

## 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	14,587		23,870			
		Investment Income due and accrued	1,479		1,113			
		Assets held for sale			0			
		Investments:						
<a href="#">40.12</a>		Short Term Investments			0			
<a href="#">40.22</a>		Bonds and Debentures	191,295		172,639			
<a href="#">40.32</a>		Mortgage Loans			0			
<a href="#">40.42</a>		Preferred Shares	13,485		17,678			
<a href="#">40.52</a>		Common Shares			0			
<a href="#">40.70</a>		Investment Properties	78,638		84,672			
<a href="#">40.80</a>		Other Loans and Invested Assets			30,000			
<a href="#">40.07</a>		<b>Total Investments (lines 04 to 10)</b>	283,418		304,989		0	
		Receivables:						
<a href="#">50.20</a>		Unaffiliated Agents and Brokers			0			
		Policyholders	3,364		3,514			
		Instalment Premiums	63,249		66,062			
		Other Insurers	150,806		151,975			
		Facility Association and the "P.R.R."			0			
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures	2,859		3,823			
<a href="#">50.20</a>		Other Receivables	682		1,066			
		Recoverable from Reinsurers:						
<a href="#">60.10</a>		Unearned Premiums	0		0			
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	7,362		7,515			
		Other Recoverables on Unpaid Claims			0			
		Investments Accounted for Using the Equity Method:						
<a href="#">50.32</a>		Interests in Subsidiaries, Associates & Joint Ventures	0		0			
		Pooled Funds			0			
<a href="#">40.70</a>		Property and Equipment	26,519		25,758			
		Deferred Policy Acquisition Expenses	14,845		15,798			
		Current Tax Assets			0			
		Deferred Tax Assets	21,316		29,743			
		Goodwill			0			
		Intangible Assets	6,477		7,612			
		Defined Benefit Pension Plan			0			
		Other Assets	323		413			
		<b>TOTAL ASSETS</b>	597,286		643,251		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	
		Borrowed Money and Accrued Interest	02	0	
		Payables:			
50.20		Agents and Brokers	03	0	
		Policyholders	04	416	434
		Other Insurers	05	5,446	4,671
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	1,945	1,973
		Expenses due and accrued	07	8,338	8,533
		Other Taxes due and accrued	09	2,795	18,302
		Policyholder Dividends and Rating Adjustments	10	0	
40.70		Encumbrances on Real Estate	11	0	
60.10		Unearned Premiums	12	102,724	108,382
60.30		Unpaid Claims and Adjustment Expenses	13	284,810	319,045
80.10		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	4,057	3,671
		<b>Total Liabilities</b>	29	410,531	465,011
		<b>CANADIAN INSURERS ONLY:</b>			
		<b>EQUITY</b>			
		Shares issued and paid			
		Common	41	24,000	9,000
		Preferred	33	106,100	106,100
		Contributed Surplus	42	0	0
		(Specify)	43	0	0
20.54		Retained Earnings	44	56,655	63,140
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		<b>Total Policyholders/Shareholders' Equity</b>	59	186,755	178,240
		Non-controlling Interests	48	0	0
		<b>Total Equity</b>	49	186,755	178,240
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	597,286	643,251
		<b>FOREIGN INSURERS ONLY:</b>			
		<b>HEAD OFFICE ACCOUNT, RESERVES &amp; AOCI</b>			
20.45		Head Office Account	51		
		(Specify)	53		
20.45		Reserves	55		
20.42		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	Prior Period
			(01)	(03)
		<b>UNDERWRITING OPERATIONS</b>		
		<b>Premiums Written</b>		
		Direct	43,205	43,593
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	4,133	5,411
60.20		<b>Net Premiums Written</b>	39,072	38,182
		Decrease (increase) in Net Unearned Premiums	14,249	18,412
60.20		<b>Net Premiums Earned</b>	53,321	56,594
		Service Charges	2,249	1,980
		Other		0
		<b>Total Underwriting Revenue</b>	55,570	58,574
		Gross Claims and Adjustment Expenses	34,832	48,949
		Reinsurers' share of claims and adjustment expenses	(92)	4,330
60.20		<b>Net Claims and Adjustment Expenses</b>	34,924	44,619
		Acquisition Expenses		
		Gross Commissions	6,941	7,290
80.10		Ceded Commissions	0	0
		Taxes	2,317	2,477
80.20		Other	2,842	2,344
80.20		General Expenses	2,348	3,145
		<b>Total Claims and Expenses</b>	49,372	59,875
		Premium Deficiency Adjustments	0	0
		<b>Underwriting Income (Loss)</b>	6,198	(1,301)
40.07		<b>INVESTMENT OPERATIONS</b>		
		Income	4,572	1,977
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	206	(606)
		Expenses	86	85
		<b>Net Investment Income</b>	4,692	1,286
		<b>OTHER REVENUE AND EXPENSES</b>		
		Income (Loss) from Ancillary Operations		
		(net of Expenses of \$000 )	0	0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	0	0
		Overlay approach adjustment for financial instruments (Reclass from P&L to OCI)	0	0
		Share of Net Income (Loss) of Pooled Funds using Equity Method	0	0
		Gain (Losses) from fluctuations in Foreign Exchange Rates	0	0
		Other Revenues	95	140
		Finance costs	0	0
		Other Expenses	0	0
		<b>Net Income (Loss) before Income Taxes</b>	10,985	125
		<b>INCOME TAXES</b>		
		Current	0	0
		Deferred	2,922	(15)
		<b>Total Income Taxes</b>	2,922	(15)
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	8,063	140
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests	0	0
		Equity Holders	8,063	140

(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)
<a href="#">20.30</a>		<b>Comprehensive Income (Loss)</b>		
		Net Income	01	8,063
		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	8,063	
	<b>Attributable to:</b>			
	Non-controlling Interests	60	0	
	Equity Holders	62	8,063	
			140	
<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
			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	158,962
(Specify)	08	
<b>Total Capital Available</b>	<b>09</b>	158,962
<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>		
Insurance Risk:		
Premium liabilities	20	15,544
Unpaid claims	22	25,299
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	40,843
Market Risk:		
Interest rate risk	30	931
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	18,306
Other market risk exposures	38	74
Subtotal: Market risk margin	39	19,311
Credit Risk:		
Counterparty default risk for balance sheet assets	40	4,181
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	4,181
Operational risk margin	50	11,709
Less: Diversification credit	52	7,948
<b>Total Capital (Margin) Required at Target</b>	<b>59</b>	<b>68,096</b>
Minimum Capital (Margin) Required (line 59 / 1.5)	60	45,397
(Specify)	68	
<b>Total Minimum Capital (Margin) Required</b>	<b>69</b>	<b>45,397</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79</b>	<b>113,565</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90</b>	<b>350.16%</b>

30.62 Row 59 Column 01

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