

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	19,949		16,070		
		Investment Income due and accrued	02	1,534		1,697		
		Assets held for sale	50			0		
		Investments:						
40.12		Short Term Investments	04			0		
40.22		Bonds and Debentures	05	132,996		121,827		
40.32		Mortgage Loans	06			0		
40.42		Preferred Shares	07			0		
40.52		Common Shares	08	22,285		29,428		
40.70		Investment Properties	09	7,987		7,987		
40.80		Other Loans and Invested Assets	10	9,504		5,290		
40.07		Total Investments (lines 04 to 10)	19	172,772		164,532		0
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20	10,250		9,334		
		Policyholders	21			0		
		Instalment Premiums	22	41,044		36,920		
		Other Insurers	23	258		832		
		Facility Association and the "P.R.R."	24	8,361		7,769		
50.40		Subsidiaries, Associates & Joint Ventures	25	0		0		
50.20		Other Receivables	27	667		340		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	45,754		42,581		
60.30		Unpaid Claims and Adjustment Expenses	31	59,429		66,297		
		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	6,024		4,685		
		Deferred Policy Acquisition Expenses	43	30,213		28,001		
		Current Tax Assets	52			68		
		Deferred Tax Assets	44	5,776		6,032		
		Goodwill	54			0		
		Intangible Assets	56	1,382		591		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	542		607		
		TOTAL ASSETS	89	403,955		386,356		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	4,603	4,395
		Policyholders	04	0	
		Other Insurers	05	8,947	7,661
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	2,829	839
		Other Taxes due and accrued	09	6,260	5,554
		Policyholder Dividends and Rating Adjustments	10	0	
40.70		Encumbrances on Real Estate	11	0	
60.10		Unearned Premiums	12	118,134	109,729
60.30		Unpaid Claims and Adjustment Expenses	13	163,635	170,186
80.10		Unearned Commissions	14	13,035	11,723
		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	1,046	107
		Deferred Tax Liabilities	21	2,125	2,120
		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	12,705	11,244
		Total Liabilities	29	333,319	323,558
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	2,000	2,000
		Preferred	33	5,000	0
		Contributed Surplus	42	9,362	9,362
		(Specify)	43	0	
20.54		Retained Earnings	44	52,794	50,015
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	1,480	1,421
		Total Policyholders/Shareholders' Equity	59	70,636	62,798
		Non-controlling Interests	48	0	0
		Total Equity	49	70,636	62,798
		TOTAL LIABILITIES AND EQUITY	89	403,955	386,356
		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	118,524	107,485
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	48,687	44,472
60.20		Net Premiums Written	69,837	63,013
		Decrease (increase) in Net Unearned Premiums	(2,254)	(789)
60.20		Net Premiums Earned	67,583	62,224
		Service Charges	1,529	1,363
		Other		0
		Total Underwriting Revenue	69,112	63,587
		Gross Claims and Adjustment Expenses	61,106	71,769
		Reinsurers' share of claims and adjustment expenses	22,074	28,185
60.20		Net Claims and Adjustment Expenses	39,032	43,584
		Acquisition Expenses		
		Gross Commissions	20,818	20,482
80.10		Ceded Commissions	11,162	10,628
		Taxes	4,696	4,351
80.20		Other		0
80.20		General Expenses	12,512	11,745
		Total Claims and Expenses	65,896	69,534
		Premium Deficiency Adjustments		0
40.07		Underwriting Income (Loss)	3,216	(5,947)
		INVESTMENT OPERATIONS		
		Income	2,146	2,191
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	568	78
		Expenses	228	225
		Net Investment Income	2,486	2,044
		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	(115)	(180)
		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	435	306
		Finance costs		0
		Other Expenses		0
		Net Income (Loss) before Income Taxes	6,022	(3,777)
		INCOME TAXES		
		Current	120	104
		Deferred	1,500	(1,389)
		Total Income Taxes	1,620	(1,285)
		NET INCOME (LOSS) FOR THE YEAR	4,402	(2,492)
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	4,402	(2,492)

(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	4,402	(2,492)
		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	1,389	(118)
		- Equities (IAS 39)	04	1,787	466
		Reclassification of (Gains) Losses to Net Income	05	(452)	(58)
		Overlay approach			
		Change in Unrealized Gains and Losses related to overlay approach for financial instruments			
		Unrealized Gains and Losses	15		0
		Reclassification of (Gains) Losses from Net Income	16		0
		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	2,724	290
		Items that will not be reclassified subsequently to Net Income:			
		FVOCI:			
		Change in Unrealized Gains and Losses:			
		- Equities (IFRS 9)	25		0
	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	2,724	290	
	Total Comprehensive Income (Loss)	39	7,126	(2,202)	
	Attributable to:				
	Non-controlling Interests	60		0	
	Equity Holders	62	7,126	(2,202)	
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	(4,013)	(606)
		- Equities (IAS 39)	44	5,385	1,919
		Overlay approach	55		0
		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	1,372	1,313
		Items that will not be reclassified subsequently to Net Income:			
		FVOCI:			
		- Equities (IFRS 9)	65		0
		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	1,480	1,421	

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	67,904
(Specify)	08	
Total Capital Available	09	67,904
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	10,277
Unpaid claims	22	11,536
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	21,813
Market Risk:		
Interest rate risk	30	633
Foreign exchange risk	32	0
Equity risk	34	6,686
Real estate risk	36	1,691
Other market risk exposures	38	336
Subtotal: Market risk margin	39	9,346
Credit Risk:		
Counterparty default risk for balance sheet assets	40	5,763
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	5,763
Operational risk margin	50	11,077
Less: Diversification credit	52	4,771
Total Capital (Margin) Required at Target	59	43,228
Minimum Capital (Margin) Required (line 59 / 1.5)	60	28,819
(Specify)	68	
Total Minimum Capital (Margin) Required	69	28,819
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	39,085
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	235.62%

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