

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS  
(\$'000)

Reference Page	FS Notes Reference		Current Period		Prior Period		Opening Prior Year Restated	
			Total	Vested in Trust	Total	Vested in Trust	Total	Vested in Trust
			(01)	(02)	(03)	(04)	(05)	(06)
		Cash and Cash Equivalents	010	1,691		1,944		
		Assets held for sale	020			0		
21.012		Short Term Investments	040	0		0		
		Accrued Investment Income	070	60		62		
21.150 or/ou 21.155		Accounts Receivable	100	1,395		2,026		
		Policy/Certificate Loans	200			0		
21.012		Bonds and Debentures	250	50		50		
21.050		Mortgage Loans	300	0		0		
21.012		Preferred Shares	420	2,158		3,045		
21.012		Common Shares	440	1,065		2,087		
21.012		Investment Properties	510	0		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		0		
60.010		Segregated Funds Net Assets	560			0		
21.100		Other Loans and Invested Assets	600	0		0		
		Investments in Subsidiaries	750					
		Current Tax Assets	780			0		
		Deferred Tax Assets	800	79		187		
		Goodwill	820			0		
		Intangible Assets	830			0		
		Defined Benefit Pension Plan	840			0		
21.155		Other Assets	880	17		19		
		<b>TOTAL ASSETS</b>	<b>899</b>	<b>6,515</b>		<b>9,420</b>		<b>0</b>

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)
		<b>Liabilities</b>			
		Liabilities held for sale	005	0	
22.020		Actuarial Liabilities for Insurance Contracts	010	398	832
22.020		Other Contract Liabilities	040	135	173
		Trust and Banking Deposits	070	0	
22.030 or/ou		Accounts Payable	100	366	1,625
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	404	565
		Segregated Fund Liabilities	420	0	
		Current Tax Liabilities	430	0	
		Deferred Tax Liabilities	250	0	
		Subordinated Debt	280	0	
		Other Debt	310	0	
		<b>Total Liabilities</b>	389	1,303	3,195
		<b>Policyholders' Equity</b>			
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		
		<b>Total Policyholders' Equity</b>	589	0	
		<b>Shareholders' Equity</b>			
		Capital Stock	610		
		Other Capital	640		
		Contributed Surplus	670		
20.040		Retained Earnings	700		
		Accumulated Other Comprehensive Income (Loss)	740		
		<b>Total Shareholders' Equity</b>	779	5,212	6,225
		<b>Non-controlling Interests</b>	829	0	
		<b>Total Equity</b>	839	5,212	6,225
		<b>TOTAL LIABILITIES AND EQUITY</b>	899	6,515	9,420
20.044		<b>Head Office Account</b>	800		
		Accumulated Other Comprehensive Income (Loss)	840		
		<b>TOTAL LIABILITIES, HEAD OFFICE ACCOUNT AND ACCUMULATED</b>	999		

## CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME  
(\$'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		<b>Revenue</b>		
35.020		Gross Premiums	1,118	1,260
35.020		Premiums ceded	0	0
45.020		Net Premiums	1,118	1,260
35.020		Gross Investment Income	284	32
35.020		Less: Investment Expenses and Taxes	0	0
23.010		Net Investment Income	284	32
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>	<b>1,402</b>	<b>1,292</b>
		<b>Policy/Certificate Benefits and Expenses</b>		
35.020		Policyholder/Certificateholder Benefits	38	40
35.020		Benefits ceded	0	0
		Gross Changes to Actuarial Liabilities		
35.020		Normal	42	28
35.020		Basis Change	0	0
35.020		Gross Changes to Other Contract Liabilities	0	0
35.020		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)	972	1,120
23.030		Other Expenses	0	0
35.020		Fraternal & Other Fund Expenses	0	0
		<b>Total Benefits and Expenses</b>	<b>1,052</b>	<b>1,188</b>
		<b>Income Before Income Tax</b>	<b>350</b>	<b>104</b>
		Provision for Income Taxes		
		Current	78	80
		Deferred	5	(64)
		<b>Income before the following:</b>	<b>267</b>	<b>88</b>
35.020		Discontinued Operations		
		(net of Income Taxes of \$ )	0	0
		<b>Income Before Attribution to Participating Policyholders/Certificateholders</b>	<b>267</b>	<b>88</b>
		Income Attributable to Participating Policyholders/Certificateholders		
35.020		(Stock companies)	0	0
35.020		<b>Net Income</b>	<b>267</b>	<b>88</b>
35.020		Less: Fraternal and Other Fund Account	0	0
35.020		<b>Net Income: Insurance Fund</b>	<b>267</b>	<b>88</b>
		<b>Attributable to:</b>		
		Non-controlling Interests		0
		Equity Holders	267	88

(99)

830 0

267  
0

## 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	0	0
		Adjustments	0	0
		(Specify)	0	0
<u>20.030</u>		Share of Net Income (Loss)	0	0
<u>20.040</u>		Transfer from (to) Retained Earnings (Stock companies only)	0	0
<u>20.040</u>		Transfer from (to) Non-Par Account (Mutual companies only)	0	0
		<b>End of Year</b>	<b>0</b>	<b>0</b>

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

Reference Page	FS Notes Reference	(05)	Current Period (01)	Prior Period (03)
		Beginning of Year	0	0
		Adjustments	0	0
		(Specify)	0	0
<u>20.030</u>		Share of Net Income (Loss)	0	0
<u>20.040</u>		Transfer from (to) Par Account	0	0
		Dividends to Preferred Shareholders	0	0
		<b>End of Year</b>	<b>0</b>	<b>0</b>

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

Reference Page	FS Notes Reference	(05)	Current Period (01)	Prior Period (03)
		Beginning of Year	(26)	488
		Adjustments	267	0
		(Specify)		0
<u>20.030</u>		Share of Net Income (Loss)		88
<u>20.040</u>		Transfer from (to) Par Account	0	0
		Dividends to Shareholders:		
		Preferred		0
		Common	0	390
		<b>End of Year</b>	<b>241</b>	<b>186</b>

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

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		<b>Comprehensive Income (Loss)</b>		
<u>20.030</u>		Net Income/Income Before Attribution to Participating Policyholders/Certificateholders	010	267
		Other Comprehensive Income (Loss):		88
		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	(68)
		Reclassification of (Gains) Losses to Net Income	210	(175)
				8
		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	(243)
		Items that will not be reclassified subsequently to Net Income:		(222)
		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	(243)
		Total Comprehensive Income (Loss)	589	24
		Attributable to:		(134)
		Participating Policyholders/Certificateholders (Stock Companies)	615	0
		Non-controlling Interests	600	0
		Equity Holders	620	24

			Current Period (01)	Prior Period (03)
		<b>Accumulated Other Comprehensive Income (Loss)</b>		
		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	(129)
				39
		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	(129)
		Items that will not be reclassified subsequently to Net Income:		39
		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	(129)

**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		100	002
Retained earnings	241		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 owner-occupied property upon conversion to IFRS (cost model)			204
Plus: Accumulated after tax revaluation loss on owner-occupied property (revaluation model)			206
Less: Accumulated net after-tax gains or losses up to the transfer date on owner-occupied property that was previously			207
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: Accumulated gains reported in OCI up to the transfer date on investment property that was previously classified as			213
Retained earnings for MCCR purposes		241	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
<b>Gross Tier 1 Capital</b>		5,341	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	0		012
<b>Net Tier 1 Capital</b>		5,341	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 5,341	329
<b>Tier 2A (page 20.020 line 079)</b>	(129)		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 0	025
<b>Total Capital Available</b>	(A+B) C	5,341	040

Tier 2A (page 20.020 line 079)

Net Tier 2 Capital (page 20.030 line 695)

<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)	324	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
<b>Total Asset Default and Market Risk</b>	sum of (i to vii)	324	050
<b>Insurance Risks</b>			
Mortality Risk	i)	197	051
Morbidity Risk	ii)	363	052
Lapse Risk	iii)		053
<b>Total Insurance Risks</b>	sum of (i to iii)	560	060
<b>Changes in Interest Environment (C-3) Risk</b>			
Foreign Exchange Risk			067
Other (specify) <sup>a</sup>			070
<b>Total Capital Required</b>	D	884	080
<b>MCCR Ratios</b>			
Tier 1	(A + D) x 100	604.19	098
Total	(C + D) x 100	604.19	099

<sup>a</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  
<sup>b</sup>Provide details of additional requirements.