

## CONSOLIDATED FINANCIAL STATEMENTS

ASSETS  
(\$'000)

Reference Page	FS Notes Reference		Current Period		Prior Period		Opening Prior Year Restated	
			Total	Vested in Trust	Total	Vested in Trust	Total	Vested in Trust
			(01)	(02)	(03)	(04)	(05)	(06)
		Cash and Cash Equivalents	010	197,425		48,723		
		Assets held for sale	020			0		
<a href="#">21.012</a>		Short Term Investments	040	15,443		149,271		
<a href="#">21.150 or/ou 21.155</a>		Accrued Investment Income	070	291		272		
		Accounts Receivable	100	10,453		13,750		
		Policy/Certificate Loans	200			0		
<a href="#">21.012</a>		Bonds and Debentures	250	0		0		
<a href="#">21.050</a>		Mortgage Loans	300	0		0		
<a href="#">21.012</a>		Preferred Shares	420	27,048		116,915		
<a href="#">21.012</a>		Common Shares	440	8,720		11,201		
<a href="#">21.012</a>		Investment Properties	510	36,449		37,650		
		Derivative Financial Instruments	520	192		0		
<a href="#">22.020</a>		Reinsurance Assets	530	73,305		77,945		
<a href="#">21.080</a>		Property and Equipment	540	12,253		11,306		
		Interests in Associates & Joint Ventures	550	0		0		
<a href="#">60.010</a>		Segregated Funds Net Assets	560			0		
<a href="#">21.100</a>		Other Loans and Invested Assets	600	50,235		68,154		
		Investments in Subsidiaries	750			0		
		Current Tax Assets	780	2,196		4,337		
		Deferred Tax Assets	800			0		
		Goodwill	820			0		
		Intangible Assets	830	392		482		
		Defined Benefit Pension Plan	840			0		
<a href="#">21.155</a>		Other Assets	880	1,366		1,391		
		<b>TOTAL ASSETS</b>	899	435,768		541,397		0

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)
		<b>Liabilities</b>			
		Liabilities held for sale	005	0	
<a href="#">22.020</a>		Actuarial Liabilities for Insurance Contracts	010	120,105	121,148
<a href="#">22.020</a>		Other Contract Liabilities	040	67,524	74,391
		Trust and Banking Deposits	070	0	
<a href="#">22.030 or/ou</a>		Accounts Payable	100	83,095	87,787
<a href="#">21.080</a>		Mortgage Loans and Other Real Estate Encumbrances	130	10,516	
		Derivative Financial Instruments	140	62	0
		Defined Benefit Pension Plan	145	0	
		Amounts Due in respect of Staff Pension Plans (not including amounts in line 145 above)	150	0	
<a href="#">22.030</a>		Provisions and Other Liabilities	160	2,802	2,255
		Segregated Fund Liabilities	420	0	
		Current Tax Liabilities	430	0	
		Deferred Tax Liabilities	250	12,448	15,183
		Subordinated Debt	280	0	
		Other Debt	310	67,710	
		<b>Total Liabilities</b>	389	286,036	378,990
		<b>Policyholders' Equity</b>			
<a href="#">20.040</a>		Participating Account	510		
		Participating Account - Accumulated OCI (Loss)	520		
<a href="#">20.040</a>		Non-Participating Account (Mutual Companies Only)	540		
		Non-Participating Account - Accumulated OCI (Loss)	550		
		<b>Total Policyholders' Equity</b>	589	0	
		<b>Shareholders' Equity</b>			
		Capital Stock	610		
		Other Capital	640		
		Contributed Surplus	670		
<a href="#">20.040</a>		Retained Earnings	700		
		Accumulated Other Comprehensive Income (Loss)	740		
		<b>Total Shareholders' Equity</b>	779	149,732	162,407
		<b>Non-controlling Interests</b>	829	0	0
		<b>Total Equity</b>	839	149,732	162,407
		<b>TOTAL LIABILITIES AND EQUITY</b>	899	435,768	541,397
<a href="#">20.044</a>		<b>Head Office Account</b>	800		
<a href="#">20.042</a>		<b>Accumulated Other Comprehensive Income (Loss)</b>	840		
		<b>TOTAL LIABILITIES, HEAD OFFICE ACCOUNT AND ACCUMULATED OTHER COMPREHENSIVE INCOME</b>	999		

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME  
(\$'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		<b>Revenue</b>		
35.020		Gross Premiums 020	112,240	125,403
35.020		Premiums ceded 030	79,425	92,882
45.020		Net Premiums 040	32,815	32,521
35.020		Gross Investment Income 050	(13,626)	5,043
35.020		Less: Investment Expenses and Taxes 060	1,942	3,439
23.010		Net Investment Income 070	(15,568)	1,604
35.020		Overlay approach adjustment for financial instruments (Reclass from P&L to OCI) * 075	0	
35.020		Share of Income/Loss of Associates & Joint Ventures 090	0	0
		Fee Income 130	8,217	9,376
23.030		Other Revenue 160	0	0
35.020		Fraternal and Other Fund Revenues 180	0	0
		<b>Total Revenue</b> 199	25,464	43,501
		<b>Policy/Certificate Benefits and Expenses</b>		
35.020		Policyholder/Certificateholder Benefits 260	20,633	21,130
35.020		Benefits ceded 270	11,323	11,697
		Gross Changes to Actuarial Liabilities		
35.020		Normal 310	(12,514)	(7,351)
35.020		Basis Change 320	0	0
		Gross Changes to Other Contract Liabilities		
35.020		Normal 342	0	0
35.020		Basis Change 344	0	0
		Changes in Actuarial and Other Contract Liabilities Ceded		
35.020		Normal 370	(13,255)	(6,293)
35.020		Basis Change 380	0	0
35.020		Policyholder/Certificateholder Dividends 360	0	0
35.020		Experience Rating Refunds 390	0	0
35.020		Transfer to and (Transfer from) Other Funds 420	0	0
35.020		Gross Commissions 460	49,981	51,304
35.020		Commissions Ceded 470	37,661	39,731
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit 480	0	0
23.030		Interest Expense and Finance costs 510	911	12
23.030		General Expenses and Taxes (excl. income taxes) 540	20,200	20,702
23.030		Other Expenses 570	1,315	821
35.020		Fraternal and Other Fund Expenses 580	0	0
		<b>Total Benefits and Expenses</b> 649	44,797	41,483
		<b>Income Before Income Tax</b> 669	(19,333)	2,018
		Provision for Income Taxes		
		Current 700	1,305	(7,241)
		Deferred 710		6,871
		<b>Income Before the following:</b> 749	(20,638)	2,388
35.020		Discontinued Operations (net of Income Taxes of \$ ) 830	0	0
		<b>Net Income</b> 859	(20,638)	2,388
35.020		Attributable to Participating Policyholders/Certificateholders 870	0	0
35.020		<b>Net Income after Attribution to Participating Policyholders/Certificateholders</b> 899	(20,638)	2,388
35.020		Attributable to Fraternal and Other Fund Account 980	0	0
35.020		<b>Insurance Fund</b> 989	(20,638)	2,388
		<b>Attributable to:</b>		
		Non-controlling Interests 900		0
		Equity Holders 920	(20,638)	2,388
			(99)	
		830	0	

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

## CONSOLIDATED FINANCIAL STATEMENTS

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

Reference Page	FS Notes Reference		Current Period	Prior Period
		(05)	(01)	(03)
		Beginning of Year	010	0
		Adjustments	040	0
		(Specify)	070	0
<a href="#">20.030</a>		Share of Net Income (Loss)	100	0
<a href="#">20.040</a>		Transfer from (to) Retained Earnings (Stock companies only)	130	0
<a href="#">20.040</a>		Transfer from (to) Non-Par Account (Mutual companies only)	160	0
		<b>End of Year</b>	199	0

STATEMENT OF NON-PARTICIPATING ACCOUNT  
Mutual Companies Only  
(\$'000)

Reference Page	FS Notes Reference		Current Period	Prior Period
		(05)	(01)	(03)
		Beginning of Year	310	0
		Adjustments	340	0
		(Specify)	370	0
<a href="#">20.030</a>		Share of Net Income (Loss)	400	0
<a href="#">20.040</a>		Transfer from (to) Par Account	430	0
		Dividends to Preferred Shareholders	460	0
		<b>End of Year</b>	499	0

STATEMENT OF RETAINED EARNINGS  
Stock Companies Only  
(\$'000)

Reference Page	FS Notes Reference		Current Period	Prior Period
		(05)	(01)	(03)
		Beginning of Year	510	122,019
<a href="#">20.030</a>		Share of Net Income (Loss)	600	2,388
<a href="#">20.040</a>		Transfer from (to) Par Account	630	0
		Dividends to Shareholders:		
		Preferred	710	0
		Common	740	0
		(Specify)	540	0
		(Specify)	570	0
		(Specify)	580	0
		<b>End of Year</b>	859	124,407

CONSOLIDATED FINANCIAL STATEMENTS

COMPREHENSIVE INCOME (LOSS), and  
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)  
(\$'000)

Reference Page	FS Notes Reference Reference		Current Period	Prior Period
			(01)	(03)
20.030		<b>Comprehensive Income (Loss)</b>		
		Net Income	010	(20,638) 2,388
		Other Comprehensive Income (Loss):		
		Items that may be reclassified subsequently to Net Income:		
		FVOCI:		
		Change in Unrealized Gains and Losses:		
		- Loans	110	0
		- Bonds and Debentures	140	0
		- Equities (IAS 39)	170	0
		Reclassification of (Gains) Losses to Net Income	210	0
		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	0
		Reclassification of (Gains) Losses to Net Income	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	445	0
		Subtotal of items that may be reclassified subsequently to Net Income	449	0 0
		Items that will not be reclassified subsequently to Net Income:		
		FVOCI:		
		Change in Unrealized Gains and Losses:		
		- Equities (IFRS 9)	465	0
Revaluation Surplus	455	0		
Remeasurements of Defined Benefit Plans	470	0		
Other	480	0		
Subtotal of items that will not be reclassified subsequently to Net Income	489	0 0		
Total Other Comprehensive Income (Loss)	510	0 0		
<b>Total Comprehensive Income (Loss)</b>	589	(20,638) 2,388		
Attributable to:				
Participating Policyholders/Certificateholders	615	0		
Non-controlling Interests	600	0		
Equity Holders	620	(20,638) 2,388		
Reference Page	FS Notes Reference Reference		Current Period	Prior Period
			(01)	(03)
		<b>Accumulated Other Comprehensive Income (Loss)</b>		
		Accumulated Gains (Losses), net of tax, on:		
		Items that may be reclassified subsequently to Net Income:		
		FVOCI:		
		- Loans	710	0
		- Bonds and Debentures	740	0
		- Equities (IAS 39)	770	0
		Overlay Approach *	775	
		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	845	0
		Subtotal of items that may be reclassified subsequently to Net Income	849	0 0
		Items that will not be reclassified subsequently to Net Income:		
		FVOCI:		
		- Equities (IFRS 9)	865	0
		Revaluation Surplus	855	0
		Remeasurements of Defined Benefit Plans	870	0
		Other	880	0
		Subtotal of items that will not be reclassified subsequently to Net Income	889	0 0
		Balance at end of Period	899	0 0

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

First Canadian Insurance Corp  
**Insurer**30/09/2020  
**Period Ending Date**

10.100

**LICAT Ratios**  
**Summary Calculations**

(thousands of dollars, except percentages)

<i>Tier 1 Capital (20.100)</i>	(A)	1010010040	145,039
<i>Tier 2 Capital (20.200)</i>	(B)	1010010050	4,301
<b>Available Capital (A + B)</b>	(C)	1010010030	149,340

<b>Surplus Allowance</b>	(D)	1010010060	21,319
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<b>Eligible Deposits</b>	(E)	1010010070	
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Credit Risk (30.000)		1010010080	3,856
Market Risk (50.000)		1010010160	43,416
Credit and Market for P&C Insurance (per MCT)		1010010350	
Insurance Risk (60.000)		1010010220	46,421
<i>Capital Requirements: Before Credits and Non-Diversified Risks</i>	(F)	1010010290	93,693
Participating, Adjustable and Policyholder Deposits and Group Business Credits (90.000)		1010010300	0
Diversification Credit (110.000)		1010010310	13,775
<i>Credits</i>	(G)	1010010320	13,775
Segregated Fund Guarantees Risk (70.100)		1010010280	
Operational Risk (80.000)		1010010340	8,576
<i>Capital Requirements: Non-Diversified Risks</i>	(H)	1010010330	8,576
<b>Base Solvency Buffer ((F - G + H) x Scalar [1.05])</b>	(I)	1010010360	92,919

<b>Core Ratio (%)</b>	$([A + 70\% D + 70\% E] / I) \times 100$	1010010010	172.15%
<b>Total Ratio (%)</b>	$([C + D + E] / I) \times 100$	1010010020	183.66%