

## 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	234		0		
		Investment Income due and accrued	02	467		0		
		Assets held for sale	50			0		
		Investments:						
<a href="#">40.12</a>		Short Term Investments	04	241		1,645		
<a href="#">40.22</a>		Bonds and Debentures	05	36,164		35,028		
<a href="#">40.32</a>		Mortgage Loans	06			0		
<a href="#">40.42</a>		Preferred Shares	07			0		
<a href="#">40.52</a>		Common Shares	08	1,714		1,575		
<a href="#">40.70</a>		Investment Properties	09			0		
<a href="#">40.80</a>		Other Loans and Invested Assets	10			0		
<a href="#">40.07</a>		<b>Total Investments (lines 04 to 10)</b>	19	38,119		38,248		0
		Receivables:						
<a href="#">50.20</a>		Unaffiliated Agents and Brokers	20			0		
		Policyholders	21			0		
		Instalment Premiums	22			0		
		Other Insurers	23			0		
		Facility Association and the "P.R.R."	24			0		
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures	25	76		0		
<a href="#">50.20</a>		Other Receivables	27	465		632		
		Recoverable from Reinsurers:						
<a href="#">60.10</a>		Unearned Premiums	30	0		0		
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	31	0		0		
		Other Recoverables on Unpaid Claims	37			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		
<a href="#">40.70</a>		Property and Equipment	41			0		
		Deferred Policy Acquisition Expenses	43			0		
		Current Tax Assets	52			0		
		Deferred Tax Assets	44	3,334		3,154		
		Goodwill	54			0		
		Intangible Assets	56			0		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	4,733		4,821		
		<b>TOTAL ASSETS</b>	89	47,428		46,855		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	4
		Borrowed Money and Accrued Interest	02		0
		Payables:			
<a href="#">50.20</a>		Agents and Brokers	03		0
		Policyholders	04		0
		Other Insurers	05		0
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	935	1,123
		Other Taxes due and accrued	09		0
		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	0	0
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	13	20,720	20,981
<a href="#">80.10</a>		Unearned Commissions	14	0	0
		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		0
		Deferred Tax Liabilities	21		0
		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	4,669	4,578
		<b>Total Liabilities</b>	29	26,324	26,686
		<b>CANADIAN INSURERS ONLY:</b>			
		<b>EQUITY</b>			
		Shares issued and paid			
		Common	41	6,623	6,623
		Preferred	33	5,629	5,629
		Contributed Surplus	42	0	0
		(Specify)	43		1
<a href="#">20.54</a>		Retained Earnings	44	8,321	8,189
<a href="#">20.45</a>		Reserves	45	0	0
<a href="#">20.42</a>		Accumulated Other Comprehensive Income (Loss)	47	531	(273)
		<b>Total Policyholders/Shareholders' Equity</b>	59	21,104	20,169
		Non-controlling Interests	48	0	0
		<b>Total Equity</b>	49	21,104	20,169
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	47,428	46,855
		<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	2,877	7,697
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	173	260
60.20		<b>Net Premiums Written</b>	2,704	7,437
		Decrease (increase) in Net Unearned Premiums	0	0
60.20		<b>Net Premiums Earned</b>	2,704	7,437
		Service Charges		0
		Other		0
		<b>Total Underwriting Revenue</b>	2,704	7,437
		Gross Claims and Adjustment Expenses	1,130	444
		Reinsurers' share of claims and adjustment expenses	0	0
60.20		<b>Net Claims and Adjustment Expenses</b>	1,130	444
		Acquisition Expenses		
80.10		Gross Commissions	800	1,505
80.10		Ceded Commissions	0	0
		Taxes		0
80.20		Other	65	0
80.20		General Expenses		0
		<b>Total Claims and Expenses</b>	1,995	1,949
		Premium Deficiency Adjustments		0
		<b>Underwriting Income (Loss)</b>	709	5,488
40.07		<b>INVESTMENT OPERATIONS</b>		
		Income	0	774
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	439	(172)
		Expenses		0
		<b>Net Investment Income</b>	439	602
		<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		0
		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		0
		Finance costs		0
		Other Expenses	1,269	3,292
		<b>Net Income (Loss) before Income Taxes</b>	(121)	2,798
		<b>INCOME TAXES</b>		
		Current		0
		Deferred	(180)	(422)
		<b>Total Income Taxes</b>	(180)	(422)
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	59	3,220
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests		0
		Equity Holders	59	3,220

(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	59
		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
		- Bonds and Debentures	03	0
		- Equities (IAS 39)	04	0
		Reclassification of (Gains) Losses to Net Income	05	0
		<b>Overlay approach</b>		
		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
		<b>Derivatives Designated as Cash Flow Hedges</b>		
		Change in Unrealized Gains and Losses	06	0
		Reclassification of (Gains) Losses to Net Income	07	0
		<b>Foreign Currency Translation</b>		
		Change in Unrealized Gains and Losses	08	0
		Impact of Hedging	09	0
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures (may be reclassified)</b>	14	0
		<b>Other</b>	18	0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	19	0
		<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
	<b>Revaluation Surplus</b>	31	0	
	<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b>	11	0	
	<b>Remeasurements of Defined Benefit Plans</b>	34	0	
	<b>Other</b>	12	0	
	<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	29	0	
	Total Other Comprehensive Income (Loss)	21	0	
	<b>Total Comprehensive Income (Loss)</b>	39	59	
	<b>Attributable to:</b>			
	Non-controlling Interests	60	0	
	Equity Holders	62	59	
			3,220	

		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
	- Bonds and Debentures	43	531
	- Equities (IAS 39)	44	(273)
	<b>Overlay approach</b>	55	0
	<b>Derivatives Designated as Cash Flow Hedges</b>	45	0
	<b>Foreign Currency (net of hedging activities)</b>	46	0
	<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures (may be reclassified)</b>	52	0
	<b>Other</b>	68	0
	<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	69	531
	<b>Items that will not be reclassified subsequently to Net Income:</b>		
	<b>FVOCI:</b>		
	- Equities (IFRS 9)	65	0
	<b>Revaluation Surplus</b>	71	0
	<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b>	51	0
	<b>Remeasurements of Defined Benefit Plans</b>	74	0
	<b>Other</b>	49	0
	<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	79	0
<a href="#">20.20</a>	Balance at end of Year	59	531
			(273)

## CONSOLIDATED

## MINIMUM CAPITAL TEST/BRANCH ADEQUACY OF ASSETS TEST: CAPITAL (MARGIN) REQUIRED AND MCT (BAAT) RATIO

(\$'000)

	Current Period	
(55)	(01)	(01)
<b>Capital Available:</b>		
Capital available (from page 30.62 - capital available)	01	17,239
(Specify)	08	
<b>Total Capital Available</b>	<b>09</b>	17,239
<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	336
Unpaid claims	22	2,749
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	3,085
Market Risk:		
Interest rate risk	30	460
Foreign exchange risk	32	0
Equity risk	34	514
Real estate risk	36	0
Other market risk exposures	38	0
Subtotal: Market risk margin	39	974
Credit Risk:		
Counterparty default risk for balance sheet assets	40	280
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	280
Operational risk margin	50	509
Less: Diversification credit	52	471
<b>Total Capital (Margin) Required at Target</b>	<b>59</b>	4,377
Minimum Capital (Margin) Required (line 59 / 1.5)	60	2,918
(Specify)	68	
<b>Total Minimum Capital (Margin) Required</b>	<b>69</b>	2,918
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79</b>	14,321
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90</b>	590.78%

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