SAMPLE MUTUAL INSURANCE COMPANY
ILLUSTRATIVE IFRS FINANCIAL STATEMENTS
For the year ended December 31, 2018

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Sample Mutual Insurance Company

Illustrative IFRS Financial Statements

For the year ended December 31, 2018

The purpose of this publication is to assist mutual insurance companies in preparing their International Financial Reporting Standards (IFRS) financial statements for the year ended December 31, 2018.

These sample financial statements are based on the following assumptions about the Sample Mutual Insurance Company:

- *The Company adopted IFRS 9* Financial Instruments *retrospectively, including any consequential amendments to other standards, with a date of initial application of January 1, 2018. Despite the retrospective adoption of IFRS 9, the Company is not required, upon initial application, to restate comparatives;*
- *The Company has not applied the temporary exemption to defer IFRS 9* Financial Instruments *until the effective date of IFRS 17* Insurance Contracts*;*
- *The Company's debt instruments are classified at fair value through profit or loss (FVTPL) because the business model is to manage them on a fair value basis and make investment decisions on that basis;*
- *The Company has not elected to measure its equity instruments at fair value through other comprehensive income (FVTOCI);*
- *The Company does not have any revenue in the scope of IFRS 15* Revenue from Contracts with Customers*;*
- *No new standards or amendments to standards have been adopted early;*
- *Property, plant & equipment will be accounted for using the cost model;*
- *The Company's financial assets measured at level 3 in the fair value hierarchy are insignificant;*
- *The most significant financial statement areas are Insurance Contracts, Investments, and Income Taxes;*
- *The Company did not have a significant movement in its deferred tax balances during the current or prior year; and*
- *The Company is providing corresponding figures for the prior year (i.e. the audit is only required for the current period), hence the amount of disclosures relating to the prior year are limited to the extent that they are relevant to understanding the current period's financial statements.*

The publication is based on standards and interpretations that have been issued by the International Accounting Standards Board (IASB) by July 31, 2018. The sample financial statements should not be used as a substitute for referring to standards and interpretations themselves.

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	2018	2017
Assets		
Cash	**$ xxx**	$ xxx
Investments (Note 5)	**xxx**	xxx
Investment income accrued	**xxx**	xxx
Due from reinsurer (Note 4)	**xxx**	xxx
Due from policyholders (Note 4)	**xxx**	xxx
Reinsurer's share of unpaid claims (Note 4)	**xxx**	xxx
Deferred policy acquisition expenses (Note 4)	**xxx**	xxx
Property, plant & equipment (Note 13)	**xxx**	xxx
Intangible assets (Note 13)	**xxx**	xxx
Other assets	**xxx**	xxx
	$ xxx	$ xxx
Liabilities		
Accounts payable and accrued liabilities	**$ xxx**	$ xxx
Income taxes payable	**xxx**	xxx
Unearned premiums (Note 4)	**xxx**	xxx
Unpaid claims and adjustment expenses (Note 4)	**xxx**	xxx
Pension liability (Note 14)	**xxx**	xxx
Deferred income taxes (Note 11)	**xxx**	xxx
	xxx	xxx
Members' Surplus		
Unappropriated members' surplus	**xxx**	xxx
Accumulated other comprehensive income	**-**	xxx
	xxx	xxx
	$ xxx	$ xxx

Signed on behalf of the Board by:

______________________________ Director

______________________________ Director

The accompanying notes are an integral part of these financial statements

	2018	2017
Underwriting income		
Gross premiums written	$ xxx	$ xxx
Less reinsurance ceded	(xxx)	(xxx)
Net premiums written	xxx	xxx
Less increase in unearned premiums	(xxx)	(xxx)
Net premiums earned	xxx	xxx
Service charges	xxx	xxx
	xxx	xxx
Direct losses incurred		
Gross claims and adjustment expenses (Note 10)	xxx	xxx
Less reinsurer's share of claims and adjustment expenses	(xxx)	(xxx)
	xxx	xxx
	xxx	xxx
Expenses		
Fees, commissions and other acquisition expenses (Note 8)	xxx	xxx
Other operating and administrative expenses (Note 9)	xxx	xxx
	xxx	xxx
Net underwriting income	xxx	xxx
Investment and other income (Note 6)	xxx	xxx
Investment expenses	(xxx)	(xxx)
Income before taxes	xxx	xxx
Provision (recovery) for income taxes (Note 11)	xxx	xxx
Net income	$ xxx	$ xxx
Other comprehensive income (net of tax)		
Items which may subsequently be recycled through profit or loss		
Change in unrealized gains/losses on available-for-sale investments	-	xxx
Reclassification of realized gains/losses on available-for-sale investments	-	(xxx)
Total other comprehensive income (net of tax)	-	xxx
Total comprehensive income (loss) for the year	$ xxx	$ xxx

The accompanying notes are an integral part of these financial statements

	Unappropriated Members' Surplus	Accumulated Other Comprehensive Income	Total
Balance at January 1, 2017	**$ xxx**	**$ xxx**	**$ xxx**
Net income	xxx	-	xxx
Change in unrealized gains/losses on available-for-sale investments	-	xxx	xxx
Reclassification of realized gains/losses on available-for-sale investments to profit or loss	-	(xxx)	(xxx)
Balance on December 31, 2017	**$ xxx**	**$ xxx**	**$ xxx**
Effect of adoption of IFRS 9 on January 1, 2018 (Note 3)	xxx	(xxx)	xxx
Net income	xxx	-	xxx
Balance on December 31, 2018	**$ xxx**	**$ -**	**$ xxx**

The accompanying notes are an integral part of these financial statements

	2018	2017
Operating activities		
Net income	**$ xxx**	$ xxx
Adjustments for:		
Depreciation	**xxx**	xxx
Interest and dividend income	**xxx**	xxx
Provision for income taxes	**xxx**	xxx
Loss (gain) from disposal of investments	**(xxx)**	(xxx)
Unrealized loss (gain) on investments	**xxx**	xxx
	xxx	xxx
Changes in working capital		
Change in due from policyholders and reinsurer	**xxx**	xxx
Change in accounts payable and other liabilities	**xxx**	xxx
	xxx	xxx
Changes in insurance contract related balances, provisions		
Change in provision for unpaid claims	**xxx**	xxx
Change in unearned premiums	**xxx**	xxx
Change in deferred policy acquisition expenses	**xxx**	xxx
Change in pension liability and other provisions	**xxx**	xxx
Other operating and administrative expenses	**xxx**	xxx
	xxx	xxx
Cash flows related to interest, dividends and income taxes		
Interest received	**xxx**	xxx
Dividends received	**xxx**	xxx
Income taxes paid	**xxx**	xxx
	xxx	xxx
Total cash inflows (outflows) from operating activities	**$ xxx**	$ xxx
Investing activities		
Sale of investments	**xxx**	xxx
Purchase of investments	**xxx**	xxx
Purchase of property plant & equipment	**xxx**	xxx
Total cash inflows (outflows) from investing activities	**$ xxx**	$ xxx
Net increase (decrease) in cash	**xxx**	xxx
Cash, beginning of year	**xxx**	xxx
Cash, end of year	**$ xxx**	$ xxx

The accompanying notes are an integral part of these financial statements

1. CORPORATE INFORMATION

Sample Mutual Insurance Company (the Company) is incorporated under the laws of Ontario and is subject to the Ontario Insurance Act. It is licensed to write property, liability, automobile, and farmers' accident insurance in Ontario. The Company's head office is located in Anytown, Ontario.

The Company is subject to rate regulation in the automobile business that it writes. Before automobile insurance rates can be changed, a rate filing is prepared as a combined filing for most Ontario Farm Mutuals by the Ontario Mutual Insurance Association (OMIA). The rate filing includes actuarial justification for rate increases or decreases. All rate filings are approved or denied by the Financial Services Commission of Ontario. Rate regulation may affect the automobile revenues that are earned by the Company. The actual impact of rate regulation would depend on the competitive environment at the time.

These financial statements have been authorized for issue by the Board of Directors on Month DD, 2019.

2. BASIS OF PREPARATION

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

b) Basis of Measurement

These financial statements were prepared under the historical cost convention, except for financial assets classified as fair value through profit or loss (FVTPL).

The financial statements are presented in Canadian dollars (CDN), which is also the Company's functional currency, and all values are rounded to the nearest thousand (CDN $'000), unless otherwise indicated.

c) Judgment and Estimates

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are:

- The calculation of unpaid claims, including the determination of the initial claim liability, discount rates, the estimate of time until ultimate settlement, and the performance of a liability adequacy test (Note 4);
- The determination of the recoverability of deferred policy acquisition expenses (Note 4); and
- The classification of financial assets at FVTPL, which includes assessing the business model within which the assets are held and whether the contractual terms of the assets are solely payments of principal and interest on the principal amount outstanding (Note 5).

In addition, in preparing the financial statements, the notes to the financial statements were ordered such that the most relevant information was presented earlier in the notes and the disclosures that management deemed to be immaterial were excluded from the notes to the financial statements. The determination of the relevance and materiality of disclosures involved significant judgment.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

Accounting standards, interpretations, and amendments effective for accounting years beginning on or after January 1, 2018 did not materially affect the Company's financial statements other than in the ways described below.

IFRS 9 *Financial Instruments*

On January 1, 2018, the Company adopted IFRS 9, *Financial Instruments* (IFRS 9), which supersedes IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, new guidance for measuring impairment on financial assets, and new hedge accounting guidance.

3. ADOPTION OF NEW ACCOUNTING STANDARDS (CONTINUED)

On adoption of IFRS 9, in accordance with its transitional provisions, the Company has not restated prior periods but has reclassified the financial assets held at January 1, 2018, retrospectively, based on the new classification requirements and the characteristics of each financial instrument as at the transition date. For financial liabilities, IFRS 9 retains most of the IAS 39 requirements. The Company did not choose the option of designating any financial liabilities at FVTPL. As such, the adoption of IFRS 9 did not impact the Company's accounting policies for financial liabilities.

(i) Classification and measurement of financial instruments

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI), and FVTPL.

The following table shows the original classification and carrying amount under IAS 39 and the new classification and carrying amount under IFRS 9 for each class of the Company's financial assets and financial liabilities as at January 1, 2018.

Financial Instrument	Note	IAS 39		IFRS 9	
Financial assets			$000s		$000s
Cash		Loans and receivables	xxx	Amortized cost	xxx
Investments - bankers' acceptance	5	Available-for-sale	xxx	FVTPL	xxx
Investments - bonds	5	Available-for-sale	xxx	FVTPL	xxx
Investments - equity securities in listed companies	5	Available-for-sale	xxx	FVTPL	xxx
Investments - equity securities in unlisted companies	5	Available-for-sale	xxx	FVTPL	xxx
Investments - mutual funds	5	Available-for-sale	xxx	FVTPL	xxx
Financial liabilities					
Accounts payable and accrued liabilities		Other financial liabilities	xxx	Amortized cost	xxx

(ii) Impairment of financial assets

IFRS 9 replaces the incurred loss model in IAS 39 with an expected credit loss (ECL) model. This applies to financial assets classified at amortized cost and debt instruments classified at FVTOCI. Under IFRS 9, credit losses are recognized earlier than under IAS 39. This change did not have a material impact to the Company's financial statements.

(iii) Hedge accounting

The new hedge accounting model which replaces hedge accounting guidance in IAS 39 did not impact the Company's financial statements.

(iv) Disclosure

Amendments were also made to IFRS 7 introducing expanded qualitative and quantitative disclosures related to IFRS 9, which the Company has also adopted for the annual period beginning January 1, 2018.

3. ADOPTION OF NEW ACCOUNTING STANDARDS (CONTINUED)

Impacts of adoption of IFRS 9

The following table presents the impact of adopting IFRS 9 on members' surplus as at January 1, 2018:

	Unappropriated Members' Surplus	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2017	$ xxx	$ xxx	$ xxx
Impact of adopting IFRS 9 – change in classification (i)	xxx	(xxx)	-
Impact of adopting IFRS 9 – change in measurement of equity securities in unlisted companies (ii)	xxx	-	xxx
Adjusted balance at January 1, 2018	$ xxx	$ -	$ xxx

(i) Available-for-sale equity securities under IAS 39 have been reclassified to FVTPL under IFRS 9. Unrealized gains/losses and the related tax effects on the available-for-sale equity securities were reclassified to unappropriated members' surplus.

(ii) Certain available-for-sale equity securities were measured at cost under IAS 39 as they did not have a quoted market price in an active market and their fair value could not be reliably measured. Under IFRS 9, these equity securities are required to be measured at fair value as the exception under IAS 39 is no longer available. The difference between the cost and the fair value was recorded in unappropriated members' surplus.

4. INSURANCE CONTRACTS

In accordance with IFRS 4 *Insurance Contracts*, the Company has continued to apply the accounting policies it applied in accordance with pre-changeover Canadian generally accepted accounting principles.

Balances arising from insurance contracts primarily include unearned premiums, provisions for unpaid claims and adjustment expenses, the reinsurer's share of provisions for unearned premiums and unpaid claims, and adjustment expenses and deferred policy acquisition expenses.

(a) Premiums and unearned premiums

Premiums written comprise the premiums on contracts incepting in the financial year. Premiums written are stated gross of commissions payable to agents and exclusive of taxes levied on premiums.

The Company recognizes premium income evenly over the term of the insurance policy using the pro rata method. The portion of the premium related to the unexpired portion of the policy at the end of the fiscal year is reflected in unearned premiums (UEP). Changes in unearned premiums recorded in the statement of financial position for the years ended December 31, 2018 and 2017 and their impact on net premiums earned for the two years follow:

	2018	2017
Balance, beginning of year	**$ xxx**	$ xxx
Premiums written	**xxx**	xxx
Premiums earned during year	**(xxx)**	(xxx)
Changes in UEP recognized in income	**xxx**	xxx
Balance, end of year	**$ xxx**	$ xxx

Pricing of property and liability policies are based on assumptions in regard to trends and past experience, in an attempt to correctly match policy revenue with exposed risk. Automobile premiums are subject to approval by the Financial Services Commission of Ontario and therefore may result in a delay in adjusting the pricing to exposed risk.

4. INSURANCE CONTRACTS (CONTINUED)

(a) Premiums and unearned premiums (continued)

The Company is exposed to a pricing risk to the extent that unearned premiums are insufficient to meet the related future policy costs. Evaluation is performed regularly to estimate future claims costs, related expenses, and expected profit in relation to unearned premiums. There was no premium deficiency at December 31, 2018 and December 31, 2017.

Amounts due from policyholders are short-term in nature consisting of a large number of policyholders, and are not subject to material credit risk. Regular review of amounts outstanding is performed to ensure credit worthiness.

(b) Reinsurer's share of unearned premiums

The reinsurer's share of unearned premiums is recognized as an asset using principles consistent with the Company's method for determining the unearned premium liability.

(c) Deferred policy acquisition expenses

Acquisition costs are comprised of agents' commissions, premium taxes, and other incremental costs of acquiring and renewing policies. These costs are deferred and amortized over the terms of the related policies to the extent that they are considered to be recoverable from unearned premiums, after considering the related anticipated claims and expenses. Changes in deferred policy acquisition expenses recorded in the statement of financial position for the years ended December 31, 2018 and December 31, 2017 and their impact on fees, commissions and other acquisition expenses for the two years follow:

	2018	2017
Balance, beginning of year	**$ xxx**	$ xxx
Acquisition costs incurred	**xxx**	xxx
Expense recognized as a result of liability adequacy test	**xxx**	xxx
Expensed during the year	**xxx**	xxx
Balance, end of year	**$ xxx**	$ xxx

(d) Unpaid claims and adjustment expenses

Individual loss estimates are provided on each claim reported. In addition, provisions are made for adjustment expenses, claims development, changes in reported claims, and for claims incurred but not reported, based on past experience and business in force. The estimates are regularly reviewed and updated, and any resulting adjustments are included in current income.

Claim liabilities are carried on a discounted basis to reflect the time value of money. As required by actuarial standards in Canada, claims liabilities also include a provision for adverse deviation (PFAD), which represents an additional margin on valuation variable factors, which are claims development, reinsurance recoveries, and interest rates used in discounting claims liabilities.

A summary of the Company's outstanding gross unpaid claims liabilities, related reinsurer's share of unpaid claims, and the net insurance liabilities follows:

	December 31, 2018			December 31, 2017		
	Gross	**Reinsurance**	**Net**	Gross	Reinsurance	Net
Outstanding claims provision						
Long settlement term	**$ xxx**	**$ xxx**	**$ xxx**	$ xxx	$ xxx	$ xxx
Short settlement term	**xxx**	**xxx**	**xxx**	xxx	xxx	xxx
Facility association and other residual pools	**xxx**	**xxx**	**xxx**	xxx	xxx	xxx
	xxx	**xxx**	**xxx**	xxx	xxx	xxx
Provision for claims incurred but not reported	**xxx**	**xxx**	**xxx**	xxx	xxx	xxx
	$ xxx	**$ xxx**	**$ xxx**	$ xxx	$ xxx	$ xxx

4. INSURANCE CONTRACTS (CONTINUED)

(d) Unpaid claims and adjustment expenses (continued)

The ultimate cost of long settlement general liability claims are difficult to predict for several reasons. Claims may not be reported until many years after a policy expires. Changes in the legal environment can create further complications. Court decisions and federal and provincial legislation may dramatically increase the liability between the time a policy is written and associated claims are ultimately resolved. For example, liability for exposure to toxic substances and environmental impairment, which did not appear likely or even exist when the policies were written, has been imposed by legislators and judicial interpretation. Tort liability has been expanded by some jurisdictions to cover defective workmanship. Provisions for such difficult-to-estimate liabilities are established by examining the facts of tendered claims and adjusted in the aggregate for ultimate loss expectations based upon historical experience, patterns, and current socioeconomic trends.

The Company must participate in industry automobile residual pools of business, and recognize a share of this business based on its automobile market share. The Company records its share of the assets, liabilities, revenue, and expenses provided by the actuaries of the pools.

Changes in claim liabilities recorded in the statement of financial position for the years ended December 31, 2018 and 2017 and their impact on claims and adjustment expenses for the two years follow:

	2018	2017
Unpaid claim liabilities - beginning of year – net of reinsurance	**$ xxx**	$ xxx
Increase (decrease) in estimated losses and expenses, for losses occurring in prior years	**xxx**	xxx
Provision for losses and expenses on claims occurring in the current year	**xxx**	xxx
Payment on claims:	**xxx**	xxx
Current year	**(xxx)**	(xxx)
Prior years	**(xxx)**	(xxx)
Unpaid claims – end of year - net	**$ xxx**	$ xxx

Claim development

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments, or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid, and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The Company writes insurance primarily over a twelve-month duration. The most significant risks arise through high severity, low frequency events such as natural disasters or catastrophes. A concentration of risk may arise from insurance contracts issued in a specific geographic location since all insurance contracts are written in Ontario.

The above risk exposure is mitigated by diversification across a large portfolio of insurance. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The estimation of claim development involves assessing the future behaviour of claims, taking into consideration the consistency of the Company's claim-handling procedures, the amount of information available, the characteristics of the line of business from which the claim arises, and claims-reporting patterns. In general, the longer the term required for the settlement of a group of claims, the more variable the estimates. Short settlement term claims are those which are expected to be substantially paid within a year of being reported.

The tables below show how the Company’s estimate of cumulative incurred claim cost for each accident year has changed at successive year ends and reconciles the cumulative claims to the amount appearing in the statement of financial position. An accident-year basis is considered to be the most appropriate for the business written by the Company.

4. INSURANCE CONTRACTS (CONTINUED)

Gross claims	earlier	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Gross estimate of cumulative claims cost												
At the end of accident year	$ xxx	$xxx	$xxx	$ xxx	$ xxx	$ xxx	$ xxx	$xxx	$xxx	$xxx	$xxx	
One year later	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx		
Two years later	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx			
Three years later	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx				
Four years later	xxx	xxx	xxx	xxx	xxx	xxx	xxx					
Five years later	xxx	xxx	xxx	xxx	xxx	xxx						
Six years later	xxx	xxx	xxx	xxx	xxx							
Seven years later	xxx	xxx	xxx	xxx								
Eight years later	xxx	xxx	xxx									
Nine years later	xxx	xxx										
Ten years later	xxx											
Current estimate of cumulative claims cost	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Cumulative payments	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Outstanding claims	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Outstanding claims 2008 and prior												xxx
Impact of discount and PFAD												xxx
Total gross unpaid claims and adjustment expenses												$xxx

4. INSURANCE CONTRACTS (CONTINUED)

Net of reinsurance	earlier	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Net estimate of cumulative claims cost												
At the end of accident year	$ xxx	$xxx	$xxx	$ xxx	$ xxx	$ xxx	$ xxx	$xxx	$xxx	$xxx	$xxx	
One year later	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx		
Two years later	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx			
Three years later	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx				
Four years later	xxx	xxx	xxx	xxx	xxx	xxx	xxx					
Five years later	xxx	xxx	xxx	xxx	xxx	xxx						
Six years later	xxx	xxx	xxx	xxx	xxx							
Seven years later	xxx	xxx	xxx	xxx								
Eight years later	xxx	xxx	xxx									
Nine years later	xxx	xxx										
Ten years later	xxx											
Current estimate of cumulative claims cost	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Cumulative payments	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Outstanding claims	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Outstanding claims 2008 and prior												xxx
Impact of discount and PFAD												xxx
Total net unpaid claims and adjustment expenses												**$xxx**

4. INSURANCE CONTRACTS (CONTINUED)

The risks associated with insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company uses various techniques based on past claims development experience to quantify these sensitivities. This includes indicators such as average claim cost, amount of claims frequency, expected loss ratios, and claims development.

Results of sensitivity testing based on expected loss ratios are as follows, showing gross and net of reinsurance and the impact on pre-tax income:

	Property claims		**Auto claims**		**Liability claims**	
	2018	2017	2018	2017	2018	2017
x% increase in loss ratios						
Gross	**$xxx**	$xxx	**$xxx**	$xxx	**$xxx**	$xxx
Net	**$xxx**	$xxx	**$xxx**	$xxx	**$xxx**	$xxx
x% decrease in loss ratios						
Gross	**$xxx**	$xxx	**$xxx**	$xxx	**$xxx**	$xxx
Net	**$xxx**	$xxx	**$xxx**	$xxx	**$xxx**	$xxx

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

(e) Liability adequacy test

At each reporting date the Company performs a liability adequacy test on its insurance liabilities less deferred policy acquisition expenses to ensure the carrying value is adequate, using current estimates of future cash flows, taking into account the relevant discount rate. If that assessment shows that the carrying amount of the liabilities is inadequate, any deficiency is recognized as an expense in profit and loss initially by writing down the deferred policy acquisition expense and subsequently by recognizing additional unearned premiums.

(f) Reinsurer’s share of provisions for unpaid claims and adjustment expenses

The Company enters into reinsurance contracts in the normal course of business in order to limit potential losses arising from certain exposures. Retention limits for the excess-of-loss reinsurance are set by product line. Reinsurance premiums are accounted for in the same period as the related premiums for the direct insurance business being reinsured. Reinsurance liabilities, comprised of premiums payable for the purchase of reinsurance contracts, are included in accounts payable and accrued liabilities and are recognized as an expense on the same basis as revenue on the underlying policies being reinsured.

The Company follows a policy of underwriting and reinsuring contracts of insurance which, in the main, limit the liability of the Company to an amount on any one claim of $xxx (2017 - $xxx) in the event of a property claim, an amount of $xxx (2017 - $xxx) in the event of an automobile claim, and $xxx (2017 - $xxx) in the event of a liability claim. For amounts over the respective limits there is a x% retention to a specified maximum. The Company also obtained reinsurance which limits the Company's liability to $xxx (2017 - $xxx) in the event of a series of claims arising out of a single occurrence. In addition, the Company has obtained stop-loss reinsurance which limits the liability of all claims in a specific year to x% (2017 – x%) of gross net earned premiums for property and automobile.

Amounts recoverable from reinsurer are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that the reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

4. INSURANCE CONTRACTS (CONTINUED)

(f) Reinsurer's share of provisions for unpaid claims and adjustment expenses (continued)

Expected reinsurance recoveries on unpaid claims and adjustment expenses are recognized as assets at the same time, using principles consistent with the Company's method for establishing the related liability. Changes in due from reinsurer recorded in the statement of financial position for the years ended December 31, 2018 and 2017 follow:

	2018	2017
Balance, beginning of year	**$ xxx**	$ xxx
New claims reserve	**xxx**	xxx
Change in prior years' reserve	**xxx**	xxx
Submitted to reinsurer	**(xxx)**	(xxx)
	$ xxx	$ xxx

Reinsurance is placed with Farm Mutual Re, a Canadian registered reinsurer. Management monitors the creditworthiness of Farm Mutual Re by reviewing their annual financial statements and through ongoing communications. Reinsurance treaties are reviewed annually by management prior to renewal of the reinsurance contract. At year end, the Company reviewed the amounts owing from its reinsurer and determined that no allowance is necessary.

(g) Refund of premium

At the discretion of the board of directors, the Company may declare a refund to its policyholders based on the premiums paid. This refund is recognized as a reduction of revenue in the period for which it is declared.

5. INVESTMENTS

(a) Recognition and initial measurement

The Company recognizes debt instruments on the date on which they are originated. Equity instruments are recognized on the settlement date, which is the date that the asset is received by the Company. The instruments are initially measured at fair value.

(b) Classification and subsequent measurement

The Company classifies its debt instruments, bankers' acceptance, and bonds as FVTPL because the Company manages the debt instruments and evaluates their performance on a fair value basis in accordance with a documented investment strategy and the instruments are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Company's mutual funds are redeemable at the option of the holder and therefore considered debt instruments under IFRS 9 that do not give rise to cash flows that are solely payments of principal and interest and therefore are classified as FVTPL.

The Company classifies its equity instruments in listed and unlisted companies as FVTPL.

The debt and equity instruments are subsequently measured at fair value where the net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognized in profit or loss.

(c) Derecognition

The Company derecognizes investments when the contractual rights to the cash flows from the investment expires or the Company transfers the investment. On derecognition, the difference between the carrying amount at the date of derecognition and the consideration received is recognized in profit or loss.

5. INVESTMENTS (CONTINUED)

(d) Risks

The following table provides fair value information of investments by type of security and issuer.

	2018	2017
Bankers' acceptance	$ xxx	$ xxx
Bonds issued by		
Provincial	xxx	xxx
Municipal	xxx	xxx
Corporate	xxx	xxx
A or better	xxx	xxx
B to BBB	xxx	xxx
Not rated	xxx	xxx
	xxx	xxx
Equity investments		
ABC Private Company	xxx	xxx
Canadian listed companies	xxx	xxx
US listed companies	xxx	xxx
	xxx	xxx
Mutual funds		
Fixed income	xxx	xxx
Equity	xxx	xxx
	xxx	xxx
Total investments	$ xxx	$ xxx

The Company is exposed to credit risk relating to its bond holdings in its investment portfolio.

The Company's investment policy puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. The bond portfolio includes xx.x% (2017 – xx.x%.) of bonds rated A or better. The Company's investment policy limits investment in bonds and debentures of the various ratings to limits ranging from xx% to xx% of the Company's portfolio. The Company's policy requires that funds be invested in bonds and debentures of Federal, Provincial or Municipal government and corporations rated A or better. All fixed income portfolios are measured for performance on a quarterly basis and monitored by management on a monthly basis.

The maximum exposure to investment credit risk is the carrying value of investments.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure credit risk.

Liquidity risk is the risk that the Company will not be able to meet all cash outflow obligations as they come due. The Company mitigates this risk by monitoring cash activities and expected outflows. The Company's current liabilities arise as claims are made. The Company does not have material liabilities that can be called unexpectedly at the demand of a lender or client. The Company has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claim payments are funded by current operating cash flow including investment income.

The Company's investment policy requires that xx% to xx% of the Company's portfolio be held in cash and short-term investments, which mitigates liquidity risk. Short-term investments include treasury bills, commercial paper and term deposits with an original maturity of less than one year.

5. INVESTMENTS (CONTINUED)

Maturity profile of bonds held is as follows:

	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Fair value
December 31, 2018	$ xxx	$ xxx	$ xxx	$ xxx	$ xxx
Percent of Total	%	%	%	%	
December 31, 2017	$ xxx	$ xxx	$ xxx	$ xxx	$ xxx
Percent of Total	%	%	%	%	

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure liquidity risk.

Market factors that will impact the fair value of investments include three types of risk: currency risk, interest rate risk, and equity risk.

The Company's investment policy operates within the guidelines of the Insurance Act. An investment policy is in place and its application is monitored by the Investment Committee and the Board of Directors. Diversification techniques are utilized to minimize risk. The Policy limits the investment in any one corporate issuer to a maximum of xx% (except government sponsored bonds) of the Company's portfolio.

The Company's currency risk is related to stock holdings which are limited to United States equities in sectors which are not readily available in Canada. The Company limits its holdings in foreign equity to xx% of the total investment portfolio in accordance with its investment policy. Foreign currency changes are monitored by the Investment Committee and holdings are adjusted when offside of the investment policy.

The Company is exposed to interest rate risk through its interest bearing investments (bankers' acceptance, t-bills, GICs, bonds, and fixed income mutual funds).

Historical data and current information are used to profile the ultimate claims settlement pattern by class of insurance, which is then used in a broad sense to develop an investment policy and strategy. However, because a significant portion of the Company's assets relate to its capital rather than liabilities, the value of its interest rate based assets exceeds its interest rate based liabilities. As a result, generally, the Company's investment income will move with interest rates over the medium- to long-term with short-term interest rate fluctuations creating gains or reductions in profit or loss.

At December 31, 2018, a 1% move in interest rates, with all other variables held constant, could impact the market value of bonds by $xxx (2017 - $xxx). Also, a 1% move in interest rates, with all other variables held constant, could impact the market value of the fixed income mutual fund by $xxx (2017 – $xxx). These changes would be recognized in profit or loss.

The Company is exposed to equity risk through its portfolio of stocks in unlisted Canadian companies and listed Canadian and US companies. At December 31, 2018, a x% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the Company's listed Canadian common equities of $xxx (2017 - $xxx) and the equity mutual fund of $xxx (2017 - $xxx). This change would be recognized in profit or loss.

The Company's investment policy limits investment in preferred and common shares to a maximum of x.x% of the market value of the portfolio. The total investment in preferred and common shares cannot exceed x.x% of total assets.

Equities are monitored by the Investment Committee and the board of directors and holdings are adjusted following each quarter to ensure the investments portfolio remains in compliance with the investment policy.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure market risk.

5. INVESTMENTS (CONTINUED)

(e) Fair value measurement

The following table provides an analysis of investments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
December 31, 2018				
Bankers' acceptance	**$ xxx**	**$ -**	**$ -**	**$ xxx**
Bonds	**-**	**xxx**	**-**	**xxx**
Equity interests in listed companies	**xxx**	**-**	**-**	**xxx**
Equity interests in unlisted companies	**-**	**-**	**xxx**	**xxx**
Mutual funds	**-**	**xxx**	**-**	**xxx**
Total	**$ xxx**	**$ xxx**	**$ xxx**	**$ xxx**
December 31, 2017				
Bankers' acceptance	$ xxx	$ -	$ -	$ xxx
Bonds	-	xxx	-	xxx
Equity interests in listed companies	xxx	-	-	xxx
Equity interests in unlisted companies	-	-	xxx	xxx
Mutual funds	-	xxx	-	xxx
Total	**$ xxx**	**$ xxx**	**$ xxx**	**$ xxx**

There were no transfers between any levels of the fair value hierarchy for the years ended December 31, 2018 and 2017.

6. INVESTMENT AND OTHER INCOME

	2018	2017
Interest income	**$ xxx**	$ xxx
Dividend income	**xxx**	xxx
Gains (losses) on disposal of investments	**xxx**	xxx
Unrealized gains (losses) on investments	**(xxx)**	(xxx)
	$ xxx	$ xxx

7. CAPITAL MANAGEMENT

For the purpose of capital management, the Company has defined capital as members' surplus.

The Company's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory requirements and to best utilize capital allocations.

7. CAPITAL MANAGEMENT (CONTINUED)

The regulators measure the financial strength of property and casualty insurers using a minimum capital test (MCT). The regulators require property and casualty companies to comply with capital adequacy requirements. This test compares a Company's capital against the risk profile of the organization. The risk-based capital adequacy framework assesses the risk of assets, policy liabilities, and other exposures by applying various factors that are dependent on the risks associated with the Company's assets. Additionally, an interest rate risk margin is included in the MCT by assessing the sensitivity of the Company's interest-sensitive assets and liabilities to changes in interest rates. The regulator indicates that the Company should produce a minimum MCT of 150%. During the year, the Company has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement and it is deemed necessary.

8. FEES, COMMISSIONS, AND OTHER ACQUISITION EXPENSES

	2018	2017
Commissions	**$ xxx**	$ xxx
Sales salaries	**xxx**	xxx
Other	**xxx**	xxx
	$ xxx	$ xxx

9. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

	2018	2017
Amortization of intangible assets	**$ xxx**	$ xxx
Computer costs	**xxx**	xxx
Depreciation	**xxx**	xxx
Licenses, fees, and dues	**xxx**	xxx
Postage and office supplies	**xxx**	xxx
Professional fees	**xxx**	xxx
Repairs and maintenance	**xxx**	xxx
Salaries, benefits, and directors' fees	**xxx**	xxx
Utilities	**xxx**	xxx
Other	**xxx**	xxx
	$ xxx	$ xxx

10. SALARIES, BENEFITS, AND DIRECTORS FEES

	2018	2017
Underwriter salaries and benefits	**$ xxx**	$ xxx
Sales salaries and commissions (Note 14)	**xxx**	xxx
Other salaries, benefits, and directors' fees (Note 15)	**xxx**	xxx
	$ xxx	$ xxx

Included in claims expenses were salary costs of $xxx (2017 - $xxx).

11. INCOME TAXES

Income tax expense is comprised of current and deferred tax. Current and deferred tax is recognized in net income except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

The significant components of the tax effect of the amounts recognized in other comprehensive income are composed of:

	2018	2017
Current tax		
Change in unrealized gain/losses on available-for-sale investments*	**$ -**	$ xxx
Reclassification of realized gains/losses on available-for-sale investments*	**-**	xxx
	$ -	$ xxx
Deferred tax		
Change in unrealized gains/losses on available-for-sale investments*	**$ -**	$ xxx
Reclassification of realized gains / losses on available-for-sale investments*	**-**	xxx
Total tax effect of amounts recorded in other comprehensive income	**$ -**	$ xxx

* As of January 1, 2018, investments are no longer classified as available-for-sale and, under IFRS 9, they are classified as FVTPL (Note 3).

Reasons for the difference between tax expense for the year and the expected income taxes based on the statutory tax rate of x.x% (2017 – x.x%) are as follows:

	2018	2017
Net income for the year	**$ xxx**	$ xxx
Expected taxes based on the statutory rate of x% (2017 – x%)	**xxx**	xxx
Income from insuring farm-related risks	**xxx**	xxx
Non-deductible portion of claims liabilities	**xxx**	xxx
Other non-deductible expenses	**xxx**	xxx
Change in tax rates	**-**	xxx
Canadian dividend income not subject to tax	**xxx**	xxx
Other	**xxx**	xxx
Total income tax expense (recovery)	**$ xxx**	$ xxx

12. STRUCTURED SETTLEMENTS, FIRE MUTUALS GUARANTEE FUND, AND FINANCIAL GUARANTEE CONTRACTS

The Company enters into annuity agreements with various life insurance companies to provide for fixed and recurring payments to claimants. Under such arrangements, the Company's liability to its claimants is substantially transferred, although the Company remains exposed to the credit risk that life insurers fail to fulfill their obligations.

The Company is a member of the Fire Mutuals Guarantee Fund ("the Fund"). The Fund was established to provide payment of outstanding policyholders' claims if a member company becomes bankrupt. As a result, the Company may be required to contribute assets to their proportionate share in meeting this objective.

These exposures represent financial guarantee contracts. The Company accounts for financial guarantee contracts in accordance with IFRS 4 *Insurance Contracts*.

13. PROPERTY, PLANT, AND EQUIPMENT, AND INTANGIBLE ASSETS

Property, plant, and equipment

Property, plant, and equipment is initially recorded at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, with the exception of land which is not depreciated. Depreciation is recognized in net income and is provided on a straight-line basis over the estimated useful lives of the assets.

Intangible assets

Intangible assets consist of computer software which is not integral to the computer hardware owned by the Company. Software is initially recorded at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Software is amortized on a straight-line basis over its estimated useful life.

Property, plant, and equipment

		2018		
	Useful Life	Cost	Accumulated Depreciation	Net Book Value
Land	N/A	$ xxx	$ xxx	$ xxx
Buildings	x years	xxx	xxx	Xxx
Computer hardware	x years	xxx	xxx	Xxx
Furniture and fixtures	x years	xxx	xxx	Xxx
Vehicles	x years	xxx	xxx	Xxx
		$ xxx	$ xxx	$ xxx

		2017		
	Useful Life	Cost	Accumulated Depreciation	Net Book Value
Land	N/A	$ xxx	$ xxx	$ xxx
Buildings	x years	xxx	xxx	xxx
Computer hardware	x years	xxx	xxx	xxx
Furniture and fixtures	x years	xxx	xxx	xxx
Vehicles	x years	xxx	xxx	xxx
		$ xxx	$ xxx	$ xxx

13. PROPERTY, PLANT, AND EQUIPMENT, AND INTANGIBLE ASSETS (CONTINUED)

Intangible assets

		2018		
	Useful Life	Cost	Accumulated Depreciation	Net Book Value
Computer software	x years	$ xxx	$ xxx	$ xxx

		2017		
	Useful Life	Cost	Accumulated Depreciation	Net Book Value
Computer software	x years	$ xxx	$ xxx	$ xxx

14. PENSION PLAN

The Company participates in a multi-employer defined benefit pension plan (the Ontario Mutual Insurance Association Pension Plan, "the Plan"), however, sufficient information is not available to use defined benefit accounting. Therefore, the Company accounts for the plan as if it were a defined contribution plan, recognizing contributions as an expense in the year to which they relate.

The Company makes contributions to the Plan on behalf of members of its staff. The Plan is a money purchase plan, with a defined benefit option at retirement available to some employees, which specifies the amount of the retirement benefit plan to be received by the employees based on length of service and rates of pay.

The amount contributed to the Plan for 2018 was $ xxx (2017 - $ xxx). The contributions were made for current service and these have been recognized in net income. These contributions amount to x.x% of the total contributions made to the Ontario Mutual Insurance Association Pension Plan by all participating entities during the current fiscal year.

Expected contributions to the Plan for the next annual reporting period amount to $xxx, which is based on payments made to the multi-employer plan during the current fiscal year.

The funding valuation shows a deficit of $xxx in the Plan as at the last triannual valuation. The Plan has an agreement with its members to fund the deficit over the next x years. The Company's total contributions over the next x year(s) are $ xxx. A liability has been recognized for the contributions adjusted for the time value of money and an equal expense has been recognized in net income.

15. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with key management personnel, which are defined by IAS 24 *Related Party Disclosures* as those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, including directors and management:

	2018	2017
Compensation		
Short-term employee benefits and directors' fees	$ xxx	$ xxx
Total pension and other post-employment benefits	xxx	xxx
	$ xxx	$ xxx
Premiums	$ xxx	$ xxx
Claims paid	$ xxx	$ xxx

Amounts owing to and from key management personnel at December 31, 2018 are $ xxx (2017 - $ xxx). The amounts are included in due from policyholders and accounts payable and accrued liabilities on the statement of financial position.

16. COMMITMENTS

The Company has entered into operating leases for facilities and equipment with a typical range of xx to xx years. The future minimum lease payments are, approximately, as follows:

	December 31, 2018
No later than 1 year	$ xxx
Later than 1 year and not later than 5 years	xxx
Later than 5 years	xxx
	$ xxx

17. STANDARDS, AMENDMENTS, AND INTERPRETATIONS NOT YET EFFECTIVE

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning after January 1, 2019 or later.

The Company has not yet determined the extent of the impact of the following new standards, interpretations, and amendments, which have not been applied in these financial statements:

- IFRS 16 *Leases* supersedes IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases - Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. It eliminates the distinction between operating and finance leases from the perspective of the lessee. All contracts that meet the definition of a lease will be recorded in the statement of financial position with a right-of-use asset and a corresponding liability. The asset is subsequently accounted for as property, plant, and equipment or investment property and the liability is unwound using the interest rate inherent in the lease. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements. The effective date for IFRS 16 is January 1, 2019. The Company expects to recognize right-of-use assets and lease liabilities for its office lease and some office equipment. See note 15 for a schedule of lease commitments.

- IFRS 17 *Insurance Contracts* supersedes IFRS 4 *Insurance Contracts*. IFRS 17 establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts. IFRS 17 requires entities to measure insurance contract liabilities using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. Additionally, IFRS 17 requires entities to recognize profits as it delivers insurance services. The effective date for IFRS 17 is January 1, 2021. The Company has not yet determined the impact of adoption, however it is expected to significantly impact the overall Financial Statements.

- IFRIC 23 *Uncertainty Over Income Tax Treatments* provides guidance on recognition and measurement of uncertain income tax treatments. The effective date for IFRIC 23 is January 1, 2019. The Company is in the process of evaluating the impact of this interpretation.

People who know Mutual Insurance, know BDO.

BDO is one of the largest providers of professional services to the mutual insurance sector in Ontario. As key advisors to this specialized area in Ontario, we are very involved in the mutual insurance industry. Outlined below is a summary of our services and capabilities.

HIGH VELOCITY TECHNOLOGY CHANGE
Capitalize on key IT trends

Consumer needs are changing the landscape of insurance. Increased digital customer relationships, IT infrastructure and agility are critical now more than ever. Being able to process high volumes of data, including external data, such as digital environment channels, will be key in order to compete. Without adopting new technologies, insurance companies will struggle to capitalize on new possibilities for growth, or leverage these advancements to positively affect risk and governance.

How we help:

- IT Strategy & Roadmap
- Business Intelligence & Data Analytics
- Cloud Readiness & Transformation
- Digital Client Engagement
- ERP & CRM Solutions
- Business Applications & Modern Workplace

CYBERSECURITY & REGULATORY COMPLIANCE
Protect the organization with effective solutions

Data and systems are increasingly threatened by cyberattacks. Insurance companies require robust design data security strategies that work in today's complex IT environments. Frequently changing legislation can pose significant challenges and achieving compliance can be time-consuming and costly. Being precise but also agile is paramount, so as regulations change, insurance companies are able to shift how they deal with these strategies.

How we help:

- Enterprise Risk Management (ERM) Assessment
- ORSA support and assistance
- Cybersecurity
- Governance
- 3416 compliance support
- IT governance and controls

EVOLVING ACCOUNTING, TAX AND AUDITING STANDARDS
Ensure compliance with evolving reporting requirements

Insurance companies must adopt IFRS 9, 15, 16 and 17. These significant, complex standards will have material impact on a company's financial statements, including their financial presentation, communications to their investors and the investor community, and their active management of their capital ratios and Minimum Capital Testing process. To be compliant, the method and type of information collected and stored may require companies to redesign and update their IT systems and internal control infrastructure. Tax provisions are complex and require a specialized professional to ensure compliance.

How we help:

- Efficient auditing and assurance in this new reporting environment
- Adoption of IFRS 9, 15, 16, 17
- Indirect tax reviews to ensure transaction compliance with the standard
- Information system auditing
- Tax provision services

ADVISORY SERVING THE MUTUALS
Strong team of mutual advisory professionals

Mutual space is becoming more and more complex and quality advice is paramount. We have significant experience advising the Mutual marketplace. —We have deep knowledge and diverse areas of expertise that we can bring to our clients.

How we can help:

Forensic support—insurance loss assessment

- Accident Benefits
- Financial Dependency
- Tort Claims
- Commercial Losses

Transaction advisory services

- Broker amalgamations
- Mutual mergers and acquisitions

Strategic advisory

- Strategic planning
- Operational design
- Change management support

ABOUT BDO IN CANADA

BDO is a leading provider of professional services to clients of all sizes in virtually all business sectors. Our team delivers a comprehensive range of assurance, accounting, tax, and advisory services, complemented by a deep industry knowledge gained from nearly 100 years working within local communities. As part of the international BDO network, we're able to provide seamless and consistent cross-border services to clients with global needs.

GLOBAL REACH

BDO is the world's fifth largest full-service assurance, accounting, tax, and advisory network. Over 73,000 people work out of more than 1,500 offices in over 160 countries, generating worldwide revenue of $8.10 billion. No matter where they are based, clients can draw on the skills of BDO member firms anywhere in the world. With comprehensive local knowledge, global resources, and a deep understanding of industry developments and international trends, our professionals deliver personalized services and resources to every client.

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