

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)             |
|                |                    |                |                  |              |                  |                               |                  |
|                |                    |                |                  |              |                  |                               |                  |
|                | 01                 | 17,780         |                  | 8,231        |                  |                               |                  |
|                | 02                 | 1,058          |                  | 837          |                  |                               |                  |
|                | 50                 | 0              |                  | 0            |                  |                               |                  |
|                |                    |                |                  |              |                  |                               |                  |
|                |                    |                |                  |              |                  |                               |                  |
| 40.12          | 04                 | 0              |                  | 0            |                  |                               |                  |
| 40.22          | 05                 | 204,067        |                  | 178,054      |                  |                               |                  |
| 40.32          | 06                 | 0              |                  | 0            |                  |                               |                  |
| 40.42          | 07                 | 12,930         |                  | 17,545       |                  |                               |                  |
| 40.52          | 08                 | 0              |                  | 0            |                  |                               |                  |
| 40.70          | 09                 | 77,695         |                  | 83,666       |                  |                               |                  |
| 40.80          | 10                 | 0              |                  | 30,000       |                  |                               |                  |
| 40.07          | 19                 | 294,692        |                  | 309,265      |                  | 0                             |                  |
|                |                    |                |                  |              |                  |                               |                  |
| 50.20          | 20                 | 0              |                  | 0            |                  |                               |                  |
|                | 21                 | 3,684          |                  | 3,859        |                  |                               |                  |
|                | 22                 | 69,263         |                  | 72,562       |                  |                               |                  |
|                | 23                 | 148,568        |                  | 149,635      |                  |                               |                  |
|                | 24                 | 0              |                  | 0            |                  |                               |                  |
| 50.40          | 25                 | 4,893          |                  | 5,733        |                  |                               |                  |
| 50.20          | 27                 | 1,459          |                  | 1,334        |                  |                               |                  |
|                |                    |                |                  |              |                  |                               |                  |
| 60.10          | 30                 | 0              |                  | 0            |                  |                               |                  |
| 60.30          | 31                 | 7,555          |                  | 6,753        |                  |                               |                  |
|                | 37                 | 0              |                  | 0            |                  |                               |                  |
|                |                    |                |                  |              |                  |                               |                  |
| 50.32          | 40                 | 0              |                  | 0            |                  |                               |                  |
|                | 45                 | 0              |                  | 0            |                  |                               |                  |
| 40.70          | 41                 | 26,061         |                  | 25,416       |                  |                               |                  |
|                | 43                 | 16,602         |                  | 16,973       |                  |                               |                  |
|                | 52                 | 0              |                  | 0            |                  |                               |                  |
|                | 44                 | 15,644         |                  | 27,382       |                  |                               |                  |
|                | 54                 | 0              |                  | 0            |                  |                               |                  |
|                | 56                 | 6,260          |                  | 7,328        |                  |                               |                  |
|                | 58                 | 0              |                  | 0            |                  |                               |                  |
|                | 88                 | 212            |                  | 272          |                  |                               |                  |
|                | 89                 | 613,731        |                  | 635,580      |                  | 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:  |                |              |                               |
| 50.20          |                    | Agents and Brokers   | 03             | 0            | 0                             |
|                |                    | Policyholders  | 04             | 317          | 471                           |
|                |                    | Other Insurers   | 05             | 7,334        | 7,808                         |
| 50.40          |                    | Subsidiaries, Associates & Joint Ventures/Affiliates               | 06             | 2,963        | 2,905                         |
|                |                    | Expenses due and accrued   | 07             | 8,549        | 8,442                         |
|                |                    | Other Taxes due and accrued  | 09             | 7,346        | 7,188                         |
|                |                    | Policyholder Dividends and Rating Adjustments                      | 10             | 0            | 0                             |
| 40.70          |                    | Encumbrances on Real Estate  | 11             | 0            | 0                             |
| 60.10          |                    | Unearned Premiums  | 12             | 114,674      | 117,963                       |
| 60.30          |                    | Unpaid Claims and Adjustment Expenses                              | 13             | 275,273      | 301,543                       |
| 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             | 3,464        | 4,445                         |
|                |                    | <b>Total Liabilities</b>   | 29             | 419,920      | 450,765                       |
|                |                    | <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             | 63,711       | 69,715                        |
| 20.45          |                    | Reserves   | 45             | 0            | 0                             |
| 20.42          |                    | Accumulated Other Comprehensive Income (Loss)                      | 47             | 0            | 0                             |
|                |                    | <b>Total Policyholders/Shareholders' Equity</b>                    | 59             | 193,811      | 184,815                       |
|                |                    | Non-controlling Interests  | 48             | 0            | 0                             |
|                |                    | <b>Total Equity</b>  | 49             | 193,811      | 184,815                       |
|                |                    | <b>TOTAL LIABILITIES AND EQUITY</b>                                | 89             | 613,731      | 635,580                       |
|                |                    | <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<br>(01) | Prior Period<br>(03) |
|-----------------------|--------------------|---|------------------------|----------------------|
|                       |                    | <b>UNDERWRITING OPERATIONS</b>  |                        |                      |
|                       |                    | <b>Premiums Written</b>   |                        |                      |
|                       |                    | Direct  | 112,557                | 110,636              |
| <a href="#">70.21</a> |                    | Reinsurance Assumed   | 0                      | 0                    |
| <a href="#">70.21</a> |                    | Reinsurance Ceded   | 9,616                  | 11,668               |
| <a href="#">60.20</a> |                    | <b>Net Premiums Written</b>   | 102,941                | 98,968               |
|                       |                    | Decrease (increase) in Net Unearned Premiums                                    | 2,299                  | 8,831                |
| <a href="#">60.20</a> |                    | <b>Net Premiums Earned</b>  | 105,240                | 107,799              |
|                       |                    | Service Charges   | 4,245                  | 4,057                |
|                       |                    | Other   |                        | 0                    |
|                       |                    | <b>Total Underwriting Revenue</b>   | 109,485                | 111,856              |
|                       |                    | Gross Claims and Adjustment Expenses  | 63,942                 | 81,321               |
|                       |                    | Reinsurers' share of claims and adjustment expenses                             | 148                    | 4,588                |
| <a href="#">60.20</a> |                    | <b>Net Claims and Adjustment Expenses</b>                                       | 63,794                 | 76,733               |
|                       |                    | Acquisition Expenses  |                        |                      |
|                       |                    | Gross Commissions   | 13,886                 | 14,668               |
| <a href="#">80.10</a> |                    | Ceded Commissions   | 0                      | 0                    |
| <a href="#">80.10</a> |                    | Taxes   | 4,610                  | 4,770                |
| <a href="#">80.20</a> |                    | Other   | 5,922                  | 4,908                |
| <a href="#">80.20</a> |                    | General Expenses  | 4,566                  | 4,974                |
|                       |                    | <b>Total Claims and Expenses</b>  | 92,778                 | 106,053              |
|                       |                    | Premium Deficiency Adjustments  |                        | 0                    |
| <a href="#">40.07</a> |                    | <b>Underwriting Income (Loss)</b>   | 16,707                 | 5,803                |
|                       |                    | <b>INVESTMENT OPERATIONS</b>  |                        |                      |
|                       |                    | Income  | 6,060                  | 4,011                |
|                       |                    | Gains (Losses) from FVO or FVTPL  | 0                      | 0                    |
|                       |                    | Realized Gains (Losses)   | 1,323                  | (753)                |
|                       |                    | Expenses  | 162                    | 172                  |
|                       |                    | <b>Net Investment Income</b>  | 7,221                  | 3,086                |
|                       |                    | <b>OTHER REVENUE AND EXPENSES</b>   |                        |                      |
|                       |                    | Income (Loss) from Ancillary Operations<br>(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  | (215)                  | 171                  |
|                       |                    | Finance costs   |                        | 0                    |
|                       |                    | Other Expenses  |                        | 0                    |
|                       |                    | <b>Net Income (Loss) before Income Taxes</b>                                    | 23,713                 | 9,060                |
|                       |                    | <b>INCOME TAXES</b>   |                        |                      |
|                       |                    | Current   |                        | 0                    |
|                       |                    | Deferred  | 8,594                  | 2,345                |
|                       |                    | <b>Total Income Taxes</b>   | 8,594                  | 2,345                |
|                       |                    | <b>NET INCOME (LOSS) FOR THE YEAR</b>   | 15,119                 | 6,715                |
|                       |                    | <b>ATTRIBUTABLE TO:</b>   |                        |                      |
|                       |                    | Non-controlling Interests   |                        | 0                    |
|                       |                    | Equity Holders  | 15,119                 | 6,715                |

(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             | 15,119       |
|                       |   | 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  | 15,119         |              |
|                       | <b>Attributable to:</b>   |   |                |              |
|                       | Non-controlling Interests   | 60  | 0              |              |
|                       | Equity Holders  | 62  | 15,119         |              |

|                       |   | Current Period | Prior Period |
|-----------------------|---|----------------|--------------|
|                       |   | (01)           | (03)         |
|                       | <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            |
| <a href="#">20.20</a> | 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        | 171,907        |
| (Specify)   | 08        |                |
| <b>Total Capital Available</b>  | <b>09</b> | <b>171,907</b> |
| <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        | 15,554         |
| Unpaid claims   | 22        | 24,092         |
| Catastrophes  | 24        | 0              |
| Margin required for reinsurance ceded to unregistered insurers                      | 26        | 0              |
| Subtotal: Insurance risk margin   | 29        | 39,646         |
| Market Risk:  |           |                |
| Interest rate risk  | 30        | 30             |
| Foreign exchange risk   | 32        | 0              |
| Equity risk   | 34        | 0              |
| Real estate risk  | 36        | 18,082         |
| Other market risk exposures   | 38        | 64             |
| Subtotal: Market risk margin  | 39        | 18,176         |
| Credit Risk:  |           |                |
| Counterparty default risk for balance sheet assets                                  | 40        | 4,397          |
| 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        | 4,397          |
| Operational risk margin   | 50        | 11,569         |
| Less: Diversification credit  | 52        | 7,664          |
| <b>Total Capital (Margin) Required at Target</b>                                    | <b>59</b> | <b>66,124</b>  |
| Minimum Capital (Margin) Required (line 59 / 1.5)                                   | 60        | 44,083         |
| (Specify)   | 68        |                |
| <b>Total Minimum Capital (Margin) Required</b>                                      | <b>69</b> | <b>44,083</b>  |
| <b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b> | <b>79</b> | <b>127,824</b> |
| <b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>                      | <b>90</b> | <b>389.96%</b> |

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