

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

Reference		Current Period	Prior Period	Opening Prior Year Restated	
Page		(01)	(03)	(05)	
	Cash and Cash Equivalents	010	19,322	31,285	
	Assets held for sale	020			
21.012	Short Term Investments	040	33	51	
	Accrued Investment Income	070	68	103	
	Accounts Receivable	100	17,094	16,578	
	Policy/Certificate Loans	200			
21.012	Bonds and Debentures	250	49,291	32,096	
	Mortgage Loans	300	1,667	1,824	
21.012	Preferred Shares	420	189,104	166,900	
21.012	Common Shares	440	95,768	74,611	
21.012	Investment Properties	510	24,524	25,183	
	Derivative Financial Instruments	520			
	Reinsurance Assets	530	101,279	85,526	
	Property and Equipment	540	5,067	5,068	
21.012	Interests in Associates & Joint Ventures	550	0	0	
	Segregated Funds Net Assets	560			
	Other Loans and Invested Assets	600	40,369	31,760	
	Current Tax Assets	780			
	Deferred Tax Assets	800			
	Goodwill	820		0	
	Intangible Assets	830		0	
	Defined Benefit Pension Plan	840			
	Other Assets	880	514	526	
	TOTAL ASSETS	899	544,100	471,511	0

CONSOLIDATED FINANCIAL STATEMENTS
LIABILITIES, POLICYHOLDERS' AND SHAREHOLDERS' EQUITY
(\$'000)

		Current Period	Prior Period	Opening Prior Year Restated
		(01)	(03)	(05)
Liabilities				
Liabilities held for sale	005		0	
Actuarial Liabilities for Insurance Contracts	010	152,422	134,417	
Other Contract Liabilities	040	101,279	85,526	
Trust and Banking Deposits	070	0		
Accounts Payable	100	64,081	57,529	
Mortgage Loans and Other Real Estate Encumbrances	130	1,061	1,115	
Derivative Financial Instruments	140	0		
Defined Benefit Pension Plan	145			
Amounts Due in respect of Staff Pension Plans (not including amounts	150			
Provisions and Other Liabilities	160	3,129	3,095	
Segregated Fund Liabilities	420	0		
Current Tax Liabilities	430	2,171	418	
Deferred Tax Liabilities	250	15,382	13,034	
Subordinated Debt	280		0	
Other Debt	310			
Total Liabilities	389	339,525	295,134	0
Policyholders' Equity				
Participating Account	510			
Participating Account - Accumulated OCI (Loss)	520			
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			
Retained Earnings	700			
Accumulated Other Comprehensive Income (Loss)	740			
Total Shareholders' Equity	779	204,575	176,377	
Non-controlling Interests	829		0	
Total Equity	839	204,575	176,377	0
TOTAL LIABILITIES AND EQUITY	899	544,100	471,511	0

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

		Current Period	Prior Period
		(01)	(03)
Revenue			
Gross Premiums	020	175,182	169,326
Premiums ceded	030	120,365	114,459
Net Premiums	040	54,817	54,867
Gross Investment Income	050	19,683	9,883
Less: Investment Expenses and Taxes	060	865	826
Net Investment Income	070	18,818	9,057
Share of Income/Loss of Associates & Joint Ventures	090	0	0
Fee Income	130	13,010	13,042
Other Revenue	160	0	0
Fraternal and Other Fund Revenues	180	0	0
Total Revenue	199	86,645	76,966
Policy/Certificate Benefits and Expenses			
Policyholder/Certificateholder Benefits	260	12,768	13,520
Benefits ceded	270	8,405	8,341
Gross Changes to Actuarial Liabilities			
Normal	310	37,491	43,668
Basis Change	320	0	0
Gross Changes to Other Contract Liabilities	340	0	0
Changes in Actuarial and Other Contract Liabilities Ceded			
Normal	370	34,181	39,065
Basis Change	380	0	0
Policyholder/Certificateholder Dividends	360	0	0
Experience Rating Refunds	390	0	0
Transfer to and (Transfer from) Other Funds	420	0	0
Gross Commissions	460	63,026	57,648
Commissions Ceded	470	34,517	30,266
Interest on Policyholder/Certificateholder Amounts on Deposit	480	0	0
Interest Expense and Finance Costs	510	34	13
General Expenses and Taxes (excl income taxes)	540	21,926	20,531
Other Expenses	570	438	477
Fraternal & Other Fund Expenses	580	0	0
Total Benefits and Expenses	649	58,580	58,185
Income Before Income Tax	669	28,065	18,781
Provision for Income Taxes			
Current	700	5,348	4,141
Deferred	710	0	0
Income before the following:	749	22,717	14,640
Discontinued Operations			
(net of Income Taxes of \$)	830	0	0
Income Before Attribution to Participating Policyholders/Certificateholders	859	22,717	14,640
Income Attributable to Participating Policyholders/Certificateholders			
(Stock companies)	870	0	0
Net Income	899	22,717	14,640
Less: Fraternal and Other Fund Account	980	0	0
Net Income: Insurance Fund	989	22,717	14,640
Attributable to:			
Non-controlling Interests	900	0	0
Equity Holders	920	22,717	14,640

CONSOLIDATED FINANCIAL STATEMENTS

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

Reference Page			Current Period	Prior Period
			(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	0

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

Reference Page			Current Period	Prior Period
			(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	0
	Dividends to Preferred Shareholders	460		0
	End of Year	499	0	0

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

Reference Page			Current Period	Prior Period
			(01)	(03)
	Beginning of Year	510	144,567	124,417
	Adjustments	540		0
	(Specify)	570		0
20.030	Share of Net Income (Loss)	600	22,717	14,640
20.040	Transfer from (to) Par Account	630	0	0
	Dividends to Shareholders:			
	Preferred	710		0
	Common	740	10,000	5,000
	End of Year	859	157,284	134,057

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

	Current Period	Prior Period
	(01)	(03)
Comprehensive Income (Loss)		
Income Before Attribution to Participating Policyholders/Certificateholders	010	14,640
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	(75)
- Equities	170	(801)
Reclassification of (Gains) Losses to Net Income	210	(415)
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	(241)
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	(1,532)
Items that will not be reclassified subsequently to Net Income:		
Revaluation Surplus	455	0
Remeasurements of Defined Benefit Plan	470	0
Other	480	0
Subtotal of items that will not be reclassified subsequently to Net Income	489	0
Total Other Comprehensive Income (Loss)	510	(1,532)
Total Comprehensive Income (Loss)	589	13,108
Attributable to:		
Participating Policyholders/Certificateholders (Stock Companies)	615	0
Non-controlling Interests	600	0
Equity Holders	620	13,108

	Current Period	Prior Period
	(01)	(03)
Accumulated Other Comprehensive Income (Loss)		
Accumulated Gains (Losses) on:		
Items that may be reclassified subsequently to Net Income:		
Available for Sale:		
- Loans	710	0
- Bonds and Debentures	740	167
- Equities	770	4,363
Derivatives Designated as Cash Flow Hedges	810	0
Foreign Currency (Net of Hedging Activities)	840	(211)
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	4,319
Items that will not be reclassified subsequently to Net Income:		
Revaluation Surplus	855	0
Remeasurements of Defined Benefit Plan	870	0
Other	880	0
Subtotal of items that will not be reclassified subsequently to Net Income	889	0
Balance at end of Period	899	4,319

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	157,284		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 own-use property upon conversion to IFRS (cost model)			204
Plus: Accumulated after tax revaluation loss on own-use property (revaluation model)			206
Less: Accumulated net after tax fair value gains after transition to IFRS on investment properties that do not back liabilities under			208
Less: Net decrease in actuarial liabilities due to recognition of mortality improvement	224		210
Less: Discretionary participation features included in reported equity			212
Plus: Adjustment to retained earnings for phase-in of IFRS			214
Retained earnings for MCSR purposes		157,060	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)		(755)	313
Accumulated net after-tax unrealized loss on available-for-sale equity securities reported in OCI			314
Accumulated changes in liabilities included in OCI under shadow accounting			316
Accumulated defined benefit pension plan remeasurements included in OCI			317
Adjustment amount to phase-in the impact on tier 1 capital on account of defined benefit pension plan assets (liabilities) ¹			318
Gross Tier 1 Capital		194,305	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	0		012
Net Tier 1 Capital		194,305	020
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	0		321
Adjusted Net Tier 1 Capital		A 194,305	329
Tier 2A (page 20.020 line 079)	9,880		021
Tier 2B allowed (page 20.030 line 045)	0		022
Tier 2C (page 20.030 line 068)	0		023
Net Tier 2 Capital (page 20.030 line 695)		B 9,880	025
Total Capital Available	(A+B)	C 204,185	040
Capital Required:			
Asset Default and Market Risk			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	i) 27,665		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 reinsurance	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)	27,665	050
Insurance Risks			
Mortality Risk	i) 2,301		051
Morbidity Risk	ii) 19,442		052
Lapse Risk	iii) 3,090		053
Total Insurance Risks	sum of (i to iii)	24,833	060
Changes in Interest Environment (C-3) Risk		1,507	062
Foreign Exchange Risk		1,191	067
Other (specify)²			070
Total Capital Required		D 55,196	080
MCSR Ratios			
Tier 1	(A ÷ D) x 100	352.03	098
Total	(C ÷ D) x 100	369.93	099

¹Phase-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

²Provide details of additional requirements.