

**CONSOLIDATED FINANCIAL STATEMENTS**

**ASSETS  
(\$'000)**

Reference Page		Current Year 01	Prior Year 03
	Cash and Cash Equivalents .....	417	189
	Assets held for sale .....		
21.012	Short Term Investments .....	0	0
	Accrued Investment Income .....		0
	Accounts Receivable .....	2,527	1,817
	Policy Loans .....		0
21.012	Bonds and Debentures .....	51	53
	Mortgage Loans .....	0	0
21.012	Preferred Shares .....	4,838	5,451
21.012	Common Shares .....	1,445	1,005
	Real Estate (CGAAP) .....		0
21.012	Investment Properties .....		
	Derivative Financial Instruments .....		
	Reinsurance Assets .....		
	Property and Equipment .....		
21.012	Interests in Associates & Joint Ventures .....	0	0
	Segregated Funds Net Assets (IFRS) .....		
	Other Loans and Invested Assets .....	0	0
	Current Tax Assets .....		
	Deferred Tax Assets .....	16	13
	Goodwill.....		0
	Intangible Assets.....		0
	Other Assets.....	320	228
	<b>TOTAL ASSETS .....</b>	<b>9,614</b>	<b>8,756</b>
	<b>Total Segregated Funds Net Assets (CGAAP) .....</b>		<b>0</b>

**CONSOLIDATED FINANCIAL STATEMENTS**

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

		Current Year	Prior Year
		01	03
<b>Liabilities</b>			
Liabilities held for sale .....	005		
Actuarial Liabilities for Insurance Contracts .....	010	581	951
Other Contract Liabilities .....	040	1,218	426
Trust and Banking Deposits .....	070		0
Accounts Payable .....	100	937	774
Mortgage Loans and Other Real Estate Encumbrances .....	130		0
Derivative Financial Instruments .....	140		
Provisions and Other Liabilities .....	160	46	131
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		0
Subordinated Debt .....	280		0
Other Debt .....	310		0
<b>Total Liabilities</b> .....	389	2,782	2,282
Non-Controlling Interests (CGAAP) .....	410		0
<b>Policyholders' Equity</b>			
Participating Account .....	510		
Participating Account - Accumulated OCI (Loss) .....	520		
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		
Retained Earnings .....	700		
Accumulated Other Comprehensive Income (Loss) .....	740		
<b>Total Shareholders' Equity</b> .....	779	6,832	6,474
<b>Non-controlling Interests (IFRS)</b> .....	829		
<b>TOTAL LIABILITIES AND EQUITY</b> .....	899	9,614	8,756

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME  
(\$'000)

		Current Year (01)	Prior Year (03)
<b>Revenue</b>			
Gross Premiums	020	4,360	3,102
Premiums Ceded	030	0	
Net Premiums	040	4,360	3,102
Gross Investment Income	050	75	110
Less: Investment Expenses and Taxes	060	0	
Net Investment Income	070	75	110
Share of Income(Loss) of Associates & Joint Ventures	090	0	
Fee Income	130	0	0
Other Revenue	160	0	0
<b>Total Revenue</b>	199	4,435	3,212
<b>Policy Benefits and Expenses</b>			
Policyholder Benefits	260	271	263
Benefits Ceded	270	0	
Gross Changes to Actuarial Liabilities			
Normal	310	65	175
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	(104)	0
Gross Commissions	460	0	
Commissions Ceded	470	0	
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	3,593	2,421
Other Expenses	570	0	0
Non-Controlling Interests (CGAAP)	600	0	0
<b>Total Benefits and Expenses</b>	649	3,825	2,859
<b>Income Before Income Tax</b>	669	610	353
Provision for Income Taxes			
Current	700	99	78
Deferred	710	54	(2)
<b>Income before the following:</b>	749	457	277
Extraordinary Items			
(Net of Income Taxes of \$ ) (CGAAP)	800	0	0
Discontinued Operations			
(Net of Income Taxes of \$ )	830	0	0
<b>Income Before Attribution to Participating Policyholders</b>	859	457	277
Income Attributable to Participating Policyholders			
(Stock companies)	870	0	0
<b>Net Income</b>	899	457	277
<b>Attributable to:</b>			
Non-controlling Interests (IFRS)	900		
Equity Holders	920		
<b>Premiums on Reinsurance Agreements</b>			
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
	<b>End of Year</b> .....	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
	<b>End of Year</b> .....	0	0

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

Reference Page		Current Year (01)	Prior Year (03)
	Beginning of Year .....	652	493
	Adjustments .....		0
	.....		0
<u>20.030</u>	Share of Net Income (Loss) .....	457	277
<u>20.040</u>	Transfer from (to) Par Account .....	0	0
	Dividends to Shareholders:		
	Preferred .....		0
	Common .....	465	350
	<b>End of Year</b> .....	644	420

Insurer

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

	Current Year 01	Prior Year 03
<b>Comprehensive Income (Loss)</b>		
Income Before Attribution to Participating Policyholders .....	457	277
Other Comprehensive Income (Loss):		
<b>Available for Sale:</b>		
Change in Unrealized Gains and Losses:		
- Loans .....		0
- Bonds and Debentures .....		0
- Equities .....	55	32
Reclassification to Earnings of (Gains) Losses .....	(5)	(4)
<b>Derivatives Designated as Cash Flow Hedges</b>		
Change in Unrealized Gains and Losses .....		0
Reclassification to Earnings of (Gains) Losses .....		0
<b>Foreign Currency Translation</b>		
Change in Unrealized Gains and Losses .....		0
Impact of Hedging .....		0
Share of Other Comprehensive Income of Associates & Joint Ventures .....		
<b>Other</b> .....		0
Total Other Comprehensive Income (Loss) .....	50	28
<b>Total Comprehensive Income (Loss) .....</b>	<b>507</b>	<b>305</b>
<b>Attributable to:</b>		
Non-controlling Interests .....		
Equity Holders .....		

	Current Year 01	Prior Year 03
<b>Accumulated Other Comprehensive Income (Loss)</b>		
Accumulated Gains/ (Losses) on:		
<b>Available for Sale:</b>		
- Loans .....		0
- Bonds and Debentures .....		0
- Equities .....	188	54
<b>Derivatives Designated as Cash Flow Hedges</b> .....		0
<b>Foreign Currency (Net of Hedging Activities)</b> .....		0
<b>Share of Other Comprehensive Income of Associates &amp; Joint Ventures</b> ....		
<b>Other</b> .....		0
Balance at end of Year .....	188	54

**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	643		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		643	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
<b>Gross Tier 1 Capital</b>		6,643	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	0		012
<b>Net Tier 1 Capital</b>		6,643	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 6,643	329
Tier 2A (page 20.020 line 079)	0		021
Tier 2B allowed (line 20.030 line 045)	0		022
Tier 2C (line 20.030 line 068)	0		023
<b>Net Tier 2 Capital (page 20.030 line 695)</b>		B 0	025
<b>Total Capital Available</b>	(A+B) C	6,643	040
<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)	487	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
<b>Total Asset Default and Market Risk</b>	sum of (i to vii)	487	050
<b>Insurance Risks</b>			
Mortality Risk	i)	107	051
Morbidity Risk	ii)	1,973	052
Lapse Risk	iii)		053
<b>Total Insurance Risks</b>	sum of (i to iii)	2,080	060
<b>Changes in Interest Environment (C-3) Risk</b>			
<b>Foreign Exchange Risk</b>			
<b>Other (specify)<sup>1</sup></b>			
<b>Total Capital Required</b>		D 2,567	080
<b>MCCR Ratios</b>			
Tier 1	(A + D) x 100	258.78	098
Total	(C + D) x 100	258.78	099

<sup>1</sup> Provide details of additional requirements.