

First Canadian Insurance Corporation
Insurer31/12/2022
Period Ending Date

10.100

**LICAT Ratios
Summary Calculations**

(thousands of dollars, except percentages)

<i>Tier 1 Capital (20.100)</i>	(A)	1010010040	88,439
<i>Tier 2 Capital (20.200)</i>	(B)	1010010050	3,534
Available Capital (A + B)	(C)	1010010030	91,973
Surplus Allowance	(D)	1010010060	20,935
Eligible Deposits	(E)	1010010070	0
Credit Risk (30.000)		1010010080	2,506
Market Risk (50.000)		1010010160	21,191
Credit and Market for P&C Insurance (per MCT)		1010010350	
Insurance Risk (60.000)		1010010220	49,120
<i>Capital Requirements: Before Credits and Non-Diversified Risks</i>	(F)	1010010290	72,817
Participating, Adjustable and Policyholder Deposits and Group Business Credits (90.000)		1010010300	0
Diversification Credit (110.000)		1010010310	11,663
<i>Credits</i>	(G)	1010010320	11,663
Segregated Fund Guarantees Risk (70.100)		1010010280	0
Operational Risk (80.000)		1010010340	8,229
<i>Capital Requirements: Non-Diversified Risks</i>	(H)	1010010330	8,229
Base Solvency Buffer ((F - G + H) x Scalar [1.05])	(I)	1010010360	72,852
Core Ratio (%)	$[(A + 70\% D + 70\% E) / I] \times 100$	1010010010	141.51%
Total Ratio (%)	$[(C + D + E) / I] \times 100$	1010010020	154.98%

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	124,756		195,130		
		Assets held for sale	020			0		
21.012		Short Term Investments	040	77,065		31,780		
21.150 or/ou 21.155		Accrued Investment Income	070	449		20		
		Accounts Receivable	100	16,102		13,938		
		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	29,647		27,627		
21.012		Common Shares	440	7,954		10,645		
21.012		Investment Properties	510	0		35,160		
		Derivative Financial Instruments	520	6		525		
22.020		Reinsurance Assets	530	79,421		76,854		
21.080		Property and Equipment	540	10,572		11,308		
		Interests in Associates & Joint Ventures	550	0		0		
60.010		Segregated Funds Net Assets	560			0		
21.100		Other Loans and Invested Assets	600	28,725		41,417		
		Investments in Subsidiaries	750			0		
		Current Tax Assets	780	5,485		0		
		Deferred Tax Assets	800			0		
		Goodwill	820			0		
		Intangible Assets	830	206		289		
		Defined Benefit Pension Plan	840			0		
21.155		Other Assets	880	679		1,059		
		TOTAL ASSETS	899	381,067		445,752		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	130,294	125,092	
22.020		Other Contract Liabilities	040	71,296	69,995	
		Trust and Banking Deposits	070		0	
22.030 or/ou		Accounts Payable	100	71,053	71,128	
21.080		Mortgage Loans and Other Real Estate Encumbrances	130	0	0	
		Derivative Financial Instruments	140	353	0	
		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	3,920	4,259	
		Segregated Fund Liabilities	420		0	
		Current Tax Liabilities	430	0	739	
		Deferred Tax Liabilities	250	11,973	10,138	
		Subordinated Debt	280		0	
		Other Debt	310		0	
		Total Liabilities	389	288,889	281,351	0
		Policyholders' Equity				
20.040		Participating Account	510	0	0	
		Participating Account - Accumulated OCI (Loss)	520		0	
20.040		Non-Participating Account (Mutual Companies Only)	540	0	0	
		Non-Participating Account - Accumulated OCI (Loss)	550		0	
		Total Policyholders' Equity	589	0	0	0
		Shareholders' Equity				
		Capital Stock	610	26,725	38,000	
		Other Capital	640		0	
		Contributed Surplus	670		0	
20.040		Retained Earnings	700	65,453	126,401	
		Accumulated Other Comprehensive Income (Loss)	740		0	
		Total Shareholders' Equity	779	92,178	164,401	0
		Non-controlling Interests	829	0	0	
		Total Equity	839	92,178	164,401	0
		TOTAL LIABILITIES AND EQUITY	899	381,067	445,752	0
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	188,532	168,569
35.020		Premiums ceded 030	113,638	117,796
45.020		Net Premiums 040	74,894	50,773
35.020		Gross Investment Income 050	-11,010	11,185
35.020		Less: Investment Expenses and Taxes 060	820	1,195
23.010		Net Investment Income 070	-11,830	9,990
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	14,700	14,802
23.030		Other Revenue 160	0	0
35.020		Fraternal and Other Fund Revenues 180	0	0
		Total Revenue 199	77,764	75,565
		Policy/Certificate Benefits and Expenses		
35.020		Policyholder/Certificateholder Benefits 260	25,506	28,516
35.020		Benefits ceded 270	13,279	15,188
		Gross Changes to Actuarial Liabilities		
35.020		Normal 310	11,116	845
35.020		Basis Change 320	-5,915	-1,854
		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	4,891	1,450
35.020		Basis Change 380	-2,324	-1,093
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	75,935	68,141
35.020		Commissions Ceded 470	45,377	48,231
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit 480	0	0
23.030		Interest Expense and Finance costs 510	50	63
23.030		General Expenses and Taxes (excl. income taxes) 540	29,390	27,367
23.030		Other Expenses 570	1,574	1,714
35.020		Fraternal and Other Fund Expenses 580	0	0
		Total Benefits and Expenses 649	76,433	61,016
		Income Before Income Tax 669	1,331	14,549
		Provision for Income Taxes		
		Current 700	-565	5,502
		Deferred 710	1,361	-1,183
		Income Before the following: 749	535	10,230
35.020		Discontinued Operations (net of Income Taxes of \$) 830	1,259	1,380
		Net Income 859	1,794	11,610
35.020		Attributable to Participating Policyholders/Certificateholders 870	0	0
35.020		Net Income after Attribution to Participating Policyholders/Certificateholders 899	1,794	11,610
35.020		Attributable to Fraternal and Other Fund Account 980	0	0
35.020		Insurance Fund 989	1,794	11,610
		Attributable to:		
		Non-controlling Interests 900		0
		Equity Holders 920	1,794	11,610
			(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	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	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	126,401	114,791
20.030		Share of Net Income (Loss)	1,794	11,610
20.040		Transfer from (to) Par Account	0	0
		Dividends to Shareholders:		
		Preferred		0
		Common	30,000	0
		Discontinued operations	-32,742	0
		(Specify)		0
		(Specify)		0
		End of Year	65,453	126,401

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		Comprehensive Income (Loss)			
		Net Income	010	1,794	11,610
		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	1,794	11,610		
Attributable to:					
Participating Policyholders/Certificateholders	615		0		
Non-controlling Interests	600		0		
Equity Holders	620	1,794	11,610		
Reference Page	FS Notes Reference 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