

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	21,255		26,217			
		Investment Income due and accrued	644		675			
		Assets held for sale			0			
		Investments:						
40.12		Short Term Investments			0			
40.22		Bonds and Debentures	135,009		122,579			
40.32		Mortgage Loans			0			
40.42		Preferred Shares			0			
40.52		Common Shares	26,358		16,517			
40.70		Investment Properties	4,882		7,987			
40.80		Other Loans and Invested Assets	12,719		5,661			
40.07		Total Investments (lines 04 to 10)	178,968		152,744		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	9,102		8,007			
		Policyholders			0			
		Instalment Premiums	43,543		40,746			
		Other Insurers	1,491		1,870			
		Facility Association and the "P.R.R."	8,388		8,011			
50.40	19	Subsidiaries, Associates & Joint Ventures	0		0			
50.20		Other Receivables	792		473			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	48,704		44,272			
60.30	7	Unpaid Claims and Adjustment Expenses	55,412		63,903			
		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	6,938		4,477			
		Deferred Policy Acquisition Expenses	33,819		29,337			
		Current Tax Assets	1		124			
		Deferred Tax Assets	3,629		7,277			
		Goodwill			0			
		Intangible Assets	1,556		1,476			
		Defined Benefit Pension Plan			0			
		Other Assets	353		415			
		TOTAL ASSETS	414,595		390,024		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	6,758	5,114
		Policyholders	04		0
		Other Insurers	05	4,784	3,401
50.40	19	Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	3,648	2,700
		Other Taxes due and accrued	09	12,430	11,143
		Policyholder Dividends and Rating Adjustments	10		0
40.70		Encumbrances on Real Estate	11	0	0
60.10	7	Unearned Premiums	12	125,401	114,398
60.30	7	Unpaid Claims and Adjustment Expenses	13	163,080	168,131
80.10		Unearned Commissions	14	13,409	12,432
		Ceded Deferred Premium Taxes	20		0
		Ceded Deferred Insurance Operations Expenses	34		0
		Premium Deficiency	15	0	0
	14	Liabilities held for sale	17		0
		Current Tax Liabilities	18		0
		Deferred Tax Liabilities	21	1,536	2,125
		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
	12	Preferred Shares - Debt	26		0
		Provisions and Other Liabilities	28	12,587	12,070
		Total Liabilities	29	343,633	331,514
	13	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	52,909	48,392
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	1,691	(1,244)
		Total Policyholders/Shareholders' Equity	59	70,962	58,510
		Non-controlling Interests	48	0	0
		Total Equity	49	70,962	58,510
		TOTAL LIABILITIES AND EQUITY	89	414,595	390,024
		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	246,050	225,211
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	101,003	93,239
60.20		Net Premiums Written	145,047	131,972
		Decrease (increase) in Net Unearned Premiums	(6,571)	(3,767)
60.20		Net Premiums Earned	138,476	128,205
		Service Charges	3,145	2,836
		Other		0
		Total Underwriting Revenue	141,621	131,041
		Gross Claims and Adjustment Expenses	129,685	146,843
		Reinsurers' share of claims and adjustment expenses	45,854	57,722
60.20		Net Claims and Adjustment Expenses	83,831	89,121
		Acquisition Expenses		
80.10		Gross Commissions	44,402	41,321
80.10		Ceded Commissions	23,726	21,719
		Taxes	9,604	8,982
80.20		Other	(2,352)	(216)
80.20		General Expenses	25,357	23,489
		Total Claims and Expenses	137,116	140,978
		Premium Deficiency Adjustments		0
40.07		Underwriting Income (Loss)	4,505	(9,937)
		INVESTMENT OPERATIONS		
		Income	4,314	4,232
		Gains (Losses) from FVO or FVTPL	(3,105)	0
		Realized Gains (Losses)	843	182
		Expenses	459	445
		Net Investment Income	1,593	3,969
		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	(445)	(418)
		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	1,111	641
		Finance costs		0
		Other Expenses		0
		Net Income (Loss) before Income Taxes	6,764	(5,745)
		INCOME TAXES		
		Current	147	149
		Deferred	1,931	(1,722)
		Total Income Taxes	2,078	(1,573)
		NET INCOME (LOSS) FOR THE YEAR	4,686	(4,172)
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	4,686	(4,172)

(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	4,686	(4,172)
		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	659	309
		- Equities (IAS 39)	04	1,901	(2,572)
		Reclassification of (Gains) Losses to Net Income	05	(625)	(113)
		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	1,935	(2,376)
		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	1,000	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	1,000	0	
	Total Other Comprehensive Income (Loss)	21	2,935	(2,376)	
	Total Comprehensive Income (Loss)	39	7,621	(6,548)	
	Attributable to:				
	Non-controlling Interests	60		0	
	Equity Holders	62	7,621	(6,548)	

		Current Period	Prior Period	
		(01)	(03)	
	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	150	9
	- Equities (IAS 39)	44	433	(1,361)
	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	583	(1,352)
	Items that will not be reclassified subsequently to Net Income:			
	FVOCI:			
	- Equities (IFRS 9)	65		0
	Revaluation Surplus	71	1,108	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	1,108	108
20.20	Balance at end of Year	59	1,691	(1,244)

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	66,978
(Specify)	08	
Total Capital Available	09	66,978
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	10,464
Unpaid claims	22	11,901
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	16
Subtotal: Insurance risk margin	29	22,381
Market Risk:		
Interest rate risk	30	1,509
Foreign exchange risk	32	0
Equity risk	34	7,907
Real estate risk	36	1,068
Other market risk exposures	38	299
Subtotal: Market risk margin	39	10,783
Credit Risk:		
Counterparty default risk for balance sheet assets	40	5,364
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	5,364
Operational risk margin	50	11,558
Less: Diversification credit	52	5,016
Total Capital (Margin) Required at Target	59	45,070
Minimum Capital (Margin) Required (line 59 / 1.5)	60	30,047
(Specify)	68	
Total Minimum Capital (Margin) Required	69	30,047
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	36,931
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	222.91%

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