

Insurer

CONSOLIDATED FINANCIAL STATEMENTS**ASSETS
(\$'000)**

Reference Page		Current Year 01	Prior Year 03
	Cash and Cash Equivalents	2,938	22,052
	Assets held for sale		
<u>21.012</u>	Short Term Investments	13,693	14,357
	Accrued Investment Income	1,400	1,609
	Accounts Receivable	13,207	12,811
	Policy Loans		0
<u>21.012</u>	Bonds and Debentures	56,245	41,248
	Mortgage Loans	2,365	2,573
<u>21.012</u>	Preferred Shares	106,452	96,775
<u>21.012</u>	Common Shares	33,738	35,026
	Real Estate (CGAAP)		
<u>21.012</u>	Investment Properties	23,480	4,419
	Derivative Financial Instruments		
	Reinsurance Assets		
	Property and Equipment		
<u>21.012</u>	Interests in Associates & Joint Ventures	22,263	27,181
	Segregated Funds Net Assets (IFRS)		
	Other Loans and Invested Assets	18,343	15,447
	Current Tax Assets		
	Deferred Tax Assets		0
	Goodwill.....		0
	Intangible Assets.....		0
	Other Assets.....	1,835	3,053
	TOTAL ASSETS	295,959	276,551
	Total Segregated Funds Net Assets (CGAAP)		0

CONSOLIDATED FINANCIAL STATEMENTS

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

		Current Year	Prior Year
		01	03
Liabilities			
Liabilities held for sale	005		
Actuarial Liabilities for Insurance Contracts	010	59,366	59,344
Other Contract Liabilities	040	64,468	62,000
Trust and Banking Deposits	070		0
Accounts Payable	100	13,228	18,366
Mortgage Loans and Other Real Estate Encumbrances	130		0
Derivative Financial Instruments	140		
Provisions and Other Liabilities	160	54	1,682
Net Deferred Gains (Losses) on Real Estate (CGAAP):			
Backing Liabilities (CGAAP)	180		0
Backing Equity (CGAAP)	230		0
Segregated Fund Liabilities	420		
Current Tax Liabilities	430		
Deferred Tax Liabilities	250	11,244	12,058
Subordinated Debt	280		0
Other Debt	310		0
Total Liabilities	389	148,360	153,450
Non-Controlling Interests (CGAAP)	410		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	147,599	123,101
Non-controlling Interests (IFRS)	829		
TOTAL LIABILITIES AND EQUITY	899	295,959	276,551

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

		Current Year (01)	Prior Year (03)
Revenue			
Gross Premiums	020	26,562	22,881
Premiums Ceded	030	15,758	13,853
Net Premiums	040	10,804	9,028
Gross Investment Income	050	4,840	3,916
Less: Investment Expenses and Taxes	060	307	109
Net Investment Income	070	4,533	3,807
Share of Income(Loss) of Associates & Joint Ventures	090	0	
Fee Income	130	2,308	2,056
Other Revenue	160	0	0
Total Revenue	199	17,645	14,891
Policy Benefits and Expenses			
Policyholder Benefits	260	4,740	4,677
Benefits Ceded	270	2,594	2,745
Gross Changes to Actuarial Liabilities			
Normal	310	(815)	(2,032)
Basis Change	320	0	
Gross Changes to Other Contract Liabilities	340	0	
Changes in Actuarial and Other Contract Liabilities Ceded	350	0	
Policyholder Dividends	360	0	0
Experience Rating Refunds	390	0	0
Transfer to and (Transfer from) Other Funds	420	0	0
Gross Commissions	460	13,682	13,262
Commissions Ceded	470	8,141	8,320
Interest on Policyholder Amounts on Deposit	480	0	0
Interest Expense and Finance Costs	510	0	0
General Expenses and Taxes (excl. income taxes)	540	5,143	4,846
Other Expenses	570	341	302
Non-Controlling Interests (CGAAP)	600	0	0
Total Benefits and Expenses	649	12,356	9,990
Income Before Income Tax	669	5,289	4,901
Provision for Income Taxes			
Current	700	1,345	1,061
Deferred	710		0
Income before the following:	749	3,944	3,840
Extraordinary Items			
(Net of Income Taxes of \$) (CGAAP)	800	0	0
Discontinued Operations			
(Net of Income Taxes of \$)	830	0	0
Income Before Attribution to Participating Policyholders	859	3,944	3,840
Income Attributable to Participating Policyholders			
(Stock companies)	870	0	0
Net Income	899	3,944	3,840
Attributable to:			
Non-controlling Interests (IFRS)	900		
Equity Holders	920		
Premiums on Reinsurance Agreements			
Deducted in arriving at Net Premiums	940		
Deducted & not included in gross premiums	941		

CONSOLIDATED FINANCIAL STATEMENTS**STATEMENT OF EQUITY IN PARTICIPATING ACCOUNT
(\$'000)**

Reference Page		Current Year (01)	Prior Year (03)
	Beginning of Year		0
	Adjustments		0
		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
	End of Year	0	0

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

Reference Page		Current Year (01)	Prior Year (03)
	Beginning of Year		0
	Adjustments		0
		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
	End of Year	0	0

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

Reference Page		Current Year (01)	Prior Year (03)
	Beginning of Year	95,408	74,626
	Adjustments		0
		0
<u>20.030</u>	Share of Net Income (Loss)	3,944	3,840
<u>20.040</u>	Transfer from (to) Par Account	0	0
	Dividends to Shareholders:		
	Preferred		0
	Common		0
	End of Year	99,352	78,466

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

	Current Year 01	Prior Year 03
Comprehensive Income (Loss)		
Income Before Attribution to Participating Policyholders	3,944	3,840
Other Comprehensive Income (Loss):		
Available for Sale:		
Change in Unrealized Gains and Losses:		
- Loans		0
- Bonds and Debentures	(149)	120
- Equities	1,199	517
Reclassification to Earnings of (Gains) Losses	(1,672)	(1,014)
Derivatives Designated as Cash Flow Hedges		
Change in Unrealized Gains and Losses		0
Reclassification to Earnings of (Gains) Losses		0
Foreign Currency Translation		
Change in Unrealized Gains and Losses		0
Impact of Hedging		0
Share of Other Comprehensive Income of Associates & Joint Ventures		
Other		0
Total Other Comprehensive Income (Loss)	(622)	(377)
Total Comprehensive Income (Loss)	3,322	3,463
Attributable to:		
Non-controlling Interests	600	
Equity Holders	620	

	Current Year 01	Prior Year 03
Accumulated Other Comprehensive Income (Loss)		
Accumulated Gains/ (Losses) on:		
Available for Sale:		
- Loans	710	0
- Bonds and Debentures	740	1,773
- Equities	770	4,862
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	880	0
Balance at end of Year	899	6,635

Summary of Capital Elements and Ratio Calculations
(thousands of dollars)

	01	02	Ref
Capital Available:			
Tier 1			
Common shares		38,000	001
Contributed surplus			002
Retained earnings	99,352		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 gain on investment property			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 MCCR purposes		99,352	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
Gross Tier 1 Capital		137,352	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	0		012
Net Tier 1 Capital		137,352	020
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	0		321
Adjusted Net Tier 1 Capital		A 137,352	329
Tier 2A (page 20.020 line 079)	10,247		021
Tier 2B allowed (line 20.030 line 045)	0		022
Tier 2C (line 20.030 line 068)	0		023
Net Tier 2 Capital (page 20.030 line 695)		B 10,247	025
Total Capital Available	(A+B)	C 147,599	040
Capital Required:			
Asset Default and Market Risk			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	i)	16,168	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)	16,168	050
Insurance Risks			
Mortality Risk	i)	2,307	051
Morbidity Risk	ii)	12,534	052
Lapse Risk	iii)	1,307	053
Total Insurance Risks	sum of (i to iii)	16,148	060
Changes in Interest Environment (C-3) Risk		1,044	062
Foreign Exchange Risk		44	067
Other (specify)¹			070
Total Capital Required		D 33,404	080
MCCR Ratios			
Tier 1	(A + D) x 100	411.18	098
Total	(C + D) x 100	441.86	099

¹ Provide details of additional requirements.