

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	40,601		63,413		
		Assets held for sale	020			0		
21.012		Short Term Investments	040	33		33		
		Accrued Investment Income	070	7		28		
21.150 or/ou 21.155		Accounts Receivable	100	18,060		17,739		
		Policy/Certificate Loans	200			0		
21.012		Bonds and Debentures	250	42,129		22,739		
21.050		Mortgage Loans	300	3,752		3,918		
21.012		Preferred Shares	420	184,583		164,015		
21.012		Common Shares	440	58,008		86,009		
21.012		Investment Properties	510	41,463		42,781		
		Derivative Financial Instruments	520			0		
22.020		Reinsurance Assets	530	86,997		98,408		
21.080		Property and Equipment	540	4,733		4,795		
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	62,350		28,975		
		Investments in Subsidiaries	750					
		Current Tax Assets	780	12,632		15,375		
		Deferred Tax Assets	800			0		
		Goodwill	820			0		
		Intangible Assets	830	760		852		
		Defined Benefit Pension Plan	840			0		
21.155		Other Assets	880	912		777		
		TOTAL ASSETS	899	557,020		549,857		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	133,788	150,829
22.020		Other Contract Liabilities	040	86,997	98,409
		Trust and Banking Deposits	070		0
22.030 or/ou		Accounts Payable	100	91,507	80,663
21.155		Mortgage Loans and Other Real Estate Encumbrances	130	12,452	12,776
21.080		Derivative Financial Instruments	140		0
		Defined Benefit Pension Plan	145		0
		Amounts Due in respect of Staff Pension Plans (not including	150		0
22.030		Provisions and Other Liabilities	160	2,802	2,853
		Segregated Fund Liabilities	420		0
		Current Tax Liabilities	430		
		Deferred Tax Liabilities	250	19,134	17,359
		Subordinated Debt	280		0
		Other Debt	310		0
		Total Liabilities	389	346,680	362,889
		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	210,340	186,968
		Non-controlling Interests	829		0
		Total Equity	839	210,340	186,968
		TOTAL LIABILITIES AND EQUITY	899	557,020	549,857
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	135,815	163,044
35.020		Premiums ceded	101,073	112,893
45.020		Net Premiums	34,742	50,151
35.020		Gross Investment Income	10,747	18,368
35.020		Less: Investment Expenses and Taxes	864	916
23.010		Net Investment Income	9,883	17,452
35.020		Share of Income/Loss of Associates & Joint Ventures	0	0
		Fee Income	11,041	11,433
23.030		Other Revenue	0	0
35.020		Fraternal and Other Fund Revenues	0	0
		Total Revenue	55,666	79,036
		Policy/Certificate Benefits and Expenses		
35.020		Policyholder/Certificateholder Benefits	16,670	13,588
35.020		Benefits ceded	11,514	8,988
		Gross Changes to Actuarial Liabilities		
35.020		Normal	(5,903)	16,670
35.020		Basis Change	0	0
35.020		Gross Changes to Other Contract Liabilities	0	0
35.020		Changes in Actuarial and Other Contract Liabilities Ceded		
35.020		Normal	(2,666)	15,572
35.020		Basis Change	0	0
35.020		Policyholder/Certificateholder Dividends	0	0
35.020		Experience Rating Refunds	0	0
35.020		Transfer to and (Transfer from) Other Funds	0	0
35.020		Gross Commissions	59,848	66,374
35.020		Commissions Ceded	41,951	39,153
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit	0	0
23.030		Interest Expense and Finance Costs	37	34
23.030		General Expenses and Taxes (excl income taxes)	21,364	20,920
23.030		Other Expenses	489	528
35.020		Fraternal & Other Fund Expenses	0	0
		Total Benefits and Expenses	41,706	54,401
		Income Before Income Tax	13,960	24,635
		Provision for Income Taxes		
		Current	2,918	4,496
		Deferred		0
		Income before the following:	11,042	20,139
35.020		Discontinued Operations (net of Income Taxes of \$ See below)	0	0
		Income Before Attribution to Participating Policyholders/Certificateholders	11,042	20,139
		Income Attributable to Participating Policyholders/Certificateholders (Stock companies)	0	0
35.020		Net Income	11,042	20,139
35.020		Less: Fraternal and Other Fund Account	0	0
35.020		Net Income: Insurance Fund	11,042	20,139
		Attributable to:		
		Non-controlling Interests		0
		Equity Holders	11,042	20,139
			(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	165,789
		(Specify)	570	0
20.030		Share of Net Income (Loss)	600	11,042
20.040		Transfer from (to) Par Account	630	20,139
		Dividends to Shareholders:		
		Preferred	710	0
		Common	740	0
		End of Year	859	201,414

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	11,042	20,139
		Other Comprehensive Income (Loss):		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		Change in Unrealized Gains and Losses:		
		- Loans	0	0
		- Bonds and Debentures	(17)	(33)
		- Equities	(2,340)	(40,267)
		Reclassification of (Gains) Losses to Net Income	(1,144)	(2,337)
		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	2,265	(2,075)
		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	(1,236)	(44,712)
		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)	(1,236)	(44,712)	
	Total Comprehensive Income (Loss)	9,806	(24,573)	
	Attributable to:			
	Participating Policyholders/Certificateholders (Stock Companies)		0	
	Non-controlling Interests		0	
	Equity Holders	9,806	(24,573)	

			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	(1,989)	116
		- Equities	(26,012)	(33,728)
		Derivatives Designated as Cash Flow Hedges		0
		Foreign Currency (Net of Hedging Activities)	(1,073)	(3,349)
		Share of Other Comprehensive Income of Associates & Joint Ventures		0
		Other		0
		Subtotal of items that may be reclassified subsequently to Net Income	(29,074)	(36,961)
		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 Period	(29,074)	(36,961)

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	201,414		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 MCCSR purposes		201,170	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		(25,906)	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		212,191	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	5,719		012
Net Tier 1 Capital		206,472	020
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	0		321
Adjusted Net Tier 1 Capital		A 206,472	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 212,191	040
Capital Required:			
Asset Default and Market Risk			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	i) 27,644		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)	27,644	050
Insurance Risks			
Mortality Risk	i) 2,492		051
Morbidity Risk	ii) 19,102		052
Lapse Risk	iii) 2,505		053
Total Insurance Risks	sum of (i to iii)	24,099	060
Changes in Interest Environment (C-3) Risk		1,389	062
Foreign Exchange Risk		1,912	067
Other (specify)*			070
Total Capital Required		D 55,044	080
MCCSR Ratios			
Tier 1	(A + D) x 100	375.10	098
Total	(C + D) x 100	385.49	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.