

## 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	516		505			
		Investment Income due and accrued	168		158			
		Assets held for sale						
		Investments:						
40.12		Short Term Investments	1,482		1,325			
40.22		Bonds and Debentures	37,892		39,141			
40.32		Mortgage Loans						
40.42		Preferred Shares						
40.52		Common Shares						
40.70		Investment Properties						
40.80		Other Loans and Invested Assets						
40.07		<b>Total Investments (lines 04 to 10)</b>	39,374		40,466		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	0		0			
		Policyholders						
		Instalment Premiums						
		Other Insurers						
		Facility Association and the "P.R.R."						
50.40		Subsidiaries, Associates & Joint Ventures	0					
50.20		Other Receivables	825		973			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	0		0			
60.30		Unpaid Claims and Adjustment Expenses	0		0			
		Other Recoverables on Unpaid Claims						
		Investments Accounted for Using the Equity Method:						
50.32		Interests in Subsidiaries, Associates & Joint Ventures	0		0			
		Pooled Funds						
40.70		Property and Equipment	0		0			
		Deferred Policy Acquisition Expenses						
		Current Tax Assets						
		Deferred Tax Assets	2,754		1,542			
		Goodwill						
		Intangible Assets						
		Defined Benefit Pension Plan						
		Other Assets	4,753		4,304			
		<b>TOTAL ASSETS</b>	48,390		47,948		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		
		Borrowed Money and Accrued Interest	02		
		Payables:			
<a href="#">50.20</a>		Agents and Brokers	03	0	0
		Policyholders	04		
		Other Insurers	05		
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	1,291	1,319
		Other Taxes due and accrued	09		
		Policyholder Dividends and Rating Adjustments	10		
<a href="#">40.70</a>		Encumbrances on Real Estate	11	0	0
<a href="#">60.10</a>		Unearned Premiums	12	0	0
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	13	24,308	24,572
<a href="#">80.10</a>		Unearned Commissions	14	0	0
		Ceded Deferred Premium Taxes	20		
		Ceded Deferred Insurance Operations Expenses	34		
		Premium Deficiency	15	0	0
		Liabilities held for sale	17		
		Current Tax Liabilities	18		
		Deferred Tax Liabilities	21		
		Self-Insured Retention (SIR) portion of unpaid claims	22		
		Defined Benefit Pension Plan	23		
		Employment Benefits (not including amounts on line 23 above)	24		
		Subordinated Debt	25		
		Preferred Shares - Debt	26		
		Provisions and Other Liabilities	28	4,731	4,281
		<b>Total Liabilities</b>	29	30,330	30,172
		<b>CANADIAN INSURERS ONLY:</b>			
		<b>EQUITY</b>			
		Shares issued and paid			
		Common	41	6,595	6,386
		Preferred	33	5,588	5,274
		Contributed Surplus	42	0	
		(Specify)	43		
<a href="#">20.54</a>		Retained Earnings	44	6,209	6,191
<a href="#">20.45</a>		Reserves	45	0	0
<a href="#">20.42</a>		Accumulated Other Comprehensive Income (Loss)	47	(332)	(75)
		<b>Total Policyholders/Shareholders' Equity</b>	59	18,060	17,776
		Non-controlling Interests	48	0	
		<b>Total Equity</b>	49	18,060	17,776
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	48,390	47,948
		<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	8,646	9,090
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	271	176
60.20		<b>Net Premiums Written</b>	8,375	8,914
		Decrease (increase) in Net Unearned Premiums	0	
60.20		<b>Net Premiums Earned</b>	8,375	8,914
		Service Charges		
		Other		
		<b>Total Underwriting Revenue</b>	8,375	8,914
		Gross Claims and Adjustment Expenses	2,583	(252)
		Reinsurers' share of claims and adjustment expenses	0	
60.20		<b>Net Claims and Adjustment Expenses</b>	2,583	(252)
		Acquisition Expenses		
80.10		Gross Commissions	2,412	1,238
80.10		Ceded Commissions	0	
		Taxes		
80.20		Other	0	
80.20		General Expenses	5,254	5,275
		<b>Total Claims and Expenses</b>	10,249	6,261
		Premium Deficiency Adjustments		
40.07		<b>Underwriting Income (Loss)</b>	(1,874)	2,653
		<b>INVESTMENT OPERATIONS</b>		
		Income	727	734
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	(90)	(79)
		Expenses		
		<b>Net Investment Income</b>	637	655
		<b>OTHER REVENUE AND EXPENSES</b>		
		Income (Loss) from Ancillary Operations		
		(net of Expenses of \$000 )		
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures		
		Share of Net Income (Loss) of Pooled Funds using Equity Method		
		Gain (Losses) from fluctuations in Foreign Exchange Rates		
		Other Revenues	35	57
		Finance costs		
		Other Expenses	(1,299)	(1,284)
		<b>Net Income (Loss) before Income Taxes</b>	97	4,649
		<b>INCOME TAXES</b>		
		Current		
		Deferred	(1,117)	(1,542)
		<b>Total Income Taxes</b>	(1,117)	(1,542)
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	1,214	6,191
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests		
		Equity Holders	1,214	6,191

(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		<b>Comprehensive Income (Loss)</b>		
		Net Income 01	1,214	6,191
		Other Comprehensive Income (Loss):		
		<b>Items that may be reclassified subsequently to Net Income:</b>		
		<b>Available for Sale:</b>		
		Change in Unrealized Gains and Losses:		
		- Loans 02		
		- Bonds and Debentures 03		
		- Equities 04		
		Reclassification of (Gains) Losses to Net Income 05		
		<b>Derivatives Designated as Cash Flow Hedges</b>		
		Change in Unrealized Gains and Losses 06		
		Reclassification of (Gains) Losses to Net Income 07		
		<b>Foreign Currency Translation</b>		
		Change in Unrealized Gains and Losses 08		
		Impact of Hedging 09		
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures (may be reclassified)</b> 14		
		<b>Other</b> 18		
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b> 19	0	0
		<b>Items that will not be reclassified subsequently to Net Income:</b>		
		<b>Revaluation Surplus</b> 31		
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b> 11		
		<b>Remeasurements of Defined Benefit Plans</b> 34		
	<b>Other</b> 12			
	<b>Subtotal of items that will not be reclassified subsequently to Net Income</b> 29	0	0	
	Total Other Comprehensive Income (Loss) 21	0	0	
	<b>Total Comprehensive Income (Loss)</b> 39	1,214	6,191	
	<b>Attributable to:</b>			
	Non-controlling Interests 60			
	Equity Holders 62	1,214	6,191	
20.20		<b>Accumulated Other Comprehensive Income (Loss)</b>		
		Accumulated Gains (Losses) on:		
		<b>Items that may be reclassified subsequently to Net Income:</b>		
		<b>Available for Sale:</b>		
		- Loans 42		
		- Bonds and Debentures 43	(427)	(75)
		- Equities 44		
		<b>Derivatives Designated as Cash Flow Hedges</b> 45		
		<b>Foreign Currency (net of hedging activities)</b> 46		
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures (may be reclassified)</b> 52		
		<b>Other</b> 68	95	
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b> 69	(332)	(75)
		<b>Items that will not be reclassified subsequently to Net Income:</b>		
		<b>Revaluation Surplus</b> 71		
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b> 51		
		<b>Remeasurements of Defined Benefit Plans</b> 74		
		<b>Other</b> 49		
	<b>Subtotal of items that will not be reclassified subsequently to Net Income</b> 79	0	0	
	Balance at end of Year 59	(332)	(75)	

## CONSOLIDATED

**MINIMUM CAPITAL TEST/BRANCH ADEQUACY OF ASSETS TEST: CAPITAL (MARGIN) REQUIRED AND MCT (BAAT) RATIO**  
**(\$'000)**

	(55)	Current Period (01)
<b>Capital Available:</b>		
Capital available (from page 30.62 - capital available)	01	15,306
Phase-in of capital available	03	
(Specify)	08	
<b>Total Capital Available</b>	<b>09</b>	15,306
<b>Assets Available:</b>		
Net Assets Available (from page 30.92 - net assets available)	11	
Phase-in of net assets available	13	
(Specify)	18	
<b>Total Net Assets Available</b>	<b>19</b>	
<b>Capital (Margin) Required at Target:</b>		
Insurance Risk:		
Premium liabilities	20	503
Unpaid claims	22	3,132
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	3,635
Market Risk:		
Interest rate risk	30	304
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	0
Other market risk exposures	38	0
Subtotal: Market risk margin	39	304
Credit Risk:		
Counterparty default risk for balance sheet assets	40	265
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	265
Operational risk margin	50	580
Less: Diversification credit	52	254
<b>Total Capital (Margin) Required at Target</b>	<b>59</b>	<b>4,530</b>
Minimum Capital (Margin) Required (line 59 / 1.5)	60	3,020
Phase-in of Capital (Margin) Required	62	
(Specify)	68	
<b>Total Minimum Capital (Margin) Required</b>	<b>69</b>	<b>3,020</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79</b>	<b>12,286</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90</b>	<b>506.82%</b>

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