

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	32,024		17,780			
		Investment Income due and accrued	1,020		1,058			
		Assets held for sale			0			
		Investments:						
40.12		Short Term Investments			0			
40.22		Bonds and Debentures	210,891		204,067			
40.32		Mortgage Loans			0			
40.42		Preferred Shares	17,069		12,930			
40.52		Common Shares			0			
40.70		Investment Properties	74,165		77,695			
40.80		Other Loans and Invested Assets	24,000		0			
40.07		Total Investments (lines 04 to 10)	326,125		294,692		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers			0			
		Policyholders	3,795		3,684			
		Instalment Premiums	71,354		69,263			
		Other Insurers	2,132		148,568			
		Facility Association and the "P.R.R."			0			
50.40		Subsidiaries, Associates & Joint Ventures	9,926		4,893			
50.20		Other Receivables	820		1,459			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	0		0			
60.30		Unpaid Claims and Adjustment Expenses	10,453		7,555			
		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	24,876		26,061			
		Deferred Policy Acquisition Expenses	16,570		16,602			
		Current Tax Assets			0			
		Deferred Tax Assets	39,062		15,644			
		Goodwill			0			
		Intangible Assets	5,389		6,260			
		Defined Benefit Pension Plan			0			
		Other Assets	368		212			
		TOTAL ASSETS	543,914		613,731		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	443	317
50.30		Other Insurers	05	6,105	7,334
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	3,205	2,963
		Expenses due and accrued	07	14,242	8,549
		Other Taxes due and accrued	09	6,368	7,346
		Policyholder Dividends and Rating Adjustments	10		0
40.70		Encumbrances on Real Estate	11		0
60.10		Unearned Premiums	12	115,726	114,674
60.30		Unpaid Claims and Adjustment Expenses	13	255,031	275,273
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	4,501	3,464
		Total Liabilities	29	405,621	419,920
		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	(15,807)	63,711
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		Total Policyholders/Shareholders' Equity	59	138,293	193,811
		Non-controlling Interests	48	0	0
		Total Equity	49	138,293	193,811
		TOTAL LIABILITIES AND EQUITY	89	543,914	613,731
		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	109,541	112,557
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	8,292	9,616
60.20		Net Premiums Written	101,249	102,941
		Decrease (increase) in Net Unearned Premiums	(686)	2,299
60.20		Net Premiums Earned	100,563	105,240
		Service Charges	4,298	4,245
		Other		0
		Total Underwriting Revenue	104,861	109,485
		Gross Claims and Adjustment Expenses	69,311	63,942
		Reinsurers' share of claims and adjustment expenses	(143,178)	148
60.20		Net Claims and Adjustment Expenses	212,489	63,794
		Acquisition Expenses		
		Gross Commissions	13,987	13,886
80.10		Ceded Commissions	0	0
		Taxes	4,336	4,610
80.20		Other	7,272	5,922
80.20		General Expenses	3,605	4,566
		Total Claims and Expenses	241,689	92,778
		Premium Deficiency Adjustments		0
		Underwriting Income (Loss)	(136,828)	16,707
40.07		INVESTMENT OPERATIONS		
		Income	8,334	6,060
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	3,213	1,323
		Expenses	205	162
		Net Investment Income	11,342	7,221
		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	125	(215)
		Finance costs		0
		Other Expenses		0
		Net Income (Loss) before Income Taxes	(125,361)	23,713
		INCOME TAXES		
		Current		0
		Deferred	(28,303)	8,594
		Total Income Taxes	(28,303)	8,594
		NET INCOME (LOSS) FOR THE YEAR	(97,058)	15,119
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	(97,058)	15,119

(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	(97,058)
		Other Comprehensive Income (Loss):		
		Items that may be reclassified subsequently to Net Income:		
		FVOCI:		
		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
		Overlay approach		
		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
		Derivatives Designated as Cash Flow Hedges		
		Change in Unrealized Gains and Losses	06	0
		Reclassification of (Gains) Losses to Net Income	07	0
		Foreign Currency Translation		
		Change in Unrealized Gains and Losses	08	0
		Impact of Hedging	09	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)	14	0
		Other	18	0
		Subtotal of items that may be reclassified subsequently to Net Income	19	0
		Items that will not be reclassified subsequently to Net Income:		
		FVOCI:		
		Change in Unrealized Gains and Losses:		
		- Equities (IFRS 9)	25	0
		Revaluation Surplus	31	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	11	0
	Remeasurements of Defined Benefit Plans	34	0	
	Other	12	0	
	Subtotal of items that will not be reclassified subsequently to Net Income	29	0	
	Total Other Comprehensive Income (Loss)	21	0	
	Total Comprehensive Income (Loss)	39	(97,058)	
	Attributable to:			
	Non-controlling Interests	60	0	
	Equity Holders	62	(97,058)	
			15,119	
20.20		Accumulated Other Comprehensive Income (Loss)		
		Accumulated Gains (Losses) on:		
		Items that may be reclassified subsequently to Net Income:		
		FVOCI:		
		- Loans	42	0
		- Bonds and Debentures	43	0
		- Equities (IAS 39)	44	0
		Overlay approach	55	0
		Derivatives Designated as Cash Flow Hedges	45	0
		Foreign Currency (net of hedging activities)	46	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)	52	0
		Other	68	0
		Subtotal of items that may be reclassified subsequently to Net Income	69	0
		Items that will not be reclassified subsequently to Net Income:		
		FVOCI:		
		- Equities (IFRS 9)	65	0
		Revaluation Surplus	71	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	51	0
		Remeasurements of Defined Benefit Plans	74	0
		Other	49	0
		Subtotal of items that will not be reclassified subsequently to Net Income	79	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	93,745
(Specify)	08	
Total Capital Available	09	93,745
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	14,822
Unpaid claims	22	22,923
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	20
Subtotal: Insurance risk margin	29	37,765
Market Risk:		
Interest rate risk	30	3,320
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	17,281
Other market risk exposures	38	40
Subtotal: Market risk margin	39	20,641
Credit Risk:		
Counterparty default risk for balance sheet assets	40	7,050
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	7,050
Operational risk margin	50	11,509
Less: Diversification credit	52	8,546
Total Capital (Margin) Required at Target	59	68,419
Minimum Capital (Margin) Required (line 59 / 1.5)	60	45,613
(Specify)	68	
Total Minimum Capital (Margin) Required	69	45,613
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	48,132
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	205.52%

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