OLYMPIA FINANCIAL GROUP

ANNUAL REPORT 2020

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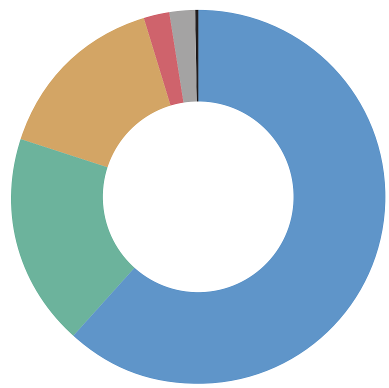
TABLE OF CONTENTS

FINANCIAL HIGHLIGHTS

Results from operations for the year ended December 31, 2020, when compared to operations for the year ended December 31, 2019.

- Total net earnings and comprehensive income decreased 16% to $7.87 million from $9.33 million.
- Total revenue decreased 1% to $48.62 million from $49.08 million mainly due to a decrease in interest revenue, from both trust and receivables.
- Service revenue increased 2% to $36.36 million from $35.58 million mainly due to continued growth in the Corporate and Shareholder Services division throughout 2020 and an increase in trading profits in the Currency and Global Payments division, despite declines in Private Health Services Plans division revenues caused by the COVID-19 pandemic.
- Other gains and (losses), net, amounted to ($0.92) million for the year ended December 31, 2020, compared to $3.10 million, mainly due to Olympia Trust's Currency and Global Payments division recording a $2.23 million unrealized foreign exchange forward contract gain for the year ended December 31, 2019. This compares to a ($0.93) million unrealized foreign exchange forward contract loss in the current year. In addition, Olympia recognized an insurance settlement of $0.84 million from the cyber incident claim during 2019.
- Olympia's interest revenue and trust income is subject to fluctuations depending on account balances and changes in the Canadian prime rate. Interest revenue and trust income decreased 9% to $12.26 million from $13.50 million, mainly due to the average Canadian prime rate for the year being lower at 2.45% compared to an average of 3.95% in 2019. Interest charges on aged accounts receivable were also suspended in the Registered Plans division for several months due to market condition uncertainties resulting from the COVID-19 pandemic.
- Direct and administrative expenses (excluding depreciation and amortization) decreased 6% to $35.51 million from $37.79 million, mainly due to decreases in general administration costs, including staff events, travel, and consulting fees.
- Income tax expense is recognized based on the average annual income tax rate for the full financial year. A change in the Alberta corporate tax rate resulted in a rate of 24% being used for the year ended December 31, 2020. The rate used as at December 31, 2019 was 26.5%.
- Earnings before income tax decreased 19% to $10.36 million from $12.86 million.
- Basic and diluted earnings per share attributable to shareholders of Olympia decreased 15% to $3.32 per share from $3.92 per share.

TOTAL REVENUE BY DIVISION (%)



	2020	2019
Registered Plans	**61.8%**	64.4%
Currency and Global Payments	**18.3%**	16.4%
Private Health Services	**15.2%**	17.1%
Corporate and Shareholder Services	**2.4%**	0.4%
Exempt Edge	**2.1%**	1.5%
Other	**0.2%**	0.2%

PRESIDENT'S MESSAGE

It is not possible to talk about 2020 without talking about the impact of the COVID-19 pandemic. While our company generally performed quite well, the earnings of two of our divisions were significantly affected by the unprecedented circumstances we still find ourselves in.

In 2019, our Currency and Global Payments division had a blockbuster year thanks to a very active cannabis industry and some large customers in the agricultural sector. The division made excellent progress operationally this past year, but could not sustain its 2019 performance in the chaos that was 2020. The division did a great job of breaking even for most of the year and then finished with a great December. Under the leadership of Vice President Neil McCullagh, the division has introduced new management, foreign exchange options and revitalized its sales force with new entrepreneurial contracts. We have renewed enthusiasm and high expectations for this division moving forward.

The other division that was significantly impacted by COVID-19 was Olympia Benefits. This division makes most of its money processing health claims. When the virus hit and all but emergency medical treatment was closed, fees from claims processing dropped as anticipated. The division reported $500,000 less earnings in the second quarter of 2020 because of COVID-19. I am happy to report that claims processing has returned to normal and we are seeing monthly plan sales hitting new records.

COVID-19 has also caused the Bank of Canada to lower interest rates to their lowest levels in years. These lower interest rates have a negative impact on our earnings.

When the pandemic was declared, we at Olympia showed, as we have in that past, that we were and remain up to the challenge. Within 3 days of the pandemic being called, our entire staff was working from home on encrypted computer systems. Our customers' needs were being taken care of and, as far as our customers could tell, it was business as usual.

Shareholders may recall that Olympia sold its Corporate and Shareholder Services division in 2013 for $43 million. As a condition of the sale, we committed to not re-enter the business for five years and after honouring that commitment, we commenced a new corporate and shareholder services division two years ago. We anticipated losses for the first two years, which proved to be correct as we did lose approximately $1 million a year during those years. Entering year three we expect to be profitable. The division is being well received in the marketplace and even with the marketing and sales challenges presented by the pandemic, we added 61 new corporate clients in 2020 and expect 2021 to be even better.

CENTENNIAL PLACE - EAST TOWER, CALGARY
Olympia will be moving into its new head office on floors 38, 39 and 40

Exempt Edge continues to incur losses while it develops, improves and enhances its software. Client revenue increased by 72% while costs rose by 30%. The division is currently working on the final integration of its systems with Olympia Trust Company's registered plans and corporate and shareholder services back-office systems. The ultimate goal is to provide the exempt market with an integrated system that will connect the issuer, exempt market dealer, exempt market dealing representative, trust company and end consumer in an electronic real time relationship, something that does not currently exist in the marketplace. This system, when combined with Olympia Trust's excellent service to the exempt market, will further entrench us as the company of choice for the exempt market.

The Registered Plans Division did an excellent job of providing services to its customers during the pandemic. It was nothing short of an amazing accomplishment to have all the work done from the safety of employees' homes while maintaining excellent customer service. The division basically held onto its earnings from the previous year despite lower investment activity and lower interest rates. It continues to develop new and better systems to service its customers. The division is truly a leader in Canada in serving the exempt market and in providing administration services for those clients who wish to hold mortgages in their registered plans.

Our Head Office has been in the Palliser Square office tower in downtown Calgary for the last 17 years. It was time for a change. We will be moving to a near-new office building starting in March with the final groups coming over in the second half of the year. Our employees will love their new place of work and shareholders will enjoy the fact that the occupancy costs in the new premises are considerably less than we have been paying. I think that's what you call a win/win.

In March of 2021 the company will celebrate its 25th anniversary. It seems like just yesterday when a handful of employees started to provide services. We now have over 200 employees and are as excited about the future as we were the first day we opened our doors for business. It has been a great 25 years, with lots of great people combining their efforts to make a great company. We have had lots of challenges and lots of success. We expect the future will hold the same.

For 2021, the Olympia Charitable Foundation raised more money than ever (around $350,000). When the world shut down in March 2020, Olympia Charitable Foundation quickly made donations to food banks in Calgary, Vancouver, Montreal and Halifax.

Olympia's share price started 2020 at a record $55. By the middle of 2020, when we were about 3 months into the pandemic, shareholders only had the first quarter financials to give them an idea of how Olympia was performing, and the share price dropped to $30. By the end of August, after Olympia's second quarter results were available, the share price improved to $40, where it remains as at the time of writing.

As of December 31, 2020, Olympia had 2,406,336 shares outstanding with a total market capitalization of approximately $95 million. The company's pre-tax earnings for the year were $10.4 million, a return on market capitalization of approximately 10.9%. Very few companies can show a rate of return on market capitalization of this size in a market where interest paid at the bank is under 1%. Olympia looks pretty healthy at this share price and shareholders may want to consider increasing their holdings. Based on our current share price of $39.50 and our monthly dividend of 23 cents per share, Olympia's current dividend yield is 7.0%.

Looking forward into the year 2021 we have a great deal of confidence in our abilities to perform well and grow. 2020 has had a lot of surprises and we have been able to meet the challenges head on. We look forward to a great year and hope all of you have the same.

CHRISTINE KHITH, LINDSAY STRAIN AND HELEN TEWELDE

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess the financial position and results of operations of Olympia Financial Group Inc. ("Olympia") for the period ended December 31, 2020.

This MD&A should be read in conjunction with Olympia's audited consolidated financial statements ("consolidated financial statements") for the year ended December 31, 2020, as well as the MD&A found in Olympia's 2019 Annual Report, together with the audited consolidated financial statements and accompanying notes found therein. Olympia's audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Amounts are presented in Canadian dollars, Olympia's functional currency. All references to $ are to Canadian dollars and references to US$ are to United States dollars.

This report, and the information provided herein, is dated as at February 25, 2021. Additional information about Olympia, including quarterly and annual reports, is available on Olympia's website at www.olympiafinancial.com and on SEDAR at www.sedar.com.

Cautionary note regarding forward-looking statements

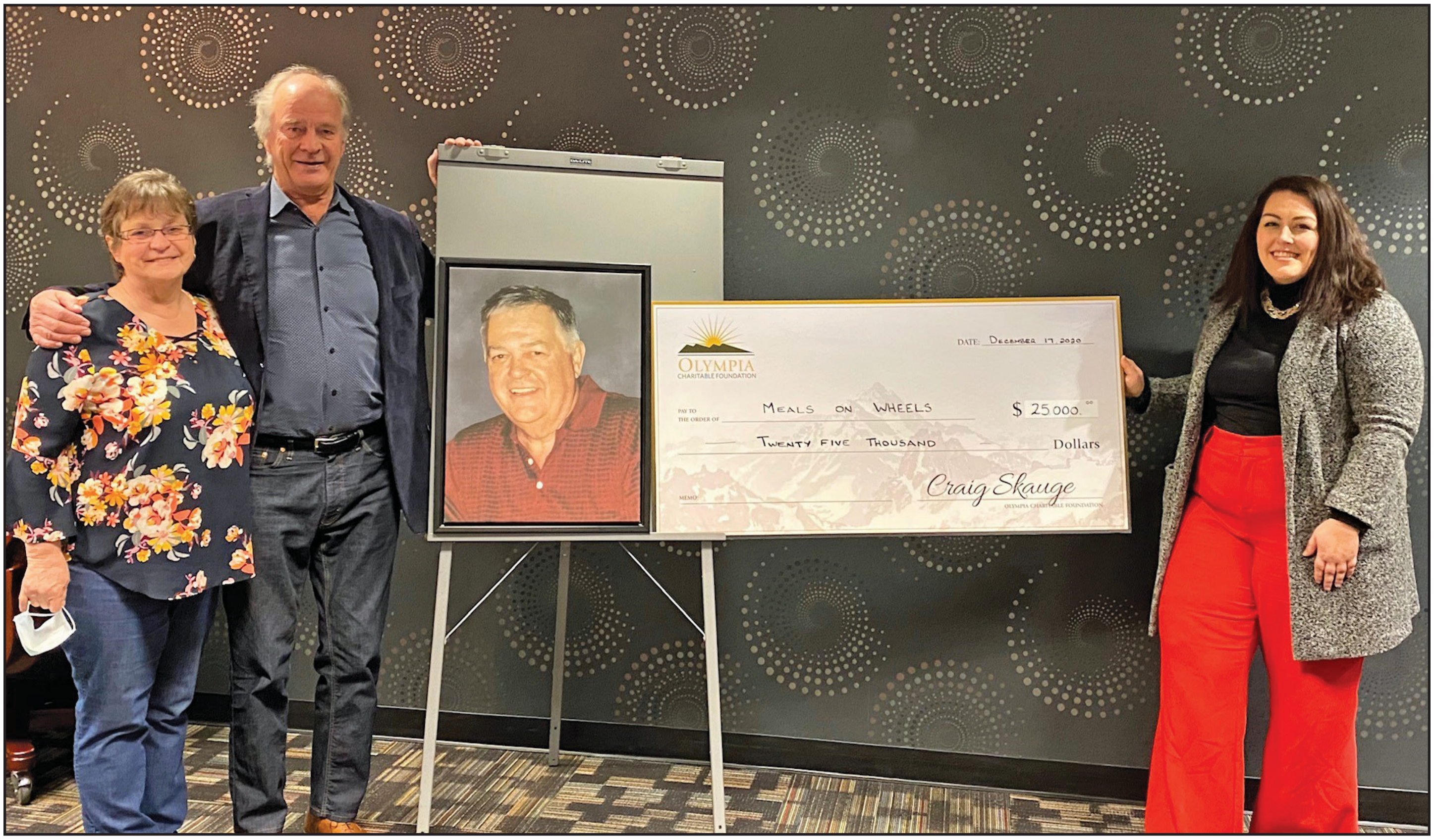
Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or Olympia's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek," "anticipate," "plan," "continue," "estimate," "expect," "may," "will," "project," "predict," "propose," "potential," "targeting," "intend," "could," "might," "should," "believe," and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Olympia believes that the expectations reflected in those forward-looking statements are reasonable, based on the information available on the date such statements are made and the process used to prepare the information, but no assurance can be given that these expectations will prove to be correct. Any forward-looking statements included in this MD&A should not be unduly relied upon by investors, as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

Given the changing circumstances surrounding the COVID-19 pandemic and the related response from governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with Olympia's assumptions as compared to prior periods. These assumptions include, but are not limited to, management expectations with respect to:

- general economic conditions in Canada, which includes the impact of the COVID-19 pandemic on the economy and financial markets;
- the impact of the COVID-19 pandemic and other health risks on Olympia's business, operations, capital resources and/or financial results;
- fluctuations in interest rates and currency values;
- changes in monetary policy;
- changes in economic and political conditions;
- legislative and regulatory developments;
- results from legal proceedings and disputes;
- the level of competition in Olympia's markets;
- the occurrence of weather related and other natural catastrophes;
- changes in accounting standards and policies;
- the accuracy and completeness of information Olympia receives about customers and counterparties;
- the ability to attract and retain key personnel;
- changes in tax laws;
- technological developments;
- cyber security risks;
- costs related to operations remaining consistent with historical experiences; and
- management's ability to anticipate and manage risks associated with these factors.

Olympia's actual results could differ materially from those anticipated in the forward-looking statements contained herein as a result of the risk factors set forth herein.

Although Olympia's management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results to not be as



Berniece Wood and Rick Skauge presenting Meals on Wheels with a donation in honour of Gord Angevine

anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and Olympia disclaims any obligation to update any forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

Olympia's business

Olympia was formed under the *Business Corporations Act* (Alberta) and is headquartered in Calgary, Alberta. Olympia is a reporting issuer in British Columbia, Alberta, and Ontario and its common shares are listed on the Toronto Stock Exchange ("TSX"). 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 is licensed to conduct trust activities in Alberta, British Columbia, Saskatchewan, Manitoba, Québec, Newfoundland and Labrador, Prince Edward Island, New Brunswick and Nova Scotia. The Registered Plans division, Currency and Global Payments division, and Corporate and Shareholder Services division conduct business under Olympia Trust.

The Private Health Services Plan division conducts business under Olympia Benefits Inc. ("OBI"), a wholly owned subsidiary of Olympia. Olympia Benefits Inc. was incorporated on May 4, 2006, under the *Business Corporations Act* (Alberta).

The Exempt Edge division conducts business under Exempt Edge Inc. Exempt Edge Inc. was incorporated under the *Business Corporations Act* (Alberta) on November 28, 2016. For the year ended December 31, 2019, Olympia held an 80% controlling interest in Exempt Edge Inc. and a third party held a 20% non-controlling interest. The non-controlling interest was presented separately in the statements of net earnings and comprehensive income and within equity in the balance sheets, but separately from Olympia's equity. As at December 31, 2020, Exempt Edge Inc. is a wholly owned subsidiary of Olympia, and thus does not present the non-controlling interest on the balance sheets.

COVID-19 Update

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19," has resulted in governments worldwide enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, self-isolation, physical and social distancing and the closure of non-essential businesses, have caused material disruption to businesses in Canada and globally. Global debt and equity capital markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

Developments at the end of the first quarter and in the second quarter regarding the COVID-19 pandemic have resulted in a shift in Olympia's focus towards ensuring the safety of our employees by allowing them to work remotely wherever possible while maintaining customer service standards and other critical business operations. The resumption of normal business operations is highly dependent on the progression of the pandemic and the success of emergency measures enacted to contain the spread of the virus, which will influence when governmental authorities remove various restrictions on business activities.

As an emerging risk, the duration and total impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly, estimates of the extent to which the COVID-19 pandemic may, directly or indirectly, materially and adversely affect Olympia's operations, financial results and condition in future periods is also subject to significant uncertainty.

Summary of financial results

Overview and financial highlights for the year ended December 31, 2020, when compared to the year ended December 31, 2019

- Total net earnings and comprehensive income decreased 16% to $7.87 million from $9.33 million.

- Total revenue decreased 1% to $48.62 million from $49.08 million, mainly due to a decrease in interest revenue from both trust and receivables.

- Service revenue increased 2% to $36.36 million from $35.58 million, mainly due to continued growth in the CSS division throughout 2020 and an increase in trading profits in the CGP division, despite declines in Health division revenues caused by the COVID-19 pandemic.

- Other gains and losses, net, amounted to ($0.92) million from $3.10 million, mainly due to Olympia Trust's Currency and Global Payments division recording a $2.23 million unrealized foreign exchange forward contract gain for the year ended December 31, 2019. This compares to a ($0.93) million foreign exchange forward contract loss in the current year. In addition, Olympia recognized an insurance settlement of $0.84 million from the cyber incident claim during 2019.

- Olympia's interest revenue and trust income is subject to fluctuations depending on account balances and changes in the Canadian prime rate. Interest revenue and trust income decreased 9% to $12.26 million from $13.50 million, mainly due to the average Canadian prime rate for the year being lower at 2.45% compared to an average of 3.95% in 2019. Interest charges on aged accounts receivable were also suspended in the RRSP division for several months due to market condition uncertainties resulting from the COVID-19 pandemic.

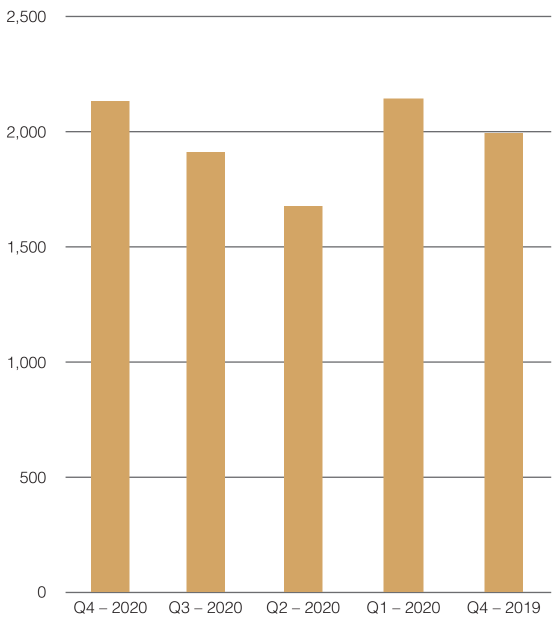
- Direct and administrative expenses (excluding depreciation and amortization) decreased 6% to $35.51 million from $37.79 million, mainly due to decreases in general administration costs, including staff events, travel, and consulting fees.

- Income tax expense is recognized based on the estimated average annual income tax rate for the full financial year. A change in the Alberta corporate tax rate resulted in a rate of 24% being used for the year ended December 31, 2020. The rate used as at December 31, 2019 was 26.5%.

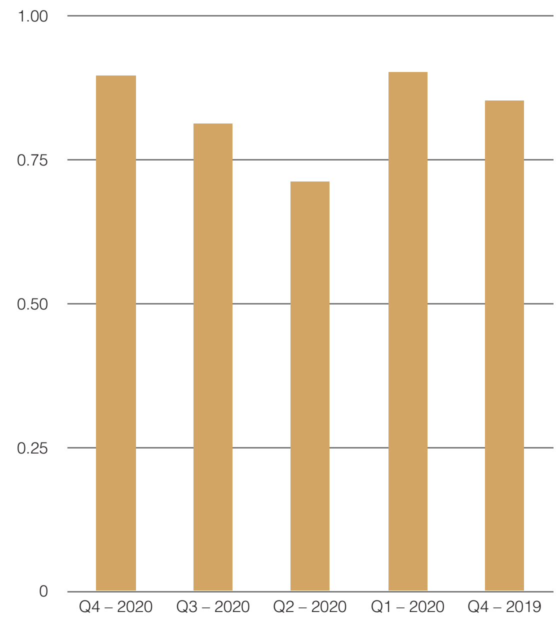
- Earnings before income tax decreased 19% to $10.36 million from $12.86 million.

- Basic and diluted earnings per share attributable to shareholders of Olympia decreased 15% to $3.32 per share from $3.92 per share.

COMBINED NET EARNINGS PER QUARTER ($ '000)



EPS PER QUARTER ($)



SUMMARY OF QUARTERLY RESULTS

The following table sets forth a summary of Olympia's quarterly results for each of the last eight quarters. The quarterly results have been derived from financial information prepared in accordance with IFRS.

Quarterly Summary

($ thousands)	Dec. 31 2020	Sep. 30 2020	Jun. 30 2020	Mar. 31 2020	Dec. 31 2019	Sep. 30 2019	Jun. 30 2019	Mar. 31 2019
Service revenue	**11,181**	8,430	7,910	8,843	**9,192**	8,670	9,188	8,530[1]
Interest revenue and trust income	**2,670**	2,898	3,223	3,465	**3,589**	3,424	3,441	3,048
Expenses	**(9,832)**	(8,924)[2]	(9,012)	(9,579)	**(10,066)**	(9,315)	(9,556)	(10,393)
Other gains/(losses), net	**(1,207)**	97[2]	-	193	**85**	489	(74)	2,604[1]
Earnings before income taxes	**2,812**	2,501	2,121	2,922	**2,800**	3,268	2,999	3,789
Net earnings	**2,130**	1,917	1,676	2,143	**1,998**	2,294	2,295	2,739
Per share attributable to shareholders of Olympia – basic and diluted ($)	**0.90**	0.81	0.71	0.90	**0.85**	0.96	0.97	1.14
Dividends per share ($)	**0.69**	0.69	0.69	0.69	**0.69**	0.69	0.69	0.63

(1)Presentation of Q1 2019 has been adjusted for the reclassification of the insurance settlement to align with the Q4 2020 presentation.

(2)Presentation of Q3 2020 has been adjusted for the reclassification of the Canada Emergency Wage Subsidy to align with Q4 2020 presentation.

Fourth Quarter Results

Overview and financial highlights for the three-month period ended December 31, 2020, when compared to the three-month period ended December 31, 2019

- Total net earnings and comprehensive income increased 7% to $2.13 million from $2.00 million, mainly due to an increase in the number and size of forward exchange contracts sold by Olympia Trust's Currency and Global Payments division.
- Total revenue increased 8% to $13.85 million from $12.78 million, mainly as a result of an increase in trading profits in the Currency and Global Payments division and continued growth in the Corporate and Shareholder Services division. Service revenue decreased in the Private Health Services Plan division and Registered Plans division.
- Service revenue increased 22% to $11.18 million from $9.19 million, mainly due to an increase in trading profits in the CGP division and continued growth in the CSS division. COVID-19 had the largest impact on the Private Health Services Plan division with revenue deceasing 10% compared to the previous year.
- Other gains/(losses) net, went from a gain of $0.09 million to a loss of $1.21 million, mainly due to $1.20 million in unrealized foreign exchange losses (net) on forward contracts in the Currency and Global payments division, compared with a $0.04 unrealized gain is the fourth quarter of 2019.
- Olympia's interest revenue and trust income are subject to fluctuations depending on account balances and changes in the Canadian prime rate. Interest revenue and trust income decreased 26% to $2.67 million from $3.59 million, mainly due to the changes in the Canadian prime rate. The Canadian prime rate was 2.45% as at December 31, 2020, compared to 3.95% on December 31, 2019.

MELISSA WOLSTENHOLME
Olympia's Charitable Foundation supporting Feed Nova Scotia

- Direct and administrative expenses (excluding depreciation and amortization) decreased 3% to $9.35 million from $9.67 million, mainly due to decreases in staff events, computer consultant costs, and other general administrative costs.
- Earnings before income tax increased marginally to $2.81 million from $2.80 million.
- Income tax expense is recognized based on the estimated average annual income tax rate for the full financial year. A change in the Alberta corporate rate resulted in a rate of 24% being used for the period ended December 31, 2020. The rate used as at December 31, 2019 was 26.5%.
- Basic and diluted earnings per share attributable to shareholders of Olympia increased 6% to $0.90 per share from $0.85 per share.

Objectives for 2021

Management has set the following major objectives for 2021:

- Grow the Corporate and Shareholder Services division;
- Continue to invest in Olympia's online presence;
- Implement operational changes to the Currency and Global Payments division;
- Transition from cost reduction to revenue expansion in the Private Health Services Plan division;
- Continue to grow the Exempt Edge division; and
- Further develop the Registered Plans division's app and online platform.

Grow the Corporate and Shareholder Services division

The Corporate and Shareholder Services "(CSS)" division experienced significant growth throughout 2020. In 2021, CSS will continue to build on its client base and promote its transfer agent and trustee services for private and publicly listed issuers across Western Canada. CSS will also continue to explore synergies with the Exempt Edge division, providing a robust service offering for private capital markets.

Continue to invest in Olympia's online presence

Olympia continues to enhance its online platforms to better serve its customers with performance and usability improvements. Olympia has devoted specialized resources to application development for the purpose of enhancing its online presence. Olympia continues to invest in its cyber security initiatives to ensure the safety and security of client information and prevent malicious activity. As at March 31, 2020, all staff have successfully transitioned to working from home during the COVID-19 pandemic. Olympia will further enhance its capability to maintain normal operations with staff who are working from home, and will provide and improve support to staff and clients as needed.

New branding, improved operations, and new product offerings

Currency and Global Payments ended 2020 with its strongest month of the year. December was bolstered by volatility as a result of ongoing COVID-19 impacts on the global economy and as a result of the US federal election. This volatility saw many clients take risk-mitigating positions, and as a result, December saw a significant amount of forward contracts being placed. As we head into the new year, optimism is starting to return to the economy.

Currency and Global Payments will focus on streamlining operations and reducing overall expenditures through 2021.

The business continues to improve policy and procedures to improve efficiency and reduce risk while adding new products and services. With over-the-counter options being introduced in early 2021, the expectations of growth relating to these products should be realized as Q1 ends. All sales staff are currently enrolled in their Derivatives, Fundamentals and Options License course to ensure all sales staff are well versed in the benefits and risk of these new products.

Transition from cost reduction to revenue expansion in the Private Health Service Plan division

Olympia's Private Health Services Plan division has three strategic objectives for 2021 and beyond – increase sales, strengthen the customer base, and advance technology infrastructure.

Understanding the customer journey and the conversion of leads is a top priority for improving sales. A new website and an extension of current marketing endeavours is anticipated to increase lead generation.

Customer success is crucial given the division's transition to a subscription model. The division has deepened its understanding of the customer experience. A new customer model has been developed to encourage customers to not only renew their plan, but purchase additional products such as the Wellness Spending Account and Telemedicine.

To keep pace with the competitive market, the division will place an emphasis on advancing its core technology infrastructure. The customer platform "My Olympia" database system and mobile app are being refined to provide a sturdy and flexible foundation for future growth.

Continue to grow the Exempt Edge division

Throughout 2020, Exempt Edge continued to grow its user base of Issuers and Dealers while increasing the adoption of EdgeLink, the Ecosystem for the Private Capital Market of Canada. Development efforts in 2021 will continue to focus on integrating the Dealer's Edge and Issuer's Edge platforms with the trust services provided by the Registered Plans division and the transfer agency services provided by the Corporate and Shareholder Services division.

Further develop the Registered Plans division's app and online platform

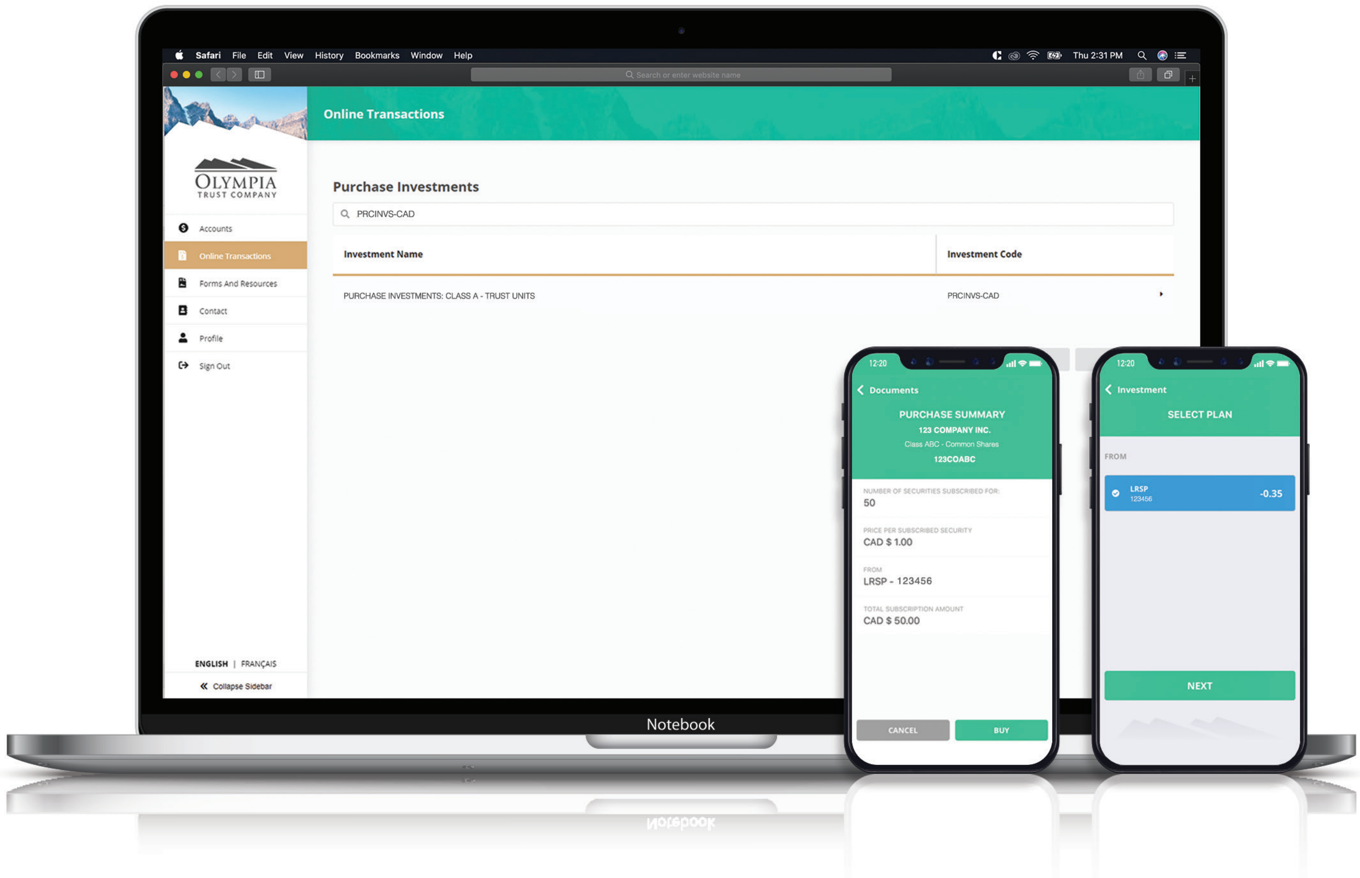
The Registered Plans division has implemented Phase I of its integration with Exempt Edge's Dealer's Edge platform. Investors may now open new Olympia accounts easily and efficiently through Exempt Edge's Dealer's Edge platform. Over the next year we plan to continue to create efficiencies for our division by continuing to integrate. The Registered Plans division will also continue to focus on increasing the usage of our existing app and online platform while starting work on a new portal to streamline the mortgage funding process. Olympia has had great success with the "manage fees" option, which allows clients to easily manage and pay their fees from their personal devices.

Outlook for 2021

Olympia continues to monitor and assess the impact of COVID-19 and the emergency measures enacted to contain the spread of the virus and mitigate its economic effects. Olympia is well diversified, with its Registered Plans, Private Health Services Plan, Currency and Global Payments, Exempt Edge, and Corporate and Shareholder Services divisions.

With Us It's... DIGITAL

+ PURCHASE INVESTMENTS



FINANCIAL ANALYSIS

Consolidated Balance Sheets as at

($)	December 31, 2020	December 31, 2019
ASSETS		
Current assets		
Cash & cash equivalents	$ 15,939,759	$ 13,754,089
Trade & other receivables	2,809,248	3,105,766
Inventory	49,428	56,518
Prepaid expenses	1,722,259	1,270,284
Promissory note receivable	140,000	140,000
Derivative financial instruments	3,340,251	2,177,020
Total current assets	24,000,945	20,503,677
Non-current assets		
Restricted cash & investments	1,000,000	2,500,000
Equipment & other	799,623	1,120,955
Intangible assets	2,292,702	2,748,214
Right-of-use assets	539,142	1,073,064
Other financial assets	72,566	38,574
Long-term lease receivable	8,117	55,156
Promissory note receivable	1,120,000	1,260,000
Derivative financial instruments	-	1,840,389
Deferred tax assets	820,724	786,200
Total non-current assets	6,652,874	11,422,552
Total assets	$ 30,653,819	$ 31,926,229
LIABILITIES		
Current liabilities		
Trade & other payables	$ 999,404	$ 1,456,166
Deferred revenue	550,876	486,655
Other liabilities & charges	1,962,561	1,732,886
Revolving credit facility	4,946,744	6,655,347
Lease liabilities	890,722	907,066
Derivative financial instruments	1,801,662	657,259
Current tax liability	450,799	176,795
Total current liabilities	11,602,768	12,072,174
Lease liabilities	147,564	1,038,286
Derivative financial instruments	-	887,020
Total liabilities	$ 11,750,332	$ 13,997,480
EQUITY		
Share capital	$ 7,886,989	$ 7,886,989
Contributed surplus	86,373	86,373
Retained earnings	10,930,125	10,164,595
Equity attributable to owners of Olympia	18,903,487	18,137,957
Non-controlling interests	-	(209,208)
Total equity	18,903,487	17,928,749
Total equity & liabilities	$ 30,653,819	$ 31,926,229

Cash, cash equivalents and restricted cash and investments

Olympia continues to generate cash from its core businesses. As at December 31, 2020, cash reserves increased by 16% to $15.94 million (December 31, 2019 – $13.75 million). The majority of this amount came from increases in cash from operating activities, of $10.66 million (December 31, 2019 – $8.85 million). Cash from investing activities included the return of $1.50 million previously held as investment collateral for foreign exchange exposure. Additional cash of $0.25 million was used for the purchase of the non-controlling interest in Exempt Edge Inc. as well as $1.71 million to repay the Olympia Trust revolving credit facility. Additional cash was used to finance the purchase of the outstanding 20% non-controlling interest in Exempt Edge Inc. during the fourth quarter of 2020.

Restricted cash and investments as at December 31, 2020, of $1.00 million (December 31, 2019 – $2.50 million), consist of cash held by financial institutions as collateral for the performance of Olympia's Currency and Global Payments division's trading platform obligations. The decrease is mainly due to associated contracts in the Currency and Global Payments division being settled throughout the end of 2020, which had obligated Olympia to maintain these amounts as collateral. Restricted cash and investments are not readily accessible for use in operations and are reported separately from cash and cash equivalents on the balance sheet. Olympia had used its revolving credit facility to fund the collateral requirements.

Olympia's cash is placed with a Canadian financial institution where it generates interest. Cash and cash equivalents comprise 66% of the total current assets of Olympia at December 31, 2020, compared to 67% at December 31, 2019.

Trade and other receivables

Trade and other receivables are comprised largely of receivables from the Registered Plans division's clients. The decrease in trade receivables is mainly due to increases in the balance of allowances for bad debts.

Olympia has made allowances for doubtful accounts of $1.25 million, compared to $0.98 million as at December 31, 2019. Management is committed to a policy of closely monitoring risk and exposure in this area and is actively pursuing past due accounts through its internal collection process.

Included within receivables is the current portion of a lease receivable of $0.05 million recognized based on the present value of sublet property as required by IFRS 16.

Promissory note receivable

On June 5, 2018, Olympia announced the sale to Tarman ATM Inc. ("Tarman") of the ATM business operated by Olympia ATM Inc., as a going concern, for an amount equal to the then current net book value of all assets used in the ATM business less all assumed liabilities; an amount estimated to be $1.4 million.

The sale of the ATM business to Tarman, a corporation owned and controlled by Rick Skauge, was a related party transaction, as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, but was exempted from Olympia obtaining disinterested shareholder approval and a formal valuation as the fair market value of the proposed transaction was less than 25% of Olympia's market capitalization.

An ad hoc committee composed solely of the independent members of Olympia's Board of Directors was constituted to consider and approve the sale of the ATM business to Tarman. As part of its deliberations, the ad hoc committee of the Board of Directors noted the continuing losses of approximately $120,000 per month in the ATM business and acknowledged that while the ATM business still had the potential to grow and expand, it was unlikely to become profitable in the near future. Given the immediate financial benefits that the sale of the ATM business would have for Olympia and the uncertain timelines to profitability, the ad hoc committee believed the sale of the ATM business to be in the best interest of Olympia. The ad hoc committee of the Board of Directors obtained a fairness comfort letter stating that the proposed transaction was fair to the disinterested shareholders of Olympia. In addition, following the public disclosure of the transaction, Olympia received an unsolicited expression of interest in the ATM business from a third party. Olympia permitted the third party to conduct a due diligence review and valuation of the ATM business and received an offer to purchase the ATM business from the third party.

In conjunction with the sale of substantially all the assets of Olympia ATM Inc. to a related party 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. The outstanding principal amount of the promissory note bears interest at prime plus 0.25%. Subject to Canadian Western Bank's ("CWB") consent (as discussed below), 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 and, 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 December 31, 2020, the first installment of $140,000 had been repaid, together with all accrued interest.

In connection with the financing of the vault cash used by Tarman, Olympia agreed to postpone to CWB the receipt of all amounts owed to it by Tarman and is required to obtain CWB's consent prior to accepting any amounts from Tarman. Olympia has obtained the required consent. Olympia also agreed to subordinate to CWB all interests granted to Olympia by Tarman.

Olympia has assessed the expected credit loss as it relates to the promissory note and has determined it to be nominal.

Forward foreign exchange contracts

Olympia purchases forward exchange contracts when its Currency and Global Payments division enters into a transaction to buy or sell foreign currency in the future. These contracts are both short term and long term in nature, are in the normal course of business, and are used to manage foreign exchange exposure. Forward foreign exchange contracts are not designated as hedges and they are recorded at fair market value through profit and loss.

Forward foreign exchange contracts are recorded on Olympia's balance sheet as either an asset or liability, with changes in fair value included in net earnings. This accounting treatment resulted in the recognition of a forward foreign exchange contract asset of $3.34 million as at December 31, 2020, compared to $4.02 million as at December 31, 2019, and a forward foreign exchange contract liability of $1.80 million as at December 31, 2020, compared to $1.54 million as at December 31, 2019. The movement in the derivative financial instruments asset and liability is mainly due to the fluctuation of the Canadian, United States dollar, and Japanese yen exchange rates, as the vast majority of the Currency and Global Payments division's trades are in Canadian and United States dollars, and Japanese yen. The number and size of outstanding forward foreign exchange contracts largely impacts the movement in the derivative financial instrument assets and liabilities, with the resultant change to fair value being recorded

Intangible assets

The capital additions of $0.35 million relates to the continued development and enhancement of systems in Exempt Edge and the Registered Plans division's mobile application.

Current liabilities

The breakdown of Olympia's trade and other payables consists of trade and other payables (22%), government taxes (32%), amounts due to agents, clients and commission payable (33%) and amounts due to related parties (13%).

Other liabilities and charges consist of bonus accruals, deferred commissions and bonuses, professional fees payable, and employee benefits payable.

Deferred revenue

At December 31, 2020, deferred revenue totaled $0.55 million, compared to $0.49 million as at December 31, 2019. This is comprised of annual fees received by the Private Health Services Plan division and the Corporate and Shareholder Services division. The unearned portion of these annual fees is recognized as deferred revenue at the time of payment and revenue is recognized on a straight-line basis in relation to Olympia rendering these services.

Employee Share Ownership Plan (ESOP)

Olympia has established an Employee Share Ownership Plan ("ESOP"). Under this plan, Olympia contributes $1 for each $1 contributed by an employee up to a maximum that is based on the employee's earnings and years of service. The employee and Olympia's contributions are used to purchase common shares of Olympia through the facilities of the TSX. Olympia's contribution is included as an administrative expense in the statements of net earnings and comprehensive income and amounted to $0.34 million for the year ended December 31, 2020 (December 31, 2019 – $0.28 million).

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 mortgages held on behalf of its clients.

Olympia is a 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.

Related party transactions

Refer to Note 32 of the consolidated financial statements for the period ended December 31, 2020, for disclosure on Olympia's related party transactions.

Olympia's President and CEO owns and controls 29.49% 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	December 31, 2020	December 31, 2019
Companies and businesses controlled by the President and CEO	$ 31,560	$ 34,330
	$ 31,560	$ 34,330

Service revenue from associated entities totaled $31,560 for the year ended December 31, 2020 (December 31, 2019 – $34,330). 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, as well as sublease income ($24,000) from Exempt Experts Inc., a company controlled by the President and CEO.

Interest revenue	December 31, 2020	December 31, 2019
Companies and businesses controlled by the President and CEO	$ 40,294	$ 58,800
	$ 40,294	$ 58,800

Interest revenue from associated entities totaled $40,294 for the year ended December 31, 2020, (December 31, 2019 – $58,800), and consists of interest earned from the promissory note receivable.

Administrative expenses	December 31, 2020	December 31, 2019
Companies and businesses controlled by the President and CEO (management fee)	$ 3,136,568	$ 3,734,826
Olympia Charitable Foundation	76,070	68,155
Companies and businesses controlled by the President and CEO	7,560	38,379
	$ 3,220,198	$ 3,841,360

Administrative expenses paid to associated entities totaled $3.22 million for the year ended December 31, 2020 (December 31, 2019 – $3.84 million), and consisted of the following:

- The Olympia Charitable Foundation is funded by Olympia and the employees of Olympia. Olympia's matched donation totaled $76,070 for the year ended December 31, 2020 (December 31, 2019 – $68,155).
- 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 year ended December 31, 2020, this amounted to $3.14 million (December 31, 2019 – $3.73 million).
- Fees paid to Olympia ATM Ltd., a company owned and controlled by Olympia's President and CEO, of $7,560 relate to maintenance services provided for Olympia's foreign exchange ATMs.

Trade and other receivables include amounts receivable from related parties	December 31, 2020	December 31, 2019
Companies and businesses controlled by the President and CEO (current)	$ 167,165	$ 189,966
Companies and businesses controlled by the President and CEO (non-current)	1,120,000	1,260,000
	$ 1,287,165	$ 1,449,966

Receivables from associated entities totaled $1.29 million for the year ended December 31, 2020 (December 31, 2019 – $1.45 million), and consisted mainly of the following:

- A receivable in the amount of $22,560 (December 31, 2019 – $34,421) from Tarman, a company controlled by Olympia's President and CEO, reflects legal services provided and cost recoveries relating to accounting and other administration services provided.

- A receivable in the amount of $4,605 (December 31, 2019 – $15,545) from Olympia ATM Ltd., a company controlled by the President and CEO of Olympia, for expense recoveries relating to accounting and other administrative services provided.
- A receivable in the amount of $1.26 million (December 31, 2019 – $1.40 million) from Tarman, a company controlled by Olympia's President and CEO of Olympia. On June 5, 2018, Olympia announced the sale to Tarman ATM Inc. ("Tarman") of the ATM business operated by Olympia ATM Inc., as a going concern, for an amount equal to the then current net book value of all assets used in the ATM business less all assumed liabilities; an amount estimated to be $1.4 million.

The sale of the ATM business to Tarman, a corporation owned and controlled by Olympia's President and CEO, was a related party transaction, as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, but was exempted from Olympia obtaining disinterested shareholder approval and a formal valuation as the fair market value of the proposed transaction was less than 25% of Olympia's market capitalization.

An ad hoc committee composed solely of the independent members of Olympia's Board of Directors was constituted to consider and approve the sale of the ATM business to Tarman. As part of its deliberations, the ad hoc committee of the Board of Directors noted the continuing losses of approximately $120,000 per month in the ATM business and acknowledged that while the ATM business still had the potential to grow and expand, it was unlikely to become profitable in the near future. Given the immediate financial benefits that the sale of the ATM business would have for Olympia and the uncertain timelines to profitability, the ad hoc committee believed the sale of the ATM business to be in the best interest of Olympia. The ad hoc committee of the Board of Directors obtained a fairness comfort letter stating that the proposed transaction was fair to the disinterested shareholders of Olympia. In addition, following the public disclosure of the transaction, Olympia received an unsolicited expression of interest in the ATM business from a third party. Olympia permitted the third party to conduct a due diligence review and valuation of the ATM business and received an offer to purchase the ATM business from the third party that was economically comparable to the offer made by Tarman.

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, which Olympia has obtained, 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 December 31, 2023. As at June 30, 2020, the first installment of $140,000 has been repaid, together with all accrued interest.

Olympia has assessed the expected credit loss as it relates to the promissory note and has determined it to be nominal.

Trade and other payables and provision for other liabilities and charges include amounts payable to related parties		**December 31, 2020**		December 31, 2019
Companies and businesses controlled by the President and CEO	**$**	**146,117**	$	151,939
Directors' fees		**86,830**		83,291
	$	**232,947**	$	235,230

Payables to associated entities totaled $232,947 for the year ended December 31, 2020 (December 31, 2019 – $235,230), and consisted mainly of the following:

- A payable in the amount of $36,668 (December 31, 2019 – $39,994) 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 $2,297 (December 31, 2019 – $3,095) to Olympia ATM Ltd, a company controlled by the President and CEO of Olympia, for services provided to maintain foreign exchange ATMs.
- A management fee payable in the amount of $107,152 (December 31, 2019 – $108,850) 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 $86,830 (December 31, 2019 – $83,291).

These payables are all current.

Key management compensation

Compensation paid to key management is included in notes 22 and 32 of the consolidated financial statements. Key management includes the Board of Directors and executive team members from OBI, Olympia Trust, Exempt Edge Inc., and Olympia. Olympia uses management or employment contracts as a means to incent certain executives to maximize the profitability of their applicable business units and the profitability of Olympia as a whole. The compensation paid or payable to key management is shown in the following table:

	December 31, 2020	December 31, 2019
Salaries, bonuses and profit sharing	$ 4,123,412	$ 5,322,684
Management fees	3,136,568	3,734,826
Directors fees	255,580	285,001
Short-term employee benefits	247,174	250,978
	$ 7,762,734	$ 9,593,489

Shareholders' equity

As at December 31, 2020, Olympia had 2,406,336 outstanding shares (December 31, 2019 – 2,406,336), with a carrying value of $7.89 million. In April 2019, Olympia repurchased fractional shares from former shareholders at $50 per share. The repurchase was allocated to retained earnings.

Income taxes

Deferred income tax assets are recognized for loss carry-forward and other deductible temporary differences to the extent that the realization of the related tax benefit is probable through future taxable profits or other tax planning opportunities. The average corporate rate used for the year ended December 31, 2020, was 24% (December 31, 2019 – 26.5%). On June 29, 2020, the Government of Alberta introduced Alberta's Recovery Plan, which among other things reduced Alberta's general corporate income tax rate to 8% effective July 1, 2020.

ANALYSIS OF RESULTS BY SEGMENT

Registered Plans Division

Summary of divisional results for the year ended December 31

($ thousands)	2020	2019	Variation
Service revenue	18,087	18,784	-4%
Interest revenue and trust income	11,938	12,812	-7%
Direct expenses	(64)	(51)	25%
	29,961	31,545	-5%
Administrative expenses	(19,595)	(20,814)	-6%
Depreciation and amortization	(1,104)	(982)	12%
Other gains, net	-	95	-100%
Earnings before income tax	9,262	9,844	-6%
Income taxes	(2,036)	(2,627)	-22%
Net earnings	7,225	7,217	0%

The Registered Plans division ("RRSP") specializes in the administration of registered plan accounts, including RRSPs, RRIFs, LIRAs, LIFs and TFSAs. In contrast to traditional registered plan account administrators, Olympia's focus is on exempt market securities and arm's length mortgages. The holder of a registered plan account with Olympia will typically hold multiple exempt market securities or mortgages in their Olympia registered plan account.

RRSP's service revenue decreased 4% to $18.09 million from $18.78 million when compared to the year ended December 31, 2019. The decrease is a result of a decrease in the number of account transactions.

Interest revenue and trust income decreased 7% to $11.94 million from $12.81 million when compared to the year ended December 31, 2019, due to a decrease in the Canadian prime rate from 3.95% as at December 31, 2019, compared to 2.45% as at December 31, 2020.

Direct, administrative, depreciation and amortization expenses decreased 5% to $20.76 million from $21.85 million when compared to the year ended December 31, 2019. This decrease is due to a decrease in computer projects and consulting, bonuses, and corporate events.

Earnings before income tax decreased 6% to $9.26 million from $9.84 million for the year ended December 31, 2019.

RRSP net earnings increased marginally to $7.23 million from $7.22 million when compared to the year ended December 31, 2019.

RRSP is responsible for 62% of Olympia's total revenue (including interest), a decrease from 64% when compared to the year ended December 31, 2019.

Service revenue decreased 4% to $18.09 million from $18.78 million

4% ▼

Interest revenue and trust income decreased 7% to $11.94 million from $12.81 million

7% ▼

Direct, administrative, depreciation and amortization expenses decreased 5% to $20.76 million from $21.85 million

5% ▼

Earnings before income tax decreased 6% to $9.26 million from $9.84 million

6% ▼

RRSP net earnings increased 0% to $7.23 million from $7.22 million

0% ▲

ANALYSIS OF RESULTS BY SEGMENT

Private Health Services Plan Division

Summary of divisional results for the year ended December 31

($ thousands)	2020	2019	Variation
Service revenue	7,239	8,079	-10%
Interest revenue and trust income	172	335	-49%
Direct expenses	(1,482)	(1,708)	-13%
	5,929	6,706	-12%
Administrative expenses	(3,468)	(3,745)	-7%
Depreciation and amortization	(163)	(153)	7%
Other gains, net	-	13	-100%
Earnings before income tax	2,298	2,821	-19%
Income taxes	(553)	(748)	-26%
Net earnings	1,745	2,073	-16%

The Private Health Services Plan division ("Health") markets, sells and administers health and wellness benefits to business owners through OBI, a wholly owned subsidiary of Olympia. Health's current objectives are to improve sales, increase the value of its customer base, and advance technology infrastructure.

Health primarily serves professional and small corporations that are particularly vulnerable to the economic impacts of the mandated closures and social distancing restrictions put in place in response to the COVID-19 pandemic. Client behaviors could change materially as a result of this challenging economic situation, including the reduction of services and the inability of clients to pay outstanding amounts.

Health's service revenue decreased 10% to $7.24 million from $8.08 million when compared to the year ended December 31, 2019, due to clients submitting fewer claims as a result of the COVID-19 pandemic.

Direct, administrative, depreciation and amortization expenses decreased 9% to $5.11 million from $5.61 million when compared to the year ended December 31, 2019. The decrease is due to a decrease in commission and bonuses, direct expenses proportionate to service revenue, and a Canada Emergency Wage Subsidy during 2020 of $0.17 million.

Earnings before income tax decreased 19% to $2.30 million from $2.82 million when compared to the year ended December 31, 2019. Health's net earnings decreased 16% to $1.75 million from $2.07 million when compared to the year ended December 31, 2019. Health is responsible for 15% of Olympia's total revenue (including interest), a decrease from 17% when compared to the year ended December 31, 2019.

Service revenue decreased 10% to $7.24 million from $8.08 million

10% ▼

Direct, administrative, depreciation and amortization expenses decreased 9% to $5.11 million from $5.61 million

9% ▼

Earnings before income tax decreased 19% to $2.30 million from $2.82 million

19% ▼

Health's net earnings decreased 16% to $1.75 million from $2.07 million

16% ▼

ANALYSIS OF RESULTS BY SEGMENT

Currency and Global Payments Division

Summary of divisional results for the year ended December 31

($ thousands)	**2020**	2019	Variation
Service revenue	**8,882**	7,779	14%
Interest revenue and trust income	**71**	253	-72%
Direct expenses	**(1,144)**	(1,376)	-17%
	7,809	6,656	17%
Administrative expenses	**(6,082)**	(7,308)	-17%
Depreciation and amortization	**(308)**	(286)	8%
Other gains/(losses), net	**(919)**	2,999	>100%
Earnings before income tax	**500**	2,061	-76%
Income taxes	**(110)**	(542)	-80%
Net earnings	**390**	1,519	-74%

The Currency and Global Payments division ("CGP") allows corporations and private clients to buy and sell foreign currencies at competitive rates. The division offers its clients same-day transactions, as well as long-term forward contracts. With offices in Vancouver and Calgary, the CGP division is well situated to service Western Canada.

CGP's service revenue increased 14% to $8.88 million from $7.78 million when compared to the year ended December 31, 2019. The increase is due to an increase in trading demand throughout the end of 2020. Other gains/(losses), net, are ($0.92) million from $3.00 million, mainly due to unrealized gains and losses on forward foreign exchange contracts.

Direct, administrative, depreciation and amortization expenses decreased 16% to $7.53 million from $8.97 million when compared to the year ended December 31, 2019. The decrease is mainly due to a decrease in commission expense and salaries and wages.

Earnings before income tax decreased 76% to $0.50 million from $2.06 million when compared to the year ended December 31, 2019.

CGP's net earnings decreased 74% to $0.39 million from $1.52 million when compared to the year ended December 31, 2019.

CGP is responsible for 18% of Olympia's total revenue (including interest), an increase from 16% when compared to the year ended December 31, 2019.

Service revenue increased 14% to $8.88 million from $7.78 million

14% ▲

Direct, administrative, depreciation and amortization expenses decreased 16% to $7.53 million from $8.97 million

16% ▼

Earnings before income tax decreased 76% to $0.50 million from $2.06 million

76% ▼

CGP's net earnings decreased 74% to $0.39 million from $1.52 million

74% ▼

ANALYSIS OF RESULTS BY SEGMENT

Exempt Edge Division

Summary of divisional results for the year ended December 31

($ thousands)	2020	2019	Variation
Service revenue	**997***	731	36%
Interest revenue	**1**	1	0%
Direct expenses	**(94)**	(51)	84%
	904	681	33%
Administrative expenses	**(1,538)**	(1,297)	19%
Depreciation and amortization	**(230)**	(82)	>100%
Other gains, net	**-**	3	-100%
Loss before income tax	**(864)**	(695)	24%
Income taxes recovery	**97**	183	-47%
Net loss	**(767)**	(512)	50%
Loss attributable to non-controlling interests	**(122)**	(102)	20%
Loss attributable to EEI	**(645)**	(410)	57%

*Excluded from service revenue are fees of $163,625 for services provided by the EEI division but invoiced by the CSS division.

The Exempt Edge division ("EEI") focuses on the provision of information technology services to exempt market dealers, registrants and issuers.

Service revenue increased 36% to $1.00 million from $0.73 million when compared to the year ended December 31, 2019. This increase is largely due to growth in EEI's client base. Excluded from service revenue are fees of $163,625 for services provided by the EEI division to an external client. However, these fees were invoiced and therefore included as service revenue in the Corporate and Shareholder Services division.

Direct, administrative, depreciation and amortization expenses increased 30% to $1.86 million from $1.43 million when compared to the year ended December 31, 2019. This increase is mainly due to an increase in operating expenses such as salaries, computer consultants' fees, and promotion costs to facilitate the growth in clients, as well as depreciation.

Loss before income tax for the year ended December 31, 2020, increased 24% to ($0.86) million from ($0.70) million when compared to the year ended December 31, 2019.

EEI's net loss increased 50% to ($0.77) million from ($0.51) million when compared to the year ended December 31, 2019.

Service revenue increased 36% to $1.00 million from $0.73 million

36% ▲

Direct, administrative, depreciation and amortization expenses increased 30% to $1.86 million from $1.43 million

30% ▲

Loss before income tax increased 24% to ($0.86) million from ($0.70) million

24% ▲

EEI's net loss increased 50% to ($0.77) million from ($0.51) million

50% ▲

ANALYSIS OF RESULTS BY SEGMENT

Corporate and Shareholder Services Division

Summary of divisional results for the year ended December 31

($ thousands)	2020	2019	Variation
Service revenue	**1,097***	180	>100%
Interest revenue and trust income	**46**	3	>100%
Direct expenses	**(88)**	(3)	
	1,055	180	>100%
Administrative expenses	**(1,919)**	(1,265)	52%
Depreciation and amortization	**(37)**	(33)	12%
Loss before income tax	**(901)**	(1,118)	-19%
Income taxes	**198**	294	-33%
Net loss	**(703)**	(824)	-15%

*Included in service revenue are fees of $163,625 for services provided by the EEI division but invoiced by the CSS division.

The Corporate and Shareholder Services division ("CSS") provides transfer agent and registrar services to public and private issuers across Canada. CSS is positioned as an alternative to the large trust companies that are principally focused on Eastern Canada. The services provided by CSS include administering dividend reinvestment, acting as depository and disbursing agent for corporate reorganizations, assisting with shareholder solicitations, and scrutineering shareholder meetings. The CSS management team comprises highly respected and experienced individuals with a track record of success.

Service revenue increased more than 100% to $1.10 million from $0.18 million, when compared to the year ended December 31, 2019. This is due to the CSS division continuing to grow its customer base.

Direct, administrative, depreciation and amortization expenses increased 57% to $2.04 million from $1.30 million. This is mainly due to an increase in employee salaries, computer maintenance, consulting fees, and costs associated with growth of the business.

Loss before income tax decreased 19% to ($0.90) million from ($1.12) million when compared to the year ended December 31, 2019.

CSS's net loss decreased 15% to ($0.70) million from ($0.82) million when compared to the year ended December 31, 2019.

Service revenue increased more than 100% to $1.10 million from $0.18 million **100%** ▲

Direct, administrative, depreciation and amortization expenses increased 57% to $2.04 million from $1.30 million **57%** ▲

Loss before income tax decreased 19% to ($0.90) million from ($1.12) million **19%** ▼

CSS's net loss decreased 15% to ($0.70) million from ($0.82) million **15%** ▼

ANALYSIS OF RESULTS BY SEGMENT

Corporate Division

Summary of divisional results for the year ended December 31

($ thousands)	2020	2019	Variation
Service revenue	62	27	>100%
Interest revenue	28	98	-71%
	90	125	-28%
Administrative expenses	(31)	(175)	-82%
Other (losses)/gains, net	3	(6)	>100%
Earnings/(loss) before income tax	62	(56)	>100%
Income taxes expense	(86)	(91)	-5%
Net loss	(24)	(147)	-84%

The Corporate division carries out support functions in the areas of accounting, information technology, legal services, human resources, payroll and internal audit. Support function remuneration is allocated, based on usage, to the various divisions.

Total revenue earned is incidental to Olympia's activities.

Administrative expenses for the year ended December 31, 2020, decreased 82% to $0.03 million from $0.18 million when compared to the year ended December 31, 2019.

The Corporate division's net loss was $0.02 million for the year ended December 31, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

During the normal course of operations, Olympia administers client assets that are not reported on its balance sheet. The cash component of these off-balance sheet arrangements represents the cash and cash equivalents held in trust.

	December 31, 2020				December 31, 2019			
($ thousands)		Cash and public securities at estimated fair value		Private securities, mortgages and mutual funds at cost		Cash and public securities at estimated fair value		Private securities, mortgages and mutual funds at cost
Registered Plans	$	649,938[1]	$	4,514,979	$	599,171[3]	$	4,380,533
Private Health Services Plan		12,100		-		11,462		-
Corporate and Shareholder Services		1,048,377[2]		-		15,228		-
Currency and Global Payments		19,433		-		15,727		-
	$	1,729,848	$	4,514,979	$	641,588	$	4,380,533

[1] The cash portion included in Registered Plans is $570.33 million.

[2] Included in the CSS securities is $155.58 million of treasury bills and public securities.

[3] The cash portion included in Registered Plans is $569.60 million.

Registered Plans division ("RRSP")

At December 31, 2020, RRSP administered self-directed registered plans consisting of private company securities and mortgages with a cost value of $4.51 billion (December 31, 2019 – $4.38 billion) plus cash, public securities, term deposits, and outstanding cheques with an estimated fair value of $649.94 million (December 31, 2019 – $599.17 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 consolidated financial statements. Olympia earned trust income from the cash portion of the assets held in trust of $11.68 million for the year ended December 31, 2020 (December 31, 2019 – $12.16 million).

Private Health Services Plan division ("Health")

At December 31, 2020, Health held funds in trust of $12.1 million (December 31, 2019 – $11.46 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 consolidated financial statements.

Currency and Global Payments ("CGP")

At December 31, 2020, CGP held funds in trust of $4.01 million (December 31, 2019 – $3.69 million) for clients who have paid margin requirements on forward foreign exchange contracts, and $15.43 million (December 31, 2019 – $12.04 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 consolidated financial statements.

Corporate and Shareholder Services division ("CSS")

At December 31, 2020, CSS held funds in trust and outstanding cheques of $1.05 billion (December 31, 2019 – $15.23 million) for clients who have hired Olympia Trust to provide trustee services. This includes approximately $155.58 million in treasury bills and public securities held in trust. These assets are the property of the trust clients and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these consolidated financial statements.

Management of capital resources

Olympia includes shareholders' equity, which comprises share capital, contributed surplus, non-controlling interest and retained earnings, in the definition of capital. 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;

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Amaryllis winners

- Maintain investor and creditor confidence to sustain future development of the business;
- 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) and Saskatchewan ($5 million). Regulatory capital is defined as share capital and retained earnings. Olympia Trust has maintained these minimum capital requirements throughout the twelve months ended December 31, 2020; and
- Maintain compliance with financial covenants, which includes maintaining a minimum equity of $12 million. The financial covenants are reviewed and controls are in place to maintain compliance with the covenants. Olympia complied with its financial covenants for the twelve months ended December 31, 2020.

In managing capital, Olympia estimates its future dividend payments and capital expenditures, which are compared to planned business growth for purposes of sustainability. The capital structure of Olympia is managed and adjusted to reflect changes in economic conditions. In order to maintain or adjust the capital structure, adjustments may be made to the amount of dividends (if any) to shareholders, in addition to the number of new common shares issued or common shares repurchased. 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 required are weighed against the costs associated with excess cash, its terms and availability, whether to issue equity and the creation of value for the shareholders. 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 maintains a strong capital base to maintain investor and creditor confidence and to sustain future development of the business.

Olympia has committed capital resources to its 2021 Objectives (set out previously) and has sufficient capital through internally generated cash flows and its credit facility to meet these spending objectives.

Completing and fulfilling its 2021 Objectives will help Olympia meet its growth and development activities. No other significant expenditure is required to maintain growth and development activities. Olympia's Currency and Global Payments 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.

Olympia's capital management objectives have remained substantially unchanged over the years presented.

Liquidity

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

Olympia has a current ratio (current assets: current liabilities) of 2.07:1 as at December 31, 2020, compared to 1.71:1 as at December 31, 2019. The increase in Olympia's current ratio is mainly due to increases in cash that were previously used as collateral for the performance of Olympia's Currency and Global Payments division's trading platform obligations. Funds placed as collateral are considered to be restricted cash and investments (non-current assets), are not readily accessible for use in operations, and are reported separately from cash and cash equivalents (current assets) on the balance sheet.

There are no legal or practical restrictions on the ability of subsidiaries to transfer cash to Olympia.

Cash flows

Operating activities

The movement in cash flow from operating activities for the year ended December 31, 2020, is mainly attributable to decreases in administrative expenses, including salaries, bonuses, and general administration, when compared to the year ended December 31, 2019.

Investing activities

The movement in cash used in investing activities during the year ended December 31, 2020, is mainly attributable to reduced collateral requirements for the CGP division and decreased capital asset expenditure when compared to 2019.

Financing activities

Cash used in financing activities during the year ended December 31, 2020, increased mainly due to the repayment of the revolving credit facility as compared to net borrowing during the year ended December 31, 2019, and the purchase of the 20% non-controlling interest in Exempt Edge Inc.

Cash

Cash is placed with a Canadian financial institution where it generates interest. Cash and cash equivalents comprise 66% of the total current assets of Olympia, compared to 67% as at December 31, 2019.

One factor that affects Olympia's profitability is effective interest rates. Although Olympia Trust is a non-deposit taking trust corporation, it does earn trust income on cash held in trust. Cash held in trust generated trust income of $11.68 million, a 4% decrease from $12.16 million when compared to the year ended December 31, 2019.

Olympia, through its operational cash flow and line of credit, has sufficient funds to meet its Objectives for 2021.

Liquidity risks associated with financial instruments are addressed in the notes to the accompanying consolidated financial statements. Management understands that currency markets are volatile and therefore subject to higher risk. Olympia's CGP division mitigates currency risk through its policy of limiting the amount of foreign currencies on hand to $1.50 million.

Commitments

Olympia leases various offices under lease agreements. The initial lease terms are between twelve months and fifty months and the majority of lease agreements are renewable at market rates when the lease period ends.

Future aggregate contractual minimum lease payments are listed in the table below:

		December 31, 2020
2021	$	923,397
2022		147,932
	$	1,071,329

Credit facility

As at December 31, 2020, Olympia has drawn $4.95 million on its credit facility, compared to $6.66 million as at December 31, 2019. On March 15, 2019, Olympia increased the credit facility amount from $8.50 million to $15 million. Amounts drawn in the current period have been used to facilitate the additional trading collateral requirements for the CGP division and to finance the growth of the Exempt Edge division. The credit facility provides a maximum of $15 million and bears interest at the Canadian prime rate plus 0.25%. The Canadian prime rate at December 31, 2020 was 2.45% compared to 3.95% December 31, 2019. The credit facility is subject to review at any time.

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 December 31, 2020, Olympia's cash flow coverage ratio under the terms of the credit facility was calculated to be 1.83:1 (December 31, 2019 – 1.99:1). Total equity as at December 31, 2020, was $18.90 million, compared to total equity of $17.93 million at December 31, 2019.

The cash flow coverage calculation is based on Olympia's previous four quarters' revolving Earnings Before Interest, Tax, and Depreciation and Amortization ("EBITDA") less cash taxes paid. This revolving EBITDA for the twelve months ended December 31, 2020, has been calculated at $10.20 million (December 31, 2019 – $11.47 million) after adjusting for finance expenses of $0.21 million (December 31, 2019 – $0.34 million). The coverage required is based on an annualized average of the scheduled facility principal of $15 million, and interest payments calculated at 3.79% (December 31, 2019 – 5.13%) over a period of 36 months. As at December 31, 2020, this was calculated to be $5.57 million (December 31, 2020 – $5.77 million). Should the covenants and other limitations be breached, it could cause a default, which might result in a requirement for immediate repayment of all amounts outstanding

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

During the period, the credit facility was amended to divide the facility between Olympia and Olympia Trust. The new agreement provides Olympia with a $9 million facility and Olympia Trust with a $6 million facility.

On May 16, 2016, Olympia Trust entered into a contingent credit facility to be used only by the CGP division. During the year ended December 31, 2019, the agreement was replaced with a new demand credit facility with a US$6 million limit.

As at December 31, 2020, no amounts have been drawn on this facility.

Credit facility		**December 31, 2020**		December 31, 2019
Available balance at January 1	**$**	**15,000,000**	$	15,000,000
Drawn		**(4,946,744)**		(6,655,347)
Available at December 31	**$**	**10,053,256**	$	8,344,653

Risk framework

Olympia is exposed to various types of risks owing to the nature of the commercial activities it pursues. Management has identified the following risks:

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 credit facility is available to finance day-to-day operations to a maximum principal amount of $15 million (December 31, 2019 – $15 million) and bears interest at the Canadian prime rate plus 0.25%. For the year ended December 31, 2020, a balance of $4.95 million is outstanding (December 31, 2019 – $6.66 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 December 31, 2020	**Current**	**31 to 60 days**	**61 to 90 days**	**Over 90 days**	**Total**
Trade and other payables	**$ 910,184**	$ -	$ 86,830	$ 2,390	**$ 999,404**
Other liabilities and charges	**1,962,561**	-	-	-	**1,962,561**
Lease liabilities (current)	**82,918**	82,918	82,918	674,644	**923,398**
Current income tax liability	**-**	450,799	-	-	**450,799**
Total	**$ 2,955,663**	**$ 533,717**	**$ 169,748**	**$ 677,034**	**$ 4,336,162**
At December 31, 2019					
Trade and other payables	**$ 1,388,733**	$ 67,433	$ -	$ -	**$ 1,456,166**
Other liabilities and charges	**1,732,886**	-	-	-	**1,732,886**
Lease liabilities (current)	**82,918**	82,918	82,918	746,259	**995,013**
Current income tax liability	**-**	176,795	-	-	**176,795**
Total	**$ 3,204,537**	$ 327,146	**$ 82,918**	$ 746,259	**$ 4,360,860**

As at December 31, 2020, trade and other payables totaled $1.00 million (December 31, 2019 – $1.46 million). 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 December 31, 2020	Less than one year	One to two years	Two to three years	More than three years	Total undiscounted lease payments
Lease payments	$ 923,397	$ 147,932	$ -	$ -	$ 1,071,329

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

	December 31, 2020	December 31, 2019
Current	$ 92,671	$ 7,766
31 to 60 days	130,419	32,175
61 to 90 days	369,692	11,733
Over 90 days	1,208,880	605,585
	$ 1,801,662	$ 657,259
Non-current (1–3 years)	$ -	$ 887,020

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, following variations in the parameters underlying their evaluation, such as interest rates, exchange rates or quoted stock market prices, and is comprised of foreign currency exchange risk, interest rate risk, management's assessment, and operational risks.

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.

If the Canadian dollar exchange rate at December 31, 2020, were to have increased by $0.10 relative to other currencies, it is estimated that Olympia's after-tax earnings for the year ended December 31, 2020, based on amounts shown in notes 11 and 13 of the consolidated financial statements, would have decreased by approximately $159,277 (December 31, 2019 – $232,876). A $0.10 decrease in the Canadian dollar exchange rate relative to other currencies would have had an equal but opposite effect. The vast majority of Olympia's Currency and Global Payments division's trades are Canadian dollars traded for United States dollars and vice versa, although it trades in various other currencies. This sensitivity analysis assumes that all other variables remain constant.

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 Olympia's own cash ($15.94 million) and the cash portion of the off-balance sheet arrangements ($570.33 million), from which Olympia Trust earns trust income, are held in interest bearing instruments that fluctuate in response to changes in market interest rates.

If the interest rates were to have increased by 1%, it is estimated that Olympia's after-tax earnings for the twelve months ended December 31, 2020, would have increased by approximately

$4.46 million (December 31, 2019 – $4.14 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. Given the changing circumstances surrounding the COVID-19 pandemic and the related response from governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with counterparties as compared to prior periods.

Olympia continues to monitor and assess the impact of COVID-19 and the emergency measures enacted to contain the spread of the virus and mitigate its economic effects. As such, it is not possible to accurately determine the impact that the COVID-19 pandemic will have on Olympia's credit risk or results of operations in future periods. Before material transactions begin with a new counterparty, the counterparty's creditworthiness is assessed by the CGP 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 creditworthiness.

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 December 31, 2020, impaired receivables net of allowances are $2.29 million (December 31, 2019 – $2.83 million). The aging of trade and other receivables is as follows:

	December 31, 2020	December 31, 2019
Current	$ 144,790	$ 247,890
31 to 60 days	258,700	19,093
61 to 90 days	120,052	7,337
Over 90 days	3,537,411	3,813,030
Allowance for doubtful accounts	(1,251,705)	(981,584)
	$ 2,809,248	$ 3,105,766

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:

	December 31, 2020	December 31, 2019
At January 1	$ 981,584	$ 571,363
Increase in provision	717,640	478,930
Receivables written off	(447,519)	(68,709)
Allowance for doubtful accounts	$ 1,251,705	$ 981,584

Included within receivables is the current portion of a lease receivable of $0.05 million recognized based on the present value of sublet property, as required by 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 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.

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, or repurchase shares.

Olympia includes shareholders' equity of $18.90 million (December 31, 2019 – $17.93 million) in the definition of capital. Shareholders' equity comprises share capital, contributed surplus, 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) and Saskatchewan ($5 million). Regulatory capital is defined as share capital and retained earnings. Olympia Trust has maintained these minimum capital requirements throughout the twelve month period ended December 31, 2020; 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 December 31, 2020.

The capital structure of Olympia is managed and adjusted to reflect changes in economic conditions. 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.

Operational risks

Management has identified the following major operational risks which could negatively affect Olympia's future strategies and objectives:

- The risk of fluctuations in interest rates and currency values negatively affecting Olympia's business;
- Legal developments and changes in tax laws;
- The occurrence of weather related and other natural catastrophes;
- The risk that the regulatory environment in which Olympia carries out commercial activities may change;
- The level of competition in Olympia's markets;
- The risk that new markets may fail to produce estimated revenues;
- The risk of changes in accounting standards and policies;
- The risk that negative stakeholder impressions about Olympia's business practices, actions or inaction, whether true or not, could cause deterioration in Olympia's value, brand, liquidity, or customer base;
- The risk that general economic conditions could deteriorate and any significant downturn in capital markets or the general economy could negatively affect financial results;

- The cyber security risk that failure of computer hardware, data processing systems, network access and software could interrupt operations or materially impact Olympia's ability to deliver its services; and
- The accuracy and completeness of information Olympia receives about customers and counterparties.

Olympia's corporate insurance program further mitigates certain operational risk exposures. Olympia looks to industry benchmarks as well as legal, regulatory and contractual requirements when deciding on types of coverage and limits. Coverage is placed at limits considered appropriate for Olympia's size, structure and type of operations. Olympia reviews the insurance program annually to ensure it remains well suited and compliant with regulations and requirements.

Accounting Policies

The financial information contained in the accompanying financial statements and this MD&A is prepared in accordance with IFRS as issued by the IASB. The accounting policies adopted are consistent with those in the prior years except as noted below. In addition, some accounting policies, due to their nature, require further explanation.

Critical accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions based on currently available information that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgments are evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

However, actual results could differ from these estimates. By their very nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of future periods could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying Olympia's accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognized in the consolidated financial statements.

(i) Allowance for doubtful accounts (Note 7)

Olympia regularly performs a review of outstanding accounts receivable balances to determine eventual collectability. A provision for bad debt is recorded based on historical information or if an account is deemed uncollectable. Olympia analyzes the bad debt provision regularly to determine if any of the accounts provided for should be written off. Those accounts which are deemed uncollectable could materially change as a result of changes in a customer's financial situation. This includes risks associated with the gross receivable position on foreign exchange forward contracts, which are all assessed regularly for impairment.

(ii) Depreciation and amortization methods (Note 14 and Note 15)

Olympia estimates the useful lives of property, plant, equipment and intangible assets, based on the period over which the assets are expected to be available for use.

The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives is based on internal technical evaluation, current facts and past experience with similar assets, and takes into consideration the anticipated expected life of the asset, existing long-term agreements and contracts, current and forecasted demand and the potential for technological obsolescence. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about in turn by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would also be affected by changes in these factors and circumstances.

(iii) Impairments (Note 15)

Olympia performs impairment tests of assets when indications of impairment exist. Application of judgment is required in determining whether an impairment test is warranted. Impairment exists when the carrying value of an asset or Cash-Generating Unit ("CGU") exceeds its recoverable amount, which is the higher of (a) its fair value less costs of disposal and (b) its value in use. The fair value represents the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. The value in use calculation is based on the present value of expected cash flows. As at December 31, 2020, the discount rate used was 4.0%. The cash flows are derived from internal budgets and do not include restructuring activities that Olympia is not yet committed to or significant future investments that will enhance the asset's performance or the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the present value of expected cash flows. It is also sensitive to expected transaction volumes, future operating costs, margins, and the growth rate used for extrapolation purposes. There is a certain amount of subjectivity and judgment in the determination of the recoverable amount calculation. Amounts stated in notes 7, 14, and 15 are subject to measurement uncertainty, and the impact of differences between actual and estimated amounts on the consolidated financial statements of future periods could be material.

When indicators support that the asset is no longer impaired, Olympia will reverse impairment losses. Similar to the impairment, application of judgment is required to determine whether a reversal should be considered.

(iv) Income taxes (Note 21)

Olympia calculates an income tax provision in each of the jurisdictions in which it operates. Estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions against future taxable income before the deductions expire. The assessment is based on existing tax laws and estimates of future taxable income. Further, there are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Provisions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. Olympia reviews the adequacy of these provisions at each reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(v) Revenue

Olympia applies judgment to determine whether fee revenue should be recognized on a gross basis or net of fees paid to the merchant or insurer for providing, processing, and maintaining the service to a customer. Pursuant to the guidance in IFRS 15, Olympia has assessed whether to record such payments as a reduction of associated service revenues or as a direct expense. Olympia determines whether the nature of its promise to customers is a performance obligation to provide the service itself or to arrange for that service to be provided by another party. Specific factors considered are, whether Olympia acts as the principal and is the primary obligor in performance obligations, provides the processing for the performance obligations, has significant influence over pricing and has the risks and rewards of ownership, including a variable earnings component and the risk of loss for collection. Olympia has full discretion over the price of the services and therefore has no unfulfilled obligations that could affect a client's acceptance of the service. Olympia recognizes insurance fees on a net basis. As a result, for agreements under which Olympia acts as the principal, Olympia records the total amounts earned from the underlying performance obligations as service revenues, and records the related merchant expense as a direct expense of operating revenues. However, for those agreements in which Olympia does not meet the criteria to qualify as the principal in a performance obligation, Olympia does not record the related fee revenue, as the rights associated with this revenue stream are attributable to the benefit of the merchant. Olympia records fee revenue under these arrangements on a net basis.

Whether Olympia is considered to be the principal or an agent in a performance obligation depends on analysis by management of both the legal form and substance of the agreement between Olympia and the merchant. Such judgments impact the amount of reported revenue and expenses, but do not impact reported assets, liabilities or cash flows.

(vi) Lease term

In determining the lease term, management considers all 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 are no significant new or amended accounting standards issued during the twelve months ended December 31, 2020, that are applicable to Olympia in future periods.

The International Accounting Standards Board ("IASB") published Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, and IFRS 7). This amendment addresses issues that may affect financial reporting in instances where an existing interest rate benchmark is replaced with an alternative benchmark interest rate. These amendments include a practical expedient to gain or loss for a change in benchmark as a result of these reforms.

The amendments are effective for annual periods beginning on or after January 1, 2021, and would be applicable to the portion of Olympia's bank credit facility that is based on the Canadian Dollar Offered Rate ("CDOR"). Olympia does not anticipate any impact on the consolidated financial statements as a result of the amendment.

Evaluation of disclosure controls and procedures and internal control over financial reporting

The President and Chief Executive Officer ("CEO") and Vice President, Finance and Chief Financial Officer ("CFO") of Olympia are responsible for establishing and maintaining Disclosure Controls and Procedures ("DC&P") and Internal Control over Financial Reporting ("ICFR") for Olympia.

DC&P are designed to provide reasonable assurance that material information relating to Olympia is made known to the CEO and CFO by others, particularly in the period in which the annual filings are being prepared, and that information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified in securities legislation, and includes controls and procedures designed to ensure that such information is accumulated and communicated to Olympia's management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

In accordance with the requirements of National Instrument 52-109 “Certification of Disclosures in Issuer’s Annual and Interim Filings,” an evaluation of the effectiveness of DC&P and ICFR was carried out under the supervision of the CEO and CFO at December 31, 2020. Based on this evaluation, the CEO and CFO have concluded that Olympia’s DC&P and ICFR are effective, and are operating as intended.

Olympia’s management, including the CEO and CFO, does not expect that Olympia’s DC&P and ICFR will prevent or detect all misstatements or instances of fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues, misstatements or instances of fraud, if any, within Olympia have been detected.

There have been no changes in Olympia’s internal control over financial reporting that occurred during the year ended December 31, 2020, which have materially affected, or are reasonably likely to materially affect, Olympia’s internal control over financial reporting. In response to the COVID-19 pandemic, several social distancing measures taken by Olympia and third parties are reasonably likely to impact the design and performance of internal controls at Olympia if such measures remain in place for an extended period of time. Olympia will continue to monitor and mitigate the risks associated with changes to its control environment in response to COVID-19.

Outstanding share data

As at February 25, 2021, Olympia has an aggregate of 2,406,336 common shares issued and outstanding.

Additional information

Further information regarding Olympia can be accessed under Olympia’s public filings found at www.sedar.com.

Shareholders seeking to contact Olympia’s independent directors may do so by calling Rick Skauge, Olympia’s President and CEO, at 403-261-7501 or by email at ricks@olympiafinancial.com.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019

The accompanying consolidated 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 consolidated 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 consolidated 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 consolidated financial statements for the periods ended December 31, 2020 and December 31, 2019.

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 consolidated 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.

Olympia's independent auditor, PricewaterhouseCoopers LLP, has performed an audit on these consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada. Their report outlines the scope of their examination and opinion.

Signed Rick Skauge

Rick Skauge
President and Chief Executive Officer

Signed Gerhard Barnard

Gerhard Barnard, CPA, CMA
Chief Financial Officer

Calgary, Canada, February 25, 2021

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Independent auditor's report

To the Shareholders of Olympia Financial Group Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Olympia Financial Group Inc. and its subsidiaries (together, the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2020 and 2019;
- the consolidated statements of net earnings and comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were

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addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of intangible assets of Exempt Edge Inc. (EEI) cash generating unit (CGU) *Refer to note 3 – Significant accounting policies and note 15 – Intangible assets to the consolidated financial statements.* The Company had $2.3 million of intangible assets as at December 31, 2020, which included intangible assets relating to the EEI CGU. When impairment indicators of intangible assets exist, an impairment assessment is conducted at the level of the CGU, which is the lowest level for which identifiable cash flows are largely independent of the cash inflows of other assets. An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount. Due to the continued losses recorded by EEI, management performed an impairment test on the EEI CGU. Management has estimated the recoverable amount of the intangible assets relating to the EEI CGU based on the value in use calculation, which is the present value of expected cash flows. The significant assumptions applied by management in estimating the recoverable amount included expected transaction volume and discount rate. Management did not recognize an impairment charge as the recoverable amount exceeded the net book value as at December 31, 2020. We considered this a key audit matter due to the significant judgment made by management in developing assumptions to determine the recoverable amount. This in turn resulted in significant audit effort and subjectivity in performing audit procedures to test the recoverable amount determined by management.	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the recoverable amount of the intangible assets, which included the following: – Evaluated the appropriateness of the method applied and the discounted cash flow model. – Tested the reasonableness of the expected transaction volume by comparing it with the results historically achieved by the Company. – Assessed the appropriateness of the discount rate applied. – Tested underlying data used in the discounted cash flow model. • Tested the disclosures made in the consolidated financial statements, particularly on the significant assumptions.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Peter Harris.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
February 25, 2021

CONSOLIDATED BALANCE SHEETS

($)		December 31, 2020		December 31, 2019
ASSETS				
Current assets				
Cash & cash equivalents (note 11)	$	15,939,759	$	13,754,089
Trade & other receivables (note 7)		2,809,248		3,105,766
Inventory		49,428		56,518
Prepaid expenses		1,722,259		1,270,284
Promissory note receivable (note 5)		140,000		140,000
Derivative financial instruments (notes 7 and 13)		3,340,251		2,177,020
Total current assets		24,000,945		20,503,677
Non-current assets				
Restricted cash & investments (note 10)		1,000,000		2,500,000
Equipment & other (note 14)		799,623		1,120,955
Intangible assets (note 15)		2,292,702		2,748,214
Right-of-use asset (note 16)		539,142		1,073,064
Other financial assets		72,566		38,574
Long-term lease receivable (note 7)		8,117		55,156
Promissory note receivable (note 5)		1,120,000		1,260,000
Derivative financial instruments (notes 7 and 13)		-		1,840,389
Deferred tax assets (note 21)		820,724		786,200
Total non-current assets		6,652,874		11,422,552
Total assets	$	30,653,819	$	31,926,229
LIABILITIES				
Current liabilities				
Trade & other payables (notes 7 and 17)	$	999,404	$	1,456,166
Deferred revenue (note 18)		550,876		486,655
Other liabilities & charges (note 19)		1,962,561		1,732,886
Revolving credit facility (note 12)		4,946,744		6,655,347
Lease liabilities (note 8)		890,722		907,066
Derivative financial instruments (notes 7 and 13)		1,801,662		657,259
Current tax liability (note 7)		450,799		176,795
Total current liabilities		11,602,768		12,072,174
Lease liabilities (note 8)		147,564		1,038,286
Derivative financial instruments (notes 7 and 13)		-		887,020
Total liabilities	$	11,750,332	$	13,997,480
EQUITY				
Share capital (note 20)	$	7,886,989	$	7,886,989
Contributed surplus (note 20)		86,373		86,373
Retained earnings		10,930,125		10,164,595
Equity attributable to owners of Olympia		18,903,487		18,137,957
Non-controlling interests (note 34)		-		(209,208)
Total equity		18,903,487		17,928,749
Total equity & liabilities	$	30,653,819	$	31,926,229
Contingencies (note 31)				

See accompanying notes to the consolidated financial statements

Approved on behalf of the Board of Directors

Signed Rick Skauge

Rick Skauge
Director

Signed Brian Newman

Brian Newman, CPA, CA
Director

February 25, 2021

CONSOLIDATED STATEMENTS OF NET EARNINGS AND COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31	2020	2019
Revenue		
Service revenue (note 9)	$ 36,364,181	$ 35,580,126
Trust income (note 9)	11,676,621	12,164,528
Interest revenue (note 9)	579,355	1,338,320
	48,620,157	49,082,974
Expenses		
Direct expenses (notes 9 and 23)	2,872,407	3,189,334
Administrative expenses (notes 9 and 22)	32,633,263	34,603,617
Depreciation and amortization (notes 9, 14, 15 and 16)	1,841,283	1,537,686
Other (gains)/losses, net (notes 9 and 25)	916,957	(3,104,741)
	38,263,910	36,225,896
Earnings before income tax	10,356,247	12,857,078
Income tax expense (notes 9 and 21)		
Current	2,524,555	3,074,041
Deferred tax (recovery)/expense	(34,524)	457,056
Total income tax expense	2,490,031	3,531,097
Net earnings and comprehensive income attributable to:		
Shareholders of Olympia	$ 7,987,916	$ 9,428,154
Non-controlling interests (note 34)	$ (121,700)	$ (102,173)
Net earnings and comprehensive income for the period	$ 7,866,216	$ 9,325,981
Earnings per share attributable to shareholders of Olympia		
Basic and diluted (note 26)	$ 3.32	$ 3.92

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Attributable to owners of Olympia

	Share Capital	Contributed Surplus	Retained Earnings	Non-controlling Interest	Total Equity
Balance at January 1, 2019	$ 7,886,989	$ 86,373	$ 7,214,540	$ (107,035)	$ 15,080,867
Adjustment on initial adoption of IFRS 16			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 issuance	-	-	(800)	-	(800)
Net earnings and comprehensive income	-	-	9,428,154	(102,173)	9,325,981
Dividends (note 27)	-	-	(6,497,276)	-	(6,497,276)
Balance at December 31, 2019	$ 7,886,989	$ 86,373	$ 10,164,595	$ (209,208)	$ 17,928,749
Balance at January 1, 2020	$ 7,886,989	$ 86,373	$ 10,164,595	$ (209,208)	$ 17,928,749
Net earnings and comprehensive income	-	-	7,987,916	(121,700)	7,866,216
Purchase of non-controlling interest (note 34)	-	-	-	(250,000)	(250,000)
Adjustment pertaining to purchase of outstanding NCI (note 34)	-	-	(580,908)	580,908	-
Dividends (note 27)	-	-	(6,641,478)	-	(6,641,478)
Balance at December 31, 2020	**$ 7,886,989**	**$ 86,373**	**$ 10,930,125**	**$ -**	**$ 18,903,487**

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31		2020		2019
Cash flows from operating activities				
Net earnings from operations	$	7,866,216	$	9,325,981
Items not affecting cash				
Depreciation of equipment & other (note 14)		503,252		461,097
Amortization of intangible assets (note 15)		804,109		542,667
Amortization of right-of-use asset (note 16)		533,922		533,922
Other		4,172		(16,389)
Loss on disposal of assets (note 14)		1,165		5,197
Deferred income tax (recovery)/expense (note 21)		(34,524)		457,056
Foreign exchange loss/(gain) (note 25)		934,542		(2,227,529)
Changes in non-cash working capital balances (note 28a)		48,932		(229,339)
Net cash from operating activities		10,661,786		8,852,663
Cash flows from investing activities				
Purchase of equipment & other (note 14)		(186,840)		(355,313)
Purchase of intangible assets (note 15)		(348,597)		(782,619)
Proceeds on sale of securities		3,093		-
Purchase of securities		(37,500)		-
Change in restricted investment for collateral, net (note 10)		1,500,000		(1,793,000)
Net cash from investing activities		930,156		(2,930,932)
Cash flows from financing activities				
Borrowing/(repayment) on revolving credit facility		(1,708,603)		2,448,000
Repayment of promissory note receivable		140,000		-
Receipt of lease receivable		48,822		41,741
Payment of lease liabilities (note 8)		(995,013)		(995,013)
Dividends (note 27)		(6,641,478)		(6,497,276)
Purchase of non-controlling interest (note 34)		(250,000)		-
Net cash from financing activities		(9,406,272)		(5,002,548)
Net change in cash position		2,185,670		919,183
Cash, beginning of period		13,754,089		12,834,906
Cash, end of period	$	15,939,759	$	13,754,089
Cash is represented by:				
Cash & cash equivalents (note 11)	$	15,939,759	$	13,754,089
	$	15,939,759	$	13,754,089
Other information for operations				
Interest received	$	584,434	$	1,588,427
Interest paid		208,413		338,404
Income taxes paid	$	2,205,000	$	2,883,000

See accompanying notes to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated financial statements for the year ended December 31, 2020, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of the consolidated financial statements. The accounting policies adopted are consistent with those of the previous year, except as identified in Note 3.

These consolidated financial statements have been approved and authorized for issuance by the Board of Directors on February 25, 2021. The policies applied in these consolidated financial statements are based on IFRS, issued, effective and outstanding as of December 31, 2020.

Olympia's consolidated 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 consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are described below.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value, including derivative instruments.

Critical accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions based on currently available information that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgments are evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from these estimates. By their very nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of future periods could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying Olympia's accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognized in the consolidated financial statements.

(i) Allowance for doubtful accounts (Note 7)

Olympia regularly performs a review of outstanding accounts receivable balances to determine eventual collectability. A provision for bad debt is recorded based on historical information or if an account is deemed uncollectable. Olympia applies the IFRS 9 simplified approach to measuring Expected Credit Losses ("ECL"), which uses a lifetime expected loss allowance for all trade and other receivables. Olympia holds trade receivables that do not have a significant financing component.

To determine the amount of the ECL to be recognized in the financial statements, Olympia has set up a provision matrix based on its historically observed default rates. Olympia adjusts the matrix for forward-looking estimates and has established that the expected credit loss should be calculated as follows:

- less than 90 days: nominal;
- more than 90 days but less than two years past due: 20% of carrying value;

- more than two years but less than three years past due: 65% of carrying value; and
- three or more years past due: 100% of carrying value.

Those accounts which are deemed uncollectable could materially change as a result of changes in a customer's financial situation. This includes risks associated with the gross receivable position on foreign exchange forward contracts, all assessed regularly for impairment.

(ii) Depreciation and amortization methods (Notes 14 and 15)

Olympia estimates the useful lives of property, plant, equipment and intangible assets, based on the period over which the assets are expected to be available for use.

The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives is based on internal technical evaluation, current facts and past experience with similar assets, and takes into consideration the anticipated expected life of the asset, existing long-term agreements and contracts, current and forecasted demand and the potential for technological obsolescence. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about in turn by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

(iii) Impairments

Olympia performs impairment tests of assets when indications of impairment exist. Application of judgment is required in determining whether an impairment test is warranted. Impairment exists when the carrying value of an asset or Cash-Generating Unit ("CGU") exceeds its recoverable amount, which is the higher of (a) its fair value less costs of disposal and (b) its value in use. The fair value less costs of disposal calculation is estimated using valuation techniques such as a discounted cash flow model. The value in use calculation is based on the present value of expected cash flows. The cash flows are derived from internal budgets and do not include restructuring activities that Olympia is not yet committed to or significant future investments that will enhance the asset's performance or the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the present value of expected cash flows. As at December 31, 2020, the discount rate used was 4.0%. It is also sensitive to expected transaction volumes, future operating costs, margins, and the growth rate used for extrapolation purposes. There is a certain amount of subjectivity and judgment in the determination of the recoverable amount calculation. Amounts stated in notes 7, 14, and 15 are subject to measurement uncertainty, and the impact of differences between actual and estimated amounts on the consolidated financial statements of future periods could be material.

When indicators support that the asset is no longer impaired, Olympia will reverse impairment losses. Similar to the impairment, application of judgment is required to determine whether a reversal should be considered.

(iv) Income taxes (Note 21)

Olympia calculates an income tax provision in each of the jurisdictions in which it operates. Estimation of income taxes includes evaluating the recoverability of deferred tax assets based on a more likely than not assessment to use the underlying future tax deductions against future taxable income before the deductions expire. The assessment is based on existing tax laws and estimates of future taxable income. Further, there are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Provisions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. Olympia reviews the adequacy of these provisions at each reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(v) Revenue

Olympia applies judgment to determine whether fee revenue should be recognized on a gross basis or net of fees paid to the merchant or insurer for providing, processing, and maintaining the service to a customer. Pursuant to the guidance in IFRS 15, Olympia has assessed whether to record such payments as a reduction of associated service revenues or as a direct expense. Olympia determines whether the nature of its promise to customers is a performance obligation to provide the service itself or to arrange for that service to be provided by another party. Specific factors considered were, whether Olympia acts as the principal and is the primary obligor in performance obligations, provides the processing for the performance obligations, has significant influence over pricing and has the risks and rewards of ownership, including a variable earnings component and the risk of loss for collection. Olympia has full discretion over the price of the services and therefore has no unfulfilled obligations that could affect a client's acceptance of the service. Olympia recognizes insurance fees on a net basis. As a result, for agreements under which Olympia acts as the principal, Olympia records the total amounts earned from the underlying performance obligations as service revenues and records the related merchant expense as a direct expense of operating revenues. However, for those agreements in which Olympia does not meet the criteria to qualify as the principal in a performance obligation, Olympia does not record the related fee revenue, as the rights associated with this revenue stream are attributable to the benefit of the merchant. Olympia records fee revenue under these arrangements on a net basis.

Whether Olympia is considered to be the principal or an agent in a performance obligation depends on analysis by management of both the legal form and substance of the agreement between Olympia and the merchant. Such judgments impact the amount of reported revenue and expenses, but do not impact reported assets, liabilities or cash flows.

(vi) Lease term

In determining the lease term, management considers all 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.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of Olympia and its subsidiaries. Transactions denominated in foreign currencies are translated into Canadian dollars using the exchange rates prevailing at the dates of the transactions. Under this method, monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rates in effect at the consolidated balance sheet dates. Revenues and expenses are translated at the rates prevailing at the respective transaction dates.

Basis of consolidation

The consolidated financial statements include the accounts of Olympia and its subsidiaries. All intercompany balances and income and expenses arising from intercompany transactions have been eliminated.

The subsidiaries consist of Olympia Trust, OBI and EEI.

Throughout all of 2019, Olympia held an 80% controlling interest in EEI and a third party held a non-controlling interest of 20%. On 26 November 2020, Olympia acquired an additional 20% of the interest in EEI, increasing its ownership of EEI from 80% to 100%.

Segment reporting

Management has determined Olympia's operating segments based on reports reviewed by the President and other executive management to make strategic decisions. An operating segment is a component of Olympia that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of Olympia's other components. Operating results are regularly reviewed by the President and other executive management to make decisions about resources to be allocated to the segment and to assess its performance. Discrete financial information is available for each operating segment. Segment results that are reported to the President and other executive management include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Considering the business from a product and service perspective, Olympia has identified six operating segments.

The Private Health Services Plan division, operated through OBI, markets, sells and administers health and dental benefits to business owners. The Registered Plans division, operated through Olympia Trust, specializes in self-directed registered plans administration. Exempt market securities and arm's length mortgages continue to be the main focus of many of the Registered Plans division's clients. The Currency and Global Payments division, operated through Olympia Trust, provides corporations and private clients a personalized service for buying and selling foreign currencies. The Corporate and Shareholder Services division, operated through Olympia Trust, provides transfer agency and corporate trust services to public and private issuers across Canada. The Exempt Edge division, operated through EEI, focuses on the provision of information technology to exempt market dealers, registrants and issuers. The Corporate division is a cost centre and earns incidental revenue.

Equipment and other

Equipment and other is measured and accounted for at cost less accumulated depreciation. Additions and subsequent expenditures are capitalized only in the event that they enhance the future economic benefits to be derived from the assets.

Depreciation is provided on the depreciable amount of equipment and other on a straight-line basis over the estimated useful economic life of each asset. The depreciable amount is the gross carrying amount less the estimated residual value at the end of its useful economic life.

The annual depreciation rates and methods are as follows:

• Furniture and fixtures	Straight line over 5 years
• Leasehold improvements	Straight line over the lease term
• Computer equipment	Straight line over 3 years
• FX ATM equipment	Straight line over 5 years

Depreciation rates, methods and residual values used to calculate depreciation of items of equipment and other are kept under review for any change in circumstances. The principal factors Olympia takes into account when deciding on rates and methods of depreciation are the pattern of usage for each asset, the lease term, the expected rate of developments in technology, and expected market requirements.

When reviewing residual values, Olympia estimates the amount that it would currently obtain for the disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful economic life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statements of net earnings and comprehensive income. Assets are derecognized on disposal or when no future economic benefits are expected from their use.

Intangible assets

Intangible assets consist primarily of internally developed software, purchased computer software, and trademark agreements.

Internally developed software is stated at cost, less accumulated amortization and impairment, if any. The identifiable and directly associated external and internal costs of acquiring and developing software are capitalized where the software is controlled by Olympia and where it is probable that future economic benefits will flow from its use over more than one year.

The cost of purchase of computer software that is separable from an item of related hardware is capitalized separately.

Trademark agreements are recognized at fair value at the acquisition date. These agreements have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected term of the agreement.

Impairments are recorded if the carrying amount of an asset exceeds the recoverable amount.

The annual amortization rates and methods are as follows:

• Purchased computer software	Straight line over 3 to 5 years
• Internally developed software	Straight line over 3 to 7 years
• Trademarks	Straight line over the term of the agreements

Research costs and costs associated with maintaining software are recognized as an expense when incurred. Development costs are capitalized under intangible assets if they can be identified as an intangible asset that is expected to generate probable future economic benefit and if the costs of this asset can be reliably calculated. Development costs include those costs directly attributable to the development of the asset.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal, or value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Olympia assesses all non-financial assets on an ongoing basis for indications of impairment and to determine whether a previously recognized impairment loss should be reversed. If such indicators are found to exist, then detailed impairment testing is carried out. Impairments and the reversal of previously recognized impairments are recognized in the statement of net earnings and comprehensive income.

Inventory

Inventory consists primarily of foreign exchange ATMs not in service. Inventory is measured at the lower of cost and net realizable value. The cost of inventory is based on the first-in first-out valuation method and includes expenditures incurred in acquiring the inventory, as well as other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Financial instruments

Olympia's financial instruments included in the consolidated balance sheets are comprised of cash and cash equivalents, restricted cash and investments, trade and other receivables, promissory note receivable, derivative financial instruments, trade and other payables, revolving credit facility and other liabilities and charges.

A derivative is a financial instrument whose value changes in response to a specified variable, requires little or no net investment and is settled at a future date. An embedded derivative is a derivative that is a part of a non-derivative contract and not directly related to that contract. Under this standard, embedded derivatives must be accounted for as a separate financial instrument. A non-financial derivative is a contract that can be settled net in cash or by other financial instruments. Olympia does not apply hedge accounting to the derivative financial instruments.

Non-derivative financial instruments include cash and cash equivalents, restricted cash and investments, restricted cash in circulation, trade and other receivables, promissory note receivable, revolving credit facility, trade and other payables, and other liabilities and charges. Non-derivative financial instruments are recognized initially at fair value plus any directly attributable transaction costs, except for financial assets at fair value through profit or loss, whereby any directly attributable transaction costs are expensed as incurred.

Subsequent to initial recognition, non-derivative financial instruments are designated into one of the following categories and measured as described below:

(i) Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss are financial assets or financial liabilities held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. A financial liability is classified in this category if acquired principally for the purpose of repurchasing in the short term. Olympia's derivative financial instruments are designated as financial assets and liabilities at fair value through profit and loss as they are not designated as hedges for accounting purposes.

(ii) Financial assets measured at amortized cost

Financial assets measured at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets measured at amortized cost are initially recognized at fair value, including direct and incremental transaction costs. They are subsequently valued at amortized cost, using the effective interest method where applicable, less allowances and write-downs for impairment. Assets in this category include restricted cash and investments, trade and other receivables, and promissory note receivable.

(iii) Other financial liabilities

Items classified as other financial liabilities on Olympia's consolidated financial statements are accounted for at amortized cost using the effective interest method. Any gains or losses in the realization of other financial liabilities are included in earnings. Olympia's trade and other payables, other liabilities and charges and revolving credit facility are designated as other financial liabilities. The fair value and charges approximate their carrying values, due to the short-term nature of these instruments.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, non-restricted cash in circulation, interest on term deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less. Non-restricted cash in circulation refers to the aggregate amount of non-restricted vault cash (cash in FX ATM cassettes) plus cash inventory (cash in transit from armoured car carriers). Cash and cash equivalents are measured at amortized cost, which approximates fair value. Cash and cash equivalents are reported separately from restricted cash and investments.

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date on which Olympia commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the statement of net earnings and comprehensive income. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and Olympia has substantially transferred all risks and rewards of ownership. Financial assets at fair value through profit or loss and financial assets at amortized cost are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of net earnings and comprehensive income within the period in which they arise.

Impairment of financial assets

Assets carried at amortized cost

At each balance sheet date, Olympia assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For practical reasons, Olympia may measure impairment of an instrument's fair value using an observable market price. Calculation of the present value of estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure, less cost for obtaining and selling the collateral, whether or not foreclosure is probable.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the value of a customer's asset being assessed as close to nil.

Evidence of impairment

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognized in the statement of net earnings and comprehensive income. If a loan or investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For practical reasons, Olympia may measure impairment on the basis of an instrument's fair value, using an observable market price.

Offsetting financial instrument

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Foreign currency exchange forward contracts

Olympia Trust purchases forward contracts when it enters into a transaction to buy or sell foreign currency in the future. These contracts are in the normal course of business and are used to manage foreign exchange exposures. Foreign exchange forward contracts are not designated as hedges for accounting purposes. They are initially recorded at fair value based on Bank of Canada published rates and subsequently measured at fair value based on published foreign currency curves. They are recorded on Olympia's balance sheet as either an asset or liability, with changes in fair value recorded to net earnings. The estimated fair value of all derivative instruments is based on quoted market prices, or, in their absence, third-party indications and forecasts. Foreign exchange translation gains and losses on these instruments are recognized within the consolidated statements of net earnings and comprehensive income when the contract is signed.

Revenue recognition

Olympia has six operating segments, of which five are business segments. Revenue is recognized through these five business segments. The revenue of each business segment is distinctly unique to that segment. Each business segment in return has revenue streams that originate from different product and service offerings. Olympia earns interest income and trust income from funds held with financial institutions and from term deposits and balances held in trust. Interest income and trust income is recorded on an accrual basis.

(A) Registered Plans division

(i) Account set-up fees

Client set-up fees are recognized upon creation of a client account in Olympia Trust's records.

(ii) Annual administration fees

Annual fees for maintaining registered plan services are billed once a year. The annual fees are recognized as deferred revenue and recognized as revenue on a straight-line basis in relation to Olympia Trust's expenditure for rendering these services. Where contractual services are terminated by the customer, the unearned deferred revenue is recognized as revenue.

(iii) Transactional fees

Certain services are provided and billed on an ongoing basis. Such fees are recognized when services are rendered.

(B) Private Health Services Plan division

(i) Travel medical benefit insurance brokerage fees

Commissions earned on the selling of short-term medical insurance are recognized in full, on the basis that no underwriting risks remain with OBI.

(ii) Monthly fees

Certain services are provided and billed on an ongoing monthly basis. Such fees are recognized monthly at the time of billing, subsequent to the completion of services.

(iii) Life insurance brokerage fees

Commissions earned on the selling of long-term insurance related products are recognized in full, on the basis that no underwriting risks remain with OBI.

(iv) Annual health spending account fees ("HSA fees")

Fees for maintaining health spending accounts are billed annually. The annual fees are recognized as deferred revenue and recognized as revenue on a straight-line basis in relation to OBI rendering these services. Where contractual services are terminated by the customer, the unearned deferred revenue is recognized as revenue.

C) Currency and Global Payments division

(i) Trading profits and losses

Trading profits and losses from spot trading are recognized at the time the trade transaction settles. Transaction fees from spot trading are recognized at the time the transaction is entered into.

(ii) Unrealized profits and losses

Unrealized profits and losses in foreign exchange forward contracts are recognized on a net basis at each period end, are measured at fair value and are recorded in the consolidated statement of net earnings and comprehensive income as other gains, net.

(D) Exempt Edge division

(i) Onboarding fees

Client set-up fees are recognized upon creation of a client account in EEI's records.

(ii) Non-contractual service maintenance fee

Certain services are provided and billed on an ongoing basis. Such fees are recognized at the time services are rendered.

(E) Corporate and Shareholder Services division

(i) Annual administrative fees

Certain services are invoiced on an annual basis. Such fees are levied once a year on the contract anniversary date. The annual fees are recognized as deferred revenue and recognized as revenue on a straight-line basis in relation to service terms performed by Olympia Trust. Where contractual services are terminated, the unearned deferred revenue is recognized as revenue.

(ii) Monthly program fees

Certain services are invoiced on a monthly basis over a one-year period. These fees are recognized monthly.

(iii) Monthly basic fees

Certain services are provided and billed on an ongoing monthly basis. Such fees are recognized monthly at the time of billing.

Finance costs

Finance costs comprise interest expense on borrowings from credit facilities and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. When Olympia repurchases its own common shares, share capital is reduced by the average carrying value of the shares purchased. The excess of the purchase price over the average carrying value is recognized as a deduction from retained earnings. Shares are cancelled upon repurchase.

Restricted cash and investments

Restricted cash and investments are not readily accessible for use in operations and are reported separately from cash and cash equivalents on the balance sheet. Restricted cash and investments consist of cash held by financial institutions as collateral for the performance of Olympia Trust's foreign exchange trading platform obligations.

Provisions and contingencies

Provisions are recognized for present obligations arising as a consequence of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation and it can be reliably estimated. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are disclosed, unless they are remote.

Employee benefits

(i) Short-term employee benefits

Wages, salaries, employment insurance premiums, Canada Pension Plan contributions, paid annual leave and sick leave, bonuses, profit sharing and non-monetary benefits are accrued for pursuant to contractual arrangements and in accordance with the nature of the constructive benefits Olympia provides in addition to remuneration upon an employee joining or in the year in which the associated services are rendered by employees of Olympia. The accruals of such constructive benefits are derecognized pursuant to the contractual arrangements and in accordance with the nature of constructive benefits when employee services terminate or as provided for in employee contracts.

(ii) Other long-term employee benefits

All employees are entitled to long-term service monetary awards based on the number of years of service with Olympia. Olympia recognizes long service award obligations on a straight-line basis in accordance with the number of completed years of service and in accordance with the qualifying criteria attached to having earned these awards. The award expense is therefore accrued and recognized in profit or loss based on completed years of service.

Taxation

(i) Taxation and deferred taxation

Taxes, including deferred taxes, are income tax payable on taxable profits (tax reporting), and are recognized as an expense in the period in which the profits arise. Deferred income tax on tax allowable losses is recognized as an asset only to the extent that it is regarded as probable that taxable profit or tax planning opportunities will be available in the future against which the unused tax losses can be utilized before they expire. Deferred income tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date that is expected to apply when the deferred tax asset is realized or the deferred tax liability is settled. Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(ii) Investment tax credits and government grants

Certain expenditures qualify for Investment Tax Credits (“ITCs”) pursuant to the Scientific Research and Experimental Development program, which is a federal tax incentive program to encourage Canadian businesses of all sizes and in all sectors to conduct research and development in Canada that will lead to new, improved, or technologically advanced products or processes. Based on this, Olympia could be entitled to ITCs on certain research and experimental development costs incurred, which currently consist of internally generated software.

Refundable cash credits stemming from the ITCs are in respect of credits recognized in prior years when there is reasonable assurance of their recovery using the cost reduction method. ITCs are subject to assessment and approval by the CRA. Adjustments required, if any, are reflected in the year when such assessments are received. Investment tax credits and other cost recoveries related to computer and equipment and intangible assets are credited against the book value of such assets. The credit is released to income on a straight-line basis as a reduction of depreciation or amortization over the previously mentioned estimated useful economic lives of the relevant assets.

Government grants, such as the Canadian Emergency Wage Subsidy (“CEWS”), are recognized at their fair value as a deduction from the same line items where the incurred remuneration expense is recognized.

Leases

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 against both the liability and finance costs. The finance cost are 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 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 an adjustment 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, and will make 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.

Related parties

Olympia enters into transactions with related parties, including key management compensation, in the normal course of business, except as otherwise noted in Note 32. Related party transactions are recognized at the exchange amount. Olympia considers the following as related parties:

- Directors, President, vice presidents and key management personnel (and post-employment benefit plans where applicable);
- Associated entities;
- An entity controlled, jointly controlled or significantly being influenced by any of the aforementioned; and
- Children, spouses or dependents related to any of the aforementioned persons or entities.

Earnings per share ("EPS")

The calculation of basic earnings per share is based on net earnings attributable to shareholders of Olympia divided by the weighted average number of common shares outstanding during the period. For the calculation of diluted EPS, the weighted average number of common shares is the same as for basic EPS, with the addition of the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares. Dilutive potential common shares are deemed to have been converted at the start of the period or at the date of their issue, if later. The number of common shares that would be issued on conversion of dilutive potential common shares is determined from their terms of conversion. Where the terms could vary, it is deemed that they would be exercised at the rate or exercise price that would be most advantageous to the holder of such potentially dilutive common shares.

Dividends

Dividends on common shares are recognized in equity in the period in which they are declared or approved by Olympia's Board of Directors.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

4. FUTURE ACCOUNTING PRONOUNCEMENTS

There were no significant new or amended standards issued during the year ended December 31, 2020, that are applicable to Olympia in future periods.

The International Accounting Standards Board ("IASB") published Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, and IFRS 7). These amendments addresses issues that may affect financial reporting in instances where an existing interest rate benchmark is replaced with an alternative benchmark interest rate. These amendments include a practical expedient to gain or loss for a change in benchmark as a result of these reforms.

These amendments are effective for annual periods beginning on or after January 1, 2021, and would be applicable to the portion of Olympia's bank credit facility that is based on the Canadian Dollar Offered Rate ("CDOR"). Olympia does not anticipate any impact on the consolidated financial statements as a result of the amendment.

5. PROMISSORY NOTE RECEIVABLE

On June 5, 2018, Olympia announced the sale to Tarman ATM Inc. ("Tarman") of the ATM business operated by Olympia ATM Inc., as a going concern, for an amount equal to the then current net book value of all assets used in the ATM business less all assumed liabilities; an amount estimated to be $1.4 million.

The sale of the ATM business to Tarman, a corporation owned and controlled by Rick Skauge, was a related party transaction, as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, but was exempted from Olympia obtaining disinterested shareholder approval and a formal valuation as the fair market value of the proposed transaction was less than 25% of Olympia's market capitalization.

An ad hoc committee composed solely of the independent members of Olympia's Board of Directors was constituted to consider and approve the sale of the ATM business to Tarman. As part of its deliberations, the ad hoc committee of the Board of Directors noted the continuing losses of approximately $120,000 per month in the ATM business and acknowledged that while the ATM business still had the potential to grow and expand, it was unlikely to become profitable in the near future. Given the immediate financial benefits that the sale of the ATM business would have for Olympia and the uncertain timelines to profitability, the ad hoc committee believed the sale of the ATM business to be in the best interest of Olympia. The ad hoc committee of the Board of Directors obtained a fairness comfort letter stating that the proposed transaction was fair to the disinterested shareholders of Olympia. In addition, following the public disclosure of the transaction, Olympia received an unsolicited expression of interest in the ATM business from a third party. Olympia permitted the third party to conduct a due diligence review and valuation of the ATM business and received an offer to purchase the ATM business from the third party that was economically comparable to the offer made by Tarman.

In conjunction with the sale of substantially all the assets of Olympia ATM Inc. to a related party 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. The outstanding principal amount of the promissory note bears interest at prime plus 0.25%. Subject to Canadian Western Bank's ("CWB") consent (as discussed below), 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 and, 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 December 31, 2020, the first installment of $140,000 has been repaid, together with all accrued interest.

In connection with the financing of the vault cash used by Tarman, Olympia agreed to postpone to CWB the receipt of all amounts owed to it by Tarman and is required to obtain CWB's consent prior to accepting any amounts from Tarman. Olympia has obtained the required consent. Olympia also agreed to subordinate to CWB all interests granted to Olympia by Tarman.

Included in the $1.26 million promissory note receivable is the current portion of $140,000 as at December 31, 2020.

6. FUNDS IN TRUST

Registered Plans division ("RRSP")

At December 31, 2020, RRSP administered self-directed registered plans consisting of private company securities and mortgages with a cost value of $4.51 billion (December 31, 2019 – $4.38 billion) plus cash, public securities, term deposits, and outstanding cheques with an estimated fair value of $649.94 million (December 31, 2019 – $599.17 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 consolidated financial statements. Olympia earned trust income from the cash portion of the assets held in trust of $11.68 million for the year ended December 31, 2020 (December 31, 2019 – $12.16 million).

Private Health Services Plan division ("Health")

At December 31, 2020, Health held funds in trust of $12.1 million (December 31, 2019 – $11.46 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 consolidated financial statements.

Currency and Global Payments division ("CGP")

At December 31, 2020, CGP held funds in trust of $4.01 million (December 31, 2019 – $3.69 million) for clients who have paid margin requirements on forward foreign exchange contracts, and $15.43 million (December 31, 2019 – $12.04 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 consolidated financial statements.

Corporate and Shareholder Services division ("CSS")

At December 31, 2020, CSS held funds in trust and outstanding cheques of $1.05 billion (December 31, 2019 – $15.23 million) for clients who have hired Olympia Trust to provide trustee services. This includes approximately $155.58 million of treasury bills and public securities held in trust. These assets are the property of the trust clients and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these consolidated financial statements.

7. 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 credit facility is available to finance day-to-day operations to a maximum principal amount of $15 million (December 31, 2019 – $15 million) and bears interest at the Canadian prime rate plus 0.25%. As at December 31, 2020, a balance of $4.95 million is outstanding (December 31, 2019 – $6.66 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 December 31, 2020	Current	31 to 60 days	61 to 90 days	Over 90 days	Total
Trade and other payables	$ 910,184	$ -	$ 86,830	$ 2,390	$ 999,404
Other liabilities and charges	1,962,561	-	-	-	1,962,561
Lease liabilities (current)	82,918	82,918	82,918	674,644	923,398
Current income tax liability	-	450,799	-	-	450,799
Total	**$ 2,955,663**	**$ 533,717**	**$ 169,748**	**$ 677,034**	**$ 4,336,162**
At December 31, 2019					
Trade and other payables	$ 1,388,733	$ 67,433	$ -	$ -	$ 1,456,166
Other liabilities and charges	1,732,886	-	-	-	1,732,886
Lease liabilities (current)	82,918	82,918	82,918	746,259	995,013
Current income tax liability	-	176,795	-	-	176,795
Total	**$ 3,204,537**	$ 327,146	**$ 82,918**	$ 746,259	**$ 4,360,860**

As at December 31, 2020, trade and other payables totaled $1.00 million (December 31, 2019 – $1.46 million). Olympia continues to meet all of the obligations associated with its financial liabilities.

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

	December 31, 2020	December 31, 2019
Current	$ 92,671	$ 7,766
31 to 60 days	130,419	32,175
61 to 90 days	369,692	11,733
Over 90 days	1,208,880	605,585
	$ 1,801,662	$ 657,259
Non-current (1–3 years)	$ -	$ 887,020

(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 CGP 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 Olympia's own cash ($15.94 million) and the cash portion of the off-balance sheet arrangements ($570.33 million), from which Olympia Trust earns trust income, are held in interest bearing instruments that fluctuate in response to changes in market interest rates.

If the interest rates were to have increased by 1%, it is estimated that Olympia's after-tax earnings for the twelve months ended December 31, 2020, would have increased by approximately $4.46 million (December 31, 2019 – $4.14 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. Given the changing circumstances surrounding the COVID-19 pandemic and the related response from governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with counterparties as compared to prior periods.

Olympia continues to monitor and assess the impact of COVID-19 and the emergency measures enacted to contain the spread of the virus and mitigate its economic effects. As such, it is not possible to accurately determine the impact that the COVID-19 pandemic will have on Olympia's credit risk or results of operations in future periods. Before material transactions begin with a new counterparty, the counterparty's creditworthiness is assessed by the CGP 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 creditworthiness.

- 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 December 31, 2020, impaired trade receivables net of allowances are $2.29 million (December 31, 2019 – $2.83 million). The aging of trade and other receivables is as follows:

	December 31, 2020	December 31, 2019
Current	$ 144,790	$ 247.890
31 to 60 days	258,700	19,093
61 to 90 days	120,052	7,337
Over 90 days	3,537,411	3,813,030
Allowance for doubtful accounts	(1,251,705)	(981,584)
	$ 2,809,248	$ 3,105,766

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:

	2020	2019
At January 1	$ 981,584	$ 571,363
Increase in provision	717,640	478,930
Receivables written off	(447,519)	(68,709)
Allowance for doubtful accounts as at December 31	$ 1,251,705	$ 981,584

Included within receivables is the current portion of a lease receivable of $0.05 million recognized based on the present value of sublet property, as required by IFRS 16.

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

The provision for impaired receivables has been included in administrative expenses in the 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

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

- less than 90 days: nominal;
- more than 90 days but less than two years past due: $464,098 (20%);
- more than two years but less than three years past due: $424,880 (65%); and
- three or more years past due: $372,706 (100%).

Derivative financial instruments receivable

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

		December 31, 2020		December 31, 2019
Current	$	354,936	$	11,005
31 to 60 days		679,283		55,658
61 to 90 days		897,144		19,742
Over 90 days		1,408,888		2,090,615
	$	3,340,251	$	2,177,020
Non-current (1–3 years)	$	-	$	1,840,389

(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, or repurchase shares.

Olympia includes shareholders' equity of $18.90 million (December 31, 2019 – $17.93 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) and Saskatchewan ($5 million). Regulatory capital is defined as share capital and retained earnings. Olympia Trust has maintained these minimum capital requirements throughout the twelve month period ended December 31, 2020; 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 year ended December 31, 2020.

The capital structure of Olympia is managed and adjusted to reflect changes in economic conditions. 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. Olympia's capital management objectives have remained substantively unchanged over the periods presented.

8. 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:

		2020		2019
Balance at January 1	$	1,945,352	$	2,801,728
Non-cash interest		87,947		138,637
Lease repayment		(995,013)		(995,013)
Balance as at December 31, 2020	$	1,038,286	$	1,945,352

The current portion as at December 31, 2020, is $0.89 million (December 31, 2019 – $0.91 million), with the non-current portion being $0.15 million (December 31, 2019 – $1.04 million). Included under administrative expenses are interest expenses related to the lease liabilities in the amount of $0.09 million (December 31, 2019 – $0.14 million) for the year ended December 31, 2020.

9. 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 or 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 operating results 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.

Net operations for the year ended December 31, 2020

	Health	RRSP	CGP	EEI	CSS	Corporate	Total
Service revenue	$ 7,238,624	$18,087,310	$ 8,882,222	$ 996,931	$ 1,096,857	$ 62,237	$36,364,181
Interest revenue and trust income	171,569	11,938,203	71,473	507	46,289	27,935	12,255,976
Direct expenses	(1,481,869)	(64,260)	(1,143,990)	(93,996)	(88,292)	-	(2,872,407)
	5,928,324	29,961,253	7,809,705	903,442	1,054,854	90,172	45,747,750
Administrative expenses	(3,467,761)	(19,594,980)	(6,081,622)	(1,538,359)	(1,919,063)	(31,478)	(32,633,263)
Depreciation and amortization	(163,440)	(1,103,727)	(307,614)	(229,573)	(36,929)	-	(1,841,283)
Other (losses)/gains, net (note 25)	(1)	(980)	(919,327)	-	-	3,351	(916,957)
Earnings/(loss) before income taxes	2,297,122	9,261,566	501,142	(864,490)	(901,138)	62,045	10,356,247
Income taxes (expense)/recovery[1]	(552,883)	(2,036,449)	(110,192)	97,465	198,144	(86,116)	(2,490,031)
Net earnings/(loss)	$ 1,744,239	$ 7,225,117	$ 390,950	$ (767,025)	$ (702,994)	$ (24,071)	$ 7,866,216

Net operations for the year ended December 31, 2019

	Health	RRSP	CGP	EEI	CSS	Corporate	Total
Service revenue	$ 8,078,679	$18,784,070	$ 7,778,903	$ 731,397	$ 180,330	$ 26,747	$ 35,580,126
Interest revenue and trust income	335,144	12,812,347	253,361	1,016	2,872	98,108	13,502,848
Direct expenses	(1,708,096)	(51,189)	(1,376,199)	(50,672)	(3,178)	-	(3,189,334)
	6,705,727	31,545,228	6,656,065	681,741	180,024	124,855	45,893,640
Administrative expenses	(3,744,574)	(20,814,440)	(7,307,531)	(1,296,981)	(1,265,249)	(174,842)	(34,603,617)
Depreciation and amortization	(153,473)	(982,418)	(286,135)	(82,339)	(33,264)	(57)	(1,537,686)
Other (losses)/gains, net (note 25)	12,871	95,173	2,999,206	3,401	-	(5,910)	3,104,741
Earnings/(loss) before income taxes	2,820,551	9,843,543	2,061,605	(694,178)	(1,118,489)	(55,954)	12,857,078
Income taxes (expense)/recovery[1]	(748,490)	(2,627,174)	(541,962)	183,311	293,757	(90,539)	(3,531,097)
Net earnings/(loss)	$ 2,072,061	$ 7,216,369	$ 1,519,643	$ (510,867)	$ (824,732)	$ (146,493)	$ 9,325,981

[1]No income tax adjustment has been made regarding the elimination of intercompany transactions.

Service revenue for the year ended December 31, 2020

	HEALTH	RRSP	CGP	EEI	CSS	Corporate	Total
Account set-up and onboarding fees	$ -	$ 742,225	$ -	$ 189,016	$ 301,565	$ -	$ 1,232,806
Annual administration and health spending account fees	1,470,054	12,698,625	-	-	405,017	-	14,573,696
Monthly and transaction fees	5,223,709	4,580,443	191,228	806,407	390,275	-	11,192,062
Trading profits	-	-	8,593,747	-	-	-	8,593,747
Travel and life insurance brokerage fees	513,027	150	-	-	-	-	513,177
Other	31,834	65,867	97,247	1,508	-	62,237	258,693
Service revenue	$ 7,238,624	$18,087,310	$ 8,882,222	$ 996,931	$ 1,096,857	$ 62,237	$36,364,181

Revenue earned from one customer in the CGP division represents more than 10% of the CGP division's total revenue earned for the year ended December 31, 2020.

Service revenue for the year ended December 31, 2019

	Health	RRSP	CGP	EEI	CSS	Corporate	Total
Account set-up and onboarding fees	$ -	650,150	$ -	$ 227,493	$ 68,475	$ -	$ 946,118
Annual administration and health spending account fees	1,385,520	12,900,938	-	-	39,146	-	14,325,604
Monthly and transaction fees	6,085,253	5,152,122	263,211	506,321	72,709	-	12,079,616
Trading profits	-	-	7,568,004	-	-	-	7,568,004
Travel and life insurance brokerage fees	546,827	225	-	-	-	-	547,052
Other	61,079	80,635	(52,312)	(2,417)	-	26,747	113,732
Service revenue	$ 8,078,679	$18,784,070	$ 7,778,903	$ 731,397	$ 180,330	$ 26,747	$35,580,126

Revenue earned from one customer in the CGP division represents more than 10% of the CGP division's total revenue earned for the year ended December 31, 2019.

10. RESTRICTED CASH AND INVESTMENTS

	December 31, 2020	December 31, 2019
Foreign exchange trading investments collateral provided	$ 1,000,000	$ 2,500,000
	$ 1,000,000	$ 2,500,000

Restricted cash and investments as at December 31, 2020, of $1.00 million (December 31, 2019 – $2.50 million), consist of cash held by financial institutions as collateral for the performance of Olympia Trust's 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 used a combination of its own cash reserves and its revolving credit facility to fund the increased collateral requirements.

11. 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.

	December 31, 2020	December 31, 2019
Cash at bank and on hand	$ 15,382,596	$ 13,080,249
Non-restricted cash in circulation	557,163	673,840
	$ 15,939,759	$ 13,754,089

12. REVOLVING CREDIT FACILITY

As at December 31, 2020, Olympia has drawn $4.95 million (December 31, 2019 – $6.66 million) on its established credit facility. On March 15, 2019, Olympia increased the credit facility amount from $8.5 million to $15 million. Amounts drawn in the current year have been used primarily to facilitate the additional trading collateral requirements for the CGP division and to finance the growth of the Exempt Edge division.

During the period ended December 31, 2020, the credit facility was amended to divide the facility between Olympia and Olympia Trust. The new agreements provide Olympia with a $9 million facility and Olympia Trust with a $6 million facility.

The credit facilities in place have a maximum amount of $15 million (December 31, 2019 – $15 million) and bear interest at the Canadian prime rate plus 0.25%. The credit facilities are subject to quarterly review.

The credit facilities are 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 facilities contains a number of affirmative covenants, including maintaining specific security, maintaining a specific financial ratio, and maintaining a total consolidated equity of $12 million. The financial ratio is a quarterly cash flow coverage ratio of not less than 1.50:1. At December 31, 2020, Olympia's cash flow coverage ratio under the terms of the credit facility was calculated to be 1.83:1 (December 31, 2019 – 1.99:1). Total equity as at December 31, 2020, was $18.90 million, compared to total equity of $17.93 million at December 31, 2019. Throughout 2019 and 2020, 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.

During 2016, Olympia Trust entered into a contingent credit facility to be used only by the CGP 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. During the year ended December 31, 2019, the agreement was replaced with a new demand credit facility with a US$6 million limit.

As at December 31, 2020, the balance attributable to Olympia Trust was nominal for the revolving credit facility and nil for the CGP's contingent credit facility.

	December 31, 2020	December 31, 2019
Available balance at January 1	$ 15,000,000	$ 15,000,000
Drawn*	(4,946,744)	(6,655,347)
Available at December 31	$ 10,053,256	$ 8,344,653

*Except for a nominal amount in Olympia Trust, the drawn balance is attributable to Olympia Financial Group Inc.'s revolving credit facility with Canadian Western Bank.

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Fair value as at December 31, 2020		Notional amount as at December 31, 2020		Fair value as at December 31, 2019		Notional amount as at December 31, 2019	
Current assets	$	3,340,251	$	111,386,251	$	2,177,020	$	63,680,730
Non-current assets (1-3 years)	$	-	$	-	$	1,840,389	$	78,426,150
Current liabilities	$	1,801,662	$	64,778,818	$	657,259	$	30,131,773
Non-current liabilities (1-3 years)	$	-	$	-	$	887,020	$	33,447,904

Olympia Trust has entered into foreign exchange contracts with its customers and currency suppliers. The expiry dates of the above derivatives vary between January 4, 2021, and December 3, 2021. Foreign exchange contracts with an expiration greater than one year remaining as at the reporting period, if any, would be 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, net" in the 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 December 31, 2020, Olympia has margins held in Canadian dollars of $4.01 million (December 31, 2019 – $3.69 million).

For the period ended December 31, 2020, 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 three levels of fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly

Level 3 – Inputs that are not based on observable market data

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

	December 31, 2020		Level 1		Level 2		Level 3	
Financial assets – derivative financial instruments	$	3,340,251	$	-	$	3,340,251	$	-
Financial liabilities – derivative financial instruments		(1,801,662)		-		(1,801,662)		-
	$	1,538,589	$	-	$	1,538,589	$	-

Recurring measurements

	December 31, 2019		Level 1		Level 2		Level 3	
Financial assets – derivative financial instruments	$	4,017,409	$	-	$	4,017,409	$	-
Financial liabilities – derivative financial instruments		(1,544,278)		-		(1,544,278)		-
	$	2,473,131	$	-	$	2,473,131	$	-

14. EQUIPMENT AND OTHER

December 31, 2020	Leasehold improvements	Computers and equipment	Furniture and fixtures	FX ATM equipment	Total
Cost					
At beginning of year	$ 3,031,703	$ 614,164	$ 970,527	$ 295,422	$ 4,911,816
Additions	14,869	149,325	15,556	7,090	186,840
Disposals	-	-	(2,000)	(14,500)	(16,500)
At end of year	**$ 3,046,572**	**$ 763,489**	**$ 984,083**	**$ 288,012**	**$ 5,082,156**
Accumulated depreciation					
At beginning of year	$ 2,519,657	$ 338,952	$ 788,269	$ 143,983	$ 3,790,861
Disposals	-	-	(835)	(10,745)	(11,580)
Depreciation charge for the year	221,300	156,659	67,064	58,229	503,252
At end of year	**$ 2,740,587**	**$ 495,611**	**$ 854,498**	**$ 191,467**	**$ 4,282,533**
Closing net book value	**$ 305,615**	**$ 267,878**	**$ 129,586**	**$ 96,545**	**$ 799,623**

December 31, 2019	Leasehold improvements	Computers and equipment	Furniture and fixtures	FX ATM equipment	Total
Cost					
At beginning of year	$ 3,226,243	$ 643,135	$ 1,110,517	$ 294,449	$ 5,274,344
Additions	61,905	200,548	91,887	973	355,313
Disposals	(256,445)	(229,519)	(231,877)	-	(717,841)
At end of year	**$ 3,031,703**	**$ 614,164**	**$ 970,527**	**$ 295,422**	**$ 4,911,816**
Accumulated depreciation					
At beginning of year	$ 2,567,485	$ 434,987	$ 947,377	$ 84,962	$ 4,034,811
Disposals	(256,445)	(216,989)	(231,613)	-	(705,047)
Depreciation charge for the year	208,617	120,954	72,505	59,021	461,097
At end of year	**$ 2,519,657**	**$ 338,952**	**$ 788,269**	**$ 143,983**	**$ 3,790,861**
Closing net book value	**$ 512,046**	**$ 275,212**	**$ 182,258**	**$ 151,439**	**$ 1,120,955**

15. INTANGIBLE ASSETS

December 31, 2020	Internally generated software	Computer software	ATM processing contracts	Other	Total
Cost					
At beginning of year	$ 2,373,033	$ 1,719,246	$ -	$ 27,305	$ 4,119,584
Additions	336,519	12,078	-	-	348,597
At end of year	**$ 2,709,552**	**$ 1,731,324**	**$ -**	**$ 27,305**	**$ 4,468,181**
Accumulated depreciation					
At beginning of year	$ 647,631	$ 697,753	$ -	$ 25,986	$ 1,371,370
Depreciation charge for the year	413,202	390,164	-	743	804,109
At end of year	**$ 1,060,833**	**$ 1,087,917**	**$ -**	**$ 26,729**	**$ 2,175,479**
Closing net book value	**$ 1,648,719**	**$ 643,407**	**$ -**	**$ 576**	**$ 2,292,702**

December 31, 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	279,454	503,165	-	-	782,619
Disposals	(16,740)	(431,442)	(943,968)	-	(1,392,150)
At end of year	**$ 2,373,033**	**$ 1,719,246**	**$ -**	**$ 27,305**	**$ 4,119,584**
Accumulated depreciation					
At beginning of year	$ 408,450	$ 851,575	$ 943,968	$ 16,860	$ 2,220,853
Amortization charge for the year	255,921	277,620	-	9,126	542,667
Disposals	(16,740)	(431,442)	(943,968)	-	(1,392,150)
At end of year	**$ 647,631**	**$ 697,753**	**$ -**	**$ 25,986**	**$ 1,371,370**
Closing net book value	**$ 1,725,402**	**$ 1,021,493**	**$ -**	**$ 1,319**	**$ 2,748,214**

Additions

The capital additions of $0.35 million relates to the continued development and enhancement of the various systems by the Exempt Edge division ($0.23 million) and the continued development of the Registered Plans division's mobile application ($0.12) million.

Exempt Edge's intangible assets were assessed for impairment on December 31, 2020. The recoverable amount of the assets was determined from value in use calculations. A discount rate of 4% was used for the present value of expected cash flows. The recoverable amount of the assets exceeded their carrying value, resulting in no impairment booked.

16. RIGHT-OF-USE ASSETS

	December 31, 2020	December 31, 2019
Balance at January 1	**1,073,064**	1,606,986
Depreciation	**(533,922)**	(533,922)
Balance at December 31	**539,142**	1,073,064

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

17. TRADE AND OTHER PAYABLES

	December 31, 2020	December 31, 2019
Trade payables	**$ 222,751**	$ 826,597
Agents and commissions payable	**325,658**	188,118
Amounts due to related parties	**125,795**	126,380
Government taxes and other payables	**325,200**	315,071
	$ 999,404	$ 1,456,166

18. DEFERRED REVENUE

	December 31, 2020	December 31, 2019
Annual health spending account fees	**$ 518,880**	$ 463,042
Annual registered plan services administration fees	**-**	950
Annual corporate & shareholder services retainer fees	**31,996**	22,663
	$ 550,876	$ 486,655

At December 31, 2020, deferred revenue totaled $0.55 million compared to $0.49 million as at December 31, 2019. This is comprised of annual fees that have been received by the Health division, the CSS division, and the RRSP division. The unearned portion of these annual fees is recognized as deferred revenue at the time of payment and revenue is recognized on a straight-line basis in relation to Olympia rendering these services.

19. OTHER LIABILITIES AND CHARGES

Other liabilities and charges (current)	December 31, 2020	December 31, 2019
Bonuses payable	$ 928,918	$ 925,422
Reimbursement fees	225,000	-
Medical benefits payable	124,436	124,436
Other	111,306	111,306
Vacation payable	122,391	89,236
General accruals	151,204	275,926
Scholarships and other	93,421	100,130
Professional fees accrual	125,348	63,930
Legal fees accrual	50,537	-
Severance	30,000	42,500
	$ 1,962,561	$ 1,732,886

20. SHARE CAPITAL AND CONTRIBUTED SURPLUS

	Number of common shares	Share capital	Contributed surplus	Total
At January 1, 2020	2,406,336	$ 7,886,989	$ 86,373	$ 7,973,362
Balance at December 31, 2020	**2,406,336**	**$ 7,886,989**	**$ 86,373**	**$ 7,973,362**
At January 1, 2019	2,406,352	$ 7,886,989	$ 86,373	$ 7,973,362
Shares repurchased and cancelled	(16)	-	-	-
Balance at December 31, 2019	**2,406,336**	**7,886,989**	**86,373**	**7,973,362**

Olympia is authorized to issue an unlimited number of common shares without nominal or par value. (December 31, 2019 – unlimited common shares). All issued shares are fully paid.

21. INCOME TAXES

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

	December 31, 2020	December 31, 2019
Bad debts provision and other	$ 523,312	$ 501,728
Non-capital losses	753,391	595,604
Carrying amount of equipment higher than the tax basis	(455,979)	(311,132)
	$ 820,724	$ 786,200

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 period ended December 31, 2020, was 24% (December 31, 2019 – 26.5%).

		December 31, 2020		December 31, 2019
Earnings from continuing operations before income tax	$	10,356,247	$	12,857,078
Anticipated income tax expense		2,491,500		3,407,126
Non-deductible expenses		18,478		60,027
Adjustment in respect of prior years		(90,942)		5,630
Other		-		12,064
Remeasurement of deferred tax – change in provincial tax rate		70,995		46,250
	$	2,490,031	$	3,531,097
Current tax expense	$	2,524,555	$	3,074,041
Deferred tax (recovery)/expense		(34,524)		457,056
Total	$	2,490,031	$	3,531,097

22. ADMINISTRATIVE EXPENSES

		December 31, 2020		December 31, 2019
Salaries, management fees & bonuses (note 33)*	$	18,183,366	$	18,765,694
General administration		7,582,768		8,555,070
Rent		1,061,293		1,106,153
Management compensation (note 32)		3,136,568		3,734,826
Employee benefit expense (note 24)		1,976,698		1,673,640
Bad debts		692,570		768,234
	$	32,633,263	$	34,603,617

*Included in salaries, management fees, and bonuses is $174,318 in subsidies relating to the CEWS (note 33).

23. DIRECT EXPENSES

		December 31, 2020		December 31, 2019
Commission expense	$	1,379,224	$	1,614,858
Health trailer commissions		983,383		1,217,517
Service costs paid		509,800		356,959
	$	2,872,407	$	3,189,334

24. EMPLOYEE BENEFITS

	December 31, 2020	December 31, 2019
Medical benefits	$ 886,914	$ 788,106
Parking and other benefits	600,991	507,707
Employee share ownership assistance scheme	339,516	278,626
Long-term service awards and education assistance	149,277	99,201
	$ 1,976,698	$ 1,673,640

25. OTHER LOSSES/(GAINS), NET

	December 31, 2020	December 31, 2019
Change in unrealized foreign exchange loss/(gain)	$ 934,542	$ (2,227,529)
(Gain) on disposal of assets and other	(17,585)	(39,680)
Insurance settlement	-	(837,532)
	$ 916,957	$ (3,104,741)

26. 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.

Year ended	December 31, 2020	December 31, 2019
Total net earnings	$ 7,987,916	$ 9,428,154
Weighted average number of shares (basic and diluted)	2,406,336	2,406,341
Basic and diluted earnings per share	$ 3.32	$ 3.92

27. DIVIDENDS PER SHARE

The aggregate dividends declared and paid for the year amounted to $6.64 million (December 31, 2019 – $6.50 million).

28a. CHANGES IN NON-CASH WORKING CAPITAL

	December 31, 2020		December 31, 2019	
Trade & other receivables	$	294,735	$	(761,393)
Current taxes payable		274,004		171,158
Prepaid expenses		(451,975)		(486,914)
Promissory note receivable		-		28,539
Inventory		7,090		(7,391)
Trade & other payables		(456,765)		114,275
Deferred revenue		64,221		86,836
Lease liability interest		87,947		138,637
Other liabilities & charges		229,675		486,914
	$	48,932	$	(229,339)

28b. NON-CASH INVESTING AND FINANCING ACTIVITIES

	December 31, 2020		December 31, 2019	
Lease receivable resulting from IFRS 16	$	-	$	141,208
Lease liability resulting from IFRS 16	$	-	$	282,106
	$	-	$	423,314

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	December 31, 2019		Cash flows		December 31, 2020	
Revolving credit facility	$	6,655,347	$	(1,708,603)	$	4,946,744
	$	6,655,347	$	(1,708,603)	$	4,946,744

30. COMMITMENTS

Olympia leases various offices under lease agreements. The initial lease terms are between twelve months and fifty months and the majority of lease agreements are renewable at market rates when the lease period ends. Future aggregate minimum lease payments under leases are listed in the table below:

	December 31, 2020	
2021	$	923,397
2022		147,932
	$	1,071,329

31. 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.

32. RELATED PARTY TRANSACTIONS

Olympia's President and CEO owns and controls 29.49% 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	December 31, 2020	December 31, 2019
Companies and businesses controlled by the President and CEO	$ 31,560	$ 34,330
	$ 31,560	$ 34,330

Service revenue from associated entities totaled $31,560 for the twelve months ended December 31, 2020 (December 31, 2019 – $34,330). 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, as well as sublease income of $24,000 from Exempt Experts Inc., a company controlled by the President and CEO.

Interest revenue	December 31, 2020	December 31, 2019
Companies and businesses controlled by the President and CEO	$ 40,294	$ 58,800
	$ 40,294	$ 58,800

Interest revenue from associated entities totaled $40,294 for the year ended December 31, 2020 (December 31, 2019 – $58,800), and consists of interest earned from the promissory note receivable.

Administrative expenses	December 31, 2020	December 31, 2019
Companies and businesses controlled by the President and CEO (management fee)	$ 3,136,568	$ 3,734,826
Olympia Charitable Foundation	76,070	68,155
Companies and businesses controlled by the President and CEO	7,560	38,379
	$ 3,220,198	$ 3,841,360

Administrative expenses paid to associated entities totaled $3.22 million for the year ended December 31, 2020 (December 31, 2019 – $3.84 million), and consisted of the following:

- The Olympia Charitable Foundation is funded by Olympia and the employees of Olympia. Olympia's matched donation totaled $76,070 for the year ended December 31, 2020 (December 31, 2019 – $68,155).
- 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 year ended December 31, 2020, this amounted to $3.14 million (December 31, 2019 – $3.73 million).
- Fees paid to Olympia ATM Ltd., a company owned and controlled by Olympia's President and CEO, of $7,560 relate to maintenance services provided for Olympia's foreign exchange ATMs.

Trade and other receivables include amounts receivable from related parties	**December 31, 2020**	December 31, 2019
Companies and businesses controlled by the President and CEO (current)	**$ 167,165**	$ 189,966
Companies and businesses controlled by the President and CEO (non-current)	**1,120,000**	1,260,000
	$ 1,287,165	$ 1,449,966

Receivables from associated entities totaled $1.29 million as at December 31, 2020 (December 31, 2019 – $1.45 million), and consisted mainly of the following:

- A receivable in the amount of $22,560 (December 31, 2019 – $34,421) from Tarman, a company controlled by Olympia's President and CEO, reflects legal services provided and cost recoveries relating to accounting and other administration services provided.
- A receivable in the amount of $4,605 (December 31, 2019 – $15,545) from Olympia ATM Ltd., a company controlled by the President and CEO of Olympia, for expense recoveries relating to accounting and other administrative services provided.
- On June 5, 2018, Olympia announced the sale to Tarman ATM Inc. ("Tarman") of the ATM business operated by Olympia ATM Inc., as a going concern, for an amount equal to the then current net book value of all assets used in the ATM business less all assumed liabilities; an amount estimated to be $1.4 million.
- The sale of the ATM business to Tarman, a corporation owned and controlled by the President and CEO, was a related party transaction, as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, but was exempted from Olympia obtaining disinterested shareholder approval and a formal valuation as the fair market value of the proposed transaction was less than 25% of Olympia's market capitalization.
- An ad hoc committee composed solely of the independent members of Olympia's Board of Directors was constituted to consider and approve the sale of the ATM business to Tarman. As part of its deliberations, the ad hoc committee of the Board of Directors noted the continuing losses of approximately $120,000 per month in the ATM business and acknowledged that while the ATM business still had the potential to grow and expand, it was unlikely to become profitable in the near future. Given the immediate financial benefits that the sale of the ATM business would have for Olympia and the uncertain timelines to profitability, the ad hoc committee believed the sale of the ATM business to be in the best interest of Olympia. The ad hoc committee of the Board of Directors obtained a fairness comfort letter stating that the proposed transaction was fair to the disinterested shareholders of Olympia. In addition, following the public disclosure of the transaction, Olympia received an unsolicited expression of interest in the ATM business from a third party. Olympia permitted the third party to conduct a due diligence review and valuation of the ATM business and received an offer to purchase the ATM business from the third party that was economically comparable to the offer made by Tarman.
- 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, which Olympia has obtained, 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 December 31, 2020, the first installment of $140,000 has been repaid, together with all accrued interest. The balance of the note is $1,260,000 as at December 31, 2020.

Olympia has assessed the expected credit loss as it relates to the promissory note and has determined it to be nominal.

Trade and other payables and provision for other liabilities and charges include amounts payable to related parties		**December 31, 2020**		December 31, 2019
Companies and businesses controlled by the President and CEO	**$**	**146,117**	$	151,939
Directors' fees		**86,830**		83,291
	$	**232,947**	$	235,230

Payables to associated entities totaled $232,947 as at December 31, 2020 (December 31, 2019 – $235,230), and consisted mainly of the following:

- A payable in the amount of $36,668 (December 31, 2019 – $39,994) 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 $2,297 (December 31, 2019 – $3,095) to Olympia ATM Ltd, a company controlled by the President and CEO of Olympia, for services provided to maintain foreign exchange ATMs.
- A management fee payable in the amount of $107,152 (December 31, 2019 – $108,850) 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 $86,830 (December 31, 2019 – $83,291).

These payables are all current.

Key management compensation

Compensation paid to key management is included in Note 22. Key management includes the Board of Directors and executive team members from OBI, Olympia Trust, Exempt Edge Inc., and Olympia. Olympia uses management and/or employment contracts as a means to incent certain executives to maximize the profitability of their applicable business units and the profitability of Olympia as a whole. The compensation paid or payable to key management is shown in the following table:

		December 31, 2020		December 31, 2019
Salaries, bonuses and profit sharing	**$**	**4,123,412**	$	5,322,684
Management fees		**3,136,568**		3,734,826
Directors' fees		**255,580**		285,001
Short-term employee benefits		**247,174**		250,978
	$	**7,762,734**	$	9,593,489

33. GOVERNMENT GRANTS AND SUBSIDIES

During the year ended December 31, 2020, Olympia Benefits Inc. received $174,318 from the Canada Emergency Wage Subsidy. This amount has been recorded in salaries, management fees and bonuses. As at December 31, 2020, there are no unfulfilled conditions or contingencies associated with the amounts recorded.

34. TRANSACTIONS WITH NON-CONTROLLING INTEREST

On November 26, 2020, Olympia acquired the remaining 20% minority interest in Exempt Edge Inc. from a private third-party for a cash purchase price of $250,000. Prior to the acquisition, Olympia held 80% of the issued and outstanding shares of Exempt Edge.

At the date of sale, the carrying amount of the non-controlling interest was ($330,908). This amount represents an opening balance of $209,208 (see December 31, 2019) and the non-controlling interests share of net losses from January 1, 2020, to November 26, 2020. Olympia recognized a decrease in non-controlling interest of $330,908 and a decrease in equity attributable to owners of Olympia of $580,908.

The effect on the equity attributable to owners of Olympia is summarized as follows:

		2020
Non-controlling interest at January 1, 2020	$	(209,208)
Current year loss attributable to non-controlling interest		(121,700)
Carrying amount of non-controlling interest acquired		(330,908)
Consideration paid to non-controlling interest		(250,000)
	$	(580,908)

There were no transactions with non-controlling interests during 2019.

35. COMPARATIVE FIGURES

Certain of the prior year figures have been reclassified where necessary to conform to the current year's consolidated financial statement presentation.

These include the presentation of administrative expenses (note 22), the non-cash or interest portion of lease liabilities, and separate presentation of the current and long-term portion of the promissory note receivable.

36. SUBSEQUENT EVENTS

a) New Lease Commitment

On January 4, 2021, Olympia signed a new lease agreement for the head office location. The lease includes several floors of the East Tower of Centennial Place, and the lease is effective until December 31, 2025.

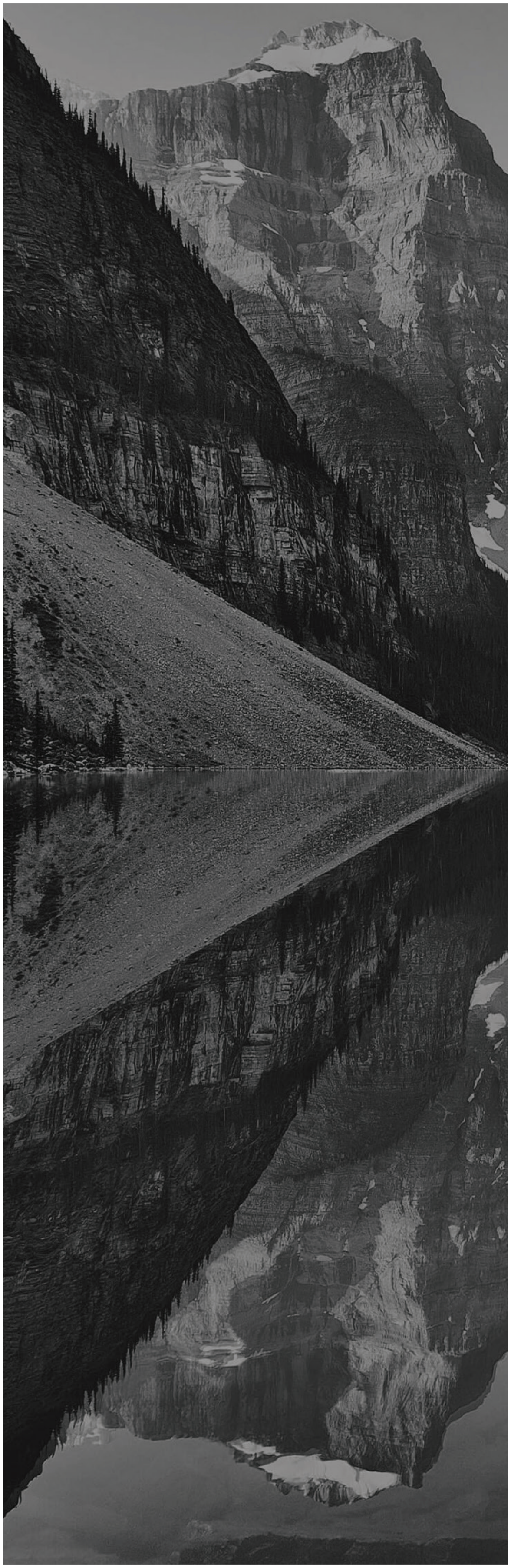
Olympia intends to begin operations in the new office throughout the first half of 2021.

The estimated financial impact of the lease agreement includes recognition of a lease liability and right-of-use asset for approximately $944,937. Included in the lease liability is the current portion of approximately $23,652 of interest. This amount is non-cash in nature, and minimum recurring lease payments will not begin until January 2023.

b) Amalgamation of Exempt Edge Inc. and Olympia Benefits Inc.

Subsequent to year-end, Exempt Edge Inc. and Olympia Benefits Inc. (both wholly-owned subsidiaries of Olympia Financial Group Inc.), announced an amalgamation, retaining the name Olympia Benefits Inc.

This change is not expected to have a material impact on the operations of the business. Each division associated with the newly amalgamated business will continue to be reported separately in the segmented financials.



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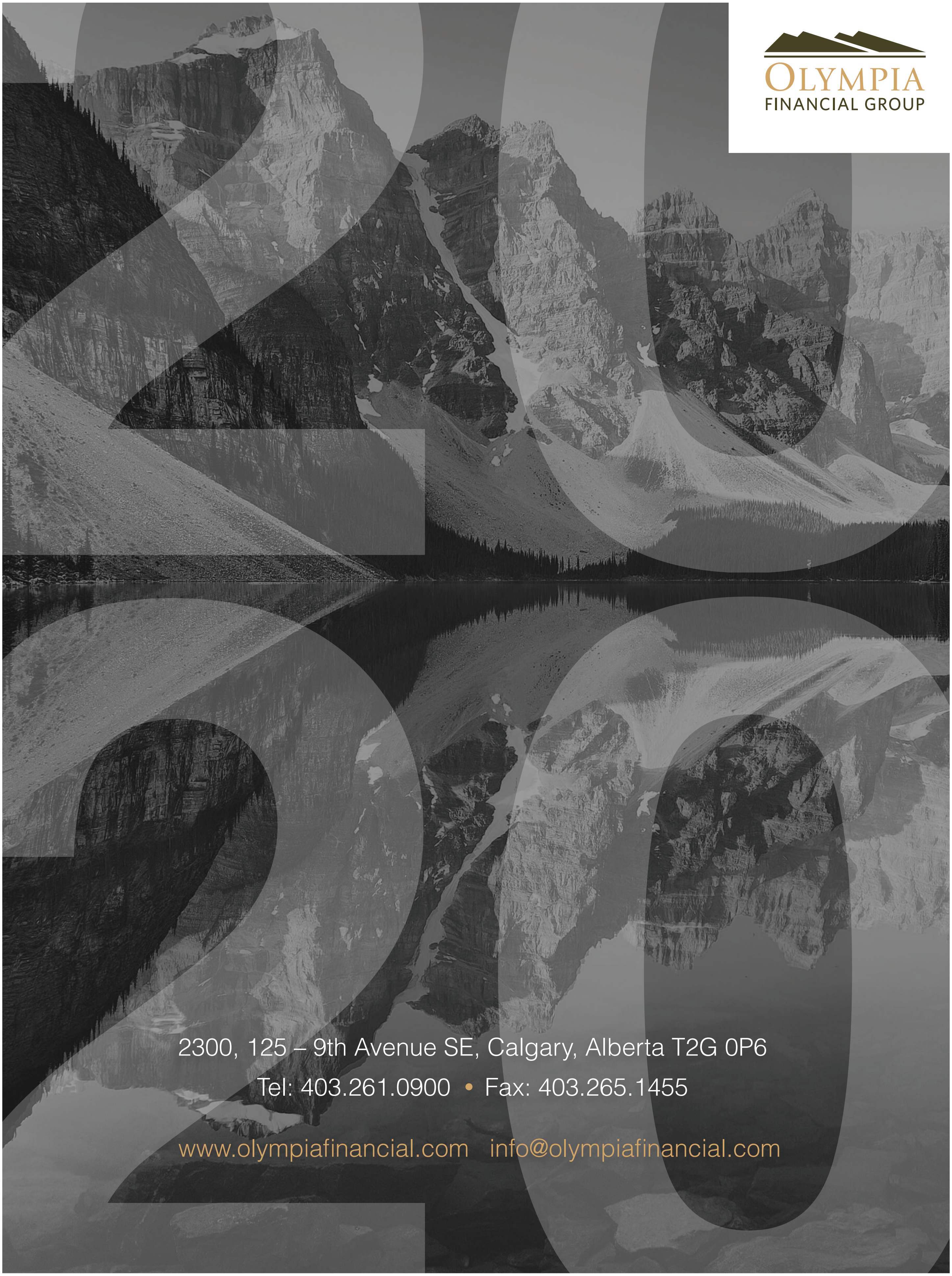

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