

## 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	48,723		14,254		
		Assets held for sale	020			0		
<a href="#">21.012</a>		Short Term Investments	040	149,271		184,725		
<a href="#">21.150 or/ou 21.155</a>		Accrued Investment Income	070	272		397		
		Accounts Receivable	100	13,750		16,238		
		Policy/Certificate Loans	200			0		
<a href="#">21.012</a>		Bonds and Debentures	250	0		0		
<a href="#">21.050</a>		Mortgage Loans	300	0		0		
<a href="#">21.012</a>		Preferred Shares	420	116,915		178,987		
<a href="#">21.012</a>		Common Shares	440	11,201		48,837		
<a href="#">21.012</a>		Investment Properties	510	37,650		38,824		
		Derivative Financial Instruments	520			0		
<a href="#">22.020</a>		Reinsurance Assets	530	77,945		77,606		
<a href="#">21.080</a>		Property and Equipment	540	11,306		7,683		
		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	68,154		75,529		
		Investments in Subsidiaries	750			0		
		Current Tax Assets	780	4,337		8,158		
		Deferred Tax Assets	800			0		
		Goodwill	820			0		
		Intangible Assets	830	482		574		
		Defined Benefit Pension Plan	840			0		
<a href="#">21.155</a>		Other Assets	880	1,391		937		
		<b>TOTAL ASSETS</b>	899	541,397		652,749		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	121,148	120,251
<a href="#">22.020</a>		Other Contract Liabilities	040	74,391	76,645
		Trust and Banking Deposits	070	0	
<a href="#">22.030 or/ou</a>		Accounts Payable	100	87,787	147,570
<a href="#">21.080</a>		Mortgage Loans and Other Real Estate Encumbrances	130	10,516	10,832
		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	2,255	2,660
		Segregated Fund Liabilities	420	0	
		Current Tax Liabilities	430	0	
		Deferred Tax Liabilities	250	15,183	16,671
		Subordinated Debt	280	0	
		Other Debt	310	67,710	98,976
		<b>Total Liabilities</b>	389	378,990	473,605
		<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	162,407	179,144
		<b>Non-controlling Interests</b>	829	0	0
		<b>Total Equity</b>	839	162,407	179,144
		<b>TOTAL LIABILITIES AND EQUITY</b>	899	541,397	652,749
<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	125,403	138,621
35.020		Premiums ceded 030	92,882	99,224
45.020		Net Premiums 040	32,521	39,397
35.020		Gross Investment Income 050	5,043	12,118
35.020		Less: Investment Expenses and Taxes 060	3,439	713
23.010		Net Investment Income 070	1,604	11,405
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	9,376	9,826
23.030		Other Revenue 160	0	0
35.020		Fraternal and Other Fund Revenues 180	0	0
		<b>Total Revenue 199</b>	<b>43,501</b>	<b>60,628</b>
		<b>Policy/Certificate Benefits and Expenses</b>		
35.020		Policyholder/Certificateholder Benefits 260	21,130	18,548
35.020		Benefits ceded 270	11,697	10,809
		Gross Changes to Actuarial Liabilities		
35.020		Normal 310	(7,351)	(3,969)
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	(6,293)	(2,455)
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	51,304	58,245
35.020		Commissions Ceded 470	39,731	40,372
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit 480	0	0
23.030		Interest Expense and Finance costs 510	12	1,457
23.030		General Expenses and Taxes (excl. income taxes) 540	20,702	25,027
23.030		Other Expenses 570	821	649
35.020		Fraternal and Other Fund Expenses 580	0	0
		<b>Total Benefits and Expenses 649</b>	<b>41,483</b>	<b>51,231</b>
		<b>Income Before Income Tax 669</b>	<b>2,018</b>	<b>9,397</b>
		Provision for Income Taxes		
		Current 700	(7,241)	1,621
		Deferred 710	6,871	0
		<b>Income Before the following: 749</b>	<b>2,388</b>	<b>7,776</b>
35.020		Discontinued Operations (net of Income Taxes of \$ ) 830	0	0
		<b>Net Income 859</b>	<b>2,388</b>	<b>7,776</b>
35.020		Attributable to Participating Policyholders/Certificateholders 870	0	0
35.020		<b>Net Income after Attribution to Participating Policyholders/Certificateholders 899</b>	<b>2,388</b>	<b>7,776</b>
35.020		Attributable to Fraternal and Other Fund Account 980	0	0
35.020		<b>Insurance Fund 989</b>	<b>2,388</b>	<b>7,776</b>
		<b>Attributable to:</b>		
		Non-controlling Interests 900		0
		Equity Holders 920	2,388	7,776
			(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
<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
		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
<a href="#">20.030</a>		Share of Net Income (Loss)	2,388	7,776
<a href="#">20.040</a>		Transfer from (to) Par Account	0	0
		Dividends to Shareholders:		
		Preferred		0
		Common		85,000
		Impact of adoption of IFRS 9		3,375
		(Specify)		0
		(Specify)		
		<b>End of Year</b>	124,407	141,144

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		<b>Comprehensive Income (Loss)</b>			
		Net Income	010	2,388	7,776
		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>	510	0	0		
<b>Total Comprehensive Income (Loss)</b>	589	2,388	7,776		
<b>Attributable to:</b>					
Participating Policyholders/Certificateholders	615		0		
Non-controlling Interests	600		0		
Equity Holders	620	2,388	7,776		
Reference Page	FS Notes Reference Reference		Current Period (01)	Prior Period (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	
		Balance at end of Year	899	0	

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

First Canadian Insurance Corp  
**Insurer**30/09/2019  
**Period Ending Date**

10.100

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

(thousands of dollars, except percentages)

Tier 1 Capital (20.100)	(A)	1010010040	157,488
Tier 2 Capital (20.200)	(B)	1010010050	4,437
<b>Available Capital (A + B)</b>	(C)	1010010030	161,925

<b>Surplus Allowance</b>	(D)	1010010060	24,108
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<b>Eligible Deposits</b>	(E)	1010010070	0
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Credit Risk (30.000)		1010010080	2,761
Market Risk (50.000)		1010010160	62,300
Credit and Market for P&C Insurance (per MCT)		1010010350	
Insurance Risk (60.000)		1010010220	55,141
<b>Capital Requirements: Before Credits and Non-Diversified Risks</b>	(F)	1010010290	120,202
Participating, Adjustable and Policyholder Deposits and Group Business Credits (90.000)		1010010300	0
Diversification Credit (110.000)		1010010310	17,187
<b>Credits</b>	(G)	1010010320	17,187
Segregated Fund Guarantees (70.100)		1010010280	
Operational Risk (80.000)		1010010340	10,049
<b>Capital Requirements: Non-Diversified Risks</b>	(H)	1010010330	10,049
<b>Base Solvency Buffer ((F - G + H) x Scalar [1.05])</b>	(I)	1010010360	118,717

<b>Core Ratio (%)</b>	$([A + 70\% D + 70\% E] / I) \times 100$	1010010010	146.87%
<b>Total Ratio (%)</b>	$([C + D + E] / I) \times 100$	1010010020	156.70%