

## 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	21,436		40,601				
		Assets held for sale			0				
<a href="#">21.012</a>		Short Term Investments	60,386		33				
<a href="#">21.150 or/ou</a>		Accrued Investment Income	533		107				
		Accounts Receivable	15,196		17,797				
<a href="#">21.012</a>		Policy/Certificate Loans	0		0				
<a href="#">21.050</a>		Bonds and Debentures	4,538		42,129				
<a href="#">21.012</a>		Mortgage Loans	0		3,752				
<a href="#">21.012</a>		Preferred Shares	225,441		184,583				
<a href="#">21.012</a>		Common Shares	64,118		58,008				
<a href="#">21.012</a>		Investment Properties	40,185		41,463				
		Derivative Financial Instruments	0		0				
<a href="#">22.020</a>		Reinsurance Assets	85,842		87,260				
<a href="#">21.080</a>		Property and Equipment	4,830		4,733				
<a href="#">21.012</a>		Interests in Associates & Joint Ventures	0		0				
<a href="#">60.010</a>		Segregated Funds Net Assets			0				
<a href="#">21.100</a>		Other Loans and Invested Assets	56,644		62,250				
		Investments in Subsidiaries			0				
		Current Tax Assets	0		12,632				
		Deferred Tax Assets			0				
		Goodwill			0				
		Intangible Assets	667		760				
		Defined Benefit Pension Plan			0				
<a href="#">21.155</a>		Other Assets	749		912				
		<b>TOTAL ASSETS</b>	<b>580,565</b>		<b>557,020</b>			<b>0</b>	

## 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)
		<b>Liabilities</b>			
		Liabilities held for sale	005	0	
<a href="#">22.020</a>		Actuarial Liabilities for Insurance Contracts	010	131,719	133,788
<a href="#">22.020</a>		Other Contract Liabilities	040	85,298	86,997
<a href="#">22.030 or/ou</a>		Trust and Banking Deposits	070		0
<a href="#">21.080</a>		Accounts Payable	100	87,744	91,507
		Mortgage Loans and Other Real Estate Encumbrances	130	11,165	12,452
		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
<a href="#">22.030</a>		Provisions and Other Liabilities	160	3,220	2,802
		Segregated Fund Liabilities	420		0
		Current Tax Liabilities	430	1,426	0
		Deferred Tax Liabilities	250	17,707	19,134
		Subordinated Debt	280		0
		Other Debt	310		0
		<b>Total Liabilities</b>	389	338,279	346,680
		<b>Policyholders' Equity</b>			
<a href="#">20.040</a>		Participating Account	510		
		Participating Account - Accumulated OCI (Loss)	520		
<a href="#">20.040</a>		Non-Participating Account (Mutual Companies Only)	540		
		Non-Participating Account - Accumulated OCI (Loss)	550		
		<b>Total Policyholders' Equity</b>	589		0
		<b>Shareholders' Equity</b>			
		Capital Stock	610		
		Other Capital	640		
		Contributed Surplus	670		
<a href="#">20.040</a>		Retained Earnings	700		
		Accumulated Other Comprehensive Income (Loss)	740		
		<b>Total Shareholders' Equity</b>	779	242,286	210,340
		Non-controlling Interests	829	0	0
		<b>Total Equity</b>	839	242,286	210,340
		<b>TOTAL LIABILITIES AND EQUITY</b>	899	580,565	557,020
<a href="#">20.044</a>		<b>Head Office Account</b>	800		
		<b>Accumulated Other Comprehensive Income (Loss)</b>	840		
		<b>TOTAL LIABILITIES, HEAD OFFICE ACCOUNT AND ACCUMULATED OTHER COMPREHENSIVE INCOME</b>	999		

## CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME  
(\$'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		<b>Revenue</b>		
35.020		Gross Premiums 020	140,939	135,815
35.020		Premiums ceded 030	99,405	101,073
45.020		Net Premiums 040	41,534	34,742
35.020		Gross Investment Income 050	4,690	10,747
35.020		Less: Investment Expenses and Taxes 060	992	864
23.010		Net Investment Income 070	3,698	9,883
35.020		Share of Income/Loss of Associates & Joint Ventures 090	0	0
		Fee Income 130	11,465	11,041
23.030		Other Revenue 160	0	0
35.020		Fraternal and Other Fund Revenues 180	0	0
		<b>Total Revenue 199</b>	<b>56,697</b>	<b>55,666</b>
		<b>Policy/Certificate Benefits and Expenses</b>		
35.020		Policyholder/Certificateholder Benefits 260	17,315	16,670
35.020		Benefits ceded 270	10,144	11,252
		Gross Changes to Actuarial Liabilities		
35.020		Normal 310	(4,680)	(5,903)
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	(3,342)	(2,404)
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	61,219	59,848
35.020		Commissions Ceded 470	40,901	41,951
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit 480	0	0
23.030		Interest Expense and Finance costs 510	40	37
23.030		General Expenses and Taxes (excl. income taxes) 540	23,083	21,364
23.030		Other Expenses 570	523	489
35.020		Fraternal and Other Fund Expenses 580	0	0
		<b>Total Benefits and Expenses 649</b>	<b>49,797</b>	<b>41,706</b>
		<b>Income Before Income Tax 669</b>	<b>6,900</b>	<b>13,960</b>
		Provision for Income Taxes		
		Current 700	1,416	2,918
		Deferred 710		0
		<b>Income Before the following: 749</b>	<b>5,484</b>	<b>11,042</b>
35.020		Discontinued Operations (net of Income Taxes of \$ ) 830	0	0
		<b>Income Before Attribution to Participating Policyholders/Certificateholders 859</b>	<b>5,484</b>	<b>11,042</b>
35.020		Income Attributable to Participating Policyholders/Certificateholders (Stock Companies) 870	0	0
35.020		<b>Net Income 899</b>	<b>5,484</b>	<b>11,042</b>
35.020		Less: Fraternal and Other Fund Account 980	0	0
35.020		<b>Net Income: Insurance Fund 989</b>	<b>5,484</b>	<b>11,042</b>
		Attributable to:		
		Non-controlling Interests 900		0
		Equity Holders 920	5,484	11,042
		(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	199	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	499	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	0
		(Specify)	570	0
20.030		Share of Net Income (Loss)	600	5,484
20.040		Transfer from (to) Par Account	630	0
		Dividends to Shareholders:		
		Preferred	710	0
		Common	740	5,000
		End of Year	859	207,507

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		<b>Comprehensive Income (Loss)</b>			
		Net Income/Income Before Attribution to Participating Policyholders/Certificateholders	010	5,484	11,042
		Other Comprehensive Income (Loss):			
		<b>Items that may be reclassified subsequently to Net Income:</b>			
		<b>Available for Sale:</b>			
		Change in Unrealized Gains and Losses:			
		- Loans	110	0	0
		- Bonds and Debentures	140	(18)	(17)
		- Equities	170	20,163	(2,340)
		Reclassification of (Gains) Losses to Net Income	210	(824)	(1,144)
		<b>Derivatives Designated as Cash Flow Hedges</b>			
		Change in Unrealized Gains and Losses	310		0
		Reclassification of (Gains) Losses to Net Income	340		0
		<b>Foreign Currency Translation</b>			
		Change in Unrealized Gains and Losses	410		2,265
		Impact of Hedging	440		0
		Share of Other Comprehensive Income of Associates & Joint Ventures	460		0
		Other	445		0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	449	19,321	(1,236)
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
		Revaluation Surplus	455		0
		Remeasurements of Defined Benefit Plans	470		0
		Other	480		0
<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	489	0	0		
<b>Total Other Comprehensive Income (Loss)</b>	510	19,321	(1,236)		
<b>Total Comprehensive Income (Loss)</b>	589	24,805	9,806		
<b>Attributable to:</b>					
Participating Policyholders/Certificateholders (Stock companies)	615		0		
Non-controlling Interests	600		0		
Equity Holders	620	24,805	9,806		
Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)	
		<b>Accumulated Other Comprehensive Income (Loss)</b>			
		Accumulated Gains (Losses), net of tax, on:			
		<b>Items that may be reclassified subsequently to Net Income:</b>			
		<b>Available for Sale:</b>			
		- Loans	710	0	
		- Bonds and Debentures	740	(2,019)	
		- Equities	770	(540)	
		<b>Derivatives Designated as Cash Flow Hedges</b>	810	0	
		<b>Foreign Currency (Net of Hedging Activities)</b>	840	(662)	
		Share of Other Comprehensive Income of Associates & Joint Ventures	860	0	
		Other	845	0	
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	849	(3,221)	
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
		Revaluation Surplus	855	0	
		Remeasurements of Defined Benefit Plans	870	0	
		Other	880	0	
		<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	889	0	
		<b>Balance at end of Year</b>	899	(3,221)	
				(29,074)	

**Summary of Capital Elements and Ratio Calculations**

(thousands of dollars)

	01	02	Ref
<b>Capital Available:</b>			
<b>Tier 1</b>			
Common shares		38,000	001
Contributed surplus			002
Retained earnings	207,507		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		207,276	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		(667)	313
Accumulated net after-tax unrealized loss on available-for-sale equity securities		(534)	314
Accumulated changes in liabilities included in OCI under shadow accounting			316
Accumulated defined benefit pension plan remeasurements included in OCI			317
<b>Gross Tier 1 Capital</b>		244,075	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	4,540		012
<b>Net Tier 1 Capital</b>		239,535	020
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	0		321
<b>Adjusted Net Tier 1 Capital</b>		A 239,535	329
<b>Tier 2A (page 20.020 line 079)</b>	0		021
<b>Tier 2B allowed (page 20.030 line 045)</b>	0		022
<b>Tier 2C (page 20.030 line 068)</b>	4,540		023
<b>Net Tier 2 Capital (page 20.030 line 695)</b>		B 4,540	025
<b>Total Capital Available</b>	(A + B)	C 244,075	040
<b>Capital Required:</b>			
<b>Asset Default and Market Risk</b>			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	i) 26,705		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
<b>Total Asset Default and Market Risk</b>	sum of (i to vii)	26,705	050
<b>Insurance Risks</b>			
Mortality Risk	i) 2,756		051
Morbidity Risk	ii) 18,564		052
Lapse Risk	iii) 2,322		053
<b>Total Insurance Risks</b>	sum of (i to iii)	23,642	060
<b>Changes in Interest Environment (C-3) Risk</b>		1,750	062
<b>Foreign Exchange Risk</b>		818	067
<b>Other (specify) <sup>2</sup></b>			070
<b>Total Capital Risk Metric</b>		D 52,915	080
<b>MCCSR</b>			
Tier 1	(A ÷ D) x 100	452.68	098
Total	(C ÷ D) x 100	461.26	099

<sup>1</sup> 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<sup>2</sup> Provide details of additional requirements.