



**Summary
Consolidated**
Financial
Statements

Management Report

The preparation of the consolidated financial statements is the responsibility of management, and they have been approved by the Board of Directors. The summary consolidated financial statements are derived from those prepared in accordance with International Financial Reporting Standards (IFRS). They include certain amounts based on best estimates and judgments that are appropriate to the Company's circumstances.

Internal control systems are in place to ensure the accuracy of financial information and control of operations.

In accordance with the provisions of the Quebec *Insurers Act*, the Board of Directors names the Appointed Actuary, who is responsible for valuing actuarial liabilities in accordance with the standards of practice of the Canadian Institute of Actuaries.

The independent auditor, appointed by the mutualists of the Company, ensures that the consolidated financial statements have been prepared in accordance with IFRS.

The Board of Directors' Audit and Risk Management Committee, composed of independent directors, ensures that management discharges its responsibility for financial disclosure. This committee is fully empowered to obtain from management any information required to form its opinion.



Christian Mercier, OMM, MSM, CD, MDS
Chief Executive Officer

February 24, 2022

Appointed Actuary's Report

To the Mutualists of UV Insurance

I have evaluated the policy liabilities and reinsurance recoverables of UV Insurance for its consolidated statement of financial position as at December 31, 2021, and their changes in the consolidated statement of income for the year then ended in accordance with accepted actuarial practice in Canada, including selection of appropriate assumptions and methods.

In my opinion, the amount of policy liabilities net of reinsurance recoverables makes appropriate provision for all policy obligations. Furthermore, the consolidated financial statements fairly present the results of the valuation.

The valuation complied with the Quebec *Insurers Act* and the related regulations.



Pierre Parenteau, FSA, FCAS, FCIA, CERA
Senior Vice-President & Appointed Actuary

February 24, 2022

Report of the Independent Auditor

on the Summary Consolidated Financial Statements

To the Mutualists of The Union Life Mutual Assurance Company

Our opinion

In our opinion, the accompanying summary consolidated financial statements of The Union Life Mutual Assurance Company and its subsidiaries (together, the Company) are a fair summary of the audited consolidated financial statements on the basis described in note 1 to the summary consolidated financial statements.

The summary consolidated financial statements

The Company's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended December 31, 2021, comprise:

- ▶ the summary consolidated statement of financial position as at December 31, 2021;
- ▶ the summary consolidated statement of net income for the year then ended;
- ▶ the summary consolidated statement of comprehensive income for the year then ended; and
- ▶ the related note to the summary consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the consolidated financial statements in our report dated February 24, 2022.

Management's responsibility for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in note 1 to the summary consolidated financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers s.r.l./s.e.n.c.r.l.¹

February 24, 2022, Québec City, Québec

¹ CPA Auditor, CA, Public Accountancy Permit No. A124423

PricewaterhouseCoopers LLP

Place de la Cité, Tour Cominar, 2640 Laurier Blvd., Suite 1700, Québec City, Québec, Canada G1V 5C2

Summary Consolidated Financial Statements

Summary Consolidated Statement of Financial Position

As at December 31, 2021 (in thousands of Canadian dollars)

Assets

Invested assets

Bonds	1,552,192	1,599,311
Stocks	326,152	238,950
Private equity	36,947	18,437
Loans	16,513	16,749
Derivative financial instruments	4,002	2,611
Money market securities	7,699	6,949
Policy loans	8,349	7,838

2021 **2020**

\$ \$

1,951,854 **1,890,845**

Segregated fund assets

- **23,317**

Other assets

Cash	4,407	2,163
Accrued investment income	9,559	6,984
Accounts receivable and others	15,423	10,349
Current tax assets	-	2,705
Prepaid expenses	5,257	5,164
Property and equipment	18,837	19,814
Depreciable intangible assets	14,462	15,691
Deferred tax assets	8,969	7,127
Goodwill	348	348
Reinsurance assets	724,508	747,340

801,770 **817,685**

2,753,624 **2,731,847**

Liabilities

Insurance liabilities

Actuarial liabilities	2,433,979	2,399,470
Amount on deposit	5,595	7,121
Benefits payable	18,717	13,410
Unearned premiums and other contractual liabilities	1,019	430
Segregated fund liabilities	-	23,317

2,459,310 **2,443,748**

Other liabilities

Accounts payable and others	10,791	10,483
Defined benefit liabilities	10,195	18,472
Lease obligations	1,078	1,126
Current income tax liabilities	311	-
Deferred tax liabilities	2,318	2,490

24,693 **32,571**

2,484,003 **2,476,319**

Mutualists' equity

Retained earnings

267,071 254,326

Accumulated other comprehensive income

2,550 1,202

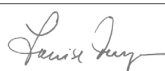
269,621 **255,528**

2,753,624 **2,731,847**

Approved by the Board,



Richard Fortier, Director



Louise Turgeon, Director

Summary Consolidated Statement of Net Income

For the year ended December 31, 2021 (in thousands of Canadian dollars)

Revenues

Gross insurance and annuity premiums
Ceded premiums, reinsurance
Net insurance and annuity premiums
Interest and other investment income
Change in fair value of investments
Investment income
Other

2021	2020
\$	\$
208,482	161,840
(38,110)	(37,539)
170,372	124,301
44,590	46,818
(8,750)	153,913
35,840	200,731
1,605	1,442
207,817	326,474

Expenses

Gross benefits to policyholders and beneficiaries
Ceded benefits, reinsurance
Net benefits to policyholders and beneficiaries
Gross commissions
Ceded commissions, reinsurance
Net commissions
Change in actuarial liabilities
Change in reinsurance assets
Premium and investment income taxes
General expenses
(Gains) losses on disposal of property, plant and equipment and write-off of goodwill
Participating policyholders' dividends

138,921	122,431
(32,539)	(28,173)
106,382	94,258
19,309	16,164
(2,425)	(3,153)
16,884	13,011
17,400	254,879
22,832	(79,526)
6,093	5,514
35,514	32,906
(157)	909
38	31
81,720	214,713
204,986	321,982
2,831	4,492
(2,503)	(856)
5,334	5,348

Income before income taxes

Income taxes

Net income

Summary Consolidated Statement of Comprehensive Income

For the year ended December 31, 2021 (in thousands of Canadian dollars)

Net income

Other comprehensive income

Items that may be reclassified subsequently to net income

Change in unrealized gains on available-for-sale securities,
after \$996 in taxes (\$1,697 in 2020)

Reclassification of realized gains to net income,
after (\$510) in taxes ((\$1,653) in 2020)

Items that will not be reclassified subsequently to net income

Actuarial gains (losses), after \$2,674 in taxes ((\$911) in 2020)

Comprehensive income

5,334	5,348
2,762	4,708
(1,414)	(4,582)
7,411	(2,527)
8,759	(2,401)
14,093	2,947

NOTE

1 - Criteria for preparing summary consolidated financial statements

The Union Life Mutual Assurance Company (the "Company") prepared consolidated financial statements as at December 31, 2021, in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The Company's Board of Directors authorized publication of the consolidated financial statements on February 24, 2022.

For inclusion in this annual report, the Company opted to draw up summary consolidated financial statements as at December 31, 2021. The summary consolidated financial statements are prepared pursuant to the following criteria:

- The consolidated statements of financial position, net income and comprehensive income are prepared using the same headings as the consolidated financial statements;
- The consolidated statements of cash flow and changes in mutualists' assets as well as the related notes are not presented.

A copy of the consolidated financial statements can be obtained by contacting the Company's head office.