

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

Reference		Current Period	Prior Period	Opening Prior Year Restated
Page		(01)	(03)	(05)
	Cash and Cash Equivalents	010	2,564	1,524
	Assets held for sale	020		0
21.012	Short Term Investments	040	0	0
	Accrued Investment Income	070		0
	Accounts Receivable	100	1,627	1,913
	Policy/Certificate Loans	200		0
21.012	Bonds and Debentures	250	50	51
	Mortgage Loans	300	0	0
21.012	Preferred Shares	420	2,653	2,910
21.012	Common Shares	440	2,152	2,046
21.012	Investment Properties	510	0	0
	Derivative Financial Instruments	520		0
	Reinsurance Assets	530		0
	Property and Equipment	540		0
21.012	Interests in Associates & Joint Ventures	550	0	0
	Segregated Funds Net Assets	560		0
	Other Loans and Invested Assets	600	0	0
	Current Tax Assets	780	0	40
	Deferred Tax Assets	800	122	18
	Goodwill	820		0
	Intangible Assets	830		0
	Defined Benefit Pension Plan	840		
	Other Assets	880	34	136
	TOTAL ASSETS	899	9,202	8,638
				0

CONSOLIDATED FINANCIAL STATEMENTS

LIABILITIES, POLICYHOLDERS' AND SHAREHOLDERS' EQUITY

(\$'000)

		Current Period	Prior Period	Opening Prior Year Restated
		(01)	(03)	(05)
Liabilities				
Liabilities held for sale	005		0	
Actuarial Liabilities for Insurance Contracts	010	1,709	1,343	
Other Contract Liabilities	040	139	333	
Trust and Banking Deposits	070		0	
Accounts Payable	100	416	521	
Mortgage Loans and Other Real Estate Encumbrances	130		0	
Derivative Financial Instruments	140		0	
Defined Benefit Pension Plan	145			
Amounts Due in respect of Staff Pension Plans (not including amounts	150			
Provisions and Other Liabilities	160	387		
Segregated Fund Liabilities	420		0	
Current Tax Liabilities	430	20	7	
Deferred Tax Liabilities	250		0	
Subordinated Debt	280		0	
Other Debt	310		0	
Total Liabilities	389	2,671	2,204	0
Policyholders' Equity				
Participating Account	510			
Participating Account - Accumulated OCI (Loss)	520			
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			
Retained Earnings	700			
Accumulated Other Comprehensive Income (Loss)	740			
Total Shareholders' Equity	779	6,531	6,434	
Non-controlling Interests	829			
Total Equity	839	6,531	6,434	0
TOTAL LIABILITIES AND EQUITY	899	9,202	8,638	0

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

		Current Period	Prior Period
		(01)	(03)
Revenue			
Gross Premiums	020	2,815	5,251
Premiums ceded	030	0	0
Net Premiums	040	2,815	5,251
Gross Investment Income	050	165	113
Less: Investment Expenses and Taxes	060	0	0
Net Investment Income	070	165	113
Share of Income/Loss of Associates & Joint Ventures	090	0	0
Fee Income	130	0	0
Other Revenue	160	0	0
Fraternal and Other Fund Revenues	180	0	0
Total Revenue	199	2,980	5,364
Policy/Certificate Benefits and Expenses			
Policyholder/Certificateholder Benefits	260	98	425
Benefits ceded	270	0	0
Gross Changes to Actuarial Liabilities			
Normal	310	161	304
Basis Change	320	0	0
Gross Changes to Other Contract Liabilities	340	0	0
Changes in Actuarial and Other Contract Liabilities Ceded			
Normal	370	0	0
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	0	0
Commissions Ceded	470	0	0
Interest on Policyholder/Certificateholder Amounts on Deposit	480	0	0
Interest Expense and Finance Costs	510	0	0
General Expenses and Taxes (excl income taxes)	540	2,430	4,219
Other Expenses	570	0	0
Fraternal & Other Fund Expenses	580	0	0
Total Benefits and Expenses	649	2,689	4,948
Income Before Income Tax	669	291	416
Provision for Income Taxes			
Current	700	95	78
Deferred	710	(50)	(1)
Income before the following:	749	246	339
Discontinued Operations			
(net of Income Taxes of \$)	830	0	0
Income Before Attribution to Participating Policyholders/Certificateholders	859	246	339
Income Attributable to Participating Policyholders/Certificateholders			
(Stock companies)	870	0	0
Net Income	899	246	339
Less: Fraternal and Other Fund Account	980	0	0
Net Income: Insurance Fund	989	246	339
Attributable to:			
Non-controlling Interests	900		0
Equity Holders	920	246	339

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

Reference Page			Current Period	Prior Period
			(01)	(03)
	Beginning of Year	510	363	478
	Adjustments	540		0
	(Specify)	570		0
20.030	Share of Net Income (Loss)	600	246	339
20.040	Transfer from (to) Par Account	630	0	0
	Dividends to Shareholders:			
	Preferred	710		0
	Common	740	396	540
	End of Year	859	213	277

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

	Current Period	Prior Period
	(01)	(03)
Comprehensive Income (Loss)		
Income Before Attribution to Participating Policyholders/Certificateholders	010	339
Other Comprehensive Income (Loss):		
Items that may be reclassified subsequently to Net Income:		
Available for Sale:		
Change in Unrealized Gains and Losses:		
- Loans	110	
- Bonds and Debentures	140	
- Equities	170	39
Reclassification of (Gains) Losses to Net Income	210	1
Derivatives Designated as Cash Flow Hedges		
Change in Unrealized Gains and Losses	310	
Reclassification of (Gains) Losses to Net Income	340	
Foreign Currency Translation		
Change in Unrealized Gains and Losses	410	
Impact of Hedging	440	
Share of Other Comprehensive Income of Associates & Joint Ventures	460	
Other	445	
Subtotal of items that may be reclassified subsequently to Net Income	449	40
Items that will not be reclassified subsequently to Net Income:		
Revaluation Surplus	455	
Remeasurements of Defined Benefit Plan	470	
Other	480	
Subtotal of items that will not be reclassified subsequently to Net Income	489	0
Total Other Comprehensive Income (Loss)	510	40
Total Comprehensive Income (Loss)	589	379
Attributable to:		
Participating Policyholders/Certificateholders (Stock Companies)	615	
Non-controlling Interests	600	
Equity Holders	620	379

	Current Period	Prior Period
	(01)	(03)
Accumulated Other Comprehensive Income (Loss)		
Accumulated Gains (Losses) on:		
Items that may be reclassified subsequently to Net Income:		
Available for Sale:		
- Loans	710	
- Bonds and Debentures	740	
- Equities	770	157
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	
Other	845	0
Subtotal of items that may be reclassified subsequently to Net Income	849	157
Items that will not be reclassified subsequently to Net Income:		
Revaluation Surplus	855	
Remeasurements of Defined Benefit Plan	870	
Other	880	
Subtotal of items that will not be reclassified subsequently to Net Income	889	0
Balance at end of Period	899	157

Summary of Capital Elements and Ratio Calculations

(thousands of dollars)

	01	02	Ref
Capital Available:			
Tier 1			
Common shares		5,000	001
Contributed surplus		1,000	002
Retained earnings	212		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			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 MCSR purposes		212	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		6,212	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	0		012
Net Tier 1 Capital		6,212	020
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	0		321
Adjusted Net Tier 1 Capital		A 6,212	329
Tier 2A (page 20.020 line 079)	318		021
Tier 2B allowed (page 20.030 line 045)	0		022
Tier 2C (page 20.030 line 068)	0		023
Net Tier 2 Capital (page 20.030 line 695)		B 318	025
Total Capital Available	(A+B)	C 6,530	040
Capital Required:			
Asset Default and Market Risk			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	j) 508		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 reinsurance	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)	508	050
Insurance Risks			
Mortality Risk	j) 230		051
Morbidity Risk	ii) 893		052
Lapse Risk	iii)		053
Total Insurance Risks	sum of (i to iii)	1,123	060
Changes in Interest Environment (C-3) Risk			062
Foreign Exchange Risk			067
Other (specify)²			070
Total Capital Required		D 1,631	080
MCSR Ratios			
Tier 1	(A ÷ D) x 100	380.87	098
Total	(C ÷ D) x 100	400.37	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 and AOCI

²Provide details of additional requirements.