

## 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	10,161		21,619		
		Investment Income due and accrued	02	2,682		1,148		
		Assets held for sale	50	0		0		
		Investments:						
<a href="#">40.12</a>		Short Term Investments	04	0		0		
<a href="#">40.22</a>		Bonds and Debentures	05	233,640		202,332		
<a href="#">40.32</a>		Mortgage Loans	06	0		0		
<a href="#">40.42</a>		Preferred Shares	07	0		0		
<a href="#">40.52</a>		Common Shares	08	53,559		39,228		
<a href="#">40.70</a>		Investment Properties	09	3,954		4,882		
<a href="#">40.80</a>		Other Loans and Invested Assets	10	7,571		5,220		
<a href="#">40.07</a>		<b>Total Investments (lines 04 to 10)</b>	19	298,724		251,662	0	
		Receivables:						
<a href="#">50.20</a>		Unaffiliated Agents and Brokers	20	15,743		14,826		
		Policyholders	21	0		0		
		Instalment Premiums	22	58,330		53,803		
		Other Insurers	23	28,909		4,412		
		Facility Association and the "P.R.R."	24	11,906		9,450		
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures	25	0		0		
<a href="#">50.20</a>		Other Receivables	27	985		701		
		Recoverable from Reinsurers:						
<a href="#">60.10</a>		Unearned Premiums	30	50,501		60,804		
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	31	68,198		66,512		
		Other Recoverables on Unpaid Claims	37	0		0		
		Investments Accounted for Using the Equity Method:						
<a href="#">50.32</a>		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
		Pooled Funds	45	0		0		
<a href="#">40.70</a>		Property and Equipment	41	6,835		6,379		
		Deferred Policy Acquisition Expenses	43	52,490		44,996		
		Current Tax Assets	52	1,367		73		
		Deferred Tax Assets	44	972		579		
		Goodwill	54	0		0		
		Intangible Assets	56	1,501		1,168		
		Defined Benefit Pension Plan	58	0		0		
		Other Assets	88	1,631		521		
		<b>TOTAL ASSETS</b>	89	610,935		538,653	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)
		<b>LIABILITIES</b>			
		Overdrafts	01	0	0
		Borrowed Money and Accrued Interest	02	0	0
		Payables:			
<a href="#">50.20</a>		Agents and Brokers	03	14,424	11,302
		Policyholders	04	0	0
<a href="#">50.30</a>		Other Insurers	05	19,138	10,625
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	4,380	4,895
		Other Taxes due and accrued	09	11,843	10,689
		Policyholder Dividends and Rating Adjustments	10	0	0
<a href="#">40.70</a>		Encumbrances on Real Estate	11	0	0
<a href="#">60.10</a>		Unearned Premiums	12	188,293	165,631
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	13	213,572	191,088
<a href="#">80.10</a>		Unearned Commissions	14	14,714	19,368
		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	4	2,206
		Deferred Tax Liabilities	21	1,279	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	14,637	13,731
		<b>Total Liabilities</b>	29	482,284	431,074
		<b>CANADIAN INSURERS ONLY:</b>			
		<b>EQUITY</b>			
		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
<a href="#">20.54</a>		Retained Earnings	44	124,684	85,885
<a href="#">20.45</a>		Reserves	45	0	0
<a href="#">20.42</a>		Accumulated Other Comprehensive Income (Loss)	47	-12,395	5,332
		<b>Total Policyholders/Shareholders' Equity</b>	59	128,651	107,579
		Non-controlling Interests	48	0	0
		<b>Total Equity</b>	49	128,651	107,579
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	610,935	538,653
		<b>FOREIGN INSURERS ONLY:</b>			
		<b>HEAD OFFICE ACCOUNT, RESERVES &amp; AOCI</b>			
<a href="#">20.45</a>		Head Office Account	51		
		(Specify)	53		
<a href="#">20.45</a>		Reserves	55		
<a href="#">20.42</a>		Accumulated Other Comprehensive Income (Loss)	56		
		<b>Total Head Office Account, Reserves &amp; AOCI</b>	69		
		<b>TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES &amp; AOCI</b>	79		

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME  
(\$'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		<b>UNDERWRITING OPERATIONS</b>		
		<b>Premiums Written</b>		
		Direct	271,128	245,574
<a href="#">70.21</a>		Reinsurance Assumed	0	0
<a href="#">70.21</a>		Reinsurance Ceded	66,357	95,184
<a href="#">60.20</a>		<b>Net Premiums Written</b>	204,771	150,390
		Decrease (increase) in Net Unearned Premiums	-31,520	-15,692
<a href="#">60.20</a>		<b>Net Premiums Earned</b>	173,251	134,698
		Service Charges	3,913	3,628
		Other	0	0
		<b>Total Underwriting Revenue</b>	177,164	138,326
		Gross Claims and Adjustment Expenses	122,639	109,380
		Reinsurers' share of claims and adjustment expenses	37,589	40,995
<a href="#">60.20</a>		<b>Net Claims and Adjustment Expenses</b>	85,050	68,385
		Acquisition Expenses		
<a href="#">80.10</a>		Gross Commissions	52,858	46,406
<a href="#">80.10</a>		Ceded Commissions	29,501	24,194
		Taxes	10,227	9,236
<a href="#">80.20</a>		Other	0	0
<a href="#">80.20</a>		General Expenses	23,837	20,906
		<b>Total Claims and Expenses</b>	142,471	120,739
		Premium Deficiency Adjustments	0	0
<a href="#">40.07</a>		<b>Underwriting Income (Loss)</b>	34,693	17,587
		<b>INVESTMENT OPERATIONS</b>		
		Income	4,600	1,997
		Gains (Losses) from FVO or FVTPL	810	0
		Realized Gains (Losses)	-2,485	2,316
		Expenses	479	426
		<b>Net Investment Income</b>	2,446	3,887
		<b>OTHER REVENUE AND EXPENSES</b>		
		Income (Loss) from Ancillary Operations (net of Expenses of \$'000 )	0	0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	-598	-419
		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	457	291
		Finance costs	0	0
		Other Expenses	0	0
		<b>Net Income (Loss) before Income Taxes</b>	36,998	21,346
		<b>INCOME TAXES</b>		
		Current	9,059	5,348
		Deferred	101	0
		<b>Total Income Taxes</b>	9,160	5,348
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	27,838	15,998
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests	0	0
		Equity Holders	27,838	15,998

**CONSOLIDATED FINANCIAL STATEMENTS**  
**COMPREHENSIVE INCOME (LOSS)**  
**and**  
**ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**  
**(\$'000)**

Reference Page	FS Notes Reference		Current Period	Prior Period	
			(01)	(03)	
<a href="#">20.30</a>		<b>Comprehensive Income (Loss)</b>			
		Net Income	01	27,838	15,998
		Other Comprehensive Income (Loss):			
		<b>Items that may be reclassified subsequently to Net Income:</b>			
		<b>FVOCI:</b>			
		Change in Unrealized Gains and Losses:			
		- Loans	02	0	0
		- Bonds and Debentures	03	-10,439	-2,036
		- Equities (IAS 39)	04	-4,439	3,553
		Reclassification of (Gains) Losses to Net Income	05	1,886	-1,738
		<b>Overlay approach</b>			
		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
		<b>Derivatives Designated as Cash Flow Hedges</b>			
		Change in Unrealized Gains and Losses	06	0	0
		Reclassification of (Gains) Losses to Net Income	07	0	0
		<b>Foreign Currency Translation</b>			
		Change in Unrealized Gains and Losses	08	0	0
		Impact of Hedging	09	0	0
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures (may be reclassified)</b>	14	0	0
		<b>Other</b>	18	0	0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	19	-12,992	-221
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
		<b>FVOCI:</b>			
		Change in Unrealized Gains and Losses:			
		- Equities (IFRS 9)	25	0	0
	<b>Revaluation Surplus</b>	31	-393	0	
	<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b>	11	0	0	
	<b>Remeasurements of Defined Benefit Plans</b>	34	0	0	
	<b>Other</b>	12	0	0	
	<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	29	-393	0	
	Total Other Comprehensive Income (Loss)	21	-13,385	-221	
	<b>Total Comprehensive Income (Loss)</b>	39	14,453	15,777	
	<b>Attributable to:</b>				
	Non-controlling Interests	60	0	0	
	Equity Holders	62	14,453	15,777	
<a href="#">20.20</a>		<b>Accumulated Other Comprehensive Income (Loss)</b>			
		Accumulated Gains (Losses) on:			
		<b>Items that may be reclassified subsequently to Net Income:</b>			
		<b>FVOCI:</b>			
		- Loans	42	0	0
		- Bonds and Debentures	43	-9,301	13
		- Equities (IAS 39)	44	-3,809	4,211
		<b>Overlay approach</b>	55	0	0
		<b>Derivatives Designated as Cash Flow Hedges</b>	45	0	0
		<b>Foreign Currency (net of hedging activities)</b>	46	0	0
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures (may be reclassified)</b>	52	0	0
		<b>Other</b>	68	0	0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	69	-13,110	4,224
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
		<b>FVOCI:</b>			
		- Equities (IFRS 9)	65	0	0
		<b>Revaluation Surplus</b>	71	715	1,108
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b>	51	0	0
		<b>Remeasurements of Defined Benefit Plans</b>	74	0	0
		<b>Other</b>	49	0	0
	<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	79	715	1,108	
	Balance at end of Year	59	-12,395	5,332	

CONSOLIDATED

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

(\$'000)

		Current Period
	(55)	(01)
<b>Capital Available:</b>		
Capital available (from page 30.62 - capital available)	01	124,535
(Specify)	08	
<b>Total Capital Available</b>	<b>09</b>	124,535
<b>Assets Available:</b>		
Net Assets Available (from page 30.92 - net assets available)	11	
(Specify)	18	
<b>Total Net Assets Available</b>	<b>19</b>	
<b>Capital (Margin) Required at Target:</b>		
Insurance Risk:		
Premium liabilities	20	18,544
Unpaid claims	22	16,439
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	79
Subtotal: Insurance risk margin	29	35,062
Market Risk:		
Interest rate risk	30	2,777
Foreign exchange risk	32	0
Equity risk	34	16,068
Real estate risk	36	886
Other market risk exposures	38	280
Subtotal: Market risk margin	39	20,011
Credit Risk:		
Counterparty default risk for balance sheet assets	40	6,880
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	6,880
Operational risk margin	50	16,579
Less: Diversification credit	52	8,145
<b>Total Capital (Margin) Required at Target</b>	<b>59</b>	<b>70,387</b>
Minimum Capital (Margin) Required (line 59 / 1.5)	60	46,925
(Specify)	68	
<b>Total Minimum Capital (Margin) Required</b>	<b>69</b>	<b>46,925</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79</b>	<b>77,610</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90</b>	<b>265.39%</b>

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