



Presentation to Delegates of SSQ, Mutual Management Corporation

René Hamel
Chief Executive Officer
SSQ Financial Group

April 24, 2009

A hand holding a piece of white chalk is shown writing the equation $1+1=2$ on a blackboard. The chalk is in the process of finishing the number '2' on the right side of the equation. The background is a solid black surface, and the chalk marks are bright white.

Understanding financial
statements is...
as easy as pie!




$$1+1=2$$

Presentation subjects

- Consolidated Balance Sheet
 - Assets
 - Liabilities
 - Shareholder's Equity
- Consolidated Statement of Income
- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Shareholders' Equity

$$1+1=2$$

Questions





$1+1=2$

Consolidated Balance Sheet

- **Assets**
- **Liabilities**
- **Shareholders' equity**

 $1+1=2$

Consolidated Balance Sheet - Assets

(in millions of dollars)

p/1

Investments

| | |
|-------------------------------|---------|
| Bonds | 1,256.0 |
| Loans | 271.2 |
| Shares | 80.7 |
| Investment fund | 51.4 |
| Real estate | 77.4 |
| Cash and deposit certificates | 174.2 |
| Other investments | 27.3 |

1,938.2

Outstanding premiums

145.0

Investment income due and accrued

10.7

Other receivables

20.4

Deferred charges

28.3

Fixed assets

23.2

Future income taxes

General funds assets

2,165.8

Segregated funds assets

1,720.7

 $1+1=2$

Consolidated Balance Sheet – Liabilities and Shareholders' Equity (in millions of dollars)

p/2

Liabilities

Obligations towards insureds

| | |
|--|---------|
| Actuarial reserve | 1,464.4 |
| Provisions for claims and experience refunds | 75.2 |
| Deposits | 121.4 |

1,661.0

Unearned premiums

83.5

Unpaid claims

22.8

Accounts payable

94.4

Deferred realized net gains

0.4

Subordinated debts

65.0

Future income taxes

3.2

1,930.3

Shareholders' equity

| | |
|---------------|------|
| Share capital | 36.6 |
|---------------|------|

| | |
|-------------------|-------|
| Retained earnings | 191.1 |
|-------------------|-------|

| | |
|--|-----|
| Accumulated other comprehensive income | 7.8 |
|--|-----|

235.5

General funds liabilities and equity

2,165.8

Segregated funds contracts liabilities

1,720.7

 $1+1=2$

Consolidated Statement of Income

(in millions of dollars)

p/3

Revenues

| | |
|--|----------------|
| Gross premiums | 1,596.9 |
| Premiums ceded to reinsurance | (248.5) |
| Net premiums | 1,348.4 |
| Increase in unearned premiums | (19.1) |
| Investments | 103.6 |
| Changes in fair value on held for trading assets | (17.8) |
| Administration fees and other revenues | 28.1 |

Total revenues **1,443.2**

Benefits and expenses

| | |
|-----------------------------------|-------|
| Insurance and annuity | |
| Net benefits | 686.7 |
| Transfers to segregated funds | 446.7 |
| Net increase in actuarial reserve | 44.1 |
| Interest on deposits | 3.9 |

1,181.4

| | |
|-------------------------------|-------|
| Selling and administrative | 134.7 |
| Commissions and fees on sales | 45.7 |
| Premium taxes | 25.7 |

Total benefits and expenses **1,387.5**

Income before experience refunds and income taxes **55.7**

Experience refunds **15.7**

Income before income taxes **40.0**

Income taxes **12.0**

Net income **28.0**

 $1+1=2$

Consolidated Statement of Comprehensive Income

(in millions of dollars)

p/4

Net income

28.0

Other comprehensive income, net of income taxes

Unrealized gains and losses on available for sale assets

(6.5)

Reclassification of gains and losses on available for sale assets

(4.8)


Unrealized gains and losses on derivative instruments

0.4

(10.9)

Comprehensive income

17.1

 $1+1=2$

Consolidated Statement of Shareholders' Equity

(in millions of dollars)

p/5

Share capital

36.6

Retained earnings

Balance, beginning of year

168.0

Impact of new accounting standards

0.6

Net income

28.0

Dividends

(5.5)

Balance, end of year

191.1

Accumulated other comprehensive income

Balance, beginning of year

0

Impact of new accounting standards

18.7

Other comprehensive income

(10.9)

Balance, end of year

7.8

198.9

Shareholders' equity, end of year

235.5

$$1+1=2$$

Questions



$$1+1=2$$

Question period



$$1+1=2$$

My house!

