

First Canadian Insurance Corporation
Insurer30/09/2022
Period Ending Date

10.100

**LICAT Ratios
Summary Calculations**

(thousands of dollars, except percentages)

<i>Tier 1 Capital (20.100)</i>	(A)	1010010040	124,381
<i>Tier 2 Capital (20.200)</i>	(B)	1010010050	3,596
Available Capital (A + B)	(C)	1010010030	127,977
Surplus Allowance	(D)	1010010060	21,446
Eligible Deposits	(E)	1010010070	
Credit Risk (30.000)		1010010080	2,492
Market Risk (50.000)		1010010160	29,418
Credit and Market for P&C Insurance (per MCT)		1010010350	
Insurance Risk (60.000)		1010010220	49,198
<i>Capital Requirements: Before Credits and Non-Diversified Risks</i>	(F)	1010010290	81,108
Participating, Adjustable and Policyholder Deposits and Group Business Credits (90.000)		1010010300	0
Diversification Credit (110.000)		1010010310	12,734
<i>Credits</i>	(G)	1010010320	12,734
Segregated Fund Guarantees Risk (70.100)		1010010280	
Operational Risk (80.000)		1010010340	8,517
<i>Capital Requirements: Non-Diversified Risks</i>	(H)	1010010330	8,517
Base Solvency Buffer ((F - G + H) x Scalar [1.05])	(I)	1010010360	80,736
Core Ratio (%)	$[(A + 70\% D + 70\% E) / I] \times 100$	1010010010	172.65%
Total Ratio (%)	$[(C + D + E) / I] \times 100$	1010010020	185.08%

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	133,235		195,951		
		Assets held for sale	020			0		
21.012		Short Term Investments	040	71,104		30,171		
21.150 or/ou 21.155		Accrued Investment Income	070	87		100		
		Accounts Receivable	100	13,952		13,015		
		Policy/Certificate Loans	200			0		
21.012		Bonds and Debentures	250	0		0		
21.050		Mortgage Loans	300	0		0		
21.012		Preferred Shares	420	31,513		29,984		
21.012		Common Shares	440	4,901		11,611		
21.012		Investment Properties	510	34,479		35,346		
		Derivative Financial Instruments	520			0		
22.020		Reinsurance Assets	530	79,803		74,429		
21.080		Property and Equipment	540	10,716		11,561		
		Interests in Associates & Joint Ventures	550	0		0		
60.010		Segregated Funds Net Assets	560			0		
21.100		Other Loans and Invested Assets	600	34,541		42,737		
		Investments in Subsidiaries	750			0		
		Current Tax Assets	780	6,680		624		
		Deferred Tax Assets	800			0		
		Goodwill	820			0		
		Intangible Assets	830	227		309		
		Defined Benefit Pension Plan	840			0		
21.155		Other Assets	880	1,079		1,160		
		TOTAL ASSETS	899	422,317		446,998		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)
		Liabilities			
		Liabilities held for sale	005	0	
22.020		Actuarial Liabilities for Insurance Contracts	010	135,351	124,365
22.020		Other Contract Liabilities	040	71,578	67,851
		Trust and Banking Deposits	070	0	
22.030 or/ou		Accounts Payable	100	73,601	78,353
21.080		Mortgage Loans and Other Real Estate Encumbrances	130	0	
		Derivative Financial Instruments	140	391	210
		Defined Benefit Pension Plan	145	0	
		Amounts Due in respect of Staff Pension Plans (not including amounts in line 145 above)	150	0	
22.030		Provisions and Other Liabilities	160	3,054	3,235
		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	294,113	285,353
		Policyholders' Equity			
20.040		Participating Account	510		
		Participating Account - Accumulated OCI (Loss)	520		
20.040		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		
20.040		Retained Earnings	700		
		Accumulated Other Comprehensive Income (Loss)	740		
		Total Shareholders' Equity	779	128,204	161,645
		Non-controlling Interests	829	0	0
		Total Equity	839	128,204	161,645
		TOTAL LIABILITIES AND EQUITY	899	422,317	446,998
20.044		Head Office Account	800		
20.042		Accumulated Other Comprehensive Income (Loss)	840		
		TOTAL LIABILITIES, HEAD OFFICE ACCOUNT AND ACCUMULATED OTHER COMPREHENSIVE INCOME	999		

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		Revenue		
35.020		Gross Premiums 020	143,069	128,194
35.020		Premiums ceded 030	87,945	88,119
45.020		Net Premiums 040	55,124	40,075
35.020		Gross Investment Income 050	-10,237	14,996
35.020		Less: Investment Expenses and Taxes 060	1,611	2,051
23.010		Net Investment Income 070	-11,848	12,945
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	11,252	8,864
23.030		Other Revenue 160	0	0
35.020		Fraternal and Other Fund Revenues 180	0	0
		Total Revenue 199	54,528	61,884
		Policy/Certificate Benefits and Expenses		
35.020		Policyholder/Certificateholder Benefits 260	18,994	20,676
35.020		Benefits ceded 270	10,013	10,740
		Gross Changes to Actuarial Liabilities		
35.020		Normal 310	9,984	-3,931
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	2,674	-4,263
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	56,338	52,415
35.020		Commissions Ceded 470	34,121	36,443
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit 480	0	0
23.030		Interest Expense and Finance costs 510	38	48
23.030		General Expenses and Taxes (excl. income taxes) 540	23,457	21,602
23.030		Other Expenses 570	1,178	1,281
35.020		Fraternal and Other Fund Expenses 580	0	0
		Total Benefits and Expenses 649	63,181	49,171
		Income Before Income Tax 669	-8,653	12,713
		Provision for Income Taxes		
		Current 700	-2,456	3,859
		Deferred 710		0
		Income Before the following: 749	-6,197	8,854
35.020		Discontinued Operations (net of Income Taxes of \$) 830	0	0
		Net Income 859	-6,197	8,854
35.020		Attributable to Participating Policyholders/Certificateholders 870	0	0
35.020		Net Income after Attribution to Participating Policyholders/Certificateholders 899	-6,197	8,854
35.020		Attributable to Fraternal and Other Fund Account 980	0	0
35.020		Insurance Fund 989	-6,197	8,854
		Attributable to:		
		Non-controlling Interests 900		0
		Equity Holders 920	-6,197	8,854
			(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	(05)	Current Period (01)	Prior Period (03)
		Beginning of Year		0
		Adjustments		0
		(Specify)		0
20.030		Share of Net Income (Loss)		0
20.040		Transfer from (to) Retained Earnings (Stock companies only)		0
20.040		Transfer from (to) Non-Par Account (Mutual companies only)		0
		End of Year	0	0

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

Reference Page	FS Notes Reference	(05)	Current Period (01)	Prior Period (03)
		Beginning of Year		0
		Adjustments		0
		(Specify)		0
20.030		Share of Net Income (Loss)		0
20.040		Transfer from (to) Par Account	0	0
		Dividends to Preferred Shareholders		0
		End of Year	0	0

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

Reference Page	FS Notes Reference	(05)	Current Period (01)	Prior Period (03)
		Beginning of Year		114,791
20.030		Share of Net Income (Loss)	-6,197	8,854
20.040		Transfer from (to) Par Account	0	0
		Dividends to Shareholders:		
		Preferred		0
		Common	30,000	0
		(Specify)		0
		(Specify)		0
		(Specify)		0
		End of Year	90,204	123,645

CONSOLIDATED FINANCIAL STATEMENTS

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

Reference Page	FS Notes Reference		Current Period	Prior Period	
			(01)	(03)	
20.030		Comprehensive Income (Loss)			
		Net Income	010	-6,197	8,854
		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		
Total Comprehensive Income (Loss)	589	-6,197	8,854		
Attributable to:					
Participating Policyholders/Certificateholders	615		0		
Non-controlling Interests	600		0		
Equity Holders	620	-6,197	8,854		
Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)	
		Accumulated Other Comprehensive Income (Loss)			
		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	
		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	
		Balance at end of Period	899	0	

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