

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	010	1,700.00		2,564		
		Assets held for sale	020	-		0		
21.012		Short Term Investments	040	-		0		
		Accrued Investment Income	070	61.00		0		
21.050 or/ou		Accounts Receivable	100	984.00		1,627		
21.155		Policy/Certificate Loans	200			0		
21.012		Bonds and Debentures	250	50.00		50		
21.050		Mortgage Loans	300	-		0		
21.012		Preferred Shares	420	2,494.00		2,653		
21.012		Common Shares	440	2,163.00		2,152		
21.012		Investment Properties	510	-		0		
		Derivative Financial Instruments	520			0		
22.020		Reinsurance Assets	530			0		
21.080		Property and Equipment	540			0		
21.012		Interests in Associates & Joint Ventures	550	-		0		
60.010		Segregated Funds Net Assets	560			0		
21.100		Other Loans and Invested Assets	600	-		0		
		Investments in Subsidiaries	750					
		Current Tax Assets	780			0		
		Deferred Tax Assets	800	95.00		122		
		Goodwill	820			0		
		Intangible Assets	830			0		
		Defined Benefit Pension Plan	840			0		
21.155		Other Assets	880	817.00		34		
		TOTAL ASSETS	899	8,364.00		9,202		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	859.00	1,709
22.020		Other Contract Liabilities	040	174.00	139
		Trust and Banking Deposits	070		0
22.030 or/ou		Accounts Payable	100	585.00	416
21.155		Mortgage Loans and Other Real Estate Encumbrances	130		0
21.080		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	442.00	387
		Segregated Fund Liabilities	420		0
		Current Tax Liabilities	430	7.00	20
		Deferred Tax Liabilities	250		0
		Subordinated Debt	280		0
		Other Debt	310		0
		Total Liabilities	389	2,067.00	2,671
		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	6,297.00	6,531
		Non-controlling Interests	829		0
		Total Equity	839	6,297.00	6,531
		TOTAL LIABILITIES AND EQUITY	899	8,364.00	9,202
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	2,501.00	2,815
35.020		Premiums ceded	-	0
45.020		Net Premiums	2,501.00	2,815
35.020		Gross Investment Income	92.00	165
35.020		Less: Investment Expenses and Taxes	-	0
23.010		Net Investment Income	92.00	165
35.020		Share of Income/(Loss) of Associates & Joint Ventures	-	0
		Fee Income	-	0
23.030		Other Revenue	-	0
35.020		Fraternal and Other Fund Revenues	-	0
		Total Revenue	2,593.00	2,980
		Policy/Certificate Benefits and Expenses		
35.020		Policyholder/Certificateholder Benefits	102.00	98
35.020		Benefits ceded	-	0
		Gross Changes to Actuarial Liabilities		
35.020		Normal	53.00	161
35.020		Basis Change	-	0
35.020		Gross Changes to Other Contract Liabilities	-	0
35.020		Changes in Actuarial and Other Contract Liabilities Ceded		
35.020		Normal	-	0
35.020		Basis Change	-	0
35.020		Policyholder/Certificateholder Dividends	-	0
35.020		Experience Rating Refunds	-	0
35.020		Transfer to and (Transfer from) Other Funds	-	0
35.020		Gross Commissions	-	0
35.020		Commissions Ceded	-	0
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit	-	0
23.030		Interest Expense and Finance Costs	-	0
23.030		General Expenses and Taxes (excl income taxes)	2,207.00	2,430
23.030		Other Expenses	-	0
35.020		Fraternal & Other Fund Expenses	-	0
		Total Benefits and Expenses	2,362.00	2,689
		Income Before Income Tax	231.00	291
		Provision for Income Taxes		
		Current	14.00	95
		Deferred	28.00	(50)
		Income before the following:	189.00	246
35.020		Discontinued Operations (net of Income Taxes of \$)	-	0
		Income Before Attribution to Participating Policyholders/Certificateholders	189.00	246
		Income Attributable to Participating Policyholders/Certificateholders (Stock companies)	-	0
35.020		Net Income	189.00	246
35.020		Less: Fraternal and Other Fund Account	-	0
35.020		Net Income: Insurance Fund	189.00	246
		Attributable to:		
		Non-controlling Interests	-	0
		Equity Holders	189.00	246
			(99)	
		830	-	

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	363
		Adjustments	540	0
			570	0
<u>20.030</u>		Share of Net Income (Loss)	600	246
<u>20.040</u>		Transfer from (to) Par Account	630	0
		Dividends to Shareholders:		
		Preferred	710	0
		Common	740	396
		End of Year	859	213

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

Reference Page	FS Notes Reference		Current Period	Prior Period	
			(01)	(03)	
20.030		Comprehensive Income (Loss)			
		Net Income/Income Before Attribution to Participating Policyholders/Certificateholders	010	189.00	246
		Other Comprehensive Income (Loss):			
		Items that may be reclassified subsequently to Net Income:			
		Available for Sale:			
		Change in Unrealized Gains and Losses:			
		- Loans	110	-	0
		- Bonds and Debentures	140	-	0
		- Equities	170	(257.00)	144
		Reclassification of (Gains) Losses to Net Income	210	6.00	(40)
		Derivatives Designated as Cash Flow Hedges			
		Change in Unrealized Gains and Losses	310	-	0
		Reclassification of (Gains) Losses to Net Income	340	-	0
		Foreign Currency Translation			
		Change in Unrealized Gains and Losses	410	-	0
		Impact of Hedging	440	-	0
		Share of Other Comprehensive Income of Associates & Joint Ventures	460	-	0
		Other	445	-	0
		Subtotal of items that may be reclassified subsequently to Net Income	449	(251.00)	104
		Items that will not be reclassified subsequently to Net Income:			
		Revaluation Surplus	455		0
		Remeasurements of Defined Benefit Plans	470		0
		Other	480		0
	Subtotal of items that will not be reclassified subsequently to Net Income	489	-	0	
	Total Other Comprehensive Income (Loss)	510	(251.00)	104	
	Total Comprehensive Income (Loss)	589	(62.00)	350	
	Attributable to:				
	Participating Policyholders/Certificateholders (Stock Companies)	615	-	0	
	Non-controlling Interests	600	-	0	
	Equity Holders	620	(62.00)	350	

		Current Period	Prior Period	
		(01)	(03)	
	Accumulated Other Comprehensive Income (Loss)			
	Accumulated Gains (Losses), net of tax, on:			
	Items that may be reclassified subsequently to Net Income:			
	Available for Sale:			
	- Loans	710	0	
	- Bonds and Debentures	740	0	
	- Equities	770	11.00	318
	Derivatives Designated as Cash Flow Hedges	810	-	0
	Foreign Currency (Net of Hedging Activities)	840	-	0
	Share of Other Comprehensive Income of Associates & Joint Ventures	860	-	0
	Other	845	-	0
	Subtotal of items that may be reclassified subsequently to Net Income	849	11.00	318
	Items that will not be reclassified subsequently to Net Income:			
	Revaluation Surplus	855		0
	Remeasurements of Defined Benefit Plans	870		0
	Other	880		0
	Subtotal of items that will not be reclassified subsequently to Net Income	889	-	0
	Balance at end of Period	899	11.00	318

Summary of Capital Elements and Ratio Calculations

(thousands of dollars)

	01	02	Ref
Capital Available:			
Tier 1			
Common shares		5,000.00	001
Contributed surplus		1,000.00	002
Retained earnings	286.00		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			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		286.00	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 (liabilities) ¹			318
Gross Tier 1 Capital		6,286.00	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	-		012
Net Tier 1 Capital		6,286.00	020
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	-		321
Adjusted Net Tier 1 Capital		A 6,286.00	329
Tier 2A (page 20.020 line 079)	11.00		021
Tier 2B allowed (page 20.030 line 045)	-		022
Tier 2C (page 20.030 line 068)	-		023
Net Tier 2 Capital (page 20.030 line 695)		B 11.00	025
Total Capital Available	(A+B)	C 6,297.00	040

Capital Required:

Asset Default and Market Risk			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	i)	513.43	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)	513.43	050
Insurance Risks			
Mortality Risk	i)	218.00	051
Morbidity Risk	ii)	399.00	052
Lapse Risk	iii)		053
Total Insurance Risks	sum of (i to iii)	617.00	060
Changes in Interest Environment (C-3) Risk			
Foreign Exchange Risk			
Other (specify)²			
Total Capital Required		D 1,130.43	080

MCCSR Ratios

Tier 1	(A + D) x 100	556.07	098
Total	(C + D) x 100	557.05	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.