

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	21,140		14,327			
		Investment Income due and accrued	1,131		1,203			
		Assets held for sale			0			
		Investments:						
40.12		Short Term Investments			0			
40.22		Bonds and Debentures	122,198		119,360			
40.32		Mortgage Loans			0			
40.42		Preferred Shares			0			
40.52		Common Shares	18,523		23,036			
40.70		Investment Properties	7,987		7,987			
40.80		Other Loans and Invested Assets	5,558		5,379			
40.07		Total Investments (lines 04 to 10)	154,266		155,762		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	7,885		8,042			
		Policyholders			0			
		Instalment Premiums	38,048		32,241			
		Other Insurers	568		1,812			
		Facility Association and the "P.R.R."	8,649		7,551			
50.40		Subsidiaries, Associates & Joint Ventures	0		0			
50.20		Other Receivables	536		495			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	42,053		38,855			
60.30		Unpaid Claims and Adjustment Expenses	61,643		69,031			
		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	6,269		4,780			
		Deferred Policy Acquisition Expenses	28,102		25,928			
		Current Tax Assets	56		260			
		Deferred Tax Assets	6,920		5,289			
		Goodwill			0			
		Intangible Assets	1,421		566			
		Defined Benefit Pension Plan			0			
		Other Assets	435		508			
		TOTAL ASSETS	379,122		366,650		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	2,922	2,978
		Policyholders	04	0	
		Other Insurers	05	3,278	1,644
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	4,761	2,973
		Other Taxes due and accrued	09	2,970	2,544
		Policyholder Dividends and Rating Adjustments	10	0	
40.70		Encumbrances on Real Estate	11	0	
60.10		Unearned Premiums	12	108,556	100,213
60.30		Unpaid Claims and Adjustment Expenses	13	167,145	169,659
80.10		Unearned Commissions	14	12,235	10,847
		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	866	0
		Deferred Tax Liabilities	21	2,125	2,119
		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	12,152	10,839
		Total Liabilities	29	317,010	303,816
		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	49,637	50,869
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	1,113	603
		Total Policyholders/Shareholders' Equity	59	62,112	62,834
		Non-controlling Interests	48	0	0
		Total Equity	49	62,112	62,834
		TOTAL LIABILITIES AND EQUITY	89	379,122	366,650
		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	50,639	44,566
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	20,814	18,443
60.20		Net Premiums Written	29,825	26,123
		Decrease (increase) in Net Unearned Premiums	3,623	5,001
60.20		Net Premiums Earned	33,448	31,124
		Service Charges	742	667
		Other		0
		Total Underwriting Revenue	34,190	31,791
		Gross Claims and Adjustment Expenses	32,764	34,103
		Reinsurers' share of claims and adjustment expenses	11,749	11,977
60.20		Net Claims and Adjustment Expenses	21,015	22,126
		Acquisition Expenses		
		Gross Commissions	9,871	10,288
80.10		Ceded Commissions	5,241	5,182
80.10		Taxes	2,312	2,161
		Other		0
80.20		General Expenses	5,858	5,544
80.20		Total Claims and Expenses	33,815	34,937
		Premium Deficiency Adjustments		0
40.07		Underwriting Income (Loss)	375	(3,146)
		INVESTMENT OPERATIONS		
		Income	987	1,347
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	158	(374)
		Expenses	113	113
		Net Investment Income	1,032	860
		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	103	(119)
		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	197	167
		Finance costs		0
		Other Expenses		0
		Net Income (Loss) before Income Taxes	1,707	(2,238)
		INCOME TAXES		
		Current	106	46
		Deferred	356	(646)
		Total Income Taxes	462	(600)
		NET INCOME (LOSS) FOR THE YEAR	1,245	(1,638)
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	1,245	(1,638)

(04)

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	59,340
(Specify)	08	
Total Capital Available	09	59,340
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	9,437
Unpaid claims	22	11,810
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	28
Subtotal: Insurance risk margin	29	21,275
Market Risk:		
Interest rate risk	30	692
Foreign exchange risk	32	0
Equity risk	34	5,557
Real estate risk	36	1,693
Other market risk exposures	38	359
Subtotal: Market risk margin	39	8,301
Credit Risk:		
Counterparty default risk for balance sheet assets	40	5,420
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	5,420
Operational risk margin	50	10,499
Less: Diversification credit	52	4,454
Total Capital (Margin) Required at Target	59	41,041
Minimum Capital (Margin) Required (line 59 / 1.5)	60	27,361
(Specify)	68	
Total Minimum Capital (Margin) Required	69	27,361
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	31,979
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	216.88%

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