

## 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	17,473		18,104			
		Assets held for sale	020			0			
<a href="#">21.012</a>		Short Term Investments	040	136,012		181,228			
<a href="#">21.150</a> <a href="#">or/ou</a>		Accrued Investment Income	070	458		648			
		Accounts Receivable	100	12,026		15,673			
		Policy/Certificate Loans	200			0			
<a href="#">21.012</a>		Bonds and Debentures	250	0		4,688			
<a href="#">21.050</a>		Mortgage Loans	300	0		0			
<a href="#">21.012</a>		Preferred Shares	420	135,588		228,448			
<a href="#">21.012</a>		Common Shares	440	35,553		44,021			
<a href="#">21.012</a>		Investment Properties	510	38,553		39,845			
		Derivative Financial Instruments	520			0			
<a href="#">22.020</a>		Reinsurance Assets	530	80,355		78,642			
<a href="#">21.080</a>		Property and Equipment	540	8,311		5,252			
<a href="#">21.012</a>		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	74,850		79,249			
		Investments in Subsidiaries	750			0			
		Current Tax Assets	780	11,216		0			
		Deferred Tax Assets	800			0			
		Goodwill	820			0			
		Intangible Assets	830	551		644			
		Defined Benefit Pension Plan	840			0			
<a href="#">21.155</a>		Other Assets	880	862		683			
		<b>TOTAL ASSETS</b>	899	551,808		697,125		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	124,615	122,801	
<a href="#">22.020</a>		Other Contract Liabilities 040	78,121	78,099	
<a href="#">22.030 or/ou</a>		Trust and Banking Deposits 070		0	
<a href="#">21.080</a>		Accounts Payable 100	85,199	92,322	
		Mortgage Loans and Other Real Estate Encumbrances 130	10,748	11,083	
		Derivative Financial Instruments 140		0	
		Defined Benefit Pension Plan 145		0	
		Amounts Due in respect of Staff Pension Plans (not including amounts on line 145 above) 150		0	
<a href="#">22.030</a>		Provisions and Other Liabilities 160	3,167	3,637	
		Segregated Fund Liabilities 420		0	
		Current Tax Liabilities 430		2,588	
		Deferred Tax Liabilities 250	8,312	16,671	
		Subordinated Debt 280		0	
		Other Debt 310	81,627	113,556	
		<b>Total Liabilities</b> 389	391,789	440,757	0
		<b>Policyholders' Equity</b>			
<a href="#">20.040</a>		Participating Account 510	0	0	
		Participating Account - Accumulated OCI (Loss) 520		0	
<a href="#">20.040</a>		Non-Participating Account (Mutual Companies Only) 540	0	0	
		Non-Participating Account - Accumulated OCI (Loss) 550		0	
		<b>Total Policyholders' Equity</b> 589	0	0	0
		<b>Shareholders' Equity</b>			
		Capital Stock 610	38,000	38,000	
		Other Capital 640		0	
		Contributed Surplus 670		0	
<a href="#">20.040</a>		Retained Earnings 700	122,019	214,993	
		Accumulated Other Comprehensive Income (Loss) 740		3,375	
		<b>Total Shareholders' Equity</b> 779	160,019	256,368	0
		<b>Non-controlling Interests</b> 829	0	0	
		<b>Total Equity</b> 839	160,019	256,368	0
		<b>TOTAL LIABILITIES AND EQUITY</b> 899	551,808	697,125	0
<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	178,257	186,433
35.020		Premiums ceded 030	126,933	129,452
45.020		Net Premiums 040	51,324	56,981
35.020		Gross Investment Income 050	(14,292)	7,408
35.020		Less: Investment Expenses and Taxes 060	1,264	1,344
23.010		Net Investment Income 070	(15,556)	6,064
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	12,368	14,167
23.030		Other Revenue 160	0	0
35.020		Fraternal and Other Fund Revenues 180	0	0
		<b>Total Revenue</b> 199	48,136	77,212
		<b>Policy/Certificate Benefits and Expenses</b>		
35.020		Policyholder/Certificateholder Benefits 260	24,670	23,536
35.020		Benefits ceded 270	14,217	13,698
		Gross Changes to Actuarial Liabilities		
35.020		Normal 310	2,993	1,681
35.020		Basis Change 320	(1,179)	(13,354)
		Gross Changes to Other Contract Liabilities		
35.020		Normal 342	0	
35.020		Basis Change 344	0	
		Changes in Actuarial and Other Contract Liabilities Ceded		
35.020		Normal 370	3,203	1,574
35.020		Basis Change 380	(1,490)	(10,163)
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	76,420	81,687
35.020		Commissions Ceded 470	53,919	54,337
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit 480	0	0
23.030		Interest Expense and Finance costs 510	1,987	382
23.030		General Expenses and Taxes (excl. income taxes) 540	30,254	27,716
23.030		Other Expenses 570	921	874
35.020		Fraternal and Other Fund Expenses 580	0	0
		<b>Total Benefits and Expenses</b> 649	66,217	63,076
		<b>Income Before Income Tax</b> 669	(18,081)	14,136
		Provision for Income Taxes		
		Current 700	1,597	2,202
		Deferred 710	(8,359)	(1,036)
		<b>Income Before the following:</b> 749	(11,319)	12,970
35.020		Discontinued Operations (net of Income Taxes of \$ ) 830	0	0
		<b>Net Income</b> 859	(11,319)	12,970
35.020		Attributable to Participating Policyholders/Certificateholders 870	0	0
35.020		<b>Net Income after Attribution to Participating Policyholders/Certificateholders</b> 899	(11,319)	12,970
35.020		Attributable to Fraternal and Other Fund Account 980	0	0
35.020		<b>Insurance Fund</b> 989	(11,319)	12,970
		<b>Attributable to:</b>		
		Non-controlling Interests 900		0
		Equity Holders 920	(11,319)	12,970
			(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
<a href="#">20.030</a>		Share of Net Income (Loss)		0
<a href="#">20.040</a>		Transfer from (to) Retained Earnings (Stock companies only)		0
<a href="#">20.040</a>		Transfer from (to) Non-Par Account (Mutual companies only)		0
		<b>End of Year</b>	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
<a href="#">20.030</a>		Share of Net Income (Loss)		0
<a href="#">20.040</a>		Transfer from (to) Par Account	0	0
		Dividends to Preferred Shareholders		0
		<b>End of Year</b>	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	214,993	207,023
<a href="#">20.030</a>		Share of Net Income (Loss)	(11,319)	12,970
<a href="#">20.040</a>		Transfer from (to) Par Account	0	0
		Dividends to Shareholders:		
		Preferred		0
		Common	85,000	5,000
		Impact of adoption of IFRS 9	3,345	0
		(Specify)		0
		(Specify)		
		<b>End of Year</b>	122,019	214,993

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		<b>Comprehensive Income (Loss)</b>			
		Net Income	010	(11,319)	12,970
		Other Comprehensive Income (Loss):			
		<b>Items that may be reclassified subsequently to Net Income:</b>			
		<b>FVOCI:</b>			
		Change in Unrealized Gains and Losses:			
		- Loans	110		0
		- Bonds and Debentures	140		(28)
		- Equities (IAS 39)	170		26,259
		Reclassification of (Gains) Losses to Net Income	210		(1,946)
		<b>Overlay approach *</b>			
		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		
		<b>Derivatives Designated as Cash Flow Hedges</b>			
		Change in Unrealized Gains and Losses	310		0
		Reclassification of (Gains) Losses to Net Income	340		0
		<b>Foreign Currency Translation</b>			
		Change in Unrealized Gains and Losses	410		1,632
		Impact of Hedging	440		0
		<b>Share of Other Comprehensive Income of Associates &amp; Joint Ventures</b>	460		0
		<b>Other</b>	445		0
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	449	0	25,917
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
		<b>FVOCI:</b>			
		Change in Unrealized Gains and Losses:			
		- Equities (IFRS 9)	465		
		Revaluation Surplus	455		0
		<b>Remeasurements of Defined Benefit Plans</b>	470		0
		<b>Other</b>	480		0
<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	489	0	0		
<b>Total Other Comprehensive Income (Loss)</b>	510	0	25,917		
<b>Total Comprehensive Income (Loss)</b>	589	(11,319)	38,887		
<b>Attributable to:</b>					
Participating Policyholders/Certificateholders	615		0		
Non-controlling Interests	600		0		
Equity Holders	620	(11,319)	38,887		
Reference Page	FS Notes Reference		Current Period	Prior Period	
			(01)	(03)	
		<b>Accumulated Other Comprehensive Income (Loss)</b>			
		Accumulated Gains (Losses), net of tax, on:			
		<b>Items that may be reclassified subsequently to Net Income:</b>			
		<b>FVOCI:</b>			
		- Loans	710	0	
		- Bonds and Debentures	740	(2,029)	
		- Equities (IAS 39)	770	6,568	
		<b>Overlay Approach *</b>	775		
		<b>Derivatives Designated as Cash Flow Hedges</b>	810	0	
		<b>Foreign Currency (Net of Hedging Activities)</b>	840	(1,164)	
		<b>Share of Other Comprehensive Income of Associates &amp; Joint Ventures</b>	860	0	
		<b>Other</b>	845	0	
		<b>Subtotal of items that may be reclassified subsequently to Net Income</b>	849	0	3,375
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
		<b>FVOCI:</b>			
		- Equities (IFRS 9)	865		
		Revaluation Surplus	855	0	
		<b>Remeasurements of Defined Benefit Plans</b>	870	0	
		<b>Other</b>	880	0	
		<b>Subtotal of items that will not be reclassified subsequently to Net Income</b>	889	0	0
		Balance at end of Year	899	0	3,375

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

First Canadian Insurance Corporation  
**Insurer**31/12/2018  
**Period Ending Date**

10.100

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

(thousands of dollars, except percentages)

<i>Tier 1 Capital (20.100)</i>	(A)	1010010040	155,080
<i>Tier 2 Capital (20.200)</i>	(B)	1010010050	4,388
<b>Available Capital (A + B)</b>	(C)	1010010030	159,468
<b>Surplus Allowance</b>	(D)	1010010060	23,559
<b>Eligible Deposits</b>	(E)	1010010070	0
Credit Risk (30.000)		1010010080	3,065
Market Risk (50.000)		1010010160	62,114
Credit and Market for P&C Insurance (per MCT)		1010010350	
Insurance Risk (60.000)		1010010220	54,956
<i>Capital Requirements: Before Credits and Non-Diversified Risks</i>	(F)	1010010290	120,135
Participating, Adjustable and Policyholder Deposits and Group Business Credits (90.000)		1010010300	0
Diversification Credit (110.000)		1010010310	17,157
<i>Credits</i>	(G)	1010010320	17,157
Segregated Fund Guarantees (70.100)		1010010280	0
Operational Risk (80.000)		1010010340	10,376
<i>Capital Requirements: Non-Diversified Risks</i>	(H)	1010010330	10,376
<b>Base Solvency Buffer ((F - G + H) x Scalar [1.05])</b>	(I)	1010010360	119,022
<b>Core Ratio (%)</b>	<b>[(A + 70% D + 70% E) / I] x 100</b>	1010010010	144.15%
<b>Total Ratio (%)</b>	<b>[(C + D + E) / I] x 100</b>	1010010020	153.78%