

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	38,375		49,503		
		Investment Income due and accrued	02	1,088		969		
		Assets held for sale	50			0		
		Investments:						
40.12		Short Term Investments	04			0		
40.22		Bonds and Debentures	05	236,830		234,269		
40.32		Mortgage Loans	06			0		
40.42		Preferred Shares	07	31,751		28,734		
40.52		Common Shares	08			0		
40.70		Investment Properties	09	68,153		70,789		
40.80		Other Loans and Invested Assets	10			0		
40.07		Total Investments (lines 04 to 10)	19	336,734		333,792		0
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20			0		
		Policyholders	21	3,859		3,888		
		Instalment Premiums	22	72,548		73,105		
		Other Insurers	23	2,014		1,743		
		Facility Association and the "P.R.R."	24			0		
50.40		Subsidiaries, Associates & Joint Ventures	25	4,741		5,080		
50.20		Other Receivables	27	2,174		1,731		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	0		0		
60.30		Unpaid Claims and Adjustment Expenses	31	7,277		5,815		
		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	23,004		23,899		
		Deferred Policy Acquisition Expenses	43	18,486		17,366		
		Current Tax Assets	52			0		
		Deferred Tax Assets	44	13,218		20,096		
		Goodwill	54			0		
		Intangible Assets	56	3,733		4,547		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	1,357		415		
		TOTAL ASSETS	89	528,608		541,949		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	0	
50.30		Other Insurers	05	6,774	6,508
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	3,096	3,206
		Expenses due and accrued	07	11,973	9,567
		Other Taxes due and accrued	09	6,127	6,061
		Policyholder Dividends and Rating Adjustments	10	0	
40.70		Encumbrances on Real Estate	11	0	
60.10		Unearned Premiums	12	119,525	120,959
60.30		Unpaid Claims and Adjustment Expenses	13	207,240	211,016
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	4,640	4,672
		Total Liabilities	29	359,375	361,989
		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	
20.54		Retained Earnings	44	15,133	25,860
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		Total Policyholders/Shareholders' Equity	59	169,233	179,960
		Non-controlling Interests	48	0	0
		Total Equity	49	169,233	179,960
		TOTAL LIABILITIES AND EQUITY	89	528,608	541,949
		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	01	113,567	116,734
70.21		Reinsurance Assumed	02	0	0
70.21		Reinsurance Ceded	03	10,358	8,498
60.20		Net Premiums Written	04	103,209	108,236
		Decrease (increase) in Net Unearned Premiums	05	9,153	1,318
60.20		Net Premiums Earned	06	112,362	109,554
		Service Charges	07	4,896	4,714
		Other	08		0
		Total Underwriting Revenue	09	117,258	114,268
		Gross Claims and Adjustment Expenses	62	55,308	49,200
		Reinsurers' share of claims and adjustment expenses	64	1,916	1,176
60.20		Net Claims and Adjustment Expenses	10	53,392	48,024
		Acquisition Expenses			
80.10		Gross Commissions	66	15,249	14,997
80.10		Ceded Commissions	68	0	0
		Taxes	12	4,900	4,706
80.20		Other	14	6,734	6,493
80.20		General Expenses	16	7,382	3,939
		Total Claims and Expenses	19	87,657	78,159
		Premium Deficiency Adjustments	20		0
40.07		Underwriting Income (Loss)	29	29,601	36,109
		INVESTMENT OPERATIONS			
		Income	32	-7,942	2,007
		Gains (Losses) from FVO or FVTPL	35	0	0
		Realized Gains (Losses)	33	-7,643	791
		Expenses	34	234	232
		Net Investment Income	39	-15,819	2,566
		OTHER REVENUE AND EXPENSES			
		Income (Loss) from Ancillary Operations			
		(net of Expenses of \$'000)	40		0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41		0
		Overlay approach adjustment for financial instruments (Reclass from P&L to OCI)	48		0
		Share of Net Income (Loss) of Pooled Funds using Equity Method	47		0
		Gain (Losses) from fluctuations in Foreign Exchange Rates	42		0
		Other Revenues	44	55	37
		Finance costs	45		0
		Other Expenses	46		0
		Net Income (Loss) before Income Taxes	49	13,837	38,712
		INCOME TAXES			
		Current	50		0
		Deferred	51	3,051	8,772
		Total Income Taxes	59	3,051	8,772
		NET INCOME (LOSS) FOR THE YEAR	89	10,786	29,940
		ATTRIBUTABLE TO:			
		Non-controlling Interests	80		0
		Equity Holders	82	10,786	29,940

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	10,786
		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	10,786	
	Attributable to:			
	Non-controlling Interests	60	0	
	Equity Holders	62	10,786	
			29,940	
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	

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	152,279
(Specify)	08	
Total Capital Available	09	152,279
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	16,886
Unpaid claims	22	18,463
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	35,349
Market Risk:		
Interest rate risk	30	5,318
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	15,904
Other market risk exposures	38	27
Subtotal: Market risk margin	39	21,249
Credit Risk:		
Counterparty default risk for balance sheet assets	40	4,783
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	4,783
Operational risk margin	50	11,932
Less: Diversification credit	52	8,020
Total Capital (Margin) Required at Target	59	65,293
Minimum Capital (Margin) Required (line 59 / 1.5)	60	43,529
(Specify)	68	
Total Minimum Capital (Margin) Required	69	43,529
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	108,750
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	349.83%

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