

## CONSOLIDATED FINANCIAL STATEMENTS

ASSETS  
(\$'000)

Reference Page	FS Notes Reference		Current Year	Prior Year	
			(01)	(03)	
		Cash and Cash Equivalents	010	1,098	1,190
<a href="#">21.012</a>		Assets held for sale	020	0	0
		Short Term Investments	040	0	0
		Accrued Investment Income	070	0	0
<a href="#">21.150 or/ou</a>		Accounts Receivable	100	2,207	1,904
<a href="#">21.155</a>		Policy/Certificate Loans	200	0	0
<a href="#">21.012</a>		Bonds and Debentures	250	50	51
<a href="#">21.050</a>		Mortgage Loans	300	0	0
<a href="#">21.012</a>		Preferred Shares	420	3,549	3,523
<a href="#">21.012</a>		Common Shares	440	2,007	1,824
<a href="#">21.080</a>		Investment Properties	510	0	0
		Derivative Financial Instruments	520	0	0
<a href="#">22.020</a>		Reinsurance Assets	530	0	0
<a href="#">21.080</a>		Property and Equipment	540	0	0
<a href="#">21.100</a>		Interests in Associates & Joint Ventures	550	0	0
<a href="#">60.010</a>		Segregated Funds Net Assets	560	0	0
<a href="#">21.100</a>		Other Loans and Invested Assets	600	0	0
		Current Tax Assets	780	0	52
		Deferred Tax Assets	800	72	16
		Goodwill	820	0	0
		Intangible Assets	830	0	0
		Defined Benefit Pension Plan Assets	840	0	0
<a href="#">21.155</a>		Other Assets	880	14	177
		<b>TOTAL ASSETS</b>	899	8,997	8,737

CONSOLIDATED FINANCIAL STATEMENTS

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

Reference Page	FS Notes Reference		Current Year	Prior Year
			(01)	(03)
		<b>Liabilities</b>		
		Liabilities held for sale	005	0
		Actuarial Liabilities for Insurance Contracts	010	1,548
<a href="#">22.020</a>		Other Contract Liabilities	040	117
<a href="#">22.020</a>		Trust and Banking Deposits	070	0
<a href="#">22.030 or/ou</a>		Accounts Payable	100	490
<a href="#">21.155</a>		Mortgage Loans and Other Real Estate Encumbrances	130	0
<a href="#">21.080</a>		Derivative Financial Instruments	140	0
		Defined Benefit Pension Plan Obligation	145	
		Amounts Due in respect of Staff Pension Plans (not including amounts on line 145	150	
<a href="#">22.030</a>		Provisions and Other Liabilities	160	261
		Segregated Fund Liabilities	420	0
		Current Tax Liabilities	430	4
		Deferred Tax Liabilities	250	0
		Subordinated Debt	280	0
		Other Debt	310	0
		<b>Total Liabilities</b>	389	2,420
		<b>Policyholders' Equity</b>		
<a href="#">20.040</a>		Participating Account	510	0
		Participating Account - Accumulated OCI (Loss)	520	0
<a href="#">20.040</a>		Non-Participating Account (Mutual Companies Only)	540	0
		Non-Participating Account - Accumulated OCI (Loss)	550	0
		<b>Total Policyholders' Equity</b>	589	0
		<b>Shareholders' Equity</b>		
		Capital Stock	610	5,000
		Other Capital	640	0
		Contributed Surplus	670	1,000
<a href="#">20.040</a>		Retained Earnings	700	363
		Shareholders' Accumulated OCI (Loss)	740	214
		<b>Total Shareholders' Equity</b>	779	6,577
		<b>Non-controlling Interests</b>	829	0
		<b>Total Equity</b>	839	6,577
		<b>TOTAL LIABILITIES AND EQUITY</b>	899	8,997
			8,997	8,737

## CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME  
(\$'000)

Reference Page	FS Notes Reference		Current Year	Prior Year
			(01)	(03)
		<b>Revenue</b>		
35.020		Gross Premiums	9,325	12,420
35.020		Premiums ceded	0	0
45.020		Net Premiums	9,325	12,420
35.020		Gross Investment Income	299	235
35.020		Less: Investment Expenses and Taxes	0	0
23.010		Net Investment Income	299	235
35.020		Share of Income (Loss) of Associates & Joint Ventures	0	0
		Fee Income	0	0
23.030		Other Revenue	0	0
35.020		Fraternal and Other Fund Revenues	0	0
		<b>Total Revenue</b>	9,624	12,655
		<b>Policy/Certificate Benefits and Expenses</b>		
35.020		Policyholder/Certificateholder Benefits	687	927
35.020		Benefits ceded	0	0
		Gross Changes to Actuarial Liabilities		
35.020		Normal	509	831
35.020		Basis Change	0	0
35.020		Gross Changes to Other Contract Liabilities	0	0
		Changes in Actuarial and Other Contract Liabilities Ceded		
35.020		Normal	0	0
35.020		Basis Change	0	0
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	0	0
35.020		Commissions Ceded	0	0
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit	0	0
23.030		Interest Expense and Finance costs	0	0
23.030		General Expenses and Taxes (excl. income taxes)	7,563	9,795
23.030		Other Expenses	0	0
35.020		Fraternal and Other Fund Expenses	0	0
		<b>Total Benefits and Expenses</b>	8,759	11,553
		<b>Income Before Income Tax</b>	865	1,102
		Provision for Income Taxes		
		Current	211	250
		Deferred	(56)	(2)
		<b>Income Before the following:</b>	710	854
35.020		Discontinued Operations		
		(net of Income Taxes of \$ 0 )	0	0
		<b>Income Before Attribution to Participating Policyholders/Certificateholders</b>	710	854
35.020		Income Attributable to Participating Policyholders/Certificateholders (Stock Companies)	0	0
35.020		<b>Net Income</b>	710	854
35.020		Less: Fraternal and Other Fund Account	0	0
35.020		<b>Net Income: Insurance Fund</b>	710	854
		<b>Attributable to:</b>		
		Non-controlling Interests		0
		Equity Holders	710	854

## 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
<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  
(\$'000)

Reference Page	FS Notes Reference		Current Year (01)	Prior Year (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  
(\$'000)

Reference Page	FS Notes Reference		Current Year (01)	Prior Year (03)
		Beginning of Year	478	524
		Adjustments		0
		(Specify)		0
<a href="#">20.030</a>		Share of Net Income (Loss)	710	854
<a href="#">20.040</a>		Transfer from (to) Par Account	0	0
		Dividends to Shareholders:		
		Preferred	825	900
		Common		0
		<b>End of Year</b>	363	478

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	710
	Other Comprehensive Income (Loss):		854
	<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	0
	- Equities	170	100
	Reclassification of (Gains) Losses to Net Income	210	(116)
	<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	0
	Impact of Hedging	440	0
	Other	445	
	<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	449	97
	<b>Items that will not be reclassified subsequently to Net Income:</b>		
	Revaluation Surplus	455	0
	Share of Other Comprehensive Income of Associates & Joint Ventures	460	0
	Remeasurements of Defined Benefit Plans	470	
	Other	480	
	<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	489	0
	Total Other Comprehensive Income (Loss)	510	97
	<b>Total Comprehensive Income (Loss)</b>	589	898
	<b>Attributable to:</b>		
	Participating Policyholders/Certificateholders (Stock companies)	615	0
	Non-controlling Interests	600	0
	Equity Holders	620	898

FS Notes Reference		Current Year (01)	Prior Year (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
	- Bonds and Debentures	740	0
	- Equities	770	117
	<b>Derivatives Designated as Cash Flow Hedges</b>	810	0
	<b>Foreign Currency (Net of Hedging Activities)</b>	840	0
	Other	845	
	<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	849	214
	<b>Items that will not be reclassified subsequently to Net Income:</b>		
	Revaluation Surplus	855	0
	Share of Other Comprehensive Income of Associates & Joint Ventures	860	0
	Remeasurements of Defined Benefit Plans	870	
	Other	880	
	<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	889	0
	Balance at end of Year	899	214

## Summary of Capital Elements and Ratio Calculations

(thousands of dollars)

	01	02	Ref
<b>Capital Available:</b>			
<b>Tier 1</b>			
Common shares		5,000	001
Contributed surplus		1,000	002
Retained earnings	363		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			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		363	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)			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			318
<b>Gross Tier 1 Capital</b>		6,363	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	0		012
<b>Net Tier 1 Capital</b>		6,363	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 6,363	329
<b>Tier 2A (page 20.020 line 079)</b>	214		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 214	025
<b>Total Capital Available</b>	(A+B)	C 6,577	040

### Capital Required:

<b>Asset Default and Market Risk</b>			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	i)	538	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	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)	538	050
<b>Insurance Risks</b>			
Mortality Risk	i)	230	051
Morbidity Risk	ii)	893	052
Lapse Risk	iii)	0	053
<b>Total Insurance Risks</b>	sum of (i to iii)	1,123	060
<b>Changes in Interest Environment (C-3) Risk</b>		0	062
<b>Foreign Exchange Risk</b>		0	067
<b>Other (specify)<sup>2</sup></b>			070
<b>Total Capital Required</b>		D 1,661	080

### MCCSR Ratios

<b>Tier 1</b>	(A ÷ D) x 100	383.08	098
<b>Total</b>	(C ÷ D) x 100	395.96	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

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