

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	32,553		26,767		
		Assets held for sale	020			0		
21.012		Short Term Investments	040	30,158		33		
21.150 or/ou		Accrued Investment Income	070	619		27		
		Accounts Receivable	100	14,850		16,388		
		Policy/Certificate Loans	200			0		
21.012		Bonds and Debentures	250	6,973		51,751		
21.050		Mortgage Loans	300	0		3,744		
21.012		Preferred Shares	420	227,077		172,189		
21.012		Common Shares	440	59,366		55,722		
21.012		Investment Properties	510	40,495		41,773		
		Derivative Financial Instruments	520			0		
22.020		Reinsurance Assets	530	83,953		84,652		
21.080		Property and Equipment	540	4,930		4,700		
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	61,528		64,414		
		Investments in Subsidiaries	750			0		
		Current Tax Assets	780			16,154		
		Deferred Tax Assets	800			0		
		Goodwill	820			0		
		Intangible Assets	830	690		783		
		Defined Benefit Pension Plan	840			0		
21.155		Other Assets	880	1,224		1,199		
		TOTAL ASSETS	899	564,416		540,296		0

CONSOLIDATED FINANCIAL STATEMENTS

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

Reference Page	FS Notes Reference		Current Period	Prior Period	Opening Prior Year Restated
			(01)	(03)	(05)
		Liabilities			
		Liabilities held for sale	005	0	
22.020		Actuarial Liabilities for Insurance Contracts	010	129,419	132,406
22.020		Other Contract Liabilities	040	83,420	84,652
22.030 or/ou		Trust and Banking Deposits	070		0
21.080		Accounts Payable	100	84,796	88,612
		Mortgage Loans and Other Real Estate Encumbrances	130	11,247	12,544
		Derivative Financial Instruments	140		0
		Defined Benefit Pension Plan	145		0
		Amounts Due in respect of Staff Pension Plans (not including amounts on line 145 above)	150		0
22.030		Provisions and Other Liabilities	160	2,426	1,906
		Segregated Fund Liabilities	420		0
		Current Tax Liabilities	430	660	0
		Deferred Tax Liabilities	250	17,707	19,134
		Subordinated Debt	280		0
		Other Debt	310		0
		Total Liabilities	389	329,675	339,254
		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
		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	234,741	201,042
		Non-controlling Interests	829	0	0
		Total Equity	839	234,741	201,042
		TOTAL LIABILITIES AND EQUITY	899	564,416	540,296
20.044		Head Office Account	800		
		Accumulated Other Comprehensive Income (Loss)	840		
		TOTAL LIABILITIES, HEAD OFFICE ACCOUNT AND ACCUMULATED OTHER COMPREHENSIVE INCOME	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	85,741	82,880
35.020		Premiums ceded 030	60,472	58,526
45.020		Net Premiums 040	25,269	24,354
35.020		Gross Investment Income 050	2,862	5,822
35.020		Less: Investment Expenses and Taxes 060	652	567
23.010		Net Investment Income 070	2,210	5,255
35.020		Share of Income/Loss of Associates & Joint Ventures 090	0	0
		Fee Income 130	7,375	6,598
23.030		Other Revenue 160	0	0
35.020		Fraternal and Other Fund Revenues 180	0	0
		Total Revenue 199	34,854	36,207
		Policy/Certificate Benefits and Expenses		
35.020		Policyholder/Certificateholder Benefits 260	11,961	10,845
35.020		Benefits ceded 270	7,092	7,487
		Gross Changes to Actuarial Liabilities		
35.020		Normal 310	(9,590)	(10,595)
35.020		Basis Change 320	0	0
35.020		Gross Changes to Other Contract Liabilities 340	0	0
		Changes in Actuarial and Other Contract Liabilities Ceded		
35.020		Normal 370	(7,813)	(8,227)
35.020		Basis Change 380	0	0
35.020		Policyholder/Certificateholder Dividends 360	0	0
35.020		Experience Rating Refunds 390	0	0
35.020		Transfer to and (Transfer from) Other Funds 420	0	0
35.020		Gross Commissions 460	39,656	39,785
35.020		Commissions Ceded 470	27,222	26,696
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit 480	0	0
23.030		Interest Expense and Finance costs 510	27	24
23.030		General Expenses and Taxes (excl. income taxes) 540	15,169	14,188
23.030		Other Expenses 570	326	339
35.020		Fraternal and Other Fund Expenses 580	0	0
		Total Benefits and Expenses 649	31,048	28,630
		Income Before Income Tax 669	3,806	7,577
		Provision for Income Taxes		
		Current 700	922	1,597
		Deferred 710		0
		Income Before the following: 749	2,884	5,980
35.020		Discontinued Operations (net of Income Taxes of \$) 830	0	0
		Income Before Attribution to Participating Policyholders/Certificateholders 859	2,884	5,980
35.020		Income Attributable to Participating Policyholders/Certificateholders (Stock Companies) 870	0	0
35.020		Net Income 899	2,884	5,980
35.020		Less: Fraternal and Other Fund Account 980	0	0
35.020		Net Income: Insurance Fund 989	2,884	5,980
		Attributable to:		
		Non-controlling Interests 900		0
		Equity Holders 920	2,884	5,980
			(99)	
		830	0	

CONSOLIDATED FINANCIAL STATEMENTS

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

Reference Page	FS Notes Reference		Current Period	Prior Period
		(05)	(01)	(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	199	0

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

Reference Page	FS Notes Reference		Current Period	Prior Period
		(05)	(01)	(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	499	0

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

Reference Page	FS Notes Reference		Current Period	Prior Period	
		(05)	(01)	(03)	
		Beginning of Year	510	207,023	190,372
		Adjustments	540		0
		(Specify)	570		0
20.030		Share of Net Income (Loss)	600	2,884	5,980
20.040		Transfer from (to) Par Account	630	0	0
		Dividends to Shareholders			
		Preferred	710		0
		Common	740	5,000	0
		End of Year	859	204,907	196,352

CONSOLIDATED FINANCIAL STATEMENTS

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

Reference Page	FS Notes Reference Reference		Current Period (01)	Prior Period (03)
20.030		Comprehensive Income (Loss)		
		Net Income/Income Before Attribution to Participating Policyholders/Certificateholders	2,884	5,980
		Other Comprehensive Income (Loss):		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		Change in Unrealized Gains and Losses:		
		- Loans		0
		- Bonds and Debentures	(9)	34
		- Equities	12,733	(5,415)
		Reclassification of (Gains) Losses to Net Income	1,652	(91)
		Derivatives Designated as Cash Flow Hedges		
		Change in Unrealized Gains and Losses		0
		Reclassification of (Gains) Losses to Net Income		0
		Foreign Currency Translation		
		Change in Unrealized Gains and Losses		
		Impact of Hedging		0
		Share of Other Comprehensive Income of Associates & Joint Ventures		0
		Other		0
		Subtotal of items that may be reclassified subsequently to Net Income	14,376	(5,472)
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus		0
		Remeasurements of Defined Benefit Plans		0
		Other		0
		Subtotal of items that will not be reclassified subsequently to Net Income	0	0
		Total Other Comprehensive Income (Loss)	14,376	(5,472)
		Total Comprehensive Income (Loss)	17,260	508
		Attributable to:		
		Participating Policyholders/Certificateholders (Stock companies)		0
		Non-controlling Interests		0
		Equity Holders	17,260	508
Reference Page	FS Notes Reference Reference		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		0
		- Bonds and Debentures	(2,010)	(1,938)
		- Equities	(4,805)	(30,299)
		Derivatives Designated as Cash Flow Hedges		0
		Foreign Currency (Net of Hedging Activities)	(1,351)	(1,073)
		Share of Other Comprehensive Income of Associates & Joint Ventures		0
		Other		0
		Subtotal of items that may be reclassified subsequently to Net Income	(8,166)	(33,310)
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus		0
		Remeasurements of Defined Benefit Plans		0
		Other		0
		Subtotal of items that will not be reclassified subsequently to Net Income	0	0
		Balance at end of Year	(8,166)	(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	204,907		003
Less: Accumulated after tax fair value gains/(losses) arising from changes in the institution's own credit risk			301
Less: After tax fair value gains/(losses) on owner-occupied property upon conversion			204
Plus: Accumulated after tax revaluation loss on owner-occupied property (revaluation)			206
Less: Accumulated net after-tax gains or losses up to the transfer date on owner-			207
Less: Accumulated net after tax fair value gains after transition to IFRS on investment			208
Less: Net decrease in actuarial liabilities due to recognition of mortality improvement	231		210
Less: Discretionary participation features included in reported equity			212
Plus: Accumulated gains reported in OCI up to the transfer date on investment property			213
Retained earnings for MCCSR purposes		204,676	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		(1,357)	313
Accumulated net after-tax unrealized loss on available-for-sale equity securities		(4,799)	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		236,520	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	4,540		012
Net Tier 1 Capital		231,980	020
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	0		321
Adjusted Net Tier 1 Capital		A 231,980	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)	4,540		023
Net Tier 2 Capital (page 20.030 line 695)		B 4,540	025
Total Capital Available	(A + B)	C 236,520	040
Capital Required:			
Asset Default and Market Risk			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	i)	26,662	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	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)	26,662	050
Insurance Risks			
Mortality Risk	i)	2,733	051
Morbidity Risk	ii)	18,466	052
Lapse Risk	iii)	2,285	053
Total Insurance Risks	sum of (i to iii)	23,484	060
Changes in Interest Environment (C-3) Risk		1,725	062
Foreign Exchange Risk		2,350	067
Other (specify)²			070
Total Capital Risk Metric		D 54,221	080
MCCSR			
Tier 1	(A + D) x 100	427.84	098
Total	(C + D) x 100	436.21	099

¹ 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 the² Provide details of additional requirements.