

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	60,968		17,617				
		Assets held for sale			0				
21.012		Short Term Investments	33		33				
		Accrued Investment Income	700		14				
21.150 or/ou		Accounts Receivable	15,380		16,220				
		Policy/Certificate Loans			0				
21.012		Bonds and Debentures	6,933		51,580				
21.050		Mortgage Loans	389		3,731				
21.012		Preferred Shares	225,174		172,454				
21.012		Common Shares	63,799		53,646				
21.012		Investment Properties	40,810		42,123				
		Derivative Financial Instruments			0				
22.020		Reinsurance Assets	83,379		84,375				
21.080		Property and Equipment	4,778		4,792				
		Interests in Associates & Joint Ventures	0		0				
60.010		Segregated Funds Net Assets			0				
21.100		Other Loans and Invested Assets	57,379		67,156				
		Investments in Subsidiaries			0				
		Current Tax Assets	0		16,704				
		Deferred Tax Assets			0				
		Goodwill			0				
		Intangible Assets	713		805				
		Defined Benefit Pension Plan			0				
21.155		Other Assets	1,545		1,476				
		TOTAL ASSETS	561,980		532,726			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	129,082	132,751	
22.020		Other Contract Liabilities 040	82,929	84,375	
		Trust and Banking Deposits 070		0	
22.030 or/ou		Accounts Payable 100	85,803	87,310	
21.080		Mortgage Loans and Other Real Estate Encumbrances 130	11,327	12,634	
		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	1,452	1,221	
		Segregated Fund Liabilities 420		0	
		Current Tax Liabilities 430	2,408	0	
		Deferred Tax Liabilities 250	17,707	19,134	
		Subordinated Debt 280		0	
		Other Debt 310		0	
		Total Liabilities 389	330,708	337,425	0
		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	231,272	195,301	
		Non-controlling Interests 829	0	0	
		Total Equity 839	231,272	195,301	0
		TOTAL LIABILITIES AND EQUITY 899	561,980	532,726	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 (01)	Prior Period (03)
		Revenue		
35.020		Gross Premiums 020	35,599	35,172
35.020		Premiums ceded 030	24,557	24,038
45.020		Net Premiums 040	11,042	11,134
35.020		Gross Investment Income 050	1,188	916
35.020		Less: Investment Expenses and Taxes 060	320	291
23.010		Net Investment Income 070	868	625
35.020		Share of Income/Loss of Associates & Joint Ventures 090	0	0
		Fee Income 130	2,616	2,759
23.030		Other Revenue 160	0	0
35.020		Fraternal and Other Fund Revenues 180	0	0
		Total Revenue 199	14,526	14,518
		Policy/Certificate Benefits and Expenses		
35.020		Policyholder/Certificateholder Benefits 260	5,717	5,501
35.020		Benefits ceded 270	3,328	3,961
		Gross Changes to Actuarial Liabilities		
35.020		Normal 310	(10,736)	(10,682)
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	(9,195)	(9,031)
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	18,855	19,354
35.020		Commissions Ceded 470	13,454	13,198
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit 480	0	0
23.030		Interest Expense and Finance costs 510	13	13
23.030		General Expenses and Taxes (excl. income taxes) 540	7,167	6,686
23.030		Other Expenses 570	160	169
35.020		Fraternal and Other Fund Expenses 580	0	0
		Total Benefits and Expenses 649	13,589	12,913
		Income Before Income Tax 669	937	1,605
		Provision for Income Taxes		
		Current 700	149	332
		Deferred 710	0	0
		Income Before the following: 749	788	1,273
35.020		Discontinued Operations (net of Income Taxes of \$) 830	0	0
		Income Before Attribution to Participating Policyholders/Certificateholders 859	788	1,273
35.020		Income Attributable to Participating Policyholders/Certificateholders (Stock Companies) 870	0	0
35.020		Net Income 899	788	1,273
35.020		Less: Fraternal and Other Fund Account 980	0	0
35.020		Net Income: Insurance Fund 989	788	1,273
		Attributable to:		
		Non-controlling Interests 900	0	0
		Equity Holders 920	788	1,273
			(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	207,372
		Adjustments	540	0
		(Specify)	570	0
20.030		Share of Net Income (Loss)	600	788
20.040		Transfer from (to) Par Account	630	0
		Dividends to Shareholders:		
		Preferred	710	0
		Common	740	5,000
		End of Year	859	191,645

CONSOLIDATED FINANCIAL STATEMENTS

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

Reference Page	FS Notes Reference Reference		Current Period	Prior Period	
			(01)	(03)	
20.030		Comprehensive Income (Loss)			
		Net Income/Income Before Attribution to Participating Policyholders/Certificateholders	010	788	1,273
		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	2	(1)
		- Equities	170	11,318	(9,023)
		Reclassification of (Gains) Losses to Net Income	210	1,318	255
		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	365	2,263
		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	13,003	(6,506)
		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	13,003	(6,506)		
Total Comprehensive Income (Loss)	589	13,791	(5,233)		
Attributable to:					
Participating Policyholders/Certificateholders (Stock companies)	615		0		
Non-controlling Interests	600		0		
Equity Holders	620	13,791	(5,233)		

Reference Page	FS Notes Reference 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	(1,999)	(1,973)
		- Equities	770	(5,050)	(31,299)
		Derivatives Designated as Cash Flow Hedges	810		0
		Foreign Currency (Net of Hedging Activities)	840	(2,490)	(1,072)
		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	(9,539)	(34,344)
		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	0
		Balance at end of Year	899	(9,539)	(34,344)

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	202,811		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		202,580	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		(2,496)	313
Accumulated net after-tax unrealized loss on available-for-sale equity securities		(5,044)	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		233,040	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	4,540		012
Net Tier 1 Capital		228,500	020
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	0		321
Adjusted Net Tier 1 Capital		A 228,500	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	233,040	040
Capital Required:			
Asset Default and Market Risk			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	i)	26,945	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)	26,945	050
Insurance Risks			
Mortality Risk	i)	2,721	051
Morbidity Risk	ii)	18,417	052
Lapse Risk	iii)	2,274	053
Total Insurance Risks	sum of (i to iii)	23,412	060
Changes in Interest Environment (C-3) Risk		1,718	062
Foreign Exchange Risk		2,350	067
Other (specify) ²			070
Total Capital Risk Metric	D	54,425	080
MCCSR			
Tier 1	(A + D) x 100	419.84	098
Total	(C + D) x 100	428.19	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.