

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

Reference Page	FS Notes Reference		Current Period		Prior Period		Opening Prior Period Restated	
			Total	Vested in Trust*	Total	Vested in Trust*	Total	Vested in Trust*
			(01)	(02)	(03)	(04)	(05)	(06)
		Cash and Cash Equivalents	01	35,940		38,431		
		Investment Income due and accrued	02	1,492		1,396		
		Assets held for sale	50			0		
		Investments:						
40.12		Short Term Investments	04			0		
40.22		Bonds and Debentures	05	244,421		211,775		
40.32		Mortgage Loans	06			0		
40.42		Preferred Shares	07	29,303		19,172		
40.52		Common Shares	08			0		
40.70		Investment Properties	09	70,130		73,321		
40.80		Other Loans and Invested Assets	10			24,000		
40.07		Total Investments (lines 04 to 10)	19	343,854		328,268		0
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20			0		
		Policyholders	21	4,574		4,477		
		Instalment Premiums	22	86,008		84,185		
		Other Insurers	23	1,386		1,791		
		Facility Association and the "P.R.R."	24			0		
50.40		Subsidiaries, Associates & Joint Ventures	25	4,362		9,171		
50.20		Other Receivables	27	1,761		708		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	0		0		
60.30		Unpaid Claims and Adjustment Expenses	31	11,063		12,524		
		Other Recoverables on Unpaid Claims	37			0		
		Investments Accounted for Using the Equity Method:						
50.32		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
		Pooled Funds	45			0		
40.70		Property and Equipment	41	23,726		24,677		
		Deferred Policy Acquisition Expenses	43	20,557		18,766		
		Current Tax Assets	52			0		
		Deferred Tax Assets	44	18,941		36,298		
		Goodwill	54			0		
		Intangible Assets	56	4,344		5,171		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	250		263		
		TOTAL ASSETS	89	558,258		566,126		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	1,306	
50.30		Other Insurers	05	8,906	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	2,939	
		Expenses due and accrued	07	9,556	
		Other Taxes due and accrued	09	10,738	
		Policyholder Dividends and Rating Adjustments	10	0	
40.70		Encumbrances on Real Estate	11	0	
60.10		Unearned Premiums	12	130,607	
60.30		Unpaid Claims and Adjustment Expenses	13	249,262	
80.10		Unearned Commissions	14	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	5,007	
		Total Liabilities	29	394,115	418,321
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	48,000	48,000
		Preferred	33	106,100	106,100
		Contributed Surplus	42	0	0
		(Specify)	43	0	0
20.54		Retained Earnings	44	10,043	-6,295
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		Total Policyholders/Shareholders' Equity	59	164,143	147,805
		Non-controlling Interests	48	0	0
		Total Equity	49	164,143	147,805
		TOTAL LIABILITIES AND EQUITY	89	558,258	566,126
		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	Prior Period
			(01)	(03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct	195,005	183,846
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	14,477	13,178
60.20		Net Premiums Written	180,528	170,668
		Decrease (increase) in Net Unearned Premiums	-14,152	-15,567
60.20		Net Premiums Earned	166,376	155,101
		Service Charges	7,181	6,622
		Other	0	0
		Total Underwriting Revenue	173,557	161,723
		Gross Claims and Adjustment Expenses	96,073	106,953
		Reinsurers' share of claims and adjustment expenses	7,285	-140,616
60.20		Net Claims and Adjustment Expenses	88,788	247,569
		Acquisition Expenses		
80.10		Gross Commissions	22,877	21,472
80.10		Ceded Commissions	0	0
		Taxes	7,215	6,710
80.20		Other	10,053	10,821
80.20		General Expenses	4,917	4,968
		Total Claims and Expenses	133,850	291,540
		Premium Deficiency Adjustments		0
40.07		Underwriting Income (Loss)	39,707	-129,817
		INVESTMENT OPERATIONS		
		Income	3,460	13,101
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	1,171	3,791
		Expenses	355	294
		Net Investment Income	4,276	16,598
		OTHER REVENUE AND EXPENSES		
		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	67	134
		Finance costs	0	0
		Other Expenses	0	0
		Net Income (Loss) before Income Taxes	44,050	-113,085
		INCOME TAXES		
		Current		0
		Deferred	9,927	-25,539
		Total Income Taxes	9,927	-25,539
		NET INCOME (LOSS) FOR THE YEAR	34,123	-87,546
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	34,123	-87,546

(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)
		Comprehensive Income (Loss)		
20.30		Net Income 01	34,123	-87,546
		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	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	0
		Total Other Comprehensive Income (Loss) 21	0	0
		Total Comprehensive Income (Loss) 39	34,123	-87,546
		Attributable to:		
		Non-controlling Interests 60		0
		Equity Holders 62	34,123	-87,546
		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	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	0
20.20		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	140,839
(Specify)	08	
Total Capital Available	09	140,839
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	14,757
Unpaid claims	22	20,656
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	1
Subtotal: Insurance risk margin	29	35,414
Market Risk:		
Interest rate risk	30	4,351
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	16,364
Other market risk exposures	38	35
Subtotal: Market risk margin	39	20,750
Credit Risk:		
Counterparty default risk for balance sheet assets	40	5,282
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	5,282
Operational risk margin	50	11,855
Less: Diversification credit	52	8,026
Total Capital (Margin) Required at Target	59	65,275
Minimum Capital (Margin) Required (line 59 / 1.5)	60	43,517
(Specify)	68	
Total Minimum Capital (Margin) Required	69	43,517
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	97,322
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	323.64%

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