

## CONSOLIDATED FINANCIAL STATEMENTS

ASSETS  
(\$'000)

Reference		Current Period	Prior Period	Opening Prior Year Restated
Page		(01)	(03)	(05)
	Cash and Cash Equivalents	010	6,811	12,799
	Assets held for sale	020	0	0
<a href="#">21.012</a>	Short Term Investments	040	52	815
	Accrued Investment Income	070	94	119
	Accounts Receivable	100	16,882	16,852
	Policy/Certificate Loans	200	0	0
<a href="#">21.012</a>	Bonds and Debentures	250	32,095	48,194
	Mortgage Loans	300	1,709	1,937
<a href="#">21.012</a>	Preferred Shares	420	186,855	156,342
<a href="#">21.012</a>	Common Shares	440	90,905	59,704
<a href="#">21.012</a>	Investment Properties	510	24,847	21,035
	Derivative Financial Instruments	520	0	0
	Reinsurance Assets	530	86,645	69,299
	Property and Equipment	540	5,208	4,487
<a href="#">21.012</a>	Interests in Associates & Joint Ventures	550	0	0
	Segregated Funds Net Assets	560	0	0
	Other Loans and Invested Assets	600	35,559	28,807
	Current Tax Assets	780	0	0
	Deferred Tax Assets	800	0	244
	Goodwill	820	0	0
	Intangible Assets	830	0	0
	Defined Benefit Pension Plan	840		
	Other Assets	880	1,082	1,019
	<b>TOTAL ASSETS</b>	<b>899</b>	<b>488,744</b>	<b>421,653</b>
				0

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

		Current Period	Prior Period	Opening Prior Year Restated
		(01)	(03)	(05)
<b>Liabilities</b>				
Liabilities held for sale	005	0	0	
Actuarial Liabilities for Insurance Contracts	010	134,346	113,580	
Other Contract Liabilities	040	86,645	69,299	
Trust and Banking Deposits	070	0	0	
Accounts Payable	100	60,863	53,946	
Mortgage Loans and Other Real Estate Encumbrances	130	1,083	1,127	
Derivative Financial Instruments	140	0	0	
Defined Benefit Pension Plan	145			
Amounts Due in respect of Staff Pension Plans (not including amounts	150			
Provisions and Other Liabilities	160	1,269	1,141	
Segregated Fund Liabilities	420	0	0	
Current Tax Liabilities	430	723	584	
Deferred Tax Liabilities	250	15,382	13,278	
Subordinated Debt	280		0	
Other Debt	310		0	
<b>Total Liabilities</b>	<b>389</b>	<b>300,311</b>	<b>252,955</b>	<b>0</b>
<b>Policyholders' Equity</b>				
Participating Account	510			
Participating Account - Accumulated OCI (Loss)	520			
Non-Participating Account (Mutual Companies Only)	540			
Non-Participating Account - Accumulated OCI (Loss)	550			
<b>Total Policyholders' Equity</b>	<b>589</b>		<b>0</b>	
<b>Shareholders' Equity</b>				
Capital Stock	610			
Other Capital	640			
Contributed Surplus	670			
Retained Earnings	700			
Accumulated Other Comprehensive Income (Loss)	740			
<b>Total Shareholders' Equity</b>	<b>779</b>	<b>188,433</b>	<b>168,698</b>	
<b>Non-controlling Interests</b>	<b>829</b>		<b>0</b>	
<b>Total Equity</b>	<b>839</b>	<b>188,433</b>	<b>168,698</b>	<b>0</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>899</b>	<b>488,744</b>	<b>421,653</b>	<b>0</b>

## CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME  
(\$'000)

		Current Period	Prior Period
		(01)	(03)
<b>Revenue</b>			
Gross Premiums	020	42,943	39,930
Premiums ceded	030	28,202	25,889
Net Premiums	040	14,741	14,041
Gross Investment Income	050	4,055	3,593
Less: Investment Expenses and Taxes	060	257	329
Net Investment Income	070	3,798	3,264
Share of Income/Loss of Associates & Joint Ventures	090	0	0
Fee Income	130	3,004	3,042
Other Revenue	160	0	0
Fraternal and Other Fund Revenues	180	0	0
<b>Total Revenue</b>	199	21,543	20,347
<b>Policy/Certificate Benefits and Expenses</b>			
Policyholder/Certificateholder Benefits	260	4,027	4,045
Benefits ceded	270	2,501	2,417
Gross Changes to Actuarial Liabilities			
Normal	310	661	2,025
Basis Change	320	0	0
Gross Changes to Other Contract Liabilities	340	0	0
Changes in Actuarial and Other Contract Liabilities Ceded			
Normal	370	793	2,032
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	18,700	16,690
Commissions Ceded	470	10,818	9,570
Interest on Policyholder/Certificateholder Amounts on Deposit	480	0	0
Interest Expense and Finance Costs	510	11	8
General Expenses and Taxes (excl income taxes)	540	6,830	6,079
Other Expenses	570	139	128
Fraternal & Other Fund Expenses	580	0	0
<b>Total Benefits and Expenses</b>	649	16,256	14,956
<b>Income Before Income Tax</b>	669	5,287	5,391
Provision for Income Taxes			
Current	700	955	1,130
Deferred	710	0	0
<b>Income before the following:</b>	749	4,332	4,261
Discontinued Operations			
(net of Income Taxes of \$ )	830	0	0
<b>Income Before Attribution to Participating Policyholders/Certificateholders</b>	859	4,332	4,261
Income Attributable to Participating Policyholders/Certificateholders			
(Stock companies)	870	0	0
<b>Net Income</b>	899	4,332	4,261
Less: Fraternal and Other Fund Account	980	0	0
<b>Net Income: Insurance Fund</b>	989	4,332	4,261
<b>Attributable to:</b>			
Non-controlling Interests	900	0	0
Equity Holders	920	4,332	4,261

**CONSOLIDATED FINANCIAL STATEMENTS**

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

Reference Page		Current Period		Prior Period	
		(01)	(03)	(01)	(03)
	Beginning of Year	010		0	
	Adjustments	040		0	
	(Specify)	070		0	
<a href="#">20.030</a>	Share of Net Income (Loss)	100		0	
<a href="#">20.040</a>	Transfer from (to) Retained Earnings (Stock companies only)	130		0	
<a href="#">20.040</a>	Transfer from (to) Non-Par Account (Mutual companies only)	160		0	
	<b>End of Year</b>	199	0	0	0

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

Reference Page		Current Period		Prior Period	
		(01)	(03)	(01)	(03)
	Beginning of Year	310		0	
	Adjustments	340		0	
	(Specify)	370		0	
<a href="#">20.030</a>	Share of Net Income (Loss)	400		0	
<a href="#">20.040</a>	Transfer from (to) Par Account	430	0	0	
	Dividends to Preferred Shareholders	460		0	
	<b>End of Year</b>	499	0	0	0

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

Reference Page		Current Period		Prior Period	
		(01)	(03)	(01)	(03)
	Beginning of Year	510	144,567	124,417	
	Adjustments	540		0	
	(Specify)	570		0	
<a href="#">20.030</a>	Share of Net Income (Loss)	600	4,332	4,261	
<a href="#">20.040</a>	Transfer from (to) Par Account	630	0	0	
	Dividends to Shareholders:				
	Preferred	710		0	
	Common	740	10,000	5,000	
	<b>End of Year</b>	859	138,899	123,678	

Insurer/Society

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

		Current Period (01)	Prior Period (03)
<b>Comprehensive Income (Loss)</b>			
Income Before Attribution to Participating Policyholders/Certificateholders	010	4,332	4,261
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	0
- Bonds and Debentures	140	27	17
- Equities	170	4,119	1,717
Reclassification of (Gains) Losses to Net Income	210	(74)	(535)
<b>Derivatives Designated as Cash Flow Hedges</b>			
Change in Unrealized Gains and Losses	310	0	0
Reclassification of (Gains) Losses to Net Income	340	0	0
<b>Foreign Currency Translation</b>			
Change in Unrealized Gains and Losses	410	(466)	(31)
Impact of Hedging	440	0	0
<b>Share of Other Comprehensive Income of Associates &amp; Joint Ventures</b>	460	0	0
<b>Other</b>	445	0	0
<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	449	3,606	1,168
<b>Items that will not be reclassified subsequently to Net Income:</b>			
<b>Revaluation Surplus</b>	455	0	0
<b>Remeasurements of Defined Benefit Plan</b>	470	0	0
<b>Other</b>	480	0	0
<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	489	0	0
Total Other Comprehensive Income (Loss)	510	3,606	1,168
<b>Total Comprehensive Income (Loss)</b>	589	7,938	5,429
<b>Attributable to:</b>			
Participating Policyholders/Certificateholders (Stock Companies)	615	0	0
Non-controlling Interests	600	0	0
Equity Holders	620	7,938	5,429

		Current Period (01)	Prior Period (03)
<b>Accumulated Other Comprehensive Income (Loss)</b>			
Accumulated Gains (Losses) on:			
<b>Items that may be reclassified subsequently to Net Income:</b>			
<b>Available for Sale:</b>			
- Loans	710	0	0
- Bonds and Debentures	740	410	259
- Equities	770	12,176	6,760
<b>Derivatives Designated as Cash Flow Hedges</b>	810	0	0
<b>Foreign Currency (Net of Hedging Activities)</b>	840	(1,052)	0
<b>Share of Other Comprehensive Income of Associates &amp; Joint Ventures</b>	860	0	0
<b>Other</b>	845	0	0
<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	849	11,534	7,019
<b>Items that will not be reclassified subsequently to Net Income:</b>			
<b>Revaluation Surplus</b>	855	0	0
<b>Remeasurements of Defined Benefit Plan</b>	870	0	0
<b>Other</b>	880	0	0
<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	889	0	0
Balance at end of Period	899	11,534	7,019

## 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	138,899		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
CALM			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 MCCR purposes		138,675	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)		(1,052)	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>		175,623	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	0		012
<b>Net Tier 1 Capital</b>		175,623	020
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	0		321
<b>Adjusted Net Tier 1 Capital</b>		<b>A</b> 175,623	329
<b>Tier 2A (page 20.020 line 079)</b>	12,176		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>B</b> 12,176	025
<b>Total Capital Available</b>	<b>(A+B)</b>	<b>C</b> 187,799	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) 25,502		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)	25,502	050
<b>Insurance Risks</b>			
Mortality Risk	i) 2,295		051
Morbidity Risk	ii) 19,181		052
Lapse Risk	iii) 2,774		053
<b>Total Insurance Risks</b>	sum of (i to iii)	24,250	060
<b>Changes in Interest Environment (C-3) Risk</b>		1,384	062
<b>Foreign Exchange Risk</b>		1,185	067
<b>Other (specify)<sup>2</sup></b>			070
<b>Total Capital Required</b>		<b>D</b> 52,321	080
<b>MCCR Ratios</b>			
<b>Tier 1</b>	<b>(A ÷ D) x 100</b>	335.66	098
<b>Total</b>	<b>(C ÷ D) x 100</b>	358.94	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

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