

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	57,188		35,940			
		Investment Income due and accrued	1,680		1,492			
		Assets held for sale			0			
		Investments:						
40.12		Short Term Investments			0			
40.22		Bonds and Debentures	236,437		244,421			
40.32		Mortgage Loans			0			
40.42		Preferred Shares	29,296		29,303			
40.52		Common Shares			0			
40.70		Investment Properties	46,704		70,130			
40.80		Other Loans and Invested Assets			0			
40.07		Total Investments (lines 04 to 10)	312,437		343,854		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers			0			
		Policyholders	4,467		4,574			
		Instalment Premiums	83,990		86,008			
		Other Insurers	803		1,386			
		Facility Association and the "P.R.R."			0			
50.40		Subsidiaries, Associates & Joint Ventures	4,483		4,362			
50.20		Other Receivables	1,232		1,761			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	0		0			
60.30		Unpaid Claims and Adjustment Expenses	7,121		11,063			
		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	21,723		23,726			
		Deferred Policy Acquisition Expenses	20,374		20,557			
		Current Tax Assets			0			
		Deferred Tax Assets	10,973		18,941			
		Goodwill			0			
		Intangible Assets	3,529		4,344			
		Defined Benefit Pension Plan			0			
		Other Assets	767		250			
		TOTAL ASSETS	530,767		558,258		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	7,303	1,836
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	2,958	2,869
		Expenses due and accrued	07	11,840	8,866
		Other Taxes due and accrued	09	10,163	10,171
		Policyholder Dividends and Rating Adjustments	10	0	
40.70		Encumbrances on Real Estate	11	0	
60.10		Unearned Premiums	12	131,419	136,429
60.30		Unpaid Claims and Adjustment Expenses	13	208,219	228,668
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	5,157	5,276
		Total Liabilities	29	377,059	394,115
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	48,000	48,000
		Preferred	33	82,600	106,100
		Contributed Surplus	42	0	0
		(Specify)	43	0	
20.54		Retained Earnings	44	23,108	10,043
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		Total Policyholders/Shareholders' Equity	59	153,708	164,143
		Non-controlling Interests	48	0	0
		Total Equity	49	153,708	164,143
		TOTAL LIABILITIES AND EQUITY	89	530,767	558,258
		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	01 187,824	195,005
70.21		Reinsurance Assumed	02 0	0
70.21		Reinsurance Ceded	03 16,546	14,477
60.20		Net Premiums Written	04 171,278	180,528
		Decrease (increase) in Net Unearned Premiums	05 -2,741	-14,152
60.20		Net Premiums Earned	06 168,537	166,376
		Service Charges	07 7,350	7,181
		Other	08	0
		Total Underwriting Revenue	09 175,887	173,557
		Gross Claims and Adjustment Expenses	62 87,197	96,073
		Reinsurers' share of claims and adjustment expenses	64 2,315	7,285
60.20		Net Claims and Adjustment Expenses	10 84,882	88,788
		Acquisition Expenses		
		Gross Commissions	66 23,067	22,877
80.10		Ceded Commissions	68 0	0
		Taxes	12 7,392	7,215
80.20		Other	14 10,530	10,053
80.20		General Expenses	16 10,879	4,917
		Total Claims and Expenses	19 136,750	133,850
		Premium Deficiency Adjustments	20	0
40.07		Underwriting Income (Loss)	29 39,137	39,707
		INVESTMENT OPERATIONS		
		Income	32 -6,714	3,460
		Gains (Losses) from FVO or FVTPL	35 0	0
		Realized Gains (Losses)	33 -9,682	1,171
		Expenses	34 343	355
		Net Investment Income	39 -16,739	4,276
		OTHER REVENUE AND EXPENSES		
		Income (Loss) from Ancillary Operations (net of Expenses of \$'000)	40 0	0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41 0	0
		Overlay approach adjustment for financial instruments (Reclass from P&L to OCI)	48 0	0
		Share of Net Income (Loss) of Pooled Funds using Equity Method	47 0	0
		Gain (Losses) from fluctuations in Foreign Exchange Rates	42 0	0
		Other Revenues	44 1,659	67
		Finance costs	45 0	0
		Other Expenses	46 0	0
		Net Income (Loss) before Income Taxes	49 24,057	44,050
		INCOME TAXES		
		Current	50 0	0
		Deferred	51 5,296	9,927
		Total Income Taxes	59 5,296	9,927
		NET INCOME (LOSS) FOR THE YEAR	89 18,761	34,123
		ATTRIBUTABLE TO:		
		Non-controlling Interests	80 0	0
		Equity Holders	82 18,761	34,123

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)		
		Net Income	01	18,761
		Other Comprehensive Income (Loss):		34,123
		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	18,761
		Attributable to:		
		Non-controlling Interests	60	0
		Equity Holders	62	18,761
				34,123
		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	139,205
(Specify)	08	
Total Capital Available	09	139,205
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	16,807
Unpaid claims	22	18,677
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	35,484
Market Risk:		
Interest rate risk	30	5,178
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	11,484
Other market risk exposures	38	29
Subtotal: Market risk margin	39	16,691
Credit Risk:		
Counterparty default risk for balance sheet assets	40	4,662
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	4,662
Operational risk margin	50	11,450
Less: Diversification credit	52	7,110
Total Capital (Margin) Required at Target	59	61,177
Minimum Capital (Margin) Required (line 59 / 1.5)	60	40,785
(Specify)	68	
Total Minimum Capital (Margin) Required	69	40,785
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	98,420
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	341.31%

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