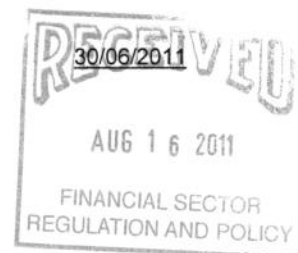


**CONSOLIDATED FINANCIAL STATEMENTS****ASSETS
(\$'000)**

Reference Page			Current Year (01)	Prior Year (03)
	Cash and Cash Equivalents	010	11,925	21,370
	Assets held for sale	020		
21.012	Short Term Investments	040	5,389	10,752
	Accrued Investment Income	070	1,411	1,972
	Accounts Receivable	100	13,151	9,146
	Policy Loans	200		0
21.012	Bonds and Debentures	250	56,759	41,701
	Mortgage Loans	300	2,314	2,519
21.012	Preferred Shares	420	106,381	104,141
21.012	Common Shares	440	33,726	26,045
	Real Estate (CGAAP)	500	23,285	14,806
21.012	Investment Properties	510		
	Derivative Financial Instruments	520		
	Reinsurance Assets	530		
	Property and Equipment	540		
21.012	Interests in Associates & Joint Ventures	550	21,774	23,211
	Segregated Funds Net Assets (IFRS)	560		
	Other Loans and Invested Assets	600	23,215	15,170
	Current Tax Assets	780		
	Deferred Tax Assets	800		0
	Goodwill	820		0
	Intangible Assets	830		0
	Other Assets	880	1,533	1,543
	TOTAL ASSETS	899	300,863	272,376
	Total Segregated Funds Net Assets (CGAAP)	929		0



CONSOLIDATED FINANCIAL STATEMENTS
LIABILITIES, POLICYHOLDERS' AND SHAREHOLDERS' EQUITY
(\$'000)

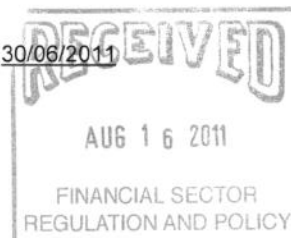
		Current Year (01)	Prior Year (03)
Liabilities			
Liabilities held for sale	005		
Actuarial Liabilities for Insurance Contracts	010	59,670	59,482
Other Contract Liabilities	040	66,703	62,907
Trust and Banking Deposits	070		0
Accounts Payable	100	14,746	12,679
Mortgage Loans and Other Real Estate Encumbrances	130		4,062
Derivative Financial Instruments	140		
Provisions and Other Liabilities	160	(249)	29
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	10,552	9,876
Subordinated Debt	280		0
Other Debt	310		0
Total Liabilities	389	151,422	149,035
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	149,441	123,341
Non-controlling Interests (IFRS)	829		
TOTAL LIABILITIES AND EQUITY	899	300,863	272,376



CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

		Current Year (01)	Prior Year (03)
Revenue			
Gross Premiums	020	66,090	59,179
Premiums Ceded	030	43,487	36,561
Net Premiums	040	22,603	22,618
Gross Investment Income	050	8,289	8,247
Less: Investment Expenses and Taxes	060	633	258
Net Investment Income	070	7,656	7,989
Share of Income(Loss) of Associates & Joint Ventures	090	0	
Fee Income	130	5,923	5,188
Other Revenue	160	0	0
Total Revenue	199	36,182	35,795
Policy Benefits and Expenses			
Policyholder Benefits	260	9,188	9,206
Benefits Ceded	270	5,118	5,360
Gross Changes to Actuarial Liabilities			
Normal	310	(534)	(1,894)
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	28,156	28,408
Commissions Ceded	470	16,959	16,750
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	10,747	9,900
Other Expenses	570	684	617
Non-Controlling Interests (CGAAP)	600	0	0
Total Benefits and Expenses	649	26,164	24,127
Income Before Income Tax	669	10,018	11,668
Provision for Income Taxes			
Current	700	2,558	2,496
Deferred	710		0
Income before the following:	749	7,460	9,172
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	7,460	9,172
Income Attributable to Participating Policyholders			
(Stock companies)	870	0	0
Net Income	899	7,460	9,172
Attributable to:			
Non-controlling Interests (IFRS)	900		
Equity Holders	920	7,460	9,172
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	010	0
	Adjustments	040	0
	Specify	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		Current Year (01)	Prior Year (03)
	Beginning of Year	310	0
	Adjustments	340	0
	Specify	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)**

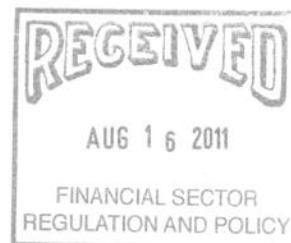
Reference Page		Current Year (01)	Prior Year (03)
	Beginning of Year	510	95,408
	Adjustments	540	74,626
	Specify	570	0
<u>20.030</u>	Share of Net Income (Loss)	600	0
<u>20.040</u>	Transfer from (to) Par Account	630	7,460
	Dividends to Shareholders:		9,172
	Preferred	710	0
	Common	740	0
	End of Year	859	102,868

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	010	7,460
Other Comprehensive Income (Loss):		
Available for Sale:		
Change in Unrealized Gains and Losses:		
- Loans	110	0
- Bonds and Debentures	140	209
- Equities	170	(295)
Reclassification to Earnings of (Gains) Losses	210	(2,208)
Derivatives Designated as Cash Flow Hedges		
Change in Unrealized Gains and Losses	310	0
Reclassification to Earnings of (Gains) Losses	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	480	0
Total Other Comprehensive Income (Loss)	510	(2,294)
Total Comprehensive Income (Loss)	589	5,166
Attributable to:		
Non-controlling Interests	600	3,703
Equity Holders	620	5,166

	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	2,093
- Equities	770	6,482
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	880	(534)
Balance at end of Year	899	8,575
		1,543



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	102,867		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 MCCSR purposes		102,867	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		140,867	010
Less: Deductions for Net Tier 1 Capital (page 20.020, line 249)	0		012
Net Tier 1 Capital		140,867	020
Less: Additional deductions for Adjusted Net Tier 1 Capital (page 20.020, line 299)	0		321
Adjusted Net Tier 1 Capital		A 140,867	329
Tier 2A (page 20.020 line 079)	8,575		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 8,575	025
Total Capital Available	(A+B)	C 149,442	040
Capital Required:			
Asset Default and Market Risk			
Asset Default (C-1) Risk			
- Backing Non-Par, Surplus and Non-Qualifying Participating	i)	16,777	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)	16,777	050
Insurance Risks			
Mortality Risk	i)	2,292	051
Morbidity Risk	ii)	12,748	052
Lapse Risk	iii)	1,331	053
Total Insurance Risks	sum of (i to iii)	16,371	060
Changes in Interest Environment (C-3) Risk		1,264	062
Foreign Exchange Risk		27	067
Other (specify)¹			070
Total Capital Required		D 34,439	080
MCCSR Ratios			
Tier 1	(A + D) x 100	409.03	098
Total	(C + D) x 100	433.93	099

¹ Provide details of additional requirements.