

Summary Consolidated Financial Statements

Cooperative Principle

Autonomy and Independence

Cooperatives and mutuals are autonomous entities. They are self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from outside sources, they do so in a way that ensures that members exercise democratic control and maintain their autonomy.



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 Accounting Standards). 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 Accounting Standards.

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 27, 2024

Appointed Actuary's Report

To the Mutualists of UV Insurance

I have valued the policy liabilities and reinsurance recoverables of UV Insurance for its consolidated statement of financial position at December 31, 2023, 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 27, 2024

Independent Auditor's Report on the Summary Consolidated Financial Statements

Independent Auditor's Report 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 consistent, in all material respect, with the audited consolidated financial statements, on the basis described in the related note 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, 2023 comprise:

- ▶ the summary consolidated statement of financial position as at December 31, 2023;
- ▶ 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.

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 accounting standards). 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 27, 2024.

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 the related note to the summary consolidated financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respect, with 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

Québec, Quebec February 27, 2024

¹ CPA Auditor, Public Accountancy Permit No. A138082

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PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Summary Consolidated Financial Statements

Summary Consolidated Statement of Financial Position

As at December 31, 2023
(in thousands of Canadian dollars)

Assets

Investments

Bonds	1,316,356
Preferred stocks	191,930
Common stocks	31,822
Private equity	87,455
Loans	16,949
Derivative financial instruments	3,901

Reinsurance contract assets

Other assets

Cash and cash equivalents	6,949
Accrued investment income	11,888
Accounts receivable and others	825
Current tax assets	596
Prepaid expenses	1,848
Defined benefit assets	5,499
Property and equipment	16,622
Intangible fixed assets	10,686
Deferred tax assets	36,523
Goodwill	348

Liabilities

Insurance contract liabilities

Other liabilities

Accounts payable and others	13,623
Investment contract liabilities	173,054
Defined benefit liabilities	8,719
Lease obligations	640
Current income tax liabilities	2,257
Deferred tax liabilities	-

Mutualists' equity

Retained earnings

Accumulated other comprehensive income

	December 31 2023 \$	December 31 2022 (restated) \$	January 1 st 2022 (restated) \$
Investments			
Bonds	1,316,356	1,193,566	1,552,192
Preferred stocks	191,930	190,242	296,120
Common stocks	31,822	26,579	30,032
Private equity	87,455	66,226	36,947
Loans	16,949	16,272	16,513
Derivative financial instruments	3,901	1,419	4,002
	1,648,413	1,494,304	1,935,806
Reinsurance contract assets	565,994	520,580	663,815
Other assets			
Cash and cash equivalents	6,949	6,914	12,106
Accrued investment income	11,888	10,627	9,299
Accounts receivable and others	825	1,032	726
Current tax assets	596	253	-
Prepaid expenses	1,848	1,585	769
Defined benefit assets	5,499	4,839	-
Property and equipment	16,622	17,635	18,837
Intangible fixed assets	10,686	12,541	14,462
Deferred tax assets	36,523	34,630	15,109
Goodwill	348	348	348
	91,784	90,404	71,656
	2,306,191	2,105,288	2,671,277
Liabilities			
Insurance contract liabilities	1,881,640	1,720,483	2,254,956
Other liabilities			
Accounts payable and others	13,623	17,247	11,751
Investment contract liabilities	173,054	148,773	146,340
Defined benefit liabilities	8,719	8,069	10,195
Lease obligations	640	875	1,078
Current income tax liabilities	2,257	24	311
Deferred tax liabilities	-	17	128
	198,293	175,005	169,803
	2,079,933	1,895,488	2,424,759
Mutualists' equity			
Retained earnings	219,957	207,367	200,430
Accumulated other comprehensive income	6,301	2,433	46,088
	226,258	209,800	246,518
	2,306,191	2,105,288	2,671,277

Approved by the Board,

Alain Bédard

Alain Bédard, Chair

Marco Fillion

Marco Fillion, First Vice-Chair

Summary Consolidated Statement of Net Income

For the year ended December 31, 2023
(in thousands of Canadian dollars)

	2023	2022
	\$	(restated) \$
Insurance revenue	209,981	195,043
Insurance service expenses	(199,855)	(186,150)
Net expenses from reinsurance contracts	(7,292)	(8,975)
Insurance service result	2,834	(82)
Net investment income (loss)	147,204	(370,531)
Net finance income (expenses) from insurance contracts	(168,587)	517,951
Net finance income (expenses) from reinsurance contracts	49,882	(140,055)
Movement in investment contract liabilities and interest on deposits	(5,089)	(3,337)
Net financial result	23,410	4,028
Other income	2,247	2,189
Other operating expenses	(16,438)	(16,429)
Income (loss) before income taxes	12,053	(10,294)
Income tax expense (recovery)	521	(5,543)
Net income (loss)	11,532	(4,751)

Summary Consolidated Statement of Comprehensive Income (loss)

For the year ended December 31, 2023
(in thousands of Canadian dollars)

	2023	2022
	\$	(restated) \$
Net income (loss)	11,532	(4,751)
Other comprehensive income		
Items that may be reclassified subsequently to net income		
Revaluation of defined benefit plan assets and liabilities, net of \$163 in income taxes (\$3,057 in 2022)	(452)	8,479
Change in gains (losses) on securities designated at the FVOCI, net of tax net of income taxes of \$1,939 (\$14,582 in 2022)	5,378	(40,446)
Comprehensive income (loss)	16,458	(36,718)

Relate note

Criteria for preparing summary consolidated financial statements

The Union Life Mutual Assurance Company (the "Company") prepared consolidated financial statements as at December 31, 2023, in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS accounting standards). The Company's Board of Directors authorized publication of the consolidated financial statements on February 27, 2024.

For inclusion in this annual report, the Company opted to draw up summary consolidated financial statements as at December 31, 2023.

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 appended notes are not presented.

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

