

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

Reference Page	FS Notes Reference		Current Period		Prior Period		Opening Prior Year Restated	
			Total	Vested in Trust	Total	Vested in Trust	Total	Vested in Trust
			(01)	(02)	(03)	(04)	(05)	(06)
		Cash and Cash Equivalents	010	26,767		34,833		
		Assets held for sale	020			0		
21.012		Short Term Investments	040	33		33		
		Accrued Investment Income	070	27		31		
21.150 or/ou 21.155		Accounts Receivable	100	16,388		16,648		
		Policy/Certificate Loans	200	0		0		
21.012		Bonds and Debentures	250	51,751		25,999		
21.050		Mortgage Loans	300	3,744		3,897		
21.012		Preferred Shares	420	172,189		192,811		
21.012		Common Shares	440	55,722		104,287		
21.012		Investment Properties	510	41,773		24,025		
		Derivative Financial Instruments	520			0		
22.020		Reinsurance Assets	530	84,652		93,168		
21.080		Property and Equipment	540	4,700		4,834		
21.012		Interests in Associates & Joint Ventures	550	0		0		
60.010		Segregated Funds Net Assets	560			0		
21.100		Other Loans and Invested Assets	600	64,414		30,345		
		Investments in Subsidiaries	750					
		Current Tax Assets	780	16,154		6,822		
		Deferred Tax Assets	800			0		
		Goodwill	820			0		
		Intangible Assets	830	783		0		
		Defined Benefit Pension Plan	840			0		
21.155		Other Assets	880	1,199		2,062		
		TOTAL ASSETS	899	540,296		539,795		0

CONSOLIDATED FINANCIAL STATEMENTS

LIABILITIES, POLICYHOLDERS'/SHAREHOLDERS' EQUITY AND HEAD OFFICE ACCOUNT
(\$'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)	Opening Prior Year Restated (05)
		Liabilities			
		Liabilities held for sale	005	0	
22.020		Actuarial Liabilities for Insurance Contracts	010	132,406	145,040
22.020		Other Contract Liabilities	040	84,652	93,168
		Trust and Banking Deposits	070		0
22.030 or/ou		Accounts Payable	100	88,612	76,827
21.155		Mortgage Loans and Other Real Estate Encumbrances	130	12,544	1,025
21.080		Derivative Financial Instruments	140	0	0
		Defined Benefit Pension Plan	145	0	0
		Amounts Due in respect of Staff Pension Plans (not including	150	0	0
22.030		Provisions and Other Liabilities	160	1,906	2,018
		Segregated Fund Liabilities	420		0
		Current Tax Liabilities	430		0
		Deferred Tax Liabilities	250	19,134	17,360
		Subordinated Debt	280		0
		Other Debt	310		0
		Total Liabilities	389	339,254	335,438
		Policyholders' Equity			
20.040		Participating Account	510		
		Participating Account - Accumulated OCI (Loss)	520		
20.040		Non-Participating Account (Mutual Companies Only)	540		
		Non-Participating Account - Accumulated OCI (Loss)	550		
		Total Policyholders' Equity	589	0	0
		Shareholders' Equity			
		Capital Stock	610		
		Other Capital	640		
		Contributed Surplus	670		
20.040		Retained Earnings	700		
		Accumulated Other Comprehensive Income (Loss)	740		
		Total Shareholders' Equity	779	201,042	204,357
		Non-controlling Interests	829		0
		Total Equity	839	201,042	204,357
		TOTAL LIABILITIES AND EQUITY	899	540,296	539,795
20.044		Head Office Account	800		
		Accumulated Other Comprehensive Income (Loss)	840		
		TOTAL LIABILITIES, HEAD OFFICE ACCOUNT AND ACCUMULATED	999		

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		Revenue		
35.020		Gross Premiums	020	82,880
35.020		Premiums ceded	030	58,526
45.020		Net Premiums	040	24,354
35.020		Gross Investment Income	050	5,822
35.020		Less: Investment Expenses and Taxes	060	567
23.010		Net Investment Income	070	5,255
35.020		Share of Income/Loss of Associates & Joint Ventures	090	0
		Fee Income	130	6,598
23.030		Other Revenue	160	0
35.020		Fraternal and Other Fund Revenues	180	0
		Total Revenue	199	36,207
		Policy/Certificate Benefits and Expenses		
35.020		Policyholder/Certificateholder Benefits	260	10,845
35.020		Benefits ceded	270	7,487
		Gross Changes to Actuarial Liabilities		
35.020		Normal	310	(10,595)
35.020		Basis Change	320	0
35.020		Gross Changes to Other Contract Liabilities	340	0
35.020		Changes in Actuarial and Other Contract Liabilities Ceded		
35.020		Normal	370	(8,227)
35.020		Basis Change	380	0
35.020		Policyholder/Certificateholder Dividends	360	0
35.020		Experience Rating Refunds	390	0
35.020		Transfer to and (Transfer from) Other Funds	420	0
35.020		Gross Commissions	460	39,785
35.020		Commissions Ceded	470	26,696
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit	480	0
23.030		Interest Expense and Finance Costs	510	24
23.030		General Expenses and Taxes (excl income taxes)	540	14,188
23.030		Other Expenses	570	339
35.020		Fraternal & Other Fund Expenses	580	0
		Total Benefits and Expenses	649	28,630
		Income Before Income Tax	669	7,577
		Provision for Income Taxes		
		Current	700	1,597
		Deferred	710	0
		Income before the following:	749	5,980
35.020		Discontinued Operations (net of Income Taxes of \$ See below)	830	0
		Income Before Attribution to Participating Policyholders/Certificateholders	859	5,980
		Income Attributable to Participating Policyholders/Certificateholders (Stock companies)	870	0
35.020		Net Income	899	11,690
35.020		Less: Fraternal and Other Fund Account	980	0
35.020		Net Income: Insurance Fund	989	5,980
		Attributable to:		
		Non-controlling Interests	900	0
		Equity Holders	920	5,980
			830	0

(99)

830 0

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF EQUITY IN PARTICIPATING ACCOUNT
(\$'000)

Reference Page	FS Notes Reference	(05)	Current Period (01)	Prior Period (03)
		Beginning of Year	010	0
		Adjustments	040	0
		(Specify)	070	0
20.030		Share of Net Income (Loss)	100	0
20.040		Transfer from (to) Retained Earnings (Stock companies only)	130	0
20.040		Transfer from (to) Non-Par Account (Mutual companies only)	160	0
		End of Year	0	0

STATEMENT OF NON-PARTICIPATING ACCOUNT
Mutual Companies Only
(\$'000)

Reference Page	FS Notes Reference	(05)	Current Period (01)	Prior Period (03)
		Beginning of Year	310	0
		Adjustments	340	0
		(Specify)	370	0
20.030		Share of Net Income (Loss)	400	0
20.040		Transfer from (to) Par Account	430	0
		Dividends to Preferred Shareholders	460	0
		End of Year	0	0

STATEMENT OF RETAINED EARNINGS
Stock Companies Only
(\$'000)

Reference Page	FS Notes Reference	(05)	Current Period (01)	Prior Period (03)
		Beginning of Year	510	190,372
		Adjustments	540	165,789
		(Specify)	570	0
20.030		Share of Net Income (Loss)	600	5,980
20.040		Transfer from (to) Par Account	630	0
		Dividends to Shareholders:		
		Preferred	710	0
		Common	740	0
		End of Year	859	177,479

CONSOLIDATED FINANCIAL STATEMENTS
COMPREHENSIVE INCOME (LOSS), and
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
(\$'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)	
20.030		Comprehensive Income (Loss)			
		Net Income/Income Before Attribution to Participating Policyholders/Certificateholders	010	5,980	11,690
		Other Comprehensive Income (Loss):			
		Items that may be reclassified subsequently to Net Income:			
		Available for Sale:			
		Change in Unrealized Gains and Losses:			
		- Loans	110	0	0
		- Bonds and Debentures	140	34	(12)
		- Equities	170	(7,680)	(17,176)
		Reclassification of (Gains) Losses to Net Income	210	(91)	(1,135)
		Derivatives Designated as Cash Flow Hedges			
		Change in Unrealized Gains and Losses	310		0
		Reclassification of (Gains) Losses to Net Income	340		0
		Foreign Currency Translation			
		Change in Unrealized Gains and Losses	410	2,265	(551)
		Impact of Hedging	440		0
		Share of Other Comprehensive Income of Associates & Joint Ventures	460		0
		Other	445		0
		Subtotal of items that may be reclassified subsequently to Net Income	449	(5,472)	(18,874)
		Items that will not be reclassified subsequently to Net Income:			
	Revaluation Surplus	455		0	
	Remeasurements of Defined Benefit Plans	470		0	
	Other	480		0	
	Subtotal of items that will not be reclassified subsequently to Net Income	489	0	0	
	Total Other Comprehensive Income (Loss)	510	(5,472)	(18,874)	
	Total Comprehensive Income (Loss)	589	508	(7,184)	
	Attributable to:				
	Participating Policyholders/Certificateholders (Stock Companies)	615		0	
	Non-controlling Interests	600		0	
	Equity Holders	620	508	(7,184)	

			Current Period (01)	Prior Period (03)
		Accumulated Other Comprehensive Income (Loss)		
		Accumulated Gains (Losses), net of tax, on:		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		- Loans	710	0
		- Bonds and Debentures	740	(1,938)
		- Equities	770	(30,299)
		Derivatives Designated as Cash Flow Hedges	810	0
		Foreign Currency (Net of Hedging Activities)	840	(1,073)
		Share of Other Comprehensive Income of Associates & Joint Ventures	860	0
		Other	845	0
		Subtotal of items that may be reclassified subsequently to Net Income	849	(33,310)
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus	855	0
		Remeasurements of Defined Benefit Plans	870	0
		Other	880	0
		Subtotal of items that will not be reclassified subsequently to Net Income	889	0
		Balance at end of Period	899	(33,310)

Summary of Capital Elements and Ratio Calculations
(thousands of dollars)

	01	02	Ref
Capital Available:			
Tier 1			
Common shares		38,000	001
Contributed surplus			002
Retained earnings	196,352		003
Less: Accumulated after tax fair value gains/(losses) arising from changes in institution's own credit risk			301
Less: After tax fair value gains/(losses) on owner-occupied property upon conversion to IFRS (cost model)			204
Plus: Accumulated after tax revaluation loss on owner-occupied property (revaluation model)			206
Less: Accumulated net after-tax gains or losses up to the transfer date on owner-occupied property that was previously			207
Less: Accumulated net after tax fair value gains after transition to IFRS on investment properties that do not back liabilities			208
Less: Net decrease in actuarial liabilities due to recognition of mortality improvement	244		210
Less: Discretionary participation features included in reported equity			212
Plus: Accumulated gains reported in OCI up to the transfer date on investment property that was previously classified as			213
Retained earnings for MCCR purposes		196,108	203
Future use: fair value option			302
Participating account			004
Non-cumulative perpetual preferred shares			005
Qualifying non-controlling interests (excluding innovative tier 1)			006
Innovative Instruments in Tier 1 (max 15% net tier 1)			007
Non-participating account (mutual companies)			311
Accumulated net after-tax foreign currency translation adjustment reported in Other Comprehensive Income (OCI)		(1,073)	313
Accumulated net after-tax unrealized loss on available-for-sale equity securities reported in OCI		(30,193)	314
Accumulated changes in liabilities included in OCI under shadow accounting			316
Accumulated defined benefit pension plan remeasurements included in OCI			317
Gross Tier 1 Capital		202,842	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	5,719		012
Net Tier 1 Capital		197,123	020
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	0		321
Adjusted Net Tier 1 Capital		A 197,123	329
Tier 2A (page 20.020 line 079)	0		021
Tier 2B allowed (page 20.030 line 045)	0		022
Tier 2C (page 20.030 line 068)	5,719		023
Net Tier 2 Capital (page 20.030 line 695)		B 5,719	025
Total Capital Available	(A+B)	C 202,842	040

Capital Required:			
Asset Default and Market Risk			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	i)	27,118	041
- Backing Qualifying Participating Policies	ii)		042
Index Linked Pass Through Products	iii)		043
C-1 and C-3 requirements for letters of credit and collateral used to obtain reserve or capital credit for unregistered	iv)		220
Off-Balance Sheet Exposures			
- Backing Non-Par, Surplus and Non-Qualifying Participating	v)		044
- Backing Qualifying Participating Policies	vi)		045
Segregated Funds Risk	vii)		046
Total Asset Default and Market Risk	sum of (i to vii)	27,118	050
Insurance Risks			
Mortality Risk	i)	2,485	051
Morbidity Risk	ii)	19,626	052
Lapse Risk	iii)	2,485	053
Total Insurance Risks	sum of (i to iii)	24,596	060
Changes in Interest Environment (C-3) Risk		1,376	062
Foreign Exchange Risk		1,420	067
Other (specify)*			070
Total Capital Required		D 54,510	080

MCCR Ratios				
Tier 1		(A + D) x 100	361.63	098
Total		(C + D) x 100	372.12	099

*Phase-in of the impact of including in Tier 1 the AOCI DB Plan remeasurements balance, if any, as at Dec 31, 2012 and of the net restatement of retained earnings

**Provide details of additional requirements.