#### CONSOLIDATED FINANCIAL STATEMENTS

ASSETS (\$'000)

Reference Page	FS Notes Reference			Current Period		Prior Period		Opening Prior Period Restated	
Ũ				Total	Vested in Trust*	Total	Vested in Trust*	Total	Vested in Trust*
				(01)	(02)	(03)	(04)	(05)	(06)
		Cash and Cash Equivalents	01	7,752		17,425			
		Investment Income due and accrued	02	813		1,597			
		Assets held for sale	50			0			
		Investments:							
40.12		Short Term Investments	04			0			
40.22		Bonds and Debentures	05	193,071		380,771			
40.32		Mortgage Loans	06			0			
40.42		Preferred Shares	07	19,829		37,387			
40.52		Common Shares	08			0			
40.70		Investment Properties	09	85,678		89,910			
40.80		Other Loans and Invested Assets	10	30,000		0			
<u>40.07</u>		Total Investments (lines 04 to 10)	19	328,578		508,068		0	
		Receivables:							
<u>50.20</u>		Unaffiliated Agents and Brokers	20	0		0			
		Policyholders	21	4,298		4,435			
		Instalment Premiums	22	80,804		83,385			
		Other Insurers	23	145,526		0			
		Facility Association and the "P.R.R."	24			0			
<u>50.40</u>		Subsidiaries, Associates & Joint Ventures	25	4,289		3,093			
<u>50.20</u>		Other Receivables	27	979		1,091			
		Recoverable from Reinsurers:							
<u>60.10</u>		Unearned Premiums	30	0		0			
<u>60.30</u>		Unpaid Claims and Adjustment Expenses	31	11,618		199,723			
		Other Recoverables on Unpaid Claims	37			0			
		Investments Accounted for Using the Equity Method:							
<u>50.32</u>		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0			
		Pooled Funds	45			0			
<u>40.70</u>		Property and Equipment	41	26,121		27,917			
		Deferred Policy Acquisition Expenses	43	18,412		19,417			
		Current Tax Assets	52			1,714			
		Deferred Tax Assets	44	29,728		21,900			
		Goodwill	54			0			
		Intangible Assets	56	7,902		10,535			
		Defined Benefit Pension Plan	58			0			
		Other Assets	88	298		557			
		TOTAL ASSETS	89	667,118		900,857		0	

\* Foreign insurers: Excludes deposits of reinsurers held in special trust accounts.

<u>31/12/2017</u> Date

#### CONSOLIDATED FINANCIAL STATEMENTS

## LIABILITIES, EQUITY, HEAD OFFICE ACCOUNT, RESERVES & AOCI (\$'000)

Reference Page	FS Notes Reference			Current Period	Prior Period	Opening Prior Period Restate
		(55)		(01)	(03)	(05)
		LIABILITIES		(**)	(00)	(**)
		Overdrafts	01		0	
		Borrowed Money and Accrued Interest	02		0	
		Payables:				
<u>50.20</u>		Agents and Brokers	03	0	0	
50.20		Policyholders	04	414	338	
		Other Insurers	05	1,806	8,849	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0,049	
<u>50.40</u>		Expenses due and accrued	07	9,716	10,752	
		Other Taxes due and accrued	07	15,488	16,912	
			09	15,488	10,912	
		Policyholder Dividends and Rating Adjustments	10		0	
<u>40.70</u>		Encumbrances on Real Estate	11	0	0	
<u>60.10</u>		Unearned Premiums	12	126,794	135,186	
<u>60.30</u>		Unpaid Claims and Adjustment Expenses	13	331,145	557,707	
<u>80.10</u>		Unearned Commissions	14	0	0	
		Ceded Deferred Premium Taxes	20		0	
		Ceded Deferred Insurance Operations Expenses	34		0	
		Premium Deficiency	15	0	0	
		Liabilities held for sale	17		0	
		Current Tax Liabilities	18		0	
		Deferred Tax Liabilities	21		0	
		Self-Insured Retention (SIR) portion of unpaid claims	22		0	
		Defined Benefit Pension Plan	23		0	
		Employment Benefits (not including amounts on line 23 above)	24		0	
		Subordinated Debt	25		0	
		Preferred Shares - Debt	26		0	
		Provisions and Other Liabilities	28	3,655	3,814	
		T	20	100.010	500 550	
		Total Liabilities	29	489,018	733,558	
		CANADIAN INSURERS ONLY:				
		EQUITY				
		Shares issued and paid				
		Common	41	9,000	9,000	
		Preferred	33	106,100	76,100	
		Contributed Surplus	42	0	0	
		(Specify)	43		0	
<u>20.54</u>		Retained Earnings	44	63,000	82,199	
20.45		Reserves	45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss)	47	0	0	
		Total Policyholders/Shareholders' Equity	59	178,100	167,299	
		Non-controlling Interests	48	0	0	
		Total Equity	49	178,100	167,299	
		TOTAL LIABILITIES AND EQUITY	89	667,118	900,857	
		FOREIGN INSURERS ONLY:				
		HEAD OFFICE ACCOUNT, RESERVES & AOCI				
<u>20.45</u>		Head Office Account	51			
-		(Specify)	53			
<u>20.45</u>		Reserves	55			
20.42		Accumulated Other Comprehensive Income (Loss)	56			
		Total Head Office Account, Reserves & AOCI	69			
	1	TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES & AOCI	79			

#### 20.30

## <u>Alberta Motor Association Insurance Company</u> Canadian/Foreign Insurer

<u>31/12/2017</u> Date

### CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME (\$'000)

Reference Page	FS Notes Reference			Current Period	Prior Period	
				(01)	(03)	
		UNDERWRITING OPERATIONS				
		Premiums Written				
		Direct	01	258,258	285,588	
70.21		Reinsurance Assumed	02	0	0	
70.21		Reinsurance Ceded	03	25,612	28,932	
60.20		Net Premiums Written	04	232,646	256,656	
		Decrease (increase) in Net Unearned Premiums	05	8,392	4,882	
60.20		Net Premiums Earned	06	241,038	261,538	
		Service Charges	07	8,305	9,052	
		Other	08		0	
		Total Underwriting Revenue	09	249,343	270,590	
		Gross Claims and Adjustment Expenses	62	211,264	646,263	
		Reinsurers' share of claims and adjustment expenses	64	(5,983)	350,963	
60.20		Net Claims and Adjustment Expenses	10	217,247	295,300	
		Acquisition Expenses				
80.10		Gross Commissions	66	30,886	33,159	
80.10		Ceded Commissions	68	0	0	
		Taxes	12	10,310	9,833	
80.20		Other	14	10,355	11,674	
80.20		General Expenses	16	17,206	17,093	
		Total Claims and Expenses	19	286,004	367,059	
		Premium Deficiency Adjustments	20		0	
		Underwriting Income (Loss)	29	(36,661)	(96,469)	
40.07		INVESTMENT OPERATIONS				
		Income	32	13,723	10,898	
				_		
		Gains (Losses) from FVO or FVTPL	35	0	0	
		Realized Gains (Losses)	33	(3,403)	6,047	
		Expenses	34	571	841	
		Net Investment Income	39	9,749	16,104	
		OTHER REVENUE AND EXPENSES				
		Income (Loss) from Ancillary Operations				
		(net of Expenses of \$'000 )	40		0	
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41		0	
		Share of Net Income (Loss) of Pooled Funds using Equity Method	47		0	
		Gain (Losses) from fluctuations in Foreign Exchange Rates	42		0	
		Other Revenues	44	176	551	
		Finance costs	45		0	
		Other Expenses	46		0	
		Net Income (Loss) before Income Taxes	49	(26,736)	(79,814)	
		INCOME TAXES				
		Current	50	290	(1,411)	
		Deferred	51	(7,828)	(20,123)	
		Total Income Taxes	59	(7,538)	(21,534)	
		NET INCOME (LOSS) FOR THE YEAR		(19,198)	(58,280)	
		ATTRIBUTABLE TO:		(,0)	(20,200)	
		Non-controlling Interests	80		0	
		Equity Holders	82	(19,198)	(58,280)	

Canadian/Foreign Insurer

#### <u>31/12/2017</u> Date

## CONSOLIDATED FINANCIAL STATEMENTS COMPREHENSIVE INCOME (LOSS)

# ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (\$'000)

Reference	FS Notes			Current Period	Prior Period
Page	Reference				
				(01)	(03)
				(01)	(05)
		Comprehensive Income (Loss)			
<u>20.30</u>		Net Income	01	(19,198)	(58,280)
		Other Comprehensive Income (Loss):			
		Items that may be reclassified subsequently to Net Income:			
		Available for Sale:			
		Change in Unrealized Gains and Losses:			
		- Loans	02		0
		- Bonds and Debentures	03		0
		- Equities	04		0
		Reclassification of (Gains) Losses to Net Income	05		0
		Derivatives Designated as Cash Flow Hedges			
		Change in Unrealized Gains and Losses	06		0
		Reclassification of (Gains) Losses to Net Income	07		0
		Foreign Currency Translation			
		Change in Unrealized Gains and Losses	08		0
		Impact of Hedging	09		0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint			
		Ventures (may be reclassified)	14		0
		Other	18		0
		Subtotal of items that may be reclassified subsequently to Net Income	19	0	0
		Items that will not be reclassified subsequently to Net Income:			
		Revaluation Surplus	31		0
		Share of Other Comprehensive Income of Subsidiaries,			
		Associates & Joint Ventures	11		0
		Remeasurements of Defined Benefit Plans	34		0
		Other	12		0
		Subtotal of items that will not be reclassified subsequently to Net Income	29	0	0
		Total Other Comprehensive Income (Loss)	21	0	0
		Total Comprehensive Income (Loss)	39	(19,198)	(58,280)
		Attributable to:			
		Non-controlling Interests	60		0
		Equity Holders	62	(19,198)	(58,280)
				Current Period	Prior Period
				Culton Period	i noi i tinou
				(01)	(03)
		Accumulated Other Comprehensive Income (Loss)			
		Accumulated Gains (Losses) on:			
		Items that may be reclassified subsequently to Net Income:			
		Available for Sale:			
		- Loans	42		0
		- Bonds and Debentures	43		0
		- Equities	44		0
		Derivatives Designated as Cash Flow Hedges	45		0
		Foreign Currency (net of hedging activities)	46		0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint			
		Ventures (may be reclassified)	52		0
		Other	68		0
		Subtotal of items that may be reclassified subsequently to Net Income	69	0	0
		Items that will not be reclassified subsequently to Net Income:			
		Revaluation Surplus	71		0
		Share of Other Comprehensive Income of Subsidiaries,			
		Associates & Joint Ventures	51		0
		Remeasurements of Defined Benefit Plans	74		0
		Other	49		0
		Subtotal of itoms that will not be not	70		~
20.20		Subtotal of items that will not be reclassified subsequently to Net Income	79	0	0
<u>20.20</u>		Balance at end of Year	59	0	0

#### CONSOLIDATED

## MINIMUM CAPITAL TEST/BRANCH ADEQUACY OF ASSETS TEST: CAPITAL (MARGIN) REQUIRED AND MCT (BAAT) RATIO (\$'000)

		Current Period
(55)		(01)
Capital Available:		
Capital available (from page 30.62 - capital available)	01	140,470
Phase-in of capital available	03	
(Specify)	08	
Total Capital Available	09	140,470
Assets Available:		
Net Assets Available (from page 30.92 - net assets available)	11	
Phase-in of net assets available	13	
(Specify)	18	
Total Net Assets Available	19	
Capital (Margin) Required at Target:		
Insurance Risk:		
Premium liabilities	20	18,799
Unpaid claims	22	30,842
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	49,641
Market Risk:		
Interest rate risk	30	2,967
Foreign exchange risk	32	0
Equity risk	34	0
Real estate risk	36	19,666
Other market risk exposures	38	82
Subtotal: Market risk margin	39	22,715
Credit Risk:		
Counterparty default risk for balance sheet assets	40	7,535
Counterparty default risk for off-balance sheet exposures	42	0
Counterparty default risk for unregistered reinsurance collateral and SIRs	44	0
Subtotal: Credit risk margin	49	7,535
Operational risk margin	50	13,887
Less: Diversification credit	52	10,027
Total Capital (Margin) Required at Target	59	
Minimum Capital (Margin) Required (line 59 / 1.5)	60	55,834
Phase-in of Capital (Margin) Required	62	
(Specify)	68	0
Total Minimum Capital (Margin) Required	69	55,834
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	84,636
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	251.59%

Note: See Section VI of the P&C instructions and the MCT Guideline.