

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	14,254		21,436			
		Assets held for sale	020			0			
21.012		Short Term Investments	040	184,725		60,386			
21.150 or/ou		Accrued Investment Income	070	397		533			
		Accounts Receivable	100	16,238		15,196			
		Policy/Certificate Loans	200			0			
21.012		Bonds and Debentures	250	0		4,538			
21.050		Mortgage Loans	300	0		0			
21.012		Preferred Shares	420	178,987		225,441			
21.012		Common Shares	440	48,837		64,118			
21.012		Investment Properties	510	38,824		40,185			
		Derivative Financial Instruments	520			0			
22.020		Reinsurance Assets	530	77,606		85,842			
21.080		Property and Equipment	540	7,683		4,830			
		Interests in Associates & Joint Ventures	550	0		0			
60.010		Segregated Funds Net Assets	560			0			
21.100		Other Loans and Invested Assets	600	75,529		56,644			
		Investments in Subsidiaries	750			0			
		Current Tax Assets	780	8,158		0			
		Deferred Tax Assets	800			0			
		Goodwill	820			0			
		Intangible Assets	830	574		667			
		Defined Benefit Pension Plan	840			0			
21.155		Other Assets	880	937		749			
		TOTAL ASSETS	899	652,749		580,565		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	120,251	131,719	
22.020		Other Contract Liabilities 040	76,645	85,298	
22.030 or/ou		Trust and Banking Deposits 070		0	
21.080		Accounts Payable 100	147,570	87,744	
		Mortgage Loans and Other Real Estate Encumbrances 130	10,832	11,165	
		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	
22.030		Provisions and Other Liabilities 160	2,660	3,220	
		Segregated Fund Liabilities 420		0	
		Current Tax Liabilities 430		1,426	
		Deferred Tax Liabilities 250	16,671	17,707	
		Subordinated Debt 280		0	
		Other Debt 310	98,976	0	
		Total Liabilities 389	473,605	338,279	0
		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	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	179,144	242,286	
		Non-controlling Interests 829	0	0	
		Total Equity 839	179,144	242,286	0
		TOTAL LIABILITIES AND EQUITY 899	652,749	580,565	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	138,621	140,939
35.020		Premiums ceded	99,224	99,405
45.020		Net Premiums	39,397	41,534
35.020		Gross Investment Income	12,118	4,690
35.020		Less: Investment Expenses and Taxes	713	992
23.010		Net Investment Income	11,405	3,698
35.020		Overlay approach adjustment for financial instruments (Reclass from P&L to OCI) *	0	
35.020		Share of Income/Loss of Associates & Joint Ventures	0	0
		Fee Income	9,826	11,465
23.030		Other Revenue	0	0
35.020		Fraternal and Other Fund Revenues	0	0
		Total Revenue	60,628	56,697
		Policy/Certificate Benefits and Expenses		
35.020		Policyholder/Certificateholder Benefits	18,548	17,315
35.020		Benefits ceded	10,809	10,144
		Gross Changes to Actuarial Liabilities		
35.020		Normal	(3,969)	(4,680)
35.020		Basis Change	0	0
		Gross Changes to Other Contract Liabilities		
35.020		Normal	0	
35.020		Basis Change	0	
		Changes in Actuarial and Other Contract Liabilities Ceded		
35.020		Normal	(2,455)	(3,342)
35.020		Basis Change	0	0
35.020		Policyholder/Certificateholder Dividends	0	0
35.020		Experience Rating Refunds	0	0
35.020		Transfer to and (Transfer from) Other Funds	0	0
35.020		Gross Commissions	58,245	61,219
35.020		Commissions Ceded	40,372	40,901
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit	0	0
23.030		Interest Expense and Finance costs	1,457	40
23.030		General Expenses and Taxes (excl. income taxes)	25,027	23,083
23.030		Other Expenses	649	523
35.020		Fraternal and Other Fund Expenses	0	0
		Total Benefits and Expenses	51,231	49,797
		Income Before Income Tax	9,397	6,900
		Provision for Income Taxes		
		Current	1,621	1,416
		Deferred		0
		Income Before the following:	7,776	5,484
35.020		Discontinued Operations (net of Income Taxes of \$)	0	0
		Net Income	7,776	5,484
35.020		Attributable to Participating Policyholders/Certificateholders	0	0
35.020		Net Income after Attribution to Participating Policyholders/Certificateholders	7,776	5,484
35.020		Attributable to Fraternal and Other Fund Account	0	0
35.020		Insurance Fund	7,776	5,484
		Attributable to:		
		Non-controlling Interests		0
		Equity Holders	7,776	5,484
			(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		207,023
		Adjustments		0
		(Specify)		0
20.030		Share of Net Income (Loss)		5,484
20.040		Transfer from (to) Par Account	0	0
		Dividends to Shareholders:		
		Preferred		0
		Common		5,000
		End of Year	141,144	207,507

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	7,776	5,484
		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		(18)
		- Equities (IAS 39)	170		20,163
		Reclassification of (Gains) Losses to Net Income	210		(824)
		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	19,321
		Items that will not be reclassified subsequently to Net Income:			
		FVOCI:			
		Change in Unrealized Gains and Losses:			
		- Equities (IFRS 9)	465		
		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	19,321		
Total Comprehensive Income (Loss)	589	7,776	24,805		
Attributable to:					
Participating Policyholders/Certificateholders	615		0		
Non-controlling Interests	600		0		
Equity Holders	620	7,776	24,805		
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	(2,019)	
		- Equities (IAS 39)	770	(540)	
		Overlay Approach *	775		
		Derivatives Designated as Cash Flow Hedges	810	0	
		Foreign Currency (Net of Hedging Activities)	840	(662)	
		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		
		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 Year	899	(3,221)	

* 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
Insurer30/09/2018
Period Ending Date

10.100

LICAT Ratios
Summary Calculations

(thousands of dollars, except percentages)

<i>Tier 1 Capital (20.100)</i>	(A)	1010010040	174,298
<i>Tier 2 Capital (20.200)</i>	(B)	1010010050	4,272
Available Capital (A + B)	(C)	1010010030	178,570

Surplus Allowance	(D)	1010010060	22,703
--------------------------	-----	------------	--------

Eligible Deposits	(E)	1010010070	0
--------------------------	-----	------------	---

Credit Risk (30.000)		1010010080	3,381
Market Risk (50.000)		1010010160	66,949
Credit and Market for P&C Insurance (per MCT)		1010010350	
Insurance Risk (60.000)		1010010220	54,511
<i>Capital Requirements: Before Credits and Non-Diversified Risks</i>	(F)	1010010290	124,841
Participating, Adjustable and Policyholder Deposits and Group Business Credits (90.000)		1010010300	0
Diversification Credit (110.000)		1010010310	17,341
<i>Credits</i>	(G)	1010010320	17,341
Segregated Fund Guarantees (70.100)		1010010280	0
Operational Risk (80.000)		1010010340	10,781
<i>Capital Requirements: Non-Diversified Risks</i>	(H)	1010010330	10,781
Base Solvency Buffer ((F - G + H) x Scalar [1.05])	(I)	1010010360	124,196

Core Ratio (%)	[(A + 70% D + 70% E) / I] x 100	1010010010	153.14%
Total Ratio (%)	[(C + D + E) / I] x 100	1010010020	162.06%