

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	8,175		19,927		
		Assets held for sale	020			0		
21.012		Short Term Investments	040	148,162		183,465		
21.150 or/ou 21.155		Accrued Investment Income	070	401		501		
		Accounts Receivable	100	13,981		16,529		
		Policy/Certificate Loans	200			0		
21.012		Bonds and Debentures	250	0		1,152		
21.050		Mortgage Loans	300	0		0		
21.012		Preferred Shares	420	119,052		185,380		
21.012		Common Shares	440	39,431		46,458		
21.012		Investment Properties	510	37,946		39,168		
		Derivative Financial Instruments	520			0		
22.020		Reinsurance Assets	530	76,640		75,440		
21.080		Property and Equipment	540	10,354		6,622		
		Interests in Associates & Joint Ventures	550	0		0		
60.010		Segregated Funds Net Assets	560			0		
21.100		Other Loans and Invested Assets	600	68,289		79,288		
		Investments in Subsidiaries	750			0		
		Current Tax Assets	780	15,939		5,741		
		Deferred Tax Assets	800			0		
		Goodwill	820			0		
		Intangible Assets	830	505		598		
		Defined Benefit Pension Plan	840			0		
21.155		Other Assets	880	1,517		1,590		
		TOTAL ASSETS	899	540,392		661,859		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	119,997	118,352
22.020		Other Contract Liabilities	040	73,396	74,513
		Trust and Banking Deposits	070	0	
22.030 or/ou		Accounts Payable	100	84,472	91,745
21.080		Mortgage Loans and Other Real Estate Encumbrances	130	10,603	10,916
		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	1,579	1,915
		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	72,520	100,295
		Total Liabilities	389	377,750	414,407
		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	
		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	162,642	247,452
		Non-controlling Interests	829	0	0
		Total Equity	839	162,642	247,452
		TOTAL LIABILITIES AND EQUITY	899	540,392	661,859
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	76,516	85,097
35.020		Premiums ceded	56,981	60,220
45.020		Net Premiums	19,535	24,877
35.020		Gross Investment Income	5,087	6,236
35.020		Less: Investment Expenses and Taxes	2,333	1,557
23.010		Net Investment Income	2,754	4,679
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	5,782	5,987
23.030		Other Revenue	0	0
35.020		Fraternal and Other Fund Revenues	0	0
		Total Revenue	28,071	35,543
		Policy/Certificate Benefits and Expenses		
35.020		Policyholder/Certificateholder Benefits	14,056	12,337
35.020		Benefits ceded	7,895	7,240
		Gross Changes to Actuarial Liabilities		
35.020		Normal	(10,107)	(8,676)
35.020		Basis Change	0	0
		Gross Changes to Other Contract Liabilities		
35.020		Normal	0	0
35.020		Basis Change	0	0
		Changes in Actuarial and Other Contract Liabilities Ceded		
35.020		Normal	(9,204)	(7,428)
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	33,334	38,215
35.020		Commissions Ceded	26,583	26,876
35.020		Interest on Policyholder/Certificateholder Amounts on Deposit	0	0
23.030		Interest Expense and Finance costs	7	941
23.030		General Expenses and Taxes (excl. income taxes)	12,627	16,845
23.030		Other Expenses	557	428
35.020		Fraternal and Other Fund Expenses	0	0
		Total Benefits and Expenses	25,200	33,402
		Income Before Income Tax	2,871	2,141
		Provision for Income Taxes		
		Current	(6,623)	1,027
		Deferred	6,871	0
		Income Before the following:	2,623	1,114
35.020		Discontinued Operations (net of Income Taxes of \$)	0	0
		Net Income	2,623	1,114
35.020		Attributable to Participating Policyholders/Certificateholders	0	0
35.020		Net Income after Attribution to Participating Policyholders/Certificateholders	2,623	1,114
35.020		Attributable to Fraternal and Other Fund Account	0	0
35.020		Insurance Fund	2,623	1,114
		Attributable to:		
		Non-controlling Interests		0
		Equity Holders	2,623	1,114
			(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		214,993
20.030		Share of Net Income (Loss)	2,623	1,114
20.040		Transfer from (to) Par Account	0	0
		Dividends to Shareholders:		
		Preferred		0
		Common		10,000
		Impact of adoption of IFRS 9		3,375
		(Specify)		0
		(Specify)		
		End of Year	124,642	209,482

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	2,623	1,114
		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	2,623	1,114		
Attributable to:					
Participating Policyholders/Certificateholders	615		0		
Non-controlling Interests	600		0		
Equity Holders	620	2,623	1,114		
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	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 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
Insurer30/06/2019
Period Ending Date

10.100

LICAT Ratios
Summary Calculations

(thousands of dollars, except percentages)

<i>Tier 1 Capital (20.100)</i>	(A)	1010010040	157,806
<i>Tier 2 Capital (20.200)</i>	(B)	1010010050	4,331
Available Capital (A + B)	(C)	1010010030	162,137

Surplus Allowance	(D)	1010010060	23,709
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Eligible Deposits	(E)	1010010070	0
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Credit Risk (30.000)		1010010080	2,715
Market Risk (50.000)		1010010160	62,092
Credit and Market for P&C Insurance (per MCT)		1010010350	
Insurance Risk (60.000)		1010010220	54,974
<i>Capital Requirements: Before Credits and Non-Diversified Risks</i>	(F)	1010010290	119,781
Participating, Adjustable and Policyholder Deposits and Group Business Credits (90.000)		1010010300	0
Diversification Credit (110.000)		1010010310	17,079
<i>Credits</i>	(G)	1010010320	17,079
Segregated Fund Guarantees (70.100)		1010010280	
Operational Risk (80.000)		1010010340	10,147
<i>Capital Requirements: Non-Diversified Risks</i>	(H)	1010010330	10,147
Base Solvency Buffer ((F - G + H) x Scalar [1.05])	(I)	1010010360	118,492

Core Ratio (%)	$([A + 70\% D + 70\% E] / I) \times 100$	1010010010	147.18%
Total Ratio (%)	$([C + D + E] / I) \times 100$	1010010020	156.84%