

Pierre C. Miron

So good morning. My name is Pierre Miron. I am responsible for the growth of the Canadian business sector. I joined the company in the fall of 2018, when Denis was appointed CEO. And my response at that time was to undertake the iA digital transformation.

Previously, I worked nine years at the Caisse de Dépôt et Placements du Quebec as chief operating officer, having contributed to the financial turnaround during the financial crisis. If you remember that moment, I did. To be honest, I do. And also, being responsible for carrying out the digital transformation of the case at that time. And at the end, responsible for the globalization of the investment activities.

You heard my colleagues quoting some authors. I'm not going to go down that path, but I'm going to talk about the deep conviction that I have. Personally, I'm deeply convinced that the companies and the financial sectors can be much more successful by an appropriate use of information technology and today's AI, and that has motivated me for the last thirty years of my career. And to be honest, the timing for joining this company was perfect. So I'm happy to provide you with some highlights of the Canadian operation with my colleagues, Renée and Stephan. They will be talking in a few moments.

So we've achieved sustainable growth with a very diversified business portfolio through and because we do think differently, and I'll comment on it in a few moments. Distribution is a key differentiating strength, and that sets us apart. I mean, you'll see over the course of not only my presentation, but also Renée and Stephan and the others if you have some question. The last time we did this event was in 2021. It was a virtual investor event. And when we did it, we came up with this notion of investing heavily in digital transformation program. And our effective combination of human touch and technology has proven very profitable so far, and we are continuing in this direction.

So like I said, in Canada, we operate in five complementary and diversified business segments. This business model, honestly, is unique and difficult to compare with other peers. As we operate across the entire spectrum of wealth, saving, and life insurance product. And on top of this, we had some synergies by bringing synergy with the other three business units, such as group business and retirement solution, the P&C division, and finally, the dealer services in Canada. So like I said, our comparables are difficult to establish giving this unique and distinctive model. The strength lies in the fact that depending of the up and down of the market, we're able to sustain our growth, giving the fact that some business unit could face some headwinds. Éric will call that resiliency.

The only thing I'd like to mention, and this is something that all the sectors have had in common, which is the client. At the end, when we look at the time perspective, we're able to provide not only some services coming from each business unit, but also creating loyalty by adding additional products when it's applicable. Just think about our

life insurance policyholders. It may need some insurance, some coverage for their home or auto protection, if you wish.

As mentioned, our two main sectors are life insurance and wealth management in Canada. And the two leaders, Renée and Stephan, will cover this sector in a few moments and will provide an overview of the growth prospect in their presentation. However, when we look globally at all the sectors that we are in, in Canada, there's some common thing that we need to talk about that lead us to a leading position.

In digital life insurance, we're number one in the number of policies sold in Canada. Wealth management. We're number one of the sales of segregated funds in Canada as well as we have the biggest network of financial advisers in the wealth management space. On group business and retirement solution, our positioning in the mid-sized markets is driving our growth significantly. On the dealer side, dealer services side, we're number one in the province of Quebec and number two in Canada with a well-supported offering, not only with dealers, but now more and more with OEM by providing products that support their customers.

And our P&C division in Quebec has been growing at a rate of 11% year over year since 2020. What I can also mention, and you saw it during Éric's presentation, all of these businesses meet or exceed the target ROE in that sector, which is what we're proud of. When we look at the overall growth over the last five years from the life insurance, from insurance premium or asset under management or asset under administration on the wealth side, we've been able to grow the business by a factor between 9% and 10% year over years over the last five years, which is a great achievement. To meet these targets, and I'll go a bit deeper than what Denis presented in this in the iA way. I'd like to share with you the pillars of this growth that we call the iA way.

We know well the market in which we operate. That's the first thing. The first thing we've talked about and we'll continue to talk about it because strength is at the heart of the growth strategy of this company, what we call distribution. You'll see this more in-depth with Renée's presentation in a few moments. But when I look at the characteristic of how we manage the distribution network, there are three common things that I'd like to comment on this.

For each business that we're in, we have a dedicated team that is responsible to manage the sales performance and discuss with advisers and also with the owner of this network. We are deeply attentive to the needs of these advisers by providing tools, products that meet their needs, but also by giving them some training on the products and on new stuff that is coming in the market and making sure that we apply the regulatory framework that is applicable on each sector. And we can recognize and reward performance. The third thing that I'd like to think to talk about, and Denis described it, and we are very proud of this achievement so far, our investment in technology to support the growth of these activities and our ability to scale those businesses that we're in. And finally, in that space, we're making significant progress in

developing the customer experience, not only for improving the customer experience, but as a source of growth in this company.

Because like I said, there's one thing in common with all the business that we're in, which is the clients. So if we're able to develop this three sixty view of the customer by bringing some tools, some technology, some AI, and to making sure that the offering will be much more relevant in the market, we strongly believe that will that that sector will become an important source of growth in this company. You'll see that in Renée's and Stephan's presentation in a few moments.

So before going in in these presentations, I'd like to provide you a specific look of the three other business that we are in, in Canada, starting with the GBRS business, group business and retirement solution. Over the last two years, 20% of CAGR in that sector.

In terms of target market, like Denis said, we've chosen to develop specific offering in a mid-sized market because we see that as an opportunity of growth, of significant future growth in this, what we call, a fragmented market. It's not well tackled as far as we know. Also, we invested in what we call the group benefit platforms. A piece of technology that allows the members, the employees of the members company that we're in, not only to deal with group business, but also to expose the entire family of iA products in that space.

So we believe that these investments and the progress that we're making in that business will put us in a situation where the growth will be there, and that the sector would set us apart. Moving on to the dealer services space. With the coverage of a network of more than 4,000 dealers in Canada, we distribute warranty and protection products warranty and automobile protection product to their customer for the purchase of new and used cars. Looking deeper in the gains that we have made in the OEM space, we've worked with Honda for the last ten years, and we won Hyundai and Mercedes Benz over the last two years. And we are continuing this deployment that we call distribution, but our expansion toward this OEM space because that's an important source of growth in the future.

One out of four new cars being sold in Canada, you'll get an offer coming from iA in terms of the product that we offer. As mentioned, we are number one in Quebec, number two in Canada, and the two main players capture 85% of the overall market in that space in Canada. But I'd like to draw your attention on the product segment because we are investing in running our offering. And in line with our one-stop shop mindset, we offer the widest range of life and asset protection products. As an example, you saw it recently. We've announced the acquisition of global warranty in terms of product expansion.

In the used car market, for example, I don't know if you know the stats, but 60% of the cars being sold in Canada are used cars. So we are continuing this expansion as well. So I want you to remember that we're not changing the list of product. We're not just expanding the number of products, we are expanding our distribution reach with new distribution channel that could be physical or digital as well.

The last sector that I'd like to talk about is the P&C sectors that we call iA Auto and Home. For those of you that reside in the province of Quebec, you may have seen the advertising. Right? Very powerful, to be honest. This sector has grown by a factor of 11% over the last five years, over and above the growth of the overall market, slightly over the overall growth of the sectors in the province of Quebec.

So it means that we are increasing our market share in this sector. But what is interesting within our presence and that, that give us a direct access to the consumer, the client. It fit perfectly with our vision of maximizing customer experience and digital experience as well.

We talked about this in terms of synergy. That's a strong source of it of synergy, this business. Because we can source customers from our internal list of customers. As you've seen in my presentation, we have more than 5.5 million clients within all the sectors in this company. And more than that, despite the impact of the climate events that occurs, we can generate the expected value on both sides, the growth and profitability. And we've learned how to adjust pricing to reflect this new reality.

From a technology standpoint, this sector has combined the efficient management tools for call centers with the ability to quote or to transact online. It's a perfect example of our ability, of our model of combining customer experience and technology.

In 2021, when we did the same event, I told you that the company was willing to invest \$500 million in our digital transformation program with that plan. So I'd like to say a few words about it. So far, this program has proven to be very profitable. To recall, it was based on four principles. The first one, the modernization of our business platform enabling us to process to, let's say, increase our efficiency and to increase our business processes in order to scale our business. The development and deployment of sophisticated tools for our advisers and our clients. Data enhancement and tools for employees in this concept or to work from anywhere. It seems obvious to tell you that, but it was before the pandemic that we decided to invest.

What I can say today about this program, it has allowed us to scale our business sectors with the volume of business we've encountered, optimize our administration, claim services, and customer-service operation. Attract and retain advisers in our distribution network by giving them tools that make their life easier and set us apart from the competition. Integrate acquisition and capture associated synergies because of the scaling factors. Get to know our advisers and client better, thanks to our latest strategy, and analytical models and today's AI, the use of AI, and providing employees with the tools they need to work from anywhere and their talent wherever they go. Now that we've done this, it's like training for new muscle or a marathon runner. You get a taste for it, and you want to keep going on that pace.

So as you saw in Denise and Éric's presentation, when we look ahead, we maintain our conviction that a portion of the company's available capital should be invested in organic development or technology. Therefore, for the past two years, we've invested between 350 and 400 million annually. So we're going to continue at the same pace with even

with an even greater focus on supporting our growth and continue to be disciplined on delivering the benefits. More specifically, we will continue the monetization of our business platform, which contributes significantly to our operational efficiency.

You've heard Éric talking about operational efficiency. One thing that we're looking at is to drive more and more this KPI in our respective market. And we see that as a real competitive advantage when we think about straight-through processing, business process automation, and efficiency along the way. The increasing use of data, because that's basically, an asset that we could leverage more and more today. The use of IA, the use of analytics model to be much more relevant on the offering on the market.

And we're going to continue to develop sophisticated tools for adviser and our clients in order to provide them a superior digital experience that will be powered by AI. I've now come to the end of my remarks and, to sum up, I'd like to come back to my two initial statements.

Business model is unique. We've been able to achieve sustainable growth, and we are continuing in this direction. Distribution is a key enabler, and I will say distribution, distribution, and distribution. And finally, technology to support our growth strategy. I'd like to conclude like this with this.

You will agree with me, there are still many opportunities for growth in Canada. And not only organic, but also inorganic. And we are deeply committed to capturing these opportunities in order to meet or exceed our targets. So thank you. I will now invite Renée to give you a more closer look of the individual sectors. Renée?