

## CONSOLIDATED FINANCIAL STATEMENTS

ASSETS  
(\$'000)

Reference Page	FS Notes Reference		Current Year	Prior Year	Opening Prior Year Restated
			(01)	(03)	(05)
		Cash and Cash Equivalents 010	24,216	22,434	
		Assets held for sale 020		0	
<u>21.012</u>		Short Term Investments 040	813	1,050	
		Accrued Investment Income 070	330	148	
<u>21.150 or/ou</u> <u>21.155</u>		Accounts Receivable 100	15,847	12,575	
		Policy/Certificate Loans 200		0	
<u>21.012</u>		Bonds and Debentures 250	56,298	58,750	
<u>21.050</u>		Mortgage Loans 300	1,993	2,209	
<u>21.012</u>		Preferred Shares 420	141,633	114,554	
<u>21.012</u>		Common Shares 440	64,321	49,005	
<u>21.080</u>		Investment Properties 510	21,150	21,504	
		Derivative Financial Instruments 520		0	
<u>22.020</u>		Reinsurance Assets 530	68,373	62,413	
<u>21.080</u>		Property and Equipment 540	4,469	4,846	
<u>21.100</u>		Interests in Associates & Joint Ventures 550	0	0	
<u>60.010</u>		Segregated Funds Net Assets 560		0	
<u>21.100</u>		Other Loans and Invested Assets 600	21,348	21,661	
		Current Tax Assets 780		4,230	
		Deferred Tax Assets 800	244	188	
		Goodwill 820		0	
		Intangible Assets 830		0	
<u>21.155</u>		Other Assets 880	332	442	
		<b>TOTAL ASSETS 899</b>	<b>421,367</b>	<b>376,009</b>	<b>0</b>

## CONSOLIDATED FINANCIAL STATEMENTS

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

Reference Page	FS Notes Reference		Current Year (01)	Prior Year (03)	Opening Prior Year Restated (05)
		<b>Liabilities</b>			
		Liabilities held for sale 005		0	
22.020		Actuarial Liabilities for Insurance Contracts 010	112,662	105,382	
22.020		Other Contract Liabilities 040	68,373	62,413	
		Trust and Banking Deposits 070		0	
or/ou 21.155		Accounts Payable 100	53,642	40,102	
21.080		Mortgage Loans and Other Real Estate Encumbrances 130	1,138	1,184	
		Derivative Financial Instruments 140		0	
22.030		Provisions and Other Liabilities 160	3,141	2,607	
		Segregated Fund Liabilities 420		0	
		Current Tax Liabilities 430	865	0	
		Deferred Tax Liabilities 250	13,278	12,086	
		Subordinated Debt 280		0	
		Other Debt 310		0	
		<b>Total Liabilities</b> 389	253,099	223,774	0
		<b>Policyholders' Equity</b>			
20.040		Participating Account 510	0	0	
		Participating Account - Accumulated OCI (Loss) 520		0	
20.040		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	
20.040		Retained Earnings 700	124,417	109,006	
		Shareholders' Accumulated OCI (Loss) 740	5,851	5,229	
		<b>Total Shareholders' Equity</b> 779	168,268	152,235	0
		<b>Non-controlling Interests</b> 829		0	
		<b>Total Equity</b> 839	168,268	152,235	0
		<b>TOTAL LIABILITIES AND SURPLUS</b> 899	421,367	376,009	0

## CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME  
(S'000)

Reference Page	FS Notes Reference		Current Year	Prior Year
			(01)	(03)
		<b>Revenue</b>		
35.020		Gross Premiums	188,966	150,442
35.020		Premiums ceded	125,407	99,017
45.020		Net Premiums	63,559	51,425
35.020		Gross Investment Income	10,051	13,730
35.020		Less: Investment Expenses and Taxes	250	178
23.010		Net Investment Income	9,801	13,552
35.020		Share of Income/Loss of Associates & Joint Ventures	0	0
		Fee Income	14,552	11,864
23.030		Other Revenue	0	0
35.020		Fraternal & Other Fund Revenues	0	0
		<b>Total Revenue</b>	<b>87,912</b>	<b>76,841</b>
		<b>Policy/Certificate Benefits and Expenses</b>		
35.020		Policyholder/Certificateholder Benefits	16,548	17,433
35.020		Benefits ceded	9,856	10,100
		Gross Changes to Actuarial Liabilities		
35.020		Normal	15,336	5,149
35.020		Basis Change	(8,056)	(5,955)
35.020		Gross Changes to Other Contract Liabilities	0	0
35.020		Changes in Actuarial and Other Contract Liabilities Ceded		
		Normal	10,362	5,447
		Basis Change	(4,402)	(3,268)
35.020		Policyholder/Certificateholder Dividends	0	0
35.020		Experience Rating Refunds	0	0
35.020		Transfer to and (Transfer from) Other Funds	0	0
35.020		Gross Commissions	67,502	59,797
35.020		Commissions Ceded	36,209	34,221
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit	0	0
23.030		Interest Expense and Finance costs	49	66
23.030		General Expenses and Taxes (excl. income taxes)	22,263	20,959
23.030		Other Expenses	551	616
35.020		Fraternal & Other Fund Expenses	0	0
		<b>Total Benefits and Expenses</b>	<b>62,168</b>	<b>51,565</b>
		<b>Income Before Income Tax</b>	<b>25,744</b>	<b>25,276</b>
		Provision for Income Taxes		
		Current	4,197	5,278
		Deferred	1,136	401
		<b>Income Before the following:</b>	<b>20,411</b>	<b>19,597</b>
35.020		Discontinued Operations (Net of Income Taxes of \$ 0 )	0	0
		<b>Income Before Attribution to Participating Policyholders/Certificateholders</b>	<b>20,411</b>	<b>19,597</b>
35.020		Income Attributable to Participating Policyholders/Certificateholders (Stock Companies)	0	0
35.020		<b>Net Income</b>	<b>20,411</b>	<b>19,597</b>
35.020		Less: Fraternal & Other Fund Account	0	0
35.020		<b>Net Income: Insurance Fund</b>	<b>20,411</b>	<b>19,597</b>
		<b>Attributable to:</b>		
		Non-controlling Interests		0
		Equity Holders	20,411	19,597

## CONSOLIDATED FINANCIAL STATEMENTS

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

Reference Page	FS Notes Reference		Current Year (01)	Prior Year (03)
		Beginning of Year	0	0
		Adjustments		0
		(Specify)		0
<u>20.030</u>		Share of Net Income (Loss)		0
<u>20.040</u>		Transfer from (to) Retained Earnings (Stock companies only)		0
<u>20.040</u>		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  
(\$'000)

Reference Page	FS Notes Reference		Current Year (01)	Prior Year (03)
		Beginning of Year	0	0
		Adjustments		0
		(Specify)		0
<u>20.030</u>		Share of Net Income (Loss)		0
<u>20.040</u>		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  
(\$'000)

Reference Page	FS Notes Reference		Current Year (01)	Prior Year (03)
		Beginning of Year	109,006	94,409
		Adjustments		0
		(Specify)		0
<u>20.030</u>		Share of Net Income (Loss)	20,411	19,597
<u>20.040</u>		Transfer from (to) Par Account	0	0
		Dividends to Shareholders:		
		Preferred		0
		Common	5,000	5,000
		<b>End of Year</b>	124,417	109,006

CONSOLIDATED FINANCIAL STATEMENTS

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

FS Notes Reference		Current Year (01)	Prior Year (03)
	<b>Comprehensive Income (Loss)</b>		
	Income Before Attribution to Participating Policyholders/Certificateholders	010	20,411
	Other Comprehensive Income (Loss):		
	<b>Available for Sale:</b>		
	Change in Unrealized Gains and Losses:		
	- Loans	110	0
	- Bonds and Debentures	140	(177)
	- Equities	170	1,416
	Reclassification to Earnings of (Gains) Losses	210	50
	<b>Derivatives Designated as Cash Flow Hedges</b>		
	Change in Unrealized Gains and Losses	310	0
	Reclassification to Earnings of (Gains) Losses	340	0
	<b>Foreign Currency Translation</b>		
	Change in Unrealized Gains and Losses	410	(667)
	Impact of Hedging	440	0
	<b>Revaluation Surplus</b>	455	
	<b>Share of Other Comprehensive Income of Associates &amp; Joint Ventures</b>	460	0
	<b>Other</b>	480	0
	Total Other Comprehensive Income (Loss)	510	622
	<b>Total Comprehensive Income (Loss)</b>	589	21,033
	<b>Attributable to:</b>		
	Participating Policyholders/Certificateholders (Stock Companies)	615	
	Non-controlling Interests	600	0
	Equity Holders	620	21,033
			12,958

FS Notes Reference		Current Year (01)	Prior Year (03)
	<b>Accumulated Other Comprehensive Income (Loss)</b>		
	Accumulated Gains (Losses) on:		
	<b>Available for Sale:</b>		
	- Loans	710	0
	- Bonds and Debentures	740	443
	- Equities	770	5,409
	<b>Derivatives Designated as Cash Flow Hedges</b>	810	0
	<b>Foreign Currency (Net of Hedging Activities)</b>	840	0
	<b>Revaluation Surplus</b>	855	
	<b>Share of Other Comprehensive Income of Associates &amp; Joint Ventures</b>	860	0
	<b>Other</b>	880	0
	Balance at end of Year	899	5,852
			5,229

**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	124,417		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	189		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		124,228	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)		(30)	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
<b>Gross Tier 1 Capital</b>		162,198	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	0		012
<b>Net Tier 1 Capital</b>		162,198	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> 162,198	329
<b>Tier 2A (page 20.020 line 079)</b>	5,409		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> 5,409	025
<b>Total Capital Available</b>	<b>(A+B)</b>	<b>C</b> 167,607	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)	17,927	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)	17,927	050
<b>Insurance Risks</b>			
Mortality Risk	i)	2,148	051
Morbidity Risk	ii)	17,462	052
Lapse Risk	iii)	1,842	053
<b>Total Insurance Risks</b>	sum of (i to iii)	21,452	060
<b>Changes in Interest Environment (C-3) Risk</b>		1,161	062
<b>Foreign Exchange Risk</b>		544	067
<b>Other (specify)<sup>1</sup></b>			070
<b>Total Capital Required</b>		<b>D</b> 41,084	080
<b>MCCR Ratios</b>			
<b>Tier 1</b>	<b>(A + D) x 100</b>	394.80	098
<b>Total</b>	<b>(C + D) x 100</b>	407.96	099

<sup>1</sup> Provide details of additional requirements.