

CONSOLIDATED FINANCIAL STATEMENTS

LIABILITIES, EQUITY, HEAD OFFICE ACCOUNT, RESERVES & AOICI
(\$'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 | 0 | |
| | | Policyholders | 04 | 728 | 411 |
| 50.30 | | Other Insurers | 05 | 6,135 | 5,238 |
| 50.40 | | Subsidiaries, Associates & Joint Ventures/Affiliates | 06 | 2,201 | 1,863 |
| | | Expenses due and accrued | 07 | 9,304 | 10,161 |
| | | Other Taxes due and accrued | 09 | 2,280 | 2,505 |
| | | Policyholder Dividends and Rating Adjustments | 10 | | 0 |
| 40.70 | | Encumbrances on Real Estate | 11 | | 0 |
| 60.10 | | Unearned Premiums | 12 | 107,319 | 101,617 |
| 60.30 | | Unpaid Claims and Adjustment Expenses | 13 | 210,436 | 251,068 |
| 80.10 | | 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 | 4,264 | 4,081 |
| | | Total Liabilities | 29 | 342,667 | 376,944 |
| | | CANADIAN INSURERS ONLY: | | | |
| | | EQUITY | | | |
| | | Shares issued and paid | | | |
| | | Common | 41 | 48,000 | 24,000 |
| | | Preferred | 33 | 106,100 | 106,100 |
| | | Contributed Surplus | 42 | 0 | 0 |
| | | (Specify) | 43 | | 0 |
| 20.54 | | Retained Earnings | 44 | 10,452 | 87,834 |
| 20.45 | | Reserves | 45 | 0 | 0 |
| 20.42 | | Accumulated Other Comprehensive Income (Loss) | 47 | 0 | 0 |
| | | Total Policyholders/Shareholders' Equity | 59 | 164,552 | 217,934 |
| | | Non-controlling Interests | 48 | 0 | 0 |
| | | Total Equity | 49 | 164,552 | 217,934 |
| | | TOTAL LIABILITIES AND EQUITY | 89 | 507,219 | 594,878 |
| | | FOREIGN INSURERS ONLY: | | | |
| | | HEAD OFFICE ACCOUNT, RESERVES & AOICI | | | |
| 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 & AOICI | 69 | | |
| | | TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES & AOICI | 79 | | |

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

| Reference Page | FS Notes Reference | | Current Period | Prior Period |
|----------------|--------------------|---|----------------|--------------|
| | | | (01) | (03) |
| | | UNDERWRITING OPERATIONS | | |
| | | Premiums Written | | |
| | | Direct | 01 44,314 | 43,377 |
| 70.21 | | Reinsurance Assumed | 02 0 | 0 |
| 70.21 | | Reinsurance Ceded | 03 3,307 | 3,566 |
| 60.20 | | Net Premiums Written | 04 41,007 | 39,811 |
| | | Decrease (increase) in Net Unearned Premiums | 05 14,958 | 13,423 |
| 60.20 | | Net Premiums Earned | 06 55,965 | 53,234 |
| | | Service Charges | 07 2,330 | 2,073 |
| | | Other | 08 0 | 0 |
| | | Total Underwriting Revenue | 09 58,295 | 55,307 |
| | | Gross Claims and Adjustment Expenses | 62 24,930 | 35,021 |
| | | Reinsurers' share of claims and adjustment expenses | 64 438 | 59 |
| 60.20 | | Net Claims and Adjustment Expenses | 10 24,492 | 34,962 |
| | | Acquisition Expenses | | |
| 80.10 | | Gross Commissions | 66 7,343 | 7,120 |
| 80.10 | | Ceded Commissions | 68 0 | 0 |
| | | Taxes | 12 2,358 | 2,257 |
| 80.20 | | Other | 14 2,983 | 3,012 |
| 80.20 | | General Expenses | 16 2,054 | 1,482 |
| | | Total Claims and Expenses | 19 39,230 | 48,833 |
| | | Premium Deficiency Adjustments | 20 0 | 0 |
| | | Underwriting Income (Loss) | 29 19,065 | 6,474 |
| 40.07 | | INVESTMENT OPERATIONS | | |
| | | Income | 32 -818 | 729 |
| | | Gains (Losses) from FVO or FVTPL | 35 0 | 0 |
| | | Realized Gains (Losses) | 33 627 | 1,404 |
| | | Expenses | 34 115 | 95 |
| | | Net Investment Income | 39 -306 | 2,038 |
| | | OTHER REVENUE AND EXPENSES | | |
| | | Income (Loss) from Ancillary Operations | | |
| | | (net of Expenses of \$'000) | 40 0 | 0 |
| | | Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures | 41 0 | 0 |
| | | Overlay approach adjustment for financial instruments (Reclass from P&L to OCI) | 48 0 | 0 |
| | | Share of Net Income (Loss) of Pooled Funds using Equity Method | 47 0 | 0 |
| | | Gain (Losses) from fluctuations in Foreign Exchange Rates | 42 0 | 0 |
| | | Other Revenues | 44 34 | 84 |
| | | Finance costs | 45 0 | 0 |
| | | Other Expenses | 46 0 | 0 |
| | | Net Income (Loss) before Income Taxes | 49 18,793 | 8,596 |
| | | INCOME TAXES | | |
| | | Current | 50 0 | 0 |
| | | Deferred | 51 4,261 | 2,013 |
| | | Total Income Taxes | 59 4,261 | 2,013 |
| | | NET INCOME (LOSS) FOR THE YEAR | 89 14,532 | 6,583 |
| | | ATTRIBUTABLE TO: | | |
| | | Non-controlling Interests | 80 0 | 0 |
| | | Equity Holders | 82 14,532 | 6,583 |

(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) |
| | | Comprehensive Income (Loss) | | |
| 20.30 | | Net Income | 14,532 | 6,583 |
| | | Other Comprehensive Income (Loss): | | |
| | | Items that may be reclassified subsequently to Net Income: | | |
| | | FVOCI: | | |
| | | Change in Unrealized Gains and Losses: | | |
| | | - Loans | | 0 |
| | | - Bonds and Debentures | | 0 |
| | | - Equities (IAS 39) | | 0 |
| | | Reclassification of (Gains) Losses to Net Income | | 0 |
| | | Overlay approach | | |
| | | Change in Unrealized Gains and Losses related to overlay approach for financial instruments | | |
| | | Unrealized Gains and Losses | | 0 |
| | | Reclassification of (Gains) Losses from Net Income | | 0 |
| | | Derivatives Designated as Cash Flow Hedges | | |
| | | Change in Unrealized Gains and Losses | | 0 |
| | | Reclassification of (Gains) Losses to Net Income | | 0 |
| | | Foreign Currency Translation | | |
| | | Change in Unrealized Gains and Losses | | 0 |
| | | Impact of Hedging | | 0 |
| | | Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified) | | 0 |
| | | Other | | 0 |
| | | Subtotal of items that may be reclassified subsequently to Net Income | 0 | 0 |
| | | Items that will not be reclassified subsequently to Net Income: | | |
| | | FVOCI: | | |
| | | Change in Unrealized Gains and Losses: | | |
| | | - Equities (IFRS 9) | | 0 |
| | | Revaluation Surplus | | 0 |
| | | Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures | | 0 |
| | | Associates & Joint Ventures | | 0 |
| | | Remeasurements of Defined Benefit Plans | | 0 |
| | | Other | | 0 |
| | | Subtotal of items that will not be reclassified subsequently to Net Income | 0 | 0 |
| | | Total Other Comprehensive Income (Loss) | 0 | 0 |
| | | Total Comprehensive Income (Loss) | 14,532 | 6,583 |
| | | Attributable to: | | |
| | | Non-controlling Interests | | 0 |
| | | Equity Holders | 14,532 | 6,583 |
| | | Accumulated Other Comprehensive Income (Loss) | | |
| | | Accumulated Gains (Losses) on: | | |
| | | Items that may be reclassified subsequently to Net Income: | | |
| | | FVOCI: | | |
| | | - Loans | | 0 |
| | | - Bonds and Debentures | | 0 |
| | | - Equities (IAS 39) | | 0 |
| | | Overlay approach | | 0 |
| | | Derivatives Designated as Cash Flow Hedges | | 0 |
| | | Foreign Currency (net of hedging activities) | | 0 |
| | | Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified) | | 0 |
| | | Other | | 0 |
| | | Subtotal of items that may be reclassified subsequently to Net Income | 0 | 0 |
| | | Items that will not be reclassified subsequently to Net Income: | | |
| | | FVOCI: | | |
| | | - Equities (IFRS 9) | | 0 |
| | | Revaluation Surplus | | 0 |
| | | Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures | | 0 |
| | | Associates & Joint Ventures | | 0 |
| | | Remeasurements of Defined Benefit Plans | | 0 |
| | | Other | | 0 |
| | | Subtotal of items that will not be reclassified subsequently to Net Income | 0 | 0 |
| 20.20 | | Balance at end of Year | 0 | 0 |

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 | 135,176 |
| (Specify) | 08 | |
| Total Capital Available | 09 | 135,176 |
| 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 | 14,741 |
| Unpaid claims | 22 | 18,873 |
| Catastrophes | 24 | 0 |
| Margin required for reinsurance ceded to unregistered insurers | 26 | 3 |
| Subtotal: Insurance risk margin | 29 | 33,617 |
| Market Risk: | | |
| Interest rate risk | 30 | 4,534 |
| Foreign exchange risk | 32 | 0 |
| Equity risk | 34 | 0 |
| Real estate risk | 36 | 16,709 |
| Other market risk exposures | 38 | 34 |
| Subtotal: Market risk margin | 39 | 21,277 |
| Credit Risk: | | |
| Counterparty default risk for balance sheet assets | 40 | 4,597 |
| 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 | 4,597 |
| Operational risk margin | 50 | 11,394 |
| Less: Diversification credit | 52 | 7,825 |
| Total Capital (Margin) Required at Target | 59 | 63,060 |
| Minimum Capital (Margin) Required (line 59 / 1.5) | 60 | 42,040 |
| (Specify) | 68 | |
| Total Minimum Capital (Margin) Required | 69 | 42,040 |
| Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required | 79 | 93,136 |
| MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69) | 90 | 321.54% |

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