

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	8,231		13,892			
		Investment Income due and accrued	837		1,257			
		Assets held for sale			0			
		Investments:						
40.12		Short Term Investments			0			
40.22		Bonds and Debentures	178,054		294,039			
40.32		Mortgage Loans			0			
40.42		Preferred Shares	17,545		33,007			
40.52		Common Shares			0			
40.70		Investment Properties	83,666		87,756			
40.80		Other Loans and Invested Assets	30,000		30,000			
40.07		Total Investments (lines 04 to 10)	309,265		444,802		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers			0			
		Policyholders	3,859		4,083			
		Instalment Premiums	72,562		76,764			
		Other Insurers	149,635		85,879			
		Facility Association and the "P.R.R."			0			
50.40		Subsidiaries, Associates & Joint Ventures	5,733		5,516			
50.20		Other Receivables	1,334		2,134			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	0		0			
60.30		Unpaid Claims and Adjustment Expenses	6,753		87,445			
		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	25,416		27,039			
		Deferred Policy Acquisition Expenses	16,973		18,970			
		Current Tax Assets			0			
		Deferred Tax Assets	27,382		31,999			
		Goodwill			0			
		Intangible Assets	7,328		9,137			
		Defined Benefit Pension Plan			0			
		Other Assets	272		378			
		TOTAL ASSETS	635,580		809,295		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	471	501
		Other Insurers	05	7,808	6,189
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	2,905	3,122
		Expenses due and accrued	07	8,442	9,888
		Other Taxes due and accrued	09	7,188	7,856
		Policyholder Dividends and Rating Adjustments	10		0
40.70		Encumbrances on Real Estate	11		0
60.10		Unearned Premiums	12	117,963	131,845
60.30		Unpaid Claims and Adjustment Expenses	13	301,543	474,678
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	4,445	3,995
		Total Liabilities	29	450,765	638,074
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	9,000	9,000
		Preferred	33	106,100	106,100
		Contributed Surplus	42	0	0
		(Specify)	43		0
20.54		Retained Earnings	44	69,715	56,121
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		Total Policyholders/Shareholders' Equity	59	184,815	171,221
		Non-controlling Interests	48	0	0
		Total Equity	49	184,815	171,221
		TOTAL LIABILITIES AND EQUITY	89	635,580	809,295
		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	01	110,636	130,259
70.21		Reinsurance Assumed	02	0	0
70.21		Reinsurance Ceded	03	11,668	11,887
60.20		Net Premiums Written	04	98,968	118,372
		Decrease (increase) in Net Unearned Premiums	05	8,831	3,341
60.20		Net Premiums Earned	06	107,799	121,713
		Service Charges	07	4,057	4,192
		Other	08	0	0
		Total Underwriting Revenue	09	111,856	125,905
		Gross Claims and Adjustment Expenses	62	81,321	134,985
		Reinsurers' share of claims and adjustment expenses	64	4,588	1,398
60.20		Net Claims and Adjustment Expenses	10	76,733	133,587
		Acquisition Expenses			
		Gross Commissions	66	14,668	15,547
80.10		Ceded Commissions	68	0	0
		Taxes	12	4,770	5,455
80.20		Other	14	4,908	5,184
80.20		General Expenses	16	4,974	9,257
		Total Claims and Expenses	19	106,053	169,030
		Premium Deficiency Adjustments	20	0	0
		Underwriting Income (Loss)	29	5,803	(43,125)
40.07		INVESTMENT OPERATIONS			
		Income	32	4,011	6,964
		Gains (Losses) from FVO or FVTPL	35	0	0
		Realized Gains (Losses)	33	(753)	508
		Expenses	34	172	356
		Net Investment Income	39	3,086	7,116
		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		
		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	171	123
		Finance costs	45	0	0
		Other Expenses	46	0	0
		Net Income (Loss) before Income Taxes	49	9,060	(35,886)
		INCOME TAXES			
		Current	50	0	290
		Deferred	51	2,345	(10,099)
		Total Income Taxes	59	2,345	(9,809)
		NET INCOME (LOSS) FOR THE YEAR	89	6,715	(26,077)
		ATTRIBUTABLE TO:			
		Non-controlling Interests	80	0	0
		Equity Holders	82	6,715	(26,077)

(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	01	6,715	(26,077)
		Other Comprehensive Income (Loss):			
		Items that may be reclassified subsequently to Net Income:			
		FVOCI:			
		Change in Unrealized Gains and Losses:			
		- Loans	02	0	0
		- Bonds and Debentures	03	0	0
		- Equities (IAS 39)	04	0	0
		Reclassification of (Gains) Losses to Net Income	05	0	0
		Overlay approach			
		Change in Unrealized Gains and Losses related to overlay approach for financial instruments			
		Unrealized Gains and Losses	15		
		Reclassification of (Gains) Losses from Net Income	16		
		Derivatives Designated as Cash Flow Hedges			
		Change in Unrealized Gains and Losses	06	0	0
		Reclassification of (Gains) Losses to Net Income	07	0	0
		Foreign Currency Translation			
		Change in Unrealized Gains and Losses	08	0	0
		Impact of Hedging	09	0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)	14	0	0
		Other	18	0	0
		Subtotal of items that may be reclassified subsequently to Net Income	19	0	0
		Items that will not be reclassified subsequently to Net Income:			
		FVOCI:			
		Change in Unrealized Gains and Losses:			
		- Equities (IFRS 9)	25		
	Revaluation Surplus	31	0	0	
	Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	11	0	0	
	Remeasurements of Defined Benefit Plans	34	0	0	
	Other	12	0	0	
	Subtotal of items that will not be reclassified subsequently to Net Income	29	0	0	
	Total Other Comprehensive Income (Loss)	21	0	0	
	Total Comprehensive Income (Loss)	39	6,715	(26,077)	
	Attributable to:				
	Non-controlling Interests	60		0	
	Equity Holders	62	6,715	(26,077)	
20.20		Accumulated Other Comprehensive Income (Loss)			
		Accumulated Gains (Losses) on:			
		Items that may be reclassified subsequently to Net Income:			
		FVOCI:			
		- Loans	42	0	0
		- Bonds and Debentures	43	0	0
		- Equities (IAS 39)	44	0	0
		Overlay approach	55		
		Derivatives Designated as Cash Flow Hedges	45	0	0
		Foreign Currency (net of hedging activities)	46	0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)	52	0	0
		Other	68	0	0
		Subtotal of items that may be reclassified subsequently to Net Income	69	0	0
		Items that will not be reclassified subsequently to Net Income:			
		FVOCI:			
		- Equities (IFRS 9)	65		
		Revaluation Surplus	71	0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	51	0	0
		Remeasurements of Defined Benefit Plans	74	0	0
		Other	49	0	0
	Subtotal of items that will not be reclassified subsequently to Net Income	79	0	0	
	Balance at end of Year	59	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	150,105
(Specify)	08	
Total Capital Available	09	150,105
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	18,603
Unpaid claims	22	27,171
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	45,774
Market Risk:		
Interest rate risk	30	3,069
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	19,197
Other market risk exposures	38	78
Subtotal: Market risk margin	39	22,344
Credit Risk:		
Counterparty default risk for balance sheet assets	40	7,435
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	7,435
Operational risk margin	50	13,023
Less: Diversification credit	52	9,635
Total Capital (Margin) Required at Target	59	78,941
Minimum Capital (Margin) Required (line 59 / 1.5)	60	52,627
(Specify)	68	
Total Minimum Capital (Margin) Required	69	52,627
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	97,478
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	285.22%

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