

Balance Sheet

(\$ Thousands)	Year ended December 31	
	2005	2004
Assets		
Cash & Short-Term Investments	\$ 20,470	\$ 9,154
Bonds	1,521,891	1,442,721
Preferred Stocks	29,005	30,651
Common Stocks	35,226	19,526
Mortgages	2,199	3,402
Policy Loans	72,602	71,451
Investment in Subsidiary	76	61
Real Estate	2,094	1,605
Other Invested Assets	4,475	4,447
Total Invested Assets	1,688,038	1,583,018
EDP Equipment	879	1,079
Accrued Interest Income	14,788	12,571
Net Deferred Tax Asset	24,789	27,992
Reinsurance Recoverable	2,979	3,751
Other Assets	77,665	69,528
Total Assets	\$1,809,138	\$1,697,939
Liabilities		
Future Policy Benefits & Dividends	\$1,590,551	\$1,485,047
Asset Valuation Reserve	7,582	6,470
Other Liabilities	17,992	16,433
Total Liabilities	\$1,616,125	\$1,507,950
Capital & Surplus		
Common Stock	\$ 2,701	\$ 2,701
Paid-In & Contributed Surplus	36,773	36,773
Unassigned Surplus	154,050	151,025
Less: Treasury Stock	(511)	(510)
Total Capital & Surplus	193,013	189,989
Total Liabilities, Capital & Surplus	\$1,809,138	\$1,697,939

Financial statements have been audited by the Company's independent accountants, PricewaterhouseCoopers, LLP. Requests for a copy of the Company's audited financial statements may be made in writing to: James P. Loring, Senior Vice President & CFO, P.O. Box 4046, Woburn, MA 01888.

Summary of Operations

(\$ Thousands)	Year ended December 31	
	2005	2004
Revenues		
Premiums & Deposits	\$ 214,548	\$ 218,430
Net Investment Income	99,461	95,011
Other Income	167	182
Total Revenues	\$ 314,176	\$ 313,623
Benefits & Expenses		
Benefits & Reserves	\$ 202,112	\$ 199,939
Policyholder Dividends	50,563	57,428
Operating Expenses	52,584	48,893
Total Benefits & Expenses	305,259	306,260
Net Gain from Operations	8,917	7,363
Federal Income Tax Benefit	112	1,896
Net Gain After Taxes	9,029	9,259
Net Realized Capital Gains	1,113	494
Net Income	\$ 10,142	\$ 9,753
Capital & Surplus		
Beginning Capital & Surplus	\$ 189,989	\$ 175,940
Net Income	10,142	9,753
Change in Net Unrealized Capital Gains/(Losses)	(354)	1,600
Stockholder Dividends	(1,672)	(1,664)
Change in Valuation Reserves	(1,112)	1,807
Other Changes in Capital & Surplus	(3,980)	2,553
Net Change in Capital & Surplus	3,024	14,049
Ending Capital & Surplus	\$ 193,013	\$ 189,989

Based on the financial statements of The Savings Bank Life Insurance Company of Massachusetts, as of December 31, 2005 and 2004, which have been prepared in conformity with the statutory accounting practices prescribed or permitted by the Division of Insurance of the Commonwealth of Massachusetts.

A B R I D G E D

Centrian Life Insurance is the tradename in Connecticut for The Savings Bank Life Insurance Company of Massachusetts.

Centrian Life Insurance is a new name, but it stands for a company that has been protecting families with high-quality life insurance for nearly 100 years.

As the Company expands into new territories, its strength has never been more apparent. Our new brand in Connecticut complements our expansion efforts in the Mid-Atlantic region and points south. As millions more people hear our message about low-cost, high-quality life insurance, it is truly remarkable to see how far the Company has come since U.S. Supreme Court Justice Louis Brandeis conceived the idea for enabling Massachusetts legislation in 1907.

In brief, Centrian Life Insurance is on the move. Its penetration of new markets, strategic alliances with new partners and ongoing analysis of additional expansion opportunities are very much in keeping with the Company's belief that standing still is a high-risk option. Stated another way, if you do not grow, you will ultimately die.

Our expansion philosophy is easy to express. We are looking for incremental growth on a state-by-state basis where it can be demonstrated that

business can be produced consistent with our safe, low-cost mission. The various marketing alliances that have aided our entry into new territories have been instrumental in our success. Examples of these relationships are Sovereign Bank in the Northeast, the Virginia Bankers Association in the mid-South, and Quotesmith.com, Inc. in our entire footprint.

Our successful pace and direction in expansion are only sub-plots of our overall story. Other chapters of interest include our upcoming 100th Anniversary in 2007 and our continued outstanding impression on the national ratings agencies. Amongst all these impressions, the one most important to leave with policyholders is that I am confident Justice Brandeis would believe his mission of providing safe, low-cost life insurance is being well-served.

Best regards.

Sincerely,



Robert K. Sheridan
President and
Chief Executive Officer



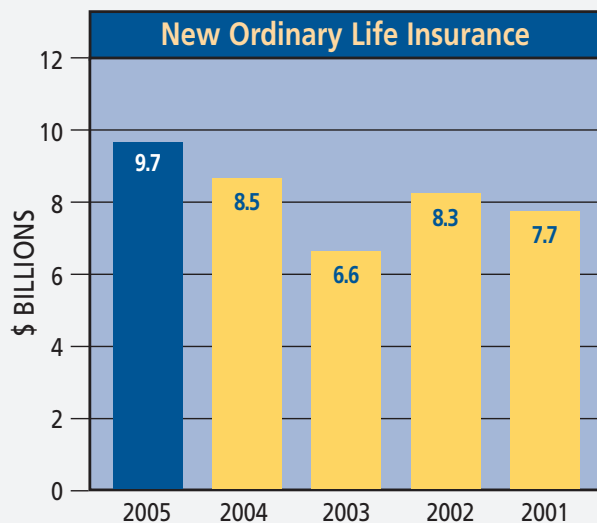
A Plan for Growth

Life Insurance In Force

Total life insurance in force increased to \$63.6 billion in 2005 from \$56.0 billion in 2004, a 13.6% increase resulting from a combination of our strong sales growth and its nationally prominent lapse ratio of 2.2%.

Sales Growth

Ordinary life insurance sales increased to \$9.7 billion in 2005 from \$8.5 billion in 2004. The Company's expansion outside of Massachusetts continued in 2005 as new business from markets outside Massachusetts comprised 30% of first-year term premiums, up from 25% in 2004.



	2005 (\$ Millions)	2004 (\$ Millions)	Percent Change
New Ordinary Life Insurance	9,675.8	8,544.8	13.2%
Life Insurance In Force	63,608.7	56,015.1	13.6%
Premiums & Deposits	214.5	218.4	(1.8%)
Net Investment Income	99.5	95.0	4.7%
Policyholder Dividends	50.6	57.4	(11.8%)
Assets	1,809.1	1,697.9	6.5%

- Ordinary life sales were \$9.7 billion with \$3.2 billion drawn from out of state.
- Annuity deposits were \$46.8 million in 2005, bringing the year-end balance to \$282 million, nearly double the total of \$142 million in 2001.
- Impressive safety ratings were reaffirmed.
- Net gain from operations increased \$1.5 million to \$8.9 million driven by investment growth and favorable mortality results.

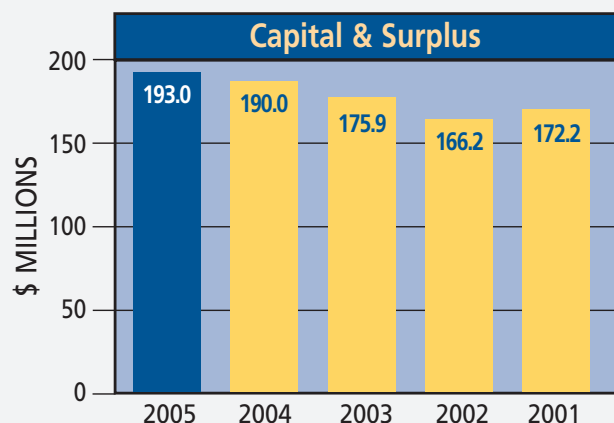
Financial Strength & Capital

Safety Ratings

The Company's solid balance sheet, strong operating performance, and market profile provided for an A+ (Superior) rating from A.M. Best Co. and A- (Excellent) rating from Weiss Insurance Rating Service. The A+ (Superior) rating is assigned to only those companies viewed as having superior ability to meet their ongoing obligations to policyholders. These ratings place the Company in the top quartile of all rated insurance companies in the country.

Total Capital & Surplus

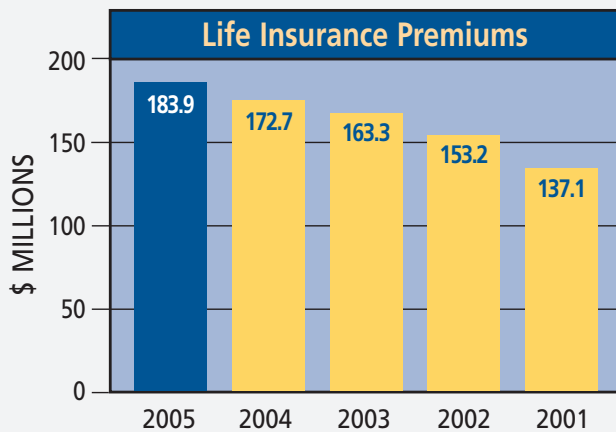
Capital and surplus was \$193.0 million at year-end, a 1.6% increase.



Operating Results

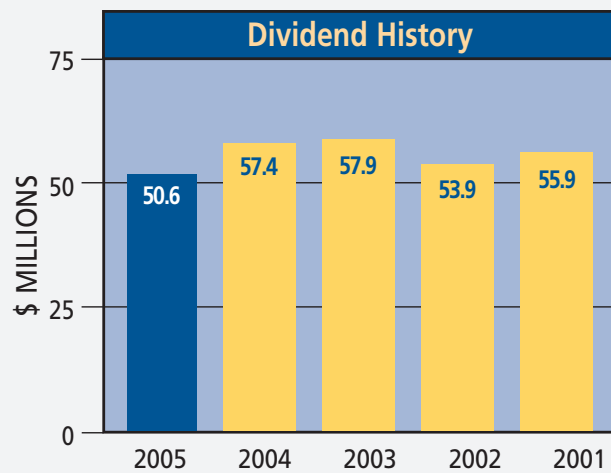
Premiums

Total life insurance premiums, before reinsurance, for 2005 were \$183.9 million, representing a 6.5% increase over \$172.7 million reported in 2004. Annuity deposits for 2005 were \$46.8 million, down from \$55.2 million in 2004.



Policyholder Benefits/Dividends

Death benefits rose to \$57.6 million in 2005, compared to \$56.0 million in 2004. Policyholder dividends were \$50.6 million in 2005, compared to \$57.4 million in 2004. Other policyholder benefits increased by \$0.6 million to \$144.5 million, primarily due to higher ordinary life reserves increases and surrenders, offset by lower annuity reserves increases due to decreased annuity deposits.



Net Income

Net income for 2005 increased to \$10.1 million, up from \$9.8 million in 2004. This increase was driven by higher revenues due to increased investment income and a slight decline in total benefits and expenses.

