



Financial Statements

For the nine months ended 30 September 2016

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Consolidated Statement of Financial Position

AS AT 30 SEPTEMBER 2016 (unaudited) and 31 DECEMBER 2015 (audited)
(In thousands of Bermuda dollars)

| | 30 Sep 2016 | 31 Dec 2015 |
|--|------------------|------------------|
| | \$ | \$ |
| ASSETS | | |
| Cash and cash equivalents | 118,915 | 96,245 |
| Regulatory deposits | 16,730 | 19,439 |
| Investments | 683,424 | 650,980 |
| Insurance receivables and other assets | 87,209 | 79,946 |
| Deferred policy acquisition costs | 10,044 | 8,952 |
| Reinsurance assets | 84,723 | 65,694 |
| Investment properties | 36,456 | 36,398 |
| Property and equipment | 24,817 | 24,876 |
| Tax recoverable | 1,600 | 925 |
| Deferred tax asset | 406 | - |
| Intangible assets | 53,388 | 52,029 |
| Restricted cash | 15,582 | 18,034 |
| Total general fund assets | 1,133,294 | 1,053,518 |
| Segregated funds assets | 677,747 | 631,059 |
| Total assets | 1,811,041 | 1,684,577 |
| LIABILITIES | | |
| Other liabilities | 91,094 | 72,451 |
| Deferred tax liability | 894 | 896 |
| Loans payable | 638 | 1,123 |
| Retirement benefit obligations | 4,281 | 4,571 |
| Investment contract liabilities | 340,754 | 342,686 |
| Insurance contract liabilities | 378,014 | 329,458 |
| Total general fund liabilities | 815,675 | 751,185 |
| Segregated funds liabilities | 677,747 | 631,059 |
| Total liabilities | 1,493,422 | 1,382,244 |
| EQUITY | | |
| Share capital | 8,789 | 8,722 |
| Treasury shares | (767) | - |
| Contributed surplus | 1,482 | 1,482 |
| Share premium | 62,017 | 61,387 |
| Accumulated other comprehensive loss | (7,833) | (7,996) |
| Retained earnings | 207,345 | 193,892 |
| Total shareholders' equity | 271,033 | 257,487 |
| Non-controlling interests | 46,586 | 44,846 |
| Total equity | 317,619 | 302,333 |
| Total liabilities and equity | 1,811,041 | 1,684,577 |

Consolidated Statement of Income

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016 (unaudited) and 2015 (unaudited)
(In thousands of Bermuda dollars, except per share amounts)

| | 30 Sep 2016 | 30 Sep 2015 |
|---|----------------|----------------|
| | \$ | \$ |
| INCOME | | |
| Gross premiums written | 274,351 | 262,192 |
| Reinsurance ceded | (113,568) | (117,315) |
| Net premiums written | 160,783 | 144,877 |
| Net change in unearned premiums | 4,292 | 5,862 |
| Net premiums earned | 165,075 | 150,739 |
| Investment income | 30,499 | 9,929 |
| Commission and other income | 30,375 | 30,826 |
| Rental income | 3,021 | 3,036 |
| Total income | 228,970 | 194,530 |
| EXPENSES | | |
| Insurance contract benefits and expenses | | |
| Life and health policy benefits | 108,306 | 76,113 |
| Short term claim and adjustment expenses | 17,982 | 16,946 |
| Investment contract benefits | 2,945 | 1,281 |
| Paid or credited to policyholder accounts | - | 616 |
| Participating policyholders' net income | (156) | (355) |
| Commission and acquisition expense | 21,952 | 23,488 |
| Operating expenses | 48,813 | 47,561 |
| Amortisation expense | 6,553 | 7,792 |
| Interest on loans | 32 | 54 |
| Total expenses | 206,427 | 173,496 |
| INCOME BEFORE INCOME TAXES | 22,543 | 21,034 |
| Income taxes | (649) | (992) |
| NET INCOME FOR THE PERIOD | 21,894 | 20,042 |
| Non-controlling interests in subsidiaries | (2,671) | (2,698) |
| SHAREHOLDERS' NET INCOME | 19,223 | 17,344 |
| Earnings Per Share: | | |
| Basic and fully diluted | \$2.20 | \$2.00 |