

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

Reference Page	FS Notes Reference		Current Period		Prior Period		Opening Prior Year Restated	
			Total (01)	Vested in Trust (02)	Total (03)	Vested in Trust (04)	Total (05)	Vested in Trust (06)
		Cash and Cash Equivalents	57,268		36,753			
		Assets held for sale			0			
21.012		Short Term Investments	33		33			
21.150 or/ou		Accrued Investment Income	303		187			
		Accounts Receivable	13,987		15,431			
		Policy/Certificate Loans			0			
21.012		Bonds and Debentures	6,886		51,409			
21.050		Mortgage Loans	386		3,727			
21.012		Preferred Shares	211,090		182,621			
21.012		Common Shares	63,707		50,795			
21.012		Investment Properties	41,174		42,372			
		Derivative Financial Instruments			0			
22.020		Reinsurance Assets	87,231		88,104			
21.080		Property and Equipment	4,720		4,774			
21.012		Interests in Associates & Joint Ventures	0		0			
60.010		Segregated Funds Net Assets	0		0			
21.100		Other Loans and Invested Assets	65,857		59,932			
		Investments in Subsidiaries			0			
		Current Tax Assets	9,857		13,571			
		Deferred Tax Assets			0			
		Goodwill			0			
		Intangible Assets	736		829			
		Defined Benefit Pension Plan			0			
21.155		Other Assets	671		751			
		TOTAL ASSETS	563,906		551,289		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	134,474	138,132	
22.020		Other Contract Liabilities 040	86,876	88,104	
		Trust and Banking Deposits 070		0	
22.030 or/ou		Accounts Payable 100	86,560	89,107	
21.080		Mortgage Loans and Other Real Estate Encumbrances 130	12,358	12,724	
		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	3,450	3,554	
		Segregated Fund Liabilities 420		0	
		Current Tax Liabilities 430		0	
		Deferred Tax Liabilities 250	17,707	19,134	
		Subordinated Debt 280		0	
		Other Debt 310		0	
		Total Liabilities 389	341,425	350,755	0
		Policyholders' Equity			
20.040		Participating Account 510	0	0	
		Participating Account - Accumulated OCI (Loss) 520		0	
20.040		Non-Participating Account (Mutual Companies Only) 540	0	0	
		Non-Participating Account - Accumulated OCI (Loss) 550		0	
		Total Policyholders' Equity 589	0	0	0
		Shareholders' Equity			
		Capital Stock 610	38,000	38,000	
		Other Capital 640		0	
		Contributed Surplus 670		0	
20.040		Retained Earnings 700	207,023	190,372	
		Accumulated Other Comprehensive Income (Loss) 740	22,542	27,838	
		Total Shareholders' Equity 779	222,481	200,534	0
		Non-controlling Interests 829		0	
		Total Equity 839	222,481	200,534	0
		TOTAL LIABILITIES AND EQUITY 899	563,906	551,289	0
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	Prior Period
			(01)	(03)
		Revenue		
35.020		Gross Premiums 020	176,865	212,220
35.020		Premiums ceded 030	130,341	147,026
45.020		Net Premiums 040	46,524	65,194
35.020		Gross Investment Income 050	15,160	18,221
35.020		Less: Investment Expenses and Taxes 060	1,174	1,212
23.010		Net Investment Income 070	13,986	17,009
35.020		Share of Income/Loss of Associates & Joint Ventures 090	0	0
		Fee Income 130	14,280	14,980
23.030		Other Revenue 160	0	0
35.020		Fraternal and Other Fund Revenues 180	0	0
		Total Revenue 199	74,790	97,183
		Policy/Certificate Benefits and Expenses		
35.020		Policyholder/Certificateholder Benefits 260	22,609	18,131
35.020		Benefits ceded 270	14,539	11,793
		Gross Changes to Actuarial Liabilities		
35.020		Normal 310	(835)	5,886
35.020		Basis Change 320	(2,823)	(10,197)
35.020		Gross Changes to Other Contract Liabilities 340	0	0
		Changes in Actuarial and Other Contract Liabilities Ceded		
35.020		Normal 370	1,178	4,470
35.020		Basis Change 380	(2,051)	(7,485)
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	79,371	87,356
35.020		Commissions Ceded 470	55,519	52,300
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit 480	0	0
23.030		Interest Expense and Finance costs 510	50	48
23.030		General Expenses and Taxes (excl. income taxes) 540	25,147	25,332
23.030		Other Expenses 570	641	704
35.020		Fraternal and Other Fund Expenses 580	0	0
		Total Benefits and Expenses 649	54,975	66,182
		Income Before Income Tax 669	19,815	31,001
		Provision for Income Taxes		
		Current 700	4,591	4,643
		Deferred 710	(1,427)	1,775
		Income Before the following: 749	16,651	24,583
35.020		Discontinued Operations (net of Income Taxes of \$) 830	0	0
		Income Before Attribution to Participating Policyholders/Certificateholders 859	16,651	24,583
35.020		Income Attributable to Participating Policyholders/Certificateholders (Stock Companies) 870	0	0
35.020		Net Income 899	16,651	24,583
35.020		Less: Fraternal and Other Fund Account 980	0	0
35.020		Net Income: Insurance Fund 989	16,651	24,583
		Attributable to:		
		Non-controlling Interests 900		0
		Equity Holders 920	16,651	24,583
			(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	0	0
		Adjustments		0
		(Specify)		0
20.030		Share of Net Income (Loss)		0
20.040		Transfer from (to) Retained Earnings (Stock companies only)		0
20.040		Transfer from (to) Non-Par Account (Mutual companies only)		0
		End of Year	0	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	0	0
		Adjustments		0
		(Specify)		0
20.030		Share of Net Income (Loss)		0
20.040		Transfer from (to) Par Account	0	0
		Dividends to Preferred Shareholders		0
		End of Year	0	0

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

Reference Page	FS Notes Reference		Current Period	Prior Period
		(05)	(01)	(03)
		Beginning of Year	190,372	165,789
		Adjustments		0
		(Specify)		0
20.030		Share of Net Income (Loss)	16,651	24,583
20.040		Transfer from (to) Par Account	0	0
		Dividends to Shareholders:		
		Preferred		0
		Common		0
		End of Year	207,023	190,372

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

Reference Page	FS Notes Reference		Current Period	Prior Period	
			(01)	(03)	
20.030		Comprehensive Income (Loss)			
		Net Income/Income Before Attribution to Participating Policyholders/Certificateholders	010	16,651	24,583
		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
		- Bonds and Debentures	140	(29)	(37)
		- Equities	170	6,309	(30,633)
		Reclassification of (Gains) Losses to Net Income	210	(1,524)	(2,854)
		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	540	(2,066)
		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	5,296	(35,590)
		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	5,296	(35,590)		
Total Comprehensive Income (Loss)	589	21,947	(11,007)		
Attributable to:					
Participating Policyholders/Certificateholders (Stock companies)	615		0		
Non-controlling Interests	600		0		
Equity Holders	620	21,947	(11,007)		
Reference Page	FS Notes Reference		Current Period	Prior Period	
			(01)	(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	(2,001)	
		- Equities	770	(17,745)	
		Derivatives Designated as Cash Flow Hedges	810	0	
		Foreign Currency (Net of Hedging Activities)	840	(2,796)	
		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	(22,542)	
		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 Year	899	(22,542)	
				(27,838)	

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	207,023		003
Less: Accumulated after tax fair value gains/(losses) arising from changes in institution's own credit risk model)			301
Plus: Accumulated after tax revaluation loss on owner-occupied property (revaluation model)			204
Less: Accumulated net after-tax gains or losses up to the transfer date on owner-occupied property that was previously classified as investment property			206
Less: Accumulated net after tax fair value gains after transition to IFRS on investment properties that do not back liabilities under CALM			207
Less: Net decrease in actuarial liabilities due to recognition of mortality improvement	231		208
Less: Discretionary participation features included in reported equity			210
Plus: Accumulated gains reported in OCI up to the transfer date on investment property that was previously classified as owner-occupied property			212
Retained earnings for MCCR purposes		206,792	213
Future use: fair value option			203
Participating account			302
Non-cumulative perpetual preferred shares			004
Qualifying non-controlling interests (excluding innovative tier 1)			005
Innovative Instruments in Tier 1 (max 15% net tier 1)			006
Non-participating account (mutual companies)			007
Accumulated net after-tax foreign currency translation adjustment reported in Other Comprehensive Income (OCI)		(2,796)	311
Accumulated net after-tax unrealized loss on available-for-sale equity securities reported in OCI		(17,745)	313
Accumulated changes in liabilities included in OCI under shadow accounting			314
Accumulated defined benefit pension plan remeasurements included in OCI			316
Gross Tier 1 Capital		224,251	317
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	4,540		010
Net Tier 1 Capital		219,711	012
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	0		020
Adjusted Net Tier 1 Capital		A 219,711	321
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	224,251	040
Capital Required:			
Asset Default and Market Risk			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	i) 28,401		041
- Backing Qualifying Participating Policies	ii) 0		042
Index Linked Pass Through Products	iii) 0		043
C-1 and C-3 requirements for letters of credit and collateral used to obtain reserve or capital credit for unregistered reinsurance	iv)		220
Off-Balance Sheet Exposures			
- Backing Non-Par, Surplus and Non-Qualifying Participating	v) 0		044
- Backing Qualifying Participating Policies	vi) 0		045
Segregated Funds Risk	vii) 0		046
Total Asset Default and Market Risk	sum of (i to vii)	28,401	050
Insurance Risks			
Mortality Risk	i) 2,718		051
Morbidity Risk	ii) 18,298		052
Lapse Risk	iii) 2,400		053
Total Insurance Risks	sum of (i to iii)	23,416	060
Changes in Interest Environment (C-3) Risk		1,385	062
Foreign Exchange Risk		2,321	067
Other (specify)²			070
Total Capital Required		D 55,523	080
MCCR Ratios			
Tier 1	(A + D) x 100	395.71	098
Total	(C + D) x 100	403.89	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 the net restatement of retained earnings and AOCI together upon the initial adoption of IAS 19R, effective Jan 1, 2013.

² Provide details of additional requirements.