

## 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	25,337		22,206			
		Investment Income due and accrued	926		1,933			
		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	157,044		132,650			
<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	33,703		25,258			
<a href="#">40.70</a>		Investment Properties	4,882		7,987			
<a href="#">40.80</a>		Other Loans and Invested Assets	11,910		12,971			
<a href="#">40.07</a>		<b>Total Investments (lines 04 to 10)</b>	207,539		178,866		0	
		Receivables:						
<a href="#">50.20</a>		Unaffiliated Agents and Brokers	10,793		9,356			
		Policyholders			0			
		Instalment Premiums	49,772		43,087			
		Other Insurers	106		73			
		Facility Association and the "P.R.R."	8,423		9,285			
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures	0		0			
<a href="#">50.20</a>		Other Receivables	769		763			
		Recoverable from Reinsurers:						
<a href="#">60.10</a>		Unearned Premiums	56,455		47,898			
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	67,049		62,446			
		Other Recoverables on Unpaid Claims			0			
		Investments Accounted for Using the Equity Method:						
<a href="#">50.32</a>		Interests in Subsidiaries, Associates & Joint Ventures	0		0			
		Pooled Funds			0			
<a href="#">40.70</a>		Property and Equipment	6,659		5,846			
		Deferred Policy Acquisition Expenses	37,473		31,329			
		Current Tax Assets	9		0			
		Deferred Tax Assets	1,546		5,973			
		Goodwill	0		0			
		Intangible Assets	1,347		1,472			
		Defined Benefit Pension Plan	0		0			
		Other Assets	507		477			
		<b>TOTAL ASSETS</b>	474,710		421,010		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	
		Borrowed Money and Accrued Interest	02	0	
		Payables:			
<a href="#">50.20</a>		Agents and Brokers	03	7,077	5,172
		Policyholders	04	0	
<a href="#">50.30</a>		Other Insurers	05	11,333	8,550
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	3,217	3,455
		Other Taxes due and accrued	09	10,246	9,343
		Policyholder Dividends and Rating Adjustments	10	0	
<a href="#">40.70</a>		Encumbrances on Real Estate	11	0	
<a href="#">60.10</a>		Unearned Premiums	12	143,636	123,397
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	13	185,577	171,918
<a href="#">80.10</a>		Unearned Commissions	14	15,100	13,296
		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	1,416	1,025
		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	
		Preferred Shares - Debt	26	0	
		Provisions and Other Liabilities	28	14,099	12,589
		<b>Total Liabilities</b>	29	393,237	350,870
		<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	59,113	52,361
<a href="#">20.45</a>		Reserves	45	0	0
<a href="#">20.42</a>		Accumulated Other Comprehensive Income (Loss)	47	5,998	1,417
		<b>Total Policyholders/Shareholders' Equity</b>	59	81,473	70,140
		Non-controlling Interests	48	0	0
		<b>Total Equity</b>	49	81,473	70,140
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	474,710	421,010
		<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 (01)	Prior Period (03)
		<b>UNDERWRITING OPERATIONS</b>		
		<b>Premiums Written</b>		
		Direct	213,670	182,958
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	88,701	75,136
60.20		<b>Net Premiums Written</b>	124,969	107,822
		Decrease (increase) in Net Unearned Premiums	(10,484)	(5,373)
60.20		<b>Net Premiums Earned</b>	114,485	102,449
		Service Charges	2,650	2,338
		Other	0	0
		<b>Total Underwriting Revenue</b>	117,135	104,787
		Gross Claims and Adjustment Expenses	114,231	99,695
		Reinsurers' share of claims and adjustment expenses	45,958	36,584
60.20		<b>Net Claims and Adjustment Expenses</b>	68,273	63,111
		Acquisition Expenses		
80.10		Gross Commissions	37,481	31,885
80.10		Ceded Commissions	20,046	17,384
		Taxes	7,967	7,112
80.20		Other	0	0
80.20		General Expenses	19,167	18,820
		<b>Total Claims and Expenses</b>	112,842	103,544
		Premium Deficiency Adjustments		0
40.07		<b>Underwriting Income (Loss)</b>	4,293	1,243
		<b>INVESTMENT OPERATIONS</b>		
		Income	2,196	3,288
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	1,936	722
		Expenses	359	343
		<b>Net Investment Income</b>	3,773	3,667
		<b>OTHER REVENUE AND EXPENSES</b>		
		Income (Loss) from Ancillary Operations (net of Expenses of \$000 )		0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	(447)	(250)
		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	771	771
		Finance costs		0
		Other Expenses		0
		<b>Net Income (Loss) before Income Taxes</b>	8,390	5,431
		<b>INCOME TAXES</b>		
		Current	103	159
		Deferred	2,083	1,303
		<b>Total Income Taxes</b>	2,186	1,462
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	6,204	3,969
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests		0
		Equity Holders	6,204	3,969

(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)	
<a href="#">20.30</a>		<b>Comprehensive Income (Loss)</b>			
		Net Income	01	6,204	3,969
		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	4,213	1,325
		- Equities (IAS 39)	04	1,527	1,903
		Reclassification of (Gains) Losses to Net Income	05	(1,433)	(566)
		<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	4,307	2,662
		<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	0	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	0	0	
	Total Other Comprehensive Income (Loss)	21	4,307	2,662	
	<b>Total Comprehensive Income (Loss)</b>	39	10,511	6,631	
	<b>Attributable to:</b>				
	Non-controlling Interests	60	0	0	
	Equity Holders	62	10,511	6,631	

		Current Period	Prior Period	
		(01)	(03)	
	<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	2,762	(4,127)
	- Equities (IAS 39)	44	2,128	5,436
	<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	4,890	1,309
	<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	1,108	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	1,108	108
<a href="#">20.20</a>	Balance at end of Year	59	5,998	1,417

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**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 77,776
(Specify)	08
<b>Total Capital Available</b>	<b>09 77,776</b>
<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 11,935
Unpaid claims	22 13,093
Catastrophes	24 0
Margin required for reinsurance ceded to unregistered insurers	26 0
Subtotal: Insurance risk margin	29 25,028
Market Risk:	
Interest rate risk	30 1,012
Foreign exchange risk	32 0
Equity risk	34 10,111
Real estate risk	36 1,064
Other market risk exposures	38 275
Subtotal: Market risk margin	39 12,462
Credit Risk:	
Counterparty default risk for balance sheet assets	40 6,064
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 6,064
Operational risk margin	50 13,066
Less: Diversification credit	52 5,695
<b>Total Capital (Margin) Required at Target</b>	<b>59 50,925</b>
Minimum Capital (Margin) Required (line 59 / 1.5)	60 33,950
(Specify)	68
<b>Total Minimum Capital (Margin) Required</b>	<b>69 33,950</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79 43,826</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90 229.09%</b>

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