

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	17,178		18,005		
		Investment Income due and accrued	02	1,131		1,053		
		Assets held for sale	50	0		0		
		Investments:						
40.12		Short Term Investments	04	0		0		
40.22		Bonds and Debentures	05	255,897		238,126		
40.32		Mortgage Loans	06	0		0		
40.42		Preferred Shares	07	27,368		21,086		
40.52		Common Shares	08	0		0		
40.70		Investment Properties	09	69,471		72,477		
40.80		Other Loans and Invested Assets	10	0		24,000		
40.07		Total Investments (lines 04 to 10)	19	352,736		355,689	0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20	0		0		
		Policyholders	21	4,314		4,212		
		Instalment Premiums	22	81,120		79,196		
		Other Insurers	23	5,832		2,571		
		Facility Association and the "P.R.R."	24	0		0		
50.40		Subsidiaries, Associates & Joint Ventures	25	0		0		
50.20		Other Receivables	27	830		989		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30	0		0		
60.30		Unpaid Claims and Adjustment Expenses	31	8,243		6,105		
		Other Recoverables on Unpaid Claims	37			0		
		Investments Accounted for Using the Equity Method:						
50.32		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
		Pooled Funds	45	0		0		
40.70		Property and Equipment	41	23,457		24,414		
		Deferred Policy Acquisition Expenses	43	19,567		17,629		
		Current Tax Assets	52	0		0		
		Deferred Tax Assets	44	16,269		28,868		
		Goodwill	54	0		0		
		Intangible Assets	56	4,140		4,957		
		Defined Benefit Pension Plan	58	0		0		
		Other Assets	88	2,535		189		
		TOTAL ASSETS	89	537,352		543,877	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	474	992
50.30		Other Insurers	05	2,154	4,192
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	2,202	411
		Expenses due and accrued	07	11,454	8,815
		Other Taxes due and accrued	09	13,038	13,744
		Policyholder Dividends and Rating Adjustments	10	0	0
40.70		Encumbrances on Real Estate	11	0	0
60.10		Unearned Premiums	12	128,678	122,277
60.30		Unpaid Claims and Adjustment Expenses	13	210,911	214,658
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	4,994	4,768
		Total Liabilities	29	373,905	369,857
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	48,000	48,000
		Preferred	33	106,100	106,100
		Contributed Surplus	42	0	0
		(Specify)	43	0	0
20.54		Retained Earnings	44	9,347	19,920
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0
		Total Policyholders/Shareholders' Equity	59	163,447	174,020
		Non-controlling Interests	48	0	0
		Total Equity	49	163,447	174,020
		TOTAL LIABILITIES AND EQUITY	89	537,352	543,877
		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	250,519	235,998
70.21		Reinsurance Assumed	02	0	0
70.21		Reinsurance Ceded	03	19,383	16,821
60.20		Net Premiums Written	04	231,136	219,177
		Decrease (increase) in Net Unearned Premiums	05	-6,401	-7,237
60.20		Net Premiums Earned	06	224,735	211,940
		Service Charges	07	9,667	8,997
		Other	08		0
		Total Underwriting Revenue	09	234,402	220,937
		Gross Claims and Adjustment Expenses	62	133,147	120,201
		Reinsurers' share of claims and adjustment expenses	64	10,829	-142,807
60.20		Net Claims and Adjustment Expenses	10	122,318	263,008
		Acquisition Expenses			
		Gross Commissions	66	30,695	28,980
80.10		Ceded Commissions	68	0	0
		Taxes	12	9,745	9,128
80.20		Other	14	12,861	14,132
80.20		General Expenses	16	6,970	6,239
		Total Claims and Expenses	19	182,589	321,487
		Premium Deficiency Adjustments	20		0
40.07		Underwriting Income (Loss)	29	51,813	-100,550
		INVESTMENT OPERATIONS			
		Income	32	2,341	16,185
		Gains (Losses) from FVO or FVTPL	35	0	0
		Realized Gains (Losses)	33	2,242	5,154
		Expenses	34	464	387
		Net Investment Income	39	4,119	20,952
		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	94	158
		Finance costs	45	0	0
		Other Expenses	46	0	0
		Net Income (Loss) before Income Taxes	49	56,026	-79,440
		INCOME TAXES			
		Current	50	0	0
		Deferred	51	12,599	-18,109
		Total Income Taxes	59	12,599	-18,109
		NET INCOME (LOSS) FOR THE YEAR	89	43,427	-61,331
		ATTRIBUTABLE TO:			
		Non-controlling Interests	80	0	0
		Equity Holders	82	43,427	-61,331

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	43,427	-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	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	0	
	Total Other Comprehensive Income (Loss)	21	0	0	
	Total Comprehensive Income (Loss)	39	43,427	-61,331	
	Attributable to:				
	Non-controlling Interests	60		0	
	Equity Holders	62	43,427	-61,331	
20.20		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	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	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)	
Capital Available:		
Capital available (from page 30.62 - capital available)	01	143,033
(Specify)	08	
Total Capital Available	09	143,033
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	16,969
Unpaid claims	22	18,906
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	35,875
Market Risk:		
Interest rate risk	30	5,366
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	16,210
Other market risk exposures	38	29
Subtotal: Market risk margin	39	21,605
Credit Risk:		
Counterparty default risk for balance sheet assets	40	5,014
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	5,014
Operational risk margin	50	12,060
Less: Diversification credit	52	8,175
Total Capital (Margin) Required at Target	59	66,379
Minimum Capital (Margin) Required (line 59 / 1.5)	60	44,253
(Specify)	68	
Total Minimum Capital (Margin) Required	69	44,253
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	98,780
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	323.22%

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