

First Canadian Insurance Corp  
**Insurer**30/06/2021  
**Period Ending Date**

10.100

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

(thousands of dollars, except percentages)

<i>Tier 1 Capital (20.100)</i>	(A)	1010010040	155,587
<i>Tier 2 Capital (20.200)</i>	(B)	1010010050	4,290
<b>Available Capital (A + B)</b>	(C)	1010010030	159,877
<b>Surplus Allowance</b>	(D)	1010010060	21,244
<b>Eligible Deposits</b>	(E)	1010010070	
Credit Risk (30.000)		1010010080	2,822
Market Risk (50.000)		1010010160	35,079
Credit and Market for P&C Insurance (per MCT)		1010010350	
Insurance Risk (60.000)		1010010220	45,662
<i>Capital Requirements: Before Credits and Non-Diversified Risks</i>	(F)	1010010290	83,563
Participating, Adjustable and Policyholder Deposits and Group Business Credits (90.000)		1010010300	0
Diversification Credit (110.000)		1010010310	12,740
<i>Credits</i>	(G)	1010010320	12,740
Segregated Fund Guarantees Risk (70.100)		1010010280	
Operational Risk (80.000)		1010010340	8,247
<i>Capital Requirements: Non-Diversified Risks</i>	(H)	1010010330	8,247
<b>Base Solvency Buffer ((F - G + H) x Scalar [1.05])</b>	(I)	1010010360	83,024
<b>Core Ratio (%)</b>	$[(A + 70\% D + 70\% E) / I] \times 100$	1010010010	205.31%
<b>Total Ratio (%)</b>	$[(C + D + E) / I] \times 100$	1010010020	218.16%

## 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	189,303		183,188			
		Assets held for sale			0			
<a href="#">21.012</a>		Short Term Investments	25,149		15,369			
<a href="#">21.150 or/ou 21.155</a>		Accrued Investment Income	24		332			
		Accounts Receivable	12,929		13,795			
		Policy/Certificate Loans			0			
<a href="#">21.012</a>		Bonds and Debentures	0		0			
<a href="#">21.050</a>		Mortgage Loans	0		0			
<a href="#">21.012</a>		Preferred Shares	30,148		26,075			
<a href="#">21.012</a>		Common Shares	12,072		7,530			
<a href="#">21.012</a>		Investment Properties	35,576		36,730			
		Derivative Financial Instruments			554			
<a href="#">22.020</a>		Reinsurance Assets	73,533		71,692			
<a href="#">21.080</a>		Property and Equipment	11,771		12,531			
		Interests in Associates & Joint Ventures	0		0			
<a href="#">21.012</a>		Segregated Funds Net Assets			0			
<a href="#">60.010</a>		Other Loans and Invested Assets	44,637		50,617			
<a href="#">21.100</a>		Investments in Subsidiaries			0			
		Current Tax Assets	953		3,384			
		Deferred Tax Assets			0			
		Goodwill			0			
		Intangible Assets	330		413			
		Defined Benefit Pension Plan			0			
<a href="#">21.155</a>		Other Assets	1,264		1,549			
		<b>TOTAL ASSETS</b>	437,689		423,759		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	121,676	116,432
<a href="#">22.020</a>		Other Contract Liabilities	040	66,941	66,293
		Trust and Banking Deposits	070		0
<a href="#">22.030 or/ou</a>		Accounts Payable	100	74,840	80,831
<a href="#">21.080</a>		Mortgage Loans and Other Real Estate Encumbrances	130		0
		Derivative Financial Instruments	140	207	23
		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	2,479	2,186
		Segregated Fund Liabilities	420		0
		Current Tax Liabilities	430		0
		Deferred Tax Liabilities	250	11,339	12,448
		Subordinated Debt	280		0
		Other Debt	310		0
		<b>Total Liabilities</b>	389	277,482	278,213
		<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	160,207	145,546
		<b>Non-controlling Interests</b>	829	0	0
		<b>Total Equity</b>	839	160,207	145,546
		<b>TOTAL LIABILITIES AND EQUITY</b>	899	437,689	423,759
<a href="#">20.044</a>		<b>Head Office Account</b>	800		
<a href="#">20.042</a>		Accumulated Other Comprehensive Income (Loss)	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>		
<a href="#">35.020</a>		Gross Premiums	77,711	61,685
<a href="#">35.020</a>		Premiums ceded	56,422	45,713
<a href="#">45.020</a>		Net Premiums	21,289	15,972
<a href="#">35.020</a>		Gross Investment Income	13,117	-19,483
<a href="#">35.020</a>		Less: Investment Expenses and Taxes	1,457	1,404
<a href="#">23.010</a>		Net Investment Income	11,660	-20,887
<a href="#">35.020</a>		Overlay approach adjustment for financial instruments (Reclass from P&L to OCI) *	0	
<a href="#">35.020</a>		Share of Income/Loss of Associates & Joint Ventures	0	0
		Fee Income	5,842	4,834
<a href="#">23.030</a>		Other Revenue	0	0
<a href="#">35.020</a>		Fraternal and Other Fund Revenues	0	0
		<b>Total Revenue</b>	38,791	-81
		<b>Policy/Certificate Benefits and Expenses</b>		
<a href="#">35.020</a>		Policyholder/Certificateholder Benefits	13,947	13,635
<a href="#">35.020</a>		Benefits ceded	7,471	7,609
		Gross Changes to Actuarial Liabilities		
<a href="#">35.020</a>		Normal	-7,991	-17,805
<a href="#">35.020</a>		Basis Change	0	0
		Gross Changes to Other Contract Liabilities		
<a href="#">35.020</a>		Normal	0	0
<a href="#">35.020</a>		Basis Change	0	0
		Changes in Actuarial and Other Contract Liabilities Ceded		
<a href="#">35.020</a>		Normal	-6,529	-16,485
<a href="#">35.020</a>		Basis Change	0	0
<a href="#">35.020</a>		Policyholder/Certificateholder Dividends	0	0
<a href="#">35.020</a>		Experience Rating Refunds	0	0
<a href="#">35.020</a>		Transfer to and (Transfer from) Other Funds	0	0
<a href="#">35.020</a>		Gross Commissions	33,012	31,076
<a href="#">35.020</a>		Commissions Ceded	24,833	25,431
<a href="#">35.020</a>		Interest on Policyholder/Certificateholder Amounts on Deposit	0	0
<a href="#">23.030</a>		Interest Expense and Finance costs	33	893
<a href="#">23.030</a>		General Expenses and Taxes (excl. income taxes)	13,818	12,796
<a href="#">23.030</a>		Other Expenses	873	910
<a href="#">35.020</a>		Fraternal and Other Fund Expenses	0	0
		<b>Total Benefits and Expenses</b>	27,917	24,950
		<b>Income Before Income Tax</b>	10,874	-25,031
		Provision for Income Taxes		
		Current	3,458	-207
		Deferred	710	0
		<b>Income Before the following:</b>	7,416	-24,824
<a href="#">35.020</a>		Discontinued Operations (net of Income Taxes of \$ )	0	0
		<b>Net Income</b>	7,416	-24,824
<a href="#">35.020</a>		Attributable to Participating Policyholders/Certificateholders	0	0
<a href="#">35.020</a>		<b>Net Income after Attribution to Participating Policyholders/Certificateholders</b>	7,416	-24,824
<a href="#">35.020</a>		Attributable to Fraternal and Other Fund Account	0	0
<a href="#">35.020</a>		<b>Insurance Fund</b>	7,416	-24,824
		<b>Attributable to:</b>		
		Non-controlling Interests		0
		Equity Holders	7,416	-24,824
			(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

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	7,416	-24,824
		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		0
		- Equities (IAS 39)	170		0
		Reclassification of (Gains) Losses to Net Income	210		0
		<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		0
		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	0
		<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		0
<b>Revaluation Surplus</b>	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>	519	0	0		
<b>Total Comprehensive Income (Loss)</b>	589	7,416	-24,824		
<b>Attributable to:</b>					
Participating Policyholders/Certificateholders	615		0		
Non-controlling Interests	600		0		
Equity Holders	620	7,416	-24,824		
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	0	
		- Equities (IAS 39)	770	0	
		<b>Overlay Approach *</b>	775		
		<b>Derivatives Designated as Cash Flow Hedges</b>	810	0	
		<b>Foreign Currency (Net of Hedging Activities)</b>	840	0	
		<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	
		<b>Items that will not be reclassified subsequently to Net Income:</b>			
		<b>FVOCI:</b>			
		- Equities (IFRS 9)	865	0	
		<b>Revaluation Surplus</b>	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	
		<b>Balance at end of Period</b>	899	0	

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