

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	16,602		17,751		
		Investment Income due and accrued	02	1,503		1,423		
		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	247,836		241,697		
<a href="#">40.32</a>		Mortgage Loans	06	0		0		
<a href="#">40.42</a>		Preferred Shares	07	26,611		23,386		
<a href="#">40.52</a>		Common Shares	08	0		0		
<a href="#">40.70</a>		Investment Properties	09	68,812		71,633		
<a href="#">40.80</a>		Other Loans and Invested Assets	10	0		0		
<a href="#">40.07</a>		<b>Total Investments (lines 04 to 10)</b>	19	343,259		336,716	0	
		Receivables:						
<a href="#">50.20</a>		Unaffiliated Agents and Brokers	20	0		0		
		Policyholders	21	3,550		3,525		
		Instalment Premiums	22	66,752		66,281		
		Other Insurers	23	3,911		2,241		
		Facility Association and the "P.R.R."	24	0		0		
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures	25	2,716		3,419		
<a href="#">50.20</a>		Other Receivables	27	1,036		1,082		
		Recoverable from Reinsurers:						
<a href="#">60.10</a>		Unearned Premiums	30	0		0		
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	31	7,446		5,478		
		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	23,215		24,155		
		Deferred Policy Acquisition Expenses	43	17,044		15,472		
		Current Tax Assets	52	0		0		
		Deferred Tax Assets	44	15,260		24,607		
		Goodwill	54	0		0		
		Intangible Assets	56	3,936		4,751		
		Defined Benefit Pension Plan	58	0		0		
		Other Assets	88	2,036		318		
		<b>TOTAL ASSETS</b>	89	508,266		507,219	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	0	0
		Policyholders	04	0	728
<a href="#">50.30</a>		Other Insurers	05	5,525	6,135
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures/Affiliates	06	2,095	2,201
		Expenses due and accrued	07	9,960	9,304
		Other Taxes due and accrued	09	2,351	2,280
		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	110,811	107,319
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	13	211,069	210,436
<a href="#">80.10</a>		Unearned Commissions	14	0	0
		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	0
		Deferred Tax Liabilities	21	0	0
		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	4,354	4,264
		<b>Total Liabilities</b>	29	346,165	342,667
		<b>CANADIAN INSURERS ONLY:</b>			
		<b>EQUITY</b>			
		Shares issued and paid			
		Common	41	48,000	48,000
		Preferred	33	106,100	106,100
		Contributed Surplus	42	0	0
		(Specify)	43	0	0
<a href="#">20.54</a>		Retained Earnings	44	8,001	10,452
<a href="#">20.45</a>		Reserves	45	0	0
<a href="#">20.42</a>		Accumulated Other Comprehensive Income (Loss)	47	0	0
		<b>Total Policyholders/Shareholders' Equity</b>	59	162,101	164,552
		Non-controlling Interests	48	0	0
		<b>Total Equity</b>	49	162,101	164,552
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	508,266	507,219
		<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	43,824	44,314
<a href="#">70.21</a>		Reinsurance Assumed	0	0
<a href="#">70.21</a>		Reinsurance Ceded	4,178	3,307
<a href="#">60.20</a>		<b>Net Premiums Written</b>	39,646	41,007
		Decrease (increase) in Net Unearned Premiums	17,867	14,958
<a href="#">60.20</a>		<b>Net Premiums Earned</b>	57,513	55,965
		Service Charges	2,440	2,330
		Other	0	0
		<b>Total Underwriting Revenue</b>	59,953	58,295
		Gross Claims and Adjustment Expenses	29,835	24,930
		Reinsurers' share of claims and adjustment expenses	549	438
<a href="#">60.20</a>		<b>Net Claims and Adjustment Expenses</b>	29,286	24,492
		Acquisition Expenses		
		Gross Commissions	7,544	7,343
<a href="#">80.10</a>		Ceded Commissions	0	0
		Taxes	2,462	2,358
<a href="#">80.20</a>		Other	3,270	2,983
<a href="#">80.20</a>		General Expenses	3,412	2,054
		<b>Total Claims and Expenses</b>	45,974	39,230
		Premium Deficiency Adjustments	0	0
<a href="#">40.07</a>		<b>Underwriting Income (Loss)</b>	13,979	19,065
		<b>INVESTMENT OPERATIONS</b>		
		Income	-7,549	-818
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	-1,687	627
		Expenses	114	115
		<b>Net Investment Income</b>	-9,350	-306
		<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	34	34
		Finance costs		0
		Other Expenses		0
		<b>Net Income (Loss) before Income Taxes</b>	4,663	18,793
		<b>INCOME TAXES</b>		
		Current		0
		Deferred	1,009	4,261
		<b>Total Income Taxes</b>	1,009	4,261
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	3,654	14,532
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests		0
		Equity Holders	3,654	14,532

**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	3,654
		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	3,654	
	<b>Attributable to:</b>			
	Non-controlling Interests	60	0	
	Equity Holders	62	3,654	
			14,532	
<a href="#">20.20</a>		<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	0
		- Equities (IAS 39)	44	0
		<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	0
		<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
		Balance at end of Year	59	0

## 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	142,896
(Specify)	08	
<b>Total Capital Available</b>	<b>09</b>	<b>142,896</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>		
<b>Insurance Risk:</b>		
Premium liabilities	20	16,947
Unpaid claims	22	18,870
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	1
Subtotal: Insurance risk margin	29	35,818
<b>Market Risk:</b>		
Interest rate risk	30	5,528
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	16,057
Other market risk exposures	38	27
Subtotal: Market risk margin	39	21,612
<b>Credit Risk:</b>		
Counterparty default risk for balance sheet assets	40	4,832
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	4,832
Operational risk margin	50	12,049
Less: Diversification credit	52	8,138
<b>Total Capital (Margin) Required at Target</b>	<b>59</b>	<b>66,173</b>
Minimum Capital (Margin) Required (line 59 / 1.5)	60	44,115
(Specify)	68	
<b>Total Minimum Capital (Margin) Required</b>	<b>69</b>	<b>44,115</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79</b>	<b>98,781</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90</b>	<b>323.92%</b>

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