

Consolidated Statement of Financial Position

AS AT 30 SEPTEMBER 2018 (unaudited) and 31 DECEMBER 2017 (audited)

(In thousands of Bermuda dollars)

| | 30 Sep 2018 | 31 Dec 2017 |
|----------------------------------------|-------------|-------------|
| | \$ | \$ |
| ASSETS | | |
| Cash and cash equivalents | 163,830 | 205,072 |
| Fixed deposits | 4,945 | 7,765 |
| Regulatory deposits | 17,200 | 16,902 |
| Investments | 639,720 | 651,326 |
| Insurance receivables and other assets | 110,781 | 140,949 |
| Deferred policy acquisition costs | 10,481 | 9,577 |
| Reinsurance assets | 201,318 | 624,217 |
| Investment properties | 35,747 | 35,760 |
| Property and equipment | 23,367 | 23,740 |
| Tax recoverable | 3,297 | 3,455 |
| Deferred tax asset | 780 | 808 |
| Intangible assets | 52,868 | 53,123 |
| Restricted cash | 19,859 | 19,058 |
| Total general fund assets | 1,284,193 | 1,791,752 |
| Segregated funds assets | 895,497 | 828,567 |
| Total assets | 2,179,690 | 2,620,319 |
| LIABILITIES | | |
| Other liabilities | 156,916 | 232,438 |
| Tax payable | 76 | - |
| Deferred tax liability | 11 | - |
| Retirement benefit obligations | 2,847 | 3,196 |
| Investment contract liabilities | 335,704 | 335,238 |
| Insurance contract liabilities | 472,391 | 916,152 |
| Total general fund liabilities | 967,945 | 1,487,024 |
| Segregated funds liabilities | 895,497 | 828,567 |
| Total liabilities | 1,863,442 | 2,315,591 |
| EQUITY | | |
| Share capital | 8,835 | 8,847 |
| Treasury shares | - | (2,031) |
| Contributed surplus | 1,482 | 1,482 |
| Share premium | 62,368 | 63,249 |
| Accumulated other comprehensive loss | (7,032) | (6,959) |
| Retained earnings | 207,651 | 196,558 |
| Total shareholders' equity | 273,304 | 261,146 |
| Non-controlling interests | 42,944 | 43,582 |
| Total equity | 316,248 | 304,728 |
| Total liabilities and equity | 2,179,690 | 2,620,319 |

Consolidated Statement of Income

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (unaudited) and 2017 (unaudited)

(In thousands of Bermuda dollars, except per share amounts)

| | 30 Sep 2018 | 30 Sep 2017 |
|-------------------------------------------|----------------|----------------|
| | \$ | \$ |
| INCOME | | |
| Gross premiums written | 262,308 | 256,561 |
| Reinsurance ceded | (129,910) | (130,252) |
| Net premiums written | 132,398 | 126,309 |
| Net change in unearned premiums | 4,107 | 9,957 |
| Net premiums earned | 136,505 | 136,266 |
| Investment income | (4,626) | 20,419 |
| Commission and other income | 38,750 | 36,232 |
| Rental income | 3,024 | 3,024 |
| Total income | 173,653 | 195,941 |
| BENEFITS AND EXPENSES | | |
| Insurance contract benefits and expenses | | |
| Life and health policy benefits | 65,561 | 81,978 |
| Short term claim and adjustment expenses | 19,369 | 28,285 |
| Investment contract benefits | (5,094) | (89) |
| Participating policyholders' net income | 537 | 260 |
| Commission and acquisition expense | 22,115 | 22,000 |
| Operating expenses | 46,240 | 50,355 |
| Amortisation expense | 6,809 | 6,909 |
| Interest on loan | - | 13 |
| Total benefits and expenses | 155,537 | 189,711 |
| INCOME BEFORE INCOME TAXES | 18,116 | 6,230 |
| Income taxes | (790) | (104) |
| NET INCOME FOR THE PERIOD | 17,326 | 6,126 |
| NET INCOME ATTRIBUTABLE TO: | | |
| Shareholders | 16,909 | 5,153 |
| Non-controlling interests in subsidiaries | 417 | 973 |
| NET INCOME FOR THE PERIOD | 17,326 | 6,126 |
| Earnings Per Share: | | |
| Basic and fully diluted | \$1.92 | \$0.59 |