

## 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	11,247		7,752		
		Investment Income due and accrued	02	843		813		
		Assets held for sale	50	0		0		
		Investments:						
<a href="#">40.12</a>		Short Term Investments	04	0		0		
<a href="#">40.22</a>		Bonds and Debentures	05	181,932		193,071		
<a href="#">40.32</a>		Mortgage Loans	06	0		0		
<a href="#">40.42</a>		Preferred Shares	07	13,717		19,829		
<a href="#">40.52</a>		Common Shares	08	0		0		
<a href="#">40.70</a>		Investment Properties	09	79,581		85,678		
<a href="#">40.80</a>		Other Loans and Invested Assets	10	30,000		30,000		
<a href="#">40.07</a>		<b>Total Investments (lines 04 to 10)</b>	19	305,230		328,578	0	
		Receivables:						
<a href="#">50.20</a>		Unaffiliated Agents and Brokers	20	0		0		
		Policyholders	21	4,075		4,298		
		Instalment Premiums	22	76,618		80,804		
		Other Insurers	23	149,841		145,526		
		Facility Association and the "P.R.R."	24	0		0		
<a href="#">50.40</a>		Subsidiaries, Associates & Joint Ventures	25	0		4,289		
<a href="#">50.20</a>		Other Receivables	27	664		979		
		Recoverable from Reinsurers:						
<a href="#">60.10</a>		Unearned Premiums	30	0		0		
<a href="#">60.30</a>		Unpaid Claims and Adjustment Expenses	31	7,508		11,618		
		Other Recoverables on Unpaid Claims	37			0		
		Investments Accounted for Using the Equity Method:						
<a href="#">50.32</a>		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
		Pooled Funds	45	0		0		
<a href="#">40.70</a>		Property and Equipment	41	26,898		26,121		
		Deferred Policy Acquisition Expenses	43	16,779		18,412		
		Current Tax Assets	52	0		0		
		Deferred Tax Assets	44	24,238		29,728		
		Goodwill	54	0		0		
		Intangible Assets	56	6,695		7,902		
		Defined Benefit Pension Plan	58	0		0		
		Other Assets	88	422		298		
		<b>TOTAL ASSETS</b>	89	631,058		667,118	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	
		Borrowed Money and Accrued Interest	02	0	
		Payables:			
50.20		Agents and Brokers	03	0	0
		Policyholders	04	366	414
		Other Insurers	05	4,508	1,806
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	1,364	0
		Expenses due and accrued	07	10,317	9,716
		Other Taxes due and accrued	09	14,912	15,488
		Policyholder Dividends and Rating Adjustments	10	0	0
40.70		Encumbrances on Real Estate	11	0	0
60.10		Unearned Premiums	12	116,973	126,794
60.30		Unpaid Claims and Adjustment Expenses	13	284,778	331,145
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	4,148	3,655
		<b>Total Liabilities</b>	29	437,366	489,018
		<b>CANADIAN INSURERS ONLY:</b>			
		<b>EQUITY</b>			
		Shares issued and paid			
		Common	41	9,000	9,000
		Preferred	33	106,100	106,100
		Contributed Surplus	42	0	0
		(Specify)	43	0	0
20.54		Retained Earnings	44	78,592	63,000
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		<b>Total Policyholders/Shareholders' Equity</b>	59	193,692	178,100
		Non-controlling Interests	48	0	0
		<b>Total Equity</b>	49	193,692	178,100
		<b>TOTAL LIABILITIES AND EQUITY</b>	89	631,058	667,118
		<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 (01)	Prior Period (03)
		<b>UNDERWRITING OPERATIONS</b>		
		<b>Premiums Written</b>		
		Direct	229,597	258,258
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	21,731	25,612
60.20		<b>Net Premiums Written</b>	207,866	232,646
		Decrease (increase) in Net Unearned Premiums	9,821	8,392
60.20		<b>Net Premiums Earned</b>	217,687	241,038
		Service Charges	8,521	8,305
		Other	0	0
		<b>Total Underwriting Revenue</b>	226,208	249,343
		Gross Claims and Adjustment Expenses	159,460	211,264
		Reinsurers' share of claims and adjustment expenses	6,624	(5,983)
60.20		<b>Net Claims and Adjustment Expenses</b>	152,836	217,247
		Acquisition Expenses		
80.10		Gross Commissions	29,206	30,886
80.10		Ceded Commissions	0	0
		Taxes	9,562	10,310
80.20		Other	9,688	10,355
80.20		General Expenses	10,410	17,206
		<b>Total Claims and Expenses</b>	211,702	286,004
		Premium Deficiency Adjustments	0	0
		<b>Underwriting Income (Loss)</b>	14,506	(36,661)
40.07		<b>INVESTMENT OPERATIONS</b>		
		Income	8,122	13,723
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	(1,545)	(3,403)
		Expenses	342	571
		<b>Net Investment Income</b>	6,235	9,749
		<b>OTHER REVENUE AND EXPENSES</b>		
		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)		
		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	339	176
		Finance costs	0	0
		Other Expenses	0	0
		<b>Net Income (Loss) before Income Taxes</b>	21,080	(26,736)
		<b>INCOME TAXES</b>		
		Current	(2)	290
		Deferred	5,490	(7,828)
		<b>Total Income Taxes</b>	5,488	(7,538)
		<b>NET INCOME (LOSS) FOR THE YEAR</b>	15,592	(19,198)
		<b>ATTRIBUTABLE TO:</b>		
		Non-controlling Interests	0	0
		Equity Holders	15,592	(19,198)

(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	15,592	(19,198)
		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	0
		- Bonds and Debentures	03	0	0
		- Equities (IAS 39)	04	0	0
		Reclassification of (Gains) Losses to Net Income	05	0	0
		<b>Overlay approach</b>			
		Change in Unrealized Gains and Losses related to overlay approach for financial instruments			
		Unrealized Gains and Losses	15		
		Reclassification of (Gains) Losses from Net Income	16		
		<b>Derivatives Designated as Cash Flow Hedges</b>			
		Change in Unrealized Gains and Losses	06	0	0
		Reclassification of (Gains) Losses to Net Income	07	0	0
		<b>Foreign Currency Translation</b>			
		Change in Unrealized Gains and Losses	08	0	0
		Impact of Hedging	09	0	0
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures (may be reclassified)</b>	14	0	0
		<b>Other</b>	18	0	0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	19	0	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		
		<b>Revaluation Surplus</b>	31	0	0
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b>	11	0	0
	<b>Remeasurements of Defined Benefit Plans</b>	34	0	0	
	<b>Other</b>	12	0	0	
	<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	29	0	0	
	Total Other Comprehensive Income (Loss)	21	0	0	
	<b>Total Comprehensive Income (Loss)</b>	39	15,592	(19,198)	
	<b>Attributable to:</b>				
	Non-controlling Interests	60	0	0	
	Equity Holders	62	15,592	(19,198)	
<a href="#">20.20</a>		<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	0
		- Bonds and Debentures	43	0	0
		- Equities (IAS 39)	44	0	0
		<b>Overlay approach</b>	55		
		<b>Derivatives Designated as Cash Flow Hedges</b>	45	0	0
		<b>Foreign Currency (net of hedging activities)</b>	46	0	0
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures (may be reclassified)</b>	52	0	0
		<b>Other</b>	68	0	0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	69	0	0
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
		<b>FVOCI:</b>			
		- Equities (IFRS 9)	65		
		<b>Revaluation Surplus</b>	71	0	0
		<b>Share of Other Comprehensive Income of Subsidiaries, Associates &amp; Joint Ventures</b>	51	0	0
		<b>Remeasurements of Defined Benefit Plans</b>	74	0	0
		<b>Other</b>	49	0	0
		<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	79	0	0
	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)
<b>Capital Available:</b>		
Capital available (from page 30.62 - capital available)	01	162,759
(Specify)	08	
<b>Total Capital Available</b>	<b>09</b>	<b>162,759</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	25,975
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	41,529
Market Risk:		
Interest rate risk	30	1,092
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	18,529
Other market risk exposures	38	77
Subtotal: Market risk margin	39	19,698
Credit Risk:		
Counterparty default risk for balance sheet assets	40	6,979
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	6,979
Operational risk margin	50	12,081
Less: Diversification credit	52	8,673
<b>Total Capital (Margin) Required at Target</b>	<b>59</b>	<b>71,614</b>
Minimum Capital (Margin) Required (line 59 / 1.5)	60	47,743
(Specify)	68	
<b>Total Minimum Capital (Margin) Required</b>	<b>69</b>	<b>47,743</b>
<b>Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required</b>	<b>79</b>	<b>115,016</b>
<b>MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)</b>	<b>90</b>	<b>340.91%</b>

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