

## 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	25,189		19,273			
		Investment Income due and accrued	1,137		825			
		Assets held for sale	0		0			
		Investments:						
<a href="#">40.12</a>		Short Term Investments	0		0			
<a href="#">40.22</a>		Bonds and Debentures	215,104		177,656			
<a href="#">40.32</a>		Mortgage Loans	0		0			
<a href="#">40.42</a>		Preferred Shares	0		0			
<a href="#">40.52</a>		Common Shares	43,860		35,407			
<a href="#">40.70</a>		Investment Properties	3,882		4,882			
<a href="#">40.80</a>		Other Loans and Invested Assets	4,885		5,866			
<a href="#">40.07</a>		<b>Total Investments (lines 04 to 10)</b>	267,731		223,811		0	
		Receivables:						
<a href="#">50.20</a>		Unaffiliated Agents and Brokers	11,688		10,787			
		Policyholders	0		0			
		Instalment Premiums	52,847		50,013			
		Other Insurers	4,781		107			
		Facility Association and the "P.R.R."	9,549		8,406			
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures	0		0			
<a href="#">50.20</a>		Other Receivables	783		737			
		Recoverable from Reinsurers:						
<a href="#">60.10</a>		Unearned Premiums	61,166		57,056			
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	67,773		62,848			
		Other Recoverables on Unpaid Claims	0		0			
		Investments Accounted for Using the Equity Method:						
<a href="#">50.32</a>		Interests in Subsidiaries, Associates & Joint Ventures	0		0			
		Pooled Funds	0		0			
<a href="#">40.70</a>		Property and Equipment	6,162		7,087			
		Deferred Policy Acquisition Expenses	46,304		40,286			
		Current Tax Assets	65		107			
		Deferred Tax Assets	972		579			
		Goodwill	0		0			
		Intangible Assets	1,267		1,284			
		Defined Benefit Pension Plan	0		0			
		Other Assets	520		431			
		<b>TOTAL ASSETS</b>	557,934		483,637		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	15,439	10,365
		Policyholders	04	0	0
<a href="#">50.30</a>		Other Insurers	05	9,300	8,020
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	4,453	3,897
		Other Taxes due and accrued	09	14,001	13,633
		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	167,438	146,191
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	13	193,655	174,822
<a href="#">80.10</a>		Unearned Commissions	14	19,862	15,490
		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	4,150	3,854
		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	13,555	13,564
		<b>Total Liabilities</b>	29	443,162	391,375
		<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	0
<a href="#">20.54</a>		Retained Earnings	44	97,420	70,348
<a href="#">20.45</a>		Reserves	45	0	0
<a href="#">20.42</a>		Accumulated Other Comprehensive Income (Loss)	47	990	5,552
		<b>Total Policyholders/Shareholders' Equity</b>	59	114,772	92,262
		Non-controlling Interests	48	0	0
		<b>Total Equity</b>	49	114,772	92,262
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	557,934	483,637
		<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	Prior Period
			(01)	(03)
		<b>UNDERWRITING OPERATIONS</b>		
		<b>Premiums Written</b>		
		Direct	327,978	287,491
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	127,806	118,742
60.20		<b>Net Premiums Written</b>	200,172	168,749
		Decrease (increase) in Net Unearned Premiums	-17,137	-12,438
60.20		<b>Net Premiums Earned</b>	183,035	156,311
		Service Charges	4,900	3,772
		Other		0
		<b>Total Underwriting Revenue</b>	187,935	160,083
		Gross Claims and Adjustment Expenses	144,279	140,716
		Reinsurers' share of claims and adjustment expenses	54,984	55,809
60.20		<b>Net Claims and Adjustment Expenses</b>	89,295	84,907
		Acquisition Expenses		
80.10		Gross Commissions	64,957	53,586
80.10		Ceded Commissions	34,139	27,733
		Taxes	12,511	10,873
80.20		Other	-1,193	-2,457
80.20		General Expenses	29,127	26,155
		<b>Total Claims and Expenses</b>	160,558	145,331
		Premium Deficiency Adjustments	0	0
40.07		<b>Underwriting Income (Loss)</b>	27,377	14,752
		<b>INVESTMENT OPERATIONS</b>		
		Income	9,189	6,287
		Gains (Losses) from FVO or FVTPL	-1,000	0
		Realized Gains (Losses)	2,345	2,766
		Expenses	616	531
		<b>Net Investment Income</b>	9,918	8,522
		<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	-557	-683
		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	369	963
		Finance costs	0	0
		Other Expenses		0
		<b>Net Income (Loss) before Income Taxes</b>	37,107	23,554
		<b>INCOME TAXES</b>		
		Current	9,864	2,773
		Deferred	-625	3,053
		<b>Total Income Taxes</b>	9,239	5,826
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	27,868	17,728
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests	0	0
		Equity Holders	27,868	17,728

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

Reference Page	FS Notes Reference		Current Period	Prior Period
			(01)	(03)
		<b>Comprehensive Income (Loss)</b>		
		Net Income	27,868	17,728
		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	0	0
		- Bonds and Debentures	-3,185	4,350
		- Equities (IAS 39)	239	1,568
		Reclassification of (Gains) Losses to Net Income	-1,616	-2,057
		<b>Overlay approach</b>		
		Change in Unrealized Gains and Losses related to overlay approach for financial instruments		
		Unrealized Gains and Losses	0	0
		Reclassification of (Gains) Losses from Net Income	0	0
		<b>Derivatives Designated as Cash Flow Hedges</b>		
		Change in Unrealized Gains and Losses	0	0
		Reclassification of (Gains) Losses to Net Income	0	0
		<b>Foreign Currency Translation</b>		
		Change in Unrealized Gains and Losses	0	0
		Impact of Hedging	0	0
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures (may be reclassified)</b>		
		Other	0	0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	-4,562	3,861
		<b>Items that will not be reclassified subsequently to Net Income:</b>		
		<b>FVOCI:</b>		
		Change in Unrealized Gains and Losses:		
		- Equities (IFRS 9)	0	0
		<b>Revaluation Surplus</b>	0	0
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b>		
		Other	0	0
		<b>Remeasurements of Defined Benefit Plans</b>		
		Other	0	0
		<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	0	0
		Total Other Comprehensive Income (Loss)	-4,562	3,861
		<b>Total Comprehensive Income (Loss)</b>	23,306	21,589
		<b>Attributable to:</b>		
		Non-controlling Interests	0	0
		Equity Holders	23,306	21,589
		<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	0	0
		- Bonds and Debentures	-400	1,816
		- Equities (IAS 39)	282	2,628
		<b>Overlay approach</b>	0	0
		<b>Derivatives Designated as Cash Flow Hedges</b>		
		Foreign Currency (net of hedging activities)	0	0
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures (may be reclassified)</b>		
		Other	0	0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	-118	4,444
		<b>Items that will not be reclassified subsequently to Net Income:</b>		
		<b>FVOCI:</b>		
		- Equities (IFRS 9)	0	0
		<b>Revaluation Surplus</b>	1,108	1,108
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b>		
		Other	0	0
		<b>Remeasurements of Defined Benefit Plans</b>		
		Other	0	0
		<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	1,108	1,108
		Balance at end of Year	990	5,552

## 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	111,155
(Specify)	08	
<b>Total Capital Available</b>	<b>09</b>	111,155
<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	14,774
Unpaid claims	22	13,814
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	28,588
Market Risk:		
Interest rate risk	30	3,103
Foreign exchange risk	32	0
Equity risk	34	13,158
Real estate risk	36	858
Other market risk exposures	38	232
Subtotal: Market risk margin	39	17,351
Credit Risk:		
Counterparty default risk for balance sheet assets	40	6,361
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	6,361
Operational risk margin	50	15,690
Less: Diversification credit	52	6,941
<b>Total Capital (Margin) Required at Target</b>	<b>59</b>	61,049
Minimum Capital (Margin) Required (line 59 / 1.5)	60	40,699
(Specify)	68	
<b>Total Minimum Capital (Margin) Required</b>	<b>69</b>	40,699
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79</b>	70,456
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90</b>	273.11%

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