



Summary Consolidated Financial statements

LS MUTUAL MANAGEMENT

Summary Consolidated Statement of Earnings

Year ended December 31, 2021 (in thousands of Canadian dollars)

	2021 \$	2020 \$
INCOME		
Premiums		
Gross premiums	167,232	143,000
Premiums ceded to reinsurers	(38,745)	(34,575)
Net premiums	128,487	108,425
Investment		
Investment income	13,197	13,959
Change in fair value of financial assets designated at fair value through profit or loss	(13,680)	(28,056)
Net investment income	(483)	42,015
Distribution revenues and other revenues	950	1,974
	128,954	152,414
EXPENSES		
Gross benefits	82,566	79,969
Benefits ceded to reinsurers	(22,936)	(19,915)
Change in policy reserves	8,471	73,182
Change in reinsurance assets	(16,525)	(30,141)
Gross commissions	30,547	23,219
Commissions ceded to reinsurers	(9,536)	(8,550)
Premium taxes	3,406	2,896
Experience refunds and participations	3,263	1,540
General expenses	39,539	36,059
	118,795	158,259
EARNINGS BEFORE INCOME TAXES	10,159	(5,845)
Income taxes	2,197	(1,619)
NET INCOME	7,962	(4,226)
Attributable to the policyholders	6,756	(3,586)
Attributable to the non-controlling interests	1,206	(640)
	7,962	(4,226)

Summary Consolidated Statement of Comprehensive Income

Year ended December 31, 2021 (in thousands of Canadian dollars)

	2021 \$	2020 \$
NET INCOME	7,962	(4,226)
Other comprehensive income		
Items that will be reclassified subsequently as net income		
Available for sale financial assets		
Unrealized gains and losses [net of income taxes of \$1,187 (\$427 in 2020)]	3,276	1,186
Reclassification as net income of realized gains and losses [net of income taxes of \$8 (\$32 in 2020)]	(24)	(89)
Cash flow hedges		
Unrealized gains and losses [net of income taxes of \$58 (\$61 in 2020)]	162	(168)
Reclassification as net income of realized gains and losses [net of income taxes of \$63 (\$7 in 2020)]	(174)	19
	3,240	948
Items that will not be reclassified subsequently as net income		
Employee benefits		
Remeasurement of net defined benefit liability [net of income taxes of \$1,521 (\$220 in 2020)]	4,219	609
	7,459	1,557
COMPREHENSIVE INCOME	15,421	(2,669)
Attributable to the policyholders	13,085	(2,265)
Attributable to the non-controlling interests	2,336	(404)
	15,421	(2,669)

Summary Consolidated Statement of Financial Position

Year ended December 31, 2021 (in thousands of Canadian dollars)

	2021 \$	2020 \$
ASSETS		
Investment		
Cash and cash equivalents	24,320	11,498
Money market	5,125	8,982
Bonds	316,419	342,604
Shares	63,762	53,587
Infrastructure funds	11,795	11,235
Real estate funds	15,578	13,076
Policy loans	1,481	1,519
	438,480	442,501
Other asset components		
Other assets	25,130	27,022
Reinsurance assets	268,594	251,018
Deferred tax assets	2,267	3,535
Property and equipment	8,081	8,891
Intangible assets	7,947	7,644
Goodwill	13,670	13,670
	325,689	311,780
Total assets	764,169	754,281

Summary Consolidated Statement of Financial Position

Year ended December 31, 2021 (in thousands of Canadian dollars)

	2021 \$	2020 \$
LIABILITIES		
Policy liabilities		
Policy reserves	603,365	612,231
Investment contract liabilities	369	506
Benefits payable	31,253	27,030
Deposits	6,583	3,520
Participations and experience refunds payable	1,004	1,189
	642,574	644,476
Other liability components		
Other liabilities	17,606	19,196
Debenture	4,962	4,957
Lease liabilities	496	586
Puttable financial instrument liabilities	-	1,956
	23,064	26,695
Total liabilities	665,638	671,171
EQUITY		
Members' equity	80,556	73,800
Non-controlling interests	17,375	15,039
Accumulated other comprehensive income	600	(5,729)
Total equity	98,531	83,110
Total liabilities and equity	764,169	754,281

On behalf of the Board,



Marc Peliel
Director



Jacques Martineau
Director

Summary Consolidated Statement of Changes in Equity

Year ended December 31, 2021 (in thousands of Canadian dollars)

2021	Members' equity \$	Non-controlling interests \$	Accumulated other comprehensive income \$	Total equity \$
Balance, beginning of year	73,800	15,039	(5,729)	83,110
Net income	6,756	1,206	-	7,962
Other comprehensive income	-	1,130	6,329	7,459
	6,756	2,336	6,329	15,421
Balance, end of year	80,556	17,375	600	98,531
2020	Members' equity \$	Non-controlling interests \$	Accumulated other comprehensive income \$	Total equity \$
Balance, beginning of year	77,386	18,817	(7,050)	89,153
Reclassification of non-controlling interests to puttable financial instrument liabilities	-	(3,374)	-	(3,374)
Balance, beginning of year, restated	77,386	15,443	(7,050)	85,779
Net income	(3,586)	(640)	-	(4,226)
Other comprehensive income	-	236	1,321	1,557
	(3,586)	(404)	1,321	(2,669)
Balance, end of year	73,800	15,039	(5,729)	83,110

Notes to Summary Consolidated Financial Statements

Year ended December 31, 2021 (in thousands of Canadian dollars)

1. CRITERIA FOR THE PREPARATION OF SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

LS Mutual Management (hereinafter the "Company") prepared consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements were approved and authorized for issue by the Board of Directors on February 22, 2022. The independent auditor expressed an unmodified opinion on these consolidated financial statements in the independent auditor's report dated February 22, 2022.

The Company elected to prepare summary consolidated financial statements using the following criteria:

- a) Presentation of one set of consolidated financial statements, except for the consolidated statement of cash flows and the notes to consolidated financial statements;
- b) Use of the same format in the summary consolidated financial statements as that used for the consolidated financial statements, except for the references to the notes;
- c) Exclusion of the notes to consolidated financial statements, unless their omission prevents users from obtaining a structured view of the Company's economic resources and obligations at a given time or of any changes during a period.

2. AVAILABILITY OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company audited consolidated financial statements can be viewed at the Company's head office by contacting Humania Assurance Inc.

Report of the independent auditors on the summary financial statements

To the Policyholders of LS Mutual Management

OPINION

The summary consolidated financial statements of LS Mutual Management (the "Entity"), which comprise:

- the summary consolidated financial position as at December 31, 2021;
- the summary consolidated statement of earnings for the year then ended;
- the summary consolidated statement of comprehensive income for the year then ended;
- the summary consolidated statement of changes in equity for the year then ended;
- and related notes to the consolidated financial statements;

are derived from the audited consolidated financial statements of LS Mutual Management as at and for the year ended December 31, 2021 (audited financial statements).

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the criteria disclosed in Note 1 in the summary financial statements.

SUMMARY FINANCIAL STATEMENTS

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

The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

Management is responsible for the preparation of the summary financial statements in accordance with the criteria disclosed in Note 1 in the summary financial statements.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards 810, Engagements to Report on Summary Financial Statements.



KPMG s.r.l./S.E.N.C.R.L., LLP
Montreal (Canada), February 22, 2022

FCPA auditor, public accountancy permit n° A110618