity risk	34	7,577
Real estate risk	36	1,690
Other market risk exposures	38	319
Subtotal: Market risk margin	39	10,900
Credit Risk:		
Counterparty default risk for balance sheet assets	40	5,976
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	5,976
Operational risk margin	50	11,821
Less: Diversification credit	52	5,209
Total Capital (Margin) Required at Target	59	46,513
Minimum Capital (Margin) Required (line 59 / 1.5)	60	31,009
(Specify)	68	
Total Minimum Capital (Margin) Required	69	31,009
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	36,309
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	217.09%

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