

## 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	10,144		25,189		
		Investment Income due and accrued	02	1,538		1,137		
		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	248,123		215,104		
<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	59,976		43,860		
<a href="#">40.70</a>		Investment Properties	09	3,954		3,882		
<a href="#">40.80</a>		Other Loans and Invested Assets	10	14,086		4,885		
<a href="#">40.07</a>		<b>Total Investments (lines 04 to 10)</b>	19	326,139		267,731	0	
		Receivables:						
<a href="#">50.20</a>		Unaffiliated Agents and Brokers	20	13,781		11,688		
		Policyholders	21	0		0		
		Instalment Premiums	22	58,237		52,847		
		Other Insurers	23	15,124		4,781		
		Facility Association and the "P.R.R."	24	10,445		9,549		
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures	25	0		0		
<a href="#">50.20</a>		Other Receivables	27	977		783		
		Recoverable from Reinsurers:						
<a href="#">60.10</a>		Unearned Premiums	30	51,845		61,166		
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	31	71,176		67,773		
		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	9,157		6,162		
		Deferred Policy Acquisition Expenses	43	55,178		46,304		
		Current Tax Assets	52	190		65		
		Deferred Tax Assets	44	2,617		972		
		Goodwill	54	0		0		
		Intangible Assets	56	5,855		1,267		
		Defined Benefit Pension Plan	58	0		0		
		Other Assets	88	430		520		
		<b>TOTAL ASSETS</b>	89	632,833		557,934	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	17,161	15,439	
		Policyholders 04	0	0	
<a href="#">50.30</a>		Other Insurers 05	7,095	9,300	
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures/Affiliates 06	0	0	
		Expenses due and accrued 07	7,602	4,453	
		Other Taxes due and accrued 09	15,855	14,001	
		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	194,694	167,438	
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses 13	228,475	193,655	
<a href="#">80.10</a>		Unearned Commissions 14	14,680	19,862	
		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	0	4,150	
		Deferred Tax Liabilities 21	1,373	1,309	
		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	12,551	13,555	
		<b>Total Liabilities</b> 29	499,486	443,162	0
		<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	127,919	97,420	
<a href="#">20.45</a>		Reserves 45	0	0	
<a href="#">20.42</a>		Accumulated Other Comprehensive Income (Loss) 47	-10,934	990	
		<b>Total Policyholders/Shareholders' Equity</b> 59	133,347	114,772	0
		Non-controlling Interests 48	0	0	
		<b>Total Equity</b> 49	133,347	114,772	0
		<b>TOTAL LIABILITIES AND EQUITY</b> 89	632,833	557,934	0
		<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	01 366,854	327,978
<a href="#">70.21</a>		Reinsurance Assumed	02 0	0
<a href="#">70.21</a>		Reinsurance Ceded	03 95,396	127,806
<a href="#">60.20</a>		<b>Net Premiums Written</b>	04 271,458	200,172
		Decrease (increase) in Net Unearned Premiums	05 -36,577	-17,137
<a href="#">60.20</a>		<b>Net Premiums Earned</b>	06 234,881	183,035
		Service Charges	07 5,295	4,900
		Other	08 0	0
		<b>Total Underwriting Revenue</b>	09 240,176	187,935
		Gross Claims and Adjustment Expenses	62 175,327	144,279
		Reinsurers' share of claims and adjustment expenses	64 52,596	54,984
<a href="#">60.20</a>		<b>Net Claims and Adjustment Expenses</b>	10 122,731	89,295
		Acquisition Expenses		
<a href="#">80.10</a>		Gross Commissions	66 71,942	64,957
<a href="#">80.10</a>		Ceded Commissions	68 36,894	34,139
		Taxes	12 13,888	12,511
<a href="#">80.20</a>		Other	14 -1,623	-1,193
<a href="#">80.20</a>		General Expenses	16 32,840	29,127
		<b>Total Claims and Expenses</b>	19 202,884	160,558
		Premium Deficiency Adjustments	20 0	0
<a href="#">40.07</a>		<b>Underwriting Income (Loss)</b>	29 37,292	27,377
		<b>INVESTMENT OPERATIONS</b>		
		Income	32 7,347	9,189
		Gains (Losses) from FVO or FVTPL	35 810	-1,000
		Realized Gains (Losses)	33 -3,032	2,345
		Expenses	34 690	616
		<b>Net Investment Income</b>	39 4,435	9,918
		<b>OTHER REVENUE AND EXPENSES</b>		
		Income (Loss) from Ancillary Operations (net of Expenses of \$'000 )	40 0	0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41 -810	-557
		Overlay approach adjustment for financial instruments (Reclass from P&L to OCI)	48 0	0
		Share of Net Income (Loss) of Pooled Funds using Equity Method	47 0	0
		Gain (Losses) from fluctuations in Foreign Exchange Rates	42 0	0
		Other Revenues	44 656	369
		Finance costs	45 0	0
		Other Expenses	46 0	0
		<b>Net Income (Loss) before Income Taxes</b>	49 41,573	37,107
		<b>INCOME TAXES</b>		
		Current	50 11,649	9,864
		Deferred	51 -1,459	-625
		<b>Total Income Taxes</b>	59 10,190	9,239
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	89 31,383	27,868
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests	80 0	0
		Equity Holders	82 31,383	27,868

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>		
<a href="#">20.30</a>		Net Income 01	31,383	27,868
		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	-10,209	-3,185
		- Equities (IAS 39) 04	-3,619	239
		Reclassification of (Gains) Losses to Net Income 05	2,305	-1,616
		<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	-11,523	-4,562
		<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	-401	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	-401	0
		Total Other Comprehensive Income (Loss) 21	-11,924	-4,562
		<b>Total Comprehensive Income (Loss)</b> 39	19,459	23,306
		<b>Attributable to:</b>		
		Non-controlling Interests 60	0	0
		Equity Holders 62	19,459	23,306
		<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	-8,658	-400
		- Equities (IAS 39) 44	-2,983	282
		<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	-11,641	-118
		<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	707	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	707	1,108
<a href="#">20.20</a>		Balance at end of Year 59	-10,934	990

## 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	125,543
(Specify)	08	
<b>Total Capital Available</b>	<b>09</b>	125,543
<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	19,009
Unpaid claims	22	17,724
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	36,733
Market Risk:		
Interest rate risk	30	3,786
Foreign exchange risk	32	0
Equity risk	34	17,993
Real estate risk	36	1,020
Other market risk exposures	38	378
Subtotal: Market risk margin	39	23,177
Credit Risk:		
Counterparty default risk for balance sheet assets	40	7,440
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	7,440
Operational risk margin	50	17,281
Less: Diversification credit	52	8,943
<b>Total Capital (Margin) Required at Target</b>	<b>59</b>	75,688
Minimum Capital (Margin) Required (line 59 / 1.5)	60	50,459
(Specify)	68	
<b>Total Minimum Capital (Margin) Required</b>	<b>69</b>	50,459
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79</b>	75,084
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90</b>	248.80%

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