

## 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	41,749		17,178			
		Investment Income due and accrued	1,561		1,131			
		Assets held for sale			0			
		Investments:						
<a href="#">40.12</a>		Short Term Investments	0		0			
<a href="#">40.22</a>		Bonds and Debentures	235,202		255,897			
<a href="#">40.32</a>		Mortgage Loans	0		0			
<a href="#">40.42</a>		Preferred Shares	27,158		27,368			
<a href="#">40.52</a>		Common Shares	0		0			
<a href="#">40.70</a>		Investment Properties	46,202		69,471			
<a href="#">40.80</a>		Other Loans and Invested Assets	0		0			
<a href="#">40.07</a>		<b>Total Investments (lines 04 to 10)</b>	308,562		352,736		0	
		Receivables:						
<a href="#">50.20</a>		Unaffiliated Agents and Brokers	0		0			
		Policyholders	4,322		4,314			
		Instalment Premiums	81,256		81,120			
		Other Insurers	1,189		5,832			
		Facility Association and the "P.R.R."	1,631		0			
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures	1,138		0			
<a href="#">50.20</a>		Other Receivables	1,044		830			
		Recoverable from Reinsurers:						
<a href="#">60.10</a>		Unearned Premiums	0		0			
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	4,752		8,243			
		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	21,495		23,457			
		Deferred Policy Acquisition Expenses	19,172		19,567			
		Current Tax Assets	0		0			
		Deferred Tax Assets	6,491		16,269			
		Goodwill	0		0			
		Intangible Assets	378		4,140			
		Defined Benefit Pension Plan	0		0			
		Other Assets	250		2,535			
		<b>TOTAL ASSETS</b>	494,990		537,352		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	0
		Borrowed Money and Accrued Interest	02	0	0
		Payables:			
<a href="#">50.20</a>		Agents and Brokers	03	0	0
		Policyholders	04	404	474
<a href="#">50.30</a>		Other Insurers	05	0	2,154
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	2,202
		Expenses due and accrued	07	10,803	11,454
		Other Taxes due and accrued	09	12,965	13,038
		Policyholder Dividends and Rating Adjustments	10	0	0
<a href="#">40.70</a>		Encumbrances on Real Estate	11	0	0
<a href="#">60.10</a>		Unearned Premiums	12	123,246	128,678
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	13	192,695	210,911
<a href="#">80.10</a>		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	4,937	4,994
		<b>Total Liabilities</b>	29	345,050	373,905
		<b>CANADIAN INSURERS ONLY:</b>			
		<b>EQUITY</b>			
		Shares issued and paid			
		Common	41	48,000	48,000
		Preferred	33	82,600	106,100
		Contributed Surplus	42	0	0
		(Specify)	43	0	0
<a href="#">20.54</a>		Retained Earnings	44	19,340	9,347
<a href="#">20.45</a>		Reserves	45	0	0
<a href="#">20.42</a>		Accumulated Other Comprehensive Income (Loss)	47	0	0
		<b>Total Policyholders/Shareholders' Equity</b>	59	149,940	163,447
		Non-controlling Interests	48	0	0
		<b>Total Equity</b>	49	149,940	163,447
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	494,990	537,352
		<b>FOREIGN INSURERS ONLY:</b>			
		<b>HEAD OFFICE ACCOUNT, RESERVES &amp; AOCI</b>			
<a href="#">20.45</a>		Head Office Account	51		
		(Specify)	53		
<a href="#">20.45</a>		Reserves	55		
<a href="#">20.42</a>		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 (01)	Prior Period (03)
		<b>UNDERWRITING OPERATIONS</b>		
		<b>Premiums Written</b>		
		Direct	241,110	250,519
<a href="#">70.21</a>		Reinsurance Assumed	0	0
<a href="#">70.21</a>		Reinsurance Ceded	21,806	19,383
<a href="#">60.20</a>		<b>Net Premiums Written</b>	219,304	231,136
		Decrease (increase) in Net Unearned Premiums	5,432	-6,401
<a href="#">60.20</a>		<b>Net Premiums Earned</b>	224,736	224,735
		Service Charges	9,801	9,667
		Other		0
		<b>Total Underwriting Revenue</b>	234,537	234,402
		Gross Claims and Adjustment Expenses	105,617	133,147
		Reinsurers' share of claims and adjustment expenses	1,189	10,829
<a href="#">60.20</a>		<b>Net Claims and Adjustment Expenses</b>	104,428	122,318
		Acquisition Expenses		
<a href="#">80.10</a>		Gross Commissions	30,796	30,695
<a href="#">80.10</a>		Ceded Commissions	0	0
		Taxes	9,850	9,745
<a href="#">80.20</a>		Other	14,469	12,861
<a href="#">80.20</a>		General Expenses	16,172	6,970
		<b>Total Claims and Expenses</b>	175,715	182,589
		Premium Deficiency Adjustments		0
<a href="#">40.07</a>		<b>Underwriting Income (Loss)</b>	58,822	51,813
		<b>INVESTMENT OPERATIONS</b>		
		Income	-4,028	2,341
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	-11,308	2,242
		Expenses	452	464
		<b>Net Investment Income</b>	-15,788	4,119
		<b>OTHER REVENUE AND EXPENSES</b>		
		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	1,737	94
		Finance costs		0
		Other Expenses		0
		<b>Net Income (Loss) before Income Taxes</b>	44,771	56,026
		<b>INCOME TAXES</b>		
		Current		0
		Deferred	9,778	12,599
		<b>Total Income Taxes</b>	9,778	12,599
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	34,993	43,427
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests		0
		Equity Holders	34,993	43,427

*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	34,993	43,427
		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	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	0	
	<b>Total Other Comprehensive Income (Loss)</b>	21	0	0	
	<b>Total Comprehensive Income (Loss)</b>	39	34,993	43,427	
	<b>Attributable to:</b>				
	Non-controlling Interests	60		0	
	Equity Holders	62	34,993	43,427	

		Current Period	Prior Period	
		(01)	(03)	
<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

## 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	143,070
(Specify)	08	
<b>Total Capital Available</b>	<b>09</b>	143,070
<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	16,251
Unpaid claims	22	17,743
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	33,994
Market Risk:		
Interest rate risk	30	5,569
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	11,363
Other market risk exposures	38	27
Subtotal: Market risk margin	39	16,959
Credit Risk:		
Counterparty default risk for balance sheet assets	40	4,765
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	4,765
Operational risk margin	50	11,309
Less: Diversification credit	52	7,076
<b>Total Capital (Margin) Required at Target</b>	<b>59</b>	59,951
Minimum Capital (Margin) Required (line 59 / 1.5)	60	39,967
(Specify)	68	
<b>Total Minimum Capital (Margin) Required</b>	<b>69</b>	39,967
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79</b>	103,103
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90</b>	357.97%

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