

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	6,377		14,587			
		Investment Income due and accrued	1,330		1,479			
		Assets held for sale			0			
		Investments:						
40.12		Short Term Investments			0			
40.22		Bonds and Debentures	217,899		191,295			
40.32		Mortgage Loans			0			
40.42		Preferred Shares	9,983		13,485			
40.52		Common Shares			0			
40.70		Investment Properties	75,043		78,638			
40.80		Other Loans and Invested Assets			0			
40.07		Total Investments (lines 04 to 10)	302,925		283,418		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers			0			
		Policyholders	3,401		3,364			
		Instalment Premiums	63,941		63,249			
		Other Insurers	149,013		150,806			
		Facility Association and the "P.R.R."			0			
50.40		Subsidiaries, Associates & Joint Ventures	5,070		2,859			
50.20		Other Receivables	645		682			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	0		0			
60.30		Unpaid Claims and Adjustment Expenses	7,635		7,362			
		Other Recoverables on Unpaid Claims			0			
		Investments Accounted for Using the Equity Method:						
50.32		Interests in Subsidiaries, Associates & Joint Ventures	0		0			
		Pooled Funds			0			
40.70		Property and Equipment	25,162		26,519			
		Deferred Policy Acquisition Expenses	14,734		14,845			
		Current Tax Assets			0			
		Deferred Tax Assets	8,746		21,316			
		Goodwill			0			
		Intangible Assets	5,606		6,477			
		Defined Benefit Pension Plan			0			
		Other Assets	293		323			
		TOTAL ASSETS	594,878		597,286		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)
		LIABILITIES			
		Overdrafts	01	0	
		Borrowed Money and Accrued Interest	02	0	
		Payables:			
50.20		Agents and Brokers	03	0	
		Policyholders	04	411	416
50.30		Other Insurers	05	5,238	5,446
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	1,863	1,945
		Expenses due and accrued	07	10,161	8,338
		Other Taxes due and accrued	09	2,505	2,795
		Policyholder Dividends and Rating Adjustments	10	0	
40.70		Encumbrances on Real Estate	11	0	
60.10		Unearned Premiums	12	101,617	102,724
60.30		Unpaid Claims and Adjustment Expenses	13	251,068	284,810
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	4,081	4,057
		Total Liabilities	29	376,944	410,531
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	24,000	24,000
		Preferred	33	106,100	106,100
		Contributed Surplus	42	0	0
		(Specify)	43	0	
20.54		Retained Earnings	44	87,834	56,655
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		Total Policyholders/Shareholders' Equity	59	217,934	186,755
		Non-controlling Interests	48	0	0
		Total Equity	49	217,934	186,755
		TOTAL LIABILITIES AND EQUITY	89	594,878	597,286
		FOREIGN INSURERS ONLY:			
		HEAD OFFICE ACCOUNT, RESERVES & AOCI			
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 & AOCI	69		
		TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES & AOCI	79		

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct	43,377	43,205
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	3,566	4,133
60.20		Net Premiums Written	39,811	39,072
		Decrease (increase) in Net Unearned Premiums	13,423	14,249
60.20		Net Premiums Earned	53,234	53,321
		Service Charges	2,073	2,249
		Other		0
		Total Underwriting Revenue	55,307	55,570
		Gross Claims and Adjustment Expenses	35,021	34,832
		Reinsurers' share of claims and adjustment expenses	59	(92)
60.20		Net Claims and Adjustment Expenses	34,962	34,924
		Acquisition Expenses		
80.10		Gross Commissions	7,120	6,941
80.10		Ceded Commissions	0	0
		Taxes	2,257	2,317
80.20		Other	3,012	2,842
80.20		General Expenses	1,482	2,348
		Total Claims and Expenses	48,833	49,372
		Premium Deficiency Adjustments		0
		Underwriting Income (Loss)	6,474	6,198
40.07		INVESTMENT OPERATIONS		
		Income	729	4,572
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	1,404	206
		Expenses	95	86
		Net Investment Income	2,038	4,692
		OTHER REVENUE AND EXPENSES		
		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	84	95
		Finance costs		0
		Other Expenses		0
		Net Income (Loss) before Income Taxes	8,596	10,985
		INCOME TAXES		
		Current		0
		Deferred	2,013	2,922
		Total Income Taxes	2,013	2,922
		NET INCOME (LOSS) FOR THE YEAR	6,583	8,063
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	6,583	8,063

(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		Comprehensive Income (Loss)		
		Net Income	6,583	8,063
		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
		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)	6,583	8,063
		Attributable to:		
		Non-controlling Interests		0
		Equity Holders	6,583	8,063

		Current Period	Prior Period
		(01)	(03)
	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
	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	203,582
(Specify)	08	
Total Capital Available	09	203,582
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	14,999
Unpaid claims	22	22,426
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	37,425
Market Risk:		
Interest rate risk	30	2,682
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	17,479
Other market risk exposures	38	46
Subtotal: Market risk margin	39	20,207
Credit Risk:		
Counterparty default risk for balance sheet assets	40	4,662
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	4,662
Operational risk margin	50	11,337
Less: Diversification credit	52	7,982
Total Capital (Margin) Required at Target	59	65,649
Minimum Capital (Margin) Required (line 59 / 1.5)	60	43,766
(Specify)	68	
Total Minimum Capital (Margin) Required	69	43,766
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	159,816
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	465.16%

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