

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	17,144		22,894			
		Investment Income due and accrued	2,178		1,404			
		Assets held for sale			0			
		Investments:						
40.12		Short Term Investments			0			
40.22		Bonds and Debentures	125,021		119,571			
40.32		Mortgage Loans			0			
40.42		Preferred Shares			0			
40.52		Common Shares	26,117		25,091			
40.70		Investment Properties	7,987		7,987			
40.80		Other Loans and Invested Assets	5,747		5,544			
40.07		Total Investments (lines 04 to 10)	164,872		158,193		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	8,891		8,835			
		Policyholders			0			
		Instalment Premiums	40,498		37,005			
		Other Insurers	837		1,510			
		Facility Association and the "P.R.R."	7,603		7,677			
50.40		Subsidiaries, Associates & Joint Ventures	0		0			
50.20		Other Receivables	386		603			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	44,656		43,021			
60.30		Unpaid Claims and Adjustment Expenses	65,815		78,515			
		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	4,592		4,956			
		Deferred Policy Acquisition Expenses	29,375		28,409			
		Current Tax Assets	136		650			
		Deferred Tax Assets	5,980		4,414			
		Goodwill			0			
		Intangible Assets	696		349			
		Defined Benefit Pension Plan			0			
		Other Assets	536		491			
		TOTAL ASSETS	394,195		398,926		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	5,269
		Policyholders	04	0	
		Other Insurers	05	5,290	4,568
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	2,586	3,418
		Other Taxes due and accrued	09	8,488	7,242
		Policyholder Dividends and Rating Adjustments	10	0	
40.70		Encumbrances on Real Estate	11	0	
60.10		Unearned Premiums	12	115,180	111,097
60.30		Unpaid Claims and Adjustment Expenses	13	170,134	177,654
80.10		Unearned Commissions	14	12,372	11,919
		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	27	
		Deferred Tax Liabilities	21	2,119	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	11,734	11,233
		Total Liabilities	29	332,739	334,551
		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	49,267	51,892
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	827	1,121
		Total Policyholders/Shareholders' Equity	59	61,456	64,375
		Non-controlling Interests	48	0	0
		Total Equity	49	61,456	64,375
		TOTAL LIABILITIES AND EQUITY	89	394,195	398,926
		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	169,143	163,176
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	70,253	67,552
60.20		Net Premiums Written	98,890	95,624
		Decrease (increase) in Net Unearned Premiums	(4,165)	1,665
60.20		Net Premiums Earned	94,725	97,289
		Service Charges	2,094	2,126
		Other		0
		Total Underwriting Revenue	96,819	99,415
		Gross Claims and Adjustment Expenses	109,512	103,964
		Reinsurers' share of claims and adjustment expenses	43,481	34,410
60.20		Net Claims and Adjustment Expenses	66,031	69,554
		Acquisition Expenses		
		Gross Commissions	30,907	32,382
80.10		Ceded Commissions	16,135	17,153
		Taxes	6,654	6,647
80.20		Other		0
80.20		General Expenses	17,409	17,421
		Total Claims and Expenses	104,866	108,851
		Premium Deficiency Adjustments		0
40.07		Underwriting Income (Loss)	(8,047)	(9,436)
		INVESTMENT OPERATIONS		
		Income	3,419	4,021
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	321	(950)
		Expenses	337	334
		Net Investment Income	3,403	2,737
		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	(265)	177
		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	484	328
		Finance costs		0
		Other Expenses		0
		Net Income (Loss) before Income Taxes	(4,425)	(6,194)
		INCOME TAXES		
		Current	153	41
		Deferred	(1,337)	(1,778)
		Total Income Taxes	(1,184)	(1,737)
		NET INCOME (LOSS) FOR THE YEAR	(3,241)	(4,457)
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	(3,241)	(4,457)

(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)
		Comprehensive Income (Loss)		
		Net Income	01	(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
		- Bonds and Debentures	03	(616)
		- Equities (IAS 39)	04	557
		Reclassification of (Gains) Losses to Net Income	05	(245)
		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	(304)
		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
		Total Other Comprehensive Income (Loss)	21	(304)
		Total Comprehensive Income (Loss)	39	(3,545)
		Attributable to:		
		Non-controlling Interests	60	0
		Equity Holders	62	(3,545)
				(5,203)
		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	(1,014)
		- Equities (IAS 39)	44	1,733
		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	719
		Items that will not be reclassified subsequently to Net Income:		
		FVOCI:		
		- Equities (IFRS 9)	65	
		Revaluation Surplus	71	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
		Balance at end of Year	59	827
				1,121

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	59,387
(Specify)	08	
Total Capital Available	09	59,387
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	10,031
Unpaid claims	22	11,893
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	10
Subtotal: Insurance risk margin	29	21,934
Market Risk:		
Interest rate risk	30	1,113
Foreign exchange risk	32	0
Equity risk	34	7,835
Real estate risk	36	1,695
Other market risk exposures	38	189
Subtotal: Market risk margin	39	10,832
Credit Risk:		
Counterparty default risk for balance sheet assets	40	5,516
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	5,516
Operational risk margin	50	11,063
Less: Diversification credit	52	5,011
Total Capital (Margin) Required at Target	59	44,334
Minimum Capital (Margin) Required (line 59 / 1.5)	60	29,556
(Specify)	68	
Total Minimum Capital (Margin) Required	69	29,556
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	29,831
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	200.93%

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