

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	18,005		21,588			
		Investment Income due and accrued	1,053		1,018			
		Assets held for sale	0		0			
		Investments:						
40.12		Short Term Investments	0		0			
40.22		Bonds and Debentures	238,126		207,245			
40.32		Mortgage Loans	0		0			
40.42		Preferred Shares	21,086		13,048			
40.52		Common Shares	0		0			
40.70		Investment Properties	72,477		75,921			
40.80		Other Loans and Invested Assets	24,000		0			
40.07		Total Investments (lines 04 to 10)	355,689		296,214		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	0		0			
		Policyholders	4,212		4,057			
		Instalment Premiums	79,196		76,271			
		Other Insurers	2,571		147,935			
		Facility Association and the "P.R.R."	0		0			
50.40		Subsidiaries, Associates & Joint Ventures	0		0			
50.20		Other Receivables	989		533			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	0		0			
60.30		Unpaid Claims and Adjustment Expenses	6,105		7,604			
		Other Recoverables on Unpaid Claims	0		0			
		Investments Accounted for Using the Equity Method:						
50.32		Interests in Subsidiaries, Associates & Joint Ventures	0		0			
		Pooled Funds	0		0			
40.70		Property and Equipment	24,414		25,432			
		Deferred Policy Acquisition Expenses	17,629		16,618			
		Current Tax Assets	0		0			
		Deferred Tax Assets	28,868		10,759			
		Goodwill	0		0			
		Intangible Assets	4,957		5,824			
		Defined Benefit Pension Plan	0		0			
		Other Assets	189		332			
		TOTAL ASSETS	543,877		614,185		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	0
		Borrowed Money and Accrued Interest	02	0	0
		Payables:			
50.20		Agents and Brokers	03	0	0
		Policyholders	04	992	367
50.30		Other Insurers	05	4,192	5,167
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	411	599
		Expenses due and accrued	07	8,815	13,804
		Other Taxes due and accrued	09	13,744	14,296
		Policyholder Dividends and Rating Adjustments	10	0	0
40.70		Encumbrances on Real Estate	11	0	0
60.10		Unearned Premiums	12	122,277	115,040
60.30		Unpaid Claims and Adjustment Expenses	13	214,658	249,158
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	4,768	4,403
		Total Liabilities	29	369,857	402,834
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	48,000	24,000
		Preferred	33	106,100	106,100
		Contributed Surplus	42	0	0
		(Specify)	43	0	0
20.54		Retained Earnings	44	19,920	81,251
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		Total Policyholders/Shareholders' Equity	59	174,020	211,351
		Non-controlling Interests	48	0	0
		Total Equity	49	174,020	211,351
		TOTAL LIABILITIES AND EQUITY	89	543,877	614,185
		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 (01)	Prior Period (03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct	235,998	223,559
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	16,821	18,544
60.20		Net Premiums Written	219,177	205,015
		Decrease (increase) in Net Unearned Premiums	(7,237)	1,933
60.20		Net Premiums Earned	211,940	206,948
		Service Charges	8,997	8,314
		Other	0	0
		Total Underwriting Revenue	220,937	215,262
		Gross Claims and Adjustment Expenses	120,201	122,873
		Reinsurers' share of claims and adjustment expenses	(142,807)	370
60.20		Net Claims and Adjustment Expenses	263,008	122,503
		Acquisition Expenses		
80.10		Gross Commissions	28,980	28,444
80.10		Ceded Commissions	0	0
		Taxes	9,128	9,030
80.20		Other	14,132	11,455
80.20		General Expenses	6,239	6,912
		Total Claims and Expenses	321,487	178,344
		Premium Deficiency Adjustments	0	0
40.07		Underwriting Income (Loss)	(100,550)	36,918
		INVESTMENT OPERATIONS		
		Income	16,185	7,448
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	5,154	2,316
		Expenses	387	330
		Net Investment Income	20,952	9,434
		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	158	(214)
		Finance costs	0	0
		Other Expenses	0	0
		Net Income (Loss) before Income Taxes	(79,440)	46,138
		INCOME TAXES		
		Current	0	0
		Deferred	(18,109)	13,479
		Total Income Taxes	(18,109)	13,479
		NET INCOME (LOSS) FOR THE YEAR	(61,331)	32,659
		ATTRIBUTABLE TO:		
		Non-controlling Interests	0	0
		Equity Holders	(61,331)	32,659

(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)
20.30		Comprehensive Income (Loss)		
		Net Income	01	(61,331)
		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	(61,331)
		Attributable to:		
		Non-controlling Interests	60	0
		Equity Holders	62	(61,331)

		Current Period	Prior Period
		(01)	(03)
		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
20.20		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	140,116
(Specify)	08	
Total Capital Available	09	140,116
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	14,612
Unpaid claims	22	19,279
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	4
Subtotal: Insurance risk margin	29	33,895
Market Risk:		
Interest rate risk	30	4,710
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	16,899
Other market risk exposures	38	38
Subtotal: Market risk margin	39	21,647
Credit Risk:		
Counterparty default risk for balance sheet assets	40	6,851
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	6,851
Operational risk margin	50	11,624
Less: Diversification credit	52	8,292
Total Capital (Margin) Required at Target	59	65,725
Minimum Capital (Margin) Required (line 59 / 1.5)	60	43,817
(Specify)	68	
Total Minimum Capital (Margin) Required	69	43,817
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	96,299
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	319.78%

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