

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	23,870		602			
		Investment Income due and accrued	1,113		2,156			
		Assets held for sale			0			
		Investments:						
40.12		Short Term Investments			0			
40.22		Bonds and Debentures	172,639		342,833			
40.32		Mortgage Loans			0			
40.42		Preferred Shares	17,678		40,703			
40.52		Common Shares			0			
40.70		Investment Properties	84,672		88,821			
40.80		Other Loans and Invested Assets	30,000		0			
40.07		Total Investments (lines 04 to 10)	304,989		472,357		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers			0			
		Policyholders	3,514		3,682			
		Instalment Premiums	66,062		69,241			
		Other Insurers	151,975		34,205			
		Facility Association and the "P.R.R."			0			
50.40	19	Subsidiaries, Associates & Joint Ventures	3,823		9,058			
50.20		Other Receivables	1,066		1,179			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	0		0			
60.30	7	Unpaid Claims and Adjustment Expenses	7,515		152,212			
		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	25,758		27,500			
		Deferred Policy Acquisition Expenses	15,798		17,682			
		Current Tax Assets			1,714			
		Deferred Tax Assets	29,743		25,220			
		Goodwill			0			
		Intangible Assets	7,612		9,805			
		Defined Benefit Pension Plan			0			
		Other Assets	413		529			
		TOTAL ASSETS	643,251		827,142		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	434	360
		Other Insurers	05	4,671	939
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	1,973	2,101
		Expenses due and accrued	07	8,533	9,565
		Other Taxes due and accrued	09	18,302	3,190
		Policyholder Dividends and Rating Adjustments	10		0
40.70		Encumbrances on Real Estate	11		0
60.10		Unearned Premiums	12	108,382	120,773
60.30		Unpaid Claims and Adjustment Expenses	13	319,045	527,015
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	3,671	3,629
		Total Liabilities	29	465,011	667,572
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	9,000	9,000
		Preferred	33	106,100	76,100
		Contributed Surplus	42	0	0
		(Specify)	43		0
20.54		Retained Earnings	44	63,140	74,470
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		Total Policyholders/Shareholders' Equity	59	178,240	159,570
		Non-controlling Interests	48	0	0
		Total Equity	49	178,240	159,570
		TOTAL LIABILITIES AND EQUITY	89	643,251	827,142
		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	43,593	53,417
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	5,411	4,533
60.20		Net Premiums Written	38,182	48,884
		Decrease (increase) in Net Unearned Premiums	18,412	14,413
60.20		Net Premiums Earned	56,594	63,297
		Service Charges	1,980	2,109
		Other		0
		Total Underwriting Revenue	58,574	65,406
		Gross Claims and Adjustment Expenses	48,949	66,289
		Reinsurers' share of claims and adjustment expenses	4,330	(75)
60.20		Net Claims and Adjustment Expenses	44,619	66,364
		Acquisition Expenses		
		Gross Commissions	7,290	7,288
80.10		Ceded Commissions	0	0
		Taxes	2,477	2,600
80.20		Other	2,344	2,431
80.20		General Expenses	3,145	4,966
		Total Claims and Expenses	59,875	83,649
		Premium Deficiency Adjustments		0
		Underwriting Income (Loss)	(1,301)	(18,243)
40.07		INVESTMENT OPERATIONS		
		Income	1,977	7,138
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	(606)	179
		Expenses	85	173
		Net Investment Income	1,286	7,144
		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)		
		Share of Net Income (Loss) of Pooled Funds using Equity Method		0
		Gain (Losses) from fluctuations in Foreign Exchange Rates		0
		Other Revenues	140	51
		Finance costs		0
		Other Expenses		0
		Net Income (Loss) before Income Taxes	125	(11,048)
		INCOME TAXES		
		Current		0
		Deferred	(15)	(3,320)
		Total Income Taxes	(15)	(3,320)
		NET INCOME (LOSS) FOR THE YEAR	140	(7,728)
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	140	(7,728)

(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	140
		Other Comprehensive Income (Loss):		(7,728)
		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	
		Reclassification of (Gains) Losses from Net Income	16	
		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	
		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	140	
	Attributable to:		(7,728)	
	Non-controlling Interests	60	0	
	Equity Holders	62	140	
			(7,728)	
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	
		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	
		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	140,885
(Specify)	08	
Total Capital Available	09	140,885
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	29,344
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	47,947
Market Risk:		
Interest rate risk	30	3,634
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	19,431
Other market risk exposures	38	79
Subtotal: Market risk margin	39	23,144
Credit Risk:		
Counterparty default risk for balance sheet assets	40	7,248
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	7,248
Operational risk margin	50	13,532
Less: Diversification credit	52	9,930
Total Capital (Margin) Required at Target	59	81,941
Minimum Capital (Margin) Required (line 59 / 1.5)	60	54,627
(Specify)	68	
Total Minimum Capital (Margin) Required	69	54,627
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	86,258
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	257.90%

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