

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	382	405
		Other Insurers	05	9,769	7,638
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	2,739	2,712
		Expenses due and accrued	07	10,058	8,436
		Other Taxes due and accrued	09	11,335	11,872
		Policyholder Dividends and Rating Adjustments	10		0
40.70		Encumbrances on Real Estate	11		0
60.10		Unearned Premiums	12	124,870	128,328
60.30		Unpaid Claims and Adjustment Expenses	13	273,365	300,822
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	4,418	4,869
		Total Liabilities	29	436,936	465,082
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	24,000	9,000
		Preferred	33	106,100	106,100
		Contributed Surplus	42	0	0
		(Specify)	43		0
20.54		Retained Earnings	44	70,409	72,015
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		Total Policyholders/Shareholders' Equity	59	200,509	187,115
		Non-controlling Interests	48	0	0
		Total Equity	49	200,509	187,115
		TOTAL LIABILITIES AND EQUITY	89	637,445	652,197
		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	176,015	181,597
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	14,510	17,209
60.20		Net Premiums Written	161,505	164,388
		Decrease (increase) in Net Unearned Premiums	(7,897)	(1,534)
60.20		Net Premiums Earned	153,608	162,854
		Service Charges	6,220	6,263
		Other		0
		Total Underwriting Revenue	159,828	169,117
		Gross Claims and Adjustment Expenses	95,236	124,080
		Reinsurers' share of claims and adjustment expenses	567	6,726
60.20		Net Claims and Adjustment Expenses	94,669	117,354
		Acquisition Expenses		
80.10		Gross Commissions	21,276	22,116
80.10		Ceded Commissions	0	0
		Taxes	6,738	7,191
80.20		Other	8,816	7,451
80.20		General Expenses	4,405	7,501
		Total Claims and Expenses	135,904	161,613
		Premium Deficiency Adjustments	0	0
40.07		Underwriting Income (Loss)	23,924	7,504
		INVESTMENT OPERATIONS		
		Income	6,895	5,868
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	2,020	(1,335)
		Expenses	245	256
		Net Investment Income	8,670	4,277
		OTHER REVENUE AND EXPENSES		
		Income (Loss) from Ancillary Operations (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	(225)	364
		Finance costs		0
		Other Expenses		0
		Net Income (Loss) before Income Taxes	32,369	12,145
		INCOME TAXES		
		Current		(2)
		Deferred	10,552	3,132
		Total Income Taxes	10,552	3,130
		NET INCOME (LOSS) FOR THE YEAR	21,817	9,015
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	21,817	9,015

(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	21,817
		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	21,817	
	Attributable to:			
	Non-controlling Interests	60	0	
	Equity Holders	62	21,817	

		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	180,781
(Specify)	08	
Total Capital Available	09	180,781
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	15,477
Unpaid claims	22	24,152
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	39,629
Market Risk:		
Interest rate risk	30	489
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	17,876
Other market risk exposures	38	56
Subtotal: Market risk margin	39	18,421
Credit Risk:		
Counterparty default risk for balance sheet assets	40	4,272
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	4,272
Operational risk margin	50	11,373
Less: Diversification credit	52	7,689
Total Capital (Margin) Required at Target	59	66,006
Minimum Capital (Margin) Required (line 59 / 1.5)	60	44,004
(Specify)	68	
Total Minimum Capital (Margin) Required	69	44,004
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	136,777
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	410.83%

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