

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	63,413		19,322		
		Assets held for sale	020			0		
21.012		Short Term Investments	040	33		33		
		Accrued Investment Income	070	28		68		
21.050 or/ou		Accounts Receivable	100	17,739		17,094		
		Policy/Certificate Loans	200			0		
21.012		Bonds and Debentures	250	22,739		49,291		
21.050		Mortgage Loans	300	3,918		1,667		
21.012		Preferred Shares	420	164,015		189,104		
21.012		Common Shares	440	86,009		95,768		
21.012		Investment Properties	510	42,781		24,524		
		Derivative Financial Instruments	520			0		
22.020		Reinsurance Assets	530	98,408		101,279		
21.080		Property and Equipment	540	4,795		5,067		
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	28,975		40,369		
		Investments in Subsidiaries	750					
		Current Tax Assets	780	15,375		0		
		Deferred Tax Assets	800			0		
		Goodwill	820			0		
		Intangible Assets	830	852		0		
		Defined Benefit Pension Plan	840			0		
21.155		Other Assets	880	777		514		
		TOTAL ASSETS	899	549,857		544,100		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	150,829	152,422	
22.020		Other Contract Liabilities 040	98,409	101,279	
		Trust and Banking Deposits 070		0	
22.030 or/ou		Accounts Payable 100	78,187	64,081	
21.080		Mortgage Loans and Other Real Estate Encumbrances 130	12,776	1,061	
		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	2,853	3,129	
		Segregated Fund Liabilities 420		0	
		Current Tax Liabilities 430	2,476	2,171	
		Deferred Tax Liabilities 250	17,359	15,382	
		Subordinated Debt 280		0	
		Other Debt 310		0	
		Total Liabilities 389	362,889	339,525	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	186,968	204,575	
		Non-controlling Interests 829	0	0	
		Total Equity 839	186,968	204,575	0
		TOTAL LIABILITIES AND EQUITY 899	549,857	544,100	0
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	020 163,044	175,182
35.020		Premiums ceded	030 112,893	120,365
45.020		Net Premiums	040 50,151	54,817
35.020		Gross Investment Income	050 18,368	19,683
35.020		Less: Investment Expenses and Taxes	060 916	865
23.010		Net Investment Income	070 17,452	18,818
35.020		Share of Income/(Loss) of Associates & Joint Ventures	090 0	0
		Fee Income	130 11,433	13,010
23.030		Other Revenue	160 0	0
35.020		Fraternal and Other Fund Revenues	180 0	0
		Total Revenue	199 79,036	86,645
		Policy/Certificate Benefits and Expenses		
35.020		Policyholder/Certificateholder Benefits	260 13,588	12,768
35.020		Benefits ceded	270 8,988	8,405
		Gross Changes to Actuarial Liabilities		
35.020		Normal	310 16,670	37,491
35.020		Basis Change	320 0	0
35.020		Gross Changes to Other Contract Liabilities	340 0	0
35.020		Changes in Actuarial and Other Contract Liabilities Ceded		
35.020		Normal	370 15,572	34,181
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 66,374	63,026
35.020		Commissions Ceded	470 39,153	34,517
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit	480 0	0
23.030		Interest Expense and Finance Costs	510 34	34
23.030		General Expenses and Taxes (excl income taxes)	540 19,819	21,926
23.030		Other Expenses	570 1,629	438
35.020		Fraternal & Other Fund Expenses	580 0	0
		Total Benefits and Expenses	649 54,401	58,580
		Income Before Income Tax	669 24,635	28,065
		Provision for Income Taxes		
		Current	700 4,496	5,348
		Deferred	710 0	0
		Income before the following:	749 20,139	22,717
35.020		Discontinued Operations (net of Income Taxes of \$)	830 0	0
		Income Before Attribution to Participating Policyholders/Certificateholders	859 20,139	22,717
		Income Attributable to Participating Policyholders/Certificateholders (Stock companies)	870 0	0
35.020		Net Income	899 20,139	22,717
35.020		Less: Fraternal and Other Fund Account	980 0	0
35.020		Net Income: Insurance Fund	989 20,139	22,717
		Attributable to:		
		Non-controlling Interests	900 0	0
		Equity Holders	920 20,139	22,717
			(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
			070	0
<u>20.030</u>		Share of Net Income (Loss)	100	0
<u>20.040</u>		Transfer from (to) Retained Earnings (Stock companies only)	130	0
<u>20.040</u>		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
			370	0
<u>20.030</u>		Share of Net Income (Loss)	400	0
<u>20.040</u>		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	165,789
		Adjustments	540	144,567
			570	0
<u>20.030</u>		Share of Net Income (Loss)	600	22,717
<u>20.040</u>		Transfer from (to) Par Account	630	0
		Dividends to Shareholders:		
		Preferred	710	0
		Common	740	10,000
		End of Year	859	157,284

Summary of Capital Elements and Ratio Calculations
(thousands of dollars)

Capital Available:	01	02	Ref
Tier 1			
Common shares		38,000	001
Contributed surplus			002
Retained earnings	185,928		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			208
Less: Net decrease in actuarial liabilities due to recognition of mortality improvement	263		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		185,665	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)		(3,349)	313
Accumulated net after-tax unrealized loss on available-for-sale equity securities reported in OCI		(33,728)	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		186,588	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	0		012
Net Tier 1 Capital		186,588	020
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	0		321
Adjusted Net Tier 1 Capital		A 186,588	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)	0		023
Net Tier 2 Capital (page 20.030 line 695)		B 0	025
Total Capital Available	(A+B)	C 186,588	040

Capital Required:			
Asset Default and Market Risk			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	i)	26,939	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)	26,939	050
Insurance Risks			
Mortality Risk	i)	2,523	051
Morbidity Risk	ii)	20,879	052
Lapse Risk	iii)	5,431	053
Total Insurance Risks	sum of (i to iii)	28,833	060
Changes in Interest Environment (C-3) Risk		1,521	062
Foreign Exchange Risk		2,906	067
Other (specify)²			070
Total Capital Required		D 60,199	080

MCSR Ratios			
Tier 1	(A + D) x 100	309.95	098
Total	(C + D) x 100	309.95	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
²Provide details of additional requirements.