

2023 ANNUAL REPORT

A Human Experience Above All



A subsidiary of **LS Mutual Management**



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Our purpose

Humania Assurance is one of Canada's oldest and most established life and health insurance companies. For 150 years, our mutual company has been designing innovative and competitively-priced insurance solutions for hundreds of thousands of Canadians, with a streamlined and accessible process.



MISSION

Making insurance accessible



OUR PROMISE

A human experience above all!



VISION

Provide peace of mind to all through innovative solutions



VALUES

Collaboration • Innovation • Agility
Empathy • Integrity

Financial Results Overview

22.2%

Growth of insurance revenue

204%

Solvency ratio

\$6.2M

Net income

Overview 2023

The year 2023 was full of accomplishment, innovation and success. The entire Humania team can be proud of these achievements. Here is an overview of the year's highlights.

Responding effectively to market needs

Humania now offers brokers, who have an exclusive mandate with associations or professional orders, the opportunity to offer disability insurance to their members. With the Prohealth Income Insurance - Accident & Sickness product, policyholders can benefit from up to \$2,000 per month with no medical requirements.

Improved experience for medical and dental claims

We have modernized our claims platform, now called "My Humania." It ensures that policyholders have instant access to their health care coverage and guarantees a seamless experience for medical and dental claims. Through these enhancements, our platform not only strengthens Humania's favourable market position but also reflects our ongoing commitment to delivering human-centred solutions that meet our customers' needs.

A work environment focused on health and wellness

Once again, the Healthy Enterprise Group has awarded us the 2022-2023 Distinction Award in the Health and Psychological Wellness - Medium-Sized Business category. True to our promise of offering a human experience above all else, the well-being of our employees remains at the heart of our priorities, and we are grateful to be among those organizations that offer a distinctive working environment.

Employer of choice in Canada

Humania has been named one of Canada's Top 100 Small and Medium Sized Employers for the fifth year in a row. Our pioneering policies and initiatives in the field of health and wellness were instrumental in achieving this recognition. A spirit of innovation and agility is reflected in the daily actions of all our teams, and it's this strength that sets us apart as an employer of choice.

Recognized for our innovative human resources initiatives

Humania won the "2023 Innovative HR Team" award from Human Resources Director Canada. This award recognizes Canadian companies that have distinguished themselves through their human resources management over the past year. We are proud to affirm that our talents are at the heart of our success and that our innovative human resources initiatives are recognized and celebrated.



Team building Activity during the summer gathering at the Daniel A. Séguin Garden.





Involvement with SOCODEVI

The SOCODEVI benefit golf tournament was a success both in terms of pleasure and its contribution to projects that improve living conditions in various communities. The funds raised during this event will support development initiatives sponsored by SOCODEVI. Our participation as a partner allowed us to support the exceptional work of SOCODEVI teams, including the remarkable achievements in sustainability that they have made around the world.

Dedication to health insurance accessibility

Marie-Lou Flibotte, Senior Director, Communications and Marketing, headed to Africa to contribute to the PluriELLES project, a large-scale project involving Benin, Burkina Faso and Mali. She has provided her expertise and support to local teams, helping to foster the development of mutual health insurance companies. Several non-governmental organizations have come together to find practical, innovative solutions to improve access to health care coverage and promote women's financial empowerment. Coordinated by several organizations, the PluriELLES project will continue over the next few years. This involvement demonstrates our dedication to making health insurance accessible across borders.

Humania's culture, at the heart of our actions

Guiding each of our decisions, Humania's corporate culture is at the heart of our actions. For us, it is lived, promoted and shared by all members of the organization. We're extremely proud to present our very first Culture Book. It's the result of a collective effort to share and celebrate the exceptional culture that drives us. The contents of this book are a sincere and unvarnished reflection of our team members' contributions.

Celebrating our successes

We were delighted to welcome employees to our summer gathering at the Daniel A. Séguin Garden. We had the opportunity to celebrate our successes and spend quality time with colleagues. This day was definitely a source of happiness shared by all.



Marie-Lou Flibotte and Daphné Giroux-Marion from SOCODEVI in Benin for the PluriELLES project.

MRS JOANNE VÉZINA

Message from the Chair of the Board



Solidity and success

As Chairwoman of the Board of Humania Assurance, I am proud to note the scope of our achievements over the past year. Our financial performance reflects our commitment and ability to meet economic challenges while protecting our members.

Thanks to a disciplined approach and rigorous management, Humania Assurance has achieved excellent results, thus consolidating our position for the future. Our ability to listen, the trust of our customers and the expertise of our teams are essential pillars of this success.

Driven by innovation and operational excellence, we continue to position ourselves favourably in the market. We are determined to keep up this positive momentum and offer our customers ever more innovative solutions tailored to their ever-changing needs.

Management change

In December 2023, Nicolas Moskiou was appointed interim President and CEO. Previously, he held the position of Executive Vice-President, Products, Innovation and Partnerships.

Mr. Moskiou has many years' experience in the insurance industry. His engaging leadership and inspiring vision are breathing new life into Humania. This year, working closely with the management team and the Board of Directors, he is preparing the 2025-2027 strategic plan which will guide the company towards a promising future, backed by a solid financial position.



“Our ability to listen, the trust of our customers and the expertise of our teams are essential pillars of this success.”

With an emphasis on innovation and collaboration, Mr. Moskiou is determined to make Humania an undisputed leader in its field. His commitment to excellence and passion for progress bode well for a promising future for Humania and its customers.

Acknowledgements

I would like to thank Mr. Marc Pellet for his contribution over the last few years. In his role, he has helped to build a solid team whose talent and energy is fostering Humania's growth.

We would also like to thank Lise Lapierre, a seasoned director whose term ended in 2023. For many years, the Board has benefited from her diverse knowledge of business, accounting and governance.

I would like to conclude by thanking Humania's management team and all our personnel for their dedication on a daily basis. They can count on the members of the Board of Directors, who will continue to put their knowledge and skills at the service of the company.

The year 2024 marks an impressive milestone for Humania, with 150 years of making insurance accessible. It is with confidence and optimism that we look to the future of our mutual insurance company. Our excellent position will allow us to continue to stand out and actively contribute to the development and innovation of the insurance industry for many years to come.



Joanne Vézina

Chair of the Board of Directors



MR NICOLAS MOSKIOU

Message from the President and Chief Executive Officer



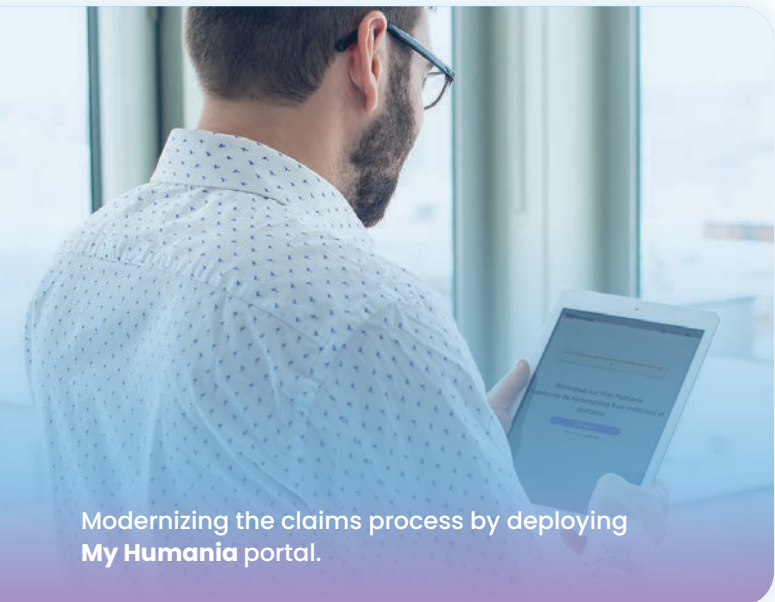
A distinctive experience is the foundation that guides each of the actions of our teams, our advisors and our partners. As a mutual insurance company, this commitment to our policyholders has been embedded in our DNA for 150 years.

I'm very proud of 2023's achievements. Throughout the year, our teams were able to respond to the ever-changing needs of our customers and extend our reach through concrete corporate social responsibility initiatives. These successes testify to our ongoing commitment to delivering a distinctive customer experience to our mutual members and partners.

Driven by a spirit of innovation and agility

The innovative strength of our teams and their ability to rapidly design solutions tailored to market needs were once again clear in the enhancement of our line of individual insurance products. The development of our personalized *Prohealth Income Insurance – Accident and Sickness* product for our groups and associations is a great example.

This year has been marked by our constant efforts to improve the quality of our services. We are proud to report that our teams have maintained sustained sales growth, demonstrating their determination and expertise in achieving our objectives. This resulted in a more than 10% increase in premium income for the 3rd year in a row. All this has been possible thanks to the extraordinary collaboration and strength of our network of advisors.



Modernizing the claims process by deploying My Humania portal.

Customer-oriented at all times

Our members are always front-of-mind for us, and we are continually committed to offering them a distinctive customer experience. Our customer service teams are dedicated to exceeding expectations every day and to treating our customers and partners as they would like to be treated themselves.

With this in mind, in 2023, on the group insurance side, we modernized the *My Humania* portal. It gives policyholders instant access to their healthcare coverage and ensures a seamless experience of medical and dental claim payments. This portal offers a range of features, including online submission and detailed consultation of claims, including useful tax summaries. These enhancements strengthen Humania's favorable market position and reflect our ongoing commitment to offering solutions that meet our customers' needs.

In addition, at the center of our commitment, we have implemented targeted initiatives to promote the well-being of our policyholders, particularly in terms of support for people with mental health problems. For example, our nationwide team now includes practicing psychiatrists, social workers, and partners with whom we collaborate to care for our policyholders. What's more, our in-house team of rehabilitation counsellors is dedicated to supporting our policyholders affected by mental health issues to help them return to work safely for the long term. The same team also works closely with employers to ensure the individual's lasting recovery.

It is through this personalized support that we can offer exceptional customer service, tailored to the unique needs of each of our policyholders.

Community involvement

Our ambitions include making a lasting impact on the well-being of current and future generations. At Humania, social commitment is at the centre of our corporate culture, and we are strongly committed to maintaining an active presence in our communities and to promoting health and well-being.

This year, thanks to our new partnership with **PHIT Canada**, we actively contributed to improving the physical and mental health of young Canadians by encouraging physical activity and the adoption of healthy lifestyles.

We also supported **Leucan's** cause through various initiatives. Employees motivated by the Empathy Committee generously participated in several fundraising events, including the Leucan Ski Challenge and the Bromont Ultra. In this way, they have helped promote the recovery of children with cancer, as well as their well-being and that of their family members, through accompaniment and support services.



Our brave athletes who braved the cold and rain at the 10th edition of the Bromont Ultra.

Our charitable commitment doesn't stop there. A few years ago, we introduced **Empathy Day**, a day when employees can donate their time to various community organizations they feel personally close to. Over the year, several employees generously offered their support to local organizations.

Our social commitment even extends internationally. As a member of **SOCODEVI**, we help to improve the living conditions of marginalized populations in many developing countries through advisory support, financial commitments, and concrete actions.

Partners and subsidiaries: Strength and success

Once again this year, our partnerships stand out for their remarkable performance. Together, we form a solid team, where each partner brings their own unique expertise and vision. It's our shared values and mutual dedication that give our partners their strength and success.

Humania's focus on innovation, agility and creative problem-solving makes us an ideal partner. The successes achieved by our partners in recent years are an eloquent testimony to this collaboration's success, and we would like to thank them from the bottom of our hearts.

As for our travel subsidiary, the positive results we have seen show steady growth, bringing us back to pre-pandemic levels. We remain optimistic that this positive momentum will continue and are determined to maintain our high standards of quality service in this changing environment. Thanks to our product offering, which is customized to travelers' needs, our high-quality customer service, and the accessibility of our assistance team, we have enabled our customers to travel with complete peace of mind.

Financial strength

Financial results for 2023 exceed our expectations. They reflect the new accounting standards, which came into effect on January 1, 2023. We are satisfied with our investment income. The solvency ratio rose sharply as a result of changes in accounting standards and conservative assumptions.


Our good results, combined with our financial strength, enable us to continue innovating by creating insurance solutions for today's and tomorrow's generations.

Putting people at the centre of our HR practices

Once again this year, our successes were based on the exceptional commitment of our teams. People remain the priority at the centre of our human resources practices. Our corporate culture is focused on learning, and we recognize the crucial importance of investing in our employees and providing them with development opportunities to match their ambitions. That's why, in 2023, we continued to offer a range of continuing education activities to all our employees via our own internal platform: Humania Academy.



Conference on the various SOCODEVI initiatives to which Humania has been contributing for several years.



The well-being of our staff is our daily priority, and we are proud to offer a healthy, motivating work environment that fosters individual growth. We're honored to be named one of Canada's Top Small & Medium Employers in 2023, for the fifth year in a row. These awards celebrate companies that offer the best workplaces in the country, as well as forward-thinking human resources policies.

In addition to this recognition, several other awards and distinctions attest to our dedication to our employees and the promotion of their health and job satisfaction. These successes and our human resources initiatives demonstrate our innovative approach, which puts people at the centre of all our decisions.

Acknowledgements

To all our customers and member, it is with gratitude that I thank you for the trust you place in us to meet your health insurance needs.

In addition, I'm proud to highlight the strength of our team and the solidity of our partnerships. As we look through this annual report, we realize just how much we've achieved together this year. These successes would not have been possible without the hard work and team spirit that Humania is known for.

I would also like to thank the members of the Board of Directors and management for their invaluable advice, presence, and dedication, all of which contribute to the success of our company.

Looking to the future, I'm convinced that our collaboration will help build a promising future for Humania.



Nicolas Moskiou

President and Chief Executive Officer

Putting people at the centre of our HR practices

We are proud to offer our employees innovative programs and initiatives that support their professional development as well as their overall health and well-being.

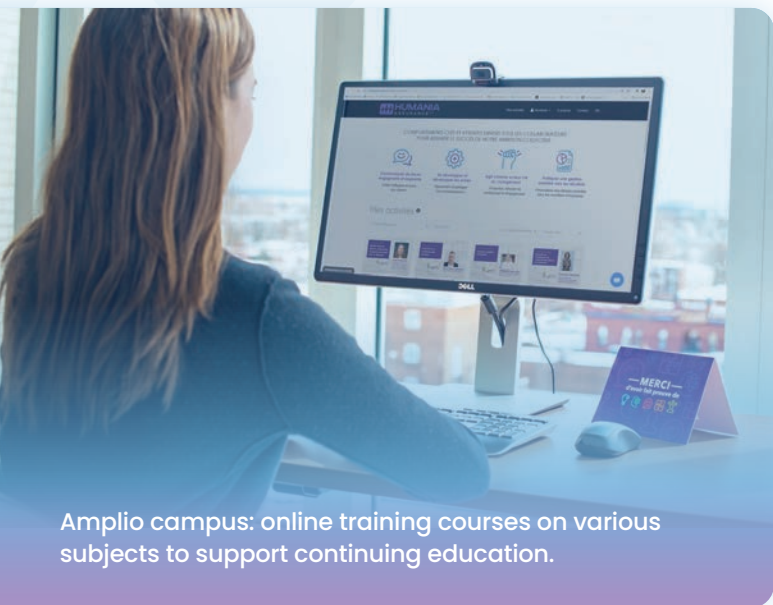


Cultivating talent

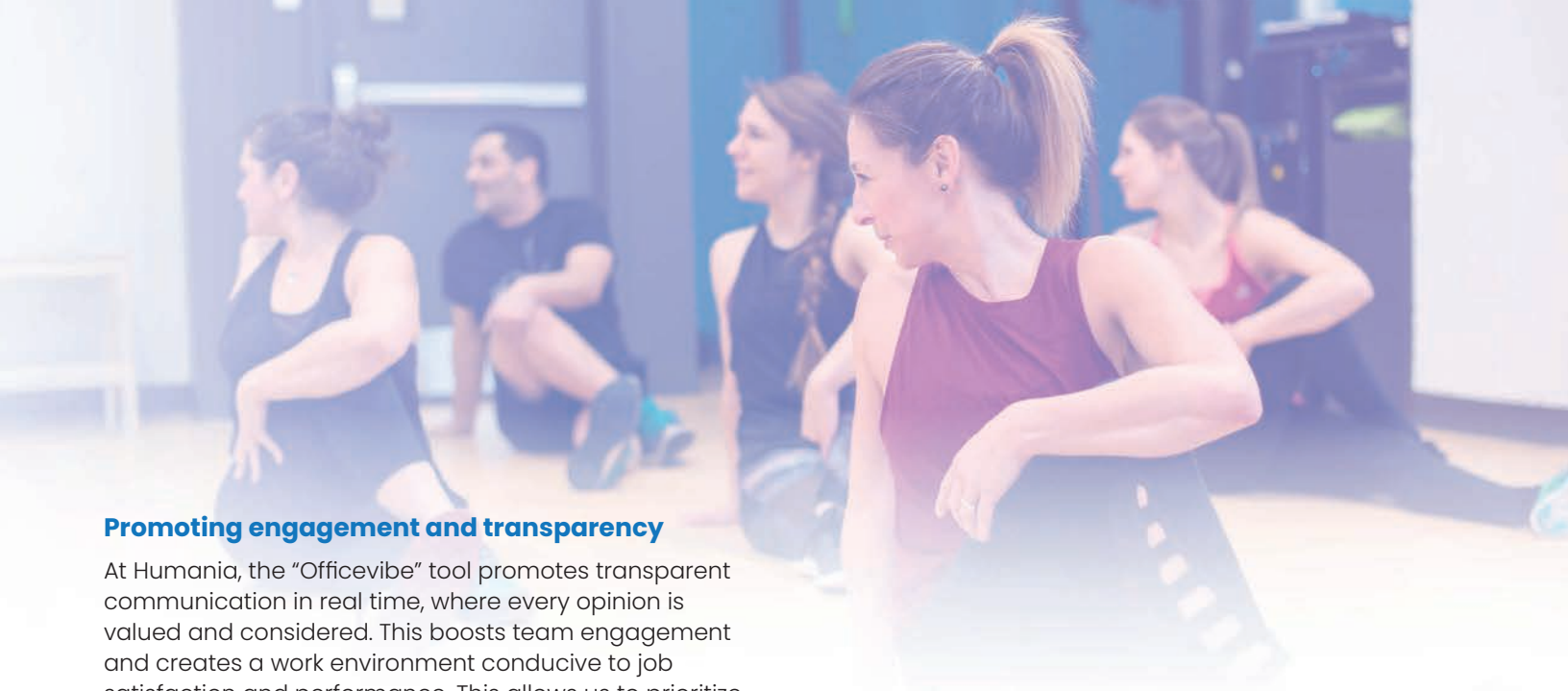
Learning is at the center of our corporate culture. We believe that our employees' job satisfaction and performance depend on the continuous improvement of their skills. That's why we invest in high-quality training courses that are closely aligned with the company's ambitions and each individual's needs. This approach enables our teams to unleash their full potential, express their creativity and become more agile. In concrete terms, this means a significant improvement in the quality of our services.

2023 marked a turning point in our commitment to continuous education for our teams. We launched two in-house e-learning platforms, the "Humania Academy" and the Amplio campus, powered by Illuxi. These two online training platforms cover a multitude of subjects and professional fields. We also have a training policy that enables ambitious employees to go to college at the employer's expense.

Many women in our organization have taken part in the renowned "Ambition Challenge" program from The A Effect, which is known for its commitment to promoting the professional development of ambitious women in business. This program offers unique training courses that combine inspiration and action, contributing to participants' sense of career fulfillment. In addition, we offer our managers specialized training courses, such as the "Parcours Ascension" focused on leadership, strategy, and change management. Our training courses also cover important topics such as respect and civility in the workplace. Co-development initiatives are regularly proposed in parallel, encouraging exchange and development within our organization.



Amplio campus: online training courses on various subjects to support continuing education.



Promoting engagement and transparency

At Humania, the “Officevibe” tool promotes transparent communication in real time, where every opinion is valued and considered. This boosts team engagement and creates a work environment conducive to job satisfaction and performance. This allows us to prioritize solution-oriented exchanges, fostering constructive dialogue.

Maintaining a safe and healthy working environment is a priority for us and an integral part of our values. With this in mind, we offer an independent reporting line, enabling our employees to report any misconduct in a simple and confidential manner to an outside entity. We are committed to protecting our employees by providing a safe and fair environment where they can feel secure.

Promoting overall health

This year, our overall wellness index confirms our leadership among organizations offering a unique employee experience. The health and well-being of our employees is at the heart of our promise and an essential pillar of our corporate culture.

Our “PreZen+” employee assistance program platform is a tool that enables employees to evaluate their overall wellness index. The results showed us that it is essential to reduce sedentary lifestyles and stress levels among employees. The conclusions we drew from this evaluation have allowed us to identify possible solutions to enhance our health and wellness strategy over the coming year.

The A Effect



Four of our ambitious female employees who took part of the “Ambition Challenge” from The A Effect.

Concrete actions for a better future

At Humania, we believe that every gesture contributes to lasting benefits that lead to a better future for our communities. Our empathetic spirit and mutualist values guide every one of our actions and manifest themselves in a multitude of initiatives.

PHIT Canada: United for the health and well-being of young people

Promoting health and well-being has always been one of our core values, and we're delighted to join forces with PHIT Canada, whose mission is to improve the physical and mental health of young Canadians by promoting physical activity and healthy lifestyles. By working together, we can help more communities achieve better health and quality of life. This collaboration marks a milestone in our ongoing commitment to promoting overall health and well-being to align with our values and culture.

Leucan: A concrete commitment to improving the quality of life of children with cancer

Humania's Empathy Committee brings together members from various sectors around a common mission: To get our company and our employees involved in concrete actions with community organizations that share our values. This year, we were proud to support Leucan, an organization that provides support services to children with cancer and their families. Thanks to the generosity and commitment of our employees, we participated in several fundraising events, including the "Leucan Ski Challenge" and the "Bromont Ultra". Together, we have provided valuable, tangible support to families affected by this ordeal, supporting them with hope and solidarity.





SOCODEVI: A partnership united for a more just and equitable world

Humania is proud to be part of the SOCODEVI network (the Société de coopération pour le développement international), a Quebec-based organization whose goal is to improve living conditions for families in developing countries while empowering communities. The programs we take part in aim to reduce poverty, support cooperative entrepreneurship, and increase resilience in the face of climate change, all with a gender-equality approach. Since 2010, Humania has been contributing to SOCODEVI's activities through advisory support, financial commitments, and concrete actions.

Humania Assurance cultural center: A place for everyone to meet and exchange ideas

For almost 10 years, Humania has been associated with the city of Saint-Hyacinthe to support the cultural center, which brings together various socio-cultural organizations in the region under one roof in order to make their activities more accessible. We're happy to contribute to the community that is home to our headquarters.

Empathy Days: Giving our time in meaningful ways

At Humania, social commitment means more than just words. We're convinced that the community's well-being depends on concrete action. That's why we've introduced Empathy Day, a unique initiative that enables our employees to devote a working day to the charity of their choice. Humania also adds to this support by making a donation to the chosen organization.

This year, our teams deployed their passion and energy in the service of a number of important causes. The Culture, Talent, and Customer Experience team packed bags for the back-to-school initiative "Hop! La rentrée." A generous gesture that enabled many children to return to school with pride. The Claims team spent an unforgettable moment with attendees at the summer picnic of Sclérose en plaques Saint-Hyacinthe-Acton, a multiple sclerosis charity. Our employees had an enriching and inspiring experience by supporting MS patients.

We are deeply touched by the dedication and commitment of our employees. Their deep respect for human values is a source of pride for Humania, and helps our company play a positive role in the community.



The Culture, Talent, and Customer Experience team packed bags for the back-to-school initiative "Hop! La rentrée."



Claims team at the summer picnic of Sclérose en plaques Saint-Hyacinthe-Acton, a multiple sclerosis charity.





Board of Directors

Joanne Vézina

MBA, ASC

Chairwoman

Corporate Director

Michel Tardif

FSA, FCIA, ASC

Vice-Chair

Corporate Director

René Delsanne

M. Sc., FCIA, FSA, CFA

Président, Delsanne conseil inc.

Muriel McGrath

ICD.D

Presidente, MC2 Consilium inc.

Corporate Director

Louise Pellerin-Lacasse

F.I.C.A., F.S.A., CERA

Corporate Director

Claude Robitaille

CPA, ASC

Corporate Director

Pascale Audette

Corporate Director

Luc Filiatreault

Corporate Director

André Rivest

Secretary

Top row, from left to right: Louise Pellerin-Lacasse, André Rivest, Claude Robitaille, René Delsanne and Muriel McGrath.

Bottom row, from left to right: Pascale Audette, Joanne Vézina, Luc Filiatreault and Michel Tardif.



Executive Team

Nicolas Moskiou

FSA
President and Chief
Executive Officer

Luc Bergeron

FCIA, FSA
Chief Financial Officer
and Treasurer

Kim Rochette

Assistant Vice-President
Culture, Talent and Customer Experience

Alina Dudau

A.S.A.
Chief Actuary

Denis Lefebvre

Vice-President
Technologies

Jean-Benoît Forgues

LLL, MBA
Assistant Vice-President
Legal Affairs & Compliance

Top row, from left to right: Jean-Benoît Forgues, Nicolas Moskiou and Alina Dudau.
Bottom row, from left to right: Kim Rochette, Luc Bergeron and Denis Lefebvre.

Senior Management

MANAGEMENT

Émilie Alary

Director | Strategy and Market Vigilance

Anthony Blais, FSA, FCIA, CERA

Director | Actuarial, Individual Insurance

Guillaume Delorme

Director | Administration, Group Insurance

Natalie Di Maria, CPA

Director | Accounting Department

Marie-Lou Flibotte

Senior Director, Collab. Agency
Communication & Marketing

Laura Gutierrez

Director, Marketing

Virginie Labonté, CPA

Director | Financial Planning & Analysis

Fanny Laurendeau, B.A.

Director | Contract Management & Network Relations

Cathy Leclair

Director | Administration, Individual Insurance

Sophie Lefebvre, ALHC, HIA, ACS

Director | Administration, Special Projects

Valérie Le Roux, ASC

Vice-President, Products and Partnerships

Andrew Mazur, B.Comm., ACS, ALMI

Director | Underwriting and Chief Underwriter

Jonathan Plourde

Director | Actuarial and Underwriting, Group Insurance

Josée Pelletier

Director | Administrative Services and Corporate Real
Estate Management

Michelle Tessier, CPA

Director | Special Projects

Nathalia Wosik, B. Sc.

Senior Director, Insurance Operations
Products and Partnerships

MANAGEMENT, SALES TEAM

Philippe Barbari

National Vice-President, Business Development and
Administration, Group Insurance as interim

Pierre-Philippe Comte

Sales Director | Quebec, Group Insurance

Vanessa Marquis-Medeiros

Director | Business Development, Individual Insurance

Amélie Jodoin

National Vice-President,
Business Development, Individual Insurance

Ariana Kane

Sales Representative, Alberta and Saskatchewan,
Individual Insurance

Isabelle Parent

Business Development Associate,
Financial Security Advisor

Marie-Pier Parent

Director | Business Development, Individual Insurance

Taylor Ruby

Sales Representative, British Columbia,
Individual Insurance

Charles Tremblay

Director | Business Development, Individual Insurance

Martin Walker

Sales Director | Western and Central Canada,
Group Insurance

The background image shows two women in professional attire. The woman on the left has long dark hair and is wearing a dark blazer, holding a smartphone. The woman on the right has long blonde hair and is wearing a light-colored blazer, holding a tablet. They are both looking down at the tablet. The scene is set in a bright office with large windows and indoor plants. There are decorative light blue circles in the top right corner and a pattern of small white dots in the bottom left corner.

Summary Consolidated Financial Statements

LS MUTUAL MANAGEMENT

Summary Consolidated Statement of Earnings

Year ended December 31, 2023 (in thousands of Canadian dollars)

	2023 \$	2022, adjusted* \$
Insurance service results		
Insurance revenue	204,140	167,003
Insurance service expenses	(175,103)	(148,179)
Net expenses from reinsurance contracts	(9,652)	(7,502)
	19,385	11,322
Net investment result		
Investments		
Investment income	21,921	(3,235)
Change in the value of financial assets	18,871	(37,076)
Investment expenses	(976)	(998)
	39,816	(41,309)
Insurance finance results		
Financial expense from insurance contracts	(49,650)	126,528
Financial income from reinsurance contracts	18,735	(45,898)
	(30,915)	80,630
	8,901	39,321
Distribution income and other income	1,035	1,048
Other finance expenses	(72)	(436)
Operating expenses	(18,108)	(15,819)
INCOME BEFORE TAX	11,141	35,436
Income tax expense	(4,981)	(10,478)
NET INCOME	6,160	24,958
Attributable to the policyholders	5,227	21,177
Attributable to the non-controlling interests	933	3,781
	6,160	24,958

* Results for the comparative year ending December 31, 2022 have been adjusted following the initial application of IFRS 17, Insurance Contracts and IFRS 9 Financial Instruments, including consequential amendments to other standards, from January 1, 2023.

Summary Consolidated Statement of Comprehensive Income

Year ended December 31, 2023 (in thousands of Canadian dollars)

	2023 \$	2022, adjusted* \$
NET INCOME	6,160	24,958
Other comprehensive income		
Items that will be reclassified subsequently as net income		
Financial assets at fair value through other comprehensive income		
Unrealized gains (losses) [net of income taxes of \$111 (\$240 in 2022)]	309	(666)
Reclassification as net income of realized (losses) gains [net of income taxes of \$25 (\$100 in 2022)]	(71)	277
Cash-flow hedge		
Unrealized losses [net of income taxes of \$8 (\$0 in 2022)]	(22)	-
	216	(389)
Items that will not be reclassified subsequently as net income		
Employee benefits		
Remeasurement of net defined benefit liability [net of income taxes of \$202 (\$521 in 2022)]	(561)	1,445
	(345)	1,056
COMPREHENSIVE INCOME	5,815	26,014
Attributable to the policyholders	4,934	22,073
Attributable to the non-controlling interests	881	3,941
	5,815	26,014

* Results for the comparative year ending December 31, 2022 have been adjusted following the initial application of IFRS 17, Insurance Contracts and IFRS 9 Financial Instruments, including consequential amendments to other standards, from January 1, 2023.

Summary Consolidated Statement of Financial Position

December 31, 2023 (in thousands of Canadian dollars)

	2023	2022, adjusted*	January 1, 2022, adjusted*
	\$	\$	\$
ASSETS			
Investment			
Cash and cash equivalents	31,191	21,501	24,315
Money market securities	834	1,600	5,125
Bonds	320,179	261,053	312,522
Shares	25,238	75,979	63,762
Infrastructure funds	12,700	12,094	11,795
Real estate funds	17,070	17,445	15,578
Loans	13,390	3,460	1,465
Derivative financial instruments	2,431	-	-
	423,033	393,132	434,562
Insurance assets			
Reinsurance contract assets	212,038	198,015	243,087
	212,038	198,015	243,087
Other asset components			
Other assets	5,216	2,731	3,446
Deferred tax assets	-	55	615
Fixed Assets	7,539	7,798	8,081
Intangible assets	9,252	9,440	7,947
Goodwill	13,670	13,670	13,670
	35,677	33,694	33,759
Total assets	670,748	624,841	711,408

* Results for the comparative year ending December 31, 2022 have been adjusted following the initial application of IFRS 17, Insurance Contracts and IFRS 9 Financial Instruments, including consequential amendments to other standards, from January 1, 2023.

Summary Consolidated Statement of Financial Position

December 31, 2023 (in thousands of Canadian dollars)

	2023 \$	2022, adjusted* \$	January 1, 2002, adjusted* \$
LIABILITIES			
Insurance liabilities			
Insurance contract liabilities	502,572	451,124	569,856
	502,572	451,124	569,856
Other liability components			
Derivative financial instruments	30	2,191	-
Other liabilities	8,639	12,046	8,980
Deferred tax liabilities	6,427	7,059	5,810
Investment contract liabilities	1,458	1,700	1,950
Debenture	-	4,967	4,962
Lease liabilities	439	386	496
	16,993	28,349	22,198
Total liabilities	519,565	479,473	592,054
EQUITY			
Members' equity	128,126	122,899	101,722
Non-controlling interests	25,351	24,470	20,529
Accumulated other comprehensive income	(2,294)	(2,001)	(2,897)
Total equity	151,183	145,368	119,354
Total liabilities and equity	670,748	624,841	711,408

On behalf of the Board,



Claude Robitaille
Director



Joanne Vézina
Director

* Results for the comparative year ending December 31, 2022 have been adjusted following the initial application of IFRS 17, Insurance Contracts and IFRS 9 Financial Instruments, including consequential amendments to other standards, from January 1, 2023.

Summary Consolidated Statement of Changes in Equity

Year ended December 31, 2023 (in thousands of Canadian dollars)

2023	Members' equity \$	Non-controlling interests \$	Accumulated other comprehensive (loss) income \$	Total equity \$
Balance, beginning of year	122,899	24,470	(2,001)	145,368
Net income	5,227	933	-	6,160
Other comprehensive loss	-	(52)	(293)	(345)
	5,227	881	(293)	5,815
Balance, end of year	128,126	25,351	(2,294)	151,183
2022	Members' equity \$	Non-controlling interests \$	Accumulated other comprehensive (loss) income \$	Total equity \$
Balance, beginning of year	80,556	17,375	600	98,531
Impact of the application of IFRS 17	20,099	3,589	-	23,688
Impact of the application of IFRS 9	1,067	(435)	(3,497)	(2,865)
Balance, beginning of year, adjusted*	101,722	20,529	(2,897)	119,354
Net income	21,177	3,781	-	24,958
Other comprehensive income	-	160	896	1,056
	21,177	3,941	896	26,014
Balance, end of year	122,899	24,470	(2,001)	145,368

* Results for the comparative year ending December 31, 2022 have been adjusted following the initial application of IFRS 17, Insurance Contracts and IFRS 9 Financial Instruments, including consequential amendments to other standards, from January 1, 2023.

Notes to Summary Consolidated Financial Statements

Year ended December 31, 2023 (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 27, 2024. The independent auditor expressed an unmodified opinion on these consolidated financial statements in the independent auditor’s report dated February 27, 2024.

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.



Reports and committees

Report of the independent auditor's 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, 2023;
- the summary consolidated statement of profit or loss 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 Humania Assurance Inc. as at and for the year ended December 31, 2023 ("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 as issued by the International Accounting Standards Board. 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.

EMPHASIS OF MATTER – COMPARATIVE INFORMATION

We draw attention to the consolidated statement of financial position, which explains that certain comparative information presented:

- as at and for the year ended December 31, 2022 has been adjusted;
- as at January 1, 2022 has been derived from the financial statements for the year ended December 31, 2021 which have been adjusted (not presented herein).

The note included below the consolidated statement of financial position explains the reason for the adjustments.

Our opinion is not modified in respect of this matter.

OTHER MATTER – CHANGES IN ACCOUNTING POLICIES AND COMPARATIVE INFORMATION

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to adjust certain comparative information presented:

- as at and for the year ended December 31, 2022;
- as at January 1, 2022.

In our opinion, such adjustments are appropriate and have been properly applied.

MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENT

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.¹

KPMG s.r.l./S.E.N.C.R.L., LLP

Montreal (Canada), February 27, 2024

FCPA auditor, public accountancy permit n° A110618

Management's Report

The summary consolidated financial statements of LS Mutual Management (herein "Mutual" or "Company") contained in this annual report are the responsibility of management and have been approved by the Board of Directors. They have been derived from the consolidated financial statements of Mutual and should be interpreted together with them, including the notes.

To assist management in its duties, the Company maintains an internal auditing system to provide reasonable assurance that assets are safeguarded, that only valid and authorized transactions are carried out, and that the financial information is accurate, comprehensive and published in a timely manner.

The Board of Directors fulfils its responsibilities with regard to Mutual's financial reporting primarily through its Audit and Risk Management Committee, which is composed entirely of independent directors and which meets periodically with management and the independent auditor and/or the appointed actuary. The latter may, at their discretion, meet with the Audit and Risk Management Committee, in the presence or absence of management, to discuss matters pertaining to auditing and financial reporting.

On behalf of management,



Nicolas Moskiou
President and Chief Executive Officer



Luc Bergeron
Vice-President, Finance

Saint-Hyacinthe, February 22, 2024

Report of the Valuation Actuary

To the Policyholders of LS Mutual Management,

I have assessed the policy liabilities in the Company's consolidated financial statements prepared in accordance with the International Financial Reporting Standards for the fiscal year ended December 31, 2023.

In my opinion, the policy liabilities amount constitutes an appropriate provision for this purpose. The valuation is in accordance with the accepted actuarial practice in Canada, and the consolidated financial statements faithfully present the results of the valuation.

The valuation complies with the Quebec Insurers Act and its regulations.



Marie-Andrée Boucher, FCIA, FSA
Valuation Actuary

Montreal (Canada), February 22, 2024

Governance and Ethics Committee

COMPOSITION

The Committee, set up in accordance with the provisions of the Insurers Act, is composed of independent directors. It must be made up of at least three members who meet three times a year at minimum to carry out the committee's annual work plan including about thirty items.

To be effective, this Committee must largely include members with rigorous experience in corporate governance.

MEMBERS

Michel Tardif, Chair
Joanne Vézina
Pascale Audette

Mandate

The Governance and Ethics Committee ensures that the rules governing the application of legislative and regulatory provisions, in particular AMF guidelines and directives, are drawn up, adopted and applied. The Committee must also establish rules of ethics that apply to the company, and ensure that they are communicated to those to whom they are applicable.

Regarding corporate governance, the Committee's mandate is to propose corporate governance rules to the Board of Directors, with a view to ensuring sound management of the company, as well as overseeing that such rules are applied and updated.

Ethics activity report

With regard to the application of professional conduct rules and expressions of interest, the Committee received management's report on compliance with these rules, indicating that they had been properly disseminated within the company and its subsidiaries, and that any significant breaches of professional conduct or any conflicts of interest identified during the year had been properly reported to the Committee, where appropriate.

Rapport d'activité en gouvernance et conformité

The Committee studied the compliance reports submitted to it and monitored the progress on compliance with the action plan for the 2023 fiscal year, maintaining fair treatment for the consumer at the heart of its priorities.

In accordance with their mandates, Committee members have ensured to respect and comply with the policy on probity and competence criteria for Board members and senior executives of Humania Assurance Group.

Michel Tardif
Chair

Investment Committee

COMPOSITION

This committee is made up of directors, officers and external experts appointed by the Board of Directors.

MEMBERS

René Delsanne, Chair of the committee

Nicolas Moskiou, President and Chief Executive Officer

Alina Dudau, Chief Actuary

Luc Bergeron, Vice-President, Finance

Michel Tardif, Director

Michel Pelletier, external expert advisor

Mandate

The mandate of the Investment Committee is to implement investment and matching strategies in line with the Company's objectives. The committee recommends the Company's investment policy to the Board of Directors and updates it as required. The committee analyzes the results and ensures that the level of asset matching with the Company's financial commitments is consistent with the policy's objectives. The committee ensures that investment activities comply with the investment policy.

The committee also recommends the selection of investment managers to the Board of Directors, verifies that they comply with the Company's investment policy and monitors performance reports against the set objectives.

Humania Assurance's Investment Committee also acts as LS-Travel's Investment Committee, assuming the same responsibilities as set out above.

Activity Report

Throughout the year, the committee analyzed the managers' performance in the investment portfolios of the Company and LS-Travel.

The committee conducted quarterly reviews of the investment policy compliance reports presented by the managers and reported to the Board of Directors.

The Committee members tracked the Company's asset-liability matching and submitted quarterly asset-liability matching reports to the Board.

In addition to these regular follow-ups, the committee has undertaken a complete overhaul of the investment policy to ensure that its risk/return profile aligns with the new accounting standards for financial results presentation (IFRS 17 and IFRS 9).

René Delsanne
Chair

Human Resources Committee

COMPOSITION

The Committee is composed of at least three directors, including the Chair of the Board of Directors who chairs the Committee.

MEMBERS

Joanne Vézina, Chair
Luc Filiatreault
Muriel McGrath

Mandate

The Human Resources Committee is mandated to evaluate the performance of the President and Chief Executive Officer annually and make recommendations concerning their compensation to the Board of Directors.

Moreover, it receives, reviews and approves the recommendations of the President and Chief Executive Officer concerning the overall compensation of the vice-presidents

It also updates the Company's key positions succession plan and reviews the major human resources issues facing the Company.

Activity Report

In collaboration with the Board of Directors, and in order to explore new avenues in the context of establishing the new strategic plan, it has been agreed that Mr. Marc Pelier's term as President and CEO of the company will end in December 2023. The Board of Directors has appointed Mr. Nicolas Moskiou, who has been with the company for over four years, as Interim President and CEO of Humania.

The committee will establish a succession planning process and ensure that the right person is recruited, with the desired profile and skills to develop Humania's strategic plan and achieve its business objectives.

The committee also approved the recommendations for the Vice-Presidents' compensation for 2024 and the performance objectives linked to their compensation. The committee also reviewed the company's results and assessed the extent to which the objectives set for 2023 had been met. The committee also reviewed the incentive plans and the value of the retirement benefits of the management team.

As part of its work program, at each meeting the Committee meets in camera with human resources management to discuss any human resources management issues that may arise. Lastly, the Committee members conducted its annual review of the Company's management succession plan and held discussions on it with the Board of Directors.

Joanne Vézina
Chair

Audit and Risk Management Committee

COMPOSITION

The committee is made up of independent directors. It must include at least three members, the majority of whom are not members of another committee of the Board of Directors. Each member of the committee must have appropriate knowledge of finance, and at least one member must have expertise in accounting or financial management.

MEMBERS

Claude Robitaille, Chair
Louise Pellerin-Lacasse
Pascale Audette

Mandate

The mandate of the Audit and Risk Management Committee is to oversee the financial reporting process and ensure that financial statements are presented in accordance with International Financial Reporting Standards (IFRS). It must also ensure that an appropriate internal control system is in place, verify the risk management process, and recommend the Company's risk profile and resulting action plan to the Board of Directors. In addition, it must supervise the audit process, as well as the procedures applied by the Company to ensure that it complies with the laws and regulations in accounting and finance.

Activity Report

With regard to the presentation of financial information, the committee mainly took note of the company's accounting policies and the independent auditor's report for the opening balance sheet and the financial statements for the year ended December 31, 2022. In addition, it received the Financial Condition Testing (FCT) and the appointed actuary's report on actuarial liabilities.

It also recommended to the Board of Directors the adoption of the audited financial statements and accepted the proposed audit plan for the year 2023. The committee also received statements from management regarding the Company's compliance with its obligations and policies relating to information technology security.

The members of the committee also reviewed the internal control procedures and the reports submitted to it. These include internal audit work performed by the Finance team and audits done by the Company's external partners, such as reinsurers or specialized companies. In addition, the members of the committee received training on the introduction of IFRS-17 standards and ensured that they had a good understanding of the changes and the impact on the organization and on the capital adequacy requirements for life insurance.

In accordance with the mandate given to it by the Board of Directors, the committee reviewed the process leading to the preparation and monitoring of the Company's new risk profile, including the resulting action plans, and recommended its adoption to the Board of Directors. It also reviewed the stress-test report prepared by the Actuarial team and recommended the Company's target ratio and risk appetite to the Board of Directors. Lastly, it tracked the main risks and took note of the operational incidents that occurred at each of its meetings.

In terms of IT security, the committee reviewed the audits and action plans implemented by the Company to ensure that its systems are secure and the information it holds is protected. In addition, it monitored the action plan concerning the evolution of cybersecurity maturity. In addition, the committee examined the annual activity report for the business continuity plan. Lastly, it recommended to the Board of Directors the adoption and updating of certain policies and approved the external auditors' mandate for the 2023 fiscal year.

To carry out its mandate, the committee worked closely with senior management, and held private meetings with the independent auditors, the appointed actuary, the head of cybersecurity, the chief actuary who is also head of risk management as well as the Vice President, Finance.

Claude Robitaille
Chair

Declaration of Governance, Compliance and Integrated Risk Management

GOVERNANCE

Governance is the body of rules and principles to which the company, its directors and its officers must adhere in the performance of their functions to ensure the organization's sound management and financial profitability. It defines the role and responsibilities of the Boards of Directors, directors and senior management, as well as the competencies needed to be a director.

Humania Assurance applies governance rules that recognize the essential contribution of the Board of Directors to the organization's success. Those rules define, among other things, the mandate and operational standards of its Board of Directors, the responsibilities of its directors and the mandates of statutory committees, and they ensure that the officers meet the highest ethical standards. They divide the tasks among the Board of Directors, the Board Chairman and the President and Chief Executive Officer, and they establish a variety of mechanisms to ensure integrated risk management, adequate internal controls and independent supervision of certain activities.

COMPLIANCE POLICY

As an insurance company, Humania Assurance operates in a constantly evolving legislative, regulatory and normative environment. Management places the utmost importance on legislative and regulatory compliance and on prudent, sound management practices.

Humania Assurance has developed a compliance management policy toward establishing a management framework that includes measures to monitor and mitigate the risk of non-compliance with the regulatory environment. It enables members of the Board of Directors to be reasonably assured that Humania Assurance's operations are carried out in accordance with the company's regulatory environment.

The compliance management policy serves to:

- outline the principles and components of the compliance management framework;
- define the roles and responsibilities in the area of compliance;
- meet the requirements established by regulatory authorities while adapting them to the reality of Humania Assurance;
- build a common culture and shared vision of compliance.

INTEGRATED RISK MANAGEMENT POLICY

Humania Assurance operates in an environment where risk management is essential and intrinsic to conducting business. The existence of formal, integrated practices enables it to manage its risks in a uniform, progressive and dynamic approach.

Integrated risk management at Humania Assurance serves to:

- identify, assess, manage and monitor, uniformly and consistently year-to-year, the risks that may hinder the company in attaining its strategic and operational objectives;
- provide the necessary feedback to promote collaboration and horizontal risk management and facilitate the sharing of information regarding the risks throughout the organization;
- create a risk management culture that uniformly and explicitly facilitates resource allocation and decision-making based on the company's risk appetite as determined by the Board.

The integrated risk management policy provides a management framework that includes risk identification, assessment, oversight and mitigation measures, for the purpose of good governance.

Code of Ethics of the Canadian Life and Health Insurance Association (CLHIA)

Humania Assurance is a member of CLHIA and adheres to its code of ethics for members:

1. To engage in keen, fair competition so that the public can obtain the products and services it needs at reasonable prices.
2. To advertise products and services clearly and straightforwardly, and to avoid practices that might mislead or deceive.
3. To ensure that illustrations of prices, values and benefits are clear and fair, and contain appropriate disclosure of amounts that are not guaranteed.
4. To write all contracts in clear, direct language without unreasonable restrictions.
5. To use underwriting techniques that are sound and fair.
6. To pay all valid claims fairly and promptly and without unreasonable requirements.
7. To ensure competent and courteous sales and service.
8. To respect the privacy of individuals by using personal information only for the purposes authorized and not revealing it to any unauthorized person.

Statement of Equitable Treatment of Consumers

The principles of sound commercial practice and equitable treatment of consumers apply to all of Humania Assurance's commercial practices. They must guide the decision-making and daily actions of all the corporation's employees. For Humania Assurance, having sound commercial practices means acting in a fair and responsible manner.

To this end, the following statement of equitable treatment clearly establishes Humania Assurance's position.

STATEMENT OF EQUITABLE TREATMENT

Humania Assurance adheres to the highest standards with regard to the equitable treatment of consumers. We are committed to providing our clients with clear, comprehensive information, fair and equitable treatment, diligent processing of claims and strict protection of their personal information.

Every client can expect to receive clear information on his or her insurance policy, the coverage it provides and the claims settlement process. Clients seeking complementary information are invited to refer to their insurance policy as well as their financial security advisor or our website.

Consumers are also welcome to bring forward any questions they might have regarding their insurance policy in order to better understand the guarantees it provides and the obligations it creates.

Any client wishing to submit a complaint concerning the service he or she has received is invited to do so through Humania Assurance's complaint resolution process.

HUMANIA ASSURANCE

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