

## 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	15,131		15,469			
		Assets held for sale			0			
<a href="#">21.012</a>		Short Term Investments	33		51			
		Accrued Investment Income	521		438			
<a href="#">21.150 or/ou</a> <a href="#">21.155</a>		Accounts Receivable	16,551		16,217			
		Policy/Certificate Loans			0			
<a href="#">21.012</a>		Bonds and Debentures	38,230		32,166			
<a href="#">21.050</a>		Mortgage Loans	1,509		1,767			
<a href="#">21.012</a>		Preferred Shares	210,928		186,526			
<a href="#">21.012</a>		Common Shares	106,801		92,690			
<a href="#">21.012</a>		Investment Properties	24,325		25,000			
		Derivative Financial Instruments			0			
<a href="#">22.020</a>		Reinsurance Assets	91,119		85,852			
<a href="#">21.080</a>		Property and Equipment	4,989		5,249			
<a href="#">21.012</a>		Interests in Associates & Joint Ventures	0		0			
<a href="#">60.010</a>		Segregated Funds Net Assets	0		0			
<a href="#">21.100</a>		Other Loans and Invested Assets	34,034		29,131			
		Investments in Subsidiaries						
		Current Tax Assets	0		160			
		Deferred Tax Assets			0			
		Goodwill			0			
		Intangible Assets			0			
		Defined Benefit Pension Plan			0			
<a href="#">21.155</a>		Other Assets	457		394			
		<b>TOTAL ASSETS</b>	<b>544,628</b>		<b>491,110</b>		<b>0</b>	

## 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)
		<b>Liabilities</b>			
		Liabilities held for sale 005		0	
<a href="#">22.020</a>		Actuarial Liabilities for Insurance Contracts 010	142,443	133,685	
<a href="#">22.020</a>		Other Contract Liabilities 040	91,119	85,852	
		Trust and Banking Deposits 070		0	
<a href="#">22.030 or/ou</a>		Accounts Payable 100	76,643	60,936	
<a href="#">21.080</a>		Mortgage Loans and Other Real Estate Encumbrances 130	1,049	1,095	
		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	
<a href="#">22.030</a>		Provisions and Other Liabilities 160	3,897	3,665	
		Segregated Fund Liabilities 420		0	
		Current Tax Liabilities 430	577	0	
		Deferred Tax Liabilities 250	17,359	15,382	
		Subordinated Debt 280		0	
		Other Debt 310		0	
		<b>Total Liabilities</b> 389	333,087	300,615	0
		<b>Policyholders' Equity</b>			
<a href="#">20.040</a>		Participating Account 510	0	0	
		Participating Account - Accumulated OCI (Loss) 520		0	
<a href="#">20.040</a>		Non-Participating Account (Mutual Companies Only) 540	0	0	
		Non-Participating Account - Accumulated OCI (Loss) 550		0	
		<b>Total Policyholders' Equity</b> 589	0	0	0
		<b>Shareholders' Equity</b>			
		Capital Stock 610	38,000	38,000	
		Other Capital 640		0	
		Contributed Surplus 670		0	
<a href="#">20.040</a>		Retained Earnings 700	165,789	144,567	
		Accumulated Other Comprehensive Income (Loss) 740	7,752	7,928	
		<b>Total Shareholders' Equity</b> 779	211,541	190,495	0
		<b>Non-controlling Interests</b> 829		0	
		<b>Total Equity</b> 839	211,541	190,495	0
		<b>TOTAL LIABILITIES AND EQUITY</b> 899	544,628	491,110	0
<a href="#">20.044</a>		<b>Head Office Account</b> 800			
		<b>Accumulated Other Comprehensive Income (Loss)</b> 840			
		<b>TOTAL LIABILITIES, HEAD OFFICE ACCOUNT AND ACCUMULATED OTHER COMPREHENSIVE INCOME</b> 999			

## CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME  
(S'000)

Reference Page	FS Notes Reference		Current Period	Prior Period
			(01)	(03)
		<b>Revenue</b>		
35.020		Gross Premiums 020	232,522	221,154
35.020		Premiums ceded 030	158,999	151,207
45.020		Net Premiums 040	73,523	69,947
35.020		Gross Investment Income 050	22,700	14,999
35.020		Less: Investment Expenses and Taxes 060	1,185	1,172
23.010		Net Investment Income 070	21,515	13,827
35.020		Share of Income (Loss) of Associates & Joint Ventures 090	0	0
		Fee Income 130	17,272	17,218
23.030		Other Revenue 160	0	0
35.020		Fraternal and Other Fund Revenues 180	0	0
		<b>Total Revenue</b> 199	112,310	100,992
		<b>Policy/Certificate Benefits and Expenses</b>		
35.020		Policyholder/Certificateholder Benefits 260	16,750	17,370
35.020		Benefits ceded 270	11,049	10,839
		Gross Changes to Actuarial Liabilities		
35.020		Normal 310	10,599	23,108
35.020		Basis Change 320	(1,841)	(2,085)
35.020		Gross Changes to Other Contract Liabilities 340	0	0
		Changes in Actuarial and Other Contract Liabilities Ceded		
35.020		Normal 370	8,006	16,716
35.020		Basis Change 380	(2,739)	763
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	85,088	76,346
35.020		Commissions Ceded 470	46,762	41,178
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit 480	0	0
23.030		Interest Expense and Finance costs 510	47	35
23.030		General Expenses and Taxes (excl. income taxes) 540	25,976	24,296
23.030		Other Expenses 570	578	625
35.020		Fraternal and Other Fund Expenses 580	0	0
		<b>Total Benefits and Expenses</b> 649	74,119	70,199
		<b>Income Before Income Tax</b> 669	38,191	30,793
		Provision for Income Taxes		
		Current 700	4,992	3,294
		Deferred 710	1,977	2,349
		<b>Income Before the following:</b> 749	31,222	25,150
35.020		Discontinued Operations		
		(net of Income Taxes of \$ ) 830	0	0
		<b>Income Before Attribution to Participating Policyholders/Certificateholders</b> 859	31,222	25,150
35.020		Income Attributable to Participating Policyholders/Certificateholders (Stock Companies) 870	0	0
35.020		<b>Net Income</b> 899	31,222	25,150
35.020		Less: Fraternal and Other Fund Account 980	0	0
35.020		<b>Net Income: Insurance Fund</b> 989	31,222	25,150
35.020		<b>Attributable to:</b>		
		Non-controlling Interests 900		0
		Equity Holders 920	31,222	25,150
		(99)		
		830	0	

**CONSOLIDATED FINANCIAL STATEMENTS**

**STATEMENT OF EQUITY IN PARTICIPATING ACCOUNT  
(S'000)**

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		Beginning of Year	0	0
		Adjustments		0
		(Specify)		0
<a href="#">20.030</a>		Share of Net Income (Loss)		0
<a href="#">20.040</a>		Transfer from (to) Retained Earnings (Stock companies only)		0
<a href="#">20.040</a>		Transfer from (to) Non-Par Account (Mutual companies only)		0
		<b>End of Year</b>	0	0

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

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		Beginning of Year	0	0
		Adjustments		0
		(Specify)		0
<a href="#">20.030</a>		Share of Net Income (Loss)		0
<a href="#">20.040</a>		Transfer from (to) Par Account	0	0
		Dividends to Preferred Shareholders		0
		<b>End of Year</b>	0	0

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

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		Beginning of Year	144,567	124,417
		Adjustments		0
		(Specify)		0
<a href="#">20.030</a>		Share of Net Income (Loss)	31,222	25,150
<a href="#">20.040</a>		Transfer from (to) Par Account	0	0
		Dividends to Shareholders:		
		Preferred		0
		Common	10,000	5,000
		<b>End of Year</b>	165,789	144,567

CONSOLIDATED FINANCIAL STATEMENTS

COMPREHENSIVE INCOME (LOSS), and  
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)  
(S'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)	
20.030		<b>Comprehensive Income (Loss)</b>			
		Net Income/Income Before Attribution to Participating Policyholders/Certificateholders	010	31,222	25,150
		Other Comprehensive Income (Loss):			
		<b>Items that may be reclassified subsequently to Net Income:</b>			
		<b>Available for Sale:</b>			
		Change in Unrealized Gains and Losses:			
		- Loans	110		0
		- Bonds and Debentures	140	(194)	141
		- Equities	170	4,804	3,453
		Reclassification of (Gains) Losses to Net Income	210	(4,098)	(901)
		<b>Derivatives Designated as Cash Flow Hedges</b>			
		Change in Unrealized Gains and Losses	310		0
		Reclassification of (Gains) Losses to Net Income	340		0
		<b>Foreign Currency Translation</b>			
		Change in Unrealized Gains and Losses	410	(688)	(616)
		Impact of Hedging	440		0
		<b>Share of Other Comprehensive Income of Associates &amp; Joint Ventures</b>	460		0
		<b>Other</b>	445		0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	449	(176)	2,077
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
		<b>Revaluation Surplus</b>	455		0
		<b>Remeasurements of Defined Benefit Plans</b>	470		0
		<b>Other</b>	480		0
<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	489	0	0		
<b>Total Other Comprehensive Income (Loss)</b>	510	(176)	2,077		
<b>Total Comprehensive Income (Loss)</b>	589	31,046	27,227		
<b>Attributable to:</b>					
Participating Policyholders/Certificateholders (Stock companies)	615		0		
Non-controlling Interests	600		0		
Equity Holders	620	31,046	27,227		

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)	
		<b>Accumulated Other Comprehensive Income (Loss)</b>			
		Accumulated Gains (Losses), net of tax, on:			
		<b>Items that may be reclassified subsequently to Net Income:</b>			
		<b>Available for Sale:</b>			
		- Loans	710		0
		- Bonds and Debentures	740	148	383
		- Equities	770	8,877	8,131
		<b>Derivatives Designated as Cash Flow Hedges</b>	810		0
		<b>Foreign Currency (Net of Hedging Activities)</b>	840	(1,273)	(586)
		<b>Share of Other Comprehensive Income of Associates &amp; Joint Ventures</b>	860		0
		<b>Other</b>	845		0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	849	7,752	7,928
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
		<b>Revaluation Surplus</b>	855		0
		<b>Remeasurements of Defined Benefit Plans</b>	870		0
		<b>Other</b>	880		0
		<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	889	0	0
		<b>Balance at end of Year</b>	899	7,752	7,928

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

	01	02	Ref
<b>Capital Available:</b>			
<b>Tier 1</b>			
Common shares		38,000	001
Contributed surplus			002
Retained earnings	165,789		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 CALM			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 MCCSR purposes		165,526	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)		(1,271)	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) <sup>1</sup>			318
<b>Gross Tier 1 Capital</b>		202,255	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	0		012
<b>Net Tier 1 Capital</b>		202,255	020
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	0		321
<b>Adjusted Net Tier 1 Capital</b>		A 202,255	329
<b>Tier 2A (page 20.020 line 079)</b>	8,876		021
<b>Tier 2B allowed (page 20.030 line 045)</b>	0		022
<b>Tier 2C (page 20.030 line 068)</b>	0		023
<b>Net Tier 2 Capital (page 20.030 line 695)</b>		B 8,876	025
<b>Total Capital Available</b>	(A+B) C	211,131	040
<b>Capital Required:</b>			
<b>Asset Default and Market Risk</b>			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	i) 29,027		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
<b>Total Asset Default and Market Risk</b>	sum of (i to vii)	29,027	050
<b>Insurance Risks</b>			
Mortality Risk	i) 2,496		051
Morbidity Risk	ii) 21,210		052
Lapse Risk	iii) 2,555		053
<b>Total Insurance Risks</b>	sum of (i to iii)	26,261	060
<b>Changes in Interest Environment (C-3) Risk</b>		1,467	062
<b>Foreign Exchange Risk</b>		1,678	067
<b>Other (specify)<sup>2</sup></b>			070
<b>Total Capital Required</b>		D 58,433	080
<b>MCCSR Ratios</b>			
<b>Tier 1</b>	(A ÷ D) x 100	346.13	098
<b>Total</b>	(C ÷ D) x 100	361.32	099

<sup>1</sup> 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.

<sup>2</sup> Provide details of additional requirements.