



Q3 2019 REPORT

FINANCIAL STATEMENTS

2019

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MANAGEMENT'S RESPONSIBILITY FOR THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the third periods ended September 30, 2019, and September 30, 2018

The accompanying unaudited condensed consolidated interim financial statements and all the data included in this report have been prepared by and are the responsibility of the Board of Directors and management of Olympia Financial Group Inc. ("Olympia").

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as set out in the Handbook of the Chartered Professional Accountants of Canada and reflect management's best estimates and judgments based on currently available information. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

The Board of Directors has reviewed and approved the accompanying unaudited condensed consolidated interim

financial statements for the periods ended September 30, 2019, and September 30, 2018.

The Audit Committee, comprised of non-management directors, acts on behalf of the Board of Directors to ensure that management fulfills its financial reporting and internal control responsibilities. Management maintains appropriate systems of internal control. Policies and procedures are designed to give reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records properly maintained to provide reliable information for the preparation of the unaudited condensed consolidated interim financial statements.

Internal controls are further supported by an internal audit function which conducts periodic audits of Olympia's financial reporting and internal controls. The internal audit function reports to the Audit Committee. In performing its duties, the Audit Committee acts only in an oversight capacity and necessarily relies on the work and assurances of Olympia's management.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Olympia have been prepared by, and are the responsibility of Olympia's management.

Olympia's independent auditor, PricewaterhouseCoopers LLP, has not performed a review of these financial statements.

Signed Rick Skauge

Rick Skauge
President and Chief Executive Officer

Signed Gerhard Barnard

Gerhard Barnard, CPA, CMA
Chief Financial Officer

Calgary, Canada, November 13, 2019

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS (Unaudited)

(\$)	September 30, 2019	December 31, 2018
ASSETS		
Current assets		
Cash & cash equivalents (note 10)	\$ 16,912,475	\$ 12,834,906
Trade & other receivables (note 6)	3,688,071	2,272,037
Inventory	56,518	49,127
Prepaid expenses	868,038	783,370
Current tax receivable	135,397	-
Derivative financial instruments (notes 6 and 12)	256,968	406,082
Total current assets	21,917,467	16,345,522
Non-current assets		
Restricted cash & investments (note 9)	4,512,000	707,000
Equipment & other (note 13)	1,074,732	1,239,533
Intangible assets (note 14)	2,673,867	2,508,262
Right-of-use assets (note 15)	1,206,544	-
Financial asset at fair value through other comprehensive income	40,243	43,714
Long-term lease receivable	66,483	-
Promissory note receivable (note 4)	1,414,821	1,428,539
Derivative financial instruments (notes 6 and 12)	2,882,132	-
Deferred tax assets (note 19)	921,122	1,243,256
Total non-current assets	14,791,944	7,170,304
Total assets	\$ 36,709,411	\$ 23,515,826
LIABILITIES		
Current liabilities		
Trade & other payables (notes 6 and 16)	\$ 1,238,836	\$ 1,341,892
Deferred revenue (note 17)	3,786,771	399,820
Other liabilities & charges	2,318,575	1,528,078
Revolving credit facility (notes 11 and 24)	8,905,347	4,207,347
Lease liabilities (note 7)	893,601	-
Derivative financial instruments (notes 6 and 12)	106,540	160,480
Current tax liability	-	5,637
Total current liabilities	17,249,670	7,643,254
Other liabilities	-	791,705
Lease liabilities (note 7)	1,270,412	-
Derivative financial instruments (notes 6 and 12)	599,227	-
Total liabilities	\$ 19,119,309	\$ 8,434,959
EQUITY		
Share capital (note 18)	\$ 7,886,989	\$ 7,886,989
Contributed surplus (note 18)	86,373	86,373
Retained earnings	9,777,435	7,214,540
Equity attributable to owners of Olympia	17,750,797	15,187,902
Non-controlling interests	(160,695)	(107,035)
Total equity	17,590,102	15,080,867
Total equity & liabilities	\$ 36,709,411	\$ 23,515,826

Contingencies (note 25)

See accompanying notes to the unaudited condensed consolidated interim financial statements

Approved on behalf of the Board of Directors

Signed Rick Skauge

Rick Skauge
Director

November 13, 2019

Signed Brian Newman

Brian Newman, CPA, CA
Director

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET EARNINGS AND COMPREHENSIVE INCOME (Unaudited)

	NINE MONTHS ENDED		THREE MONTHS ENDED	
	Sep. 30, 2019	Sep. 30, 2018	Sep. 30, 2019	Sep. 30, 2018
Revenue				
Service revenue (note 8)	\$26,387,853	\$28,858,764	\$ 8,670,252	\$ 9,451,524
Trust income (note 8)	8,948,227	7,566,421	3,017,511	2,644,400
Interest (note 8)	965,525	899,885	406,691	318,530
	36,301,605	37,325,070	12,094,454	12,414,454
Expenses				
Direct expenses (note 8)	2,491,096	2,335,950	573,566	733,878
Administrative expenses (note 8)	25,628,643	23,276,616	8,326,100	7,668,723
Depreciation and amortization (notes 8, 13, 14, and 15)	1,144,471	566,416	415,234	181,671
Other (gains)/losses, net (notes 8 and 20)	(3,019,551)	1,120,430	(488,714)	808,697
	26,244,659	27,299,412	8,826,186	9,392,969
Earnings before income tax	10,056,946	10,025,658	3,268,268	3,021,485
Income tax expense (notes 8 and 19)				
Current	2,407,850	2,664,431	839,429	804,455
Deferred tax expense	322,134	50,083	135,127	16,564
Total income tax expense	2,729,984	2,714,514	974,556	821,019
Net earnings and comprehensive income from continuing operations attributable to:				
Shareholders of Olympia	\$ 7,380,622	\$ 7,354,508	\$ 2,313,226	\$ 2,214,489
Non-controlling interests	\$ (53,660)	\$ (43,364)	\$ (19,514)	\$ (14,023)
Net (loss)/earnings and comprehensive (loss)/income from discontinued operations	\$ -	\$ (417,700)	\$ -	\$ 25,372
Net earnings and comprehensive income from combined operations for the period	\$ 7,326,962	\$ 6,893,444	\$ 2,293,712	\$ 2,225,838
Earnings per share attributable to shareholders of Olympia - continuing operations				
Basic and diluted (note 21)	\$ 3.07	\$ 3.06	\$ 0.96	\$ 0.92
(Loss)/earnings per share attributable to shareholders of Olympia - discontinued operations				
Basic and diluted (note 21)	\$ -	\$ (0.17)	\$ -	\$ 0.01
Earnings per share attributable to shareholders of Olympia - combined operations				
Basic and diluted (note 21)	\$ 3.07	\$ 2.89	\$ 0.96	\$ 0.93

See accompanying notes to the unaudited condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (Unaudited)

Attributable to owners of Olympia

	Share Capital	Contributed Surplus	Retained Earnings	Non-controlling Interest	Total Equity
Balance as at January 1, 2018	\$ 7,886,989	\$ 86,373	\$ 3,048,996	\$ (41,428)	\$ 10,980,930
Net earnings and comprehensive income from combined operations	-	-	6,936,808	(43,364)	6,893,444
Dividends (note 22)	-	-	(3,970,454)	-	(3,970,454)
Balance as at September 30, 2018	\$ 7,886,989	\$ 86,373	\$ 6,015,350	\$ (84,792)	\$ 13,903,920
Balance as at January 1, 2019	\$ 7,886,989	\$ 86,373	\$ 7,214,540	\$ (107,035)	\$ 15,080,867
Adjustment on initial application of IFRS 16 (note 3)	-	-	19,977	-	19,977
Adjusted balance as at January 1, 2019	7,886,989	86,373	7,234,517	(107,035)	15,100,844
Share repurchase (note 18)	-	-	(800)	-	(800)
Net earnings and comprehensive income from combined operations	-	-	7,380,622	(53,660)	7,326,962
Dividends (note 22)	-	-	(4,836,904)	-	(4,836,904)
Balance as at September 30, 2019	\$ 7,886,989	\$ 86,373	\$ 9,777,435	\$ (160,695)	\$ 17,590,102

See accompanying notes to the unaudited condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

NINE MONTHS ENDED SEPTEMBER 30	2019	2018
Cash flows from operating activities		
Net earnings from continuing operations	\$ 7,326,962	\$ 7,311,144
Items not affecting cash		
Depreciation of equipment & other (note 13)	336,871	314,708
Amortization of intangible assets (note 14)	407,158	251,708
Amortization of right-of-use assets (note 15)	400,442	-
Other	28,779	13,941
Loss on disposal of assets	5,301	35,708
Deferred income taxes expense	322,134	50,083
Foreign exchange (gain)/loss (note 20)	(2,187,732)	1,076,313
Changes in non-cash working capital balances (note 23a)	2,795,815	500,993
Cash flows from operating activities from continuing operations	9,378,172	9,554,598
Cash flows used in operating activities from discontinued operations	-	(270,830)
Net cash from operating activities	9,378,172	9,283,768
Cash flows from investing activities		
Purchase of equipment & other (note 13)	(177,292)	(424,966)
Purchase of intangible assets (note 14)	(572,763)	(579,272)
Purchase of restricted investment for collateral, net (note 9)	(3,805,000)	(6,000)
Cash flows used in investing activities from continuing operations	(4,555,055)	(1,010,238)
Net cash used in investing activities	(4,555,055)	(1,010,238)
Cash flows from financing activities		
Borrowing on revolving credit facility	4,698,000	245,000
Loan repaid to Olympia ATM	-	733,669
Receipt of lease receivable	31,071	-
Payment of lease liabilities (note 7)	(637,715)	-
Sale of assets for issuance of promissory note	-	1,362,399
Dividends (note 22)	(4,836,904)	(3,970,454)
Cash flows used in financing activities from continuing operations	(745,548)	(1,629,386)
Cash flows used in financing activities from discontinued operations	-	(4,556,779)
Net cash used in financing activities	(745,548)	(6,186,165)
Net change in cash position	4,077,569	2,087,365
Cash, beginning of period	12,834,906	13,963,633
Cash, end of period	\$ 16,912,475	\$ 16,050,998
Cash is represented by:		
Cash & cash equivalents (note 10)	\$ 16,912,475	\$ 16,050,998
	\$ 16,912,475	\$ 16,050,998
Other information for continuing operations		
Interest earned and received as trustee	\$ 6,213,989	\$ 3,905,329
Interest received	\$ 1,060,355	\$ 805,418
Income taxes paid	\$ 2,619,261	\$ 2,568,000
Non-cash financing and investing activities (note 23b)		

See accompanying notes to the unaudited condensed consolidated interim financial statements

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

1. NATURE OF BUSINESS

Olympia Financial Group Inc. (“Olympia”) is governed by the *Business Corporations Act* (Alberta). Olympia is a reporting issuer in British Columbia, Alberta and Ontario, and its common shares are listed on the Toronto Stock Exchange (“TSX”). Olympia’s registered and head office is 2300, 125 - 9th Avenue SE, Calgary, Alberta T2G 0P6.

The majority of Olympia’s business is conducted through its wholly owned subsidiary Olympia Trust Company (“Olympia Trust”), a non-deposit taking trust corporation.

Olympia Trust received its letters patent on September 6, 1995, authorizing the formation of a trust corporation to be registered under the *Loan and Trust Corporations Act* (Alberta). Olympia Trust acts as a trustee for self-directed registered plans and provides foreign currency exchange services as well as corporate and shareholder services. Olympia Trust is licensed to conduct trust activities in Alberta, British Columbia, Saskatchewan, Manitoba, Quebec, Newfoundland and Labrador, Prince Edward Island, New Brunswick and Nova Scotia. The Private Health Services Plan division conducts its business through Olympia Benefits Inc. (“OBI”), a wholly owned subsidiary of Olympia. Exempt Edge Inc. (“EEI”) was incorporated under the *Business Corporations Act* (Alberta) on November 28, 2016, as a subsidiary of Olympia.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2019, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The unaudited condensed consolidated interim financial statements (“condensed consolidated financial statements”) should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2018, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB. The policies applied in these condensed consolidated financial statements are consistent with accounting policies and methods of computation used for the audited annual consolidated financial statements for the year ended December 31, 2018, except as noted in Note 3. Income taxes on earnings in the interim periods are accrued using the income tax rate that would be applicable to the expected total annual earnings.

These condensed consolidated interim financial statements have been approved and authorized for issuance by the Board of Directors, on November 13, 2019.

Olympia’s condensed consolidated interim financial statements are presented in Canadian dollars, Olympia’s primary operating currency. All references to \$ are in Canadian dollars and

references to US\$ are in United States dollars.

The preparation of the condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Certain of the prior year comparative figures have been reclassified to conform to the presentation adopted for the current year.

3. CHANGES IN ACCOUNTING POLICIES

A new amended standard became applicable for the current reporting period and Olympia had to change its accounting policies as a result of adopting the following standards:

- IFRS 16 “Leases”

The impact of the adoption of this standard and the new accounting policy is disclosed below.

IFRS 16 “Leases” – impact of adoption

Effective January 1, 2019, Olympia adopted IFRS 16, “Leases” (“IFRS 16”). Olympia has applied the new standard using the modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information, as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively. Therefore, comparative information in the consolidated balance sheets, consolidated statements of net earnings and comprehensive income and statements of cash flows has not been restated.

On adoption, management elected to use the following practical expedients permitted under the standard:

- Apply a single discount rate to a portfolio of leases with similar characteristics;
- Account for leases with a remaining term of less than twelve months as at January 1, 2019, as short-term leases;
- Account for lease payments as an expense and not recognize a right-of-use asset if the underlying asset is of a low dollar value (less than \$8,000); and
- Use Olympia’s previous assessment under IAS 37, “Provisions, Contingent Liabilities and Contingent Assets” (“IAS 37”) for onerous contracts instead of reassessing the right-of-use assets for impairment on January 1, 2019.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Impacts of the adoption of IFRS 16	Notes	As reported at December 31, 2018	Adjustments	Balance on adoption as at January 1, 2019
Assets				
Trade and other receivables	i	\$ 2,272,037	\$ 41,741	\$ 2,313,778
Right-of-use assets, net	ii	-	2,680,497	2,680,497
	iii		(73,635)	(73,635)
	iv	-	(999,876)	(999,876)
Long-term lease receivable	i	-	99,467	99,467
Liabilities and shareholders' equity				
Current portion of lease liabilities	v	-	(855,387)	(855,387)
Non-current lease liabilities	v	-	(1,946,341)	(1,946,341)
Other liabilities	iv	(1,528,078)	281,806	(1,246,272)
Non-current other liabilities	iv	(791,705)	791,705	-
Retained earnings	ii	(7,214,540)	(19,977)	(7,234,517)
		\$ (7,262,286)	\$ -	\$ (7,262,286)

Notes:

i. Sublease contract

On transition, Olympia reassessed the classification of its sublease contracts previously classified as operating leases under IAS 17. Olympia concluded that its sublease is a finance lease under IFRS 16, and as a result a \$0.14 million net investment in finance lease was recognized on adoption of IFRS 16.

ii. Right-of-use assets

The associated right-of-use assets were measured at the amount equal to the lease liability on January 1, 2019, less any amount previously recognized under IAS 37 for onerous contract provisions, less previously recognized lease inducement liabilities. This resulted in a \$19,977 adjustment to retained earnings.

iii. Onerous contract provisions

On initial adoption, management applied the practical expedient to use Olympia's previous assessment under IAS 37 for onerous contracts. This resulted in a reduction of \$0.07 million to other liabilities and charges.

iv. Other liabilities

On transition, Olympia applied the remaining balance of the previously recognized lease inducements provision and straight-line rent liability against the right-of-use assets. This resulted in a reduction of \$0.28 million in other liabilities and charges, and an adjustment of \$0.79 million to non-current other liabilities.

v. Lease liabilities

On adoption of IFRS 16, Olympia recognized lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17, "Leases" ("IAS 17"). Under the principles of the new standard, these leases have been measured at the present value of the remaining lease payments, discounted using Olympia's incremental borrowing rate at January 1, 2019. The incremental borrowing rate as at January 1, 2019 was 5.99%. Leases with a remaining term of less than twelve months and low-value leases were excluded. Total lease liabilities of \$2.8 million were recorded as at January 1, 2019.

vi. Reconciliation of commitments to lease liability

The following table provides a reconciliation of the commitments as at December 31, 2018, to Olympia's lease liabilities as at January 1, 2019:

Reconciliation of lease liabilities	Total
Office space	\$ 3,105,795
Less: Short-term leases	(44,440)
Lease liabilities commitments as at December 31, 2018	3,061,355
Impact of discounting	(259,627)
Lease liabilities as at January 1, 2019	\$ 2,801,728

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Update to significant accounting policies

Leases

Olympia applied IFRS 16 using the modified retrospective approach; therefore, the comparative information provided continues to be accounted for in accordance with Olympia's previous accounting policy found in the annual consolidated financial statements for the year ended December 31, 2018.

The following accounting policy is applicable from January 1, 2019:

Olympia assesses whether a contract is a lease based on whether the contract conveys the right to control the use of an underlying asset for a period of time in exchange for consideration.

As lessee

Leases are recognized as a right-of-use asset and a corresponding lease liability at the date on which the leased asset is available for use by Olympia. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments and payments of penalties for terminating the lease, less any lease incentives receivable. These payments are discounted using Olympia's incremental borrowing rate when the rate implicit in the lease is not readily available. Olympia uses a single discount rate for a portfolio of leases with reasonably similar characteristics.

Lease payments are allocated between the liability and finance costs. The finance cost is charged to net earnings over the lease term.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the consolidated statement of earnings if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability and any initial direct costs incurred less any lease payments made at or before the commencement date.

The right-of-use asset is depreciated, on a straight-line basis, over the shorter of the estimated useful life of the asset or the lease term. The right-of-use asset may be adjusted for certain remeasurements of the lease liability and impairment losses.

Leases that have terms of less than twelve months or leases on which the underlying asset is of low value are recognized as an expense in the statements of net earnings and comprehensive

income on a straight-line basis over the lease term.

A lease modification will be accounted for as a separate lease if the modification increases the scope of the lease and if the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope. For a modification that is not a separate lease or where the increase in consideration is not commensurate, Olympia will, at the effective date of the lease modification, remeasure the lease liability. Olympia will use its incremental borrowing rate when the rate implicit to the lease is not readily available, with a corresponding adjustment to the right-of-use asset. A modification that decreases the scope of the lease will be accounted for by decreasing the carrying amount of the right-of-use asset and recognizing a gain or loss in net earnings that reflects the proportionate decrease in scope.

As lessor

As a lessor, Olympia assesses at inception whether a lease is a finance or operating lease. Leases where Olympia transfers substantially all of the risk and rewards incidental to ownership of the underlying asset are classified as financing leases. Under a finance lease, Olympia recognizes a receivable at an amount equal to the net investment in the lease, which is the present value of the aggregate of lease payments receivable by the lessor. If substantially all the risks and rewards of ownership of an asset are not transferred, the lease is classified as an operating lease. Olympia recognizes lease payments received under operating leases as other income on a straight-line basis over the lease term.

When Olympia is an intermediate lessor, it accounts for its interest in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset from the head lease, not with reference to the underlying assets. If the head lease is a short-term lease to which Olympia applies the exemption for lease accounting, the sublease is classified as an operating lease.

Impacts on financial statement

Impacts for the period

In relation to leases under IFRS 16, Olympia has recognized depreciation and interest costs instead of recognizing an operating lease expense. During the nine months ended September 30, 2019, Olympia recognized \$0.40 million of depreciation charge related to the right-of-use assets and \$0.11 million in interest costs related to the lease liabilities from these leases.

Critical accounting judgments and estimate uncertainty

Critical judgments in determining the lease term

In determining the lease term, management considers all

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

Future accounting pronouncements

There were no new or amended accounting standards issued during the nine months ended September 30, 2019, that are applicable to Olympia in future periods.

4. PROMISSORY NOTE RECEIVABLE

In conjunction with the sale of substantially all the assets of Olympia ATM Inc. in 2018, the purchase price was paid by the delivery of a secured demand promissory note (the "promissory note") for \$1.40 million by Tarman ATM Inc. ("Tarman"). The outstanding principal amount of the promissory note bears interest at prime plus 0.25%. All interest accrued under the promissory note shall be paid on an annual basis on or before the 30th day of June of each calendar year. Subject to Canadian Western Bank's consent (as discussed below), commencing June 30, 2020, Tarman is required to repay the outstanding principal amount of the promissory note in annual installments of \$140,000 on or before the 30th day of June of each calendar year, with the outstanding balance of the principal amount to be repaid in full on or before June 30, 2023. As at September 30, 2019, \$43,979 of interest has been earned, of which \$14,821 remains outstanding.

In connection with the financing of the vault cash used by Tarman, Olympia agreed to postpone to Canadian Western Bank ("CWB") the receipt of all amounts owed to it by Tarman and is required to obtain CWB's consent prior to accepting any amount from Tarman. Olympia also agreed to subordinate to CWB all security interests granted to Olympia by Tarman.

5. FUNDS IN TRUST

Registered Plans division ("RRSP")

At September 30, 2019, RRSP administered self-directed registered plans consisting of private company securities and mortgages with a cost value of \$4.38 billion (December 31, 2018 - \$4.14 billion) plus cash, public securities, term deposits and outstanding cheques with an estimated fair value of \$559.45 million (December 31, 2018 - \$530.24 million). These assets are the property of the account holders and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these condensed consolidated financial statements. Olympia earned trust income from funds held in trust of \$8.95 million for the nine months ended September 30, 2019 (September 30, 2018 - \$7.57 million).

Private Health Services Plan division ("Health")

At September 30, 2019, Health held funds in trust of \$11.20

million (December 31, 2018 - \$11.02 million) on behalf of its self-insured private health clients. These assets are the property of the plan holders and OBI does not maintain effective control over the assets. Therefore, the assets are not reflected in these condensed consolidated financial statements.

Foreign Exchange division ("FX")

At September 30, 2019, FX held funds in trust of \$3.24 million (December 31, 2018 - \$1.22 million) for clients who have paid margin requirements on forward foreign exchange contracts, and \$17.82 million (December 31, 2018 - \$5.06 million) of outstanding payments. These assets are the property of the contract holders and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these condensed consolidated financial statements.

Corporate and Shareholder Services division ("CSS")

At September 30, 2019, CSS held funds in trust and outstanding cheques of approximately \$1.93 million (December 31, 2018 - \$nil) for clients who have hired Olympia Trust to provide trustee services. These assets are the property of the plan holders and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these condensed consolidated financial statements.

6. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Fair value of financial instruments

The fair value of cash and cash equivalents, restricted cash and investments, trade and other receivables, long-term lease receivable, promissory note receivable, trade and other payables, lease liabilities, revolving credit facility and other liabilities and charges approximate their carrying amounts. Derivative financial instruments are measured at fair value through profit or loss. The fair value of all forward foreign exchange contracts is based on current bid prices for their respective terms to maturity in an active market.

Risks associated with financial instruments

Olympia is exposed to financial risks arising from normal course business operations and its financial assets and liabilities. The financial risks include liquidity risk and market risk relating to foreign currency exchange rates, interest rates and credit risk.

(i) Liquidity risk

Liquidity risk is the risk that Olympia will encounter difficulties in meeting its financial obligations. Olympia manages its liquidity risk by keeping surplus cash in liquid investments with a highly rated financial institution. This allows Olympia to earn interest on surplus cash while having access to it within a very short time.

Liquidity risk is associated with Olympia's credit facility. The

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

credit facility is available to finance day-to-day operations to a maximum principal amount of \$15 million (December 31, 2018 - \$8.50 million) and bears interest at the Canadian prime rate plus 0.25%. For the nine months ended September 30, 2019, a balance of \$8.91 million is outstanding (December 31, 2018 -

\$4.21 million). Olympia has determined the principal and interest to be current.

Security for the credit facility includes a general security agreement providing a first security interest in all present and subsequently acquired property.

The timing of cash outflows is outlined in the following tables:

At September 30, 2019	Current	31 to 60 days	61 to 90 days	Over 90 days	Total
Trade and other payables	\$ 1,236,959	\$ 1,877	\$ -	\$ -	\$ 1,238,836
Other liabilities and charges	2,318,575	-	-	-	2,318,575
Lease liabilities	72,525	72,887	73,251	674,938	893,601
Total	\$ 3,628,059	\$ 74,764	\$ 73,251	\$ 674,938	\$ 4,451,012
At December 31, 2018					
Trade and other payables	\$ 1,341,291	\$ -	\$ -	\$ 601	\$ 1,341,892
Other liabilities and charges ⁽¹⁾	1,259,435	-	-	-	1,259,435
Total	\$ 2,600,726	\$ -	\$ -	\$ 601	\$ 2,601,327

Olympia continues to meet all of the obligations associated with its financial liabilities.

The aging of the undiscounted lease payments is outlined in the following table:

At September 30, 2019	Less than one year	One to two years	Two to three years	More than three years	Total undiscounted lease payments
Lease payments	\$ 358,889	\$ 1,009,885	\$ 1,071,328	\$ -	\$ 2,440,102
	\$ 358,889	\$ 1,009,885	\$ 1,071,328	\$ -	\$ 2,440,102

The liquidity risk relating to derivative financial instruments payable is outlined in the following table:

	September 30, 2019	December 31, 2018
Current	\$ 17,677	\$ 15,209
31 to 60 days	19,877	19,473
61 to 90 days	867	16,849
Over 90 days	68,119	108,949
	\$ 106,540	\$ 160,480
Non-current (1-3 years)	\$ 599,227	\$ -

⁽¹⁾ Other liabilities and charges excludes leasehold inducement, straight-line rent and onerous contract obligation.

(ii) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices and is composed of the following:

Foreign currency exchange risk

Olympia is exposed to changes in foreign exchange rates when, and if, revenues or financial instruments fluctuate because of changing rates. Transactions in the applicable financial market are executed consistent with established risk management policies. Olympia purchases forward contracts whenever it enters into a transaction to buy or sell foreign currency in the future. These contracts are both short term and long term in nature and are in the normal course of business. Management understands that the currency markets are volatile and therefore subject to higher risk.

Olympia applies the following policy to mitigate the currency risk:

- For forward contracts, a margin of 5% is payable on signature of the contract;
- Olympia sets up a corresponding position with its currency supplier; and
- If market rates vary by 4% or more, the client is required to adjust their margin to match the variance by the end of the trading day.

Olympia's FX division maintains various foreign currency bank accounts of which Canadian dollar and United States dollar bank accounts are the most significant. It is Olympia Trust's policy to limit the amount of foreign currencies on hand to \$1.50 million to reduce exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Olympia is exposed to interest rate risk as the cash flows generated from interest bearing instruments fluctuate in response to changes in market interest rates. The primary exposure is related to cash balances and fixed term deposits.

If the interest rates were to have increased by 1%, it is estimated that Olympia's after-tax earnings for the period ended September 30, 2019, would have increased by approximately \$3.10 million (September 30, 2018 - \$2.84 million). A 1% decrease in interest rates would have had an equal but opposite effect. This sensitivity analysis assumes that all other variables remain constant.

Credit risk

Credit risk is the risk that the counterparty to a financial asset will default, resulting in Olympia incurring a financial loss. Before material transactions begin with a new counterparty, the counterparty's creditworthiness is assessed by the FX division. The assessment practice considers both quantitative and qualitative factors. Olympia constantly monitors the exposure to any single customer or counterparty along with the financial position of the customer or counterparty. If it is deemed that a customer or counterparty has become materially weaker, Olympia will work to reduce the credit exposure and lower the credit limit allocated. Olympia is exposed to credit risk on its cash and cash equivalents, restricted cash and investments, trade and other receivables, promissory note receivable and derivative financial instruments receivable. The maximum exposure to credit risk of Olympia at the end of the year is the carrying value of cash and cash equivalents, restricted cash and investments, trade and other receivables, promissory note receivable and derivative financial instruments receivable.

- Cash and cash equivalents

Olympia mitigates its exposure to credit risk by maintaining its bank accounts with a highly rated financial institution.

- Restricted cash and investments

Olympia limits its counterparty credit risk on these assets by dealing with reputable counterparties and performing due diligence to assess their credit worthiness.

- Trade and other receivables

Olympia has policies and procedures in place to govern the credit risk it will assume. Trade receivables over 90 days are considered past due. As of September 30, 2019, net trade receivables of \$3.26 million (December 31, 2018 - \$2.04 million) were past due but deemed not impaired.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

The aging of these receivables is as follows:

	September 30, 2019	December 31, 2018
Current	\$ 401,967	\$ 196,911
31 to 60 days	-	12,657
61 to 90 days	28,988	24,234
Over 90 days	3,899,610	2,609,598
Allowance for doubtful accounts	(642,494)	(571,363)
	\$ 3,688,071	\$ 2,272,037

The allowance for doubtful accounts is based on an account portfolio analysis.

Movements on Olympia's provision for impairment of trade receivables are as follows:

	September 30, 2019	December 31, 2018
At January 1	\$ 571,363	\$ 613,822
Increase in provision	139,690	269,437
Receivables written off	(68,559)	(311,896)
Allowance for doubtful accounts	\$ 642,494	\$ 571,363

Included within receivables is the current portion of a lease receivable of \$0.04 million recognized based on the present value of sublet property, as required by the newly adopted IFRS 16.

The balance relates to a number of independent clients which Olympia is actively pursuing through its internal collection process. As a result, management considers the outstanding amounts to be recoverable.

The provision for impaired receivables has been included in administrative expenses in the condensed consolidated statements of net earnings and comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Provision matrix

	September 30, 2019	December 31, 2018
Current	\$ 35,553	\$ 17,926
31 to 60 days	40,984	30,960
61 to 90 days	2,888	45,029
Over 90 days	177,543	312,167
	\$ 256,968	\$ 406,082
Non-current (1-3 years)	\$ 2,882,132	\$ -

Olympia has set up a provision matrix based on its historically observed default rates. Olympia adjusts the matrix for forward-looking estimates. The allowance has been calculated based on the provision matrix, and the expected credit loss is as follows:

- less than 90 days: nominal;
- more than 90 days but less than two years past due: \$348,180;
- more than two years but less than three years past due: \$221,448; and
- three or more years past due: \$151,066.

Derivative financial instruments receivable

The expected maturity relating to derivative financial instruments receivable and foreign exchange contracts is outlined in the following table.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

(iii) Capital risk management

Olympia's objectives when managing capital are to safeguard Olympia's ability to continue as a going concern in order to provide returns and benefits to shareholders and to maintain an optimal capital structure to reduce the cost of capital and to meet minimum regulatory capital requirements. In order to maintain or adjust the capital structure, Olympia may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, repurchase shares, sell assets or make further use of its credit facility.

Olympia includes shareholders' equity of \$17.59 million (December 31, 2018 - \$15.08 million) in the definition of capital. Shareholders' equity comprises share capital, contributed surplus, non-controlling interest and retained earnings.

Olympia's main objectives when managing its capital structure are to:

- Maintain sufficient cash and cash equivalents over the short and medium term in order to finance its growth and development, including capital expenditures;
- Maintain investor and creditor confidence to sustain future development of the business. Olympia's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations. In managing capital, Olympia estimates its future dividend payments and capital expenditures, which is compared to planned business growth for purposes of sustainability;
- Maintain regulatory capital for Olympia Trust as required by the *Loan and Trust Corporations Act* (Alberta) (\$2 million). Similar regulatory capital is required by legislation in Nova Scotia (\$5 million). Regulatory capital is defined as share capital and retained earnings. Olympia Trust has maintained these minimum capital requirements throughout the period ended September 30, 2019; and
- Maintain compliance with financial covenants, which includes maintaining a minimum equity of \$12 million. The financial covenants are reviewed quarterly, and controls are in place to maintain compliance with the covenants. Olympia complied with its financial covenants for the period ended September 30, 2019.

The capital structure of Olympia is managed and adjusted to reflect changes in economic conditions. Capital structure adjustments could include adjusting the level of dividends and/or issuance or repurchase of common shares. In support thereof, management reviews the financial position of Olympia on a monthly and cumulative basis. Financing decisions are set based on the timing and extent of expected operating and capital cash outlays. Factors considered when determining capital and the amount of operational cash requirements are weighed against the costs associated with excess cash, its

terms and availability and whether to issue equity. Olympia works towards managing its capital objectives to the extent possible while facing the challenges of market conditions and the public's assessment of Olympia's risk profile. Olympia's capital management objectives have remained substantively unchanged over the periods presented.

7. LEASE LIABILITIES

Olympia recognized lease liabilities on the initial application of IFRS 16, which was implemented on January 1, 2019. The movement of the lease liabilities is shown below.

Lease liability	2019
Balance at January 1	\$ 2,801,728
Lease repayment	(637,715)
Balance at September 30	\$ 2,164,013

The current portion as at September 30, 2019, is \$0.89 million with the non-current portion being \$1.27 million.

Included under administrative expenses is interest expenses related to the lease liabilities in the amount of \$0.11 million for the nine months ended September 30, 2019.

8. OPERATING SEGMENTS

Olympia has six operating segments or divisions, of which five are business segments and offer different products and services and are managed separately because they require different technology and marketing strategies. The Corporate division is a cost centre and earns incidental revenue. For each of the divisions, Olympia's president, chief financial officer and other executive management review internal management reports on a monthly basis.

Segment profit/(loss) is used to measure performance. Olympia's president and other executive management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segmental transactions consist mainly of cost recoveries, which are recognized at cost. In addition, reportable segments are managed on a functional basis through regular reporting to the president and other executive management.

Olympia does not disclose a measure of segment assets, because the president and other executive management do not use this information to assess performance and allocate resources. Olympia reports net earnings/(loss) information for all operating segments to the president and other executive management. All other assets and liabilities are reported on a consolidated basis. Costs are allocated to segments based on usage.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Net operations for the nine months ended September 30, 2019

	Health	RRSP	FX	EEI	CSS	Corporate	Total
Service revenue	\$ 5,876,439	\$13,918,069	\$ 5,938,832	\$ 564,574	\$ 81,880	\$ 8,059	\$26,387,853
Interest revenue and trust income	249,425	9,394,802	187,819	809	1,404	79,493	9,913,752
Direct expenses	(1,251,127)	(45,935)	(1,165,436)	(29,253)	655	-	(2,491,096)
	4,874,737	23,266,936	4,961,215	536,130	83,939	87,552	33,810,509
Administrative expenses	(2,742,328)	(15,291,363)	(5,683,769)	(849,788)	(906,496)	(154,899)	(25,628,643)
Depreciation and amortization	(114,497)	(733,163)	(211,417)	(60,915)	(24,422)	(57)	(1,144,471)
Other gains/(losses), net (note 20)	13,068	44,280	2,960,599	3,401	-	(1,797)	3,019,551
Earnings/(loss) before income taxes	2,030,980	7,286,690	2,026,628	(371,172)	(846,979)	(69,201)	10,056,946
Income taxes (expense)/recovery ⁽¹⁾	(524,399)	(1,929,109)	(536,538)	102,873	224,232	(67,043)	(2,729,984)
Net earnings/(loss)	\$ 1,506,581	\$ 5,357,581	\$ 1,490,090	\$ (268,299)	\$ (622,747)	\$ (136,244)	\$ 7,326,962

Service revenue per segment for the nine months ended September 30, 2019

	Health	RRSP	FX	EEI	CSS	Corporate	Total
Account set-up fees and onboarding fees	\$ -	\$ 473,092	\$ -	\$ 206,690	\$ 52,692	\$ -	\$ 732,474
Annual administration fees and annual health spending account fees	1,019,273	9,534,261	-	-	24,100	-	10,577,634
Monthly and transaction fees	4,393,375	3,848,771	186,347	360,547	5,088	-	8,794,128
Trading profits and losses	-	-	5,816,115	-	-	-	5,816,115
Travel and life insurance brokerage fees	412,285	100	-	-	-	-	412,385
Other	51,506	61,845	(63,630)	(2,663)	-	8,059	55,117
Service revenue	\$ 5,876,439	\$ 13,918,069	\$ 5,938,832	\$ 564,574	\$ 81,880	\$ 8,059	\$ 26,387,853

⁽¹⁾No income tax adjustment has been made regarding the elimination of intercompany transactions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Net operations for the nine months ended September 30, 2018

	Health	RRSP	FX	EEI	CSS	Corporate	Total
Service revenue	\$ 5,819,979	\$14,967,962	\$ 7,504,106	\$ 372,347	\$ -	\$ 194,370	\$28,858,764
Interest revenue and trust income	166,160	7,864,325	161,242	544	-	274,035	8,466,306
Direct expenses	(1,334,473)	(38,662)	(823,463)	(139,352)	-	-	(2,335,950)
	4,651,666	22,793,625	6,841,885	233,539	-	468,405	34,989,120
Administrative expenses	(2,834,587)	(15,021,104)	(4,696,747)	(484,927)	(44,597)	(194,654)	(23,276,616)
Depreciation and amortization	(60,464)	(384,726)	(63,967)	(55,356)	(93)	(1,810)	(566,416)
Other losses, net (note 20)	(2,064)	(39,473)	(1,078,893)	-	-	-	(1,120,430)
Earnings/(loss) before income taxes	1,754,551	7,348,322	1,002,278	(306,744)	(44,690)	271,941	10,025,658
Income taxes (expense)/recovery ⁽¹⁾	(451,995)	(1,941,363)	(264,793)	89,923	11,807	(158,093)	(2,714,514)
Net earnings/(loss)	\$ 1,302,556	\$ 5,406,959	\$ 737,485	\$ (216,821)	\$ (32,883)	\$ 113,848	\$ 7,311,144

Service revenue per segment for the nine months ended September 30 2018

	Health	RRSP	FX	EEI	CSS	Corporate	Total
Account set-up fees and onboarding fees	\$ -	\$ 346,967	\$ -	\$ 175,400	\$ -	\$ -	\$ 522,367
Annual administration fees and annual health spending account fees	877,475	9,592,422	-	-	-	-	10,469,897
Monthly and transaction fees	4,480,142	4,959,634	56,161	196,483	-	-	9,692,420
Trading profits and losses	-	-	7,433,108	-	-	-	7,433,108
Travel and life insurance brokerage fees	400,257	155	-	-	-	-	400,412
Other	62,105	68,784	14,837	464	-	194,370	340,560
Service revenue	\$ 5,819,979	\$14,967,962	\$ 7,504,106	\$ 372,347	\$ -	\$ 194,370	\$28,858,764

Revenue earned from one customer in the FX division represents more than 10% of the FX division's total revenue earned for the nine months ended September 30, 2019 and September 30, 2018.

⁽¹⁾No income tax adjustment has been made regarding the elimination of intercompany transactions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Net operations for the three months ended September 30, 2019

	Health	RRSP	FX	EEI	CSS	Corporate	Total
Service revenue	\$ 1,866,063	\$ 4,780,183	\$ 1,739,945	\$ 237,251	\$ 43,593	\$ 3,217	\$ 8,670,252
Interest revenue and trust income	82,538	3,232,626	79,913	296	442	28,387	3,424,202
Direct expenses	(388,306)	(29,444)	(149,426)	(6,313)	(77)	-	(573,566)
	1,560,295	7,983,365	1,670,432	231,234	43,958	31,604	11,520,888
Administrative expenses	(961,724)	(5,039,171)	(1,652,188)	(333,388)	(315,338)	(24,291)	(8,326,100)
Depreciation and amortization	(38,270)	(246,758)	(100,631)	(20,843)	(8,732)	-	(415,234)
Other gains/(losses), net	14,182	45,522	434,821	(5,811)	-	-	488,714
Earnings/(loss) before income taxes	574,483	2,742,958	352,434	(128,808)	(280,112)	7,313	3,268,268
Income taxes (expense)/recovery ⁽¹⁾	(161,904)	(796,055)	(105,266)	31,239	81,241	(23,811)	(974,556)
Net earnings/(loss)	\$ 412,579	\$ 1,946,903	\$ 247,168	\$ (97,569)	\$ (198,871)	\$ (16,498)	\$ 2,293,712

Service revenue per segment for three months ended September 30, 2019

	Health	RRSP	FX	EEI	CSS	Corporate	Total
Account set-up fees and onboarding fees	\$ -	\$ 173,100	\$ -	\$ 102,940	\$ 28,580	\$ -	\$ 304,620
Annual administration fees and annual health spending account fees	349,436	3,274,453	-	-	10,850	-	3,634,739
Monthly and transaction fees	1,373,275	1,290,854	39,347	133,937	4,163	-	2,841,576
Trading profits and losses	-	-	1,692,843	-	-	-	1,692,843
Travel and life insurance brokerage fees	135,911	100	-	-	-	-	136,011
Other	7,441	41,676	7,755	374	-	3,217	60,463
Service revenue	\$ 1,866,063	\$ 4,780,183	\$ 1,739,945	\$ 237,251	\$ 43,593	\$ 3,217	\$ 8,670,252

⁽¹⁾No income tax adjustment has been made regarding the elimination of intercompany transactions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Net operations for the three months ended September 30, 2018

	Health	RRSP	FX	EEI	CSS	Corporate	Total
Service revenue	\$ 1,863,572	\$ 4,689,414	\$ 2,767,212	\$ 131,326	\$ -	\$ -	\$ 9,451,524
Interest revenue and trust income	59,556	2,782,164	57,313	(240)	-	64,137	2,962,930
Direct expenses	(437,731)	(22,047)	(245,338)	(28,762)	-	-	(733,878)
	1,485,397	7,449,531	2,579,187	102,324	-	64,137	11,680,576
Administrative expenses	(906,843)	(4,961,667)	(1,506,624)	(183,414)	(44,597)	(65,578)	(7,668,723)
Depreciation and amortization	(15,659)	(130,175)	(16,690)	(19,031)	(93)	(23)	(181,671)
Other losses, net	(2,032)	(5,880)	(800,785)	-	-	-	(808,697)
Earnings/(loss) before income taxes	560,863	2,351,809	255,088	(100,121)	(44,690)	(1,464)	3,021,485
Income taxes (expense)/recovery ⁽¹⁾	(141,965)	(623,345)	(67,693)	30,004	11,807	(29,827)	(821,019)
Net earnings/(loss)	\$ 418,898	\$ 1,728,464	\$ 187,395	\$ (70,117)	\$ (32,883)	\$ (31,291)	\$ 2,200,466

Service revenue per segment for the three months ended September 30, 2018

	Health	RRSP	FX	EEI	CSS	Corporate	Total
Account set-up fees and onboarding fees	\$ -	\$ 120,300	\$ -	\$ 37,000	\$ -	\$ -	\$ 157,300
Annual administration fees and annual health spending account fees	304,046	3,293,168	-	-	-	-	3,597,214
Monthly and transaction fees	1,368,792	1,247,155	11,430	94,326	-	-	2,721,703
Trading profits and losses	-	-	2,751,308	-	-	-	2,751,308
Travel and life insurance brokerage fees	144,250	-	-	-	-	-	144,250
Other	46,484	28,791	4,474	-	-	-	79,749
Service revenue	\$ 1,863,572	\$ 4,689,414	\$ 2,767,212	\$ 131,326	\$ -	\$ -	\$ 9,451,524

No one client contributed more than 10% of any of Olympia's division's total revenue for the three months ended September 30, 2019. Revenue earned from one customer in the FX division represents more than 10% of the FX division's total revenue earned for the three months ended September 30, 2018.

⁽¹⁾No income tax adjustment has been made regarding the elimination of intercompany transactions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

9. RESTRICTED CASH AND INVESTMENTS

	September 30, 2019	December 31, 2018
Foreign exchange trading investments collateral provided	\$ 4,512,000	\$ 707,000
	\$ 4,512,000	\$ 707,000

Restricted cash and investments as at September 30, 2019, of \$4.51 million (December 31, 2018 - \$0.71 million), consists of cash held by a financial institution as collateral for the performance of foreign exchange trading platform obligations.

Restricted cash and investments are not readily accessible for use in operations and are therefore reported separately from cash and cash equivalents. Olympia utilized its revolving credit facility to fund the increased collateral requirements.

10. CASH AND CASH EQUIVALENTS

Cash at bank and on hand is readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

Non-restricted cash in circulation refers to Olympia's foreign exchange cash in ATM cassettes and cash in transit.

	September 30, 2019	December 31, 2018
Cash at bank and on hand	\$ 16,019,876	\$ 11,827,579
Non-restricted cash in circulation	892,599	1,007,327
	\$ 16,912,475	\$ 12,834,906

11. REVOLVING CREDIT FACILITY

As at September 30, 2019, Olympia has drawn \$8.91 million (December 31, 2018 - \$4.21 million) on its established credit facility. On March 15, 2019, Olympia increased the credit facility amount from \$8.50 million to \$15 million. Amounts drawn in the current year have been used primarily to facilitate the additional trading collateral requirements for the FX division. The credit facility in place has a maximum amount of \$15 million (December 31, 2018 - \$8.50 million) which can be drawn and bears interest at the Canadian prime rate plus 0.25%. The credit facility will be reviewed quarterly based on these financial statements.

cash flow coverage ratio under the terms of the credit facility was calculated to be 2.01:1 (December 31, 2018 - 3.23:1). Total equity as at September 30, 2019 was \$17.59 million, compared to total equity of \$15.08 million at December 31, 2018. As at September 30, 2019, Olympia was in compliance with all covenants.

Security for the credit facility includes a general security agreement providing a first security charge over all present and after acquired property.

The credit facility is subject to certain covenants and other limitations that, if breached, could cause a default, which might result in a requirement for immediate repayment of all amounts outstanding. The credit facility contains a number of affirmative covenants, including maintaining specific security, maintaining a specific financial ratio, and maintaining a total equity of \$12 million. The financial ratio is a quarterly cash flow coverage ratio of not less than 1.50:1. At September 30, 2019, Olympia's

On May 16, 2016, Olympia Trust entered into a contingent credit facility to be used only by the FX division. The contingent credit facility had a maximum of \$5 million, which was only to be used to enter into spot, forward or foreign exchange transactions with the issuing financial institution. For the period ended September 30, 2019, the agreement has been cancelled. A new agreement is being negotiated and finalized.

	September 30, 2019	December 31, 2018
Available balance at January 1	\$ 15,000,000	\$ 8,500,000
Drawn	(8,905,347)	(4,207,347)
Available at the end of the period/year	\$ 6,094,653	\$ 4,292,653

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

12. DERIVATIVE FINANCIAL INSTRUMENTS

	Fair value as at September 30, 2019	Notional amount as at September 30, 2019	Fair value as at December 31, 2018	Notional amount as at December 31, 2018
Current assets	\$ 256,968	\$ 9,784,250	\$ 406,082	\$ 25,894,166
Non-current assets (1-3 years)	\$ 2,882,132	\$ 124,367,295	\$ -	\$ -
Current liabilities	\$ 106,540	\$ 8,392,321	\$ 160,480	\$ 5,796,292
Non-current liabilities (1-3 years)	\$ 599,227	\$ 58,883,223	\$ -	\$ -

Olympia Trust has entered into foreign exchange contracts with its customers and currency suppliers. The expiry dates of the above derivatives vary between October 25, 2019, and July 30, 2021. As a result, a portion of the foreign exchange contracts is classified as non-current.

Forward foreign exchange contracts are measured at fair value through profit or loss based on contractual maturities and are presented at their fair value on the balance sheet. Changes in fair values of forward foreign exchange contracts are recorded in "Other (gains)/losses, net" in the condensed consolidated statements of net earnings and comprehensive income. The fair value of all forward foreign exchange contracts is based on

current bid prices for their respective remaining terms to maturity in an active market. As at September 30, 2019, Olympia has margins held in Canadian dollars of \$3.24 million (December 31, 2018 - \$1.22 million).

For the period ended September 30, 2019, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements.

The following table presents Olympia's derivative financial assets and liabilities measured at fair value and categorized by level according to the significance of the inputs used in making these measurements:

Recurring measurements

	September 30, 2019	Level 1	Level 2	Level 3
Financial assets - derivative financial instruments	\$ 3,139,100	\$ -	\$ 3,139,100	\$ -
Financial liabilities - derivative financial instruments	(705,767)	-	(705,767)	-
	\$ 2,433,333	\$ -	\$ 2,433,333	\$ -

Recurring measurements

	December 31, 2018	Level 1	Level 2	Level 3
Financial assets - derivative financial instruments	\$ 406,082	\$ -	\$ 406,082	\$ -
Financial liabilities - derivative financial instruments	(160,480)	-	(160,480)	-
	\$ 245,602	\$ -	\$ 245,602	\$ -

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

13. EQUIPMENT AND OTHER

September 30, 2019	Leasehold improvements	Computers & equipment	Furniture & fixtures	FX ATM equipment	Total
Cost					
At beginning of year	\$ 3,226,243	\$ 643,135	\$ 1,110,517	\$ 294,449	\$ 5,274,344
Additions	23,835	111,256	41,228	973	177,292
Disposals	(242,467)	(193,385)	(214,911)	-	(650,763)
At end of period	\$ 3,007,611	\$ 561,006	\$ 936,834	\$ 295,422	\$ 4,800,873
Accumulated depreciation					
At beginning of year	\$ 2,567,485	\$ 434,987	\$ 947,377	\$ 84,962	\$ 4,034,811
Disposals	(242,467)	(185,801)	(217,273)	-	(645,541)
Depreciation charge for the period	155,729	83,227	53,720	44,195	336,871
At end of period	\$ 2,480,747	\$ 332,413	\$ 783,824	\$ 129,157	\$ 3,726,141
Closing net book value	\$ 526,864	\$ 228,593	\$ 153,010	\$ 166,265	\$ 1,074,732

December 31, 2018	Leasehold improvements	Computers & equipment	Furniture & fixtures	ATM equipment	Total
Cost					
At beginning of year	\$ 3,307,502	\$ 2,497,727	1,499,304	\$ 1,467,560	\$ 8,772,093
Additions	143,859	178,249	70,638	180,283	573,029
Reclassification	(1,677)	(843)	1,560	960	-
Disposals	(223,441)	(2,031,998)	(460,985)	(1,354,354)	(4,070,778)
At end of year	\$ 3,226,243	\$ 643,135	\$ 1,110,517	\$ 294,449	\$ 5,274,344
Accumulated depreciation					
At beginning of year	\$ 2,579,050	\$ 2,244,883	\$ 1,247,936	\$ 467,828	\$ 6,539,697
Disposals	(211,205)	(1,923,476)	(421,097)	(531,090)	(3,086,868)
Depreciation charge for the year	199,640	113,580	120,538	148,224	581,982
At end of year	\$ 2,567,485	\$ 434,987	\$ 947,377	\$ 84,962	\$ 4,034,811
Closing net book value	\$ 658,758	\$ 208,148	\$ 163,140	\$ 209,487	\$ 1,239,533

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

14. INTANGIBLE ASSETS

September 30, 2019	Internally generated software	Computer software	ATM processing contracts	Other	Total
Cost					
At beginning of year	\$ 2,110,319	\$ 1,647,523	\$ 943,968	\$ 27,305	\$ 4,729,115
Additions	201,377	371,386	-	-	572,763
Disposals	(16,740)	(431,442)	(943,968)	-	(1,392,150)
At end of period	\$ 2,294,956	\$ 1,587,467	\$ -	\$ 27,305	\$ 3,909,728
Accumulated depreciation					
At beginning of year	\$ 408,450	\$ 851,575	\$ 943,968	\$ 16,860	\$ 2,220,853
Amortization charge for the period	174,916	225,410	-	6,832	407,158
Disposals	(16,740)	(431,442)	(943,968)	-	(1,392,150)
At end of period	\$ 566,626	\$ 645,543	\$ -	\$ 23,692	\$ 1,235,861
Closing net book value	\$ 1,728,330	\$ 941,924	\$ -	\$ 3,613	\$ 2,673,867

December 31, 2018	Internally generated software	Computer software	ATM processing contracts	Other	Total
Cost					
At beginning of year	\$ 1,850,960	\$ 1,210,020	\$ 1,082,968	\$ 41,032	\$ 4,184,980
Additions	461,642	616,192	-	2,305	1,080,139
Disposals	(202,283)	(178,689)	(139,000)	(16,032)	(536,004)
At end of year	\$ 2,110,319	\$ 1,647,523	\$ 943,968	\$ 27,305	\$ 4,729,115
Accumulated depreciation					
At beginning of year	\$ 354,923	\$ 942,715	\$ 1,015,216	\$ 22,433	\$ 2,335,287
Amortization charge for the year	255,810	76,231	9,584	10,459	352,084
Disposals	(202,283)	(167,371)	(80,832)	(16,032)	(466,518)
At end of year	\$ 408,450	\$ 851,575	\$ 943,968	\$ 16,860	\$ 2,220,853
Closing net book value	\$ 1,701,869	\$ 795,948	\$ -	\$ 10,445	\$ 2,508,262

Additions

The capital additions of \$0.57 million relate mainly to the continued development and enhancement of cloud based online systems in the Exempt Edge division and development of the next phase of the RRSP division's mobile app.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

15. RIGHT-OF-USE ASSETS

	2019
Balance at January 1	\$ 1,606,986
Amortization	(400,442)
Balance at September 30	\$ 1,206,544

The right-of-use assets recognition is related to the adoption of IFRS 16 and is depreciated over the term of the lease.

16. TRADE AND OTHER PAYABLES

	September 30, 2019	December 31, 2018
Trade payables	\$ 341,227	\$ 719,340
Agents and commissions payable	158,117	207,067
Amounts due to related parties	111,487	107,539
Government taxes and other payables	628,005	307,946
	\$ 1,238,836	\$ 1,341,892

17. DEFERRED REVENUE

	September 30, 2019	December 31, 2018
Annual registered plan services administration fees	\$ 3,301,989	\$ 6,300
Annual health spending account fees	451,032	393,520
Annual corporate & shareholder services retainer fees	33,750	-
	\$ 3,786,771	\$ 399,820

At September 30, 2019, deferred revenue totaled \$3.79 million compared to \$0.40 million as at December 31, 2018. This is comprised of annual fees that have been received, but not earned, by the RRSP division, the Health division, Exempt Edge

division, and the CSS division. The unearned portion of these annual fees is recognized as deferred revenue at the time of billing and revenue is recognized on a straight-line basis in relation to Olympia rendering these services.

18. SHARE CAPITAL AND CONTRIBUTED SURPLUS

	Number of common shares	Share capital	Contributed surplus	Total
At January 1, 2019	2,406,352	\$ 7,886,989	\$ 86,373	\$ 7,973,362
Shares repurchased and cancelled	(16)	-	-	-
Balance at September 30, 2019	2,406,336	\$ 7,886,989	\$ 86,373	\$ 7,973,362
At January 1, 2018	2,406,352	\$ 7,886,989	\$ 86,373	\$ 7,973,362
Balance at September 30, 2018	2,406,352	\$ 7,886,989	\$ 86,373	\$ 7,973,362

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

The total authorized number of common shares is unlimited (December 31, 2018 - unlimited common shares). All issued shares are fully paid.

In April 2019, Olympia repurchased fractional shares from former shareholders at \$50 per share. The repurchase was allocated to retained earnings.

19. INCOME TAXES

a) The significant components which give rise to deferred income tax assets and liabilities are as follows:

	September 30, 2019	December 31, 2018
Bad debts provision and other	\$ 306,636	\$ 154,456
Non-capital losses	785,529	1,314,559
Carrying amount of equipment higher than the tax basis	(171,043)	(225,759)
	\$ 921,122	\$ 1,243,256

b) Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The average annual rate used for the nine months ended September 30, 2019, was 26.5% (December 31, 2018 - 27%). On May 28, 2019, the Alberta government introduced Bill 3, reducing the corporate income tax rate to 11% (from 12%) effective July 1, 2019.

	September 30, 2019	September 30, 2018
Earnings from continuing operations before income tax	\$ 10,056,946	\$ 10,025,658
Anticipated income tax expense	2,665,091	2,706,928
Non-deductible expenses	36,010	19,871
Adjustment in respect of prior years	5,760	(15,820)
Remeasurement of deferred tax - change in provincial tax rate	23,123	-
Other	-	3,535
	\$ 2,729,984	\$ 2,714,514
Current tax expense	\$ 2,407,850	\$ 2,664,431
Deferred tax recovery	322,134	50,083
	\$ 2,729,984	\$ 2,714,514

20. OTHER (GAINS)/LOSSES, NET

	September 30, 2019	September 30, 2018
Unrealized foreign exchange (gain)/loss	\$ (2,187,732)	\$ 1,076,313
Loss on disposal of assets and other	5,713	44,117
Insurance settlement	(837,532)	-
	\$ (3,019,551)	\$ 1,120,430

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

21. EARNINGS PER SHARE

Basic and diluted

Basic earnings per share is calculated by dividing the profit attributable to equity holders of Olympia by the weighted average number of common shares in issue during the period.

For the nine months ended	September 30, 2019	September 30, 2018
Net earnings from continuing operations attributable to shareholders of Olympia	\$ 7,380,622	\$ 7,354,508
Net loss from discontinued operations	-	(417,700)
Total net earnings	\$ 7,380,622	\$ 6,936,808
Weighted average number of shares (basic and diluted)	2,406,343	2,406,352
Basic and diluted earnings per share - continuing operations	\$ 3.07	\$ 3.06
Basic and diluted loss per share - discontinued operations	\$ -	\$ (0.17)
Basic and diluted earnings per share - combined operations	\$ 3.07	\$ 2.89

For the three months ended	September 30, 2019	September 30, 2018
Net earnings from continuing operations attributable to shareholders of Olympia	\$ 2,313,226	\$ 2,214,489
Net earnings from discontinued operations	-	25,372
Total net earnings	\$ 2,313,226	\$ 2,239,861
Weighted average number of shares (basic and diluted)	2,406,336	2,406,352
Basic and diluted earnings per share - continuing operations	\$ 0.96	\$ 0.92
Basic and diluted earnings per share - discontinued operations	\$ -	\$ 0.01
Basic and diluted earnings per share - combined operations	\$ 0.96	\$ 0.93

22. DIVIDENDS PER SHARE

The aggregate dividends declared amounted to \$4.84 million (September 30, 2018 - \$3.97 million).

23a. CHANGES IN NON-CASH WORKING CAPITAL

	September 30, 2019	September 30, 2018
Trade & other receivables	\$ (1,341,308)	\$ (1,735,179)
Current taxes receivable	(135,397)	(5,420)
Current taxes payable	(5,637)	-
Prepaid expenses	(84,668)	108,190
Promissory note receivable	13,718	(1,413,939)
Inventory	(7,391)	(144,544)
Trade & other payables	(103,056)	40,347
Deferred revenue	3,386,951	3,386,997
Other liabilities & charges	1,072,603	472,344
Other liabilities	-	(207,803)
	\$ 2,795,815	\$ 500,993

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

23b. NON-CASH FINANCING AND INVESTING ACTIVITIES

	September 30, 2019	
Lease receivable resulting from IFRS 16	\$	141,208
Lease liability resulting from IFRS 16	\$	282,106
	\$	423,314

24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	December 31, 2018		Cash flows	September 30, 2019	
Revolving credit facility	\$	4,207,347	\$	4,698,000	\$ 8,905,347
	\$	4,207,347	\$	4,698,000	\$ 8,905,347

25. CONTINGENCIES

Olympia is not a money lender nor does it guarantee or participate in loans or mortgages of any type, except in its capacity as trustee of conventional and syndicated mortgages.

Olympia is defendant and plaintiff in a number of legal actions that arise in the normal course of business, the losses or gains from which, if any, are not anticipated to have a material effect on the consolidated financial statements.

26. RELATED PARTY TRANSACTIONS

Olympia's president and CEO owns and controls 29.28% of Olympia's shares. During the year, Olympia entered into transactions with the following related parties:

- Companies and businesses controlled by the president and CEO of Olympia;
- Companies and businesses associated with the directors of Olympia;

- Companies and businesses controlled by management of Olympia;
- Family members of the president, management and directors; and
- Key management and directors.

The following transactions with related parties were measured at the exchange amount, which is the amount of consideration agreed to by the parties:

Service revenue	September 30, 2019		September 30, 2018	
Companies and businesses controlled by the president and CEO	\$	6,034	\$	9,326
	\$	6,034	\$	9,326

Revenue from associated entities totaled \$6,034 for the nine months ended September 30, 2019 (September 30, 2018 - \$9,326). This consisted mainly of revenue from legal services provided by Olympia's in-house general counsel to Tarman, a company controlled by the president and CEO.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Interest revenue	September 30, 2019	September 30, 2018
Companies and businesses controlled by the president and CEO	\$ 43,979	\$ 22,734
	\$ 43,979	\$ 22,734

Interest revenue from associated entities totaled \$43,979 for the nine months ended September 30, 2019, (September 30, 2018 - \$22,734), and consists of interest earned from the promissory note receivable.

Administrative expenses	September 30, 2019	September 30, 2018
Companies and businesses controlled by the president and CEO	\$ 2,763,210	\$ 2,589,710
Olympia Charitable Foundation	53,223	74,933
	\$ 2,816,433	\$ 2,664,643

Administrative expenses paid to associated entities totaled \$2.82 million for the nine months ended September 30, 2019 (September 30, 2018 - \$2.66 million), and consisted of the following:

- The Olympia Charitable Foundation is funded by Olympia and the employees of Olympia. Olympia's matched donation totaled \$53,223 for the nine months ended September 30, 2019 (September 30, 2018 - \$74,933).
- Management fees are paid to Tarman based on a percentage of pre-tax profits of Olympia's divisions, except for the Private Health Services Plan division, where the management fee is based on a percentage of health claims administered. These fees are for services provided as president and CEO of Olympia. For the nine months ended September 30, 2019, this amounted to 2.76 million.

Trade and other receivables include amounts receivable from related parties	September 30, 2019	December 31, 2018
Companies and businesses controlled by the president and CEO (current)	\$ 80,970	\$ 57,522
Companies and businesses controlled by the president and CEO (non-current)	1,414,821	1,428,539
	\$ 1,495,791	\$ 1,486,061

Receivables from associated entities totaled \$1.50 million for the nine months ended September 30, 2019 (December 31, 2018 - \$1.49 million) and consisted mainly of the following:

- A receivable in the amount of \$58,188 (December 31, 2018 - \$57,488) from Tarman, a company controlled by Olympia's president and CEO, reflects the legal services and other services provided to Tarman Inc.
- A receivable in the amount of \$22,782 (December 31, 2018 - \$34) from Olympia ATM Ltd., Namena Island, and Bears paw Tree Farm, companies controlled by the president and CEO of Olympia, for expense recoveries.
- In conjunction with the sale of substantially all assets of Olympia ATM Inc. in 2018, the purchase price paid by Tarman was equal to the aggregate net book value of the assets used by the ATM division. The assets' book value at June 5, 2018, was estimated to be \$1.40 million. The purchase price was paid by the delivery of a secured demand promissory note (the "promissory note") for \$1.40 million by Tarman. The outstanding principal amount of the promissory note bears interest at prime plus 0.25%. All interest accrued under the promissory note shall be paid on an annual basis on or before the 30th day of June of each calendar year. Subject to Canadian Western Bank's consent, commencing June 30, 2020, Tarman is required to repay the outstanding principal amount of the promissory note in annual installments of \$140,000 on or before the 30th day of June of each calendar year, with the outstanding balance of the principal amount to be repaid in full on or before June 30, 2023. As at September 30, 2019, interest of \$57,697 has been paid, and interest of \$14,820 has been accrued.
- Olympia has assessed the expected credit loss as it relates to the promissory note and has determined it to be nominal.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Trade and other payables and provision for other liabilities and charges include amounts payable to related parties	September 30, 2019	December 31, 2018
Companies and businesses controlled by the president and CEO	\$ 134,000	\$ 153,502
Directors' fees	74,992	69,776
	\$ 208,992	\$ 223,278

Payables to associated entities totaled \$208,992 for the nine months ended September 30, 2019 (December 31, 2018 - \$223,278), and consisted mainly of the following:

- A payable in the amount of \$29,693 (December 31, 2018 - \$37,070) to Tarman, a company controlled by the president and CEO of Olympia, for commissions related to the sale of health plans offered by OBI.
- A payable in the amount of \$6,802 (December 31, 2018 - \$693) to Tarman, companies controlled by the president and CEO of Olympia, for expense recoveries.

- A management fee payable in the amount of \$97,505 (December 31, 2018 - \$115,739) to Tarman, a company controlled by the president and CEO of Olympia, based on a percentage of pre-tax profits of Olympia's divisions.
- A payable for directors' fees of \$74,992 (December 31, 2018 - \$69,776).

These payables are all current.



CORPORATE INFORMATION

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Craig Skauge
Brian Newman^{1 2 3 4}
Diana Wolfe^{1 2 3 4}
Gerard Janssen^{1 2 3 4}
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² Corporate Governance Committee
³ Executive Compensation Committee
⁴ Investment Committee

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President and Chief Executive Officer



CRAIG SKAUGE

Executive Vice President and President, Olympia Trust Company



GERHARD BARNARD

Chief Financial Officer and Vice President, Finance



ROBIN FRY

Chief Executive Officer, Olympia Benefits Inc.



KEN FRY

President, Olympia Benefits Inc.



NEIL MCCULLAGH

Vice President, Foreign Exchange



ANDREA GILLIS

Vice President, Client Services Registered Plans



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