Report to Shareholders

2024 Third Quarter

For the Quarter Ended September 30, 2024

iA Financial Group

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis for iA Financial Corporation Inc. ("iA Financial Corporation" or the "Company") is dated November 5, 2024. This Management's Discussion and Analysis should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2024 and 2023. It should also be read with the Management's Discussion and Analysis and the audited consolidated financial statements for the year ended December 31, 2023. The Supplemental Information Package for the last nine quarters may contain additional data that complements the information in this Management's Discussion and Analysis.

The Company's business units are grouped into reportable operating segments based on their similar economic characteristics.

The Company's operating segments, which reflect its organizational structure for decision making, are described below according to their main products and services or their specific characteristics:

Insurance, Canada – Life and health insurance products, auto and home insurance products, creditor insurance, replacement insurance and warranties, extended warranties and other ancillary products for dealer services, and specialized products for special markets.

Wealth Management – Products and services for savings plans, retirement funds and segregated funds, in addition to securities brokerage (including cross-border services), trust operations and mutual funds.

US Operations – Life insurance products and extended warranties relating to dealer services sold in the United States.

Investment – Investment and financing activities of the Company, except the investment activities of wealth distribution affiliates.

Corporate – All expenses that are not allocated to other operating segments, such as expenses for certain corporate functions.

Information concerning these segments is included in our annual and interim consolidated financial statements and accompanying notes and this Management's Discussion and Analysis.

Unless otherwise indicated, the results presented in this document are in Canadian dollars and are compared with those from the corresponding period last year.

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† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

A. Highlights for the Third Quarter

Profitability

	Third quarter			Year-to-date at September 30		
	2024	**2023**	**Variation**	**2024**	**2023**	**Variation**
Net income attributed to common shareholders (in millions)	$283	$55	415%	$722	$521	39%
Core earnings† (in millions)	$277	$256	8%	$787	$720	9%
Weighted average number of common shares (diluted) (in millions)	95	103	(8%)	97	104	(7%)
Earnings per common share (EPS) (diluted)	$2.99	$0.54	454%	$7.44	$5.04	48%
Core earnings per common share (core EPS) (diluted)††	$2.93	$2.50	17%	$8.12	$6.97	16%

Return on common shareholders' equity (ROE)[1]	**September 30, 2024**	**June 30, 2024**	**December 31, 2023**	**September 30, 2023**
ROE (trailing twelve months)	14.5%	11.1%	11.6%	10.6%
Core ROE†† (trailing twelve months)	15.3%	15.0%	14.4%	14.8%

The Company recorded core earnings† of $277 million in the third quarter of 2024 and core diluted earnings per common share (core EPS)†† of $2.93, which is 17% higher than the same period in 2023. Core return on common shareholders' equity (ROE)†† for the trailing twelve months was 15.3% at September 30, 2024, exceeding the Company's 15%+ medium-term target threshold. Annualized core ROE†† was 16.6% for the quarter.

Net income attributed to common shareholders was $283 million and diluted earnings per common share (EPS) was $2.99, which is much higher than the third quarter of 2023. Return on common shareholders' equity (ROE) for the trailing twelve months was 14.5% at September 30, 2024. Annualized ROE was 16.9% for the quarter.

An analysis of earnings by business segment for the quarter and the year to date is provided in the "Analysis of Earnings by Business Segment" section of this document. Also, refer to the "Reconciliation of Select Non-IFRS Financial Measures" section of this document for reconciliations between core earnings† and net income (loss) attributed to common shareholders.

Business growth – Sales[2] momentum continued to be strong in both Canada and the U.S. during the third quarter, with almost every business unit recording good sales growth compared to the same period last year. In Insurance, Canada, strong sales of $103 million were recorded in Individual Insurance, and the Company maintained a leading position for the number of policies sold.[3] Also, within this segment, Employee Plans, Special Markets and iA Auto and Home all posted strong sales growth. In the Wealth Management segment, the Company recorded solid net segregated fund inflows of $781 million and continued to rank first for both gross and net sales of segregated funds.[4] Sales of insured annuities and other savings products were good, albeit lower than last year's very strong quarter, as clients are more optimistic towards riskier asset classes with higher return potential. Mutual fund gross sales for the quarter posted strong growth year over year and Group Savings and Retirement also recorded a solid sales performance. In the US Operations segment, record sales were once again achieved in Individual Insurance and good sales growth was recorded in Dealer Services. The strong business growth propelled net premiums,[5] premium equivalents and deposits[5] to over $4.9 billion, representing a solid increase of 25% compared to the same period in 2023, and total assets under management[6] and total assets under administration[6] to nearly $250 billion, representing an increase of 22% over the last twelve months.

1 Consolidated net income attributed to common shareholders divided by the average common shareholders' equity for the period.
2 Sales is a supplementary financial measure. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information on sales.
3 According to the latest Canadian data published by LIMRA.
4 Source: Investor Economics, August 2024.
5 Net premiums, premium equivalents and deposits are supplementary financial measures. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information.
6 Assets under management and assets under administration are supplementary financial measures. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information.

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Financial position – The Company's solvency ratio[7] was 140% at September 30, 2024, compared with 141% at the end of the previous quarter and 145% a year earlier. This result is well above the Company's solvency ratio operating target of 120%. The one percentage point decrease during the third quarter is the result of specific items. These include capital deployment through share buybacks (NCIB), the acquisition of two blocks of business from Prosperity Life Group and IT investments. They also include capital management initiatives, namely the $125 million redemption of iA Insurance outstanding preferred shares. These items were partly offset by the favourable impact of organic capital generation,[8] which continues to be strong at $180 million, and the positive impact of macroeconomic variations. The Company's financial leverage ratio[††] of 15.3% at September 30, 2024 compares favourably to 16.4% at the end of the previous quarter.

Organic capital generation and capital available for deployment[9] – The Company organically generated $180 million in additional capital during the third quarter. After nine months, $485 million has been generated, which is in line with projections to exceed the minimum annual target of $600 million in 2024. At September 30, 2024, the capital available for deployment was assessed at $1.0 billion. In addition, as detailed below in this section, if adopted as published, the AMF's proposed revisions to the Capital Adequacy Requirements Guideline – Life and Health Insurance (CARLI) are expected to increase the Company's capital available for deployment by around $700 million on January 1, 2025.

Proposed changes to AMF Capital Adequacy Requirements Guideline – On September 19, 2024, the Autorité des marchés financiers du Québec (AMF) published a consultation concerning a revised Capital Adequacy Requirements Guideline – Life and Health Insurance (CARLI), expected to take effect on January 1, 2025. This consultation ended on October 22, 2024. If adopted as published, iA Financial Corporation would no longer be subject to the intervention target ratios, while still being subject to minimum ratios. This is anticipated to positively impact iA's financial flexibility, and the revised guideline is expected to increase the Company's capital available for deployment by around $700 million, with no material impact on the solvency ratio level. Note that the proposed change related to intervention target ratios would not impact Industrial Alliance Insurance and Financial Services Inc.

Among other changes, the proposed CARLI guideline includes revisions related to the regulatory capital requirements for segregated fund guarantees. In this regard, a transition period is authorized for the first two quarters of 2025 when insurers can apply the previous version of the guideline. Analyses will be performed in anticipation of this transition period to assess the impacts of these other changes, which are expected to be more limited than those resulting from the removal of intervention target ratios mentioned above.

Book value – The book value per common share[10] was $71.63 at September 30, 2024, up 2% during the quarter and 10% during the last twelve months.

Normal Course Issuer Bid (NCIB) – During the third quarter of 2024, the Company repurchased and cancelled 1,379,860 outstanding common shares for a total value of $123 million under the NCIB program. A total of 7,004,964 shares, or approximately 6.94% of the issued and outstanding common shares as at October 31, 2023, were repurchased under the current program between November 14, 2023 and September 30, 2024.

Dividend – The Company paid a quarterly dividend of $0.8200 per share to common shareholders in the third quarter of 2024. The Board of Directors approved a quarterly dividend of $0.9000 per share payable during the fourth quarter of 2024, representing an increase of $0.08 per share or 10% compared to the dividend paid in the previous quarter. This dividend is payable on December 16, 2024 to the shareholders of record at November 22, 2024.

Dividend Reinvestment and Share Purchase Plan – Registered shareholders wishing to enrol in iA Financial Corporation's Dividend Reinvestment and Share Purchase Plan (DRIP) so as to be eligible to reinvest the next dividend payable on December 16, 2024 must ensure that the duly completed form is delivered to Computershare no later than 4:00 p.m. on November 15, 2024. Enrolment information is provided on iA Financial Group's website at ia.ca, under the *Dividends* section. Common shares issued under iA Financial Corporation's DRIP will be purchased on the secondary market and no discount will be applicable.

7 The solvency ratio is calculated in accordance with the Capital Adequacy Requirements Guideline – Life and Health Insurance (CARLI) mandated by the Autorité des marchés financiers du Québec (AMF). This financial measure is exempt from certain requirements of Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure according to AMF Blanket Order No. 2021-PDG-0065. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information.

8 Organic capital generation is a supplementary financial measure. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information.

9 Capital available for deployment is a supplementary financial measure. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information.

10 Book value per common share is calculated by dividing the common shareholders' equity by the number of common shares outstanding at the end of the period.

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Appointment – Mr. Nicolas Darveau-Garneau, who has been a board member of iA Financial Corporation since 2018, was appointed strategic advisor in the field of artificial intelligence applied to improving the client experience. As a result, he stepped down from the Board of Directors on October 1, 2024, to focus on this new role. Mr. Darveau-Garneau has over 30 years of experience in the information technology field, especially in digital innovation in businesses. The Board of Directors of iA Financial Corporation now comprises 14 directors.

Acquisition of two blocks of business from Prosperity Life Group – On August 7, 2024, iA Financial Group completed the acquisition of two blocks of business from Prosperity Life Group. The insurance blocks purchased by iA Financial Group primarily consist of final expense products, as well as term life insurance, totalling over 115,000 policies and US$100 million in annual premiums. This transaction continues to enhance iA's footprint in the United States, in addition to being accretive from the first year, on both a core and reported basis.

Acquisition of assets of Laurentian Bank Securities' retail full-service investment broker division – On August 6, 2024, iA Financial Group completed the acquisition of assets of the retail full-service investment broker division of Laurentian Bank Securities Inc. (LBS). This division of LBS has over $2 billion in assets under administration. As a result of the transaction, approximately 15,000 client accounts have been transferred, with some 25 advisors joining iAPW's network, marking another important milestone for iA Private Wealth.

Strategic partnership with Clutch – On July 5, 2024, iA Financial Group announced a strategic investment in Toronto-based business Clutch Technologies Inc., which is one of Canada's largest retailers in online sales of pre-owned vehicles. This investment enables iA to add online sales as a new product distribution channel to its current extensive network.

Preferred share redemption – On July 29, 2024, iA Insurance completed the redemption of its 5,000,000 outstanding Non-Cumulative Class A Preferred Shares Series B with a principal amount of $125 million. This repurchase follows the issuance of $350 million Limited Recourse Capital Notes in June 2024 and is part of the capital management actions aimed at optimizing the capital structure.

End of reporting issuer status of iA Insurance – Following the redemption of its Non-Cumulative Class A Preferred Shares Series B on July 29, 2024, iA Insurance ceased to be a reporting issuer in accordance with an order granted under the securities legislation of Quebec and Ontario. Therefore, from the third quarter onward, iA Insurance is no longer subject to continuous disclosure requirements under securities legislation, including the requirement to file its financial statements.

Philanthropic contest – On September 10, 2024, the eighth edition of the Company's philanthropic contest was launched. A total of $500,000 in donations will be shared by charities addressing societal issues. The winners will be announced between December 10 and December 13, 2024.

Subsequent to the third quarter:

- **Investor Event** – iA Financial Group announced that it will host an Investor Event on February 24, 2025. The event will take place in Toronto and will include an update on the Company's growth strategy, including a deep dive on U.S. operations and key objectives of the Canadian businesses. Investors and financial analysts are welcome to attend either in person or virtually. For additional information, please refer to the press release dated October 17, 2024, which can be found on our website at ia.ca.

- **NCIB renewal** – With the approval of the Toronto Stock Exchange and the Autorité des marchés financiers, the Company could purchase, under a Normal Course Issuer Bid between November 14, 2024 and November 13, 2025, up to 4,694,894 common shares, representing approximately 5% of its 93,897,897 common shares issued and outstanding at October 31, 2024. The purchases will be made at market price at the time of purchase through the facilities of the Toronto Stock Exchange or an alternative Canadian trading system, in accordance with market rules and policies. The common shares repurchased will be cancelled.

OUTLOOK

Medium-term guidance for iA Financial Corporation

- Core earnings per common share[††]: target of 10%+ annual average growth
- Core return on common shareholders' equity (ROE)[††]: target of 15%+
- Solvency ratio operating target: target of 120%
- Organic capital generation: target of $600+ million in 2024
- Dividend payout ratio based on core earnings[††]: target range of 25% to 35%

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The Company's outlook, including the market guidance provided and expectations as to the increase in capital available for deployment, constitutes forward-looking information within the meaning of securities laws. Although the Company believes that its outlook is reasonable, such statements involve risks and uncertainties and undue reliance should not be placed on such statements. Factors that could cause actual results to differ materially from expectations include, but are not limited to: insurance, market, credit, liquidity, strategic and operational risks. In the case of the increase in capital available for deployment resulting from the proposed changes to the CARLI Guideline, such factors also include required capital target adjustments and applicable internal approvals. In addition, certain material factors or assumptions are applied in preparing the Company's outlook, including but not limited to: accuracy of estimates, assumptions and judgments under applicable accounting policies, and no material change in accounting standards and policies applicable to the Company; no material variation in interest rates; no significant changes to the Company's effective tax rate; no material changes in the level of the Company's regulatory capital requirements; availability of options for deployment of excess capital; credit experience, mortality, morbidity, longevity and policyholder behaviour being in line with actuarial experience studies; investment returns being in line with the Company's expectations and consistent with historical trends; different business growth rates per business unit; no unexpected changes in the economic, competitive, insurance, legal or regulatory environment or actions by regulatory authorities that could have a material impact on the business or operations of iA Financial Group or its business partners; no unexpected change in the number of shares outstanding; and the non-materialization of risks or other factors mentioned or discussed elsewhere in this document. The Company's outlook serves to provide shareholders, market analysts, investors, and other stakeholders with a basis for adjusting their expectations with regard to the Company's performance throughout the year and may not be appropriate for other purposes. Additional information about risk factors and assumptions applied may be found in the "Forward-Looking Statements" section of this document.

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B. Business Growth

Business growth is measured by growth in sales, premiums, premium equivalents and deposits and assets under management and administration.

Sales – Sales measure the Company's ability to generate new business and are defined as fund entries on new business written during the period. For more information on the calculation and presentation of sales within each business unit, refer to the "Non-IFRS and Additional Financial Measures" section in this document.

Sales Growth by Business Segment

(In millions of dollars, unless otherwise indicated)	Third quarter 2024	Third quarter 2023	Third quarter Variation	Year-to-date at September 30 2024	Year-to-date at September 30 2023	Year-to-date at September 30 Variation
INSURANCE, CANADA						
Individual Insurance						
Minimum premiums	89	84	6%	256	245	4%
Excess premiums	14	12	17%	34	29	17%
Total	103	96	7%	290	274	6%
Group Insurance						
Employee Plans	18	10	80%	73	44	66%
Special Markets	97	85	14%	303	262	16%
Total	115	95	21%	376	306	23%
Dealer Services						
Creditor Insurance	54	61	(11%)	148	161	(8%)
P&C Insurance	143	132	8%	391	365	7%
Total	197	193	2%	539	526	2%
General Insurance						
iA Auto and Home	164	143	15%	466	404	15%
WEALTH MANAGEMENT						
Individual Wealth Management						
Gross sales						
Segregated funds	1,333	882	51%	3,881	2,744	41%
Mutual funds	385	289	33%	1,339	1,138	18%
Insured annuities and other savings products	483	618	(22%)	1,605	1,980	(19%)
Total	2,201	1,789	23%	6,825	5,862	16%
Net sales						
Segregated funds	781	216	565	1,946	775	1,171
Mutual funds	(163)	(222)	59	(500)	(449)	(51)
Total	618	(6)	624	1,446	326	1,120
Group Savings and Retirement	900	554	62%	2,676	2,145	25%
US OPERATIONS ($US)						
Individual Insurance[1]	68	44	55%	159	128	24%
Dealer Services	286	248	15%	813	724	12%

[1] Vericity's sales have been added to Q3 2024 figures.

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INSURANCE, CANADA

Individual Insurance – Third quarter sales totalled $103 million, recording another solid performance with a 7% increase over a strong quarter a year earlier. This very good result reflects the strength of all our distribution networks, the excellent performance of our digital tools, as well as our comprehensive and distinctive range of products. Sales were notably strong for participating insurance and living benefit products. The Company maintained the leading position in the Canadian market for the number of policies issued.[2]

Group Insurance – Third quarter sales of $18 million in Employee Plans were significantly higher than the $10 million recorded during the same quarter last year, largely attributed to the higher volume of mid-to-large group sales. Net premiums, premium equivalents and deposits increased by 9% year over year, benefiting from good sales and premium increases on renewals. Special Markets sales were 14% higher than a year earlier, reaching $97 million, driven by strong sales growth in travel medical insurance products.

Dealer Services – Total sales ended the third quarter at $197 million, 2% higher than the same period in 2023. This growth was essentially supported by sales of extended warranties and ancillary products. Note that the impact of the temporary outage at CDK Global at the end of the second quarter was immaterial on third quarter sales.

General Insurance (iA Auto and Home) – Direct written premiums reached $164 million in the third quarter, a strong increase of 15% compared to the same period last year. This reflects the success in generating new sales and the impact of recent premium increases.

WEALTH MANAGEMENT

Individual Wealth Management – The Company continued to rank first in Canada in gross and net segregated fund sales.[3] Gross sales of segregated funds amounted to more than $1.3 billion for the third quarter, a significant increase of 51% year over year, and net sales were once again particularly strong at $781 million. This robust performance was driven notably by the strength of our distribution networks. Additionally, the favourable performance of financial markets continued to increase client optimism towards riskier asset classes with higher return potential compared to guaranteed investments. Reciprocally, sales of insured annuities and other savings products totalled $483 million in the third quarter, compared to a very strong quarter of $618 million a year earlier. Mutual fund gross sales for the quarter amounted to $385 million, 33% higher than the same period in 2023, with net outflows of $163 million.

Group Savings and Retirement – Sales for the third quarter totalled $900 million and were 62% higher than a year earlier. This solid performance was driven by strong sales of both insured annuities and accumulation products.

US OPERATIONS

Individual Insurance – Record sales of US$68 million in the third quarter were 55% higher than a year earlier. This solid result, driven by good results in the final expense and middle/family markets and the addition of sales from the Vericity acquisition, confirms our potential for strong growth in the U.S. life insurance market, both organically and through acquisitions.

Dealer Services – Third quarter sales were up 15% over the same period last year, reaching US$286 million. This good result reflects the quality of our products and services. Also, dealers are emphasizing supplementary products sold with vehicles (F&I products) amid improved consumer affordability resulting from lower interest rates and reduced vehicle prices. Note that sales that were delayed to the third quarter due to the temporary outage at CDK Global at the end of the second quarter totalled around US$10 million.

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[2] According to the latest Canadian data published by LIMRA.
[3] Source: Investor Economics, August 2024.

ASSETS UNDER MANAGEMENT AND ASSETS UNDER ADMINISTRATION

Assets under management and assets under administration – Assets under management and assets under administration measure the Company's ability to generate fees, particularly for investment funds, funds under management and funds under administration.

Assets Under Management and Assets Under Administration				
(In millions of dollars)	**September 30, 2024**	**June 30, 2024**	**December 31, 2023**	**September 30, 2023**
Assets under management				
General fund[4]	55,864	53,879	52,009	48,079
Segregated funds	49,856	46,582	41,837	39,122
Mutual funds	13,079	12,643	12,204	11,366
Other	5,251	5,030	4,485	4,194
Subtotal	124,050	118,134	110,535	102,761
Assets under administration	125,682	117,243	108,349	102,196
Total	249,732	235,377	218,884	204,957

Assets under management and administration ended the third quarter at around $250 billion, up 22% over the last 12 months and up 6% during the quarter, mainly driven by favourable market conditions and high net fund inflows.

NET PREMIUMS, PREMIUM EQUIVALENTS AND DEPOSITS

Net premiums, premium equivalents and deposits – Net premiums, premium equivalents and deposits include entries from both new business written and in-force contracts. For more information on the calculation and presentation of net premiums, premium equivalents and deposits within each business unit, refer to the "Non-IFRS and Additional Financial Measures" section in this document.

Net Premiums, Premium Equivalents and Deposits[5]						
	Third quarter			**Year-to-date at September 30**		
(In millions of dollars)	**2024**	**2023**	**Variation**	**2024**	**2023**	**Variation**
Insurance, Canada						
Individual Insurance	543	497	46	1,591	1,474	117
Group Insurance	508	463	45	1,524	1,395	129
Dealer Services	171	168	3	470	448	22
General Insurance[6]	135	117	18	388	335	53
Wealth Management						
Individual Wealth Management	2,201	1,789	412	6,825	5,862	963
Group Savings and Retirement	894	548	346	2,658	2,125	533
US Operations						
Individual Insurance	266	161	105	618	473	145
Dealer Services	218	194	24	603	549	54
Total	4,936	3,937	999	14,677	12,661	2,016

Net premiums, premium equivalents and deposits exceeded $4.9 billion in the third quarter, recording a solid increase of 25% over the same period last year. All business units contributed to this strong performance, particularly Individual Wealth Management and Group Savings and Retirement.

[4] All general fund assets, including insured annuities, other savings products and other accumulation contracts.
[5] Premium equivalents and deposits include all premiums collected by the Company for its insurance and annuity activities (and posted to the general fund), all amounts collected for segregated funds (which are also considered to be premiums), deposits from the Group Insurance, Group Savings and Retirement and US Operations sectors, and mutual fund deposits.
[6] Includes iA Auto and Home and some minor consolidation adjustments.

C. Analysis of Earnings by Business Segment

The following table sets out the core earnings† and net income attributed to common shareholders by business segment. An analysis of the performance by business segment is provided in the following pages and a reconciliation between the net income attributed to common shareholders and core earnings† is provided in the "Reconciliation of Select Non-IFRS Financial Measures" section.

Core earnings†						Year-to-date at September 30		
		Quarter-over-quarter		*Year-over-year*		*Year-over-year*		
(In millions of dollars, unless otherwise indicated)	Q3/2024	Q2/2024	Variation	Q3/2023	Variation	2024	2023	Variation
Insurance, Canada	106	106	—	91	16%	304	256	19%
Wealth Management	106	98	8%	82	29%	299	223	34%
US Operations	31	22	41%	32	(3%)	72	75	(4%)
Investment	80	91	(12%)	93	(14%)	257	307	(16%)
Corporate	(46)	(50)	(8%)	(42)	10%	(145)	(141)	3%
Total	**277**	**267**	**4%**	**256**	**8%**	**787**	**720**	**9%**
Net income attributed to common shareholders								
Insurance, Canada	95	97	(2%)	79	20%	275	231	19%
Wealth Management	99	91	9%	73	36%	278	203	37%
US Operations	21	8	163%	24	(13%)	41	54	(24%)
Investment	114	63	81%	(76)	not meaningful	277	177	56%
Corporate	(46)	(53)	(13%)	(45)	2%	(149)	(144)	3%
Total	**283**	**206**	**37%**	**55**	**415%**	**722**	**521**	**39%**

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†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

Reconciliation of Net Income Attributed to Common Shareholders and Core Earnings†

The following table presents net income attributed to common shareholders and the adjustments that account for the difference between net income attributed to common shareholders and core earnings.†

Net Income Attributed to Common Shareholders and Core Earnings† Reconciliation – Consolidated

	Third quarter			Year-to-date at September 30		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**	**2024**	**2023**	**Variation**
Net income attributed to common shareholders	**283**	**55**	**415%**	**722**	**521**	**39%**
Core earnings adjustments (post tax)						
Market-related impacts	(34)	169		(16)	171	
Interest rates and credit spreads	(26)	14		(14)	20	
Equity	(33)	54		(86)	(9)	
Investment properties	14	101		68	160	
CIF[1]	11	—		16	—	
Currency	—	—		—	—	
Assumption changes and management actions	—	—		(4)	(43)	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	6	3		21	6	
Amortization of acquisition-related finite life intangible assets	19	17		53	49	
Non-core pension expense[2]	3	2		11	6	
Other specified unusual gains and losses	—	10		—	10	
Total	(6)	201		65	199	
Core earnings†	**277**	**256**	**8%**	**787**	**720**	**9%**

Core earnings† of $277 million in the third quarter are derived from net income attributed to common shareholders of $283 million and a total adjustment of $6 million from:

- the favourable market-related impacts that differ from management's expectations, totalling $34 million, as the impact of favourable equity, interest rate and credit spread variations was partly offset by investment property value adjustments and the unfavourable impact from the CIF;
- a total of $6 million related to the Prosperity and Vericity acquisitions ($3 million), the charge for the Surex minority shareholders' sell option ($2 million) and small restructuring charges ($1 million);
- the expenses associated with acquisition-related intangible assets of $19 million; and
- the impact of non-core pension expenses of $3 million.

[1] Impact of the tax-exempt investment income (above or below expected long-term tax impacts) from the Company's multinational insurer status.

[2] Pension expense that represents the difference between the asset return (interest income on plan assets) calculated using the expected return on plan assets and the IFRS prescribed pension plan discount rate.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

Insurance, Canada

This operating business segment includes all Canadian insurance activities offering a wide range of life, health, auto and home insurance coverage to individuals and groups, as well as vehicle warranties.

Net Income and Core Earnings† Reconciliation – Insurance, Canada

	Third quarter			Year-to-date at September 30		
(In millions of dollars, unless otherwise indicated)	2024	2023	Variation	2024	2023	Variation
Net income attributed to common shareholders	**95**	**79**	**20%**	**275**	**231**	**19%**
Core earnings adjustments (post tax)						
Market-related impacts	—	—		—	—	
Assumption changes and management actions	—	—		—	(1)	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	4	2		8	5	
Amortization of acquisition-related finite life intangible assets	5	4		13	12	
Non-core pension expense	2	1		8	4	
Other specified unusual gains and losses	—	5		—	5	
Total	11	12		29	25	
Core earnings†	**106**	**91**	**16%**	**304**	**256**	**19%**

Results for the third quarter of 2024

- Net income attributed to common shareholders for the Insurance, Canada segment was $95 million compared to $79 million for the same period in 2023. Net income attributed to common shareholders is comprised of core earnings† as well as core earnings adjustments.
- Core earnings adjustments to net income totalled $11 million, mostly from acquisition-related items.
- Core earnings† for this business segment were $106 million, higher than $91 million for the same period in 2023.

  The 16% increase in core earnings† over the same period in 2023 is the net result of various items. In particular, expected insurance earnings[3] were higher than a year ago, an increase driven by the favourable impact of price increases in various business units in the last 12 months. Other positive items included the lower impact of new insurance business[3] from Employee Plans compared to a year ago, the favourable impact of higher distribution results on core non-insurance activities[3] and lower core other expenses.[3]

  As for core insurance experience[3] , losses of $6 million were recorded during the quarter. At iA Auto and Home, claims associated with the heavy rainfall event that occurred in August in Quebec were partly offset by lower auto thefts and otherwise favourable summer weather. In other business units, favourable morbidity and mortality experience was offset by miscellaneous unfavourable items, including higher claims in Dealer Services.

Results for the first nine months of 2024

- Net income attributed to common shareholders was $275 million in 2024 compared with $231 million in 2023. Net income attributed to common shareholders is comprised of core earnings† as well as core earnings adjustments.
- Core earnings adjustments to net income totalled $29 million, mostly from acquisition-related items.
- Core earnings† were $304 million in 2024, which is 19% higher than $256 million in 2023. The increase is mainly due to higher expected insurance earnings and insurance experience gains.

[3] This item is a component of the drivers of earnings (DOE). Refer to the "Non-IFRS and Additional Financial Measures" section in this document for more information on presentation according to the DOE. For a reconciliation of core earnings† to net income attributed to common shareholders through the drivers of earnings (DOE), refer to the "Reconciliation of Select Non-IFRS Financial Measures" section of this document.

Wealth Management

This operating business segment includes all the Company's wealth management activities offering a wide range of savings and retirement solutions to individuals and groups.

Net Income and Core Earnings† Reconciliation – Wealth Management

	Third quarter			Year-to-date at September 30		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**	**2024**	**2023**	**Variation**
Net income attributed to common shareholders	**99**	**73**	**36%**	**278**	**203**	**37%**
Core earnings adjustments (post tax)						
Market-related impacts	—	—		—	—	
Assumption changes and management actions	—	—		—	—	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	—	1		—	1	
Amortization of acquisition-related finite life intangible assets	6	5		18	15	
Non-core pension expense	1	1		3	2	
Other specified unusual gains and losses	—	2		—	2	
Total	7	9		21	20	
Core earnings†	**106**	**82**	**29%**	**299**	**223**	**34%**

Results for the third quarter of 2024

- Net income attributed to common shareholders for the Wealth Management segment was $99 million compared to $73 million for the same period in 2023. Net income attributed to common shareholders is comprised of core earnings† as well as core earnings adjustments.
- Core earnings adjustments to net income totalled $7 million, mostly from acquisition-related items.
- Core earnings† for this business segment were $106 million for the third quarter compared with $82 million a year ago.

  The 29% increase in core earnings† over the same period in 2023 is mainly the result of good financial market performance, as well as an increase in the expected insurance earnings for segregated funds from strong net sales over the last 12 months and the increase in CSM recognized for services provided.[4] Mortality experience was also favourable, leading to an insurance experience gain. Finally, core non-insurance activities were up, reflecting a solid performance once again from the distribution affiliates, arising mainly from higher net commissions and better margins.

Results for the first nine months of 2024

- Net income attributed to common shareholders was $278 million in 2024 compared with $203 million in 2023. Net income attributed to common shareholders is comprised of core earnings† as well as core earnings adjustments.
- Core earnings adjustments to net income totalled $21 million, mostly from acquisition-related items.
- Core earnings† were $299 million in 2024, which represents an increase of 34% compared with $223 million in 2023. The increase is the result of higher earnings from segregated funds and a solid performance from the distribution affiliates amid good financial market performance.

[4] This item is a component of the CSM movement analysis. Refer to the "Non-IFRS and Additional Financial Measures" and "CSM Movement Analysis" sections in this document for more information on the CSM movement analysis.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

US Operations

This operating business segment includes all the Company's U.S. activities offering individuals a range of life insurance and vehicle warranty products.

Net Income and Core Earnings† Reconciliation – US Operations						
	Third quarter			Year-to-date at September 30		
(In millions of dollars, unless otherwise indicated)	2024	2023	Variation	2024	2023	Variation
Net income attributed to common shareholders	**21**	**24**	**(13%)**	**41**	**54**	**(24%)**
Core earnings adjustments (post tax)						
Market-related impacts	—	—		—	—	
Assumption changes and management actions	—	—		—	(1)	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	2	—		9	—	
Amortization of acquisition-related finite life intangible assets	8	8		22	22	
Non-core pension expense	—	—		—	—	
Other specified unusual gains and losses	—	—		—	—	
Total	10	8		31	21	
Core earnings†	**31**	**32**	**(3%)**	**72**	**75**	**(4%)**

Results for the third quarter of 2024

- Net income attributed to common shareholders for the US Operations segment was $21 million compared to $24 million for the same period in 2023. Net income attributed to common shareholders is comprised of core earnings† as well as core earnings adjustments.
- Core earnings adjustments to net income totalled $10 million, mostly from acquisition-related items.
- Core earnings† for this business segment were $31 million, which compares to $32 million for the same period in 2023.

  The $1 million year-over-year decrease is the net result of various items. In particular, the recent acquisitions of Vericity and the Prosperity blocks of business led to an increase in expected insurance earnings. Core insurance experience was also positive, mainly from favourable mortality experience. However, in core non-insurance activities, the unfavourable impact of lower sales in 2023 and the less favourable business mix arising from the current competitive environment was only partly offset by good sales growth in 2024. Finally, core other expenses increased following the addition of Vericity expenses, while non-recurring expenses were partially mitigated by cost-saving initiatives in Dealer Services.

Results for the first nine months of 2024

- Net income attributed to common shareholders was $41 million in 2024 compared with $54 million in 2023. Net income attributed to common shareholders is comprised of core earnings† as well as core earnings adjustments.
- Core earnings adjustments to net income totalled $31 million, mostly from acquisition-related items.
- Core earnings† were $72 million in 2024 compared with $75 million in 2023. This is the result of the higher core insurance service[5] result being more than offset by lower core non-insurance activities and higher core other expenses, notably due to the addition of Vericity expenses and non-recurring expenses.

[5] This item is a component of the drivers of earnings (DOE). For more information, refer to the "Non-IFRS and Additional Financial Measures" section of this document and of the Q3/2024 Management's Discussion and Analysis. For a reconciliation of core earnings† to net income attributed to common shareholders through the drivers of earnings (DOE), refer to the "Reconciliation of Select Non-IFRS Financial Measures" section of this document.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

Investments

This accounting segment includes the Company's investment and financing activities, except for the investment activities of the wealth distribution affiliates.

Net Income and Core Earnings† Reconciliation – Investments

	Third quarter			Year-to-date at September 30		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**	**2024**	**2023**	**Variation**
Net income attributed to common shareholders	**114**	**(76)**	not meaningful	**277**	**177**	**56%**
Core earnings adjustments (post tax)						
Market-related impacts	(34)	169		(16)	171	
Interest rates and credit spreads	(26)	14		(14)	20	
Equity	(33)	54		(86)	(9)	
Investment properties	14	101		68	160	
CIF[6]	11	—		16	—	
Currency	—	—		—	—	
Assumption changes and management actions	—	—		(4)	(41)	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	—	—		—	—	
Amortization of acquisition-related finite life intangible assets	—	—		—	—	
Non-core pension expense	—	—		—	—	
Other specified unusual gains and losses	—	—		—	—	
Total	(34)	169		(20)	130	
Core earnings†	**80**	**93**	**(14%)**	**257**	**307**	**(16%)**

Results for the third quarter of 2024

- Net income attributed to common shareholders for the Investments segment was $114 million compared to a net loss of $76 million for the same period in 2023. Net income attributed to common shareholders is comprised of core earnings† as well as core earnings adjustments.
- Core earnings adjustments to net income of $34 million for this business segment are market-related, as the impact of favourable equity, interest rate and credit spread variations were partly offset by investment property value adjustments and the unfavourable impact of the tax-exempt investment income from the Company's multinational insurer status (CIF).
- Core earnings† for this business segment were $80 million compared to $93 million a year ago and $91 million the previous quarter.

  The third quarter core earnings† were supported by the good performance of our high-quality investment portfolio, bolstered by the favourable impact of interest rate variations. However, taxes were higher and the result from iA Auto Finance was lower due to credit losses and an increased allowance for credit losses.[7]

Results for the first nine months of 2024

- Net income attributed to common shareholders was $277 million in 2024 compared with $177 million in 2023. Net income attributed to common shareholders is comprised of core earnings† as well as core earnings adjustments.
- Core earnings adjustments to net income totalled $20 million due to market-related impacts of $16 million and a minor assumption change of $4 million in the second quarter of 2024.
- Core earnings† totalled $257 million in 2024 compared to $307 million in 2023. This decrease is mainly the result of interest rate variations, capital management activities and, to a lesser extent, negative market value adjustments on investment properties (which reduce invested assets).

[6] Impact of the tax-exempt investment income (above or below expected long-term tax impacts) from the Company's multinational insurer status.
[7] Total allowance for credit losses (ACL) as a percentage of gross loans is defined as the ratio of ACL expressed as a percentage of gross loans. Provides a measure of the expected credit experience of the loan portfolio.

Corporate

This accounting segment reports all expenses that are not allocated to other segments, such as expenses for certain corporate functions. These expenses include, among other things, investments in the digital transformation, M&A prospecting activities, digital data and security projects and regulatory compliance projects.

Net Income and Core Earnings† Reconciliation – Corporate

(In millions of dollars, unless otherwise indicated)	Third quarter			Year-to-date at September 30		
	2024	2023	Variation	2024	2023	Variation
Net income (net loss) attributed to common shareholders	**(46)**	**(45)**	**2%**	**(149)**	**(144)**	**3%**
Core earnings adjustments (post tax)						
Market-related impacts	—	—		—	—	
Assumption changes and management actions	—	—		—	—	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	—	—		4	—	
Amortization of acquisition-related finite life intangible assets	—	—		—	—	
Non-core pension expense	—	—		—	—	
Other specified unusual gains and losses	—	3		—	3	
Total	—	3		4	3	
Core earnings (losses)†	**(46)**	**(42)**	**10%**	**(145)**	**(141)**	**3%**

Results for the third quarter of 2024

- The net loss attributed to common shareholders for the Corporate segment was $46 million compared to $45 million for the same period in 2023. The net loss attributed to common shareholders is comprised of core losses† as well as core earnings adjustments.
- Core losses adjustments to net loss for this business segment from acquisition-related items totalled $1 million pre-tax, which is less than $500,000 after tax.
- This segment recorded core losses† from after-tax expenses of $46 million, which compares with $42 million in the third quarter of 2023. This quarter's result is derived from core other expenses of $60 million before taxes, which is in line with the 2024 quarterly expectation of $65 million plus or minus $5 million. The favourable outcome for corporate expenses is the result of ongoing strong emphasis on operational efficiency, cost-conscious execution and a disciplined approach to project and workforce management.

Results for the first nine months of 2024

- The net loss attributed to common shareholders for the Corporate segment was $149 million compared to $144 million for the same period in 2023. The net loss attributed to common shareholders is comprised of core losses† as well as core earnings adjustments.
- Core losses adjustments to net loss for this business segment totalled $4 million from acquisition-related items.
- This segment recorded core losses† from after-tax expenses of $145 million, which compares with $141 million for the same period in 2023. This result is in line with expectations. The favourable outcome for corporate expenses since the beginning of 2024 is the result of strong emphasis on operational efficiency, cost-conscious execution and a disciplined approach to project and workforce management.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

Consolidated items

Income taxes

Income taxes represent the value of amounts payable under the tax laws and include both tax payable and deferred income taxes. A life insurer's investment income taxes and premium taxes are not included in these amounts.

Results for the third quarter of 2024

- Income tax expense amounted to $101 million compared to $13 million for the same period of 2023.
- The tax charge included in core earnings† in the third quarter was $82 million, for a core effective tax rate†† of 22.5%. This result is close to management expectations.
- The difference between the income tax expense and the tax charge included in core earnings† is mainly due to taxes on core earnings adjustments and the impact on the Investment segment of the tax-exempt investment income from the Company's multinational insurer status (CIF).

Results for the first nine months of 2024

- Income tax expense amounted to $224 million compared to $135 million for the same period of 2023.
- The tax charge included in core earnings† for first nine months was $212 million, for a core effective tax rate†† of 20.9%. This result is slightly better than management expectations, mainly due to a larger portion of tax-exempt investment income.
- The difference between the income tax expense and the tax charge included in core earnings† is mainly due to taxes on core earnings adjustments and the impact of the tax-exempt investment income from the Company's multinational insurer status (CIF).

Dividends/distributions on equity instruments

This item represents the after-tax dividends on preferred shares issued by a subsidiary and distributions on other equity instruments, which amounted to $5 million in the third quarter and $14 million for the year to date.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

D. Analysis According to the Financial Statements

The following analysis should be read in conjunction with the consolidated income statement presented in the last pages of this document and Note 16 "Segmented Information" in the Company's unaudited interim condensed consolidated financial statements.

The following table presents the composition of the insurance service result by business segment.

Insurance Service Result by Business Segment

	Third quarter			Year-to-date at September 30		
(In millions of dollars)	**2024**	**2023**	**Variation**	**2024**	**2023**	**Variation**
Insurance, Canada						
Insurance revenue	1,003	877	126	2,947	2,580	367
Insurance service expenses and net expenses from reinsurance contracts	(862)	(752)	(110)	(2,522)	(2,218)	(304)
Insurance service result	141	125	16	425	362	63
Wealth Management						
Insurance revenue	284	234	50	820	676	144
Insurance service expenses and net expenses from reinsurance contracts	(190)	(164)	(26)	(558)	(475)	(83)
Insurance service result	94	70	24	262	201	61
US Operations						
Insurance revenue	454	347	107	1,213	937	276
Insurance service expenses and net expenses from reinsurance contracts	(401)	(310)	(91)	(1,096)	(824)	(272)
Insurance service result	53	37	16	117	113	4
Total insurance service result	**288**	**232**	**56**	**804**	**676**	**128**

INSURANCE, CANADA

The insurance service result for the third quarter of 2024 was $141 million, representing an increase of $16 million or 13% compared to the same period in 2023. This result mainly reflects a higher contractual service margin recognized for services provided and the risk adjustment release due to strong business growth over the last twelve months. This was slightly offset by net experience losses due to higher claims at iA Auto and Home associated with the heavy rainfall event that occurred in August in Quebec, favourable morbidity and mortality experience, and other miscellaneous unfavourable items.

For the nine months ended September 30, 2024, the insurance service result of $425 million increased $63 million or 17%. This result reflects strong business growth and favourable experience over the same period last year.

WEALTH MANAGEMENT

The insurance service result for the third quarter of 2024 was $94 million, representing an increase of $24 million or 34% compared to the same period in 2023. This result is mainly driven by business growth, amplified by favourable market performance, which had a positive impact on the contractual service margin recognized for services provided.

For the nine months ended September 30, 2024, the insurance service result of $262 million increased $61 million or 30%. This result is driven by the same factors as in the third quarter.

US OPERATIONS

The insurance service result for the third quarter of 2024 was $53 million, representing an increase of $16 million or 43% compared to the same period in 2023. This result is mainly attributable to a higher contractual service margin recognized for services provided and the risk adjustment release brought on by the acquisitions of Vericity and the blocks of business from Prosperity that were integrated during the quarter.

For the nine months ended September 30, 2024, the insurance service result of $117 million increased $4 million or 4%. The variation is mainly driven by the contributions from the acquisitions of Vericity and the blocks of business from Prosperity to third quarter results. This was partially offset by the impact of new business and experience losses in the first half of 2024.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

The following table presents the other income statement items.

Other Income Statement Items						
	Third quarter			Year-to-date at September 30		
(In millions of dollars)	2024	2023	Variation	2024	2023	Variation
Net investment result	242	(44)	286	580	372	208
Other revenues	437	387	50	1,273	1,151	122
Other expenses	(578)	(506)	(72)	(1,697)	(1,531)	(166)
Income tax (expense) recovery	(101)	(13)	(88)	(224)	(135)	(89)

NET INVESTMENT RESULT

The third quarter increase of $286 million is mainly explained by higher returns on equity financial instruments and a lower impact from changes in fair value of investment properties compared to the same period last year. Decreasing interest rates led to an increase in fair value of fixed income financial instruments, which was mostly offset by an increase in value of insurance contract liabilities.

The net investment result for the nine months ended September 30, 2024 increased by $208 million, mainly attributable to the same factors as in the third quarter.

OTHER REVENUES

Other revenues for the third quarter were $50 million higher than the same period in 2023. The increase is mainly due to higher commission and management fee revenues in the Wealth Management segment, which is the result of increased assets under administration and assets under management, driven favourably by positive market performance. Part of the increase is also due to the revenues from the distribution operations of the Vericity acquisition in the US Operations segment.

Other revenues for the nine months ended September 30, 2024 increased by $122 million, mainly explained by the same factors as in the third quarter.

OTHER EXPENSES

The third quarter increase of $72 million in other expenses is mainly explained by increased commission expenses in Wealth Management segment driven by favourable market performance and related to increased revenues. In addition, the third quarter includes expenses from the Vericity acquisition in the US Operations segment and normal expenses to support business growth.

Other expenses for the nine months ended September 30, 2024 increased by $166 million, mainly explained by the same factors as in the third quarter.

INCOME TAX (EXPENSE) RECOVERY

For the third quarter of 2024, the Company recorded an income tax expense of $101 million compared to $13 million for the same period in 2023. The increase is consistent with the higher income before taxes.

For the nine months ended September 30, 2024, the Company recorded an income tax expense of $224 million compared to $135 million for the same period in 2023. The increase is consistent with the higher income before taxes and lower savings from prior-year adjustments.

NET INCOME ATTRIBUTED TO COMMON SHAREHOLDERS

Net income attributed to common shareholders totalled $283 million for the third quarter of 2024, up from $55 million for the same period last year. The increase is primarily a result of:

- strong business growth over the last 12 months, which had a favourable impact on the insurance service result;
- the net positive impact of decreasing interest rates on the fair value of fixed income financial instruments and insurance contract liabilities;
- the favourable performance of financial markets.

The breakdown of net income attributed to common shareholders by segment is presented and discussed in section C. Analysis of Earnings by Business Segment.

For the nine months ended September 30, 2024, net income attributed to common shareholders totalled $722 million, representing a $201 million increase compared to the same period last year. The 39% increase is explained by the same factors as in the third quarter.

The following table presents a summary of iA Financial Corporation's financial results for the last nine quarters.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

Selected Financial Data

(In millions of dollars, unless otherwise indicated)	IFRS 17 and IFRS 9									IFRS 4 and IAS 39	
	2024			2023				2022[1]		2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q4	Q3
Revenues (Insurance revenue, net investment income and other revenues)	4,348	2,301	1,449	6,347	(728)	2,399	3,242	2,031	1,822	4,354	3,848
Net income attributed to common shareholders	283	206	233	248	55	196	270	181	1	229	215
Earnings per common share (in dollars)											
Basic	$3.00	$2.13	$2.35	$2.47	$0.55	$1.90	$2.59	$1.72	$0.01	$2.18	$2.03
Diluted	$2.99	$2.12	$2.34	$2.46	$0.54	$1.89	$2.58	$1.71	$0.01	$2.17	$2.03

Quarterly results are influenced by certain patterns and seasonal fluctuations, as well as macroeconomic variations and market performance.

RELATED PARTY TRANSACTIONS

There are no material related party transactions outside the normal course of business to report for the third quarter of 2024.

ACCOUNTING POLICIES AND MAIN ACCOUNTING ESTIMATES

The Company's third quarter unaudited interim condensed consolidated financial statements were prepared as outlined in Note 1 "General Information" of these financial statements.

The preparation of financial statements requires management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities, net income and complementary information. Actual results could differ from management's best estimates. Management has exercised its judgment and made estimates and assumptions as outlined in Note 2 "Material Accounting Policy Information" in section b) "Important Estimates, Assumptions and Judgments" of the consolidated financial statements in the Company's 2023 Annual Report.

More information on new accounting policies applied and future changes in accounting policies is presented in Note 2 "Changes in Accounting Policies" of the unaudited interim condensed consolidated financial statements for the third quarter of 2024.

[1] The Company's 2022 results have been restated for the adoption of IFRS 17 Insurance Contracts and the related IFRS 9 Financial Instruments overlay ("the new accounting standards"). Additionally, the restated 2022 results are not fully representative of the Company's future market risk profile and future reported and core earnings profile, as the transition of the Company's invested asset portfolio for asset/liability management purposes under the new accounting standards was not fully completed until 2023. Accordingly, analysis based on 2022 comparative results may not be indicative of future trends and should be interpreted within this context.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

E. CSM Movement Analysis

The contractual service margin, or CSM, is an IFRS 17 metric that gives an indication of future profits and that is factored as available capital in the calculation of the solvency ratio.[1] However, this metric is not comprehensive as it does not consider required capital, non-insurance business, PAA[2] insurance business or the risk adjustment metric, which is also an indication of future profit. Organic CSM movement is a component of organic capital generation, and represents the ongoing CSM value creation calculated excluding the impact of non-organic items that add volatility to the total CSM, such as market variations.

The following table presents the evolution of the CSM for the third quarter and for the first nine months of 2024.

CSM Movement Analysis[3]

	Third quarter			Year-to-date at September 30		
(In millions of dollars, unless otherwise indicated)	2024	2023	Variation	2024	2023	Variation
CSM - Beginning of period	6,471	5,740	13%	5,925	5,574	6%
Organic CSM movement						
Impact of new insurance business	187	134		512	449	
Organic financial growth	83	59		234	190	
Insurance experience gains (losses)	14	(3)		31	—	
CSM recognized for services provided	(184)	(152)		(518)	(452)	
Sub-total - Organic CSM movement	100	38	163%	259	187	39%
Non-organic CSM movement						
Impact of changes in assumptions and management actions	—	—		2	(16)	
Impact of markets	80	(9)		281	37	
Currency impact	(12)	12		8	(1)	
Acquisition or disposition of a business	36	—		200	—	
Sub-total - Non-organic CSM movement	104	3		491	20	
Total - CSM movement	204	41		750	207	
CSM - End of period	6,675	5,781	15%	6,675	5,781	15%
CSM - Net insurance contract liabilities at end	6,391	5,500	16%	6,391	5,500	16%
CSM - Net reinsurance contract liabilities at end	284	281	1%	284	281	1%
CSM - End of period	6,675	5,781	15%	6,675	5,781	15%

At September 30, 2024, the CSM totalled nearly $6.7 billion, an increase of 15% over the last twelve months.

Results for the third quarter of 2024

During the third quarter, the CSM increased organically by $100 million due to the positive impact of new insurance business of $187 million, organic financial growth of $83 million and a net insurance experience gain of $14 million. Also, the CSM recognized in earnings of $184 million was 21% higher than a year ago. The net insurance experience gain for the quarter stems mainly from favourable policyholder behaviour experience in the segregated fund portfolio and other favourable items being only partly offset by unfavourable mortality experience and policyholder behaviour in Insurance, Canada.

During the third quarter, non-organic items led to a CSM increase of $104 million, which is explained by the following: the positive impact of macroeconomic variations (+$80 million), mainly due to favourable market performance; the positive impact of the acquisition of two blocks of business from Prosperity Life Group as outlined in the "Recent Highlights" section of this document (+ $36 million); and the slightly unfavourable impact of currency variations (-$12 million).

As a result of organic and non-organic items, the CSM increased by $204 million during the third quarter of 2024.

Results for the first nine months of 2024

The CSM increased organically by $259 million due to positive impact of new insurance business of $512 million, the organic financial growth of $234 million and an insurance experience gain of $31 million. Non-organic items led to a CSM increase of $491 million. As a result of organic and non-organic items, the CSM increased by $750 million during the first nine months of 2024.

1 The CSM, excluding the CSM for segregated funds, counts as Tier 1 capital in the solvency ratio calculation.
2 PAA: Premium Allocation Approach.
3 Components of the CSM movement analysis constitute supplementary financial measures. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

F. Financial Position

Solvency

(In millions of dollars, unless otherwise indicated)	September 30, 2024	June 30, 2024	December 31, 2023	September 30, 2023
Available capital				
Tier 1	4,866	5,010	4,831	4,830
Tier 2	3,583	3,421	3,405	3,451
Surplus allowance and eligible deposits	2,683	2,538	2,448	2,157
Total	11,132	10,969	10,684	10,438
Base solvency buffer	7,934	7,766	7,355	7,197
Solvency ratio	140%	141%	145%	145%

The Company ended the third quarter of 2024 with a solvency ratio of 140%, compared with 141% at the end of the previous quarter and 145% a year earlier. This result is well above the Company's solvency ratio operating target of 120%. The one percentage point decrease during the third quarter is the result of specific items. These include capital deployment through share buybacks (NCIB), the acquisition of two blocks of business from Prosperity Life Group and IT investments. They also include capital management initiatives, namely the $125 million redemption of iA Insurance outstanding preferred shares. These items were partly offset by the favourable impact of organic capital generation, which continues to be strong at $180 million, and the positive impact of macroeconomic variations.

During the third quarter, the Company organically generated $180 million in additional capital, a higher amount than in the same period of 2023. After nine months, $485 million has been generated, which is in line with projections to exceed the annual target threshold of $600 million in 2024. At September 30, 2024, the capital available for deployment was assessed at $1.0 billion. In addition, as outlined in the "Highlights" section of this document, the AMF's revised Capital Adequacy Requirements Guideline – Life and Health Insurance (CARLI) is expected to increase the Company's capital available for deployment by around $700 million on January 1, 2025, with no material impact on the solvency ratio level.

Financial Leverage Ratio[††]

	September 30, 2024	June 30, 2024	December 31, 2023	September 30, 2023
Financial leverage ratio	15.3%	16.4%	14.6%	14.7%

The financial leverage ratio[††] was 15.3% on September 30, 2024 compared to 16.4% at the end of the previous quarter. The favourable variation is mainly due to the $125 million redemption of iA Insurance outstanding preferred shares outlined in the "Highlights" section of this document and the increase in the post-tax contractual service margin.[1]

Book Value per Common Share and Market Capitalization

	September 30, 2024	June 30, 2024	December 31, 2023	September 30, 2023
Book value per common share[2]	$71.63	$69.92	$66.90	$65.25
Number of common shares outstanding	93,897,897	95,142,257	99,642,745	101,576,043
Value per share at close	$112.10	$85.91	$90.33	$85.20
Market capitalization (in million of dollars)	$10,526	$8,174	$9,001	$8,654

The book value per common share increased by 10% during the last 12 months and by 2% during the quarter to reach $71.63 at September 30, 2024. This result is mostly attributable to the increase in retained earnings, which was partly offset by the impact of the NCIB and the dividend payment to common shareholders.

The number of common shares outstanding decreased by 1,244,360, or 1%, during the quarter. This decrease is mainly due to the Company's redemption and cancellation of common shares under the NCIB program, which was partly offset by the exercise of stock options under the stock option plan for senior managers.

[1] Post-tax contractual service margin is a component of the financial leverage ratio calculation. For more information, see the "Non-IFRS and Additional Financial Measures" section in this document.
[2] Book value per common share is calculated by dividing the common shareholders' equity by the number of common shares outstanding at the end of the period.

[†] This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
[††] This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

Under the current NCIB, the Company can redeem, between November 14, 2023 and November 13, 2024, up to 8,074,936 common shares, representing approximately 8% of the Company's public float. As outlined in the "Highlights" section of this document, a total of 1,379,860 shares were repurchased and cancelled during the third quarter, for a total value of $123 million. A total of 7,004,964 shares, or 6.9% of the issued and outstanding common shares, were repurchased and cancelled under the current program between November 14, 2023 and September 30, 2024.

CHANGES IN FINANCIAL POSITION ACCORDING TO THE FINANCIAL STATEMENTS

The following table presents the balances of assets, liabilities and equity in the general fund.

Financial Position of General Fund				
(In millions of dollars)	**September 30, 2024**	**June 30, 2024**	**December 31, 2023**	**September 30, 2023**
General fund assets	55,864	53,879	52,009	48,079
General fund liabilities	48,538	46,505	44,971	41,075
Total equity	7,326	7,374	7,038	7,004

At September 30, 2024, general fund assets totalled $55.9 billion compared to $52.0 billion at December 31, 2023. The nine-month variation is mainly driven by the $2.0 billion increase in investment portfolio assets from net purchases in the normal course of business, the favourable impact of macroeconomic variations and the addition of Vericity's investment portfolio. The remainder of the variation in general fund assets comes from elements in the normal course of business.

At September 30, 2024, general fund liabilities totalled $48.5 billion compared to $45.0 billion at December 31, 2023. The nine-month variation is primarily related to the $2.0 billion increase in insurance contract liabilities. This is mainly explained by insurance finance expenses and the addition of Vericity. The remainder of the variation in general fund liabilities comes from elements in the normal course of business.

Capital Structure				
(In millions of dollars)	**September 30, 2024**	**June 30, 2024**	**December 31, 2023**	**September 30, 2023**
Equity				
Share capital and contributed surplus	1,541	1,555	1,620	1,649
Preferred shares issued by a subsidiary and other equity instruments	600	725	375	375
Retained earnings and accumulated other comprehensive income	5,185	5,094	5,043	4,980
Total shareholders' equity	7,326	7,374	7,038	7,004
Debentures	1,496	1,496	1,499	1,499
Total capital structure	8,822	8,870	8,537	8,503

The Company's capital structure is defined as the total of the shareholders' equity and debentures.

Equity was $7.3 billion at September 30, 2024 compared to $7.0 billion at December 31, 2023. The nine-month variation is primarily related to:

- the contribution of net income to retained earnings, totalling $736 million for the first nine months of 2024;
- the increase in preferred shares issued by a subsidiary and other equity instruments as a result of the $350 million Limited Recourse Capital Notes issuance, partly offset by the $125 million redemption of outstanding Class A – Series B preferred shares;
- the redemption of common shares for $438 million through the NCIB program;
- the impact of dividends on common shares of $237 million.

As a result, the Company's capital structure amounted to more than $8.8 billion at September 30, 2024, an increase of $285 million from December 31, 2023. The nine-month variation is essentially due to the movements in equity listed above.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

LIQUIDITY

At September 30, 2024, cash and short-term investments were $2,097 million compared to $1,990 million at June 30, 2024 and $1,379 million at December 31, 2023. The following table summarizes the source and use of the Company's funds for the third quarter and for the nine months ended September 30, 2024.

Cash Flows	Third quarter		Year-to-date at September 30	
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**2024**	**2023**
Cash and short-term investments at beginning	1,990	1,512	1,379	1,358
Cash flows from (used in):				
Operating activities	541	344	1,741	807
Investing activities	(88)	(71)	(421)	(238)
Financing activities	(340)	(600)	(609)	(738)
Foreign currency gains (losses) on cash	(6)	5	7	1
Increase (decrease) in cash and short-term investments	107	(322)	718	(168)
Cash and short-term investments at end	2,097	1,190	2,097	1,190

Cash flows from operating activities generally vary due to income before income taxes, sales and purchases of investments as well as receipts and disbursements on insurance and reinsurance contracts. Cash flows from investing activities change due to the acquisition of businesses and sales (purchases) of fixed and intangible assets. Cash flows from financing activities change due to transactions involving equity and debentures.

The increase in cash flows in the third quarter compared to the same period in 2023 is attributable to net cash flows from operating and financing activities. Financing activities mainly varied due to the redemption of $400 million of subordinated debentures in September 2023 and the redemption of the Class A – Series B preferred shares for a total cash amount of $125 million in July 2024.

The increase in cash flows for the nine months ended September 30, 2024 compared to the same period in 2023 is mainly due to the net cash flows from operating activities as well as the acquisition of Vericity, which has affected the cash flows from investing activities by a net amount of $213 million.

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†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

G. Investments

Investment Mix

(In millions of dollars, unless otherwise indicated)	September 30, 2024	June 30, 2024	December 31, 2023	September 30, 2023
Book value of investments	44,601	42,644	42,618	38,856
Allocation of investments by asset class				
Bonds	70.1%	69.7%	70.3%	68.0%
Stocks	10.8%	10.7%	9.5%	10.1%
Loans (including mortgages)	8.0%	8.4%	8.6%	9.6%
Investment properties	3.5%	3.7%	3.8%	4.3%
Cash and short-term investments	4.7%	4.7%	3.2%	3.1%
Other	2.9%	2.8%	4.6%	4.9%
Total	100.0%	100.0%	100.0%	100.0%

The total value of the investment portfolio was nearly $45 billion at September 30, 2024, up 5% quarter over quarter and 15% year over year. The increase over the quarter is primarily due to the favourable impact of macroeconomic variations, partly offset by the redemption of preferred shares and capital deployment through share buybacks. The above table shows the main asset classes that make up the Company's investment portfolio.

Quality of Investments

(In millions of dollars, unless otherwise indicated)	September 30, 2024	June 30, 2024	December 31, 2023	September 30, 2023
Bonds – Proportion rated BB or lower	0.6%	0.6%	0.6%	0.7%
Mortgages – Proportion of securitized and insured loans	66.4%	66.2%	68.2%	69.6%
Investment properties – Occupancy rate[1]	85.9%	86.0%	86.7%	85.9%
Car loans – Net impaired loans as a percentage of gross loans[2]	0.44%	0.43%	0.41%	0.40%
Car loans – Total allowance for credit losses (ACL) as a percentage of gross loans[3]	5.38%	5.20%	5.21%	4.56%

The indicators in the above table continue to demonstrate the high quality of the investment portfolio. For investment properties, the occupancy rate remained stable during the quarter and compares favourably with the Canadian office market.[4] The quality of the auto loan portfolio continues to be very good, despite a slight increase in the total allowance for credit losses (ACL) as a percentage of gross loans.

Derivative Financial Instruments

(In millions of dollars, unless otherwise indicated)	September 30, 2024	June 30, 2024	December 31, 2023	September 30, 2023
Total notional amount ($B)	49	46	43	44
Company's credit risk				
AA - or higher	100%	100%	100%	100%
A +	—	—	—	—
Positive fair value	1,117	1,039	1,787	1,359
Negative fair value	906	815	787	1,550

1 Occupancy rate on investment properties is calculated by dividing the total number of square feet rented by the total number of square feet in the Company's real estate portfolio. Land and real estate properties intended for redevelopment are excluded from the calculation.
2 Net impaired loans as a percentage of gross loans is a ratio of impaired loans net of allowance for credit losses expressed as a percentage of gross loans. It is an indicator of quality of the loan portfolio.
3 Total allowance for credit losses (ACL) as a percentage of gross loans is defined as the ratio of ACL expressed as a percentage of gross loans. Provides a measure of the expected credit experience of the loan portfolio.
4 Source: CBRE.

The Company uses derivative financial instruments in the normal course of managing the risks associated with fluctuations in interest rates, stock markets, currencies and the fair value of invested assets. These instruments are composed of various types of contracts, including interest rate swaps, market index and exchange rate contracts, forward agreements, futures contracts, and market index and currency options.

Derivative financial instruments are used as part of the Company's hedging program designed to alleviate the sensitivity of segregated fund guarantees to interest rate and stock market fluctuations. They are also used to hedge the Company's foreign exchange and interest rate risks and as part of investment strategies to reduce the Company's risk profile.

The positive fair value represents the amounts payable to the Company by the different counterparties. This amount fluctuates from one period to another according to changes in interest rates, equity markets and exchange rates. Conversely, negative fair value represents the amount payable by the Company to the different counterparties.

For more information, refer to Note 5 and Note 7 of the Company's unaudited interim condensed consolidated financial statements.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

H. Declaration of Dividend

The Board of Directors of iA Financial Corporation approved a quarterly dividend of $0.9000 per share on the Company's outstanding common shares, representing an increase of $0.08 per share or 10% compared to the dividend paid in the previous quarter.

In the third quarter 2024, iA Insurance paid no dividend to its sole common shareholder, iA Financial Corporation. In the fourth quarter of 2024, a dividend of $175 million was approved by the Board of Directors of iA Insurance to its sole common shareholder, iA Financial Corporation. As a result, a dividend of $175 million should be paid by iA Insurance to iA Financial Corporation in the fourth quarter of 2024.

As mentioned in the "Highlights" section, iA Insurance completed the redemption of its Non-Cumulative Class A Preferred Shares Series B outstanding on July 29, 2024. iA Insurance paid the holders of the Series B Preferred Shares the redemption price of $25.00 plus an amount of $0.090625 equal to the cash dividend in respect of the third quarter, pro rated to the redemption date, for a total of $25.090625 per Series B Preferred Share.

Following is the amount and the dates of payment and closing of registers for the iA Financial Corporation common shares.

Declaration of Dividend

	Amount	Payment date	Closing date
Common share – iA Financial Corporation	$0.9000	December 16, 2024	November 22, 2024

For the purposes of the *Income Tax Act* (Canada) and any corresponding provincial or territorial tax legislation, all dividends paid by iA Financial Corporation on its common shares are eligible dividends.

REINVESTMENT OF DIVIDENDS

Registered shareholders wishing to enrol in the Company's Dividend Reinvestment and Share Purchase Plan (DRIP) so as to be eligible to reinvest the next dividend payable on December 16, 2024 must ensure that the duly completed form is delivered to Computershare no later than 4:00 p.m. on November 15, 2024. Enrolment information is provided on iA Financial Group's website at ia.ca under *About iA,* in the *Investor Relations/Dividends* section. Common shares issued under the Company's DRIP will be purchased on the secondary market and no discount will apply.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

I. Risk Management and Sensitivities – Update

The "Risk Management and Sensitivities – Update" section of this Management's Discussion and Analysis contains certain International Financial Reporting Standards (IFRS) information regarding the nature and scope of the risks arising from financial instruments. This information, which appears in darker grey in this section, is disclosed in the Unaudited Interim Condensed Consolidated Financial Statements for the period ended September 30, 2024, given that the standards permit cross-references between the Notes to the Financial Statements and the Management's Discussion and Analysis. Because of the references made to the financial statements, the terminology used in this section is generally aligned with what is found in the financial statements.

As at September 30, 2024, the Company updated some portions of the Management's Discussion and Analysis for 2023, "Risk Management" section. Considering that the Unaudited Interim Condensed Consolidated Financial Statements do not contain all the information required in complete annual financial statements, they should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023 as well as the Management's Discussion and Analysis for 2023. The Company's risk profile has not changed significantly with respect to strategic risk, credit risk, liquidity risk, model risk, operational risk, or legal, regulatory and reputational risk.

Sensitivities provided by the Company constitute forward-looking information and involve risks and uncertainties, and undue reliance should not be placed on them. Refer to the "Forward-Looking Statements" section of this document for more information.

Immediate Sensitivity							
		Immediate Impact					
		Net income[1]	**Equity: OCI only[2]**	**Equity: OCI[2] and net income**	**Solvency ratio**	**CSM**	
(as at September 30, 2024)		*$M after tax*	*$M after tax*	*$M after tax*	*Percentage points*	*$M before tax*	
Public equity[3]	Immediate +10% change in market values	100	25	125	(0.5%)	200	
	Immediate -10% change in market values	(100)	(25)	(125)	1.0%	(250)	
Private non-fixed income (NFI) assets	Immediate +10% change in market values of private equity, investment property and infrastructure	275	25	300	1.0%	—	
	Immediate -10% change in market values of private equity, investment property and infrastructure	(275)	(25)	(300)	(1.5%)	—	
Interest rates	Immediate parallel shift of +50 bps on all rates	(25)	25	—	(1.0%)	25	
	Immediate parallel shift of -50 bps on all rates	25	(25)	—	1.0%	(25)	
Corporate spreads	Immediate parallel shift of +50 bps	(25)	75	50	0.5%	—	
	Immediate parallel shift of -50 bps	25	(75)	(50)	(0.5%)	—	
Provincial government bond spreads	Immediate parallel shift of +50 bps	25	(50)	(25)	(0.5%)	75	
	Immediate parallel shift of -50 bps	(25)	50	25	0.5%	(100)	
	Rounding	**±25**	**±25**	**±25**	**±0.5%**	**±25**	

[1] Represents the impact on net income (reported). Note that the non-core adjustment corresponds to the difference between the actual reported net investment result and management's expectations, which for equity and investment properties include long-term expected average annual returns of 8%–9% on aggregate.
[2] Impact of macroeconomic variations on equity (OCI) is related to the Company's pension plan.
[3] Excluding preferred shares.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

Core Earnings† Sensitivities				
(as at September 30, 2024)	Business segment	Variation	Impact on future quarter core earnings†,4 *$M after tax*	Description of shock
Public equity[5]	Investment	+5%	0.5	Immediate +5% change in market values
		-5%	(0.5)	Immediate -5% change in market values
	Wealth Management	+5%	4.1	Immediate +5% change in market values
		-5%	(4.4)	Immediate -5% change in market values
Private non-fixed income (NFI) assets[6]	Investment	+5%	3.0	Immediate +5% change in market values
		-5%	(3.0)	Immediate -5% change in market values
Interest rates	Investment	+10 bps	0.6	Immediate parallel shift of +10 bps on all rates
		-10 bps	(0.7)	Immediate parallel shift of -10 bps on all rates
	Wealth Management	+10 bps	0.4	Immediate parallel shift of +10 bps on all rates
		-10 bps	(0.4)	Immediate parallel shift of -10 bps on all rates
Credit and swap spreads	Investment	+10 bps	0.3	Immediate parallel shift of +10 bps
		-10 bps	(0.3)	Immediate parallel shift of -10 bps

Sensitivity Reductions

As discussed in the previous quarters, actions have been implemented in the first nine months of 2024 to reduce sensitivity to variations in interest rates, as well as credit spreads. These actions included model refinements to improve consistency in recognizing the impact of interest rate variations on assets and liabilities. By being more stable, the core net investment result and therefore core earnings† should better reflect the Company's underlying operating performance.

Caution Regarding Immediate Sensitivities

Sensitivities are provided in this section for certain risks. The sensitivities are projected using internal models at the reporting date and reflect the Company's assets and liabilities at that date. These sensitivities measure the impact of changing one factor at a time and assume that all other factors remain unchanged. Sensitivities include the impact of rebalancing equity and interest rate hedges as expected with the Company's dynamic hedging program used for guarantees on segregated funds. They exclude any subsequent actions on the Company's investment portfolio.

For solvency ratio sensitivities, it is assumed that no scenario switch occurs when estimating the impact on the interest rate risk under CARLI[7] (CARLI interest rate risk is assessed under four different interest rate scenarios, and the scenario leading to the highest capital requirement is chosen as the worst scenario for each geographic region).

Actual results can differ significantly from these estimates for a variety of reasons, including the interaction among these factors when more than one change occurs: change in business mix, change in actuarial and investment assumptions, change in investment strategies, actual experience differing from assumptions, the effective tax rate, market factors, the fact that sensitivities represent simplified scenarios (e.g., parallel shift of interest rates versus non-parallel movements) and limitations of our internal models. Also, changes in factors that are less than or more than the changes tested may not be linear. For these reasons, the sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors based on the assumptions outlined below.

Immediate sensitivities refer to the instantaneous effects on asset and liability values, ignoring any effects on future revenues and expenses. They should be used with caution to estimate financial impacts from market variations for a quarter. Immediate sensitivities assume an immediate market variation followed by a normally expected market evolution for the rest of the quarter. In other words, immediate sensitivities could be roughly interpreted as the difference between an actual market variation for a quarter versus the expectation for that quarter. For example, for public equity markets where growth is normally expected, flat market values for a quarter would be equivalent to an immediate decline in market values.

Immediate sensitivities provided by the Company constitute forward-looking information and involve risks and uncertainties, and undue reliance should not be placed on them. Refer to the "Forward-Looking Statements" section of this document for more information.

4 Impacts on core earnings† for the next quarter.
5 Excluding preferred shares.
6 Private equity, investment property and infrastructure.
7 Capital Adequacy Requirements Guideline – Life and Health Insurers.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

Caution Regarding Core Earnings† Sensitivities

Sensitivities are provided in this section for certain risks. The sensitivities are projected using internal models at the reporting date and reflect the Company's assets and liabilities at that date. These sensitivities measure the impact of changing one factor at a time and assume that all other factors remain unchanged. Also, they exclude any subsequent actions on the Company's investment portfolio.

Actual results can differ significantly from these estimates for a variety of reasons, including the interaction among these factors when more than one change occurs: change in business mix, change in actuarial and investment assumptions, change in investment strategies, actual experience differing from assumptions, the effective tax rate, market factors, the fact that sensitivities represent simplified scenarios (e.g., parallel shift of interest rates versus non-parallel movements) and limitations of our internal models. Also, changes in factors that are less than or more than the changes tested may not be linear. For these reasons, the sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors based on the assumptions outlined below.

Core earnings sensitivities provided by the Company constitute forward-looking information and involve risks and uncertainties, and undue reliance should not be placed on them. Refer to the "Forward-Looking Statements" section of this document for more information.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

J. Reconciliation of Select Non-IFRS Financial Measures

RECONCILIATION OF EARNINGS ACCORDING TO THE DRIVERS OF EARNINGS ANALYSIS

The following table provides a reconciliation between net income attributed to common shareholders and core earnings according to the drivers of earnings (DOE) analysis. It supplements the information presented in the "Analysis According to the Financial Statements" and "Analysis of Earnings by Business Segment" sections of this document and provides additional indicators for evaluating financial performance. Detailed information on core earnings adjustments and reclassifications is provided in the following page. Refer to the "Non-IFRS and Additional Financial Measures" section in this document for more information on presentation according to the DOE and its components.

Core Earnings† to Net Income Attributed to Common Shareholders Reconciliation – Consolidated

	Three months ended September 30								
	Core earnings†,[1]			Core earnings adjustments[1]	Reclassifications: Net investment result[2]	Reclassifications: Other[2]	Income per financial statements		
(In millions of dollars, unless otherwise indicated)	2024	2023	Variation	2024	2024	2024	2024	2023	Variation
Insurance service result	288	235	23%	—	—	—	288	232	24%
Net investment result	111	130	(15%)	62	69	—	242	(44)	(650%)
Non-insurance activities or other revenues per financial statements	84	80	5%	(2)	(33)	388	437	387	13%
Other expenses	(119)	(113)	5%	(35)	(36)	(388)	(578)	(506)	14%
Core earnings† or income per financial statements, before taxes	364	332	10%	25	—	—	389	69	464%
Income taxes or income tax (expense) recovery	(82)	(75)	not meaningful	(19)	—	—	(101)	(13)	not meaningful
Dividends/distributions on other equity instruments[3]	(5)	(1)	not meaningful				(5)	(1)	not meaningful
Core earnings† or net income attributed to common shareholders per financial statements	**277**	**256**	**8%**	**6**	**—**	**—**	**283**	**55**	**415%**
	Nine months ended September 30								
Insurance service result	804	675	19%	—	—	—	804	676	19%
Net investment result	328	402	(18%)	60	192	—	580	372	56%
Non-insurance activities or other revenues per financial statements	246	223	10%	(6)	(90)	1,123	1,273	1,151	11%
Other expenses	(365)	(368)	(1%)	(107)	(102)	(1,123)	(1,697)	(1,531)	11%
Core earnings† or income per financial statements, before taxes	1,013	932	9%	(53)	—	—	960	668	44%
Income taxes or income tax (expense) recovery	(212)	(200)	not meaningful	(12)	—	—	(224)	(135)	not meaningful
Dividends/distributions on other equity instruments[3]	(14)	(12)	not meaningful				(14)	(12)	not meaningful
Core earnings† or net income attributed to common shareholders per financial statements	**787**	**720**	**9%**	**(65)**	**—**	**—**	**722**	**521**	**39%**

[1] For a breakdown of core earnings† adjustments applied to reconcile to net income attributed to common shareholders, see "Core Earnings Adjustments" below.

[2] These reclassifications reflect items subject to a different classification treatment between the financial statements and the drivers of earnings (DOE).†

[3] Dividends on preferred shares and distributions on other equity instruments.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

CORE EARNINGS ADJUSTMENTS

Please refer to the "Analysis of Earnings by Business Segment" section for a table presenting the net income attributed to common shareholders and core earnings† reconciliation and an analysis of the adjustments that account for the difference between net income attributed to common shareholders and core earnings.†

NET INVESTMENT RESULT RECLASSIFICATION

Net investment result reclassifications totalled $69 million for the third quarter and $192 million for the year to date, and are broken down in the following table.

Net investment result

	Third quarter			Year-to-date at September 30		
(in millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**	**2024**	**2023**	**Variation**
Net investment result – IFRS Income Statements	242	-44	286	580	372	208
Investment income of wealth distribution affiliates *Income statements: Net investment result* *DOE: Non-insurance activities*	-33	-27	-6	-94	-65	-29
Investment expenses *Income statements: Other operating expenses* *DOE: Net investment result*	-4	-1	-3	-21	-24	3
Other revenues and other operating expenses of iA Auto Finance *Income statements: Other revenues and other operating expenses* *DOE: Net investment result*	-25	-21	-4	-71	-58	-13
Income relating to the DSU hedging instrument *Income statements: Change in fair value of investment* *DOE: Other expenses*	-7	2	-9	-6	2	-8
Net investment result – non-IFRS Drivers of Earnings (DOE)	**173**	**-91**	**264**	**388**	**227**	**161**

OTHER RECLASSIFICATIONS

Other reclassifications relate mainly to expenses that are subject to a different classification treatment in the financial statements and the drivers of earnings (DOE). Other reclassifications totalled $388 million for the third quarter and $1,123 million for the first nine months of 2024.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.
†† This item is a non-IFRS ratio; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

K. Non-IFRS and Additional Financial Measures

iA Financial Corporation (hereinafter referred to as the "Company") reports its financial results and statements in accordance with International Financial Reporting Standards ("IFRS"). The Company also publishes certain financial measures or ratios that are not presented in accordance with IFRS. The Company uses non-IFRS and other financial measures when evaluating its results and measuring its performance. The Company believes that such measures provide additional information to better understand its financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full year results of the Company's ongoing operations. Since such non-IFRS and other financial measures do not have standardized definitions and meaning, they may differ from similar measures used by other institutions and should not be viewed as an alternative to measures of financial performance, financial position or cash flow determined in accordance with IFRS. The Company strongly encourages investors to review its financial statements and other publicly filed reports in their entirety and not to rely on any single financial measure.

Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure from the Canadian Securities Administrators ("Regulation 52-112") establishes disclosure requirements that apply, respectively, to the following categories of non-IFRS measures used by the Company:

– *Non-IFRS financial measures*, which depict historical or expected future financial performance, financial position or cash flow, and with respect to their composition, exclude an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the Company's financial statements.
– *Non-IFRS ratios*, which are in the form of a ratio, fraction, percentage, or similar representation, have a non-IFRS financial measure as one or more of their components and are not disclosed in the Company's financial statements.

– *Supplementary financial measures*, which are not non-IFRS financial measures or non-IFRS ratios but are disclosed on a periodic basis to depict historical or expected future financial performance, financial position, or cash flow and are not disclosed in the Company's financial statements.

Below is a description of the non-IFRS financial measures, non-IFRS ratios and the supplementary financial measures used by the Company. Additional information is provided, along with a description of the reconciliation to the most directly comparable IFRS measure, where applicable.

Core earnings (losses) – Core earnings is a non-IFRS financial measure that removes from net income attributed to common shareholders the impacts of the following items:

a) market-related impacts that differ from management's expectations, which include the impacts of equity and investment property markets, interest rates and exchange rate variations on the net investment result (including impacts on net investment income and on finance expenses from insurance and reinsurance contracts) and on the insurance service result (i.e., on losses and reversal of losses on onerous contracts accounted for using the variable fee approach measurement model) and the impacts of the tax-exempt investment income (above or below expected long-term tax impacts) from the Company's multinational insurer status. For such purposes, management's expectations include:
    i. an expected long-term annual return (between 8% and 9% on average) on non-pass-through non-fixed income asset investments (public and private equity, investment properties, infrastructure and preferred shares);
    ii. that interest rates (including credit spreads) that are observable on the markets at the beginning of each month of the quarter will remain unchanged during each month of the quarter and that liability discount rates for the non-observable period will change as implied in the discount rate curve at the beginning of each month of the quarter; and
    iii. that exchange rates at the beginning of each month of the quarter will remain unchanged during each month of the quarter;
b) assumption changes and management actions;[1]
c) charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs;
d) amortization of acquisition-related finite life intangible assets;
e) pension expense, which represents the difference between the asset return (interest income on plan assets) calculated using the expected return on plan assets and the IFRS prescribed pension plan discount rate;
f) specified items which management believes are non-recurring or otherwise not representative of the performance of the Company, including (i) material legal settlements and provisions, (ii) unusual income tax gains and losses, (iii) material impairment charges related to goodwill and intangible assets, and (iv) other specified unusual gains and losses; and
g) income taxes on items listed above.

[1] Assumption changes and management actions are governed by a rigorous process, driven by industry guidance, actuarial practices and risk management practices that lead to periodic and necessary adjustments to reflect, as accurately as possible, the impact of historical and recent events as well as the current and projected environment on assumptions and expectations, namely with the objective of meeting all of the Company's commitments and maintaining its financial strength.

Purpose: The nature of the Company's business involves long-term financial commitments which are supported by a resilient portfolio of assets. However, movements in equity markets, interest rates, currency exchange rates, private equity valuations and real estate markets, among other things, result in ongoing variations in value that can be relatively significant to reported assets, insurance contract liabilities and net income attributed to shareholders. Such variations are not necessarily realized and may never be realized, including notably as a result of market movements in opposite directions or, in respect of interest rate movements, if fixed income investments are held to maturity.

Core earnings is presented to assist market participants in understanding the earnings potential of the business over the medium and long term by excluding from net income attributed to common shareholders certain impacts of market volatility, changes in actuarial methods, and items which management believes are non-recurring or otherwise not representative of the performance of the Company. Management believes that core earnings enable a more robust comparison of financial and operating performance from period to period and with other reporting issuers. Management also uses core earnings as a key measure to assess operating business performance and as a basis for management planning, compensation, and strategic priority setting.

The core earnings calculation is supported by management expectations and assumptions subject to periodic and necessary

adjustments to reflect, as accurately as possible, the impact of recent events as well as the current and projected environment on management's medium- and long-term expectations. Market risk and insurance risk management are considered in the calculation of core earnings in a medium- to long-term perspective, taking into account the Company's financial commitments. Core earnings are therefore not immune to market movements and changes in macroeconomic conditions.

Reconciliation: "Net income attributed to common shareholders" is the most directly comparable IFRS measure disclosed in the financial statements of the Company. For a reconciliation of this measure with the most directly comparable IFRS measure, refer to the "Reconciliation of Select Non-IFRS Financial Measures" section of this document.

Core earnings per common share (core EPS) – Core earnings per common share is a non-IFRS ratio obtained by dividing the core earnings by the diluted weighted average number of common shares in the corresponding period. Core EPS is used to better understand the Company's capacity to generate sustainable earnings in comparing the profitability across multiple periods and is an additional indicator for evaluating the Company's financial performance. Management also uses core EPS as a key measure to assess operating business performance and as a basis for management planning and strategic priority setting.

Return on common shareholders' equity (ROE) – Return on common shareholders' equity is a supplementary financial measure, expressed as a percentage, obtained by dividing the consolidated net income attributed to common shareholders by the average common shareholders' equity for the period. This measure provides a general measure of the Company's efficiency in using equity.

Core return on common shareholders' equity (core ROE) – Core return on common shareholders' equity is a non-IFRS ratio, expressed as a percentage, obtained by dividing the consolidated core earnings by the average common shareholders' equity for the corresponding period. This measure provides a general measure of the Company's efficiency in using equity, based on core earnings, and an additional indicator for evaluating the Company's financial performance.

CSM movement analysis – Components of the CSM movement analysis constitute supplementary financial measures. CSM movement analysis presents the movement of the contractual service margin (CSM) on a net-of-reinsurance basis, broken down as follows:

a) Organic CSM movement, which excludes the impacts of items that create undue volatility or are non-representative of the underlying business performance from period to period and helps in better understanding the ongoing CSM value creation. It is the sum of the following components:
    i. *Impact of new insurance business*, which is the CSM established from non-onerous insurance contracts initially recognized in the period. It includes the impacts related to policy cancellations and acquisition expenses, and it excludes the impacts of unusual new reinsurance contracts on in-force business that are categorized as management actions.
    ii. *Organic financial growth*, which is the movement of the CSM from 1) expected asset returns on underlying items (for insurance contracts measured under the variable-fee approach); and 2) interest accreted based on locked-in discount rates at initial recognition (for insurance contracts measured under the general measurement model).
    iii. *Insurance experience gains (losses)*, which is non-financial experience that relates to future services (e.g., policyholder behaviour that differs from expectations) on non-onerous contracts.
    iv. *CSM recognized for services provided*, which is the CSM recognized in net income for services provided during the period.

b) *Non-organic CSM movement*, which is the sum of the following components:

i. *Impact of changes in assumptions and management actions*, which is the impact on non-onerous contracts of changes in methods and assumptions that relate to future services or other management actions. Changes in assumptions result from the Company ensuring the adequacy of its liabilities. Management actions represent the impact of actions apart from the normal operation of the business, including but not limited to changes in methodology, model refinement and impacts of acquisitions, mergers and divestitures.
ii. *Impact of markets*, which represents the market experience for non-onerous contracts measured under the variable-fee approach. It is the impact on fulfilment cash flows of actual market variations (e.g., equity markets and interest rates) that differ from expectations.
iii. *Currency impact*, which is the impact of variations in exchange rates on the CSM, presented in Canadian dollars.

The total CSM movement equals the sum of the variation of the CSM for insurance contracts and the variation of the CSM for reinsurance contracts disclosed in the note titled "Insurance Contracts and Reinsurance Contracts" in the Company's financial statements.

The CSM movement analysis provides additional information to better understand the drivers of the changes in contractual service margin from one period to another.

Drivers of earnings (DOE) – Components of the DOE analysis constitute additional financial measures. The analysis according to the DOE presents net income attributed to common shareholders and core earnings broken down by the following key drivers:

a) *Insurance service result*, or correspondingly the *Core insurance service result* when taking into account the related core earnings adjustments, as the sum of the following components (on a net-of-reinsurance basis when applicable):

   i. *Expected insurance earnings*, which represent the recurring insurance-related earnings on business in force during the reporting period. It is the sum of the following components:
      - Risk adjustment release, which is the change in risk adjustment for non-financial risk for risk expired.
      - Contractual service margin (CSM) recognized for services provided, which is the CSM recognized in net income for services provided during the period.
      - Expected earnings on PAA insurance business, which is the insurance service result (insurance revenue, net of insurance service expenses) for insurance contracts measured under the premium allocation approach, excluding estimated experience gains (losses).
   ii. *Impact of new insurance business*, which is point-of-sale loss of writing new insurance business identified as onerous as per IFRS 17 during the period. The expected profit realized in the years after a contract is issued should cover the loss incurred at the time of issue. The gain of writing new insurance business identified as non-onerous as per IFRS 17 is recorded in the contractual service margin (not in net income).
   iii. *Insurance experience gains (losses),* or correspondingly *Core insurance experience gains (losses)* when taking into account the related core earnings adjustments, which are differences between expected and actual insurance claims and expenses as measured by IFRS 17. Also included are: 1) estimated experience gains (losses) on insurance claims and expenses for contracts measured under the premium allocation approach, 2) adjustments related to current and past services, 3) insurance experience that relates to future services for onerous contracts, and 4) market experience for onerous contracts measured under the variable-fee approach. Insurance experience gains (losses) correspond to experience gains (losses), excluding market experience for onerous contracts measured under the variable-fee approach.
   iv. *Insurance assumption changes and management actions,* which is the impact on pre-tax net income resulting from changes, on onerous contracts, in non-financial methods and assumptions that relate to future services or other management actions. Changes in non-financial assumptions result from the Company ensuring the adequacy of its liabilities given the Company's own experience in terms of mortality, morbidity, lapse rates, expenses, and other factors. Management actions represent the impact of actions apart from the normal operation of the business, including but not limited to changes in methodology, model refinement and impacts of acquisitions, mergers and divestitures.

b) *Net investment result*, or correspondingly the *Core net investment result* when taking into account the related core earnings adjustments, which is the sum of the following components (on a net-of-reinsurance basis when applicable):

   i) *Expected investment earnings*, which is the net investment income, net of finance expenses from contract liabilities and net of investment-related expenses that are part of core earnings. It excludes the credit-related experience impacts and financing charges on debentures.
   ii) *Credit experience*, which includes 1) the impact of rating changes, including defaults, on fixed income assets measured at fair value through profit or loss of the investment portfolio, and 2) changes in the quarterly credit experience on car loans (which are all classified at amortized cost), including impacts on allowance for credit losses (ACL).

iii) *Market experience gains (losses),* which are impacts on net investment income and on finance expenses from contract liabilities of actual market variations (e.g., equity markets, interest rates and exchanges rates) that differ from expectations.

iv) *Financial assumption changes and other,* which is the impact on pre-tax net income resulting from changes in financial methods and assumptions. Changes in financial assumptions result from the Company ensuring the adequacy of its liabilities.

c) *Non-insurance activities*, or correspondingly *Core non-insurance activities* when taking into account the related core earnings adjustments, which are revenues net of expenses for non-insurance activities such as, but not limited to, mutual funds, wealth distribution, insurance distribution, group insurance administrative services only (ASO) business and non-insurance dealer services activities.

d) *Other expenses*, or correspondingly *Core other expenses* when taking into account the related core earnings adjustments, which are expenses not attributable to either insurance contracts or non-insurance activities, such as, but not limited to, corporate expenses, amortization of acquisition-related intangible assets, financing charges on debentures and intangible asset and goodwill writedowns.

e) *Income taxes*, or correspondingly *Core income taxes* when taking into account the related core earnings adjustments, which represent the value of amounts payable under the tax laws and include tax payable and deferred income taxes. A life insurer's investment income taxes and premium taxes are not included in these amounts.

f) *Dividends/distributions on equity instruments*, which are dividends on preferred shares issued by a subsidiary and distributions on other equity instruments.

Purpose: The drivers of earnings provide additional information for evaluating the Company's financial performance and is an additional tool to help investors better understand the drivers of shareholder value creation.

Reconciliation: For a reconciliation of core earnings to net income attributed to common shareholders in accordance with the DOE analysis, refer to the "Reconciliation of Select non-IFRS Financial Measures" section of this document.

Assets under administration – Assets under administration (AUA) is a supplementary financial measure defined as all assets with respect to which the Company acts only as an intermediary between a client and an external fund manager. This measure is used to assess the Company's ability to generate fees, particularly for investment funds and funds under administration.

Assets under management – Assets under management (AUM) is a supplementary financial measure defined as all assets with respect to which the Company establishes a contract with a client and makes investment decisions for amounts deposited in this contract. This measure is used to assess the Company's ability to generate fees, particularly for investment funds and funds under management. Refer to the "Business Growth – Assets under Management and Assets under Administration" section of this document for a presentation of the components of assets under management.

Capital available for deployment – Capital available for deployment is a supplementary financial measure defined as the amount of capital the Company can deploy in an acquisition-type transaction, assuming the most restrictive transaction parameters with respect to regulatory capital (e.g., a transaction involving only intangible assets such as goodwill). The calculation considers the amount of capital over and above the Company's operating capital target ratios, calculated under the Capital Adequacy Requirements Guideline – Life and Health Insurance (CARLI), in addition to potential debt capital and other regulatory capital instruments other than common shares, considering all limits and constraints of the regulatory capital guideline and the Company's own internal targets. This measure provides a measure of the Company's capacity to deploy capital for transactions.

Core effective tax rate – Core effective tax rate is a non-IFRS ratio obtained by dividing income taxes, as included in the presentation of core earnings in accordance with the DOE analysis, by core earnings before tax. The core effective tax rate is an additional indicator used to evaluate and better compare tax expenses across multiple periods.

Dividend payout ratio – Dividend payout ratio is a supplementary financial measure defined as the percentage of net income attributed to common shareholders that is distributed to common shareholders in the form of dividends during the period. It indicates the percentage of the Company's net income attributed to shareholders that shareholders received in the form of dividends.

Dividend payout ratio, core – Dividend payout ratio, core is a non-IFRS ratio defined as the percentage of core earnings that is distributed to common shareholders in the form of dividends during the period. This measure indicates the percentage of the Company's core earnings shareholders received in the form of dividends.

Financial leverage ratio – Financial leverage ratio is a non-IFRS ratio calculated by dividing the total debentures plus preferred shares issued by a subsidiary and other equity instruments by the sum of total debentures plus shareholders' equity and post-tax contractual service margin (CSM). The CSM is used for the purpose of presenting the financial leverage ratio and is calculated as the difference between the CSM balance and the product obtained by multiplying the CSM balance for each legal entity by the applicable statutory tax rate. The financial leverage ratio measure provides a measure of the Company's financial leverage when planning the Company's strategies and priorities for capital management initiatives.

Financial leverage ratio (debentures only) – Financial leverage ratio (debentures only) is a non-IFRS ratio calculated by dividing the total debentures by the sum of total debentures plus shareholders' equity and post-tax contractual service margin (CSM). The CSM is used for the purpose of presenting the financial leverage ratio and is calculated as the difference between the CSM balance and the product obtained by multiplying the CSM balance for each legal entity by the applicable statutory tax rate. The financial leverage ratio (debentures only) provides a measure of the Company's financial leverage when planning the Company's strategies and priorities for capital management initiatives.

Organic capital generation – Organic capital generation is a supplementary financial measure defined as the amount of capital generated during a period, in excess of the Company's operating solvency target ratio, through activities representative of the Company's earnings performance and potential over the medium and long term, consistent with the core earnings definition. The calculation considers core earnings net of dividends paid to common shareholders in addition to organic contractual service margin (CSM) and risk adjustment (RA) movements, less the organic increase of regulatory capital requirements calculated under the CARLI guideline. It provides a measure of the Company's capacity to generate excess capital in the normal course of business. In addition, organic capital generation is used for management planning and strategic priority setting. This measure is an additional financial indicator to evaluate the Company's financial performance.

Net premiums – Net premiums is a supplementary financial measure defined as follows:

a) Individual Insurance net premiums, Group Insurance Employee Plans net premiums and US Operations Individual Insurance net premiums are defined as premiums reduced by premiums ceded to reinsurers and include both fund entries on new business written during the period and on in-force contracts.
b) Dealer Services P&C net premiums, US Operations Dealer Services net premiums and iA Auto & Home net premiums are defined as direct written premiums less amounts ceded to a reinsurer.
c) Group Insurance Special Markets net premiums and Dealer Services Creditor Insurance net premiums refer to gross premiums less amounts ceded to a reinsurer.
d) Group Savings and Retirement net premiums refer to net premium after reinsurance and exclude premium equivalents.

Premiums are one of many measures used to assess the Company's ability to generate income from in-force and new business.

Premium equivalents and deposits

a) Premium equivalents is a supplementary financial measure and refers to amounts related to service contracts (such as Administrative Services Only (ASO) contracts) or related to services where the Company is primarily an administrator. For some business units, they also include the amount of premiums kept externally for insurance contracts where the Company will compensate the counterparty for losses that exceed a specific threshold, or failure to pay. These amounts are not accounted for in "Net premiums".
b) Deposits refer to amounts received from clients under a mutual fund contract or an investment contract. Deposits are not reflected in the Company's income statements.

Premium equivalents and deposits are one of many measures used to assess the Company's ability to generate income from in-force and new business.

Sales – Sales are defined as fund entries on new business written during the period. Sales assess the Company's ability to generate new business.

a) Insurance, Canada
    - Individual Insurance: In the Individual Insurance sector, sales are defined as first-year annualized premiums. Gross sales are defined as premiums before reinsurance and cancellations. Net premiums include both fund entries on new business written during the period and on in-force contracts and are reduced by premiums ceded to reinsurers.
    - Group Insurance:
      Employee Plans: Sales are defined as annualized premiums of contracts for new groups becoming effective during the quarter. Net premiums are net of reinsurance and include both fund entries on new business written during the period and on in-force contracts.
      Special Markets: Sales are defined as premiums before reinsurance.

- Dealer Services:
  Creditor Insurance: Creditor insurance sales are defined as premiums before reinsurance and cancellations.
  P&C: P&C sales are defined as direct written premiums before reinsurance and cancellations.
- iA Auto & Home: In iA Auto & Home, sales are defined as direct written premiums before reinsurance and cancellations.

b) Wealth Management

- Individual Wealth Management

  Total sales: In the Individual Wealth Management sector, total sales (or gross sales) for general fund and segregated fund products correspond to the net premiums. Sales for mutual funds are defined as deposits and include primary market sales of ETFs.

  Net sales: In the Individual Wealth Management sector, net sales are a useful measure because they provide a more detailed understanding of the source of AUM growth. The change in AUM is important because it determines the level of management fees. Sales for segregated funds and mutual funds correspond to net fund entries (gross sales less withdrawals and transfers).

- Group Savings and Retirement: In the Group Savings and Retirement sector, sales of accumulation contracts and insured annuities include gross premiums (before reinsurance) and premium equivalents, or deposits. Net premiums are after reinsurance and exclude premium equivalents.

c) US Operations

- Individual Insurance: Sales are defined as first-year annualized premiums.
- Dealer Services: P&C sales are defined as direct written premiums (before reinsurance) and premium equivalents.

Total payout ratio (trailing 12 months) – Total payout ratio (trailing 12 months) is a supplementary financial measure defined as the sum of common dividends paid and common shares repurchased (buybacks) over the last twelve months divided by the net income attributed to common shareholders over the last twelve months. This measure indicates the percentage of the Company's net income attributed to common shareholders that shareholders received in the form of dividends and share repurchases over a trailing twelve-month period.

L. Notice and General Information

INTERNAL CONTROL OVER FINANCIAL REPORTING

No changes were made to the Company's internal control over financial reporting during the interim period ended September 30, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

This document may contain statements relating to strategies used by iA Financial Group or statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "may", "will", "could", "should", "would", "suspect", "expect", "anticipate", "intend", "plan", "believe", "estimate", and "continue" (or the negative thereof), as well as words such as "objective", "goal", "guidance", "outlook" and "forecast", or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this document, forward-looking statements include, but are not limited to, information concerning possible or assumed future operating results. These statements are not historical facts; they represent only expectations, estimates and projections regarding future events and are subject to change.

Although iA Financial Group believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. In addition, certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements.

– Material factors and risks that could cause actual results to differ materially from expectations include, but are not limited to: general business and economic conditions; level of competition and consolidation and ability to adapt products and services to market or customer changes; information technology, data protection, governance and management, including privacy breach, and information security risks, including cyber risks; level of inflation; performance and volatility of equity markets; interest rate fluctuations; hedging strategy risks; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; unexpected changes in pricing or reserving assumptions; the occurrence of natural or man-made disasters, international conflicts, pandemic diseases (such as the COVID-19 pandemic) and acts of terrorism; iA Financial Group liquidity risk, including the availability of funding to meet financial liabilities as they come due; mismanagement or dependance on third-party relationships in a supply chain context; ability to attract, develop and retain key employees; risk of inappropriate design, implementation or use of complex models; fraud risk; changes in laws and regulations, including tax laws; contractual and legal disputes; actions by regulatory authorities that may affect the business or operations of iA Financial Group or its business partners; changes made to capital and liquidity guidelines; risks associated with the regional or global political and social environment; climate-related risks including extreme weather events or longer-term climate changes and the transition to a low-carbon economy; iA Financial Group's ability to satisfy stakeholder expectations on environmental, social and governance issues; and downgrades in the financial strength or credit ratings of iA Financial Corporation or its subsidiaries.

– Material factors and assumptions used in the preparation of financial outlooks include, but are not limited to: accuracy of estimates, assumptions and judgments under applicable accounting policies, and no material change in accounting standards and policies applicable to the Company; no material variation in interest rates; no significant changes to the Company's effective tax rate; no material changes in the level of the Company's regulatory capital requirements; availability of options for deployment of excess capital; credit experience, mortality, morbidity, longevity and policyholder behaviour being in line with actuarial experience studies; investment returns being in line with the Company's expectations and consistent with historical trends; different business growth rates per business unit; no unexpected changes in the economic, competitive, insurance, legal or regulatory environment or actions by regulatory authorities that could have a material impact on the business or operations of iA Financial Group or its business partners; no unexpected change in the number of shares outstanding; and the non-materialization of risks or other factors mentioned or discussed elsewhere in this document or found in the "Risk Management" section of the Company's Management's Discussion and Analysis for 2023 that could influence the Company's performance or results.

Economic and financial uncertainty in a context of geopolitical tensions – Unfavourable economic conditions and financial instability are causing some concern, with persistent inflation, further deterioration in the credit market due to a high-rate environment, rising defaults and declining realizable value, and higher unemployment. The war in Ukraine, the Israel-Hamas conflict spreading to other regions, and the strategic competition between the United States and China are also causing instability in global markets. In addition, 2024 is a record year for elections in 50 countries, including the United States. These events, among others, could lead to reduced consumer and investor confidence, significant financial volatility and more limited growth opportunities, potentially affecting the Company's financial outlook, results and operations.

Additional information about the material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the "Risk Management" section of the Management's Discussion and Analysis for 2023, the "Management of Risks Associated with Financial Instruments" note to the audited consolidated financial statements for the year ended December 31, 2023 and elsewhere in iA Financial Group's filings with the Canadian Securities Administrators, which are available for review at sedarplus.ca.

The forward-looking statements in this document reflect iA Financial Group's expectations as of the date of this document. iA Financial Group does not undertake to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

DOCUMENTS RELATED TO THE FINANCIAL RESULTS

All documents related to iA Financial Corporation's results are available on the iA Financial Group website at ia.ca under *About iA,* in the *Investor Relations/Financial Reports* section. More information about the Company can also be found on the SEDAR+ website at sedarplus.ca, as well as in the Annual Information Form for iA Financial Corporation, which can also be found on the iA Financial Group website or the SEDAR+ website.

Consolidated Income Statements

	Quarters ended September 30		Nine months ended September 30	
(unaudited, in millions of Canadian dollars, unless otherwise indicated)	**2024**	2023	**2024**	2023
Insurance service result				
Insurance revenue (Note 9)	**$ 1,741**	$ 1,458	**$ 4,980**	$ 4,193
Insurance service expenses	**(1,498)**	(1,166)	**(4,078)**	(3,428)
Net income (expenses) from reinsurance contracts	**45**	(60)	**(98)**	(89)
	288	232	**804**	676
Net investment result				
Net investment income (Note 4)				
Interest and other investment income	**549**	456	**1,673**	1,401
Change in fair value of investments	**1,621**	(3,029)	**172**	(1,832)
	2,170	(2,573)	**1,845**	(431)
Finance income (expenses) from insurance contracts	**(1,922)**	2,593	**(1,186)**	849
Finance income (expenses) from reinsurance contracts	**79**	(23)	**115**	62
(Increase) decrease in investment contract liabilities and interest on deposits	**(85)**	(41)	**(194)**	(108)
	242	(44)	**580**	372
Investment income (expenses) from segregated funds net assets	**2,516**	(950)	**6,027**	1,555
Finance income (expenses) related to segregated funds liabilities	**(2,516)**	950	**(6,027)**	(1,555)
	—	—	**—**	—
	242	(44)	**580**	372
Other revenues	**437**	387	**1,273**	1,151
Other operating expenses	**(560)**	(487)	**(1,645)**	(1,480)
Other financing charges	**(18)**	(19)	**(52)**	(51)
Income before income taxes	**389**	69	**960**	668
Income tax (expense) recovery (Note 15)	**(101)**	(13)	**(224)**	(135)
Net income	**288**	56	**736**	533
Dividends on preferred shares issued by a subsidiary and distributions on other equity instruments (Note 12)	**(5)**	(1)	**(14)**	(12)
Net income attributed to common shareholders	**$ 283**	$ 55	**$ 722**	$ 521
Earnings per common share (in dollars) (Note 17)				
Basic	**$ 3.00**	$ 0.55	**$ 7.47**	$ 5.05
Diluted	**2.99**	0.54	**7.44**	5.04
Weighted average number of shares outstanding (in millions of units) (Note 17)				
Basic	**94**	102	**97**	103
Diluted	**95**	103	**97**	104
Dividends per common share (in dollars) (Note 11)	**0.82**	0.77	**2.46**	2.21

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Consolidated Comprehensive Income Statements

	Quarters ended September 30		Nine months ended September 30	
(unaudited, in millions of Canadian dollars)	**2024**	2023	**2024**	2023
Net income	**$ 288**	$ 56	**$ 736**	$ 533
Other comprehensive income, net of income taxes				
Items that may be reclassified subsequently to net income:				
Net investment hedge				
Unrealized gains (losses) on currency translation in foreign operations	**(32)**	63	**63**	(4)
Hedges of net investment in foreign operations	**16**	(40)	**(40)**	3
	(16)	23	**23**	(1)
Cash flow hedge				
Unrealized gains (losses) on cash flow hedges	**1**	—	**5**	—
Items that will not be reclassified subsequently to net income:				
Revaluation surplus related to transfers to investment properties	**—**	1	**—**	3
Remeasurement of post-employment benefits	**10**	10	**72**	1
Total other comprehensive income	**(5)**	34	**100**	3
Comprehensive income attributed to shareholders	**$ 283**	$ 90	**$ 836**	$ 536

Income Taxes Included in Other Comprehensive Income

	Quarters ended September 30		Nine months ended September 30	
(unaudited, in millions of Canadian dollars)	**2024**	2023	**2024**	2023
Income tax recovery (expense) related to:				
Items that may be reclassified subsequently to net income:				
Hedges of net investment in foreign operations	**$ (3)**	$ 6	**$ 7**	$ (1)
Items that will not be reclassified subsequently to net income:				
Remeasurement of post-employment benefits	**(5)**	(4)	**(28)**	(1)
Total income tax recovery (expense) included in other comprehensive income	**$ (8)**	$ 2	**$ (21)**	$ (2)

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Consolidated Statements of Financial Position

	As at September 30 2024	As at December 31 2023
(in millions of Canadian dollars)	(unaudited)	
Assets		
Investments (Note 4)		
Cash and short-term investments	**$ 2,097**	$ 1,379
Bonds	**31,289**	29,940
Stocks	**4,810**	4,069
Loans	**3,548**	3,660
Derivative financial instruments (Note 7)	**1,117**	1,787
Other invested assets	**162**	172
Investment properties	**1,578**	1,611
	44,601	42,618
Other assets	**4,238**	3,157
Insurance contract assets (Note 9)	**142**	167
Reinsurance contract assets (Note 9)	**2,781**	2,312
Fixed assets	**315**	320
Deferred income tax assets	**419**	270
Intangible assets	**1,945**	1,847
Goodwill	**1,423**	1,318
General fund assets	**55,864**	52,009
Segregated funds net assets (Note 8)	**49,856**	41,837
Total assets	**$ 105,720**	$ 93,846
Liabilities		
Insurance contract liabilities (Note 9)	**$ 35,609**	$ 33,630
Reinsurance contract liabilities (Note 9)	**4**	8
Investment contract liabilities and deposits	**6,375**	6,050
Derivative financial instruments (Note 7)	**906**	787
Other liabilities	**3,836**	2,678
Deferred income tax liabilities	**312**	319
Debentures	**1,496**	1,499
General fund liabilities	**48,538**	44,971
Insurance contract liabilities related to segregated funds (Note 9)	**35,990**	30,201
Investment contract liabilities related to segregated funds	**13,866**	11,636
Total liabilities	**$ 98,394**	$ 86,808
Equity		
Share capital and contributed surplus	**$ 1,541**	$ 1,620
Preferred shares issued by a subsidiary and other equity instruments (Note 12)	**600**	375
Retained earnings and accumulated other comprehensive income	**5,185**	5,043
	7,326	7,038
Total liabilities and equity	**$ 105,720**	$ 93,846

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Consolidated Equity Statements

	As at September 30, 2024					
(unaudited, in millions of Canadian dollars)	Common shares (Note 11)	Preferred shares issued by a subsidiary and other equity instruments (Note 12)	Contributed surplus	Retained earnings	Accumulated other comprehensive income (Note 13)	Total
Balance as at December 31, 2022	$ 1,675	$ 525	$ 17	$ 4,889	$ 21	$ 7,127
Impact of adopting IFRS 9	—	—	—	7	—	7
Balance as at January 1, 2023	1,675	525	17	4,896	21	7,134
Net income	—	—	—	789	—	789
Other comprehensive income	—	—	—	—	38	38
Comprehensive income for the year	—	—	—	789	38	827
Equity transactions						
Transfer of post-employment benefits	—	—	—	76	(76)	—
Stock option plan	—	—	3	—	—	3
Stock options exercised	—	—	(3)	—	—	(3)
Issuance of common shares	15	—	—	—	—	15
Redemption of common shares	(87)	—	—	(375)	—	(462)
Redemption of preferred shares issued by a subsidiary	—	(150)	—	—	—	(150)
Dividends on common shares	—	—	—	(304)	—	(304)
Dividends on preferred shares issued by a subsidiary and distributions on other equity instruments	—	—	—	(20)	—	(20)
Other	—	—	—	(2)	—	(2)
	(72)	(150)	—	(625)	(76)	(923)
Balance as at December 31, 2023	**1,603**	**375**	**17**	**5,060**	**(17)**	**7,038**
Net income	**—**	**—**	**—**	**736**	**—**	**736**
Other comprehensive income	**—**	**—**	**—**	**—**	**100**	**100**
Comprehensive income for the period	**—**	**—**	**—**	**736**	**100**	**836**
Equity transactions						
Transfer of post-employment benefits	**—**	**—**	**—**	**72**	**(72)**	**—**
Stock option plan	**—**	**—**	**2**	**—**	**—**	**2**
Stock options exercised	**—**	**—**	**(3)**	**—**	**—**	**(3)**
Issuance of common shares	**19**	**—**	**—**	**—**	**—**	**19**
Redemption of common shares	**(97)**	**—**	**—**	**(438)**	**—**	**(535)**
Redemption of preferred shares issued by a subsidiary	**—**	**(125)**	**—**	**—**	**—**	**(125)**
Issuance of other equity instruments	**—**	**350**	**—**	**(4)**	**—**	**346**
Dividends on common shares	**—**	**—**	**—**	**(237)**	**—**	**(237)**
Dividends on preferred shares issued by a subsidiary and distributions on other equity instruments	**—**	**—**	**—**	**(14)**	**—**	**(14)**
Other	**—**	**—**	**—**	**(1)**	**—**	**(1)**
	(78)	**225**	**(1)**	**(622)**	**(72)**	**(548)**
Balance as at September 30, 2024	**$ 1,525**	**$ 600**	**$ 16**	**$ 5,174**	**$ 11**	**$ 7,326**

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

	As at September 30, 2023					
	Common shares	Preferred shares issued by a subsidiary and other equity instruments	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total
(unaudited, in millions of Canadian dollars)	(Note 11)	(Note 12)			(Note 13)	
Balance as at December 31, 2022	$ 1,675	$ 525	$ 17	$ 4,889	$ 21	$ 7,127
Impact of adopting IFRS 9	—	—	—	7	—	7
Balance as at January 1, 2023	1,675	525	17	4,896	21	7,134
Net income	—	—	—	533	—	533
Other comprehensive income	—	—	—	—	3	3
Comprehensive income for the period	—	—	—	533	3	536
Equity transactions						
Transfer of post-employment benefits	—	—	—	1	(1)	—
Stock option plan	—	—	2	—	—	2
Stock options exercised	—	—	(2)	—	—	(2)
Issuance of common shares	12	—	—	—	—	12
Redemption of common shares	(55)	—	—	(236)	—	(291)
Redemption of preferred shares issued by a subsidiary	—	(150)	—	—	—	(150)
Dividends on common shares	—	—	—	(227)	—	(227)
Dividends on preferred shares issued by a subsidiary and distributions on other equity instruments	—	—	—	(12)	—	(12)
Other	—	—	—	2	—	2
	(43)	(150)	—	(472)	(1)	(666)
Balance as at September 30, 2023	$ 1,632	$ 375	$ 17	$ 4,957	$ 23	$ 7,004

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Consolidated Cash Flows Statements

	Nine months ended September 30	
(unaudited, in millions of Canadian dollars)	**2024**	2023
Cash flows from operating activities		
Income before income taxes	**$ 960**	$ 668
Other financing charges	**52**	51
Income taxes paid, net of refunds	**(414)**	(119)
Operating activities not affecting cash:		
Expenses (income) from insurance contracts	**284**	(1,614)
Expenses (income) from reinsurance contracts	**(17)**	27
Expenses (income) from investment contracts and interest on deposits	**194**	108
Unrealized losses (gains) on investments	**(155)**	1,845
Provision for credit losses	**70**	39
Other depreciation	**235**	214
Other items not affecting cash	**226**	43
Operating activities affecting cash:		
Sales, maturities and repayments on investments	**29,479**	18,057
Purchases of investments	**(29,584)**	(20,289)
Change in assets/liabilities related to insurance contracts	**1,167**	1,334
Change in assets/liabilities related to reinsurance contracts	**(250)**	(310)
Change in liabilities related to investment contracts and deposits	**50**	1,021
Other items affecting cash	**(556)**	(268)
Net cash from (used in) operating activities	**1,741**	807
Cash flows from investing activities		
Acquisition of businesses, net of cash	**(213)**	(28)
Sales (purchases) of fixed and intangible assets	**(208)**	(210)
Net cash from (used in) investing activities	**(421)**	(238)
Cash flows from financing activities		
Issuance of common shares	**16**	10
Redemption of common shares (Note 11)	**(525)**	(291)
Redemption of preferred shares issued by a subsidiary (Note 12)	**(125)**	(150)
Issuance of other equity instruments (Note 12)	**345**	—
Issuance of debentures	**—**	397
Redemption of debentures (Note 10)	**(4)**	(400)
Reimbursement of lease liabilities[1]	**(15)**	(15)
Dividends paid on common shares	**(237)**	(227)
Dividends paid on preferred shares issued by a subsidiary and distributions on other equity instruments	**(18)**	(14)
Interest paid on debentures	**(43)**	(46)
Interest paid on lease liabilities	**(3)**	(2)
Net cash from (used in) financing activities	**(609)**	(738)
Foreign currency gains (losses) on cash	**7**	1
Increase (decrease) in cash and short-term investments	**718**	(168)
Cash and short-term investments at beginning	**1,379**	1,358
Cash and short-term investments at end	**$ 2,097**	$ 1,190
Supplementary information:		
Cash	**$ 1,111**	$ 643
Short-term investments including cash equivalents	**986**	547
Total cash and short-term investments	**$ 2,097**	$ 1,190

[1] For the nine months ended September 30, 2024, lease liabilities, presented in *Other liabilities* in the Consolidated Statements of Financial Position, include an amount of $11 ($15 for the nine months ended September 30, 2023) of items not affecting cash, mostly attributable to new liabilities.

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Notes to Interim Condensed Consolidated Financial Statements

Nine months ended September 30, 2024 and 2023 (unaudited) (in millions of Canadian dollars, unless otherwise indicated)

1 › General Information

iA Financial Corporation Inc. (iA Financial Corporation) is a holding company listed on the Toronto Stock Exchange and incorporated under the *Business Corporations Act* (Quebec). iA Financial Corporation and its subsidiaries (the "Company") offer a wide range of life and health insurance products, savings and retirement plans, mutual funds, securities, loans, auto and home insurance, creditor insurance, replacement insurance, replacement warranties, extended warranties and other ancillary products for dealer services and other financial products and services. The Company's products and services are offered on both an individual and group basis and extend throughout Canada and the United States.

The Company's Interim Condensed Consolidated Financial Statements (the "Financial Statements") are prepared on the basis of International Financial Reporting Standards (IFRS) in accordance with IAS 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB). These Financial Statements do not contain all the information required in a complete annual financial statement and should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2023, which are included in the 2023 Annual Report. The material accounting policies used to prepare these Financial Statements are consistent with those found in the 2023 Annual Report, except for items mentioned in Note 2.

Publication of these Financial Statements was authorized for issue by the Company's Board of Directors on November 5, 2024.

2 › Changes in Accounting Policies

New Accounting Policies Applied

These standards or amendments apply to financial statements beginning on or after January 1, 2024.

Standards or amendments	Description of the standards or amendments and impacts on financial statements of the Company
IAS 1 *Presentation of Financial Statements*	*Description:* On January 23, 2020, the IASB published an amendment to IAS 1 *Presentation of Financial Statements.* The amendment *Classification of Liabilities as Current or Non-current* only affects the presentation of liabilities in the statement of financial position, and not the amount or timing of recognition of any asset, liability, income or expense, or the information that entities disclose about those items. On October 31, 2022, the IASB published a new amendment, *Non-current Liabilities with Covenants*, which specifies conditions affecting the classification of a liability when an entity must comply with covenants within 12 months after the reporting period and clarifies the disclosure requirements in the notes. The provisions of these amendments apply retrospectively. *Impact:* No impact on the Company's financial statements.
IFRS 16 *Leases*	*Description:* On September 22, 2022, the IASB published an amendment to IFRS 16 *Leases*. The amendment *Lease Liability in a Sale and Leaseback* adds requirements for the subsequent measurement of a lease liability by a seller-lessee in a sale and leaseback transaction accounted for as a sale, with the aim to prevent the recognition of a gain or loss relating to the right of use retained. The provisions of this amendment apply retrospectively. *Impact:* No impact on the Company's financial statements.
IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*	*Description:* On May 25, 2023, the IASB published an amendment to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures.* The amendment *Supplier Finance Arrangements* requires entities to disclose information about supplier finance arrangements and their effects on liabilities, cash flows and exposure to liquidity risk in order to increase transparency on this type of arrangement. The provisions of this amendment apply prospectively. *Impact:* No impact on the Company's financial statements.

Future Changes in Accounting Policies

Standards or amendments are presented on the basis of their publication date unless a more relevant approach allows for better information.

Standards or amendments	Description of the standards or amendments
IFRS 18 *Presentation and Disclosure in Financial Statements*	*Description:* On April 9, 2024, the IASB published the standard IFRS 18 *Presentation and Disclosure in Financial Statements* which replaces the provisions of the standard IAS 1 Presentation of Financial Statements and carries forward many of its requirements. The standard IFRS 18: • establishes a defined structure for the income statement by classifying income and expenses into distinct defined categories and imposing new defined subtotals to improve comparability; • requires that specific information on management-defined performance measures (MPMs), which represent subtotals of income and expenses disclosed outside the financial statements, be disclosed in a single note to the financial statements in order to enhance transparency on those MPMs; • sets out guidance on classification of the information in the primary financial statements or in the notes. The provisions of the new standard IFRS 18 will apply retrospectively to financial statements beginning on or after January 1, 2027. Early adoption is permitted. *Status:* The Company is currently evaluating the impact of this standard on its financial statements.
IAS 21 *The Effects of Changes in Foreign Exchange Rates*	*Description:* On August 15, 2023, the IASB published an amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The amendment *Lack of Exchangeability* specifies when a currency is exchangeable and when it is not, how to determine the exchange rate when a currency is not exchangeable, and the additional information required to be disclosed when a currency is not exchangeable. The provisions of this amendment will apply on a modified retrospective basis to financial statements beginning on or after January 1, 2025. Early adoption is permitted. *Status:* The Company has completed the analysis of this amendment and does not expect any impact on its financial statements.
IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*	*Description:* On May 30, 2024, the IASB published an amendment to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures.* The amendment *Amendments to the Classification and Measurement of Financial Instruments* introduces an accounting policy choice relating to the derecognition of financial liabilities settled through electronic payment systems, clarifies the classification and characteristics of some financial asset types and adds new disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The provisions of this amendment will apply on a modified retrospective basis to financial statements beginning on or after January 1, 2026. Early adoption is permitted. *Status:* The Company is currently evaluating the impact of this amendment on its financial statements.
Annual Improvements to IFRSs 2024-2025 Cycle	*Description:* On July 18, 2024, the IASB published the Annual Improvements to IFRSs 2024-2025 Cycle. The Annual Improvements clarify situations specific to five standards: • IFRS 1 *First-time Adoption of International Financial Reporting Standards* related to the fact that an entity which had designated a transaction as hedge accounting before the date of transition to IFRSs must meet the qualifying criteria of IFRS 9 to reflect it in its opening IFRS statement of financial position. Otherwise, the entity should discontinue the hedge accounting; • IFRS 7 *Financial Instruments: Disclosures* related to the fact that an entity which is disclosing a gain or a loss on derecognition relating to financial assets in which the entity has continuing involvement shall disclose whether the fair value measurements included significant unobservable inputs as described in the "fair value hierarchy" requirements of IFRS 13; • IFRS 9 *Financial Instruments* related to the fact that when a lease liability is derecognized by a lessee, the difference between the carrying amount of the extinguished liability and the consideration paid are recognized in profit or loss. The amendment also specifies that the initial measurement of trade receivables must be in accordance with "the amount determined by applying IFRS 15" instead of "at their transaction price", as previously mentioned in IFRS 9; • IFRS 10 *Consolidated Financial Statements* related to the fact that when assessing control, a party might be a "de facto agent" when those that direct the activities of the investor have the ability to direct that party to act on the investor's behalf; • IAS 7 *Statement of Cash Flows* related to the fact that the term "cost method" replaces the term "at cost" regarding the reporting requirements in the statement of cash flows for investments in subsidiaries, associates and joint ventures since the term "cost method" is no longer defined in IFRS Accounting Standards. The provisions of these improvements will apply prospectively to financial statements beginning on or after January 1, 2026. Early adoption is permitted. *Status:* The Company is currently evaluating the impact of these improvements on its financial statements.

Material Accounting Policy Information

a) Hedge Accounting

Until March 31, 2024, the Company applied, as permitted by IFRS 9, the hedge accounting requirements of IAS 39 *Financial Instruments*.

As at April 1, 2024, the Company elected to apply hedge accounting requirements under IFRS 9 to all hedge accounting relationships prospectively. This change in accounting policy had no impact on the Company's net income.

When the Company determines that hedge accounting is appropriate, a hedging relationship is designated and documented from inception. Effectiveness of the hedge is valuated on inception and at the end of each financial reporting period for the duration of the hedge. Hedge accounting, which recognizes the offsetting effects of hedging instruments and hedged items the same way, can only be applied if the relationship is demonstrated to be effective. If it is established that the hedging instrument is no longer an effective hedge, if the hedging instrument is sold or if the expected transaction has ceased to be highly probable, the Company ceases to apply hedge accounting prospectively. The Company uses financial assets and derivative financial instruments as hedging instruments.

Fair Value Hedging
Changes in fair value of derivative financial instruments used as hedging instruments and changes in fair value of assets arising from the hedged risk are recorded in *Change in fair value of investments* in the Income Statement. At the same time, the gain or loss on the ineffective portion of the hedge is recorded in *Net income*.

Changes in fair value of financial assets used as hedging instruments are recognized in *Change in fair value of investments* in the Income Statement. Changes in fair value of hedged financial liabilities are recognized in *(Increase) decrease in investment contract liabilities and interest on deposits* in the Income Statement. At the same time, the gain or loss on the ineffective portion of the hedge is recorded in *Net income*.

Cash Flow Hedging
The effective portion of changes in fair value of hedging instruments is recognized in *Other comprehensive income.* Gains or losses on the ineffective portion are immediately recorded in the Income Statement in *Change in fair value of investments.* When accumulated gains and losses in *Other comprehensive income* in respect of the hedged item have an impact on results during the period, they are reclassified to the Income Statement, whereas when they affect the Statement of Financial Position, they are reclassified to the Statement of Financial Position.

Net Investment Hedge
The Company uses currency forward contracts as hedging items for foreign exchange risk related to net investments in foreign operations. The effective portion of changes in fair value of hedging instruments is recognized in *Other comprehensive income*. Gains or losses on the ineffective portion are immediately recorded in the Income Statement as *Change in fair value of investments*. Cumulative gains and losses in *Other comprehensive income* are reclassified in the Income Statement in the period in which the net investment in foreign operations is subject to a total or partial disposition.

b) Investment Contract Liabilities and Deposits
As at April 1, 2024 and going forward, the Company elected to designate a portion of the new deposit issuances as financial liabilities at fair value through profit or loss. These deposits are measured at fair value in the Statement of Financial Position. Realized and unrealized gains and losses are immediately recognized in the Income Statement in *(Increase) decrease in investment contract liabilities and interest on deposits*. When change in fair value is attributable to a change in the Company's own credit risk, it is presented in the Comprehensive Income Statement.

3 › Acquisition of Businesses

On June 28, 2024, the Company announced that it acquired, through one of its subsidiaries, 100% of the shares of the American company Vericity, Inc. and its subsidiaries (collectively "Vericity") for a total cash consideration of $233. Vericity comprises two entities servicing the middle-market life insurance space, with synergies in between and combining artificial intelligence and rich data analytics to deliver innovative proprietary technology: Fidelity Life, an insurance carrier, and eFinancial, a direct-to-consumer digital agency.

The purchase price allocation process should be completed as soon as all relevant available necessary information will have been gathered within a period not to exceed 12 months from the date of acquisition. Once the analysis is finalized, the preliminary allocation of the purchase price could be adjusted to reflect new information obtained about facts and circumstances that existed at the acquisition date.

The preliminary allocation of the purchase price is summarized as follows:

	As at September 30, 2024
(in millions of dollars)	**US Operations**
Fair value of identifiable assets and liabilities acquired	**$ 98**
Fair value of intangible assets	**58**
Fair value of deferred income tax liabilities on intangible assets	**(12)**
Fair value of net identifiable assets acquired	**144**
Goodwill	**89**
	$ 233

The goodwill primarily reflects the growth potential arising from the acquisition, in connection with the Company's intention to pursue its growth strategy. Goodwill is not deductible for tax purposes. Intangible assets mainly consist of distribution networks and software applications. As at September 30, 2024, revenues and net income from Vericity did not have a significant impact on the Company's financial results. Integration expenses and acquisition costs of $10 are included in *Other operating expenses*.

4 › Investments and Net Investment Income

a) Carrying Value and Fair Value

	As at September 30, 2024				
(in millions of dollars)	At fair value through profit or loss	At amortized cost	Other	Total	Fair value
Cash and short-term investments	$ 985	$ 1,112	$ —	$ 2,097	$ 2,097
Bonds					
Governments	8,476	—	—	8,476	
Municipalities	1,099	—	—	1,099	
Corporate and other	21,714	—	—	21,714	
	31,289	—	—	31,289	31,289
Stocks					
Common	2,782	—	—	2,782	
Preferred	495	—	—	495	
Stock indexes	414	—	—	414	
Investment fund units	1,119	—	—	1,119	
	4,810	—	—	4,810	4,810
Loans					
Mortgages					
Insured mortgages					
Multi-residential	844	—	—	844	
Non-residential	2	—	—	2	
	846	—	—	846	
Conventional mortgages					
Multi-residential	177	—	—	177	
Non-residential	252	—	—	252	
	429	—	—	429	
	1,275	—	—	1,275	
Car loans	—	1,476	—	1,476	
Other loans	—	797	—	797	
	1,275	2,273	—	3,548	3,539
Derivative financial instruments	1,117	—	—	1,117	1,117
Other invested assets	33	3	126	162	162
Investment properties	—	—	1,578	1,578	1,612
Total investments	$ 39,509	$ 3,388	$ 1,704	$ 44,601	$ 44,626

	As at December 31, 2023				
(in millions of dollars)	At fair value through profit or loss	At amortized cost	Other	Total	Fair value
Cash and short-term investments	$ 373	$ 1,006	$ —	$ 1,379	$ 1,379
Bonds					
Governments	8,957	—	—	8,957	
Municipalities	946	—	—	946	
Corporate and other	20,037	—	—	20,037	
	29,940	—	—	29,940	29,940
Stocks					
Common	2,384	—	—	2,384	
Preferred	455	—	—	455	
Stock indexes	297	—	—	297	
Investment fund units	933	—	—	933	
	4,069	—	—	4,069	4,069
Loans					
Mortgages					
Insured mortgages					
Multi-residential	970	—	—	970	
Non-residential	2	—	—	2	
	972	—	—	972	
Conventional mortgages					
Multi-residential	210	—	—	210	
Non-residential	244	—	—	244	
	454	—	—	454	
	1,426	—	—	1,426	
Car loans	—	1,395	—	1,395	
Other loans	—	839	—	839	
	1,426	2,234	—	3,660	3,653
Derivative financial instruments	1,787	—	—	1,787	1,787
Other invested assets	45	3	124	172	172
Investment properties	—	—	1,611	1,611	1,644
Total investments	$ 37,640	$ 3,243	$ 1,735	$ 42,618	$ 42,644

Other invested assets are made up of bonds and investment fund units that represent restricted investments, notes receivable and investments in associates and joint ventures. Bonds and investment fund units are classified at fair value through profit or loss. Notes receivable are classified at amortized cost. Investments in associates and joint ventures, accounted for using the equity method, are presented in the *Other* column.

The fair value of investment properties includes the carrying value of investment properties accounted for at fair value and the fair value of linearization of rents accounted for in *Other Assets*.

Financial Assets Used in Fair Value Hedging

Interest Rate Risk Hedging

The Company designated a portion of its bonds in a fair-value hedge relationship for interest rate risk. On April 1, 2024, the Company set up a hedging relationship in order to reduce its exposure to changes in interest rates on financial liabilities classified as financial liabilities at amortized cost. The Company uses bonds that have maturities of less than 1 year to less than 10 years as at September 30, 2024. The notional amount of the bonds is $827 as at September 30, 2024, while the carrying value and the fair value of the bonds are $836.

For the nine months ended September 30, 2024, the Company has recognized a gain of $27 on the hedging instruments and a loss of $24 on the hedged items. Thus, the Company recognized an ineffectiveness of $3.

b) Investments in Associates and Joint Ventures

The Company holds interests ranging from 25% to 29% as at September 30, 2024 (25% to 29% as at December 31, 2023). The carrying value of these investments as at September 30, 2024 is $126 ($124 as at December 31, 2023). The share of net income and comprehensive income for the nine months ended September 30, 2024 corresponds to a profit of $5 (profit of $6 for the nine months ended September 30, 2023).

c) Net Investment Income

(in millions of dollars)	Quarters ended September 30		Nine months ended September 30	
	2024	2023	**2024**	2023
Interest and other investment income				
Interest	**$ 442**	$ 400	**$ 1,297**	$ 1,150
Dividends	**102**	28	**294**	161
Derivative financial instruments	**12**	16	**69**	73
Net rental income	**24**	21	**67**	64
Provision for credit losses	**(27)**	(12)	**(70)**	(39)
Other income and expenses	**(4)**	3	**16**	(8)
	549	456	**1,673**	1,401
Change in fair value of investments				
Cash and short-term investments	**8**	3	**17**	13
Bonds	**1,373**	(2,097)	**376**	(1,551)
Stocks	**123**	14	**238**	64
Loans	**27**	(7)	**31**	(10)
Derivative financial instruments	**104**	(880)	**(429)**	(232)
Investment properties	**(6)**	(106)	**(52)**	(154)
Other	**(8)**	44	**(9)**	38
	1,621	(3,029)	**172**	(1,832)
Total net investment income	**$ 2,170**	$ (2,573)	**$ 1,845**	$ (431)

5 › Fair Value of Financial Instruments and Investment Properties

a) Methods and Assumptions Used to Estimate Fair Values

Fair value is the consideration that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management exercises its judgment to determine the data that will be used to measure the fair value of financial assets and liabilities, particularly for financial instruments classified as Level 3. Fair value of various categories of financial instruments and investment properties is determined as described below.

Financial Assets

Short-Term Investments – Notional value of these investments represents the fair value due to their short-term maturity.

Bonds – Bonds are valued based on quoted price, observed on active markets for identical or similar assets. If prices are not available on active markets, fair value is estimated using current valuation methods, including a model based on discounting expected cash flows or other similar techniques. These methods take into account current data observable on the market for financial instruments that have similar risk profiles and comparable terms. The significant data used in these models include, but are not limited to, rate curves, credit risk, issuer spread, volatility and liquidity valuation, and other reference data published by the market. Management makes its best estimates when such data are not available.

Stocks – Stocks are valued based on quote price, observed on active markets. If the price is not available on the active markets, fair value is determined using equity valuation models, which analyze the fair value of the net asset, and other techniques that rely on comparisons with reference data, such as market indices. Investment fund units are evaluated at the net asset value published by the fund manager.

Loans – The fair value of mortgages and car loans is estimated by discounting the cash flows with the interest rates currently prevailing on the market for comparable loans and adjusted for credit risk and terms. Other loans are carried at amortized cost. They are guaranteed and may be repaid at any time. The fair value of other loans approximates their carrying value due to their nature.

Derivative Financial Instruments – Fair value of derivative financial instruments is determined according to the type of derivative financial instrument. Fair value of derivative financial instruments such as futures contracts and options traded on the stock exchanges is determined in accordance with quoted prices on active markets. Derivative financial instruments that are traded over the counter are valued using valuation models such as actualized cash flow analysis and other valuation models used on the market. These valuations are based on observable data on the market, including interest rates, foreign exchange rates, financial indices, rate differentials, credit risk and volatility.

Among derivative financial instruments, certain other derivative contracts are subject to trading restrictions. In such situations, an illiquidity premium based on data that are not observable on the market is used to ascertain the fair value of these derivative financial instruments. While these data are not observable, they are based on assumptions deemed appropriate given the circumstances. Once the restricted trading period ends, the instruments are valued using standard valuation models based on data observable on the market, as described previously. The Company's use of non-observable data is limited to the trading restrictions period, and their effect on the fair value of derivative financial instruments does not represent a significant amount.

Other Invested Assets – The fair value of other invested assets is determined according to the type of invested assets. Fair value of notes receivable and investments in associates and joint ventures is approximately the same as the carrying value due to the nature of these elements. Bonds which are restricted investments are valued based on quoted price, observed on active markets for identical or similar assets. If prices are not available on active markets, fair value is estimated using current valuation methods, including a model based on discounting expected cash flows or other similar techniques. These methods take into account current data observable on the market for financial instruments that have similar risk profiles and comparable terms. The significant data used in these models include, but are not limited to, rate curves, credit risk, issuer spread, volatility and liquidity valuation, and other reference data published by the market. Management makes its best estimates when such data are not available. Investment fund units which are restricted investments are evaluated at the net asset value published by the fund manager.

Other Assets – The fair value of securities purchased under reverse repurchase agreements is measured at the consideration paid plus accrued interest. The fair value of other assets is approximately the same as the carrying value due to their short-term nature.

Investment Properties

The fair value of investment properties is determined using various recognized methods and standards of assessment in the real estate sector. Among these methods, the income approach is the most commonly used, as it is based on an investor's behaviour in relation to income expected to be generated by an investment property. Under this approach, discounting of the cash flows generated by an investment property is preferred as it measures the relationship between the market value and the reasonably discounted incomes over an investment horizon. Expected cash flows include contractual and projected income as well as the investment property's operating expenses. These cash flows reflect the interest, rental and occupancy rates established based on market studies, rental income expected from leases in effect and estimates of future cash inflows, including revenues projected for future leases, and estimates of future cash inflows made according to the current market circumstances. Future lease rates are estimated based on the location, current type and quality of the building, and market data and projections as of the date of the valuation. Fair values are usually compared to market information, including recent transactions for similar assets to verify their reasonableness. Highest and best use is one of the possible valuation methods. Highest and best use of a site is an integral part of the process to establish the fair value of an investment property. This use is the one that, at the time of the appraisal, provides the highest fair value for the investment property. As a result, this use is determined by considering possible physical use that is legally admissible, financially feasible and achievable in the short term based on demand, and must be tied to the likelihood of being achieved rather than to the simple possibility. Assessments are carried out by external independent appraisers on an annual basis or by qualified Company personnel quarterly.

Financial Liabilities

Derivative Financial Instruments – The fair value of derivative financial instruments recorded as financial liabilities is presented in Note 7 "Derivative Financial Instruments" and is equal to the carrying amounts reported in the negative fair value column. The fair value is determined according to the method and assumptions previously described in the "Financial Assets" section.

Other Liabilities – The fair value of other liabilities, except short-selling securities, securities sold under repurchase agreements, securitization liabilities and mortgage debt, is approximately the same as the carrying value due to their short-term nature.

Short-selling securities, classified at fair value through profit or loss, are measured using the observed market prices in active markets for identical or similar financial instruments. If quoted prices in active markets are not available, fair value is estimated using standard methods of assessment, such as a model based on discounted future cash flows or similar techniques. These methods take into account the current observable market data for financial instruments with a similar risk profile and comparable terms. The significant data used in these models include, but are not limited to, yield curves, credit risks, issuer spreads, volatility and liquidity valuation and other reference data published by the markets.

The fair value of securities sold under repurchase agreements is measured at the consideration received plus accrued interest.

The fair value of securitization liabilities and mortgage debt is estimated by discounting cash flows with the interest rates currently prevailing on the market for new debts with substantially the same terms.

Debentures – The fair value of debentures classified as financial liabilities at amortized cost is estimated using a valuation model that takes into account instruments on the market that have substantially the same conditions. This fair value can fluctuate due to interest rates and credit risks associated with these instruments.

Investment Contract Liabilities and Deposits and *Investment Contract Liabilities Related to Segregated Funds* – The fair value of these investment contracts is determined using the parameters of the agreement concluded between the Company and the policyholder for this type of contract. Investment contract liabilities represent the balance that is due to the policyholder. The fair value of demand deposits for which maturity is not determined is assumed to be their carrying value. The estimated fair value of fixed-rate term deposits is determined by discounting contractual cash flows at current interest rates offered on the market for deposits with similar terms and risks.

b) Hierarchy of the Fair Value

Disclosures regarding financial instruments and investment properties must be presented as a hierarchy that categorizes the inputs to valuation models used to measure the fair value of financial assets and financial liabilities. The hierarchy gives the highest priority to readily available unadjusted quoted prices in active markets for identical assets or liabilities and lowest priority to unobserved inputs. The three levels of the hierarchy are described below:

Level 1 – Valuation based on quoted prices in active markets (unadjusted) for identical assets or liabilities. Stocks traded on the market, among other things, are classified in Level 1.

Level 2 – Valuation model based on inputs other than quoted prices included in Level 1 that are observable on the market for the asset or liability, either directly or indirectly. Most bonds, short-term investments and certain derivative financial instruments are classified in Level 2.

Level 3 – Valuation model based on valuation techniques that use significant unobservable market parameters and that reflect management's best estimates. Most private placements are classified in Level 3.

If a financial instrument classified as Level 1 subsequently ceases to be actively traded, it is reclassified into Level 2. If the measurement of its fair value requires the use of significant unobservable inputs, it is directly reclassified into Level 3.

Assets

	As at September 30, 2024			
(in millions of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Cash and short-term investments	$ —	$ 985	$ —	$ 985
Bonds				
Governments	—	8,377	99	8,476
Municipalities	—	1,099	—	1,099
Corporate and other	—	18,016	3,698	21,714
	—	27,492	3,797	31,289
Stocks	2,233	342	2,235	4,810
Mortgages	—	1,275	—	1,275
Derivative financial instruments	154	963	—	1,117
Other invested assets	—	33	—	33
Investment properties	—	—	1,578	1,578
General fund investments recognized at fair value	2,387	31,090	7,610	41,087
Other assets	—	123	—	123
Segregated funds financial instruments	39,631	8,994	1,072	49,697
Total financial assets at fair value	$ 42,018	$ 40,207	$ 8,682	$ 90,907

(in millions of dollars)	As at December 31, 2023 Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Cash and short-term investments	$ —	$ 373	$ —	$ 373
Bonds				
Governments	—	8,858	99	8,957
Municipalities	—	946	—	946
Corporate and other	—	16,879	3,158	20,037
	—	26,683	3,257	29,940
Stocks	1,626	346	2,097	4,069
Mortgages	—	1,426	—	1,426
Derivative financial instruments	86	1,701	—	1,787
Other invested assets	—	45	—	45
Investment properties	—	—	1,611	1,611
General fund investments recognized at fair value	1,712	30,574	6,965	39,251
Segregated funds financial instruments	32,421	8,467	915	41,803
Total financial assets at fair value	$ 34,133	$ 39,041	$ 7,880	$ 81,054

There were no transfers from Level 1 to Level 2 during the nine months ended September 30, 2024 (none for the year ended December 31, 2023). There were no transfers from Level 2 to Level 1 during the nine months ended September 30, 2024 (none for the year ended December 31, 2023).

There were no transfers from Level 2 to Level 3 during the nine months ended September 30, 2024 (none for the year ended December 31, 2023). Transfers from Level 3 to Level 2 during the nine months ended September 30, 2024 amount to $3 ($15 for the year ended December 31, 2023). These transfers are related to bonds. The fair value of these bonds is measured at the quoted market price obtained through brokers who estimate the fair value of these financial instruments and is based on a price obtained less than 30 days prior.

There were no transfers from Level 1 to Level 3 during the nine months ended September 30, 2024 (none for the year ended December 31, 2023). There were no transfers from Level 3 to Level 1 during the nine months ended September 30, 2024 (none for the year ended December 31, 2023).

There were no Level 3 transfers from owner-occupied properties to investment properties in relation to a change in use during the nine months ended September 30, 2024 ($14 for the year ended December 31, 2023). For the year ended December 31, 2023, the revaluation adjustments of $3 before tax ($3 after tax) have been recorded in the Comprehensive Income Statement in *Revaluation surplus related to transfers to investment properties*.

The Company presents the transfers between hierarchy levels at the quarter-end fair value for the quarter during which the transfer occurred.

The following table presents assets recognized at fair value evaluated according to Level 3 parameters:

(in millions of dollars)	**Nine months ended September 30, 2024** Balance as at December 31, 2023	Gains (losses) included in net income	Purchases	Sales and settlements	Transfers into (out of) Level 3 and reclassifications	Balance as at September 30, 2024	Total unrealized gains (losses) included in net income on investments still held
Bonds	**$ 3,257**	**$ 105**	**$ 825**	**$ (387)**	**$ (3)**	**$ 3,797**	**$ 106**
Stocks	**2,097**	**47**	**300**	**(209)**	**—**	**2,235**	**46**
Investment properties	**1,611**	**(52)**	**19**	**—**	**—**	**1,578**	**(52)**
General fund investments recognized at fair value	**6,965**	**100**	**1,144**	**(596)**	**(3)**	**7,610**	**100**
Segregated funds financial instruments	**915**	**43**	**238**	**(124)**	**—**	**1,072**	**31**
Total	**$ 7,880**	**$ 143**	**$ 1,382**	**$ (720)**	**$ (3)**	**$ 8,682**	**$ 131**

(in millions of dollars)	Balance as at December 31, 2022	Gains (losses) included in net income	Purchases	Sales and settlements	Transfers into (out of) Level 3 and reclassifications	Balance as at December 31, 2023	Total unrealized gains (losses) included in net income on investments still held
	Year ended December 31, 2023						
Bonds	$ 2,780	$ 75	$ 556	$ (139)	$ (15)	$ 3,257	$ 71
Stocks	2,174	(291)	330	(116)	—	2,097	(82)
Derivative financial instruments	1	(1)	—	—	—	—	(1)
Investment properties	1,804	(178)	47	(76)	14	1,611	(180)
General fund investments recognized at fair value	6,759	(395)	933	(331)	(1)	6,965	(192)
Segregated funds financial instruments and investment properties	802	34	144	(65)	—	915	24
Total	$ 7,561	$ (361)	$ 1,077	$ (396)	$ (1)	$ 7,880	$ (168)

During the nine months ended September 30, 2024, an amount of $19 ($47 for the year ended December 31, 2023) presented in *Purchases* for investment properties corresponds to capitalizations to *Investment properties* and there are no *Transfers into (out of) Level 3 and reclassifications* ($14 for the year ended December 31, 2023 that corresponds to reclassifications of fixed assets to *Investment properties*). Also, *Sales and settlements* for investment properties do not include any transfers to fixed assets (none for the year ended December 31, 2023).

Gains (losses) included in net income and *Total unrealized gains (losses) included in net income on investments still held* are presented in *Net investment income* in the Income Statement, except for those related to segregated funds net assets, which are presented in *Investment income (expenses) from segregated funds net assets* in the Income Statement.

Valuation for Level 3 Assets

The main unobservable input used in valuation of bonds as at September 30, 2024 corresponds to credit and liquidity risk premiums ranging from 0.89% to 4.61% (0.85% to 8.23% as at December 31, 2023). The credit and liquidity risk premiums are the difference between the expected yield of an asset and the risk-free rate of return. The difference is called a spread and represents an extra compensation for the risk of default of the borrower and the lack of active markets to sell the financial assets. If all other factors remain constant, a decrease (increase) in credit and liquidity risk premiums will lead to an increase (decrease) in fair value of bonds.

The main unobservable input used in valuation of stocks as at September 30, 2024 corresponds to 100% of the net asset value of the shares owned by the Company, which is provided by the general partner of the limited partnership investments or the manager of the funds. The net asset value is the estimated fair value of the asset minus the fair value of the liability divided by the number of shares outstanding of a fund or a limited partnership.

The main unobservable inputs used in the valuation of the investment properties as at September 30, 2024 are the discount rate, which is between 5.75% and 8.75% (5.75% and 8.75% as at December 31, 2023) and the terminal capitalization rate, which is between 5.50% and 7.75% (5.00% and 7.75% as at December 31, 2023). The discount rate is based on market activity by type of building and by location and reflects the expected rate of return to be realized on investments over the next 10 years. The terminal capitalization rate is based on market activity by type of building and by location and reflects the expected rate of return to be realized on investments over the remaining life after the 10-year period. If all other factors remain constant, a decrease (increase) in the discount rate and terminal capitalization rate will lead to an increase (decrease) in fair value of investment properties.

Fair Value Disclosed in the Notes

The Company classifies and measures certain financial instruments at amortized cost. The fair value of these financial instruments is disclosed in the notes. The following table shows the hierarchy level of such fair values:

(in millions of dollars)	Level 1	Level 2	Level 3	Total
	As at September 30, 2024			
Classified at amortized cost				
Car loans and other loans	**$ —**	**$ 2,264**	**$ —**	**$ 2,264**
Total of assets whose fair value is disclosed in the notes	**$ —**	**$ 2,264**	**$ —**	**$ 2,264**

(in millions of dollars)	As at December 31, 2023 Level 1	Level 2	Level 3	Total
Classified at amortized cost				
Car loans and other loans	$ —	$ 2,227	$ —	$ 2,227
Total of assets whose fair value is disclosed in the notes	$ —	$ 2,227	$ —	$ 2,227

Financial Liabilities
The following table presents the fair value of financial liabilities measured at fair value on a recurring basis and those whose fair value is disclosed in a note by hierarchy level:

(in millions of dollars)	**As at September 30, 2024** **Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Other liabilities				
Short-selling securities	**$ —**	**$ 498**	**$ —**	**$ 498**
Securities sold under repurchase agreements	**—**	**967**	**—**	**967**
Securitization liabilities	**—**	**111**	**—**	**111**
Derivative financial instruments	**57**	**849**	**—**	**906**
Investment contract liabilities and deposits	**—**	**552**	**—**	**552**
Total of liabilities classified at fair value through profit or loss	**$ 57**	**$ 2,977**	**$ —**	**$ 3,034**
Classified at amortized cost				
Other liabilities				
Mortgage debt	**$ —**	**$ 3**	**$ —**	**$ 3**
Debentures	**—**	**1,507**	**—**	**1,507**
Investment contract liabilities and deposits	**—**	**5,847**	**—**	**5,847**
Investment contract liabilities related to segregated funds	**—**	**13,866**	**—**	**13,866**
Total of liabilities classified at amortized cost	**$ —**	**$ 21,223**	**$ —**	**$ 21,223**

(in millions of dollars)	As at December 31, 2023 Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Other liabilities				
Short-selling securities	$ —	$ 329	$ —	$ 329
Securities sold under repurchase agreements	—	10	—	10
Securitization liabilities	—	259	—	259
Derivative financial instruments	50	737	—	787
Total of liabilities classified at fair value through profit or loss	$ 50	$ 1,335	$ —	$ 1,385
Classified at amortized cost				
Other liabilities				
Mortgage debt	$ —	$ 3	$ —	$ 3
Debentures	—	1,464	—	1,464
Investment contract liabilities and deposits	—	5,836	—	5,836
Investment contract liabilities related to segregated funds	—	11,636	—	11,636
Total of liabilities classified at amortized cost	$ —	$ 18,939	$ —	$ 18,939

6 › Management of Financial Risks Associated with Financial Instruments and Insurance Contracts

Effective risk management rests on identifying, assessing, measuring, understanding, managing, monitoring and communicating the risks to which the Company is exposed to in the course of its operations. Risk management is comprised of a series of objectives, policies and procedures that are approved by the Board of Directors and enforced by managers. The main risk management policies and procedures are subject to review annually, or more frequently when deemed relevant. More information regarding the principles, responsibilities, key measures and management practices of the Company's risk management of financial instruments is provided in the shaded portion of the "Risk Management" section of the 2023 Management's Discussion and Analysis on pages 55 to 68. The shaded information in these pages is considered an integral part of these financial statements.

a) Market Risk

Market risk represents the risk of financial loss due to unexpected changes in the level or volatility of market prices of assets and liabilities. Since April 1, 2024, the Company uses hedge accounting to limit the sensitivity of certain financial liabilities to changes in interest rates. Information on hedge accounting is provided in Note 4 "Investments and Net Investment Income".

a) i) Market Risk Immediate Sensitivities

Interest Rate and Credit Spread Immediate Sensitivities

An analysis of the Company's sensitivity to an immediate change in risk-free interest rates as well as corporate bond and provincial government bond credit spreads is presented below. Each sensitivity assumes that all other assumptions remain unchanged. Considering that the Company manages these risks by looking jointly at financial instruments and insurance contracts, analyzing and disclosing its sensitivities on a net basis. The impact on equity includes the impact of net income and of remeasurement of post-employment benefits. The impact on contractual service margin is before tax.

The following tables present the immediate impact of an immediate parallel shift (rounded to the nearest 25 million dollars) of:

Interest rates

	As at September 30, 2024		As at December 31, 2023	
(in millions of dollars)	**50 basis point decrease**	**50 basis point increase**	50 basis point decrease	50 basis point increase
Net income	**$ 25**	**$ (25)**	$ —	$ (25)
Equity	**—**	**—**	(50)	25
Contractual service margin	**(25)**	**25**	(25)	25

Corporate bond credit spreads

	As at September 30, 2024		As at December 31, 2023	
(in millions of dollars)	**50 basis point decrease**	**50 basis point increase**	50 basis point decrease	50 basis point increase
Net income	**$ 25**	**$ (25)**	$ —	$ (25)
Equity	**(50)**	**50**	(75)	50
Contractual service margin	**—**	**—**	—	—

Provincial government bond credit spreads

	As at September 30, 2024		As at December 31, 2023	
(in millions of dollars)	**50 basis point decrease**	**50 basis point increase**	50 basis point decrease	50 basis point increase
Net income	**$ (25)**	**$ 25**	$ (25)	$ 25
Equity	**25**	**(25)**	—	—
Contractual service margin	**(100)**	**75**	(100)	75

Ultimate Discount Rate Immediate Sensitivities
An analysis of the Company's sensitivity to an immediate change in the ultimate discount rate assumption used to establish insurance contract liabilities (assets) is presented below. Each sensitivity assumes that all other assumptions remain unchanged. The impact on contractual service margin is before tax.

The following table presents the immediate impact of an immediate change in the ultimate discount rate assumption (rounded to the nearest 10 million dollars):

	As at September 30, 2024		As at December 31, 2023	
(in millions of dollars)	**10 basis point decrease**	**10 basis point increase**	10 basis point decrease	10 basis point increase
Net income	**$ (50)**	**$ 50**	$ (50)	$ 50
Equity	**(50)**	**50**	(50)	50
Contractual service margin	**—**	**—**	—	—

Public Equity Immediate Sensitivities
An analysis of the Company's sensitivity to an immediate change in public equity market values is presented below and assumes that all other assumptions remain unchanged. Considering that the Company manages this risk by looking jointly at financial instruments and insurance contracts, analyzing and disclosing its sensitivity on a net basis. Preferred shares are excluded from the scope of these sensitivities' analysis. The impact on equity includes the impact of net income and of remeasurement of post-employment benefits. The impact on contractual service margin is before tax.

The following tables present the immediate impact of an immediate change in public equity market values (rounded to the nearest 25 million dollars):

	As at September 30, 2024			
(in millions of dollars)	**25% decrease**	**10% decrease**	**10% increase**	**25% increase**
Net income	**$ (175)**	**$ (100)**	**$ 100**	**$ 150**
Equity	**(250)**	**(125)**	**125**	**250**
Contractual service margin	**(575)**	**(250)**	**200**	**525**

	As at December 31, 2023			
(in millions of dollars)	25% decrease	10% decrease	10% increase	25% increase
Net income	$ (150)	$ (75)	$ 100	$ 200
Equity	(225)	(100)	125	275
Contractual service margin	(500)	(200)	175	450

In order to measure its public equity sensitivity, the Company examined the impact of a 10% market variance at the end of the period, believing that this kind of variance was reasonable in the current market environment. A 25% market change is also disclosed to provide a wider range of potential impacts due to significant changes in public equity market levels.

Private Non-Fixed Income Asset Immediate Sensitivities
An analysis of the Company's sensitivity to an immediate change in private non-fixed income assets' market values is presented below and assumes that all other assumptions remain unchanged. These impacts are only on financial instruments as insurance contracts are insensitive to these market values. Private non-fixed income assets include private equity, investment property and infrastructure. The impact on equity includes the impact of net income and of remeasurement of post-employment benefits.

The following table presents the immediate impact of an immediate change in private non-fixed income asset market values on private equity, investment property and infrastructure (rounded to the nearest 25 million dollars):

	As at September 30, 2024		As at December 31, 2023	
(in millions of dollars)	**10% decrease**	**10% increase**	10% decrease	10% increase
Net income	**$ (275)**	**$ 275**	$ (275)	$ 275
Equity	**(300)**	**300**	(300)	300

b) Credit Risk

Credit risk represents the risk of financial loss due to a borrower's or a counterparty's failure to repay its obligation when due.

b) i) Credit Quality Indicators

Bonds by Investment Grade

(in millions of dollars)	**As at September 30, 2024**	As at December 31, 2023
AAA	**$ 1,762**	$ 1,975
AA	**8,448**	8,691
A	**11,918**	11,291
BBB	**8,983**	7,806
BB and lower	**178**	177
Total	**$ 31,289**	$ 29,940

The Company prepares an assessment of the quality of the investment if the evaluation is not available from a credit rating agency. Bonds that have been internally evaluated represent an amount of $2,105 as at September 30, 2024 ($1,981 as at December 31, 2023).

Loans

(in millions of dollars)	**As at September 30, 2024**	As at December 31, 2023
Insured mortgages	**$ 846**	$ 972
Conventional mortgages	**429**	454
Car loans and other loans	**2,273**	2,234
Total	**$ 3,548**	$ 3,660

The credit quality of loans is assessed internally, on a regular basis, when the review of the portfolio is carried out.

b) ii) Allowance for Credit Losses

Main Macroeconomic Factors

The following table shows the macroeconomic factors used to estimate the allowance for credit losses on loans. For each scenario, namely, the base scenario, optimistic scenario and pessimistic scenario, the average values of the macroeconomic factors over the next 12 months (used for Stage 1 allowance for credit losses calculations) and over the remaining forecast period (used for Stage 2 allowance for credit losses calculations) are presented below.

	As at September 30, 2024					
	Base scenario		**Optimistic scenario**		**Pessimistic scenario**	
	Next 12 months	**Remaining forecast period**	**Next 12 months**	**Remaining forecast period**	**Next 12 months**	**Remaining forecast period**
Unemployment rate	**6.6%**	**6.3%**	**6.1%**	**5.8%**	**7.1%**	**6.6%**
Real GDP growth rate	**1.6%**	**2.0%**	**2.2%**	**3.0%**	**0.5%**	**1.4%**
Bank of Canada overnight rate	**3.2%**	**2.8%**	**3.5%**	**3.0%**	**2.5%**	**2.3%**

	As at December 31, 2023					
	Base scenario		Optimistic scenario		Pessimistic scenario	
	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period
Unemployment rate	6.2%	6.1%	5.3%	5.5%	7.1%	6.9%
Real GDP growth rate	0.6%	1.9%	1.8%	3.2%	(0.4)%	0.7%
Bank of Canada overnight rate	4.3%	3.0%	5.0%	4.0%	3.5%	2.0%

An increase in the unemployment rate or the Bank of Canada overnight rate will generally lead to a higher allowance for credit losses, whereas an increase in real GDP growth rate will generally lead to a lower allowance for credit losses.

Allowance for Credit Losses by Stage

The following table presents the reconciliation of the allowance for credit losses for car loans:

	As at September 30, 2024			
	Non-impaired		Impaired	
	Stage 1	Stage 2	Stage 3	
(in millions of dollars)	12 months	Lifetime	Lifetime	Total
Allowance for credit losses as at December 31, 2023	**$ 51**	**$ 15**	**$ 11**	**$ 77**
Transfers[1]				
In (out) Stage 1	**16**	**(13)**	**(3)**	**—**
In (out) Stage 2	**(13)**	**17**	**(4)**	**—**
In (out) Stage 3	**(1)**	**(9)**	**10**	**—**
Net remeasurement of allowance for credit losses[2]	**(17)**	**12**	**62**	**57**
Purchases and originations	**19**	**—**	**—**	**19**
Derecognition[3]	**(5)**	**(1)**	**—**	**(6)**
Provision for credit losses	**(1)**	**6**	**65**	**70**
Write-offs	**—**	**—**	**(63)**	**(63)**
Recoveries	**—**	**—**	**(1)**	**(1)**
Allowance for credit losses as at September 30, 2024	**$ 50**	**$ 21**	**$ 12**	**$ 83**

	As at December 31, 2023			
	Non-impaired		Impaired	
	Stage 1	Stage 2	Stage 3	
(in millions of dollars)	12 months	Lifetime	Lifetime	Total
Allowance for credit losses as at December 31, 2022	$ 40	$ 13	$ 8	$ 61
Transfers[1]				
In (out) Stage 1	17	(13)	(4)	—
In (out) Stage 2	(14)	16	(2)	—
In (out) Stage 3	(1)	(8)	9	—
Net remeasurement of allowance for credit losses[2]	(12)	9	52	49
Purchases and originations	27	—	—	27
Derecognition[3]	(6)	(2)	—	(8)
Provision for credit losses	11	2	55	68
Write-offs	—	—	(55)	(55)
Recoveries	—	—	3	3
Allowance for credit losses as at December 31, 2023	$ 51	$ 15	$ 11	$ 77

[1] Stage transfers deemed to have taken place at the beginning of the quarter in which the transfers occurred.

[2] Includes the net remeasurement of allowance for credit losses (after transfers) attributable mainly to changes in volume and in credit quality of existing car loans as well as to changes in risk parameters and model assumptions.

[3] Reversals of allowance for credit losses arising from full or partial repayments (excluding write-offs and disposals).

Considering their nature, other loans have a negligible allowance for credit losses due to their low credit risk.

The following table presents the gross carrying value and the allowance for credit losses related to car loans by stage:

	As at September 30, 2024			
	Non-impaired		**Impaired**	
(in millions of dollars)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Car loans[1]				
Low risk[2]	**$ 1,294**	**$ 198**	**$ —**	**$ 1,492**
Medium risk[2]	**38**	**8**	**—**	**46**
High risk[2]	**2**	**—**	**—**	**2**
Impaired	**—**	**—**	**19**	**19**
Gross carrying amount	**1,334**	**206**	**19**	**1,559**
Allowance for credit losses	**50**	**21**	**12**	**83**
Carrying amount	**$ 1,284**	**$ 185**	**$ 7**	**$ 1,476**

	As at December 31, 2023			
	Non-impaired		Impaired	
(in millions of dollars)	Stage 1	Stage 2	Stage 3	Total
Car loans[1]				
Low risk[2]	$ 1,222	$ 174	$ —	$ 1,396
Medium risk[2]	44	11	—	55
High risk[2]	3	1	—	4
Impaired	—	—	17	17
Gross carrying amount	1,269	186	17	1,472
Allowance for credit losses	51	15	11	77
Carrying amount	$ 1,218	$ 171	$ 6	$ 1,395

[1] The credit risk rating is reflective of a nonprime lender's risk perception.

[2] Low risk is considered near prime, medium risk is nonprime and high risk is subprime.

7 › Derivative Financial Instruments

The Company is an end user of derivative financial instruments in the normal course of managing exposure to fluctuations in interest rates, currency exchange rates and fair values of investments. Derivative financial instruments are financial contracts whose value is derived from underlying interest rates, exchange rates, other financial instruments or indexes.

The notional amount represents the amount to which a rate or price is applied to determine the cash flows to be exchanged periodically and does not represent direct credit exposure. Maximum credit risk is the estimated cost of replacing derivative financial instruments that have a positive value should the counterparty default. The maximum credit risk of derivative financial instruments as at September 30, 2024 is $1,116 ($1,785 as at December 31, 2023). The Company's exposure at the end of each reporting period is limited to the risk that a counterparty does not honour the terms of a derivative financial instrument.

	As at September 30, 2024					
	Notional amount				Fair value	
(in millions of dollars)	Less than 1 year	1 to 5 years	Over 5 years	Total	Positive	Negative
Equity contracts						
Swap contracts	**$ 810**	**$ 65**	**$ 59**	**$ 934**	**$ 23**	**$ —**
Futures contracts	**669**	**—**	**—**	**669**	**1**	**(9)**
Options	**6,074**	**—**	**—**	**6,074**	**269**	**(91)**
Currency contracts						
Swap contracts	**29**	**248**	**6,889**	**7,166**	**334**	**(77)**
Forward contracts	**7,344**	**—**	**—**	**7,344**	**70**	**(19)**
Options	**890**	**287**	**—**	**1,177**	**10**	**(10)**
Interest rate contracts						
Swap contracts	**2,258**	**4,303**	**10,915**	**17,476**	**294**	**(636)**
Futures contracts	**27**	**—**	**—**	**27**	**—**	**—**
Forward contracts	**8,333**	**—**	**—**	**8,333**	**116**	**(64)**
Other derivative contracts	**1**	**1**	**—**	**2**	**—**	**—**
Total	**$ 26,435**	**$ 4,904**	**$ 17,863**	**$ 49,202**	**$ 1,117**	**$ (906)**

	As at December 31, 2023					
	Notional amount				Fair value	
(in millions of dollars)	Less than 1 year	1 to 5 years	Over 5 years	Total	Positive	Negative
Equity contracts						
Swap contracts	$ 738	$ 156	$ 67	$ 961	$ 37	$ (3)
Futures contracts	449	—	—	449	—	(15)
Options	5,528	—	—	5,528	270	(110)
Currency contracts						
Swap contracts	46	245	5,732	6,023	473	(39)
Forward contracts	7,840	—	—	7,840	269	(60)
Options	350	106	—	456	5	(5)
Interest rate contracts						
Swap contracts	1,853	3,898	7,896	13,647	272	(411)
Futures contracts	96	—	—	96	1	—
Forward contracts	8,002	200	—	8,202	459	(144)
Other derivative contracts	1	2	—	3	1	—
Total	$ 24,903	$ 4,607	$ 13,695	$ 43,205	$ 1,787	$ (787)

	As at September 30, 2024		
	Notional amount	**Fair value**	
(in millions of dollars)		**Positive**	**Negative**
Derivative financial instruments not designated as hedge accounting	**$ 46,965**	**$ 1,092**	**$ (903)**
Net investment hedge	**2,233**	**24**	**(3)**
Cash flow hedges			
Market risk	**4**	**1**	**—**
Total of derivative financial instruments	**$ 49,202**	**$ 1,117**	**$ (906)**

	As at December 31, 2023		
	Notional amount	Fair value	
(in millions of dollars)		Positive	Negative
Derivative financial instruments not designated as hedge accounting	$ 40,518	$ 1,670	$ (775)
Net investment hedge	2,335	113	(3)
Cash flow hedges			
Currency risk	352	4	(9)
Total of derivative financial instruments	$ 43,205	$ 1,787	$ (787)

Until March 31, 2024, the Company elected, as permitted under IFRS 9, to continue applying the hedge accounting requirement of IAS 39 *Financial Instruments.* As at April 1, 2024, the Company elected to apply hedge accounting requirements under IFRS 9 to all hedge accounting relationships.

Net Investment Hedge

As at September 30, 2024, forward contracts, designated as hedges of net investments in foreign operations with a functional currency other than the functional currency of the Company, have maturities of less than 1 year (less than 1 year as at December 31, 2023) and an average CAD/USD exchange rate of 0.7334 (0.7211 as at December 31, 2023). The effective portion of changes in fair value is recorded in *Other comprehensive income*, as is the foreign currency translation of the net investment in a foreign operation. For the nine months ended September 30, 2024 and 2023, the Company did not recognize any ineffectiveness.

Cash Flow Hedge

Currency Risk Hedging

During the nine months ended September 30, 2024, the Company ended a cash flow hedging relationship which aimed to manage its exposure to changes in currency rate risk on forecast transactions. The Company used forward contracts that have maturities of less than 1 year (less than 1 year as at December 31, 2023) and an average CAD/USD exchange rate of 0.7322 (0.7322 as at December 31, 2023). For the nine months ended September 30, 2024, the Company did not recognize any ineffectiveness.

Market Risk Hedging

During the nine months ended September 30, 2024, the Company set up a cash flow hedging relationship to manage its exposure to volatility of market prices on forecast transactions. The Company uses swap contracts that have maturities of less than 3 years as at September 30, 2024. For the nine months ended September 30, 2024, the Company did not recognize any ineffectiveness.

8 › Segregated Funds Net Assets

The table below comprises the underlying items for insurance contracts with direct participation features related to segregated funds as well as those for investment contracts related to segregated funds, which is the segregated funds net assets, and shows the composition. The fair value of the underlying items for insurance contracts with direct participation features, which are calculated under the variable fee approach, is equivalent to the *Insurance contract liabilities related to segregated funds* in Note 9 "Insurance Contracts and Reinsurance Contracts", and the fair value of the underlying items for investment contracts related to segregated funds, which are accounted for at amortized cost, is equivalent to the *Investment contract liabilities related to segregated funds* in the Statement of Financial Position.

(in millions of dollars)	**As at September 30, 2024**	As at December 31, 2023
Assets		
Cash and short-term investments	**$ 1,279**	$ 1,323
Bonds	**7,288**	6,793
Stocks and investment funds	**41,239**	33,849
Mortgages	**54**	58
Derivative financial instruments	**10**	18
Other assets	**960**	210
	50,830	42,251
Liabilities		
Accounts payable and accrued expenses	**974**	414
Net assets	**$ 49,856**	$ 41,837

The following table presents the change in segregated funds net assets:

	Quarters ended September 30		**Nine months ended September 30**	
(in millions of dollars)	**2024**	2023	**2024**	2023
Balance at beginning	**$ 46,582**	$ 40,016	**$ 41,837**	$ 37,334
Add:				
Amounts received from policyholders	**2,389**	1,564	**7,048**	4,847
Interest, dividends and other investment income	**259**	201	**737**	628
Change in fair value of investments	**2,257**	(1,151)	**5,290**	927
	51,487	40,630	**54,912**	43,736
Less:				
Amounts withdrawn by policyholders	**1,397**	1,312	**4,399**	4,047
Operating expenses	**234**	196	**657**	567
	1,631	1,508	**5,056**	4,614
Balance at end	**$ 49,856**	$ 39,122	**$ 49,856**	$ 39,122

9 › Insurance Contracts and Reinsurance Contracts

A) Changes in Insurance Contract and Reinsurance Contract Balances

a) Roll-Forward of Net Insurance Contract Liabilities (Assets) by Measurement Component

The following tables disclose the reconciliation by measurement component for insurance contracts not measured under the premium allocation approach (PAA):

	As at September 30, 2024			
(in millions of dollars)	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Balance at beginning				
Insurance contract liabilities	$ 22,749	$ 3,416	$ 5,305	$ 31,470
Insurance contract assets	(531)	29	335	(167)
Insurance contract liabilities related to segregated funds	30,201	—	—	30,201
Net insurance contract liabilities (assets) at beginning	52,419	3,445	5,640	61,504
Insurance service result				
Changes that relate to current services				
Contractual service margin recognized for services provided	—	—	(500)	(500)
Change in risk adjustment for non-financial risk for risk expired	—	(241)	—	(241)
Experience adjustments	(119)	—	—	(119)
Changes that relate to future services				
Contracts initially recognized in the period	(726)	287	478	39
Changes in estimates that adjust the contractual service margin	(557)	33	524	—
Changes in estimates that result in losses and reversal of losses on onerous contracts	29	(14)	—	15
Changes that relate to past services				
Changes to liabilities for incurred claims	34	(17)	—	17
	(1,339)	48	502	(789)
Finance expenses (income) from insurance contracts	5,472	134	6	5,612
Amounts recognized in net income	4,133	182	508	4,823
Effect of change in exchange rates	19	4	7	30
Cash flows	2,236	—	—	2,236
Contracts acquired in the period	52	145	236	433
Net insurance contract liabilities (assets) at end	$ 58,859	$ 3,776	$ 6,391	$ 69,026
Balance at end				
Insurance contract liabilities	$ 23,461	$ 3,745	$ 5,972	$ 33,178
Insurance contract assets	(592)	31	419	(142)
Insurance contract liabilities related to segregated funds	35,990	—	—	35,990
Net insurance contract liabilities (assets) at end	$ 58,859	$ 3,776	$ 6,391	$ 69,026

	As at December 31, 2023			
(in millions of dollars)	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Balance at beginning				
Insurance contract liabilities	$ 19,540	$ 2,971	$ 5,204	$ 27,715
Insurance contract assets	(324)	27	82	(215)
Insurance contract liabilities related to segregated funds	26,901	—	—	26,901
Net insurance contract liabilities (assets) at beginning	46,117	2,998	5,286	54,401
Insurance service result				
Changes that relate to current services				
Contractual service margin recognized for services provided	—	—	(585)	(585)
Change in risk adjustment for non-financial risk for risk expired	—	(302)	—	(302)
Experience adjustments	7	—	—	7
Changes that relate to future services				
Contracts initially recognized in the year	(867)	338	596	67
Changes in estimates that adjust the contractual service margin	(401)	96	305	—
Changes in estimates that result in losses and reversal of losses on onerous contracts	140	19	—	159
Changes that relate to past services				
Changes to liabilities for incurred claims	26	4	—	30
	(1,095)	155	316	(624)
Finance expenses (income) from insurance contracts	6,375	299	51	6,725
Amounts recognized in net income	5,280	454	367	6,101
Effect of change in exchange rates	(21)	(7)	(13)	(41)
Cash flows	1,043	—	—	1,043
Net insurance contract liabilities (assets) at end	$ 52,419	$ 3,445	$ 5,640	$ 61,504
Balance at end				
Insurance contract liabilities	$ 22,749	$ 3,416	$ 5,305	$ 31,470
Insurance contract assets	(531)	29	335	(167)
Insurance contract liabilities related to segregated funds	30,201	—	—	30,201
Net insurance contract liabilities (assets) at end	$ 52,419	$ 3,445	$ 5,640	$ 61,504

As at September 30, 2024, the amount of net insurance contract liabilities (assets) measured under the PAA is $2,431 ($2,160 as at December 31, 2023).

b) Net Reinsurance Contract Assets (Liabilities) by Measurement Component

The following tables disclose the net reinsurance contract assets (liabilities) by measurement component for reinsurance contracts not measured under the PAA:

	As at September 30, 2024			
(in millions of dollars)	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Contractual service margin**	**Total**
Net reinsurance contract assets (liabilities)				
Reinsurance contracts not measured under the PAA				
Reinsurance contract assets	**$ 849**	**$ 133**	**$ 53**	**$ 1,035**
Reinsurance contract liabilities	**(539)**	**872**	**(337)**	**(4)**
	$ 310	**$1,005**	**$ (284)**	**$ 1,031**

The amount arising from the initial recognition of reinsurance contract assets acquired during the nine months ended September 30, 2024 is $159, which corresponds to estimates of present value of future cash flows of $70, a risk adjustment for non-financial risk of $53 and a contractual service margin of $36.

(in millions of dollars)	As at December 31, 2023 Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net reinsurance contract assets (liabilities)				
Reinsurance contracts not measured under the PAA				
Reinsurance contract assets	$ 230	$ 933	$ (325)	$ 838
Reinsurance contract liabilities	(54)	6	40	(8)
	$ 176	$ 939	$ (285)	$ 830

As at September 30, 2024, the amount of net reinsurance contract assets measured under the PAA is $1,746 ($1,474 as at December 31, 2023).

B) Insurance Revenue

	Quarters ended September 30		**Nine months ended September 30**	
(in millions of dollars)	**2024**	2023	**2024**	2023
Contracts not measured under the PAA				
Changes in liabilities for remaining coverage				
Contractual service margin recognized for services provided	**$ 178**	$ 147	**$ 500**	$ 434
Change in risk adjustment for non-financial risk for risk expired	**91**	76	**254**	225
Expected incurred claims and other insurance service expenses	**854**	714	**2,409**	2,043
Recovery of insurance acquisition cash flows	**126**	83	**341**	222
	1,249	1,020	**3,504**	2,924
Contracts measured under the PAA	**492**	438	**1,476**	1,269
Total insurance revenue	**$ 1,741**	$ 1,458	**$ 4,980**	$ 4,193

C) Discount Rates

The following table presents discount rates applied to discounting of future cash flows based on the liquidity characteristics of the insurance contracts:

	As at September 30, 2024					
	1 year	**5 years**	**10 years**	**20 years**	**30 years**	**70 years**
Canadian products						
Least illiquid curve	**3.06%**	**3.07%**	**3.77%**	**4.34%**	**4.24%**	**4.35%**
Most illiquid curve	**4.19%**	**4.31%**	**4.93%**	**5.37%**	**5.25%**	**5.15%**
U.S. products						
Least illiquid curve	**4.45%**	**4.39%**	**4.77%**	**5.22%**	**5.22%**	**4.90%**
Most illiquid curve	**4.70%**	**4.64%**	**5.02%**	**5.47%**	**5.47%**	**5.15%**

	As at December 31, 2023					
	1 year	5 years	10 years	20 years	30 years	70 years
Canadian products						
Least illiquid curve	4.25%	3.57%	3.89%	4.19%	3.92%	4.35%
Most illiquid curve	5.51%	5.00%	5.25%	5.33%	5.09%	5.15%
U.S. products						
Least illiquid curve	5.30%	4.74%	4.95%	5.23%	4.97%	4.90%
Most illiquid curve	5.55%	4.99%	5.20%	5.48%	5.22%	5.15%

Cash flows that have a non-linear relationship with the returns on any underlying financial items, caused by the presence of guarantees linked to financial markets (such as minimum interest rate guarantees or guarantees on segregated fund contracts), are adjusted for the effect of that variability using stochastic risk-neutral measurement techniques and discounted using the risk-free rates as adjusted for illiquidity.

10 › Debentures

On May 24, 2024, iA Insurance redeemed all of its $4 floating rate surplus notes maturing in May 2034, bearing interest equal to the SOFR 3-month rate plus 4.25%. The floating rate surplus notes were redeemed at nominal value plus accrued and unpaid interest, for a total disbursement of $4.

11 › Share Capital

The share capital issued by the Company is as follows:

	As at September 30, 2024		As at December 31, 2023	
(in millions of dollars, unless otherwise indicated)	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount
Common shares				
Balance at beginning	**99,643**	**$ 1,603**	104,773	$ 1,675
Shares issued on exercise of stock options	**277**	**19**	264	15
Shares redeemed	**(6,022)**	**(97)**	(5,394)	(87)
Balance at end	**93,898**	**$ 1,525**	99,643	$ 1,603

Stock Option Plan

As at September 30, 2024, the number of outstanding stock options was 1,420,333 (1,464,733 as at December 31, 2023). For the nine months ended September 30, 2024, the Company granted 233,000 stock options exercisable at $92.15 (206,000 stock options exercisable at $82.09 for the year ended December 31, 2023).

Normal Course Issuer Bid

With the approval of the Toronto Stock Exchange and the Autorité des marchés financiers (AMF), the Board of Directors authorized the Company to repurchase, in the normal course of its activities, between November 14, 2023 and November 13, 2024, up to 8,074,936 common shares, representing approximately 8.01% of the 100,795,937 common shares that constituted the Company's "public float" as at October 31, 2023 (5,265,045 common shares, representing approximately 5% of its common shares issued and outstanding in the normal course issuer bid of 2022). For the nine months ended September 30, 2024, a total of 6,022,248 common shares (5,394,180 as at December 31, 2023) were repurchased and cancelled for a net cash amount of $525 ($462 as at December 31, 2023), of which $97 was recorded against share capital ($87 as at December 31, 2023) and $428 against retained earnings ($375 as at December 31, 2023). Taxes related to the redemption net of the issuance of common shares for a total of $10 were recognized in *Retained earnings* (none as at December 31, 2023).

Dividends

	Quarters ended September 30				Nine months ended September 30			
	2024		2023		**2024**		2023	
(in millions of dollars, unless otherwise indicated)	**Total**	**Per share (in dollars)**	Total	Per share (in dollars)	**Total**	**Per share (in dollars)**	Total	Per share (in dollars)
Common shares	**$ 77**	**$ 0.82**	$ 78	$ 0.77	**$ 237**	**$ 2.46**	$ 227	$ 2.21

Dividends Declared and Not Recognized on Common Shares

A dividend of 0.900 dollars per share was approved by the Board of Directors of the Company on November 5, 2024. This dividend was not recorded as a liability in these Financial Statements. This dividend will be paid on December 16, 2024 to the shareholders of record as of November 22, 2024, date on which it will be recognized in the retained earnings of the Company.

12 › Preferred Shares Issued by a Subsidiary and Other Equity Instruments

The other equity instruments issued during the nine months ended September 30, 2024 are as follows:

Limited Recourse Capital Notes Series 2024-1 Subordinated Debentures (Series 2024-1 Notes) maturing September 30, 2084, bearing interest of 6.921%, payable semi-annually from September 30, 2024 to September 30, 2029. On September 30, 2029 and every 5 years thereafter until September 30, 2079, the interest rate will be reset at an interest rate equal to the 5-year Government of Canada Yield plus 3.60%. These Series 2024-1 Notes are redeemable in whole or in part by the Company from August 31 to September 30, 2029, and thereafter from August 31 to September 30 every 5 years, subject to approval by the AMF.

Class A – Series B non-cumulative 5-year rate reset preferred shares held by the Limited Recourse Trust issued in connection with the issuance of the Series 2024-1 Notes. The Series B preferred shares are eliminated on the Company's Consolidated Statements of Financial Position while being held within the Limited Recourse Trust. In case of non-payment of interest or principal of the Series 2024-1 Notes when due, the recourse of each noteholder will be limited to that holder's proportionate share of the Limited Recourse Trust's assets, which will consist of Series B preferred shares except in limited circumstances. The holders of the Series B preferred shares will be entitled to receive fixed-rate semi-annual non-cumulative preferential cash dividends, as and when declared by the Board of Directors.

Preferred shares issued by iA Insurance, a subsidiary of the Company, and other equity instruments are as follows:

	As at September 30, 2024		As at December 31, 2023	
(in millions of dollars, unless otherwise indicated)	**Number of shares (in thousands)**	**Amount**	Number of shares (in thousands)	Amount
Preferred shares, Class A, issued by iA Insurance				
Balance at beginning	**5,000**	**$ 125**	11,000	$ 275
Shares redeemed – Series B	**(5,000)**	**(125)**	—	—
Shares redeemed – Series I	**—**	**—**	(6,000)	(150)
Balance at end	**—**	**—**	5,000	125
Other equity instruments – Subordinated debentures				
Balance at beginning	**250**	**250**	250	250
Subordinated debentures issued – Series 2024-1	**350**	**350**	—	—
Balance at end	**600**	**600**	250	250
Total preferred shares issued by iA Insurance and other equity instruments	**600**	**$ 600**	5,250	$ 375

Preferred Shares Issued by iA Insurance

Redemption

On July 29, 2024, iA Insurance redeemed all of the 5,000,000 Class A – Series B preferred shares at a price of 25 dollars per share plus the pro-rated dividend at the redemption date for a total cash amount of $125.

On March 31, 2023, iA Insurance redeemed all of the 6,000,000 Class A – Series I preferred shares at a price of 25 dollars per share for a cash amount of $150.

Other Equity Instruments

Issuance

On June 25, 2024, the Company issued Limited Recourse Capital Notes Series 2024-1 Subordinated Debentures, bearing interest at 6.921% and maturing on September 30, 2084, for a net cash amount of $345. Transaction costs for a total of $5 ($4 after tax) were recognized in *Retained earnings*. At the same time, the Company issued 350,000 Class A – Series B non-cumulative 5-year rate reset preferred shares to be held by the Limited Recourse Trust.

Dividends and Distributions

	Quarters ended September 30				**Nine months ended September 30**			
	2024		2023		**2024**		2023	
(in millions of dollars, unless otherwise indicated)	**Total**	**Per share (in dollars)**	Total	Per share (in dollars)	**Total**	**Per share (in dollars)**	Total	Per share (in dollars)
Dividends on preferred shares, issued by iA Insurance								
Class A – Series B	**$ —**	**$ 0.09**	$ 1	$ 0.29	**$ 3**	**$ 0.67**	$ 4	$ 0.86
Class A – Series I	**—**	**—**	—	—	**—**	**—**	2	0.30
	—		1		**3**		6	
Distributions on other equity instruments								
Subordinated debentures – Series 2022-1	**—**		—		**6**		6	
Subordinated debentures – Series 2024-1	**5**		—		**5**		—	
	5		—		**11**		6	
Total dividends and distributions	**$ 5**		$ 1		**$ 14**		$ 12	

For the quarter ended September 30, 2024, distributions on other equity instruments for a total of $7 ($5 after tax) were recognized in *Retained earnings* (none for the quarter ended September 30, 2023). For the nine months ended September 30, 2024, distributions on other equity instruments for a total of $15 ($11 after tax) were recognized in *Retained earnings* ($8 ($6 after tax) for the nine months ended September 30, 2023).

13 › Accumulated Other Comprehensive Income

(in millions of dollars)	Investment properties	Currency translation	Hedging	Total
Balance as at December 31, 2023	**$ 25**	**$ 57**	**$ (99)**	**$ (17)**
Other	**—**	**63**	**(42)**	**21**
Income taxes on other	**—**	**—**	**7**	**7**
	—	**63**	**(35)**	**28**
Balance as at September 30, 2024	**25**	**120**	**(134)**	**11**
Balance as at December 31, 2022	22	135	(136)	21
Revaluation surplus related to transfers to investment properties	3	—	—	3
Other	—	(78)	44	(34)
Income taxes on other	—	—	(7)	(7)
	3	(78)	37	(38)
Balance as at December 31, 2023	25	57	(99)	(17)
Balance as at December 31, 2022	22	135	(136)	21
Revaluation surplus related to transfers to investment properties	3	—	—	3
Other	—	(4)	4	—
Income taxes on other	—	—	(1)	(1)
	3	(4)	3	2
Balance as at September 30, 2023	$ 25	$ 131	$ (133)	$ 23

14 › Capital Management

Regulatory Requirements and Solvency Ratio

The Company is committed to respecting certain requirements of the guideline on capital adequacy requirements for life insurers (CARLI).

According to CARLI, many items are included in the solvency ratio:

The available capital represents the total Tier 1 and Tier 2 capital, less other deductions prescribed by the AMF.

Tier 1 capital contains more permanent equity items and is primarily composed of equity attributable to common shareholders, preferred shares issued by a subsidiary, other qualifying equity instruments and the contractual service margin, excluding the contractual service margin for segregated funds. Goodwill and other intangible assets are deducted from this category.

Tier 2 capital is notably composed of subordinated debentures.

The surplus allowance is the value of the risk adjustment for non-financial risk included in insurance contract liabilities, excluding insurance contract liabilities related to segregated funds.

The eligible deposits are amounts related to unregistered reinsurance agreements, which are deposited in guarantee instruments.

The base solvency buffer is determined according to five risk categories, namely credit risk, market risk, insurance risk, segregated fund guarantee risk and operational risk. These risk components are calculated using various methods and consider the risks associated to asset and liability elements that are on and off the Statement of Financial Position. The base solvency buffer represents the sum of risk components minus some credits (for example, between-risk diversification and adjustable products) multiplied by a scalar of 1.00.

The CARLI total ratio is calculated by dividing the sum of the available capital, the surplus allowance and the eligible deposits by the base solvency buffer.

According to the AMF guideline, the Company must set a target level of available capital that exceeds the minimum requirements. The guideline also stipulates that most of the available capital must be Tier 1, which absorbs the losses related to current operations.

The Company manages its capital on a consolidated basis. As at September 30, 2024, the Company maintains a ratio that satisfies the regulatory requirements.

(in millions of dollars, unless otherwise indicated)	**As at September 30, 2024**
Available capital	
Tier 1 capital	**$ 4,866**
Tier 2 capital	**3,583**
Surplus allowance and eligible deposits	**2,683**
Total	**$ 11,132**
Base solvency buffer	**$ 7,934**
Total ratio	**140%**

As at December 31, 2023, the solvency ratio was 145% and the Company maintained a ratio that satisfied the regulatory requirements.

15 › Income Taxes

Income tax expense (recovery) for the period consists of:

	Quarters ended September 30		**Nine months ended September 30**	
(in millions of dollars, unless otherwise indicated)	**2024**	2023	**2024**	2023
Current income tax expense (recovery)	**$ 120**	$ 98	**$ 355**	$ 260
Deferred income tax expense (recovery)	**(19)**	(85)	**(131)**	(125)
	$ 101	$ 13	**$ 224**	$ 135

Effective Income Tax Rate

The effective income tax rate is lower than the Company's statutory income tax rate of 28% mostly due to a saving on tax-exempt investment income.

For the quarter ended September 30, 2024, the effective income tax rate was 26%, compared to 19% for the quarter ended September 30, 2023. The effective income tax rate for the current quarter is higher than for the quarter ended September 30, 2023, mainly due to lower tax benefits from tax-exempt investment income.

For the nine months ended September 30, 2024, the effective income tax rate was 23%, compared to 20% for the nine months ended September 30, 2023. The current effective income tax rate is higher than for the nine months ended September 30, 2023, mainly due to lower tax benefits from tax-exempt investment income and prior-year adjustments.

16 › Segmented Information

The Company offers its products and services to retail customers, businesses and groups and primarily operates in Canada and in the United States. The Company's business units are grouped into reportable operating segments based on their similar economic characteristics. The Company's operating segments, which reflect its organizational structure for decision making, are described below according to their main products and services or to their specific characteristics:

Insurance, Canada – Life and health insurance products, auto and home insurance products, creditor insurance, replacement insurance and warranties, extended warranties and other ancillary products for dealer services, and specialized products for special markets.

Wealth Management – Products and services for savings plans, retirement funds and segregated funds, in addition to securities brokerage (including cross-border services), trust operations and mutual funds.

US Operations – Life insurance products and extended warranties relating to dealer services sold in the United States.

Investment – Investment and financing activities of the Company, except the investment activities of wealth distribution affiliates.

Corporate – All expenses that are not allocated to other operating segments, such as expenses for certain corporate functions.

Inter-segment transactions as well as some adjustments related to consolidation are shown in the *Consolidation adjustments* column. Inter-segment transactions consist primarily of activities carried out in the normal course of business for those operating segments and are subject to normal market conditions.

Considering the Company's total portfolio management strategy, most of the Company's investments are allocated to the Investment segment. When assessing segmented performance, management allocates *Finance income (expenses) from insurance contracts*, *Finance income (expenses) from reinsurance contracts* and nearly all *(Increase) decrease in investment contract liabilities and interest on deposits* to this operating segment.

The Company makes judgments and uses assumptions and methodologies to allocate operating expenses that are not directly attributable to an operating segment.

Segmented Results

(in millions of dollars)	Insurance, Canada	Wealth Management	US Operations	Investment	Corporate	Consolidation adjustments	Total
			Quarter ended September 30, 2024				
Insurance service result							
Insurance revenue	**$ 1,003**	**$ 284**	**$ 454**	**$ —**	**$ —**	**$ —**	**$ 1,741**
Insurance service expenses and net expenses from reinsurance contracts	**(862)**	**(190)**	**(401)**	**—**	**—**	**—**	**(1,453)**
	141	**94**	**53**	**—**	**—**	**—**	**288**
Net investment result							
Net investment income	**—**	**33**	**—**	**2,130**	**7**	**—**	**2,170**
Finance income (expenses) from insurance and reinsurance contracts and change in investment contracts and interest on deposits	**—**	**—**	**—**	**(1,928)**	**—**	**—**	**(1,928)**
	—	**33**	**—**	**202**	**7**	**—**	**242**
Other revenues	**46**	**353**	**48**	**7**	**—**	**(17)**	**437**
Other expenses	**(56)**	**(345)**	**(76)**	**(50)**	**(68)**	**17**	**(578)**
Income before income taxes	**131**	**135**	**25**	**159**	**(61)**	**—**	**389**
Income tax (expense) recovery	**(36)**	**(36)**	**(4)**	**(40)**	**15**	**—**	**(101)**
Net income	**95**	**99**	**21**	**119**	**(46)**	**—**	**288**
Dividends on preferred shares issued by a subsidiary and distribution on other equity instruments	**—**	**—**	**—**	**(5)**	**—**	**—**	**(5)**
Net income attributed to common shareholders	**$ 95**	**$ 99**	**$ 21**	**$ 114**	**$ (46)**	**$ —**	**$ 283**

(in millions of dollars)	Insurance, Canada	Wealth Management	US Operations	Investment	Corporate	Consolidation adjustments	Total
			Quarter ended September 30, 2023				
Insurance service result							
Insurance revenue	$ 877	$ 234	$ 347	$ —	$ —	$ —	$ 1,458
Insurance service expenses and net expenses from reinsurance contracts	(752)	(164)	(310)	—	—	—	(1,226)
	125	70	37	—	—	—	232
Net investment result							
Net investment income	—	28	—	(2,598)	(2)	(1)	(2,573)
Finance income (expenses) from insurance and reinsurance contracts and change in investment contracts and interest on deposits	—	(6)	—	2,534	—	1	2,529
	—	22	—	(64)	(2)	—	(44)
Other revenues	42	310	42	8	—	(15)	387
Other expenses	(58)	(302)	(49)	(52)	(60)	15	(506)
Income before income taxes	109	100	30	(108)	(62)	—	69
Income tax (expense) recovery	(30)	(27)	(6)	33	17	—	(13)
Net income	79	73	24	(75)	(45)	—	56
Dividends on preferred shares issued by a subsidiary and distribution on other equity instruments	—	—	—	(1)	—	—	(1)
Net income attributed to common shareholders	$ 79	$ 73	$ 24	$ (76)	$ (45)	$ —	$ 55

(in millions of dollars)	Insurance, Canada	Wealth Management	US Operations	Investment	Corporate	Consolidation adjustments	Total
	Nine months ended September 30, 2024						
Insurance service result							
Insurance revenue	**$ 2,947**	**$ 820**	**$ 1,213**	**$ —**	**$ —**	**$ —**	**$ 4,980**
Insurance service expenses and net expenses from reinsurance contracts	**(2,522)**	**(558)**	**(1,096)**	**—**	**—**	**—**	**(4,176)**
	425	**262**	**117**	**—**	**—**	**—**	**804**
Net investment result							
Net investment income	**—**	**96**	**—**	**1,743**	**6**	**—**	**1,845**
Finance income (expenses) from insurance and reinsurance contracts and change in investment contracts and interest on deposits	**—**	**(2)**	**—**	**(1,263)**	**—**	**—**	**(1,265)**
	—	**94**	**—**	**480**	**6**	**—**	**580**
Other revenues	**140**	**1,026**	**129**	**24**	**4**	**(50)**	**1,273**
Other expenses	**(187)**	**(999)**	**(197)**	**(158)**	**(206)**	**50**	**(1,697)**
Income before income taxes	**378**	**383**	**49**	**346**	**(196)**	**—**	**960**
Income tax (expense) recovery	**(103)**	**(105)**	**(8)**	**(55)**	**47**	**—**	**(224)**
Net income	**275**	**278**	**41**	**291**	**(149)**	**—**	**736**
Dividends on preferred shares issued by a subsidiary and distribution on other equity instruments	**—**	**—**	**—**	**(14)**	**—**	**—**	**(14)**
Net income attributed to common shareholders	**$ 275**	**$ 278**	**$ 41**	**$ 277**	**$ (149)**	**$ —**	**$ 722**

(in millions of dollars)	Insurance, Canada	Wealth Management	US Operations	Investment	Corporate	Consolidation adjustments	Total
	Nine months ended September 30, 2023						
Insurance service result							
Insurance revenue	$ 2,580	$ 676	$ 937	$ —	$ —	$ —	$ 4,193
Insurance service expenses and net expenses from reinsurance contracts	(2,218)	(475)	(824)	—	—	—	(3,517)
	362	201	113	—	—	—	676
Net investment result							
Net investment income	—	87	—	(510)	(2)	(6)	(431)
Finance income (expenses) from insurance and reinsurance contracts and change in investment contracts and interest on deposits	—	(21)	—	818	—	6	803
	—	66	—	308	(2)	—	372
Other revenues	128	912	127	25	3	(44)	1,151
Other expenses	(174)	(892)	(168)	(146)	(195)	44	(1,531)
Income before income taxes	316	287	72	187	(194)	—	668
Income tax (expense) recovery	(85)	(84)	(18)	2	50	—	(135)
Net income	231	203	54	189	(144)	—	533
Dividends on preferred shares issued by a subsidiary and distribution on other equity instruments	—	—	—	(12)	—	—	(12)
Net income attributed to common shareholders	$ 231	$ 203	$ 54	$ 177	$ (144)	$ —	$ 521

17 › Earnings Per Common Share

Basic Earnings Per Share

Basic earnings per share are calculated by dividing the net income attributed to common shareholders by the weighted average number of outstanding common shares during the period.

	Quarters ended September 30		Nine months ended September 30	
(in millions of dollars, unless otherwise indicated)	**2024**	2023	**2024**	2023
Net income attributed to common shareholders	**$ 283**	$ 55	**$ 722**	$ 521
Weighted average number of outstanding shares (in millions of units)	**94**	102	**97**	103
Basic earnings per share (in dollars)	**$ 3.00**	$ 0.55	**$ 7.47**	$ 5.05

Diluted Earnings Per Share

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to take into account the conversion of all potentially dilutive common shares.

The dilutive effect of stock options considers the number of shares presumed issued without consideration, calculated as the difference between the number of shares deemed to have been issued (by assuming the outstanding stock option grants are exercised) and the number of shares that would have been issued at the average market price for the period (the number of shares that would have been issued using the issuance proceeds, using the average market price of the Company's common shares for the period). For the quarter ended September 30, 2024 and for the nine months ended September 30, 2024, an average of 14,890 and 33,000 antidilutive stock options respectively (17,516 options for the quarter ended September 30, 2023 and 23,249 options for the nine months ended September 30, 2023) were excluded from the calculation.

	Quarters ended September 30		Nine months ended September 30	
(in millions of dollars, unless otherwise indicated)	**2024**	2023	**2024**	2023
Net income attributed to common shareholders	**$ 283**	$ 55	**$ 722**	$ 521
Weighted average number of outstanding shares (in millions of units)	**94**	102	**97**	103
Add: dilutive effect of stock options granted and outstanding (in millions of units)	**1**	1	**—**	1
Weighted average number of outstanding shares on a diluted basis (in millions of units)	**95**	103	**97**	104
Diluted earnings per share (in dollars)	**$ 2.99**	$ 0.54	**$ 7.44**	$ 5.04

There was no transaction on common shares that could affect these calculations after the closing date and before the date of authorization for issue of these Financial Statements.

18 › Post-Employment Benefits

The Company maintains a funded defined benefit plan and a number of unfunded plans that provide pension benefits and defined contribution plans.

The Company also provides other post-retirement benefits. These include additional health care benefits, life insurance and dental benefits. The Company also provides post-employment benefits such as salary continuation for short-term disabilities.

Amounts Recognized in Net Income and Other Comprehensive Income

	Quarters ended September 30			
	2024		2023	
(in millions of dollars)	**Pension plans**	**Other plans**	Pension plans	Other plans
Current service cost	**$ 13**	**$ 1**	$ 8	$ —
Net interest	**1**	**1**	2	1
Components of the cost of defined benefits recognized in the net income	**14**	**2**	10	1
Remeasurement of net liabilities (assets) as defined benefits[1]				
Rate of return on assets (excluding amounts included in the net interest above)	**(64)**	**—**	112	—
Actuarial losses (gains) on financial assumption changes	**49**	**—**	(117)	(2)
Increase (decrease) of the asset ceiling on a capitalized benefit plan	**—**	**—**	(7)	—
Losses (gains) on components of the cost of defined benefits recognized in other comprehensive income	**(15)**	**—**	(12)	(2)
Total of defined benefit cost components (gain)	**$ (1)**	**$ 2**	$ (2)	$ (1)

	Nine months ended September 30			
	2024		2023	
(in millions of dollars)	**Pension plans**	**Other plans**	Pension plans	Other plans
Current service cost	**$ 38**	**$ 2**	$ 27	$ 1
Net interest	**1**	**2**	5	2
Administrative expense	**1**	**—**	1	—
Components of the cost of defined benefits recognized in the net income	**40**	**4**	33	3
Remeasurement of net liabilities (assets) as defined benefits[1]				
Rate of return on assets (excluding amounts included in the net interest above)	**(50)**	**—**	58	—
Actuarial losses (gains) on financial assumption changes	**(49)**	**(1)**	(58)	(1)
Increase (decrease) of the asset ceiling on a capitalized benefit plan	**—**	**—**	(1)	—
Losses (gains) on components of the cost of defined benefits recognized in other comprehensive income	**(99)**	**(1)**	(1)	(1)
Total of defined benefit cost components (gain)	**$ (59)**	**$ 3**	$ 32	$ 2

[1] Changes in financial assumptions and assumptions on rate of return on assets, which represent market-based assumptions, are reviewed on a quarterly basis. All other assumptions are reviewed on an annual basis.

Items that will not be reclassified subsequently to net income

	Quarters ended September 30			
	2024		2023	
(in millions of dollars)	**Pension plans**	**Other plans**	Pension plans	Other plans
Losses (gains) on components of the cost of defined benefits recognized in other comprehensive income				
Remeasurement of post-employment benefits	**$ (15)**	**$ —**	$ (12)	$ (2)
Income taxes on remeasurement of post-employment benefits	**5**	**—**	3	1
Total of other comprehensive income	**$ (10)**	**$ —**	$ (9)	$ (1)

	Nine months ended September 30			
	2024		2023	
(in millions of dollars)	**Pension plans**	**Other plans**	Pension plans	Other plans
Losses (gains) on components of the cost of defined benefits recognized in other comprehensive income				
Remeasurement of post-employment benefits	**$ (99)**	**$ (1)**	$ (1)	$ (1)
Income taxes on remeasurement of post-employment benefits	**28**	**—**	—	1
Total of other comprehensive income	**$ (71)**	**$ (1)**	$ (1)	$ —

19 › Commitments

Investment Commitments

In the normal course of the Company's business, various outstanding contractual commitments related to offers for commercial loans, private placements, joint ventures and real estate are not reflected in the financial statements and may not be fulfilled. There were $1,094 ($908 as at December 31, 2023) of outstanding commitments as at September 30, 2024, of which the estimated disbursements will be $56 ($25 as at December 31, 2023) in 30 days, $338 ($270 as at December 31, 2023) in 31 to 365 days and $700 ($613 as at December 31, 2023) in more than one year.

20 › Event After the Reporting Period

Renewal of Normal Course Issuer Bid

With the approval of the Toronto Stock Exchange and the AMF, the Board of Directors authorized, on November 5, 2024, the Company to renew the normal course issuer bid in order to continue to repurchase common shares in the normal course of its activities. The Company plans to repurchase, between November 14, 2024 and November 13, 2025, up to 4,694, 894 common shares, representing approximately 5% of its 93,897,897 common shares issued and outstanding as at October 31, 2024.

21 › Comparative Figures

Certain comparative figures have been reclassified to comply with the current period's presentation. The reclassifications had no impact on the net income of the Company.

Conference Call

Management held a conference call to present its results on Wednesday, November 6, at 9:30 a.m. (ET). You can listen to a replay of the conference call for a 90-day period on the Company's website at ia.ca, under *About iA,* in the *Investor Relations/Financial Reports* section.

About iA Financial Group

iA Financial Group is one of the largest insurance and wealth management groups in Canada, with operations in the United States. Founded in 1892, it is one of Canada's largest public companies and is listed on the Toronto Stock Exchange under the ticker symbol IAG (common shares).

Shareholder Information

There are three ways to reach us, depending on the type of information you want to obtain:

For questions regarding your shares and the Dividend Reinvestment and Share Purchase Plan:
Computershare Investor Services Inc.
Telephone: 514 982-7555
1 877 684-5000 (toll free)
Email: ia@computershare.com

To obtain financial information about Industrial Alliance, contact the Investor Relations Department:
Investor Relations Department
Industrial Alliance Insurance and Financial Services Inc.
Telephone: 418 684-5000, extension 105862
1 800 463-6236, extension 105862 (toll free)
Fax: 418 684-5192
Email: investors@ia.ca
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For questions regarding Industrial Alliance products and services, contact your agent. If you don't have an agent, contact Industrial Alliance at:
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