

Bureau du surintendant des institutions financières Canada

<u>30/06/2022</u> Period Ending Date

First Canadian Insurance Corp Insurer

10.100

# **LICAT Ratios**

# **Summary Calculations**

(thousands of dollars, except percentages)

Tier 1 Capital (20.100)	(A)	1010010040	123,544
Tier 2 Capital (20.200)	(B)	1010010050	3,719
Available Capital (A + B)	(C)	1010010030	127,263
Surplus Allowance	(D)	1010010060	21,928
	(D)	1010010000	21,920
Eligible Deposits	(E)	1010010070	
Credit Risk (30.000)		1010010080	2,268
Market Risk (50.000)		1010010160	27,678
Credit and Market for P&C Insurance (per MCT)		1010010350	
Insurance Risk (60.000)		1010010220	46,784
Capital Requirements: Before Credits and Non-Diversified Risks	(F)	1010010290	76,730
Participating, Adjustable and Policyholder Deposits and Group Business Credits (90.000)		1010010300	0
Diversification Credit (110.000)		1010010310	12,057
Credits	(G)	1010010320	12,057
Segregated Fund Guarantees Risk (70.100)		1010010280	
Operational Risk (80.000)		1010010340	8,146
Capital Requirements: Non-Diversified Risks	(H)	1010010330	8,146
Base Solvency Buffer ((F - G + H) x Scalar [1.05])	(I)	1010010360	76,460
Come Dette (0/) (FA : 700/ D : 700/ F1 / I) v 400		4040040040	4.04.000/

Core Ratio (%)	([A + 70% D + 70% E] / I) x 100	1010010010	181.66%
Total Ratio (%)	([C + D + E] / I) x 100	1010010020	195.12%

## <u>30/06/2022</u> Date

## CONSOLIDATED FINANCIAL STATEMENTS

# ASSETS (\$'000)

Reference	FS Notes		Current	Period	Prior F	Period		Prior Year tated
Page	Reference		Total	Vested in Trust	Total	Vested in Trust	Total	Vested in Trust
		-	(01)	(02)	(03)	(04)	(05)	(06)
		Cash and Cash Equivalents 010	119,750		189,303			
		Assets held for sale 020			0			
<u>21.012</u>		Short Term Investments 040	87,346		25,149			
21.150 or/ou		Accrued Investment Income 070	21		24			
<u>21.150 01/00</u> <u>21.155</u>		Accounts Receivable 100	13,626		12,929			
		Policy/Certificate Loans 200			0			
<u>21.012</u>		Bonds and Debentures 250	0		0			
<u>21.050</u>		Mortgage Loans 300	0		0			
<u>21.012</u>		Preferred Shares 420	23,286		30,148			
<u>21.012</u>		Common Shares 440	5,770		12,072			
<u>21.012</u>		Investment Properties 510	34,679		35,576			
		Derivative Financial Instruments 520			0			
<u>22.020</u>		Reinsurance Assets 530	76,455		73,533			
<u>21.080</u>		Property and Equipment 540	10,955		11,771			
<u>21.012</u>		Interests in Associates & Joint Ventures 550	0		0			
<u>60.010</u>		Segregated Funds Net Assets 560			0			
<u>21.100</u>		Other Loans and Invested Assets 600	37,036		44,637			
		Investments in Subsidiaries 750			0			
		Current Tax Assets 780	5,502		953			
		Deferred Tax Assets 800			0			
		Goodwill 820			0			
		Intangible Assets 830	248		330			
		Defined Benefit Pension Plan 840			0			
<u>21.155</u>		Other Assets 880	1,094		1,264			
		TOTAL ASSETS 899	415,768		437,689		C	

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## <u>30/06/2022</u>

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#### CONSOLIDATED FINANCIAL STATEMENTS

## LIABILITIES, POLICYHOLDERS'/SHAREHOLDERS' EQUITY AND HEAD OFFICE ACCOUNT

(\$'000)

Reference Page	FS Notes Reference			Current Period	Prior Period	Opening Prior Year Restated
				(01)	(03)	(05)
		Liabilities				
		Liabilities held for sale	005		0	
<u>22.020</u>		Actuarial Liabilities for Insurance Contracts	010	129,481	121,676	
<u>22.020</u>		Other Contract Liabilities	040	68,292	66,941	
		Trust and Banking Deposits	070		0	
<u>22.030</u> <u>or/ou</u>		Accounts Payable	100	77,274	74,840	
<u>21.080</u>		Mortgage Loans and Other Real Estate Encumbrances	130		0	
		Derivative Financial Instruments	140	831	207	
		Defined Benefit Pension Plan	145		0	
		Amounts Due in respect of Staff Pension Plans (not including amounts in line 145 above)	150		0	
<u>22.030</u>		Provisions and Other Liabilities	160	2,241	2,479	
		Segregated Fund Liabilities	420		0	
		Current Tax Liabilities	430		0	
		Deferred Tax Liabilities	250	10,138	11,339	
		Subordinated Debt	280		0	
		Other Debt	310		0	
		Total Liabilities	389	288,257	277,482	0
		Policyholders' Equity				
<u>20.040</u>		Participating Account	510			
		Participating Account - Accumulated OCI (Loss)	520			
<u>20.040</u>		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			
<u>20.040</u>		Retained Earnings	700			
		Accumulated Other Comprehensive Income (Loss)	740			
		Total Shareholders' Equity	779	127,511	160,207	
		Non-controlling Interests	829	0	0	
		Total Equity	839	127,511	160,207	0
		TOTAL LIABILITIES AND EQUITY	899	415,768	437,689	0
<u>20.044</u>		Head Office Account	800			
<u>20.042</u>		Accumulated Other Comprehensive Income (Loss)	840			
		TOTAL LIABILITIES, HEAD OFFICE ACCOUNT AND ACCUMULATED OTHER COMPREHENSIVE INCOME	999			

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Canadian/Foreign Insurer/Society

<u>30/06/2022</u> Date

## CONSOLIDATED FINANCIAL STATEMENTS

# STATEMENT OF INCOME (\$'000)

eference Page	FS Notes Reference			Current Period	Prior Perio
				(01)	(03)
000		Revenue	000	00.004	
<u>35.020</u>		Gross Premiums	020	86,224	77,7
<u>35.020</u>		Premiums ceded	030	51,880	56,4
<u>45.020</u>		Net Premiums	040	34,344	21,2
<u>35.020</u>		Gross Investment Income	050	-8,612	13,
<u>35.020</u>		Less: Investment Expenses and Taxes	060	1,088	1,4
<u>23.010</u>		Net Investment Income Overlay approach adjustment for financial instruments (Reclass from P&L to	070	-9,700	11,
<u>35.020</u>		OCI) *	075	0	
<u>35.020</u>	n	Share of Income/Loss of Associates & Joint Ventures	090	0	
		Fee Income	130	5,969	5,
23.030		Other Revenue	160	0	
<u>35.020</u>		Fraternal and Other Fund Revenues	180	0	
		Total Revenue	199	30,613	38,
		Policy/Certificate Benefits and Expenses			
<u>85.020</u>		Policyholder/Certificateholder Benefits	260	13,093	13,
<u>85.020</u>		Benefits ceded	270	7,240	7,
		Gross Changes to Actuarial Liabilities			
<u>35.020</u>		Normal	310	231	-7,
<u>35.020</u>		Basis Change	320	0	
		Gross Changes to Other Contract Liabilities			
<u>35.020</u>		Normal	342	0	
<u>5.020</u>	n	Basis Change	344	0	
		Changes in Actuarial and Other Contract Liabilities Ceded			
<u>5.020</u>		Normal	370	-4,557	-6,
<u>5.020</u>		Basis Change	380	0	
5.020		Policyholder/Certificateholder Dividends	360	0	
<u>5.020</u>		Experience Rating Refunds	390	0	
<u>35.020</u>		Transfer to and (Transfer from) Other Funds	420	0	
<u>35.020</u>		Gross Commissions	460	36,329	33,
<u>5.020</u>		Commissions Ceded	470	22,748	24,
5.020		Interest on Policyholder/Certificateholder Amounts on Deposit	480	0	
3.030	n	Interest Expense and Finance costs	510	26	
23.030	n	General Expenses and Taxes (excl. income taxes)	540	15,093	13,
23.030	n	Other Expenses	570	805	
5.020		Fraternal and Other Fund Expenses	580	0	
		Total Benefits and Expenses	649	40,146	27,
		Income Before Income Tax	669	-9,533	10,
		Provision for Income Taxes			
		Current	700	-2,643	3,
		Deferred	710		
	ľ	Income Before the following:	749	-6,890	7,
5.020		Discontinued Operations			
	n	(net of Income Taxes of \$)	830	0	
		Net Income	859	-6,890	7,
5.020		Attributable to Participating Policyholders/Certificateholders	870	0	
<u>5.020</u>		Net Income after Attribution to Participating Policyholders/Certificateholders	899	-6,890	7,
5.020		Attributable to Fraternal and Other Fund Account	980	0	,
35.020		Insurance Fund	989	-6,890	7,
		Attributable to:		_ , •	- 3
		Non-controlling Interests	900		
	u L	Equity Holders	920	-6,890	7,
	1	1.7		(99)	• ,

\* This line only applies to Quebec provincially incorporated insurers who have adopted the overlay approach for the implementation of IFRS 9

20.040

#### <u>30/06/2022</u> Date

#### CONSOLIDATED FINANCIAL STATEMENTS

# STATEMENT OF EQUITY IN PARTICIPATING ACCOUNT (\$'000)

Reference	FS Notes				
Page	Reference			Current Period	Prior Period
		(05)		(01)	(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	0

## STATEMENT OF NON-PARTICIPATING ACCOUNT

## **Mutual Companies Only**

(\$'000)

Reference	FS Notes			
Page	Reference		<b>Current Period</b>	Prior Period
		(05)	(01)	(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	0
		Dividends to Preferred Shareholders 460		0
		End of Year 499	0	0

#### STATEMENT OF RETAINED EARNINGS

## Stock Companies Only

(\$'000)

Reference	FS Notes			
Page	Reference		Current Period	Prior Period
		(05)	(01)	(03)
		Beginning of Year 510	126,401	114,791
<u>20.030</u>		Share of Net Income (Loss) 600	-6,890	7,416
<u>20.040</u>		Transfer from (to) Par Account 630	0	0
		Dividends to Shareholders:		
		Preferred 710		0
		Common 740	30,000	0
		(Specify) 540		0
		(Specify) 570		0
		(Specify) 580		0
		End of Year 859	89,511	122,207

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# CONSOLIDATED FINANCIAL STATEMENTS

# COMPREHENSIVE INCOME (LOSS), and

# ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

(\$'000)

Reference F	S Notes			Current Period	Prior Period
Page Re	eference				
Re	eference			(01)	(03)
20.030		Comprehensive Income (Loss) Net Income	010	-6,890	7,4
		Other Comprehensive Income (Loss):			,
		Items that may be reclassified subsequently to Net Income:			
		FVOCI:			
		Change in Unrealized Gains and Losses: - Loans	110		
		- Bonds and Debentures	110		
		- Equities (IAS 39)	170		
		Reclassification of (Gains) Losses to Net Income	210		
		Overlay approach * Change in Unrealized Gains and Losses related to overlay approach for financial			
		instruments			
		Unrealized Gains and Losses	220		
		Reclassification of (Gains) Losses from Net Income	225		
		Derivatives Designated as Cash Flow Hedges Change in Unrealized Gains and Losses	310		
		Reclassification of (Gains) Losses to Net Income	340		
		Foreign Currency Translation			
		Change in Unrealized Gains and Losses	410		
		Impact of Hedging	440		
		Share of Other Comprehensive Income of Associates & Joint Ventures	460		
		Other	445		
		Subtotal of items that may be reclassified subsequently to Net Income	449	0	
		Items that will not be reclassified subsequently to Net Income:			
		FVOCI: Change in Unrealized Gains and Losses:			
		- Equities (IFRS 9)	465		
		Revaluation Surplus	455		
		Remeasurements of Defined Benefit Plans	470		
		Other Subtotal of items that will not be reclassified subsequently to Net Income	480 489	0	
		Total Other Comprehensive Income (Loss)	510	0	
		Total Comprehensive Income (Loss)	589	-6,890	7,
		Attributable to:			
		Participating Policyholders/Certificateholders	615		
		Non-controlling Interests Equity Holders	600 620	-6,890	7,
Reference F	S Notes		020	Current Period	Prior Perio
	eference			Current Peniou	
		Accumulated Other Comprehensive Income (Loss)		(01)	(03)
		Accumulated Gains (Losses), net of tax, on:			
		Items that may be reclassified subsequently to Net Income:			
		FVOCI:	74.0		
		- Loans - Bonds and Debentures	710 740		
		- Equities (IAS 39)	770		
		Overlay Approach *	775		
		Derivatives Designated as Cash Flow Hedges	810		
		Foreign Currency (Net of Hedging Activities)	840		
		Share of Other Comprehensive Income of Accessister 8, Joint Ventures	960		
		Share of Other Comprehensive Income of Associates & Joint Ventures Other	860 845		
			U+U		
		Subtotal of items that may be reclassified subsequently to Net Income	849	0	
		Items that will not be reclassified subsequently to Net Income:			
		FVOCI:			
		- Equities (IFRS 9)	865		
		Revaluation Surplus Remeasurements of Defined Benefit Plans	855 870		
			880		
		Other	000		
		Subtotal of items that will not be reclassified subsequently to Net Income	889		

\* These lines only apply to Quebec provincially incorporated insurers who have adopted the overlay approach for the implementation of IFRS 9

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