2024 Management's Discussion and Analysis

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Notice and General Information

Legal Constitution and General Information

iA Financial Corporation Inc. ("iA Financial Corporation" or the "Company") is a stock company constituted on February 20, 2018 under the *Business Corporations Act* (Quebec). At the time of its constitution, it was a wholly-owned subsidiary of Industrial Alliance Insurance and Financial Services Inc. ("iA Insurance") and had no business operations. On January 1, 2019, the plan of arrangement previously approved by the shareholders of iA Insurance and endorsed by the court was completed and put into place. Consequently, on January 1, 2019, a certificate of arrangement was issued by the Quebec Enterprise Registrar, and iA Financial Corporation became the parent company of the iA group, holding all common shares of iA Insurance. Until December 31, 2018, iA Insurance was the parent company of the iA group.

As a result, iA Financial Corporation is a "successor issuer" of iA Insurance as defined in securities regulations with respect to the common shares previously issued by iA Insurance. As of 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.

iA Financial Corporation is not regulated under the *Insurers Act* (Quebec). However, iA Financial Corporation will maintain the ability to supply capital, if it considers it necessary, to iA Insurance so that the latter meets the capital adequacy requirements of the *Insurers Act* (Quebec). Pursuant to an amended and restated undertaking dated January 1, 2025, iA Financial Corporation will continue to disclose its capital position on a quarterly basis. A copy of the amended and restated undertaking (to which the Autorité des marchés financiers is an intervening party) was filed under the SEDAR+ profile of iA Financial Corporation at sedarplus.ca.

iA Financial Corporation is governed by the *Act respecting Industrial-Alliance Life Insurance Company* (Quebec) (the "1999 Private Bill"), as amended by the *Act to amend the Act respecting Industrial-Alliance Life Insurance Company* (Quebec) (the "2018 Private Bill," and, together with the 1999 Private Bill, the "Private Bill"). The 1999 Private Bill was enacted by the Quebec National Assembly on November 26, 1999, and its amendment, the 2018 Private Bill, was enacted on June 15, 2018. The Private Bill prohibits any person and his/her affiliates from acquiring, either directly or indirectly, voting shares of iA Financial Corporation if the acquisition results in the person and his/her affiliates holding 10% or more of the voting rights related to the shares. The Private Bill further provides that in the event that an acquisition is made in contravention of the foregoing, an individual on behalf of whom the shares are acquired cannot exercise the voting rights attached to the aggregate of his/her shares for as long as they are in contravention of this provision. In addition, under this Private Bill, iA Financial Corporation must directly or indirectly hold 100% of the common shares of iA Insurance.

Unless otherwise indicated, all information presented in this Management's Discussion and Analysis is established as at December 31, 2024, or for the year ended on that date.

Unless otherwise indicated, all amounts that appear in this Management's Discussion and Analysis are denominated in Canadian dollars. The financial information is presented in accordance with IFRS® Accounting Standards (referred to as "IFRS" in this document), as they apply to life insurance companies in Canada, and with the accounting requirements prescribed by the regulatory authorities.

iA Financial Group is a business name and trademark of **iA Financial Corporation Inc.**

This Management's Discussion and Analysis is dated February 18, 2025.

Documents Related to the Financial Results

All documents related to iA Financial Corporation's financial 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 be found on the SEDAR+ website at sedarplus.ca, as well as in the Annual Information Form for iA Financial Corporation, which can be found on the iA Financial Group website or the SEDAR+ website. The information found in the various documents and reports published by iA Financial Group and the information available on iA Financial Group's website and mentioned herein is not and should not be considered incorporated by reference into this document, unless expressly stated otherwise. In addition, internal surveys, industry forecasts, market research and other publicly available information, while believed to be reliable, have not been independently verified, and the Company does not make any representation as to the accuracy or completeness of such information. Any estimates and forecasts involve risks and uncertainties and are subject to change based on various factors, including those discussed below under "Forward-Looking Statements."

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Non-IFRS and Additional Financial Measures

iA Financial Group (hereinafter referred to as the "Company") reports its financial results and statements in accordance with IFRS Accounting Standards. 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 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.

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 are 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.

[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. See the "Assumption Changes and Management Actions" section of this document for more information.

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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.
    iv. *Acquisition or disposition of a business*, which represents the impact of an acquisition or disposition of a business on the CSM.

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.

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- 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 "Assets Under Management and Assets Under Administration" in the "Investments" section of this document for a presentation of the components of assets under management.

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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.

Combined ratio – Combined ratio is a supplementary financial measure defined as the sum of the net loss ratio—including the net insurance finance expenses—and the expense ratio, excluding investment results. The net loss ratio represents the net claims incurred excluding attributable expenses divided by the premium-related insurance income. The expense ratio represents other income and expenses as well as attributable expenses divided by the premium-related insurance income. While combined ratios are commonly used across the industry, they do not have standardized meanings prescribed by IFRS and may not be comparable to similar measures used by other companies in our industry.

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.

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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 is a supplementary financial measure and is 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 (gross premiums) are defined as premiums before reinsurance. Net sales are defined as gross premiums net of reinsurance.
- Dealer Services:
  Creditor Insurance: Creditor insurance s ales 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.

  Net fund sales: In the Group Savings and Retirement sector, net fund sales correspond to gross sales (entries) less disbursements, which include withdrawals and transfers. The change in AUM is important because it determines the management fees recorded in the consolidated financial statements under *Other revenues*.

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.

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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 below. 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 December 31								
	Core earnings†,[2]			Core earnings adjustments[2]	Reclassifications: Net investment result[3]	Reclassifications: Other[3]	Income per financial statements		
(In millions of dollars, unless otherwise indicated)	2024	2023	Variation	2024	2024	2024	2024	2023	Variation
Insurance service result	309	239	29%	(73)	—	—	236	177	33%
Net investment result	120	134	(10%)	51	68	—	239	308	(22%)
Non-insurance activities or other revenues per financial statements	90	70	29%	(10)	(29)	420	471	386	22%
Other expenses	(154)	(129)	19%	(64)	(39)	(420)	(677)	(538)	26%
Core earnings† or income per financial statements, before taxes	365	314	16%	(96)	—	—	269	333	(19%)
Income taxes or income tax (expense) recovery	(72)	(70)	not meaningful	29	—	—	(43)	(77)	not meaningful
Dividends/distributions on other equity instruments[4]	(6)	(8)	not meaningful				(6)	(8)	not meaningful
Core earnings† or net income attributed to common shareholders per financial statements	**287**	**236**	**22%**	**(67)**	**—**	**—**	**220**	**248**	**(11%)**
	Year ended December 31								
Insurance service result	1,113	914	22%	(73)	—	—	1,040	853	22%
Net investment result	448	536	(16%)	111	260	—	819	680	20%
Non-insurance activities or other revenues per financial statements	336	293	15%	(16)	(119)	1,543	1,744	1,537	13%
Other expenses	(519)	(497)	4%	(171)	(141)	(1,543)	(2,374)	(2,069)	15%
Core earnings† or income per financial statements, before taxes	1,378	1,246	11%	(149)	—	—	1,229	1,001	23%
Income taxes or income tax (expense) recovery	(284)	(270)	not meaningful	17	—	—	(267)	(212)	not meaningful
Dividends/distributions on other equity instruments[4]	(20)	(20)	not meaningful				(20)	(20)	not meaningful
Core earnings† or net income attributed to common shareholders per financial statements	**1,074**	**956**	**12%**	**(132)**	**—**	**—**	**942**	**769**	**22%**

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.†

[2] For a breakdown of core earnings adjustments applied to reconcile to net income attributed to common shareholders, see "Core Earnings Adjustments" below.
[3] These reclassifications reflect items subject to a different classification treatment between the financial statements and the drivers of earnings (DOE).
[4] 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 and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

NET INVESTMENT RESULT RECLASSIFICATION

Net investment result reclassifications totalled $68 million for the fourth quarter and $260 million for 2024, and are broken down in the following table.

Net investment result						
	Fourth quarter			**Year-to-date at December 31**		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**	**2024**	**2023**	**Variation**
Net investment result – IFRS Income Statements	239	308	(69)	819	680	139
Investment income of wealth distribution affiliates *Income statements: Net investment result* *DOE: Non-insurance activities*	(31)	(33)	2	(125)	(98)	(27)
Investment expenses *Income statements: Other operating expenses* *DOE: Net investment result*	(7)	(3)	(4)	(28)	(27)	(1)
Other revenues and other operating expenses of iA Auto Finance *Income statements: Other revenues and other operating expenses* *DOE: Net investment result*	(24)	(20)	(4)	(95)	(78)	(17)
Income relating to the DSU hedging instrument *Income statements: Change in fair value of investment* *DOE: Other expenses*	(6)	(2)	(4)	(12)	—	(12)
Net investment result – Non-IFRS Drivers of Earnings (DOE)	**171**	**250**	**(79)**	**559**	**477**	**82**

OTHER RECLASSIFICATIONS

Other reclassifications relate mainly to expenses that are subject to a different classification treatment in the financial statements and the drivers of net investment result earnings (DOE). Other reclassifications totalled $420 million for the fourth quarter and $1,543 million for the full year 2024.

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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.

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; iA Financial Group liquidity risk, including the availability of funding to meet financial liabilities at expected maturity dates; mismanagement or dependence 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 meet stakeholder expectations on environmental, social and governance matters; the occurrence of natural or man-made disasters, international conflicts, pandemic diseases (such as the COVID-19 pandemic) and acts of terrorism; and downgrades in the financial strength or credit ratings of iA Financial Group 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 2024 that could influence the Company’s performance or results.

Economic and financial instability, driven by geopolitical tensions such as the Ukraine war, Middle East conflicts and other global conflicts, as well as tensions related to China, could cause global market volatility. In addition, trade barriers, such as potential and actual tariffs by the U.S., could shift global growth and trade patterns and have a ripple effect on supply chains, potentially further disrupting markets. These events, among others, could lead to reduced consumer and investor confidence, significant financial volatility, or limited growth opportunities. Political instability in Canada and potential early elections add to the uncertainty.

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 2024, the “Management of Financial Risks Associated with Financial Instruments and Insurance Contracts” note to the audited consolidated financial statements for the year ended December 31, 2024 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.

† This item is a non-IFRS financial measure; see the “Non-IFRS and Additional Financial Measures” section and the “Reconciliation of Select Non-IFRS Financial Measures” section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.

†† 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.

Highlights

In 2024, the Company delivered a solid performance, achieving record profitability with core earnings† hitting the $1 billion mark and net income attributed to common shareholders reaching $942 million. It also achieved strong business growth in all its business units and maintained a robust financial position throughout the year. Strong growth in book value per common share[1] was recorded in 2024 as capital deployment initiatives were completed, including investments in organic growth and digital transformation, three acquisitions, and share buybacks through the Normal Course Issuer Bid (NCIB). The Company ended 2024 on a solid note with a high level of capital available for deployment[2] to support future growth initiatives and value creation. Also, the adequacy of the Company's actuarial provisions was reaffirmed with the year-end annual assumption review process. The investment portfolio maintained its high quality and credit ratings were reaffirmed by Standard & Poor's, DBRS Morningstar and A.M. Best.

Profitability

The Company recorded net income attributed to common shareholders of $942 million in 2024, an increase of 22% compared to 2023. Diluted earnings per common share (EPS) was $9.77 in 2024 compared to $7.48 a year earlier, translating to a 31% year-over-year increase, and return on common shareholders' equity (ROE)[3] was 13.9% for the year compared to 11.6% in 2023.

The Company recorded core earnings† of $1,074 million in 2024, an increase of 12% compared to 2023. Core diluted earnings per common share (core EPS)†† of $11.16 in 2024 was 20% higher than in 2023. Core return on common shareholders' equity (ROE)†† of 15.9% for 2024 compared favourably with 14.4% a year earlier. Both core EPS†† and core ROE†† were in line with the Company's medium-term guidance provided at the beginning of the year.

Refer to the "Profitability" section of this document for more information on the Company's profitability in 2024.

Profitability

(As at December 31, in millions of dollars, unless otherwise indicated)	2024	2023	Variation
Net income attributed to common shareholders	942	769	22%
Earnings per common share (EPS) (diluted) (in dollars)	$9.77	$7.48	31%
Core earnings†	1,074	956	12%
Core earnings per common share (core EPS)†† (diluted) (in dollars)	$11.16	$9.31	20%
Return on common shareholders' equity (ROE)	13.9%	11.6%	
Core ROE††	15.9%	14.4%	

Business Growth

Sales momentum remained strong throughout the year in both Canada and the U.S., with all business units recording good growth, reflecting the strength of the Company's distribution networks, the excellent performance of its digital tools for advisors, clients and employees, as well as its extensive and distinctive range of products. The strong business growth drove net premiums,[1] premium equivalents and deposits[1] to more than $20.4 billion in 2024, a substantial increase of 22% compared to 2023. Total assets under management[1] and assets under administration[1] exceeded $259 billion at year end, representing an increase of 18% over the last twelve months. Refer to the sections that follow for additional insights on business growth by business unit.

Net premiums, premium equivalents and deposits

(As at December 31, in millions of dollars, unless otherwise indicated)	2024	2023	Variation
Total	**20,424**	**16,804**	**22%**

Assets Under Management and Assets Under Administration

(As at December 31, in millions of dollars, unless otherwise indicated)	2024	2023	Variation
Assets under management	128,730	110,535	16%
Assets under administration	130,636	108,349	21%
Total	**259,366**	**218,884**	**18%**

1 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.
2 Capital available for deployment, assets under management, assets under administration, 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.
3 Consolidated net income attributed to common shareholders divided by the average common shareholders' equity for the period.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Sales by Business Segment[4]			
(As at December 31, in millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**
INSURANCE, CANADA			
Individual Insurance			
Minimum premiums	347	328	6%
Excess premiums	45	41	10%
Total	**392**	**369**	**6%**
Group Insurance			
Employee Plans	84	50	68%
Special Markets	412	367	12%
Dealer Services	715	686	4%
iA Auto and Home (iAAH)	600	519	16%
WEALTH MANAGEMENT			
Individual Wealth Management			
Insured annuities and other savings products[5]	2,039	2,682	(24%)
Segregated funds	5,443	3,581	52%
Mutual funds	1,936	1,531	26%
Total	**9,418**	**7,794**	**21%**
Group Savings and Retirement	4,514	2,755	64%
US OPERATIONS			
Individual Insurance ($US)	227	172	32%
Dealer Services ($US)	1,087	951	14%

Financial Strength

The Company's solvency ratio[6] remained well above its operating target throughout the year, amounting to 139%[7] at December 31, 2024 compared to 145% a year earlier. The variation over the last twelve months is mainly explained by the unfavourable impacts of non-organic items, which were partly offset by the positive contributions of strong organic capital generation[3] and the net results of capital management initiatives.

Organic capital generation was very strong throughout the year, with the Company organically generating $635 million in additional capital in 2024, meeting the annual target of $600+ million. In addition, the pro forma[8] capital available for deployment was assessed at $1.4 billion on December 31, 2024 and has the potential to support future growth initiatives.

At December 31, 2024, the Company's financial leverage ratio[††] was 17.3%[9] compared to 14.6% at December 31, 2023.

For detailed comments on financial strength, refer to the "Financial Position" section of this Management's Discussion and Analysis.

Financial Strength		
(As at December 31)	**2024**	**2023**
Solvency ratio	139%	145%
Financial leverage ratio[††]	17.3%	14.6%

Book Value

The book value per common share[10] was $73.44 at the end of 2024, up 10% during the year.

4 Sales and organic capital generation are supplementary financial measures. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information.
5 2023 figures were adjusted following sales measure refinements for SPIAs to include sales that were not previously included.
6 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.
7 As at December 31, 2024, the solvency ratio was 133% on a pro forma basis, taking into account the impact of the AMF-revised CARLI Guideline on January 1, 2025, the acquisition of Global Warranty on February 4, 2025, and the planned redemption of $400 million of subordinated debentures on February 21, 2025.
8 As at December 31, 2024, the capital available for deployment was $0.7B, or $1.4B on a pro forma basis, taking into account the impact of the AMF-revised CARLI Guideline on January 1, 2025 and the acquisition of Global Warranty on February 4, 2025.
9 The pro forma financial leverage ratio[††] was 15.0% at December 31, 2024, considering the redemption of $400 million of subordinated debentures in Q1/2025.
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.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Dividends

The dividend paid in 2024 totalled $3.3600 per common share compared to $2.9700 per common share in 2023, an increase of 13%. This outcome was supported by the 10% increase of the Company's quarterly dividend per common share in the fourth quarter, from $0.8200 to $0.9000. The dividend payout ratio based on core earnings[††] was 30% for the year, which is in the middle of the Company's 25% to 35% guidance. Lastly, the Board of Directors approved a quarterly dividend per share of $0.9000, payable in the first quarter of 2025, on the outstanding common shares of the Company. This dividend is payable on March 17, 2025 to the shareholders of record at February 28, 2025.

Dividend

(As at December 31)	2024	2023
Dividend to common shareholders	$3.3600	$2.9700

Normal Course Issuer Bid

In 2024, the Company repurchased and cancelled 6,596,948 shares for a total value of $602 million. Under the Normal Course Issuer Bid (NCIB) program in force between November 14, 2023 and November 13, 2024, a total of 7,027,964 shares, or approximately 6.96% of the issued and outstanding common shares as at October 31, 2023, were repurchased and cancelled. On November 5, 2024, the Company announced the renewal of its NCIB, effective since November 14, 2024. Through its renewed NCIB program, the Company can repurchase up to 4,694,894 common shares, representing approximately 5% of the outstanding common shares, between November 14, 2024 and November 13, 2025.

Quality of Investment Portfolio

The Company's investment portfolio continued to be of excellent quality in 2024, reflecting its composition of high-quality assets with diversified exposures and prudent positioning. As presented in the table below, bonds rated BB and lower represented only 0.7% of the bond portfolio. The occupancy rate of the investment properties[11] portfolio remained relatively stable at 85.5%, which compares favourably with the Canadian office market.[12] Also, 65.0% of the mortgage portfolio is insured and the quality of the car loans portfolio remained very good. For detailed comments on investments, refer to the "Investments" section of this document.

Investment Portfolio Quality

(As at December 31)	2024	2023
Bonds – Proportion rated BB and lower	0.7%	0.6%
Investment properties – Occupancy rate	85.5%	86.7%
Mortgages – Proportion of insured loans	65%	68.2%
Car loans – Net impaired loans as a percentage of gross loans[13]	0.49%	0.41%
Car loans – Total allowance for credit losses (ACL) as a percentage of gross loans[14]	5.61%	5.21%

Sensitivity Analysis

The analysis of the Company's sensitivity to macroeconomic variations was updated at the end of 2024. The main results of this analysis are shown under "Market Risk" in the "Risk Management" section of this Management's Discussion and Analysis.

Acquisitions and Dispositions

On June 28, 2024, the Company completed the acquisition of a U.S.-based company called Vericity, Inc. and its subsidiaries. Vericity is composed of two entities servicing the middle-market life insurance space: Fidelity Life, an insurance carrier, and eFinancial, a direct-to-consumer digital agency. Together, the two entities leverage synergies and deliver innovative, proprietary technology powered by artificial intelligence and rich data analytics.

On August 6, 2024, the Company completed the acquisition of the retail full-service investment broker division of Laurentian Bank Securities Inc. As a result of the transaction, approximately 15,000 client accounts have been transferred, with some 25 advisors joining iA Private Wealth's (iAPW) network, marking another important milestone for iAPW.

On August 7, 2024, the Company 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.

Subsequent to the reporting period — On February 4, 2025, the Company completed the acquisition of Global Warranty, a group of companies that are important independent warranty providers and administrators in the used vehicle market in Canada. Global Warranty does business with a network of over 1,500 automotive dealerships and more than 400 authorized repair centres across the country. The acquisition will increase the Company's presence in the used vehicle warranty market.

For more information on some of these acquisitions of businesses, refer to Notes 4 and 32 of the Company's 2024 consolidated financial statements entitled "Acquisition of Businesses" and "Event After the Reporting Period", respectively, and to the press releases, which can be found on our website at ia.ca.

No notable dispositions occurred in 2024.

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11 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.
12 Source: CBRE Report: Canada Office Figures Q4 2024 dated January 7, 2025.
13 Net impaired loans as a percentage of gross loans is the ratio of impaired loans net of allowance for credit losses expressed as a percentage of gross loans. It is an indicator of the quality of the loan portfolio.
14 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.

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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.

Sustainability

iA Financial Group's sustainability approach is to contribute to the sustainable growth and wellbeing of its clients, employees, partners, investors and communities. The Company aims to ensure sustainability by supporting its communities and by combining its financial success with positive environmental and societal impacts.

Following a materiality assessment carried out in 2023, iA Financial Group identified five strategic priorities: the decarbonization strategy; talent attraction, development and retention; diversity, equity and inclusion; corporate governance; and business risk management.

To operationalize these priorities, the Company has prioritized three levers of action that echo its business model and that will help ensure a significant positive impact as it executes its strategy:

1. Physical, mental and financial health
2. Education and learning
3. A sustainable future

Below is a summary of the 2024 results, which discuss the five strategic priorities according to environmental, social and governance factors.

Environmental

The Company's climate strategy comprises five long-term objectives designed to aid in the fight against climate change. These objectives are laid out in our *2024 Climate Change Performance Report.*

iA Financial Group continued this strategy in 2024, in particular the development of a strategic framework for identifying risks and opportunities related to climate change. At the same time, it continued working to decarbonize its financial assets, from refining the trajectory for buildings held in Canada to reducing the carbon intensity of the public corporate bond portfolio.

Social

As a learning organization, iA Financial Group continues to expand its programs aimed at developing employees' skills both professionally and personally, enabling them to aspire to greater achievements. In addition to helping attract and retain staff, skills development is essential to proper succession planning.

Recognizing the importance of creating an equitable, diverse and inclusive environment, the Company continues to work on its strategy. In terms of the work environment, it continued to distribute voluntary self-identification questionnaires in order to identify any gaps and define concrete action plans to address them. At the same time, the second phase of the ***Partnership Accreditation in Indigenous Relations™ (PAIR)*** certification from the Canadian Council for Indigenous Business was completed. The Company also continued to expand its product offer with the launch of new inclusive coverage products.

Lastly, the Company continued its philanthropy efforts in 2024 by donating a total of $10.4 million to various charitable organizations in Canada and the United States.

Sustainability Governance

Governance remains a fundamental dimension of iA Financial Group's achievements. The Company continues to strengthen its approach in terms of ethics and transparency. Because its commitment to sustainability involves the Board of Directors, senior management and many employees, the organization has adopted a governance structure that was enhanced in 2024, thereby strengthening its accountability in this regard. For example, a Sustainability Executive Committee was set up to be the central forum for overseeing the integration of sustainability within the Group, while the Executive Risk Management Committee defines the appetite and tolerance for climate risks. A number of members serve on both committees, which helps to ensure effective coordination of the various initiatives within the organization, as well as increased collaboration among committee members.

iA Financial Group's Sustainability Policy provides a framework for its practices and governance with regard to sustainability, including climate change. In particular, it specifies the roles and responsibilities of the organization's different internal entities. In addition, the Sustainable Investment Policy and the Climate Risk Management Corporate Policy set out the principles underpinning iA Financial Group's climate risk management and investment framework.

More generally, the Company continues to improve its decision-making processes to better integrate ESG factors.

Lastly, in 2024, iA Financial Group focused on the five strategic priorities in order to start operationalizing the three levers of action mentioned above.

Changes in Accounting Policies in 2024 and Future Changes in Accounting Policies

The International Accounting Standards Board (IASB) issued a number of amendments that took effect on January 1, 2024. The amendments had no impact on the Company's financial statements as at December 31, 2024. For more information on these amendments, as well as on future changes in accounting policies, refer to Note 3 "Changes in Accounting Policies" of the consolidated financial statements.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Outlook and Guidance

The Company has been making steady progress with regard to its existing medium-term guidance and, in continuity therewith, will present new market guidance at the Investor Event to be held on February 24, 2025.

The table below presents the market guidance disclosed at the beginning of 2024, as well as the corresponding 2024 results, which demonstrate the Company's achievement of its financial targets.

	Targets	2024 result
Core earnings per common share††	10%+ annual average growth	20%
Core return on common shareholders' equity (ROE)††	15%+ (medium-term)	15.9%
Solvency ratio	Operating target of 120%	139%[15]
Organic capital generation	$600+ million	$635 million
Dividend payout ratio, core††	25% to 35%	30%

15 As at December 31, 2024, the solvency ratio was 133% on a pro forma basis, taking into account the impact of the AMF-revised CARLI Guideline on January 1, 2025, the acquisition of Global Warranty on February 4, 2025, and the planned redemption of $400 million of subordinated debentures on February 21, 2025.

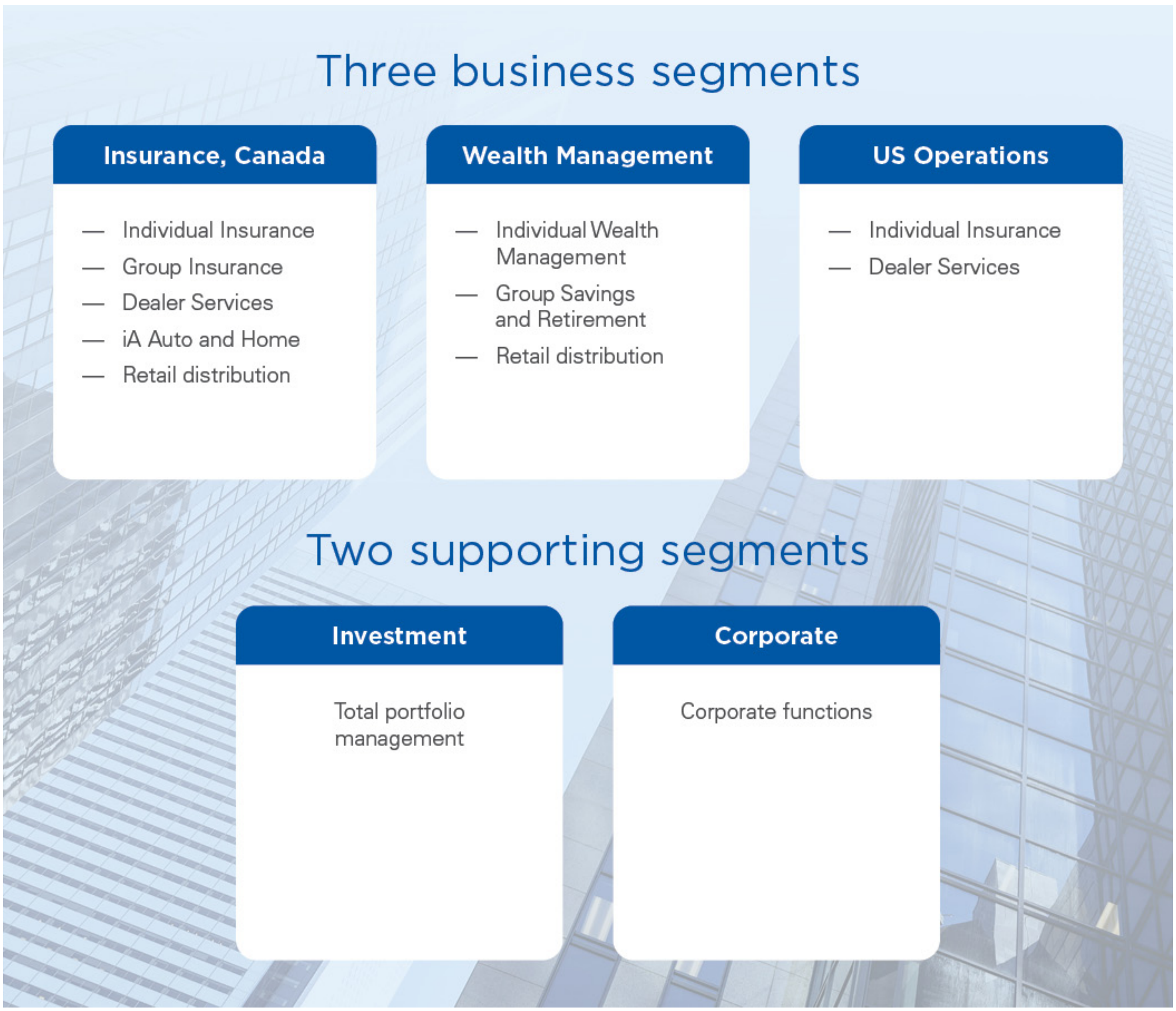
† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Business Segments

The Company categorizes business operations into five segments, including three business segments: Insurance, Canada; Wealth Management; and US Operations, and two supporting segments: Investment and Corporate.

The Insurance, Canada segment offers insurance products to meet all the protection needs of individuals, from group insurance to individual life and health insurance to P&C or ancillary products offered with the purchase of a motor vehicle. The Wealth Management segment offers a diversified range of savings and retirement products, including segregated and mutual funds, which are also offered to individuals and groups. Both segments have extensive and diversified distribution networks. The US Operations segment conducts business through two divisions: Individual Insurance, which offers life insurance products, and Dealer Services, which provides extended warranties, all for the U.S. market.

To sustain the Group's overall performance, the Company relies on two supporting segments. The Investment segment strategically supports the business segments and oversees total portfolio management. Meanwhile, the Corporate segment manages all supporting corporate functions.



† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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

Individual Insurance

The Individual Insurance business unit offers a comprehensive and distinctive range of insurance products through its extensive distribution networks.

The Company aims to stand out in the Canadian market in terms of client and distributor experience by enhancing its digital tools and product offering, and by simplifying and accelerating the underwriting and new business process. With sustained sales growth and a diversified, high-performance distribution network, iA Financial Group is the Canadian company that issues the most individual insurance policies annually, accounting for more than one in four policies issued in Canada. The business unit is the industry leader in living benefit products and in the mass market in Canada.

Business Growth

	As at December 31		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**
Sales			
Minimum premiums[1]	347	328	6%
Excess premiums[1]	45	41	10%
Total	**392**	**369**	**6%**
Net premiums	2,160	1,985	9%

Total sales amounted to $392 million in 2024, which represents 6% growth compared to 2023. This good sales growth is attributable to the strength of the Company's extensive distribution networks, notably the increase in its number of Career network advisors, the performance of its digital tools, and the comprehensive and competitive range of its products. In this context, various initiatives were taken in 2024 to improve the Company's competitive position, such as decreasing premium rates on term insurance products and increasing the maximum coverage amount on disability insurance products. Additionally, the underwriting approach has been reviewed to ease requirements for life insurance products, and efforts to maximize the participating account performance resulted in the Company announcing an increase in its dividend interest rate for a third consecutive year. These various initiatives led to strong sales for participating life and living benefit products. The success of the participating insurance product (iA PAR) improves the Company's business mix by providing better diversification and a lower level of macroeconomic risk. The good sales performance in 2024 was achieved while continuing to uphold high sales quality.

Net premiums of nearly $2.2 billion were 9% higher in 2024 than during the previous year. Note that net premiums are a key long-term profitability driver for the sector.

In terms of the Company's performance in the industry, according to the Canadian data published by LIMRA for the first nine months of the year:

- iA Financial Group is the company that insures the most Canadians, with a market share of 27% for policies sold. It ranks fourth for premium sales, with a market share of 14% (life, critical illness and disability combined).
- iA Financial Group ranks first for critical illness insurance premiums, with a market share of 29%.
- iA Financial Group ranks second for disability insurance premiums, with a market share of 18%.

In addition, the Company's Career network continued to perform very well in 2024, with sales growth over 2023 of 9% and 14% for life insurance and living benefit products, respectively. This represents sales growth of more than 10% for this network for the fourth consecutive year.

Outlook and Business Focus

- Delivering a unique and hybrid experience and empowering distributors and clients with self-service tools and digital resources
- Capitalizing on the strength and diversity of all distribution networks

As an industry leader, the business unit will be focused on seizing all opportunities to cement this coveted position in 2025. Providing the best experience for distributors and clients will continue to be central to the business unit's evolution. To this end, the business unit will continue to capitalize on the strength and diversity of all distribution networks to meet the needs of Canadians.

[1] Minimum premiums are the portion of the premium used to cover the insurance risks under an individual insurance contract and are an important way to measure the sector's performance. Excess premiums include all deposits to accumulation funds available under Universal Life policies, as well as contributions to the additional deposit option for the participating life insurance product.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
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The business unit will remain proactive in offering the most comprehensive range of high-quality products in the Canadian market, and in the simplification and acceleration of the underwriting and new business process. The replacement of the automated underwriting rules engine in early 2025 is a key initiative that will enable the Company to maintain its leadership in instant point-of-sale approval. The business unit will continue to distinguish itself through intuitive digital solutions while supporting advisors as they strive to improve the efficiency of their operations and to offer the most engaging hybrid digital/human experience to their clients. The business unit will also continue to actively promote its Large Case Solutions program, which offers customized, simple, high-performance solutions to help advisors meet the specific needs of affluent clients, professionals and business owners. Rigorous management of the product offering and high service standards for clients and distributors will be key to iA Financial Group's continued leadership position.

Products and Services	Manufacturers and Subsidiaries	Distribution Affiliates and Networks[2]
▪ Life insurance (universal, participating, permanent and term) ▪ Critical illness insurance ▪ Short- and long-term disability insurance ▪ Mortgage insurance ▪ Accidental death and dismemberment (AD&D) insurance ▪ Creditor insurance (life and disability) ▪ Travel insurance	▪ iA Insurance ▪ PPI Management ▪ Michel Rhéaume et associés	▪ Career network (iA) (2,700 advisors) ▪ Managing General Agents network (30,000 representatives) ▪ National Accounts network (300 representatives) ▪ PPI Management (5,300 representatives) ▪ Michel Rhéaume et associés

2 Managing General Agents network, including the WFG network.

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Group Insurance: Employee Plans

The Employee Plans business unit provides a wide range of group insurance products for companies, organizations and their employees.

With a team of nearly 800 employees, the business unit has agreements with over 900 groups and serves nearly 600,000 plan members.

To effectively manage plans and promote total wellbeing, the business unit offers services and tools for plan administrators, plan members and benefits advisors. These include a comprehensive health and wellness program, telemedicine services, an employee assistance program, and disability and drug management programs. These services and tools are available through convenient digital solutions, My Client Space and the iA Mobile app, ensuring individuals have access to an evolving omnichannel experience.

In 2024, iA Financial Group became the first provider in the Canadian market to launch a comprehensive offering, Symbiosis, which allows plan administrators to combine on a single platform their group insurance and retirement savings plans for a complete and streamlined experience. Plan members also benefit from this unique approach, gaining a 360-degree view of their total wellbeing. In addition, the business unit launched four new inclusive coverages, relating to family support (fertility, surrogacy and adoption) and gender affirmation, to meet the diverse needs and expectations of clients.

Business Growth

	As at December 31		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**
Sales	84	50	68%
Premiums	1,403	1,312	7%
Premium equivalents[1]	266	235	13%
Investment contracts[2]	—	—	NM
Total	**1,669**	**1,547**	**8%**

Total premiums, premium equivalents and investment contract deposits totalled nearly $1.7 billion in 2024, an increase of 8% over 2023.

The increase in premiums in 2024 was mainly driven by organic growth from higher premiums on in-force business, and by sales amounting to $84 million, which is exceeding the $50 million recorded the previous year.

Outlook and Business Focus

In 2025 and the years to come, the Employee Plans business unit will continue to enhance its client experience by investing in technology and developing advanced and evolutive front-end digital solutions, essential to addressing the diverse needs and expectations of plan members and plan administrators. The business unit is already leveraging artificial intelligence and other innovative technologies to achieve efficiency gains and improve the client experience, while pursuing its mission to support positive financial, physical and mental outcomes by heightening its offer of wellbeing products and services.

With a focus on profitable growth, the business unit will maintain its commitment to optimize operational efficiency. This involves building upon its existing solid foundation to facilitate long-term growth through the streamlining of processes and the implementation of efficiency improvement opportunities.

Products and Services

- Life and health, accidental death and dismemberment (AD&D), dental care, short- and long-term disability, critical illness and home care insurance
- Voluntary benefits (life, AD&D and critical illness)
- Disability and drug management programs
- Health and wellness program
- Equity, diversity and inclusion coverages (fertility, surrogacy, adoption, gender affirmation)

Manufacturers and Subsidiaries

- iA Insurance

Distribution Affiliates and Networks

- Aggregators
- Group benefits brokers
- Actuarial consulting firms

1 Premium equivalents are income from administrative services only (ASO) contracts.
2 Premiums from Hold Harmless Agreements.

† This item is a non-IFRS financial measure; see the “Non-IFRS and Additional Financial Measures” section and the “Reconciliation of Select Non-IFRS Financial Measures” section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
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Group Insurance: Special Markets

Special Markets is focused on niche insurance markets that are underserved by traditional group insurance carriers. The business unit primarily offers accidental death & dismemberment (AD&D), critical illness (CI) and term life protection and specialized insurance products to employers, professional associations and affinity groups. Travel medical and health insurance products are also offered through various distribution partners.

Special Markets has contracts with over 5,000 groups and associations. Through these contracts, Special Markets insures millions of Canadians, predominantly through AD&D and travel medical coverage.

Business Growth

	As at December 31		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**
Sales (gross premiums)[1]	412	367	12%
Net sales	379	335	13%

In 2024, Special Markets' sales increased by 12% to $412 million, reaching an annual high for the business unit. This growth resulted from robust sales of AD&D and CI protections, as well as continued high demand for travel insurance.

Net sales, defined as gross premiums net of reinsurance, experienced a strong increase of 13% in 2024.

Significant new partnerships were formed in 2024, greatly expanding the distribution reach. In response to the rising demand from partners and policy holders for marketing campaigns, the business unit significantly enhanced its capability to run voluntary Guaranteed Acceptance Term Life and Guaranteed Acceptance Critical Illness campaigns, effectively doubling its capacity.

Outlook and Business Focus

In 2025, the business unit expects to see ongoing positive growth in its voluntary product offerings, supported by an expanded capacity for marketing campaigns and new partnerships. Special Markets will be evaluating its front-end and back-end solutions to ensure its ability to support business growth and enhance client and employee experience through modernized solutions. Additionally, the business unit will focus on travel medical claims management, while continuing to look for ways to increase operating efficiency.

Products and Services	Manufacturers and Subsidiaries	Distribution Affiliates and Networks
▪ Accidental death & dismemberment (AD&D), critical illness and life insurance ▪ Travel medical ▪ Health insurance and other specialized products	▪ iA Insurance	▪ Distribution partners ▪ Specialized insurance brokers ▪ Third-party administrators

[1] Sales (gross premiums) are before reinsurance.

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Dealer Services

Dealer Services distributes creditor insurance products (life, disability, loss of employment and critical illness) and property and casualty (P&C) products related to vehicle purchase and financing. P&C products include extended warranties, replacement insurance, guaranteed asset protection and a full range of ancillary products.

The business unit has more than 500 employees and insures about 500,000 individuals and over one million vehicles. Its products are offered through a Canada-wide direct distribution network of over 4,000 automobile and other motor vehicle dealers, original equipment manufacturers (OEMs) and preferred partnerships. This distribution network benefits from one of the broadest suites of product offerings in the Canadian market.

Business Growth

	As at December 31		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**
Sales			
Creditor[1]	193	211	(9%)
P&C	522	475	10%
Total	**715**	**686**	**4%**

Dealer Services sales totalled $715 million in 2024, up 4% from the previous year. The business unit continues to expand its presence across Canada by signing deals with original equipment manufacturers and dealer groups, and by developing new products and partnerships.

Creditor Insurance

Creditor insurance sales totalling $193 million in 2024 compare to $211 million in 2023. The variation can be explained by reduced consumer spending and the evolving regulatory environment.

P&C Products

P&C sales were up 10% from 2023 to reach $522 million. Partnerships with OEMs and consumers' affinity for lower-priced P&C products were the main drivers of sales growth.

Outlook and Business Focus

In 2025, Dealer Services will continue its business initiatives to optimize and modernize its products, systems and processes, fostering its agility to adapt to the ever-evolving regulatory environment. At the same time, the business unit will build on its strategy to leverage original equipment manufacturer, wholesale, and independent dealer distribution channels through organic growth, new partnerships, and expanded integrations. Dealer Services will prioritize strategic initiatives that will deliver the best partner and customer experience in these channels and engagement journeys, which will include pursuing internal business opportunities within iA Financial Group.

Products and Services

- Creditor insurance
- P&C products

Manufacturers and Subsidiaries

- iA Insurance
- SAL Marketing
- National Warranties MRWV Limited
- Industrial Alliance Pacific General Insurance Corporation
- WGI Service Plan Division
- WGI Manufacturing Inc.
- Lubrico Warranty
- iA Advantages Damage Insurance
- Global Warranty (acquired on Feb. 4, 2025)

Distribution Affiliates and Networks

- Direct distribution through automobile and other motor vehicle dealers (4,000 dealers)
- Original equipment manufacturers (OEMs)
- Preferred partnerships

1 Includes all creditor insurance business sold by the Company.

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iA Auto and Home

iA Auto and Home (iAAH) is a Company subsidiary that markets auto and home insurance products in the province of Quebec.

One advantage that sets iAAH apart is the referral of clients by the Company's distribution networks, providing a business development opportunity that is unique in the industry. A significant portion of its clients are referred by Career network advisors and the Dealer Services business unit. iAAH also operates through a subsidiary, Prysm General Insurance, that creates strategic partnerships allowing preferred distributors to offer the subsidiary's products. Prysm General Insurance also distributes its products through brokers.

Business Growth

	As at December 31		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**
Direct written premiums	600	519	16%

Direct written premiums totalled $600 million in 2024, up 16% from the previous year. iAAH's strong competitive positioning and superior customer satisfaction enabled it to generate good premium growth through rate increases and strong policy growth. The five-year compound annual growth rate for iAAH's business volume is 11%.

Combined Ratio

	As at December 31				
(%)	**2024**	**2023**	**2022**	**2021**	**2020**
Combined ratio[1,2]	89.5	97.3	94.9	78.0	78.7

The combined ratio, calculated as the sum of the net loss ratio—including the net insurance finance expenses—and the expense ratio, was 89.5% for 2024. The decrease relative to 2023 is primarily due to favourable weather conditions, higher premium rates and lower auto theft frequency. The net impact after reinsurance for the weather conditions in 2024 is positive compared to 2023, mainly due to the impacts of the heavy rainfalls of August 2024 being largely reinsured. The average combined ratio of the last five years is below 95%, with relatively low combined ratios in 2020 and 2021 as a result of modified client behaviour during the pandemic.

Outlook and Business Focus

The main focus will be to generate growth, primarily organic, by carrying out various marketing and customer experience (CX) initiatives and by expanding the distribution network.

In the coming years, iAAH will focus on accelerated digital transformation to improve the client, employee and partner experience by reshaping interactions and integrating automation and data analytics into key business processes. The Company's diverse business mix and the centralization of CX initiatives are expected to lead to synergy opportunities.

Products and Services	Manufacturers and Subsidiaries	Distribution Affiliates and Networks
▪ Auto and home insurance	▪ iA Auto and Home Insurance ▪ Prysm General Insurance ▪ Surex	▪ Direct sales from advertising ▪ Preferred partner distribution ▪ Referrals from iA networks ▪ Brokers

Surex

Surex is an online general insurance broker. By combining online self-serve capabilities with experienced advisors, Surex has become a leading player in digital property and casualty (P&C) insurance distribution in Canada. Surex's 200 employees serve more than 56,000 clients and process over 73,000 policies annually, representing premium volume of more than $172 million. Despite challenging market conditions across the country in 2024, Surex's commitment to innovation and resiliency resulted in strong profitability. Surex and iA Financial Group remain focused on projects with high synergy potential, particularly in cross-selling opportunities, to drive both growth and improved client service.

1 For year 2022 and prior, the combined ratios are calculated under IFRS 4 in the table.
2 Combined ratio is a supplementary financial measure. 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 and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
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Wealth Management

Individual Wealth Management

In the Individual Wealth Management business unit, the Company offers a broad range of retail savings, investment and retirement products. iA Financial Group is the Canadian leader in the development and distribution of segregated funds. IA Clarington Investments, a Company subsidiary, is a mid-tier investment management firm in Canada that offers a full line of mutual funds. The Individual Wealth Management product lineup includes 17 Socially Responsible Investment (SRI) solutions.

Clients can invest in the Company's products through registered retirement savings plans (RRSPs), registered education savings plans (RESPs), tax-free savings accounts (TFSAs), first home savings accounts (FHSAs), registered retirement income funds (RRIFs) and non-registered plans.

The business unit also has two distribution dealers offering wealth management solutions, products and services through a Canada-wide network of independent investment advisors and mutual fund advisors: iA Private Wealth and Investia Financial Services.

Business Growth

	As at December 31		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**
Gross sales			
Insured annuities and other savings products	2,039	2,682	(24%)
Segregated funds	5,443	3,581	52%
Mutual funds	1,936	1,531	26%
Total	**9,418**	**7,794**	**21%**
Net sales			
Segregated funds	2,937	754	2,183
Mutual funds	(533)	(668)	135
Total	**2,404**	**86**	**2,318**

For 2024, total gross sales amounted to $9.4 billion, an increase of 21% over 2023. The high level of sales is attributable to the strength of the Company's extensive distribution networks and the comprehensive and competitive range of its products. Initiatives were taken in 2024 to improve the Company's position, such as making all the investment options available in the FHSAs, building out global fixed income capabilities at iA Clarington, and launching six new segregated funds.

Also, an important success factor is the option for clients to combine investments (segregated funds, guaranteed interest funds and high-interest savings accounts) under one contract, which provides versatile investment options in all economic environments. Currently strong stock markets and lower interest rates credited to guaranteed investments have encouraged clients to transfer investments from guaranteed investment funds to segregated and mutual funds.

Gross segregated fund sales were $5.4 billion, up 52% from 2023. Net segregated fund sales were strongly positive, totalling more than $2.9 billion. The Company maintained its leadership position in the industry, ranking first in Canada for gross and net segregated fund sales and third in terms of assets.[1]

Gross mutual fund sales totalled more than $1.9 billion in 2024, which is 26% higher than $1.5 billion in 2023. Outflows were lower than the previous year, totalling $0.5 billion.

	As at December 31		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**
Funds under management			
Insured annuities and other savings products (general fund)	4,603	4,513	2%
Segregated funds	34,294	26,650	29%
Mutual funds	13,290	12,204	9%
Subtotal	52,187	43,367	20%
Funds under administration[2]	130,539	108,265	21%
Total	**182,726**	**151,632**	21%

Total assets amounted to $182.7 billion at December 31, 2024 compared to $151.6 billion a year earlier due to market growth and favourable sales activity, as well as advisor recruitment at our affiliated dealers. Growth in assets under management, which is reliant on gross and net sales, in-force business persistency and return on assets, is the key long-term profitability driver for the business unit.

1 Source: Investor Economics, January 2025.
2 Includes assets related to affiliated dealers.

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Outlook and Business Focus

In 2025, Individual Wealth Management will continue to digitally transform and improve its operational processes to provide the best experience for distribution partners and clients, putting them at the centre of the unit's priorities. This digital transformation combined with the desire to offer competitive products to mass and middle market clients and future retirees will support the business growth objectives. In addition, these commitments will attract new distribution partners and increase the retention of assets under management, which is an important factor in the unit's profitability. The unit will continue to actively promote its Large Case Solutions program, which offers customized, simple, high-performance solutions that enable advisors to meet the specific needs of affluent clients, professionals and business owners. Rigorous management of the product offering and high service standards for clients and distributors will be key to iA Financial Group's continuing leadership.

For the business unit's investment dealers, a continued focus on digital transformation combined with a desire to offer the best advisor and client experience will strengthen iA Financial Group's position as a leader among independent investment and mutual fund dealers in Canada.

Products and Services

- Segregated funds
- Mutual funds
- Securities
- Life and fixed-term annuities
- Registered savings and disbursement plans (RRSPs, RESPs, TFSAs, FHSAs and RRIFs)
- Investment advice
- Private wealth management

Manufacturers and Subsidiaries

- iA Insurance
- iA Clarington
- iA Private Wealth
- Investia Financial Services
- iA Trust
- iA Global Asset Management

Distribution Affiliates and Networks

- Career network (iA) (2,700 advisors)
- Managing General Agents network (30,000 representatives)
- National Accounts network (300 representatives)
- PPI Management (5,300 representatives)
- Distribution affiliates (iA Private Wealth and Investia) (2,265 advisors)

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.

†† 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.

Group Savings and Retirement

The Group Savings and Retirement business unit offers a wide range of products and services tailored to the needs of companies, organizations and their employees, with a focus on long-term financial wellbeing.

These products fall into two categories: accumulation products, which are savings products such as defined contribution or defined benefit plans and institutional money management services, and decumulation products, primarily insured annuities. They are distributed across Canada through group benefits and retirement aggregators, brokers, and actuarial consulting firms.

With more than 300 employees, the business unit has agreements with over 13,800 groups and serves more than 530,000 plan members and 78,000 annuitants.

In 2024, iA Financial Group became the first provider in the Canadian market to launch a comprehensive offering, Symbiosis, which allows plan administrators to combine their group insurance and retirement savings plans on a single platform for a complete and streamlined experience. Plan members also benefit from this unique approach, gaining a 360-degree view of their total wellbeing.

In addition, iA Financial Group introduced the group First Home Savings Account (FHSA) to support plan members in purchasing their first home, demonstrating the Company's commitment to providing Canadians with attractive and comprehensive retirement savings solutions to achieve long-term financial wellbeing. The business unit also continued to expand its range of sustainable funds.

Business Growth

	As at December 31		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**
Premiums (sales)			
Accumulation Products			
Recurring premiums	1,838	1,502	22%
Transfers	833	428	95%
Subtotal	2,671	1,930	38%
Insured Annuities[1]	1,843	825	123%
Total	**4,514**	**2,755**	**64%**
New plan sales[2]	**2,032**	**1,526**	**33%**

Recurring premiums for accumulation products play a crucial role in ensuring sustainable business growth and are fundamental to the business unit's strategic approach. These recurring premiums represent the contributions made by plan members from existing group clients. In 2024, recurring premiums totalled more than $1.8 billion, representing an increase of 22% over the previous year.

Insured annuities more than doubled from the previous year, due in part to the sale of a major contract, totalling $1,843 million in 2024.

New plan sales recorded a significant increase of 33% compared to 2023, totalling more than $2.0 billion.

Accumulation Products – Net Fund Sales[3,4]

	As at December 31		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**
Entries (gross sales)	2,671	1,930	38%
Disbursements	1,615	1,940	(17%)
Net sales[1]	**1,056**	**(10)**	NM

Funds Under Management

	As at December 31		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**
Accumulation Products	18,619	15,551	20%
Insured Annuities	7,437	5,685	31%
Total	**26,056**	**21,236**	**23%**

Funds under management reached nearly $26.1 billion at the end of 2024, representing a 23% increase compared to the end of 2023, largely due to favourable market conditions and, to a lesser extent, positive net fund sales.

1 2023 and 2024 figures reflect sales measure refinements for single premium immediate annuities (SPIAs) and include sales that were not previously included.
2 New plan sales are measured by the sum of first-year annualized premiums (which correspond to the total of the initial asset fund transfer and recurring first-year annualized premiums) plus insured annuities.
3 Net fund sales for Group Savings and Retirement is a supplementary financial measure. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information.
4 The change in funds under management is important because it determines the management fees recorded in the consolidated financial statements under *Other revenues*.

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Outlook and Business Focus

In 2025 and the years to come, the Group Savings and Retirement business unit will continue to strengthen its client experience by investing in technology to develop state-of-the-art and evolutive front-end digital solutions, essential to addressing the diverse needs and expectations of plan members and sponsors. The business unit is already leveraging artificial intelligence and other innovative technologies to make efficiency gains and enhance the client experience, while pursuing its mission to support positive financial, physical and mental outcomes by bolstering its offer of wellbeing products and services.

With a dedicated focus on profitable growth, the business unit will maintain its commitment to optimizing operational efficiency. This will involve building on its existing solid foundation to facilitate long-term growth by streamlining processes and implementing efficiency improvements.

Products and Services	Manufacturers and Subsidiaries	Distribution Affiliates and Networks
▪ Capital accumulation products (including defined contribution and defined benefit plans, RRSPs, TFSAs and FHSAs) ▪ Decumulation products (insured annuities, RRIFs and LIFs) ▪ Financial wellness program ▪ Financial education and advice	▪ iA Insurance	▪ Aggregators ▪ Group benefits and retirement brokers ▪ Actuarial consulting firms

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
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US Operations

US Operations: Individual Insurance

iA Financial Group's U.S. individual insurance operations are carried out through iA American Life Insurance Company and four other downline subsidiaries located in Waco, Texas.

The iA American group of companies markets their life insurance products through independent marketing organizations, or IMOs, and collectively these organizations have over 26,600 independent agents under contract with the Group.

These companies operate primarily in the simplified issue marketplace, with final expense life insurance and mortgage/family protection term life representing over 90% of new business sales. They also offer Universal Life and other specialty life products in the government and worksite markets. They have the ability to customize products for larger marketing organizations and this flexibility has played a key role in their success.

Digital enhancements to improve and simplify the sales process from both the agent and client perspectives have been an important component in the companies' ability to compete and succeed. Point-of-sale underwriting capabilities greatly simplify and expedite the sales process and this technology is used for the majority of the business unit sales today. Remote selling capabilities have also been a strong contributor to the companies' sales success.

In 2024, the acquisitions of Vericity and the Prosperity blocks of business strengthened the Group's activities, as described below.

Business Growth

	As at December 31		
(In millions of US dollars, unless otherwise indicated)	2024	2023	Variation
Total sales	**227**	**172**	**32%**
Sales (excluding Vericity)	200	172	16%
Sales (Vericity only)[1]	27	N/A	N/A
Total net premiums	**632**	**477**	**32%**
Net premiums (excluding Vericity)	577	477	21%
Net premiums (Vericity only)[1]	55	N/A	N/A

U.S. Individual Insurance sales reached a record US$227 million in 2024, a 32% increase over the previous year. The increase in sales resulted primarily from growth in both the final expense and middle/family markets and the addition of sales from the acquisition of Vericity. The strong organic growth was driven by the performance from leading IMOs and by the recruitment of new IMOs.

Total net premiums reached US$632 million in 2024, representing a 32% increase over 2023. This result reflects the strong 18% growth in the number of policies issued in 2024 and good conservation of in-force business, along with the contribution of the recent Vericity acquisition and the addition of two blocks of business from Prosperity Life Group, as mentioned in the "Highlights" section of this document.

The sales mix by product was relatively constant in 2024. The proportion of whole life insurance sales increased slightly from 75% in 2023 to 78% in 2024, while the proportion of term insurance sales declined slightly from 22% in 2023 to 20% in 2024.

The sales mix by market shifted slightly during 2024 due to the particularly strong growth in final expense sales. Final expense sales as a percentage of total sales increased from 68% in 2023 to 71% in 2024, while the proportion of sales in the middle/family market declined slightly from 23% to 21% of total sales over that same period.

This solid performance confirms the Company's strong growth potential in the U.S. life insurance market.

Vericity

On June 28, 2024, iA Financial Group completed the acquisition of Vericity, Inc. With more than 400 employees, Vericity is comprised of Fidelity Life, an insurance carrier, and eFinancial, a direct-to-consumer digital agency. Together, the two entities leverage synergies and deliver innovative, proprietary technology powered by artificial intelligence and rich data analytics to serve middle-market life insurance customers in the United States. As an innovator in product design and distribution, Vericity makes life insurance affordable and accessible for middle-market consumers, with national call centres, digital and digitally enabled sales and underwriting processes and quick policy issuance.

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[1] Represents figures for the last six months of 2024 (since the completed acquisition).

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.

†† 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.

Outlook and Business Focus

Looking forward, the business unit will continue to increase distribution with a strong focus on growth in the middle/family market. Among other things, it will be enhancing the agent and client experience through additional digital point-of-sale capabilities and immediate underwriting decisions and expanding the product portfolio to support growth in the middle/family market.

Products and Services	Manufacturers and Subsidiaries	Distribution Affiliates and Networks
▪ Life (universal, whole life and term) ▪ Critical illness ▪ Short-term disability ▪ Accidental death ▪ Annuities ▪ Group life	▪ iA American Life Insurance Company ▪ American-Amicable Life Insurance Company of Texas ▪ Occidental Life Insurance Company of North Carolina ▪ Pioneer American Insurance Company ▪ Pioneer Security Life Insurance Company ▪ Vericity – Fidelity Life	▪ Independent marketing organizations (26,600 agents) ▪ Vericity – eFinancial

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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: Dealer Services

iA American Warranty Group and its affiliates distribute casualty products that include vehicle service contracts (extended warranties) and a comprehensive range of ancillary products providing coverage for a wide range of risks associated with vehicle ownership. The business unit also offers additional products such as training, income development and marketing services to help dealerships improve their profitability. The company benefits from vertical integration of insurance, administration and reinsurance services, and is one of only a handful of full-service providers in the United States. Products are sold through a distribution network of general agents, automobile dealers, finance companies and third-party administrators.

The division employs approximately 640 people and administers products for more than 7,000 dealerships throughout the U.S. Products are often customized for larger producers and this flexibility has played a key role in the success of iA American Warranty Group.

Business Growth

	As at December 31		
(In millions of US dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**
Sales	1,087	951	14%

Sales in 2024 totalled nearly US$1.1 billion, representing 14% growth compared to 2023. This performance reflects the combination of several positive factors, including an increase in the number of contracts sold driven in part by the year-over-year increase in total vehicle sales, higher sales of vehicle services contracts (extended warranties) and the favourable impact of pricing adjustments. In addition, dealers have been able to integrate more supplementary (F&I) products in their vehicle sales due to enhanced consumer affordability resulting from lower interest rates and lower vehicle prices, among other things.

Sales by Market

	As at December 31	
(%)	**2024**	**2023**
Affiliate producers	71	72
Non-affiliate producers	29	28
Total	**100**	**100**

Affiliate producers generated 71% of sales in 2024, consistent with the proportion seen in the past three years.

Outlook and Business Focus

Continued improvement in the U.S. auto market is expected in 2025, driven by improved vehicle inventory, increased incentives from original equipment manufacturers (OEMs) and anticipated lower interest rates. Therefore, the demand for vehicles is expected to remain solid and an increase for F&I products is expected.

In 2025, US Dealer Services aims to continue adding dealerships and to increase the number of products sold within existing dealerships. The business unit will continue to focus on providing a complete solution to its distribution partners, providing training, consulting and marketing services, and seamless contract administration. The unit's products and services are key to dealership profitability and partners rely on its support to grow the F&I department within their stores.

Products and Services

- Vehicle services contracts (extended warranties)
- Guaranteed asset protection
- Ancillary vehicle protection
- Training services
- Marketing services

Manufacturers and Subsidiaries

- Dealers Assurance Company
- Dealers Alliance Company
- iA American Warranty Corp.
- iA American Warranty, L.P.
- First Automotive Service Corporation
- Dealer Wizard, LLC

Distribution Affiliates and Networks

- General agents
- Direct sales (automobile dealers and finance companies)
- Third-party administrators

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Profitability

Highlights

The Company recorded net income attributed to common shareholders of $942 million in 2024, an increase of 22% compared to 2023. Diluted earnings per common share (EPS) was $9.77 in 2024 compared to $7.48 a year earlier, and return on common shareholders' equity (ROE) was 13.9% for the year compared to 11.6% in 2023.

The Company recorded core earnings† of $1,074 million in 2024, an increase of 12% compared to 2023. Core diluted earnings per common share (core EPS)†† of $11.16 in 2024 was 20% higher than in 2023. Core return on common shareholders' equity (ROE)†† of 15.9% for 2024 compared favourably with 14.4% a year earlier. Both core EPS†† and core ROE†† were in line with the Company's medium-term guidance provided at the beginning of the year.

	As at December 31				
	IFRS 17 and IFRS 9		IFRS 4		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**2022**	**2021**	**2020**
Income attributed to shareholders	962	789	842	852	633
Preferred share dividends	(20)	(20)	(25)	(22)	(22)
Net income attributed to common shareholders	**942**	**769**	**817**	**830**	**611**
Core earnings†	**1,074**	**956**	**945**	**896**	**764**
Earnings per common share (EPS)					
Basic	$9.81	$7.51	$7.68	$7.73	$5.71
Diluted	$9.77	$7.48	$7.65	$7.70	$5.70
Diluted, core††	$11.16	$9.31	$8.85	$8.31	$7.12
Return on common shareholders' equity (ROE)	13.9%	11.6%	12.3%	13.2%	10.6%
Core ROE††	15.9%	14.4%	14.2%	14.2%	13.3%

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 for the full year 2024 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†

(As at December 31, in millions of dollars)	**2024**	**2023**
Insurance, Canada	420	334
Wealth Management	411	314
US Operations	98	101
Investment	359	402
Corporate	(214)	(195)
Total	**1074**	**956**

Net Income (Loss) Attributed to Common Shareholders

(As at December 31, in millions of dollars)	**2024**	**2023**
Insurance, Canada	316	274
Wealth Management	379	288
US Operations	28	47
Investment	440	358
Corporate	(221)	(198)
Total	**942**	**769**

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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

	As at December 31	
(In millions of dollars, unless otherwise indicated)	2024	2023
Net income attributed to common shareholders	**942**	**769**
Core earnings adjustments (post tax)		
Market-related impacts	(32)	82
Interest rates and credit spreads	7	(10)
Equity	(117)	(102)
Investment properties	65	184
CIF[1]	13	10
Currency	—	—
Assumption changes and management actions	13	13
Charges or proceeds related to acquisition, disposition or restructuring of a business, including acquisition, integration and restructuring costs	25	10
Amortization of acquisition-related finite life intangible assets	72	66
Non-core pension expense[2]	15	8
Other specified unusual gains and losses	39	8
Total	**132**	**187**
Core earnings†	**1,074**	**956**

Core earnings† of $1,074 million in 2024 are derived from net income attributed to common shareholders of $942 million and a total adjustment of $132 million from:

- the favourable market-related impacts that differ from management's expectations, totalling $32 million, as the positive impact from equity variations was partly offset by interest rate and credit spread variations, investment property value adjustments and the impact from the CIF;
- the assumption changes and management actions, which totalled a charge of $13 million (see the "Assumption Changes and Management Actions" section of this document for more details);
- a total of $25 million related to the Prosperity and Vericity acquisitions ($13 million), the charge for the Surex minority shareholders' sell option ($6 million) and a few restructuring charges ($6 million);
- the expenses associated with acquisition-related intangible assets of $72 million;
- the impact of non-core pension expenses of $15 million; and
- specified items totalling $39 million and which management believes are non-recurring or otherwise not representative of the Company's performance, which included, as detailed below: tax adjustments for previous fiscal years that were unfavourable for Insurance, Canada and favourable for the Investment segment; a software writedown in Insurance, Canada; and a provision for outstanding balances related to accounts receivable in US Operations.

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 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 and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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 Attributed to Common Shareholders and Core Earnings† Reconciliation – Insurance, Canada

	As at December 31	
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**
Net income attributed to common shareholders	**316**	**274**
Core earnings adjustments (post tax)		
Market-related impacts	—	—
Assumption changes and management actions	37	30
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	9	7
Amortization of acquisition-related finite life intangible assets	17	16
Non-core pension expense	11	5
Other specified unusual gains and losses	30	2
Total	**104**	**60**
Core earnings†	**420**	**334**

- Net income attributed to common shareholders for the Insurance, Canada segment was $316 million in 2024 compared with $274 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 $104 million, mainly from assumption changes and management actions, acquisition-related items, tax adjustments for previous fiscal years and a software writedown.
- Core earnings† for this business segment were $420 million in 2024, an increase of 26% compared to $334 million in 2023. This positive variation was particularly driven by a higher core insurance service result[3] compared to 2023, reflecting: 1) an increase in expected insurance earnings[3] from the favourable impact of price increases implemented in 2023 and 2024 in various business units and strong sales in recent quarters, 2) core insurance experience gains[3] of $37 million, mainly attributable to lower claims at iA Auto and Home and favourable mortality experience, and 3) the lower impact of new insurance business[3] from Employee Plans. Other positive items include higher core non-insurance activities,[3] driven by the good performances from Dealer Services and distribution activities, and slightly lower core other expenses.[3]

[3] 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. 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 and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

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 Attributed to Common Shareholders and Core Earnings† Reconciliation – Wealth Management

	As at December 31	
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**
Net income attributed to common shareholders	**379**	**288**
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
Amortization of acquisition-related finite life intangible assets	25	20
Non-core pension expense	4	3
Other specified unusual gains and losses	3	2
Total	**32**	**26**
Core earnings†	**411**	**314**

- Net income attributed to common shareholders for the Wealth Management segment was $379 million in 2024 compared with $288 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 $32 million, mostly from acquisition-related items.
- Core earnings† for this business segment were $411 million in 2024, an increase of 31% compared with $314 million in 2023. This strong performance is driven by a higher core insurance service result, which is attributable to strong net fund sales in recent quarters and favourable financial market performance, which generated a higher CSM recognized for services provided[4,5] and a higher risk adjustment release.[5] In addition, the core non-insurance activities[4] result was higher than in 2023, reflecting good performance from the distribution affiliates and iA Clarington (mutual funds), arising mainly from higher net commissions and better margins. Lastly, core other expenses were lower than in 2023.

[4] 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. 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.

[5] This item is a component of the CSM movement analysis. Refer to the "Non-IFRS and Additional Financial Measures" section and the "CSM Movement Analysis" section of 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 and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.

†† 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 Attributed to Common Shareholders and Core Earnings† Reconciliation – US Operations

	As at December 31	
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**
Net income attributed to common shareholders	**28**	**47**
Core earnings adjustments (post tax)		
Market-related impacts	—	—
Assumption changes and management actions	15	18
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	9	2
Amortization of acquisition-related finite life intangible assets	30	30
Non-core pension expense	—	—
Other specified unusual gains and losses	16	4
Total	**70**	**54**
Core earnings†	**98**	**101**

- Net income attributed to common shareholders for the US Operations segment was $28 million in 2024 compared with $47 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 $70 million, mostly from acquisition-related items, assumption changes and management actions, and a provision for outstanding balances related to accounts receivable.
- Core earnings† for this business segment were $98 million in 2024 compared with $101 million in 2023. This is the net result of the increase in the core insurance service result, which was more than offset by lower core non-insurance activities and higher core other expenses compared to 2023. The positive variation in the core insurance service result is explained by higher expected insurance earnings, mostly from the acquisitions of Vericity and the Prosperity blocks of business, partly offset by the impact of new insurance business as a result of higher sales and more onerous contracts. As for the core non-insurance activities result, the decrease is mainly due to the unfavourable impact in Dealer Services of lower sales in 2023 and a less favourable business mix. Lastly, core other expenses were higher in 2024, notably due to the addition of Vericity expenses and non-recurring expenses.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Investment

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

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

	As at December 31	
(In millions of dollars, unless otherwise indicated)	2024	2023
Net income attributed to common shareholders	**440**	**358**
Core earnings adjustments (post tax)		
Market-related impacts	(32)	82
Interest rates and credit spreads	7	(10)
Equity	(117)	(102)
Investment properties	65	184
CIF[6]	13	10
Currency	—	—
Assumption changes and management actions	(39)	(35)
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	(10)	(3)
Total	**(81)**	**44**
Core earnings†	**359**	**402**

- Net income attributed to common shareholders was $440 million in 2024 compared with $358 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 $81 million, mainly due to market-related impacts of $32 million, reflecting the positive impact from equity variations being partly offset by interest rate and credit spread variations, investment property value adjustments and the unfavourable impact from the CIF, and due to assumption changes and management actions of $39 million.
- Core earnings totalled $359 million in 2024 compared to $402 million in 2023. The decrease in core earnings is mostly due to the unfavourable impact of macroeconomic variations, mainly related to changes in interest rates, which decreased in 2024 compared to 2023. This was partly offset by the steepening of the yield curve in the last few months of 2024, which led to an increase in investment earnings at the end of the year. In addition, credit experience was unfavourable at iA Auto Finance in 2024, resulting in an increased provision for credit loss.

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

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

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 Attributed to Common Shareholders and Core Earnings† Reconciliation – Corporate

	As at December 31	
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**
Net income (net loss) attributed to common shareholders	**(221)**	**(198)**
Core earnings (losses) 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	7	—
Amortization of acquisition-related finite life intangible assets	—	—
Non-core pension expense	—	—
Other specified unusual gains and losses	—	3
Total	**7**	**3**
Core earnings (losses)†	**(214)**	**(195)**

- The net loss attributed to common shareholders for the Corporate segment was $221 million compared to $198 million for the same period in 2023. The net loss attributed to common shareholders is comprised of core losses† as well as core losses adjustments.
- Core losses adjustments to net loss for this business segment totalled $7 million, mainly from acquisition-related items, in particular related to the Prosperity and Vericity acquisitions.
- This segment recorded core losses† from after-tax expenses of $214 million, which compares with $195 million for the same period in 2023. This result is derived from core other expenses of $272 million before taxes, which includes a charge of $18 million before taxes ($13 million after tax) for higher variable compensation resulting from the Company's strong performance in 2024. Excluding this charge, core other expenses for 2024 were $254 million before taxes, which is less than in 2023 and in line with the 2024 expectation of about $260 million. This 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.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

- Income tax expense amounted to $267 million compared to $212 million for the same period of 2023.
- The tax charge included in core earnings[†] for 2024 was $284 million, for a core effective tax rate[††] of 20.6%. 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. These amounted to $20 million for 2024, similar to 2023.

[†] This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
[††] 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.

Analysis of Earnings by Business Segment for the Fourth Quarter

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 for the fourth quarter 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 December 31**		
	Q4/2024	***Quarter-over-quarter***		***Year-over-year***		***Year-over-year***		
(In millions of dollars, unless otherwise indicated)		**Q3/2024**	**Variation**	**Q4/2023**	**Variation**	**2024**	**2023**	**Variation**
Insurance, Canada	116	106	9%	78	49%	420	334	26%
Wealth Management	112	106	6%	91	23%	411	314	31%
US Operations	26	31	(16%)	26	—	98	101	(3%)
Investment	102	80	28%	95	7%	359	402	(11%)
Corporate	(69)	(46)	50%	(54)	28%	(214)	(195)	10%
Total	**287**	**277**	**4%**	**236**	**22%**	**1,074**	**956**	**12%**
Net income (loss) attributed to common shareholders								
Insurance, Canada	41	95	(57%)	43	(5%)	316	274	15%
Wealth Management	101	99	2%	85	19%	379	288	32%
US Operations	(13)	21	(162%)	(7)	86%	28	47	(40%)
Investment	163	114	43%	181	(10%)	440	358	23%
Corporate	(72)	(46)	57%	(54)	33%	(221)	(198)	12%
Total	**220**	**283**	**(22%)**	**248**	**(11%)**	**942**	**769**	**22%**

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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

Net Income and Core Earnings[†] Reconciliation – Insurance, Canada						
	Fourth quarter			Year-to-date at December 31		
(In millions of dollars, unless otherwise indicated)	2024	2023	Variation	2024	2023	Variation
Net income attributed to common shareholders	**41**	**43**	**(5%)**	**316**	**274**	**15%**
Core earnings adjustments (post tax)						
Market-related impacts	—	—		—	—	
Assumption changes and management actions	37	31		37	30	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	1	2		9	7	
Amortization of acquisition-related finite life intangible assets	4	4		17	16	
Non-core pension expense	3	1		11	5	
Other specified unusual gains and losses	30	(3)		30	2	
Total	**75**	**35**		**104**	**60**	
Core earnings[†]	**116**	**78**	**49%**	**420**	**334**	**26%**

Analysis of earnings for the fourth quarter

- Net income attributed to common shareholders for the Insurance, Canada segment was $41 million compared to $43 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 $75 million. This amount includes unfavourable assumption changes and management actions ($37 million) (see the “Assumption Changes and Management Actions” section below for more details), a software writedown and an unfavourable net tax adjustment for previous fiscal years ($30 million combined), acquisition-related items ($4 million), the non-core pension expense ($3 million) and a small restructuring charge ($1 million).
- Core earnings[†] for this business segment were $116 million compared to $78 million for the same period in 2023. This 49% increase in core earnings[†] is the net result of various items. In particular, a core insurance experience gain of $15 million was recorded during the quarter, mainly due to lower claims at iA Auto and Home. Also, core non-insurance activities showed higher results, driven by good performances from Dealer Services and distribution activities. Other positive items include higher expected insurance earnings, with an increase driven by the favourable impact of strong sales in the last 12 months, and the impact of new insurance business from Employee Plans, which was lower than a year ago.

[†] This item is a non-IFRS financial measure; see the “Non-IFRS and Additional Financial Measures” section and the “Reconciliation of Select Non-IFRS Financial Measures” section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
[††] 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.

Wealth Management

Net Income and Core Earnings[†] Reconciliation – Wealth Management						
	Fourth quarter			Year-to-date at December 31		
(In millions of dollars, unless otherwise indicated)	2024	2023	Variation	2024	2023	Variation
Net income attributed to common shareholders	**101**	**85**	**19%**	**379**	**288**	**32%**
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	
Amortization of acquisition-related finite life intangible assets	7	5		25	20	
Non-core pension expense	1	1		4	3	
Other specified unusual gains and losses	3	—		3	2	
Total	**11**	**6**		**32**	**26**	
Core earnings[†]	**112**	**91**	**23%**	**411**	**314**	**31%**

Analysis of earnings for the fourth quarter

- Net income attributed to common shareholders for the Wealth Management segment was $101 million compared to $85 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 $112 million for the fourth quarter compared with $91 million a year earlier. The 23% increase in core earnings[†] over the same period in 2023 is mainly the result of higher CSM recognized for services provided[7]and the higher risk adjustment release, due to strong net sales over the last 12 months and favourable financial markets. In addition, the result from core non-insurance activities was higher than a year ago, reflecting good performance from the distribution affiliates and iA Clarington (mutual funds).

[7] This item is a component of the CSM movement analysis. Refer to the "Non-IFRS and Additional Financial Measures" section and the "CSM Movement Analysis" section of 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 and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
[††] 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

Net Income and Core Earnings† Reconciliation – US Operations						
	Fourth quarter			Year-to-date at December 31		
(In millions of dollars, unless otherwise indicated)	2024	2023	Variation	2024	2023	Variation
Net income (loss) attributed to common shareholders	**(13)**	**(7)**	**86%**	**28**	**47**	**(40%)**
Core earnings adjustments (post tax)						
Market-related impacts	—	—		—	—	
Assumption changes and management actions	15	19		15	18	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	—	2		9	2	
Amortization of acquisition-related finite life intangible assets	8	8		30	30	
Non-core pension expense	—	—		—	—	
Other specified unusual gains and losses	16	4		16	4	
Total	**39**	**33**		**70**	**54**	
Core earnings†	**26**	**26**	**—**	**98**	**101**	**(3%)**

Analysis of earnings for the fourth quarter

- The US Operations segment generated a net loss attributed to common shareholders of $13 million compared to a loss of $7 million for the same period in 2023. Net income or loss attributed to common shareholders is comprised of core earnings† as well as core earnings adjustments.
- Core earnings adjustments to net income totalled $39 million. This amount includes unfavourable assumption changes and management actions ($15 million) (see the “Assumption Changes and Management Actions” section below for more details), a provision for outstanding balances related to accounts receivable ($16 million) and acquisition-related items ($8 million).
- Core earnings† for this business segment were $26 million, the same as in the fourth quarter of 2023. This is the net result of various items. In particular, the acquisitions of Vericity and the Prosperity blocks of business led to an increase in expected insurance earnings, and core insurance experience was positive, mainly due to favourable mortality experience. The core non-insurance activities result was slightly lower than a year ago due to expenses from Vericity. Lastly, core other expenses increased following the addition of Vericity expenses.

† This item is a non-IFRS financial measure; see the “Non-IFRS and Additional Financial Measures” section and the “Reconciliation of Select Non-IFRS Financial Measures” section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Investment

Net Income and Core Earnings† Reconciliation – Investment						
	Fourth quarter			Year-to-date at December 31		
(In millions of dollars, unless otherwise indicated)	2024	2023	Variation	2024	2023	Variation
Net income attributed to common shareholders	**163**	**181**	**(10%)**	**440**	**358**	**23%**
Core earnings† adjustments (post tax)						
Market-related impacts	(16)	(89)		(32)	82	
Interest rates and credit spreads	21	(30)		7	(10)	
Equity	(31)	(93)		(117)	(102)	
Investment properties	(3)	24		65	184	
CIF[8]	(3)	10		13	10	
Currency	—	—		—	—	
Assumption changes and management actions	(35)	6		(39)	(35)	
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	(10)	(3)		(10)	(3)	
Total	**(61)**	**(86)**		**(81)**	**44**	
Core earnings†	**102**	**95**	**7%**	**359**	**402**	**(11%)**

Analysis of earnings for the fourth quarter

- Net income attributed to common shareholders for the Investment segment was $163 million compared to $181 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 $61 million for this business segment include the following three items: favourable assumption changes and management actions ($35 million) (see the “Assumption Changes and Management Actions” section below for more details); the favourable net impact of market-related variations ($16 million), as the positive impacts from equity variations, investment property value adjustments and the CIF7 were partly offset by unfavourable interest rate and credit spread variations; and a favourable tax adjustment for previous fiscal years ($10 million).

- Core earnings† for this business segment were $102 million compared to $95 million a year earlier and $80 million the previous quarter. The fourth quarter core earnings† were supported by the good performance of our high-quality investment portfolio, bolstered by the favourable impact of the steepening of the interest rate curve. The credit experience resulted in a $7 million loss as a result of higher impacts from downgrades than upgrades in the fixed income portfolio and an increased allowance for credit losses at iA Auto Finance.

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

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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.

Corporate

Net Income and Core Earnings† Reconciliation – Corporate						
	Fourth quarter			Year-to-date at December 31		
(In millions of dollars, unless otherwise indicated)	2024	2023	Variation	2024	2023	Variation
Net income to common shareholders	**(72)**	**(54)**	**33%**	**(221)**	**(198)**	**12%**
Core earnings (losses) 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	3	—		7	—	
Amortization of acquisition-related finite life intangible assets	—	—		—	—	
Non-core pension expense	—	—		—	—	
Other specified unusual gains and losses	—	—		—	3	
Total	**3**	**—**		**7**	**3**	
Core earnings (losses)†	**(69)**	**(54)**	**28%**	**(214)**	**(195)**	**10%**

Analysis of earnings for the fourth quarter

- The net loss attributed to common shareholders for the Corporate segment was $72 million compared to $54 million for the same period in 2023. The net loss attributed to common shareholders is comprised of core losses† as well as core loss adjustments.

- Core loss adjustments to net loss for this business segment totalled $3 million and are related to the Vericity acquisition.

- This segment recorded core losses† from after-tax expenses of $69 million, which compares with $54 million in the fourth quarter of 2023. This quarter's result is derived from core other expenses of $82 million before taxes, which includes a charge of $18 million before taxes ($13 million after tax) for higher variable compensation resulting from the Company's performance in 2024. Excluding this charge, core other expenses are $64 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.

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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.

Assumption Changes and Management Actions

At the end of each quarter, the Company updates its liabilities to reflect the current economic environment and ensures their adequacy, which could lead to some changes in its methodologies and assumptions. In addition, at the end of each year, the Company carries out a thorough review of most of its methodologies and assumptions to take into account the Company's own experience, and industry experience when applicable, in terms of mortality, morbidity, lapse rates, expenses and other factors.

Under the IFRS 17 accounting standard, the result of the assumption changes and management actions impacts, directly or indirectly, the contractual service margin (CSM) and risk adjustment (RA), in addition to the net income and solvency ratio. In some specific situations, a change in RA will trigger an opposite change in the CSM, therefore having no impact on immediate and future earnings. Changes in assumptions and methodologies will have an impact on net income or CSM based on three main factors: 1) the type of change (financial or non-financial), 2) the presence of a CSM for the contracts targeted by the change, and 3) the type of measurement model for the contracts targeted by the change. The most common situations are the following:

- Impacts of non-financial changes in methodologies and assumptions flow directly through the CSM when attributable to insurance contracts that have a CSM and directly to net income if they do not have a CSM. For insurance contracts measured under the general measurement model (GMM), the impacts on CSM are measured at locked-in discount rates. For insurance contracts measured under the variable fee approach (VFA), the impacts on CSM are measured at current discount rates.
- Impacts of financial changes in methodologies and assumptions flow directly through net income for insurance contracts measured under the GMM. For contracts measured under the VFA, this impact, measured at current discount rates, flows directly through the CSM when attributable to insurance contracts that have a CSM and directly to net income if they do not have a CSM.

Changes to the Company's methodologies and assumptions in 2024, including the year-end annual review, resulted in a positive total impact of $17 million pre-tax. More specifically, the changes had a negative impact of $16 million pre-tax (or $13 million after taxes) on the 2024 net income and a positive impact of $33 million pre-tax on future profit from the combined impacts on the CSM and the risk adjustment (RA).

The result of the process was positive for expense, financial, morbidity and policyholder behaviour assumptions, and negative for mortality assumptions. The impacts of management actions and model refinements were unfavourable.

2024 Assumption Changes and Management Actions – Impacts on Income, CSM and RA

($M pre-tax)	Total impact[9]	Main items	Impact on Income	Impact on CSM	Impact on RA
Mortality & morbidity	(34)	▪ Mortality assumption review: Unfavourable ▪ Morbidity assumption review: Slightly favourable	(17)	(11)	(6)
Policyholder behaviour	4	▪ Lapse assumption review: Favourable ▪ Other policyholder behaviour assumptions review: Unfavourable	(33)	11	26
Financial	61	▪ Asset/liability management adjustments: Favourable ▪ Review of credit rating methodology: Slightly unfavourable	54	9	(2)
Expenses	99	▪ Annual update of expense studies: Favourable	(11)	105	5
Management actions	(67)	▪ Segregated funds MER adjustments and other items: Unfavourable	(29)	(39)	1
Other	(46)	▪ Several minor model refinements in all segments: Unfavourable	20	(84)	18
Total	**17**		**(16)**	**(9)**	**42**

For more details, refer to Note 14 to the financial statements, entitled "Insurance Contracts and Reinsurance Contracts."

[9] Impacts of assumption changes and management actions that occurred during the year and prior to December 31, 2024 are not reflected in the above table.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.

†† 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.

Analysis According to the Financial Statements

Consolidated Income Statements

The following table presents the Company's financial results according to the financial statements for the years ended December 31, 2024, 2023 and 2022.

	Years ended December 31		
(In millions of dollars)	**2024**	2023	2022[10]
Insurance service result			
Insurance revenue	6,802	5,740	5,138
Insurance service expenses	(5,587)	(4,893)	(4,103)
Net income (expenses) from reinsurance contracts	(175)	6	(271)
	1,040	**853**	**764**
Net investment result			
Net investment income			
Interest and other investment income	2,329	1,946	1,864
Change in fair value of investments	(211)	2,037	(10,135)
	2,118	**3,983**	**(8,271)**
Finance income (expenses) from insurance contracts	(1,190)	(3,307)	8,423
Finance income (expenses) from reinsurance contracts	126	155	(115)
Increase (decrease) in investment contract liabilities and interest on deposits	(235)	(151)	(36)
	819	**680**	**1**
Investment income (expenses) from segregated funds net assets	7,769	4,697	(3,897)
Finance income (expenses) related to segregated funds liabilities	(7,769)	(4,697)	3,897
	819	**680**	**1**
Other revenues	1,744	1,537	1,537
Other operating expenses	(2,307)	(2,003)	(1,896)
Other financing charges	(67)	(66)	(57)
Income before income taxes	**1,229**	**1,001**	**349**
Income tax (expense) recovery	(267)	(212)	(15)
Net income	**962**	**789**	**334**
Dividends on preferred shares issued by a subsidiary and distributions on other equity instruments	(20)	(20)	(25)
Net income attributed to common shareholders	**942**	**769**	**309**

[10] The Company's 2022 annual results have been restated for the adoption of IFRS 17 and IFRS 9. Caution should be used when comparing results with 2022 restated results as they are not indicative of future trends within the context of this accounting transition.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Segmented Results

The following table presents the Company's financial results by business segment according to the financial statements for the years ended December 31, 2024 and 2023. The analysis of these results is presented below and should be read in conjunction with Note 25 "Segmented Information" in the Company's annual consolidated financial statements.

	Years ended December 31													
	Insurance, Canada		Wealth Management		US Operations		Investment		Corporate		Consolidation adjustments		Total	
(in millions of dollars)	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Insurance service result														
Insurance revenue	$3,975	$3,507	$1,137	$939	$1,690	$1,294	—	—	—	—	—	—	$6,802	$5,740
Insurance service expenses and net expenses from reinsurance contracts	(3,449)	(3,065)	(776)	(657)	(1,537)	(1,165)	—	—	—	—	—	—	(5,762)	(4,887)
	526	**442**	**361**	**282**	**153**	**129**	**—**	**—**	**—**	**—**	**—**	**—**	**1,040**	**853**
Net investment result														
Net investment income	—	—	127	121	—	—	1,979	3,870	12	—	—	(8)	2,118	3,983
Finance income (expenses) from insurance and reinsurance contracts and change in investment contracts and interest on deposits	—	—	(2)	(23)	—	—	(1,297)	(3,288)	—	—	—	8	(1,299)	(3,303)
	—	**—**	**125**	**98**	**—**	**—**	**682**	**582**	**12**	**—**	**—**	**—**	**819**	**680**
Other revenues	189	169	1,407	1,224	174	165	33	34	6	3	(65)	(58)	1,744	1,537
Other expenses	(264)	(236)	(1,371)	(1,200)	(291)	(230)	(213)	(192)	(300)	(269)	65	58	(2,374)	(2,069)
Income before income taxes	**451**	**375**	**522**	**404**	**36**	**64**	**502**	**424**	**(282)**	**(266)**	**—**	**—**	**1,229**	**1,001**
Income tax (expense) recovery	(135)	(101)	(143)	(116)	(8)	(17)	(42)	(46)	61	68	—	—	(267)	(212)
Net income	**316**	**274**	**379**	**288**	**28**	**47**	**460**	**378**	**(221)**	**(198)**	**—**	**—**	**962**	**789**
Dividends on preferred shares issued by a subsidiary and distribution on other equity instruments	—	—	—	—	—	—	(20)	(20)	—	—	—	—	(20)	(20)
Net income attributed to common shareholders	**$316**	**$274**	**$379**	**$288**	**$28**	**$47**	**$440**	**$358**	**($221)**	**($198)**	**—**	**—**	**$942**	**$769**

Insurance service result

Insurance, Canada

For the year ended December 31, 2024, the insurance service result in the Insurance, Canada segment totalled $526 million, representing a year-over-year increase of $84 million or 19% that was driven by the segment's insurance revenue, partly offset by insurance service expenses and net expenses from reinsurance contracts.

The segment's insurance revenue amounted to $3,975 million in 2024, up 13% from $3,507 million in 2023, with all business units showing year-over-year revenue growth. The increase was primarily driven by higher levels of sales and growth from premiums on in-force business from Individual Insurance, iA Auto and Home and Group Insurance: Employee Plans, which resulted in higher revenue recognized to cover expected incurred claims and insurance service expenses. For additional details regarding business growth, refer to the "Analysis by Business Segment" section of this document, under the Insurance, Canada segment.

The segment's insurance service expenses and net expenses from reinsurance contracts totalled $3,449 million in 2024 compared to $3,065 million in 2023, a 13% increase year over year. This increase was in part due to the impact of higher incurred claims and allocation of reinsurance premiums paid, in line with normal business growth, primarily in Individual Insurance and Group Insurance: Employee Plans, which were partially offset by fewer than expected mortality-related claims in both business units. The increase was also due, to a lesser extent, to higher incurred claims at iA Auto and Home as a result of the heavy rainfall event that occurred in the province of Quebec in the third quarter of 2024, most of which was reinsured. Had this event not occurred, the business unit would have otherwise had fewer incurred claims, reflecting overall favourable weather conditions and lower auto theft compared to 2023.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

For the fourth quarter of 2024, the insurance service result for the Insurance, Canada segment was $101 million, representing an increase of $21 million or 26% compared to the same period in 2023. This result was driven by the segment's insurance revenue, partly offset by insurance service expenses and net expenses from reinsurance contracts. The segment's insurance revenue amounted to $1,028 million in the fourth quarter, up 11% from $927 million in the same period of 2023. The increase was primarily driven by higher levels of sales and growth from premiums on in-force business from Individual Insurance, iA Auto and Home and Group Insurance: Employee Plans, which resulted in higher revenue recognized to cover expected incurred claims and insurance service expenses. The segment's insurance service expenses and net expenses from reinsurance contracts totalled $927 million in 2024 compared to $847 million in 2023. This change was in part due to higher incurred claims and allocation of reinsurance premiums paid in line with normal business growth, primarily in the Individual Insurance and Group Insurance: Employee Plans business units. The increase was also due to lower amounts recoverable from reinsurers at iA Auto and Home, primarily attributable to revised estimates from the heavy rainfall event that occurred in the province of Quebec in the third quarter of 2024, and partly offset by fewer incurred claims, reflecting overall favourable weather conditions and lower auto theft compared to 2023.

Wealth Management

For the year ended December 31, 2024, the insurance service result in the Wealth Management segment totalled $361 million, representing a year-over-year increase of $79 million or 28% that was driven by the segment's insurance revenue, partly offset by insurance service expenses and net expenses from reinsurance contracts.

The segment's insurance revenue amounted to $1,137 million in 2024, up 21% from $939 million in 2023. This increase was mostly driven by a higher level of sales of segregated funds over the last 12 months in Individual Wealth Management and favourable market performance, which led to a 29% growth in assets under management. This growth resulted in higher revenue recognized to cover expected incurred claims and insurance service expenses, as well as a higher contractual service margin recognized for services provided during the year. The increase in insurance revenue was also due in part to steady growth and a new major insured annuity contract in Group Savings and Retirement, which saw higher revenue recognized to cover expected incurred claims and insurance service expenses. For additional details regarding business growth, refer to the "Analysis by Business Segment" section of this document, under the Wealth Management segment.

The segment's insurance service expenses and net expenses from reinsurance contracts totalled $776 million in 2024 compared to $657 million in 2023, representing an 18% year-over-year increase that was mainly due to higher trailer fees from the increased sale of segregated funds in Individual Wealth Management and higher benefits paid in Group Savings and Retirement, which grew proportionately to revenue recognized from new sales.

For the fourth quarter of 2024, the insurance service result for the Wealth Management segment was $99 million, representing an increase of $18 million or 22% compared to the same period in 2023. This result was driven by the segment's insurance service revenue, partly offset by insurance service expenses and net expenses from reinsurance contracts. The segment's insurance service revenue amounted to $317 million in the fourth quarter, up 21% from $263 million in the same period of 2023. This increase was driven by strong segregated fund sales in Individual Wealth Management and a new major insured annuity contract in Group Savings and Retirement. The segment's insurance service expenses and net expenses from reinsurance contracts totalled $218 million in 2024 compared to $182 million in 2023. The year-over-year variation was primarily a result of higher trailer fees from the increased sale of segregated funds in Individual Wealth Management and higher benefits paid in Group Savings and Retirement, which grew proportionately to revenue recognized from new sales.

US Operations

For the year ended December 31, 2024, the insurance service result in the US Operations segment totalled $153 million, representing a year-over-year increase of $24 million or 19% driven by the segment's insurance service revenue, partly offset by insurance service expenses and net expenses from reinsurance contracts.

The segment's insurance revenue amounted to $1,690 million in 2024, up 31% from $1,294 million in 2023. The increase was mostly driven by higher revenue recognized to cover expected incurred claims and insurance service expenses in both Individual Insurance and Dealer Services, which resulted from the increase in the number of new insurance contracts issued in 2024 and good conservation of in-force business, as well as the contributions from the recent Vericity acquisition and the addition of two blocks of business from Prosperity Life Group. For details regarding business growth, refer to the "Analysis by Business Segment" section of this document, under the US Operations segment.

The segment's insurance service expenses and net expenses from reinsurance contracts totalled $1,537 million in 2024 compared to $1,165 million in 2023. The year-over-year variation was mostly a result of a normal increase in incurred claims and allocation of reinsurance premiums paid in Individual Insurance and Dealer Services that aligns with the business growth, as well as the contributions from the recent Vericity acquisition and the addition of two blocks of business from Prosperity Life Group.

For the fourth quarter of 2024, the insurance service result for the US Operations segment was $36 million, representing an increase of $20 million or 125% compared to the same period in 2023. This result was driven by the segment's insurance service revenue, partly offset by insurance service expenses and net expenses from reinsurance contracts. The segment's insurance service revenue amounted to $477 million, up 34% from $357 million in the same period of 2023. The increase was primarily driven by the contributions from the recent Vericity acquisition and the addition of two blocks of business from Prosperity Life Group, and resulted in the segment recognizing higher revenue to cover expected incurred claims and insurance service expenses. The segment's insurance service expenses and net expenses from reinsurance contracts totalled $441 million compared to $341 million in 2023. The year-over-year variation was mostly a result of the contributions from the recent Vericity acquisition and the addition of two blocks of business from Prosperity Life Group, as well as a normal increase in incurred claims and allocation of reinsurance premiums paid.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Net investment result

For the year ended December 31, 2024, net investment income totalled $2,118 million compared to $3,983 million in 2023. The year-over-year variation comes almost entirely from the Investment segment and is mainly explained by increasing long-term interest rates, which led to a decrease in fair value of fixed income and derivative financial instruments. Conversely, the finance income (expenses) from insurance and reinsurance contracts and change in investment contracts and interest on deposits varied from $3,303 million to $1,299 million, also due to the increase in interest rates, which are an important factor in determining the finance expenses of the insurance contract liabilities.

The net investment result for the year ended December 31, 2024 grew by $139 million compared to 2023. The variation is mainly explained by higher return on equity financial instruments and a lower impact from change in fair value of investment properties compared to a year earlier.

For the fourth quarter of 2024, net investment income totalled $273 million compared to $4,414 million for the same period in 2023. The year-over-year variation comes almost entirely from the Investment segment and is mainly explained by increasing long-term interest rates, which led to a decrease in fair value of fixed income and derivative financial instruments. Conversely, the finance income (expenses) from insurance and reinsurance contracts and change in investment contracts and interest on deposits varied from $4,106 million to $34 million, also due to the increase in interest rates, which are an important factor in determining the finance expenses of the insurance contract liabilities.

The net investment result for the fourth quarter varied by $69 million compared to the same period in 2023. The variation is mainly explained by lower return on equity financial instruments.

Other revenues

Other revenues include fees earned from the management of the Company's mutual fund assets and the Company's segregated fund assets relating to investment contracts, as well as commissions from intermediary activities, administration income and administrative services only income. For the year ended December 31, 2024, other revenues totalled $1,744 million compared to $1,537 million in 2023. The increase of $207 million, of which $85 million is attributable to the fourth quarter of 2024, mainly comes from the Wealth Management segment, with an increase of $183 million year over year. This is due to higher commission from distribution affiliates and higher management fee revenues from Group Savings and Retirement and iA Clarington, which is the result of increased assets under administration and assets under management, driven favourably by positive market performance and strong advisor recruitment.

Other expenses

For the year ended December 31, 2024, other expenses totalled $2,374 million compared to $2,069 million in 2023. The variation of $305 million, of which $139 million is attributable to the fourth quarter of 2024, is mainly explained by increased commission expenses in the Wealth Management segment driven by favourable market performance and related to increased revenues. The change is also explained by the US Operations segment with the additions from the recent Vericity acquisition. A provision for outstanding balances related to accounts receivable in the US Operations segment, a software writedown in Insurance, Canada as well as variable compensation and bonuses based on strong performance across the Company specifically contributed to the variation for the fourth quarter.

Income tax (expense) recovery

For the year ended December 31, 2024, the Company recorded an income tax expense of $267 million compared to $212 million in 2023. The variation is in line with the the amount calculated under the applicable statutory tax rate, combined with higher tax expenses from prior-year adjustments and reduced by higher savings from tax-exempt investment income.

For the fourth quarter of 2024, the Company recorded an income tax expense of $43 million compared to $77 million for the same period in 2023. The variation is in line with the the amount calculated under the applicable statutory tax rate, combined with higher savings from tax-exempt investment income and reduced by higher tax expenses from prior-year adjustments.

Net income attributed to common shareholders

For the year ended December 31, 2024, net income attributed to common shareholders totalled $942 million, up 22% from $769 million in 2023. 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 across Insurance, Canada, Wealth Management and US Operations;
- the net positive impact of increasing long-term interest rates on the finance expenses of insurance contract liabilities, which is greater than the impact on the fair value of fixed income and derivative financial instruments; and
- the overall favourable performance of financial markets.

For additional details regarding business growth and profitability, refer to the "Analysis by Business Segment" and "Profitability" sections of this document.

For the fourth quarter of 2024, net income attributed to common shareholders totalled $220 million, compared to $248 million for the same period in 2023. The change was driven by growth in the insurance service result and other revenue across all relative business segments, and was more than offset by:

- higher variable compensation and bonuses based on strong performance across the Company;
- lower return on equity financial instruments in the Investment segment; and
- factors having an unfavourable impact on our other expenses as described above.

For additional details regarding business growth and profitability, refer to the "Analysis by Business Segment" and "Profitability" sections of this document.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Quarterly results

Below is a summary of the Company's quarterly results, taken from the financial statements for the last eight quarters.

	2024				2023			
(In millions of dollars, unless otherwise indicated)	**Q4**	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenues								
Insurance revenue	1,822	1,741	1,644	1,595	1,547	1,458	1,376	1,359
Net investment income	273	2,170	225	(550)	4,414	(2,573)	635	1,507
Other revenues	471	437	432	404	386	387	388	376
Total	**2,566**	**4,348**	**2,301**	**1,449**	**6,347**	**(728)**	**2,399**	**3,242**
Income before income taxes	269	389	266	305	333	69	245	354
Income taxes	(43)	(101)	(52)	(71)	(77)	(13)	(41)	(81)
Net income	226	288	214	234	256	56	204	273
Dividends on preferred shares issued by a subsidiary and distributions on other equity instruments	(6)	(5)	(8)	(1)	(8)	(1)	(8)	(3)
Net income attributed to common shareholders	**220**	**283**	**206**	**233**	**248**	**55**	**196**	**270**
Earnings per common share								
Basic	2.34	3.00	2.13	2.35	2.47	0.55	1.90	2.59
Diluted	2.33	2.99	2.12	2.34	2.46	0.54	1.89	2.58

The analysis below presents the main trends and factors that have caused variations in the results over the quarters.

Insurance revenue increased steadily from quarter to quarter in 2023 and 2024 due to the Company's organic growth, particularly notable in the Individual Insurance and Wealth Management business units. The acquisition of Vericity and two blocks of business from Prosperity Group in the US Operations segment also contributed significantly to this growth in the last two quarters of 2024. Overall, the increase in insurance revenue reflects the Company's strength and performance year over year.

Net investment income is mostly influenced by changes in the interest rate curve and corporate credit spreads. In 2023, lower inflation in Canada prompted expectations of a Bank of Canada rate cut. This led to decreased interest rates, boosting bond returns and equity market performance. In 2024, the Bank of Canada lowered rates, affecting short-term and long-term rates. Although higher long-term rates impacted bond values, strong economic prospects in Canada drove robust equity and bond returns, supported by reduced credit spreads and real estate recovery.

Year over year, other revenues for 2024 increased in every quarter compared to 2023. This growth is mainly attributed to the increase in revenues in the Wealth Management segment, driven by the positive performance of financial markets.

Net income attributed to common shareholders fluctuated from quarter to quarter primarily due to market-related impacts. For the third quarter of 2023, the significant variation was mainly attributable to unfavourable macroeconomic variations, including value adjustments to investment properties.

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CSM Movement Analysis

The contractual service margin, or CSM, is a 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 2024.

CSM Movement Analysis[3] – Consolidated

	As at December 31		
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**	**Variation**
CSM - Beginning of period	**5,925**	**5,574**	**6%**
Organic CSM movement			
Impact of new insurance business	706	597	
Organic financial growth	323	253	
Insurance experience gains (losses)	51	18	
CSM recognized for services provided	(709)	(609)	
Sub-total - Organic CSM movement	**371**	**259**	**43%**
Non-organic CSM movement			
Impact of changes in assumptions and management actions	(9)	(50)	
Impact of markets	360	156	
Currency impact	52	(14)	
Acquisition or disposition of a business	200	—	
Sub-total - Non-organic CSM movement	**603**	**92**	
Total - CSM movement	**974**	**351**	
CSM - End of period	**6,899**	**5,925**	**16%**
CSM - Net insurance contract liabilities at end	6,485	5,640	15%
CSM - Net reinsurance contract liabilities at end	414	285	45%
CSM - End of period	**6,899**	**5,925**	**16%**

At December 31, 2024, the CSM totalled nearly $6.9 billion, an increase of 16% over the last twelve months.

In 2024, the CSM increased organically by $371 million and was driven by the following items:

- The positive impact of new insurance business of $706 million, mainly driven by strong business growth, in particular segregated fund sales
- The organic financial growth of $323 million
- The net insurance experience gains of $51 million, mainly reflecting favourable policyholder behaviour experience in the segregated fund portfolio, lower-than-expected expenses and favourable reinsurance initiatives, which were partly offset by the unfavourable mortality experience and policyholder behaviour in Insurance, Canada

These items were partly offset by the $709 million of CSM recognized for service provided in earnings, which was 16% higher than a year ago.

During the twelve-month period of 2024, non-organic items led to a CSM increase of $603 million, mainly as a result of the favourable impact of markets and the positive impact of the Vericity acquisition and the addition of two blocks of business from Prosperity Life Group.

As a result of organic and non-organic items, the total CSM increased by $974 million in 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 and the “Reconciliation of Select Non-IFRS Financial Measures” section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Financial Position

Solvency

iA Financial Group follows the Capital Adequacy Requirements for Life and Health Insurance (CARLI) Guideline issued by the Autorité des marchés financiers (AMF).

The Company's solvency ratio was 139% at December 31, 2024, compared to 145% at December 31, 2023. This result is well above the Company's operating target of 120%. The six percentage point decrease in the last twelve months is mainly explained by the unfavourable impacts of non-organic variations, namely: 1) the year-end assumption review and management actions, 2) capital deployment initiatives through three acquisitions, share buybacks (NCIB) and IT investments and 3) macroeconomic variations. These items were partly offset by the positive impacts of strong organic capital generation and the net impact of capital management initiatives, namely the $125 million redemption of preferred shares and the issuance of $350 million of LRCN and $400 million of subordinated debentures.

As at December 31, 2024, the solvency ratio was 133% on a pro forma basis, taking into account the impact of the AMF-revised CARLI Guideline on January 1, 2025, the acquisition of Global Warranty on February 4, 2025 and the planned redemption of $400 million of subordinated debentures on February 21, 2025.

The Company's solvency ratio remained well above the operating target of 120% throughout 2024.

	As at December 31	
(In millions of dollars, unless otherwise indicated)	**2024**	**2023**
Available capital	8,823	8,236
Surplus allowance and eligible deposits	2,758	2,448
Base solvency buffer	8,337	7,355
Solvency ratio	**139%**	**145%**

Organic Capital Generation

Organic capital generation was very strong throughout the year, with the Company organically generating an additional $635 million in capital in 2024, meeting the annual target of $600 million+.

Capital Available for Deployment

The pro forma capital available for deployment was assessed at $1.4 billion on December 31, 2024 compared to $1.6 billion on December 31, 2023, and has the potential to support future growth initiatives.

As at December 31, 2024, the capital available for deployment was $0.7B, without taking into account the impact of the AMF-revised CARLI Guideline on January 1, 2025 and the acquisition of Global Warranty on February 4, 2025.

Financial Leverage Ratio

As at December 31, 2024, the pro forma financial leverage ratio[††] was 15.0% compared to 14.6% at the end of the previous year. The variation is mainly explained by the net impact of capital management initiatives during the year, namely the issuance of $400 million of subordinated debentures and $350 million of LRCN as well as the redemption of $125 million of preferred shares, as outlined in the "Equity and Financing" section of this document.

As at December 31, 2024, the financial leverage ratio[††] was 17.3% without taking into account the announced redemption of $400 million of subordinated debentures to be completed in the first quarter of 2025.

Financial Leverage Ratio

	As at December 31	
	2024	**2023**
Financial leverage ratio[††]	17.3%	14.6%

[†] This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
[††] 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.

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

	As at December 31		
(In millions of dollars)	2024	2023	2022
General fund assets	57,286	52,009	47,094
General fund liabilities	49,819	44,971	39,967
Total equity	**7,467**	**7,038**	**7,127**

At December 31, 2024, general fund assets totalled $57.3 billion compared to $52.0 billion at December 31, 2023 and $47.1 billion at December 31, 2022. The two-year variation is mainly driven by the increase in investment portfolio assets, which grew by $3.0 billion between 2023 and 2024 and by $4.1 billion between 2022 and 2023. This is explained by net purchases of investments in the normal course of business, the favourable impact of macroeconomic variations and the addition of Vericity's investment portfolio. The variation over the last year is also explained by reinsurance contract assets, which increased by $1.1 billion mainly due to a new contract in the Group Savings and Retirement business unit, the impact of changes in exchanges rates, and the addition of the Vericity acquisition in the US Operations segment.

At December 31, 2024, general fund liabilities totalled $49.8 billion compared to $45.0 billion at December 31, 2023 and $40.0 billion at December 31, 2022. The two-year variation is primarily related to the increase in insurance contract liabilities, which grew by $3.3 billion between 2023 and 2024 and by $3.9 billion between 2022 and 2023. This is mainly explained by insurance finance expenses, net cash inflows and the addition of the Vericity acquisition, partially offset by the insurance service result. There was also an increase in investment contract liabilities and deposits of $1.7 billion between 2022 and 2023, mostly due to deposits received that were higher than withdrawals paid.

Capital Structure

	As at December 31	
(In millions of dollars)	2024	2023
Equity		
Share capital and contributed surplus	1,540	1,620
Preferred shares issued by a subsidiary and other equity instruments	600	375
Retained earnings and accumulated other comprehensive income	5,327	5,043
Total shareholders' equity	***7,467***	***7,038***
Debentures	1,894	1,499
Total capital structure	**9,361**	**8,537**

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

Equity was $7.5 billion at December 31, 2024 compared to $7.0 billion at December 31, 2023. The one-year variation is primarily related to the:

- contribution of net income to retained earnings, totalling $962 million, and comprehensive income attributed to shareholders of $183 million;
- 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 of iA Insurance;
- redemption of common shares for $620 million through the NCIB program;
- impact of dividends on common shares of $322 million.

Debentures were $1.9 billion at December 31, 2024 compared to $1.5 billion at December 31, 2023. The one-year variation is due to the issuance of subordinated debentures with a nominal value of $400 million.

As a result of the items listed above, the Company's capital structure amounted to nearly $9.4 billion at December 31, 2024, an increase of $824 million from December 31, 2023.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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 December 31, 2024, cash and short-term investments were $1,566 million compared to $1,379 million at December 31, 2023. The following table summarizes the source and use of the Company's funds for the year ended December 31, 2024.

Cash Flows

	Years ended December 31	
(In millions of dollars)	**2024**	**2023**
Cash and short-term investments at beginning	1,379	1,358
Cash flows from (used in):		
Operating activities	1,041	1,342
Investing activities	(491)	(307)
Financing activities	(397)	(1,009)
Foreign currency gains (losses) on cash	34	(5)
Increase (decrease) in cash and short-term investments	187	21
Cash and short-term investments at end	1,566	1,379

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 purchases of fixed and intangible assets. Cash flows from financing activities change due to transactions involving equity and debentures.

Cash flows increased by $187 million for the year ended December 31, 2024 compared to an increase of $21 million in 2023. The higher increase in 2024 is mainly due to the cash flows used in financing activities in 2023 for the redemption of $400 million of subordinated debentures in addition to the cash flows arising from the issuance of $350 million of Limited Recourse Capital Notes in June 2024. These variations were partially offset by higher cash flows from operating activities in 2023 compared to 2024 as well as the acquisition of Vericity, which affected the cash flows used in 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.

Equity and Financing

Issuance of Financial Instruments

In June 2024, iA Financial Group issued $350 million in 6.921% fixed/floating Limited Recourse Capital Notes. In connection with the issuance of the notes, iA Financial Group issued 350,000 non-cumulative 5-year rate reset Class A Preferred Shares – Series B.

In December 2024, iA Financial Group issued $400 million in 4.131% fixed/floating unsecured subordinated debentures.

Redemption of Financial Instruments

In July 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. Following the redemption of these preferred shares, iA Insurance had no financing instruments on its balance sheet and ceased to be a reporting issuer in accordance with an order granted under the securities legislation of Quebec and Ontario. Therefore, iA Insurance is no longer subject to continuous disclosure requirements under securities legislation, including the requirement to file its financial statements.

In December 2024, iA Financial Group announced the redemption of its 2.400% subordinated debentures of $400 million due February 21, 2030, with a redemption date set for February 21, 2025. The redemption amount of $1,012.00 per $1,000 principal amount of debentures, which is the aggregate of the principal and all accrued and unpaid interest, will be paid to the holders upon surrender of the debentures.

Debentures

The Company had five series of debentures on its balance sheet at December 31, 2024, with a total book value of $1,894 million. These five series, which are detailed in the table later in this section, were classified as financial liabilities at amortized cost. The debentures represent direct unsecured obligations of the Company that are subordinate to those of the Company's policyholders and other creditors. In 2024, the financing expense, made up of interest and the amortization of issuance costs, amounted to $60 million compared to $54 million in 2023.

Limited Recourse Capital Notes

The Company has two Limited Recourse Capital Notes on its balance sheet at December 31, 2024, with a total book value of $500 million. These notes, which are detailed in the table later in this section, were classified as other equity instruments at cost. The notes represent direct unsecured limited recourse obligations of the Company. As such, recourse of the noteholder is limited to that holder's proportionate share of the Limited Recourse Trust's assets, which consist of non-cumulative 5-year rate reset Class A Preferred Shares – Series A and Series B. In 2024, distributions amounted to $23 million ($17 million after tax) compared to $16 million ($12 million after tax) in 2023 and were recognized directly to retained earnings.

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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.

Outstanding Common Shares

The Company has only one class of common shares and all common shares contain a single voting right. In addition, no shareholder may acquire, directly or indirectly, 10% or more of the voting shares of iA Financial Group, and iA Financial Group must directly or indirectly hold 100% of the common shares of iA Insurance. iA Financial Group's common shares are traded on the Toronto Stock Exchange under the ticker symbol IAG. (See the "Notice" at the beginning of this Management's Discussion and Analysis for more information about the legal constitution of iA Financial Group.)

The number of issued and outstanding common shares at December 31, 2024 was 93,455,697,[1] a decrease of 6,187,048 compared to December 31, 2023. This decrease is mainly due to the repurchase and cancellation of common shares under the Normal Course Issuer Bid (NCIB) program, which was marginally offset by the exercise of stock options under the Stock Option Plan for executives.

Common Shares

	As at December 31				
(In millions)	2024	2023	2022	2021	2020
Number of common shares outstanding	94	100	105	108	107

Stock Price and Market Capitalization

iA Financial Group went public and became a stock company in February 2000. The Company's stock began trading on the Toronto Stock Exchange on February 3, 2000, at a price of $7.875, taking into account the two-for-one split of the Company's common shares, which took place on May 16, 2005. With a 48% increase in its share price in 2024, the $10.0 billion market capitalization mark was surpassed as the Company's stock price closed the year at $133.32, ending 2024 with a $12.5 billion market capitalization.

Stock Price and Market Capitalization

	As at December 31				
(In millions of dollars, unless otherwise indicated)	2024	2023	2022	2021	2020
Stock price	$133.32	$90.33	$79.27	$72.38	$55.18
Market capitalization	12,460	9,001	8,305	7,785	5,908

Preferred Shares

In 2024, the iA Insurance subsidiary paid $3 million in dividends to preferred shareholders with Class A Shares – Series B. All issued and outstanding Class A Shares – Series B were redeemed on July 29, 2024, as mentioned above.

Book Value per Common Share

The book value per common share[2] was $73.44 at the end of 2024, up 10% during the year. This increase is mostly attributable to the increase in retained earnings, which was partly offset by share buybacks (NCIB) and dividend payments to common shareholders.

Book Value per Common Share

	As at December 31				
	IFRS 17 and IFRS 9			IFRS 4	
	2024	2023	2022	2021	2020
Book value per common share	$73.44	$66.90	$63.00	$62.01	$55.52

[1] Includes 52,700 common shares that were repurchased but not cancelled. Refer to Note 18 "Share Capital" of the 2024 consolidated financial statements for more information.
[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 and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Dividends

In the fourth quarter of 2024, the Company increased its quarterly dividend per common share by 10%, from $0.8200 to $0.9000. As a result, the dividend for 2024 totalled $3.3600 per common share, compared to $2.9700 per common share in 2023, an increase of 13%. In total, the Company paid out $322 million in dividends to common shareholders in 2024. The dividend payout ratio, core[††] for the year was 30%, which is at the mid-point of the 25% to 35% target range given as guidance at the beginning of 2024.

Dividends

	As at December 31				
	2024	**2023**	**2022**	**2021**	**2020**
Dividends paid per common share	$3.36	$2.97	$2.60	$2.08	$1.94
Dividend payout ratio, core[††]	30%	32%	29%	27%	34%

Declaration of Fourth Quarter Dividends

The Board of Directors approved a quarterly dividend of $0.9000 per share payable on March 17, 2025 to the shareholders of record at February 28, 2025. For the purposes of the *Income Tax Act* (Canada) and any corresponding provincial and territorial tax legislation, all dividends paid by iA Financial Group on its common shares are eligible dividends.

Stock Option Plan

In accordance with the Stock Option Plan adopted by the Board of Directors in 2001, the Human Resources and Compensation Committee granted 233,000 new share purchase options in 2024. These new options, which will expire in 2033, were granted at $92.15. The issue, net of the options exercised and cancelled during the year, brings the number of share purchase options outstanding to 1,287,833 or 1.38% of the number of issued and outstanding shares at December 31, 2024.

Dividend Reinvestment and Share Purchase Plan for Common Shareholders

The Dividend Reinvestment and Share Purchase Plan for Common Shareholders allows participants to have their dividends automatically reinvested in iA Financial Group common shares and to make cash purchases of additional iA Financial Group common shares. Shares issued under the plan are currently acquired on the secondary market.

Normal Course Issuer Bid

On November 5, 2024, the Company announced the renewal of its Normal Course Issuer Bid (NCIB), in effect since November 14, 2024. Through this NCIB program, the Company can redeem, in the normal course of its activities, between November 14, 2024 and November 13, 2025, up to 4,694,894 common shares representing approximately 5% of the issued and outstanding common shares. A total of 6,596,948 shares were repurchased and cancelled in 2024, representing a cumulative amount of $602 million.

Preferred Shares, Debentures and other Equity Instruments – iA Financial Corporation Inc.

Subordinated debentures issued on February 21, 2020 and maturing on February 21, 2030
Notice of redemption sent on December 30, 2024. The Company will redeem the debentures on February 21, 2025.

Principal amount:	$400 million
Book value:	$400 million
Interest:	2.400% until February 21, 2025. After that date, the interest rate will be a variable annual rate of return equal to the Alternative Rate to 3-month CDOR (as defined in the trust indenture), payable quarterly.
Redemption and repayment:	Redeemable by the Company on or after February 21, 2025, in whole or in part, subject to prior approval by the regulatory bodies. The book value of these debentures includes the amortized transaction costs of $0.1 million.

Subordinated debentures issued on September 24, 2019 and maturing on September 24, 2031

Principal amount:	$400 million
Book value:	$399 million
Interest:	3.072% until September 24, 2026. After that date, the interest rate will be a variable annual rate of return equal to the Alternative Rate to 3-month CDOR (as defined in the trust indenture), payable quarterly.
Redemption and repayment:	Redeemable by the Company on or after September 24, 2026, in whole or in part, subject to prior approval by the regulatory bodies. The book value of these debentures includes the amortized transaction costs of $0.7 million.

Subordinated debentures issued on February 25, 2022 and maturing on February 25, 2032 (Sustainability Bonds)

Principal amount:	$300 million
Book value:	$299 million
Interest:	3.187% until February 25, 2027. After that date, the interest rate will be a variable annual rate of return equal to the Fallback Rate (CORRA) plus 0.91%, payable quarterly.
Redemption and repayment:	Redeemable by the Company on or after February 25, 2027, in whole or in part, subject to prior approval by the regulatory bodies. The book value of these debentures includes the amortized transaction costs of $0.8 million.

[†] This item is a non-IFRS financial measure; see the “Non-IFRS and Additional Financial Measures” section and the “Reconciliation of Select Non-IFRS Financial Measures” section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
[††] 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.

Subordinated debentures issued on June 20, 2023 and maturing on June 20, 2033	
Principal amount:	$400 million
Book value:	$398 million
Interest:	5.685% until June 20, 2028. After that date, interest on the debentures will be payable at a rate per annum equal to Daily Compounded CORRA (Canadian Overnight Repo Rate Average), plus 1.96%, payable quarterly.
Redemption and repayment:	Redeemable by the Company on or after June 20, 2028, in whole or in part, subject to prior approval by the regulatory bodies. The book value of these debentures includes the amortized transaction costs of $1.8 million.
Subordinated debentures issued on December 5, 2024 and maturing on December 5, 2034	
Principal amount:	$400 million
Book value:	$398 million
Interest:	4.131% until December 5, 2029. After that date, interest on the debentures will be payable at a rate per annum equal to Daily Compounded CORRA, plus 1.35%, payable quarterly.
Redemption and repayment:	Redeemable by the Company on or after December 5, 2029, in whole or in part, subject to prior approval by the regulatory bodies. The book value of these debentures includes the amortized transaction costs of $2.5 million.
Limited Recourse Capital Notes issued on June 1, 2022 and maturing on June 30, 2082	
Principal amount:	$250 million
Book value:	$250 million
Interest:	6.611% until June 30, 2027. On June 30, 2027 and on June 30 every 5 years thereafter, the interest rate on these notes will be reset at an interest rate per annum equal to the 5-year Government of Canada Bond Yield plus 4.00%.
Redemption and repayment:	Redeemable by the Company on June 30, 2027, and every 5 years thereafter from May 31 to June 30, in whole or in part, subject to prior approval by the regulatory bodies.
Class A Preferred Shares – Series A issued on May 25, 2022 in connection with the Limited Recourse Capital Notes (“Notes”) issuance on June 1, 2022	
Number:	250,000
Held by:	Class A Preferred Shares – Series A held by the Limited Recourse Trustee, Computershare Trust Company of Canada, as trust assets (the “Limited Recourse Trust”). In the event of non-payment of interest on or principal of the 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 the Series A shares, except in certain limited circumstances.
Principal amount:	$250 million
Book value:	Held within the Limited Recourse Trust and therefore is eliminated on the Company’s Consolidated Statements.
Dividend:	Non-cumulative 5-year rate reset semi-annual dividend at an initial annual rate of $66.11 in cash per preferred share until June 30, 2027. On June 30, 2027 and on June 30 every 5 years thereafter, the dividend rate will be adjusted to equal the sum of the then current 5-year Government of Canada Yield plus 4.00%. Until revoked, the Limited Recourse Trust has waived its right to receive any and all dividends on the Class A Preferred Shares – Series A.
Voting rights:	No voting rights
Conversion:	None
Redemption and repayment:	Redeemable in whole or in part at the option of the Company, subject to approval by the AMF, on June 30, 2027 and every 5 years thereafter from May 31 to June 30 inclusive. The Series A Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series A Shares. The ability of a holder to liquidate its holdings of Series A Shares may be limited.
Limited Recourse Capital Notes issued on June 25, 2024 and maturing on September 30, 2084	
Principal amount:	$350 million
Book value:	$350 million
Interest:	6.921% from the date of issue to, but excluding, September 30, 2029. Starting September 30, 2029 and every 5 years thereafter, the interest rate on these notes will be reset at an interest rate per annum equal to the 5-year Government of Canada Bond Yield plus 3.60%.
Redemption and repayment:	Redeemable by the Company from August 31, 2029 to September 30, 2029, and every 5 years thereafter from August 31 to September 30, in whole or in part, subject to prior approval by the regulatory bodies.
Class A Preferred Shares – Series B issued on June 25, 2024 in connection with the Limited Recourse Capital Notes (“Notes”) issuance on June 25, 2024	
Number:	350,000
Held by:	Class A Preferred Shares – Series B held by the Limited Recourse Trustee, Computershare Trust Company of Canada, as trust assets (the “Limited Recourse Trust”). In the event of non-payment of interest on or principal of the 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 the Series B shares, except in certain limited circumstances.
Principal amount:	$350 million
Book value:	Held within the Limited Recourse Trust and therefore is eliminated on the Company’s Consolidated Statements
Dividend:	Non-cumulative 5-year rate reset semi-annual dividend at an initial annual rate of $69.21 in cash per preferred share until September 30, 2029. On September 30, 2029 and on September 30 every 5 years thereafter, the dividend rate will be adjusted to equal the sum of the then current 5-year Government of Canada Yield plus 3.60%. Until revoked, the Limited Recourse Trust has waived its right to receive any and all dividends on the Class A Preferred Shares – Series B.
Voting rights:	No voting rights
Conversion:	None
Redemption and repayment:	Redeemable in whole or in part at the option of the Company, subject to approval by the AMF, on September 30, 2029 and every 5 years thereafter from May 31 to June 30 inclusive.The Series B Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series B Shares. The ability of a holder to liquidate their holdings of Series B Shares may be limited.

More information about the features of the preferred shares, debentures and other equity instruments can be found in the prospectus documents, which are available on the Company’s website at ia.ca in the *Investor Relations* section under *About iA*.

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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.

Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all material information is gathered and reported in a timely fashion to senior management, in particular the President and Chief Executive Officer and the Executive Vice-President, Chief Financial Officer and Chief Actuary in order that appropriate decisions may be made regarding disclosure. These controls and procedures are also designed to ensure that the information is gathered, recorded, processed, condensed and reported within the time frames prescribed by Canadian securities regulations.

The Company's President and Chief Executive Officer and the Executive Vice-President, Chief Financial Officer and Chief Actuary are responsible for establishing and maintaining the controls and procedures for disclosing the Company's information. Following an evaluation carried out by these senior officers as at December 31, 2024, the Company's disclosure controls and procedures were deemed to be effective.

Internal Control Over Financial Reporting

The Company's internal control over financial reporting is designed to provide reasonable assurance that the Company's financial reporting is reliable and that, for the purposes of publishing its financial information, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Company's President and Chief Executive Officer and the Executive Vice-President, Chief Financial Officer and Chief Actuary are responsible for establishing and maintaining the Company's internal control over financial reporting as defined in Multilateral Instrument 52-109 (*Certification of Disclosure in Issuers' Annual and Interim Filings*). As at December 31, 2024, they evaluated the effectiveness of the internal control over financial reporting using the framework and criteria established in the *Internal Control – Integrated Framework* report published by the Committee of Sponsoring Organizations of the Treadway Commission. Following this evaluation, they concluded that the internal control over financial reporting was effective. During the year, no changes had, or are reasonably likely to have had, a material impact on internal control over financial reporting.

Material Accounting and Actuarial Policies

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards.

For more information on material accounting policies, refer to Note 2 of the Company's consolidated financial statements.

The preparation of the financial statements requires that management make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, net income and additional information. Actual results may differ from management's estimates. The estimates and assumptions are revised periodically based on changes in relevant facts and circumstances. The changes are then accounted for in the period in which the revisions are made and in all subsequent periods affected by the revisions. The most significant estimates and judgments pertain to the classification of contracts and the determination of policy liabilities.

Other Items

Related Party Transactions

The Company eliminates transactions carried out with its subsidiaries and between the various subsidiaries of the Group on consolidation. It provides investment management services to its pension plans and concludes transactions with associates. These services and transactions are offered and concluded in the normal course of business and are subject to normal market conditions.

Related party transactions are described in Note 29 of the Company's consolidated financial statements.

Guarantees, Commitments and Contingencies

In the normal course of business, the Company frequently signs various types of contracts or agreements which, in certain cases, can be considered to be guarantees, commitments or contingencies.

As at December 31, 2024, the Company's contractual obligations and commitments were as follows:

Contractual Obligations – Payments Due by Period

	As at December 31, 2024			
(In millions of dollars)	Total	Less than 1 year	1 year to 5 years	More than 5 years
Debentures	1,894	400	—	1,494
Lease liabilities	101	21	45	35
Purchasing commitments	589	190	399	—
Other long-term commitments	125,134	6,975	1,260	116,899
Total of contractual obligations	**127,718**	**7,586**	**1,704**	**118,428**

For more information on guarantees, commitments and contingencies, refer to Note 7c) "Liquidity Risk" and Note 30 of the consolidated financial statements.

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Credit Ratings

The Company and its subsidiaries receive credit ratings from three independent rating agencies: Standard & Poor's, DBRS Morningstar and A.M. Best. These ratings, presented in the table below, confirm the financial strength of the Company and its subsidiaries and their ability to meet their commitments to policyholders and creditors.

In 2024, the credit ratings assigned by Standard & Poor's, DBRS Morningstar and A.M. Best remained unchanged, with a stable outlook for all ratings of iA Financial Group and its related entities, including iA Insurance.

Credit Ratings

iA Financial Corporation Inc.		
Agency	**Type of evaluation**	**Rating**
Standard & Poor's	Issuer Credit Rating	A
	Subordinated Debentures	A-
	Limited Recourse Capital Notes	BBB+
DBRS Morningstar	Issuer Rating	A
	Subordinated Debentures	A (low)
	Limited Recourse Capital Notes	BBB (high)
Industrial Alliance Insurance and Financial Services Inc.		
Standard & Poor's	Issuer Credit Rating	AA-
	Financial Strength Rating	AA-
	Subordinated Debentures	A+
	Preferred Shares – Canadian scale	P-1 (low)
	Preferred Shares – Global scale	A
DBRS Morningstar	Financial Strength	AA (low)
	Issuer Rating	AA (low)
	Subordinated Debentures	A (high)
	Preferred Shares	Pfd-1 (low)
A.M. Best	Financial Strength	A+ (Superior)
	Issuer Credit Rating	aa- (Superior)
	Subordinated Debentures	a (Excellent)
	Preferred Shares	a- (Excellent)
IA American Life Group Entities (IA American Life Insurance Company, American-Amicable Life Insurance Company of Texas, Pioneer Security Life Insurance Company, Pioneer American Insurance Company, Occidental Life Insurance Company of North Carolina)		
A.M. Best	Financial Strength	A (Excellent)
	Issuer Credit Rating	a (Excellent)
Industrial Alliance Pacific General Insurance Corporation		
A.M. Best	Financial Strength	A (Excellent)
	Issuer Credit Rating	a+ (Excellent)
Dealers Assurance Company		
A.M. Best	Financial Strength	A (Excellent)
	Issuer Credit Rating	a (Excellent)

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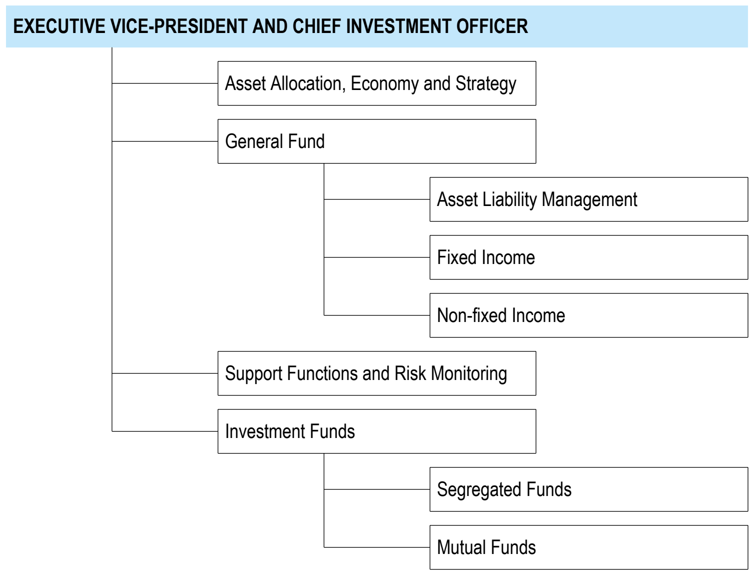
Investments

Description of Sector

The Investments sector has two main functions: managing the assets in the Company's general fund and managing the investment funds offered to its clients. All of iA Financial Group's investment activities, including those associated with its U.S. operations, are combined under a single authority and share a common philosophy. The sector's management structure is illustrated below.



At iA Financial Group, investment professionals have a diverse range of responsibilities, working with the general fund and for a number of segregated and mutual funds, in addition to overseeing all external managers.

The general fund team is responsible for balancing risk, return, liability matching and regulatory capital requirements while considering market trends and economic indicators to optimize the general fund portfolio.

The general fund experts manage a diverse range of investments, including fixed income, non-fixed income and derivatives. Fixed income investments include, among other things, corporate bonds, governments, municipalities, mortgages and short-term investments. Non-fixed income investments include, among other things, infrastructure, private equity and real estate.The general fund experts also utilize derivatives to primarily manage risk.

The risk monitoring team is responsible for developing a global vision for the control and monitoring of the various investment risks (interest rate, stock market, exchange rate, credit, liquidity, etc.). It is also responsible for analyzing and monitoring active risk and risks related to investment funds and general funds. In addition to quantifying the risks, the team helps develop strategies for managing these risks effectively.

Sustainable Investment Approach

The Sustainable Investment Policy, Sustainable Development Policy and Proxy Voting Policy provide guidance on how our investment teams incorporate ESG considerations into investment management and stewardship activities in a consistent and comprehensive manner.

When assets are managed internally, portfolio managers and analysts of iA Global Asset Management ("iAGAM"), which includes Industrial Alliance Investment Management Inc. and iA Global Asset Management Inc.) are expected to adhere to the guiding principles of the Sustainable Investment Policy, in particular the incorporation of ESG considerations into the investment process. iAGAM regularly assesses the application of this Policy across its investment portfolios. When assets are managed by an external manager, we review their sustainable investment policy and practices as part of the selection process, as well as on a regular, ongoing basis.

Also, the general fund is pursuing decarbonization efforts with greenhouse gas (GHG) reduction targets for its public corporate bond portfolio and investment property holdings. As a major property owner, iA Financial Group measures its environmental performance based on stringent industry standards.

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Assets Under Management and Assets Under Administration

At December 31, 2024, iA Financial Group reached nearly $259.4 billion in total assets under management and assets under administration, an increase of 18% during the year, mainly driven by high net fund inflows and growth in financial markets.

Assets Under Management and Assets under Administration

	As at December 31				
	IFRS 17 AND IFRS 9			IFRS 4	
(In millions of dollars)	**2024**	**2023**	**2022**	**2021**	**2020**
Assets under management					
General fund	57,286	52,009	47,094	55,082	53,662
Segregated funds	52,575	41,837	37,334	39,577	32,804
Mutual funds	13,290	12,204	11,611	13,955	11,393
Other	5,579	4,485	3,670	2,862	3,797
Subtotal	128,730	110,535	99,709	111,476	101,656
Assets under administration	130,636	108,349	97,717	109,687	95,830
Total	**259,366**	**218,884**	**197,426**	**221,163**	**197,486**

Assets under management, consisting of amounts in the general fund, segregated funds and mutual funds, as well as certain assets managed for third parties (classified as *Other*), increased 16% compared to the previous year, amounting to $128.7 billion at December 31, 2024.

Assets under administration exceeded $130.6 billion at December 31, 2024, reflecting an increase of 21% over the last twelve months. Assets under administration primarily consist of third-party assets administered through the mutual fund brokerage company (Investia Financial Services), the securities brokerage company (iA Private Wealth) and the trust company (iA Trust).

General Fund

General Fund Investments

The Company primarily uses two key investment strategies for its general fund: the Total Portfolio Management (TPM) strategy and the Universal Life Policy Accounts strategy.

For the TPM strategy, iA Financial Group advocates an investment management strategy designed to optimize the long-term returns on the assets while maintaining strict asset/liability replicating criteria. The strategy takes into account the constraints imposed by the investment policies as well as the Risk Appetite and Tolerance Statement, which include interest rate risk, credit spread risk, equity risk and credit risk limits. Diversification is a key principle and belief guiding the overall asset allocation and exposure limits.

The TPM strategy aligns the Company's investment strategy for most of its general fund insurance contract liabilities (assets) and investment contract liabilities and deposits, including individual and group insurance products, annuities, and guaranteed interest accounts.

Under the TPM strategy, the Company uses high-quality assets, primarily made up of long-term fixed income securities (such as bonds) and non-fixed income assets (such as stocks), to optimize the risk and return of this liability category. Derivative financial instruments can also be utilized to improve the portfolio's asset/liability positioning or its risk-adjusted return. The asset allocation aims to achieve an optimal return, taking into account capital requirements, expectations regarding the interest rate structure and the long-term capital market assumption for non-fixed income assets.

The Universal Life Policy Accounts strategy relates to the pass-through and participating products and to the Company's general fund insurance contract liabilities (assets) linked to Universal Life policy accounts.

For more information about these two investment strategies, refer to the "Risk Management" section of this document.

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Composition of General Fund Investments

The total value of the investment portfolio was $45.6 billion at the end of 2024, an increase of 7% over the last twelve months. At the end of 2024, 72% of the Company's investments were invested in bonds and 8% in loans (including mortgages), for a total of 80% in fixed-income securities. The proportion of fixed-income securities has fluctuated between 77% and 80% over the last five years, while the proportion of stocks has varied between 7% and 11%.

General Fund Investments

	As at December 31	
(In millions of dollars)	**2024**	**2023**
Bonds	32,690	29,940
Stocks	5,130	4,069
Loans (including mortgages)	3,444	3,660
Investment properties	1,519	1,611
Cash and short-term investments	1,566	1,379
Other	1,231	1,959
Total	**45,580**	**42,618**

Investments by Asset Category

	As at December 31	
	2024	**2023**
Portfolio	**$45.6B**	**$42.6B**
Bonds	72%	70%
Stocks	11%	10%
Loans (including mortgages)	8%	9%
Investment properties	3%	4%
Cash and short-term investments	3%	3%
Other	3%	5%
Total	**100%**	**100%**

The figures do not always add up exactly due to rounding differences.

Bond Portfolio

The Company's bond portfolio is of high quality, totalling $32.7 billion at December 31, 2024.

In accordance with the rules defined in the investment policies, the Company largely invests in bonds whose credit rating from a recognized rating agency is BBB low or higher at the time of acquisition. In the event no evaluation is available from a recognized rating agency, the Company uses an in-house method to evaluate the quality of the bonds in question.

The proportion of bonds rated A or higher made up 68% of the bond portfolio at the end of 2024, compared to 74% at the end of 2023.
At December 31, 2024, bonds rated BB and lower (high-yield bonds) totalled $220 million (0.7% of the bond portfolio), compared to $176 million at December 31, 2023 (0.6% of the bond portfolio). In December 2024, the Company updated its risk rating methodology and included an additional rating agency, impacting the portfolio risk rating, which led to variations in the proportion of bond credit ratings at the end of 2024 compared to the end of 2023.

Bonds by Credit Rating

	As at December 31	
	2024	**2023**
Portfolio	**$32.7B**	**$29.9B**
AAA	6%	7%
AA	27%	29%
A	35%	38%
BBB	31%	26%
BB and lower	1%	1%
Total	**100%**	**100%**

The figures do not always add up exactly due to rounding differences.

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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.

In addition to investing in bonds issued through public placements (government bonds and bonds of public corporations), the Company also invests in bonds issued through private placements. These bonds offer investment opportunities that are generally not available on the public market, and offer performance and risk features that are suitable for the operations of a life insurance company. They also provide greater access to information from issuers. However, bonds issued through private placements do not have the same level of liquidity and could be impacted by changing credit conditions in the market. At December 31, 2024, private issue bonds totalled $6.1 billion, accounting for 19% of the bond portfolio ($5.7 billion or 19% of the portfolio at December 31, 2023).

Bond Portfolio

	As at December 31				
	IFRS 17 and IFRS 9			IFRS 4	
	2024	2023	2022	2021	2020
Book value of the portfolio ($M)	**32,690**	**29,940**	**26,117**	**32,892**	**32,099**
Distribution by category of issuer (%)					
Governments	28	30	30	40	47
Municipalities	3	3	3	4	5
Corporates – Public issues	50	48	47	38	31
Corporates – Private issues	19	19	20	18	17
Total	**100**	**100**	**100**	**100**	**100**

The figures do not always add up exactly due to rounding differences.

Mortgages and Other Loans Portfolio

The mortgages and other loans portfolio amounted to more than $3.4 billion at December 31, 2024, remaining relatively stable compared to the end of the previous year.

Mortgages

The mortgage portfolio alone, made up of multi-residential and non-residential mortgages, totalled nearly $1.2 billion and remained of excellent quality at December 31, 2024, with insured mortgages representing 65% of the total mortgage portfolio, as shown in the table below.

At December 31, 2024, the proportion of multi-residential mortgage properties was 80% and had remained at or above that level for several years.

At the end of 2024, 10% of the mortgage portfolio ($118 million) was securitized through the Canada Mortgage and Housing Corporation (CMHC) Canada Mortgage Bond (CMB) program.

Car Loans and Other Loans

The car loans and other loans portfolio, which includes personal loans, totalled nearly $2.3 billion at the end of 2024 compared with $2.2 billion at the end of 2023. The indicators in the table below confirm the quality of the car loans portfolio, with total allowance for credit losses (ACL) as a percentage of gross sales at 5.61%.

Mortgages, Car Loans and Other Loans Portfolio

	As at December 31	
	2024	2023
Book value of loans portfolio ($M)		
Mortgages	1,193	1,426
Car loans and other loans	2,251	2,234
Total	**3,444**	**3,660**
Distribution of mortgages by type of loan (%)		
Insured loans	65	68
Conventional loans	35	32
Total	**100**	**100**
Quality measure		
Car loans – Net impaired loans as a percentage of gross loans[1]	0.49%	0.41%
Car loans – Total allowance for credit losses (ACL) as a percentage of gross loans[2]	5.61%	5.21%

1 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 the quality of the loan portfolio.
2 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.

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Mortgages by Type of Property

	As at December 31	
	2024	**2023**
Portfolio	**$1.2B**	**$1.4B**
Multi-residential	80%	83%
Non-residential – Industrial	6%	6%
Non-residential – Retail	9%	7%
Non-residential – Office	5%	4%
Non-residential – Other	—	—
Total	**100%**	**100%**

In addition to mortgages and other loans, the Company also manages mortgages for third parties. In total, the Company's portfolio of mortgages and other loans plus mortgages managed for third parties amounted to $8.6 billion at December 31, 2024 ($7.6 billion at December 31, 2023).

Stock Portfolio

At December 31, 2024, investments in equity securities amounted to $5.1 billion, or 11% of the Company's total investments, compared to $4.1 billion or 10% a year earlier. The increase is mainly due to market variations and organic growth of business.

Investments in equity securities, including preferred shares, are used in both the Total Portfolio Management (TPM) and Universal Life Policy Accounts strategies described in the above General Fund Investments section. The stock portfolio used in the Total Portfolio Management strategy delivered a return of 12% in 2024. Private equities continued to occupy a large part of the stock portfolio in 2024, as this category offers opportunities in terms of diversification, returns and matching of very long-term commitments.

Stock Portfolio by Type of Strategy

	As at December 31	
	2024	**2023**
Strategy	**$5.1B**	**$4.1B**
Universal Life Policy Accounts	41%	41%
Total Portfolio Management	**59%**	**60%**

The figures do not always add up exactly due to rounding differences.

The management strategy used for the stock portfolio aims to optimize return through investments in preferred shares, common shares, market indices, private equities and investment funds. The Company favours a policy of diversification by industrial sector and by issuer to limit its exposure to concentration risk and to participate in the growth of all primary economic sectors.

Stock Portfolio

	As at December 31				
	IFRS 17 AND IFRS 9			**IFRS 4**	
	2024	**2023**	**2022**	**2021**	**2020**
Book value of the portfolio ($M)	**5,130**	**4,069**	**4,028**	**3,906**	**3,286**
Distribution by category of stock (%)					
Common shares and investment fund units	35	31	27	30	30
Preferred shares	10	11	12	18	23
Market indices	6	7	7	5	2
Private equities	49	51	54	47	45
Total	**100**	**100**	**100**	**100**	**100**

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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.

Investment Properties Portfolio

The Company recognizes investment properties at fair value. The book value of investment properties decreased by $92 million in 2024 to $1.5 billion at December 31, 2024. Changes in the book value are normally due to the net amount of acquisitions and dispositions, the change in the fair value of investment properties that were reappraised during the year and any capital expenses on the properties. Investment properties represented 3% of the total investment portfolio at December 31, 2024.

The occupancy rate[3] of investment properties was 86% at December 31, 2024, compared to 87% at December 31, 2023. This occupancy rate continues to compare favourably with office properties in large Canadian cities. The weighted average lease term (WALT) of the investment properties portfolio is 8.7 years, ensuring stable long-term revenues for the Company.

Office buildings account for 84% of the Company's investment properties. The rest of the portfolio is invested in other types of property such as retail, industrial, land, multi-residential and others.

Investment Properties

	As at December 31				
	IFRS 17 AND IFRS 9			IFRS 4	
(In millions of dollars, unless otherwise indicated)	2024	2023	2022	2021	2020
Book value of the portfolio	**1,519**	**1,611**	**1,804**	**1,870**	**1,916**
Occupancy rate	86%	87%	88%	92%	95%

Investment Properties by Category of Property

	As at December 31	
	2024	2023
Portfolio	**$1,519**	**$1,611**
Office	84%	85%
Retail	7%	6%
Industrial	5%	4%
Multi-residential, land and other	5%	5%

The figures do not always add up exactly due to rounding differences.

Derivative Financial Instruments

The Company uses derivative financial instruments in the normal course of managing the risk arising from fluctuations in interest rates, equity markets, currencies and credit. These instruments are primarily made up of interest rate, equity and foreign exchange swaps, as well as options, futures and forward contracts.

Derivative financial instruments are used as part of the Company's hedging program. This program aims to alleviate the sensitivity of the capital guarantees on certain segregated fund products to interest rate and stock market fluctuations.

Derivative financial instruments are also used to hedge its exposure to currency risk when investing in assets not denominated in the same currency as the liabilities backed by these assets. Lastly, derivatives are used in the implementation of strategies to mitigate interest rate risk arising from asset/liability mismatch and to hedge the risk associated with the Universal Life policy funds.

The Company has an investment strategy that uses options to obtain synthetic stock market exposure while reducing its macroeconomic risk profile.

The table below presents certain values pertaining to the Company's financial instruments. For more information, refer to Note 8 of the Company's consolidated financial statements.

Derivative Financial Instruments – Fair Value and Exposure

	As at December 31	
(In millions of dollars)	2024	2023
Net fair value	6	1,000
Notional amount	47,728	43,205

[3] 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.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.

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Other Invested Assets

The *Other invested assets* category is made up of cash and cash equivalents, derivatives, short-term investments and other investments. These investments totalled $2.8 billion at December 31, 2024 ($3.3 billion at December 31, 2023).

Quality of Investment Portfolio

The overall quality of the investment portfolio remained very good in 2024, reflecting its composition of high-quality assets with diversified exposures and prudent positioning. The indicators in the table below summarize several quality measures that confirm the overall quality of the investments.

	As at December 31	
	2024	**2023**
Bonds – Proportion rated BB or lower	0.7%	0.6%
Mortgages – Proportion of insured loans	65.0%	68.2%
Investment properties – Occupancy rate	85.5%	86.7%
Car loans – Net impaired loans as a percentage of gross loans	0.5%	0.4%
Car loans – Total allowance for credit losses (ACL) as a percentage of gross loans	5.6%	5.2%

Investment Funds: Segregated Funds and Mutual Funds

Investment Fund Assets

Investment fund assets for iA Financial Group totalled $65.9 billion at December 31, 2024 ($52.6 billion in segregated funds and $13.3 billion in mutual funds), an increase of $11.9 billion from the previous year. This significant increase is mostly explained by positive net sales as well as favourable financial markets.

Segregated Fund and Mutual Fund Assets

	As at December 31				
(In billions of dollars)	**2024**	**2023**	**2022**	**2021**	**2020**
Segregated funds	52.6	41.8	37.3	39.6	32.8
Mutual funds	13.3	12.2	11.6	14.0	11.4

Range of Funds

iA Financial Group offers a broad and diverse range of investment funds. As at December 31, 2024, the Company offered its clients more than 250 funds, with approximately half of the assets in these funds being managed by internal investment teams.

The Company continued to adjust its segregated fund offering in 2024 to increase its diversity and complementarity and to respond to client demand. In the individual segregated fund segment, the Company added six funds through the launch of a Canadian Small Cap, a Global Diversified and four Index funds, including three equity and one fixed income product. iA Clarington Investments added five funds and a new sub-advisory partner during the year. The additions were across several fund categories, including Global Balanced, Global and International Equities, Global Fixed Income and Alternative Strategies. Lastly, in the Group Savings and Retirement segment, the Company made adjustments to its lineup, with three additions and 13 closures. The additions were in the Socially Responsible Fund category, while the closures targeted less popular products or those that were in already well-represented areas.

iA Financial Group's Investment Funds

	As at December 31, 2024	
	Assets ($billion)	**Distribution of assets**
Segregated funds	52.6	80%
Mutual funds	13.3	20%
Total	**65.9**	**100%**

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Risk Management

The “Risk Management” section of the Management’s Discussion and Analysis contains certain information required under IFRS 7 *Financial Instruments: Disclosures* of the IFRS Accounting Standards (IFRS) regarding the nature and scope of the risks arising from financial instruments. This information, which appears in the shaded sections, is an integral part of the audited consolidated financial statements for the period ended December 31, 2024, given that the standard permits 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 a financial group, iA Financial Group must take and manage a variety of risks arising from its business activities, in order to create long-term value and ensure its sustainability.

Risk Management Principles and Responsibilities

iA Financial Group defines risk as the possibility of an event occurring that will have an adverse impact on its business, financial condition and achievement of objectives. Sound and effective risk management therefore involves identifying, assessing, measuring, understanding, managing, monitoring and communicating the risks to which the Company is exposed in the course of its operations, and the effectiveness of the controls in place to mitigate them.

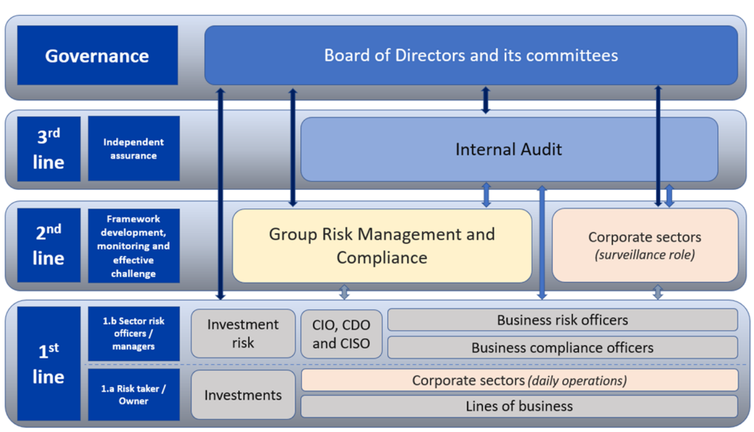
To this end, iA Financial Group has implemented an integrated risk management framework that is continually applied and taken into account in the Company’s business strategies and in all its operations. The risk management framework enables the Company to conduct sound and prudent risk management by promoting an approach that balances the achievement of strategic objectives with risk taking. This approach is characterized by the consideration of risks in decision-making, alignment of strategic orientations, and compliance with the Company’s risk appetite and tolerance. The framework defines the Company’s risk appetite as the type and level of risk the Company is willing to accept in relation to its strategic objectives and to enhance its long-term value.

To maximize the benefits of integrated risk management, iA Financial Group considers the interrelationships and interdependencies between risks and controls, and ensures that strategies, tools and resources are aligned to provide holistic risk management across the Company. The risk management framework allows the Company to monitor its risk profile and increase its ability to act effectively and quickly when necessary. A better understanding of its risks helps iA Financial Group achieve its strategic and business objectives, prevent losses, and allocate resources more effectively, while promoting the Company’s resilience. By providing sufficient and relevant information on the effectiveness of risk management, the risk management framework also provides senior management and the Board of Directors with a reasonable level of confidence and reassurance that all categories of risk are understood and managed in relation to the achievement of iA Financial Group’s objectives. It contributes to ensuring that the Company can meet its commitments to policyholders, clients, creditors, shareholders and regulatory bodies.

The Company’s risk management process is supported by a strong governance structure, a sound risk management culture and an effective framework that adapts to the evolution of the Company, its activities, its level of maturity and its environment. As part of this process, the Company continuously reviews and improves its risk management framework based on its financial and non-financial situation, the nature, size and complexity of its activities, its risk profile, its long-term strategic plan and the internal and external environment in which it operates.

The framework is governed by a corporate policy that sets out the principles guiding the Company’s decisions and actions in all its activities, allowing it to classify, define and adequately manage the risks to which it is exposed. The policy outlines the risk management governance and organizational structure, including the roles and responsibilities of the various people involved in the risk management process. It also describes the key steps in the process, particularly in terms of identifying risks, defining risk appetite and tolerance, and assessing, managing, monitoring and reporting of risks. Compliance with and application of the framework allow for a sound risk management culture to be maintained and promoted within the Company.

The diagram that follows illustrates the responsibility levels with respect to integrated risk management within the Company.



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Supported by a strong risk culture, the Company's risk management approach is based on the three lines of defence governance model. This approach is premised on the implementation of coordinated risk management and control systems throughout the Company.

The first line of defence consists of the risk-takers (line 1.a) as well as business risk officers and business compliance officers (line 1.b) for the sectors. As risk owners, they are responsible for establishing and executing the business strategies to comply with the Company's defined risk appetite and tolerance, and ensuring a long-term balance between risk and return. They are also responsible for applying the principles, frameworks, policies, guidelines, standards, tools and methodologies developed by the second line of defence and for identifying, communicating and managing risks that could prevent them from achieving the objectives in their respective areas of responsibility. They must ensure that proper controls are in place and functional, and that they are integrated into their sector's systems and processes.

The second line of defence refers to the function responsible for establishing and maintaining the risk management and compliance framework in an objective and impartial manner. It comprises the Group Risk Management and Compliance sector, headed up by the Executive Vice-President and Chief Risk Officer, and the compliance function, headed up by the Vice-President and Chief Compliance Officer, who reports to the Chief Risk Officer. It also includes the corporate sectors in their role of surveillance, quality assurance and compliance. The second line of defence is responsible for objectively and impartially monitoring and critically analyzing the risks and controls implemented by the first line of defence. It is also responsible for developing and maintaining the principles, policies, guidelines, standards, tools, and methodologies to identify, measure, assess, aggregate, manage, track, monitor and report on current and emerging risks. To this end, it guides and supports the first line of defence in the rigorous assessment of significant risks to which the Company is exposed.

These two lines of defence work together to ensure prudent and disciplined management in protecting the Company's reputation and long-term sustainability. The Chief Risk Officer and his team work closely with the first line of defence to promote a culture of sound risk management across the organization. Based on a holistic view of risks and considering the interrelationships that may exist between them, the Chief Risk Officer communicates any pertinent information to senior management and the Board of Directors about the Company's main risks and the steps taken to manage them.

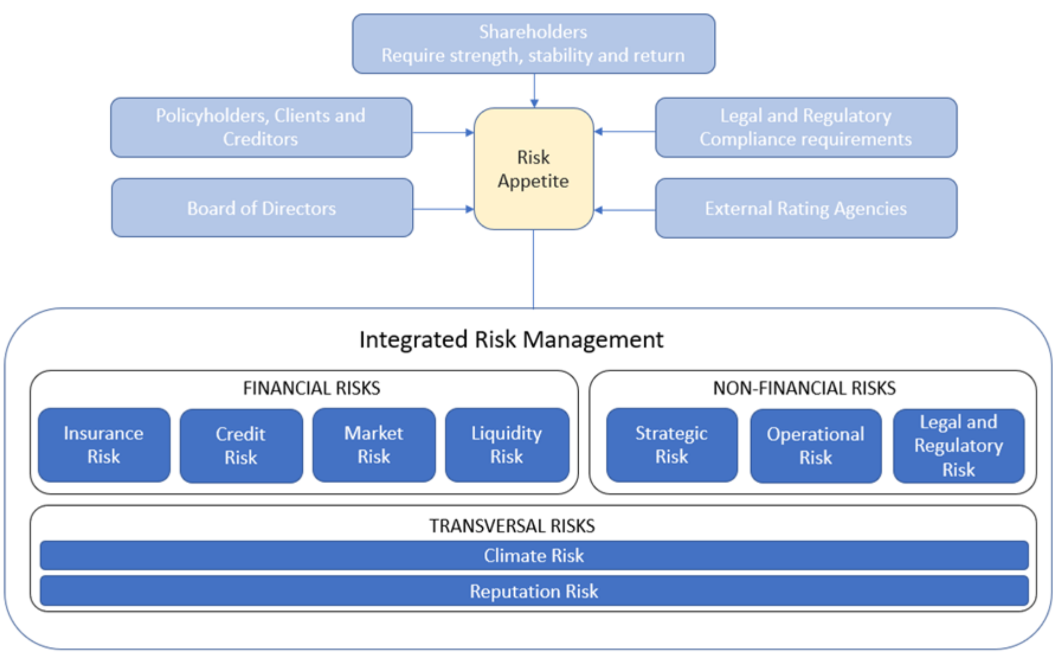
As the third line of defence, Internal Audit provides objective and independent assurance as well as risk-based advice to senior management and to the Board of Directors regarding the adequacy and effectiveness of governance, risk management and internal control processes. It recommends improvements and reports to the Board of Directors' Audit Committee.

The Board of Directors, supported by the Risk, Governance and Ethics Committee, approves the corporate policy governing the integrated risk management framework, as well as any changes that are made to it. It also approves the overall level of risk the Company is willing to accept, as well as the associated tolerances and limits, in order to achieve its business objectives and enhance its long-term value.

The integrated risk management framework applies to the Company's subsidiaries. A collaborative relationship, based on communication and reporting protocols, is established between the corporate risk management team and those responsible for risk management in the subsidiaries, while a functional reporting relationship takes place between the corporate compliance team and those responsible for compliance in the subsidiaries.

The boards of directors of the subsidiaries, which are made up of members renowned for their expertise in their respective fields as well as senior executives from the parent company, also play an important role in monitoring risks and approving relevant policies.

Integrated Risk Management Framework



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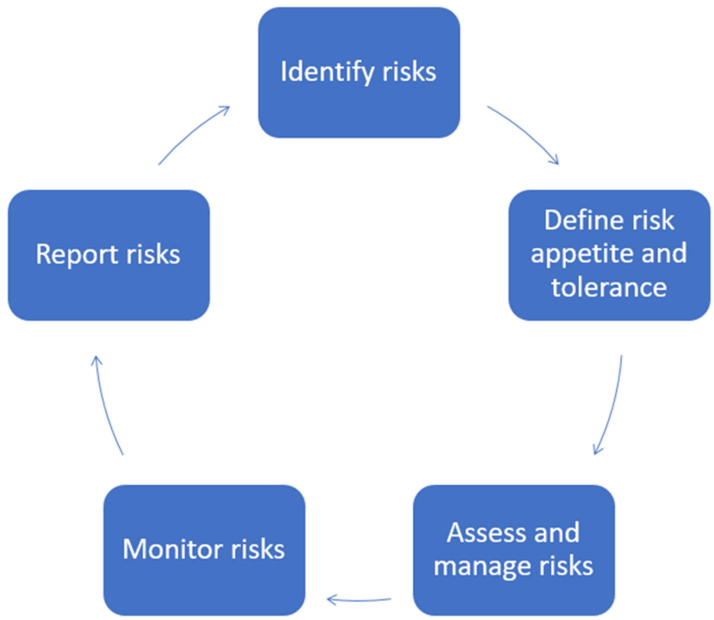
The diagram above illustrates the categories of risk the Company is exposed to while pursuing its strategic objectives. The risk taxonomy is a comprehensive, common and stable set of risk categories used in the integrated risk management process. It contributes to the strengthening of culture and optimal integration of the Company's risk management approach.

A summary of these risks and the processes for managing them is outlined in the following pages. Each of these risk categories can include current and emerging risks, and the way in which they are taken into account across the organization is adjusted accordingly.

Risk management is a process designed to ensure that risks are properly managed and that they comply with iA Financial Group's Risk Appetite and Tolerance Statement. The process is composed of five steps performed in an iterative and continuous manner. These steps are illustrated in the diagram below.



Although the steps in the process are common to all risk categories, each category requires a tailored approach for risk identification, assessment and management that is adapted and relevant to its specificities. In addition, the management of these risks is supported by a strong risk management culture across the organization. This culture can be defined as the behaviours adopted by Company employees, who observe and apply the principles of the integrated risk management framework to their day-to-day activities. These behaviours are also governed by respect for ethics and transparency in decision-making. The culture and these behaviours make up the solid common foundation for the Company's risk management activities.

Insurance Risk

Insurance risk is the risk of financial loss due to unexpected changes in pricing or reserving assumptions such as severity, frequency, trend, volatility, or level of occurrence rates. This category includes, among other things, the following risk factors:

Policyholder Behaviour – Risk that policyholders' actions, including lapses and surrenders, differ adversely from what was expected.

Mortality – Risk that mortality rates deviate adversely from what was expected

Morbidity – Risk of actual disability, sickness and medical expense benefit amounts being higher than the expected benefits.

Expenses – Risk of an increase in future expenses for insurance business related to the administration of in-force contracts, renewal commissions, general expenses, and taxes.

Other Insurance Risks – The Company is also exposed to other insurance risks, which do not have a significant impact on the Company's financial statements.

Insurance risk can occur at different stages in a product's life, either during product design and pricing, during underwriting or claims settlement, or when calculating the net insurance contract liabilities (assets). The Company has implemented controls and processes at each of these stages to ensure appropriate management of insurance risk.

Every year, the appointed actuary of Industrial Alliance Insurance and Financial Services Inc., a subsidiary of the Company, values the policy liabilities for the Company's financial statements prepared in accordance with IFRS. He also ensures that the valuation conforms to accepted actuarial practice in Canada and that the Company's financial statements fairly present the results of the valuation.

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Sensitivity Analysis – The significant assumptions used in the valuation of insurance contracts are policyholder behaviour, mortality, morbidity and expenses. The following sensitivity analysis shows the immediate impact on net income and equity, as well as on the contractual service margin, of a reasonably possible permanent deterioration in these assumptions, which have the greatest impact on the estimates of future cash flows with all other assumptions unchanged. This analysis presents the sensitivities both before and after risk mitigation by reinsurance contracts. An improvement of the same percentage in those assumptions would have a similar impact, but in the opposite direction.

Immediate Sensitivity of Significant Assumptions Used For the Valuation of Insurance Contract Liabilities (Assets) Gross and Net of Reinsurance[1]

	As at December 31,2024			
	Net income and Equity		Contractual service margin	
(In millions of dollars)	Gross	Net	Gross	Net
Policyholder behaviour				
Impact of 10% deterioration[2]	(45)	(60)	(560)	(580)
Mortality				
Impact of 2% deterioration for insurance products[3]	(65)	(10)	(275)	(140)
Impact of 2% deterioration for annuity products[4]	—	—	(50)	(45)
Morbidity				
Impact of 5% deterioration[5]	(40)	(45)	(105)	(65)
Expenses				
Impact of 5% deterioration[6]	(5)	(5)	(115)	(115)

	As at December 31,2023			
	Net income and Equity		Contractual service margin	
(In millions of dollars)	Gross	Net	Gross	Net
Policyholder behaviour				
Impact of 10% deterioration[2]	—	5	(525)	(580)
Mortality				
Impact of 2% deterioration for insurance products[3]	(35)	(45)	(270)	(65)
Impact of 2% deterioration for annuity products[4]	5	—	(45)	(40)
Morbidity				
Impact of 5% deterioration[5]	(35)	(35)	(90)	(55)
Expenses				
Impact of 5% deterioration[6]	—	—	(100)	(100)

For more information on the management of insurance risk, notably on controls and processes to manage insurance risk, refer to Note 13 “Management of Insurance Risk” of the Company’s December 31, 2024 Audited Consolidated Financial Statements.

Market Risk

The Company is exposed to market risk, which is the risk of financial loss due to unexpected changes in the level or volatility of market prices of assets and liabilities. This category includes, among other things, interest rate risk, credit spread risk, basis risk, equity risk and exchange rate risk.

The Company has established a Risk Appetite and Tolerance Statement along with investment policies that contain a variety of quantitative measures designed to limit the impact of these risk factors. The statement and policies are reviewed periodically, and any modifications are submitted to the Board of Directors for approval. Investment management policy and investment policy compliance are monitored regularly, and the results are reported to the Board of Directors’ Investment Committee at least quarterly.

1 These sensitivities are rounded to the nearest 5 million dollars and represent immediate impacts of a change in assumptions. They are also adjusted to reflect the adjustability of products, when applicable.
2 Assuming 90% of the expected lapse rates for lapse-supported products and 110% of the expected lapse rates for other products.
3 Assuming 102% of expected mortality rates for products where an increase in mortality rates increases insurance contract liabilities (assets).
4 Assuming 98% of expected mortality rates for products where a decrease in mortality rates increases insurance contract liabilities (assets).
5 Assuming 95% of the expected termination rate when the insured is or becomes disabled and 105% of the expected occurrence rate when the insured is active.
6 Assuming 105% of expected expenses for servicing and maintaining in-force policies.

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Interest Rate Risk and Credit Spread Risk – One of an insurer's fundamental activities is to invest client premiums for the purpose of paying future benefits, whose maturity date may be uncertain and potentially a long time in the future, such as death benefits and annuity payments. Interest rate risk is the risk of mismatch between the impact of interest rates on assets and liabilities. Credit spread risk is the risk of changes in the value of investments and other assets resulting from changes in the credit spread. These can occur if the asset cash flows cannot be reinvested at high enough interest rates compared to the interest rates and implied credit spreads on the corresponding liabilities, or if an asset needs to be liquidated in order to replicate the liability cash flows and therefore a loss in market value of the liquidated asset occurs due to rising interest rates or rising credit spreads. These risks depend on the Company's asset allocation, asset/liability positioning, as well as external factors that have a bearing on the markets, the nature of the built-in product guarantees and the policyholder options.

To mitigate these risks, the Company has developed a liability replicating process that considers the characteristics of the financial liabilities associated with each type of annuity and insurance product. Some of the important factors considered in the replicating process include the structure of projected cash flows and the degree of certainty with regard to their maturity, the type of return (fixed or variable), the existence of options or guarantees inherent in the assets and liabilities, and the availability of appropriate assets in the marketplace. This replication process then allows the Company to determine and select investment strategies to meet its overall risk-adjusted return objectives within its various risk appetite and tolerance limits.

Investment strategies are defined based on the characteristics of the financial liabilities associated with each product. Two of the Company's key strategies are described below.

1› **Total Portfolio Management (TPM) Strategy**

This strategy relates to the vast majority of the Company's general fund insurance contract liabilities (assets) and investment contract liabilities and deposits. It encompasses, among other things, individual and group insurance products, annuities, and guaranteed interest accounts. It mainly covers liabilities of all maturity types and liability cash flow structures. For this category, the Company advocates an investment management strategy designed to optimize the long-term returns on the assets while maintaining strict asset/liability replicating criteria. Among other things, liability replicating portfolio techniques are used and combined with key rate and credit spread duration replicating limits to mitigate overall risk exposures. The Company has established interest rate risk and credit spread risk limits in its Risk Appetite and Tolerance Statement. Diversification is a key principle and belief guiding the overall asset allocation and exposure limits.

The Company uses high-quality assets, primarily made up of long-term fixed income securities (government, corporate and private debt) and non-fixed income assets (private equity, investment property, infrastructure, common and preferred shares, market indices, market index options and investment fund units), to optimize the risk and return of this liability category. Derivative financial instruments can also be utilized to improve the portfolio's asset/liability positioning or its risk-adjusted return. The asset allocation aims to achieve an optimal return, taking into account capital requirements, expectations regarding the interest rate structure and performance of the stock markets. At the same time, the strategy takes into account the constraints imposed by the Risk Appetite and Tolerance Statement and investment policies.

2› **Universal Life Policy Accounts Strategy**

This strategy relates to the pass-through and participating products and to the Company's general fund insurance contract liabilities (assets) linked to Universal Life policy accounts. The returns on these liabilities are determined on the basis of a market or portfolio index. For these liabilities, the replicating process is carried out using assets whose characteristics correspond to those of the liabilities, or to those of the benchmark index, to strictly replicate the returns credited to the underlying accounts.

For managed index accounts and managed accounts where the return varies based on a fund or an index, the impact on net income of a change in the stock markets applied to the assets would be negligible, since an equivalent change would be applied to the corresponding liabilities.

The Company estimates interest rates beyond 30 years since ultimate discount rates are not observable on the market. To establish a discount rate curve, an ultimate discount rate is set and a grading methodology is applied between the last point of the observable data and the ultimate discount rate. An ultimate discount rate represents the sum of two assumptions: an ultimate risk-free rate and an ultimate illiquidity premium. Both assumptions may change from time to time and such variations have an effect on the net income of the Company.

Equity Risk – Equity risk represents the risk of changes in the value of investments and other assets due to fluctuations in stock market parameters. The Company is exposed to this risk in various ways as part of its regular operations, through the income on assets held in the general fund, the effects on insurance contract liabilities (assets) of Universal Life policy funds and of segregated fund products, and net revenues on assets under management and on assets under administration.

In order to ensure sound management of the market exposure, the investment policies define quantitative and qualitative limits for the use of non-fixed income assets (public equity, private equity, investment properties and infrastructure). The target asset mix in the form of non-fixed income assets is designed to maximize the Company's risk-adjusted returns.

The investment policies allow the Company to use derivative financial instruments. The use of these instruments, however, must comply with the investment policy limits, including a minimum credit rating for the counterparty financial institution.

During the year ended December 31, 2024, derivative financial instruments were used as part of yield enhancement strategies. The use of market index options allows the Company to maintain exposure to stock markets while limiting potential financial losses. They were also used as part of the dynamic hedging program for segregated fund guarantees and to hedge the risk associated with Universal Life policy funds.

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Segregated Funds Risk – Segregated funds expose the Company to significant interest rate risk, credit spread risk, equity risk and, to a lesser extent, exchange rate risk.

A segregated fund is a type of investment similar to a mutual fund, but which generally includes a guarantee in the event of death and a guarantee at maturity. Some products may also offer a guarantee for partial withdrawals. Due to volatility mainly from interest rates, credit spreads and stock markets, the Company is exposed to the risk that the market value of the segregated funds will be lower than their guaranteed minimum value at the time the guarantee comes into effect and that it will then have to compensate the investor for the difference in the form of a benefit. In order to get an overview of its exposure to the risk associated with the segregated fund guarantees, the Company monitors the net amount at risk, which is the amount, at a given point in time, by which the guaranteed minimum value exceeds the market value for all contracts in this situation. The net amount at risk does not constitute a payable benefit as such but rather an estimate of the amount at risk. This is because benefits that might have to be paid in the future will depend on various eventualities, including market performance, contract holder longevity and behaviour.

The following table provides information on risk exposure from segregated fund assets under management in the Individual Wealth Management business unit. The risk exposure from segregated fund assets under management in the Group Savings and Retirement business unit do not have a significant impact on the Company's financial statements.

Individual Wealth Management Segregated Fund Assets Under Management

	As at December 31	
(In millions of dollars)	**2024**	**2023**
Assets under management	34,294	26,651
Guaranteed minimum value	25,000	21,518
Value of assets underlying significant guarantees[7]	6,256	6,041
Value of assets underlying minimum guarantees[8]	28,038	20,610

In order to mitigate some of the risk associated with this exposure, the Company has set up a dynamic hedging program. All contracts with significant guarantees are covered under the hedging program. For some of these contracts issued before the hedging program was in place, the Company assumes 10% of the risk for the guarantees at maturity. There is limited risk for guarantees at death and minimum guarantees, so the Company has decided not to include them in its dynamic hedging program.

The dynamic hedging program involves short selling futures contracts on market indices traded on stock exchanges, as well as concluding agreements for forward exchange contracts for currencies traded on stock exchanges, interest rate swaps and internal total-rate-of-return swaps for indices traded on stock exchanges. This program is used to hedge a significant portion of the sensitivity of net income to the performance of the bond and equity funds and to the interest rate fluctuations arising from the segregated fund guarantees. In order for the Company's strategy to adequately cover the risks related to the hedged guarantees, a dynamic rebalancing of the hedging instruments is carried out based on changes in financial market conditions.

Under the dynamic hedging program, the value of the liabilities associated with the guarantees is updated several times per day to reflect differences between expected experience and actual results. In the process of calculating expected experience, the Company uses certain assumptions regarding policyholder longevity and future redemptions. The redemption assumption, however, has certain limitations. The timing and size of the withdrawals and fund transfers cannot be hedged using derivative financial instruments since these are factors decided by the contract holder, and adverse deviation from expected experience can alter the quality of the hedge.

The dynamic hedging program is not designed to completely eliminate the risks associated with the hedged guarantees. A number of factors can alter the quality of the hedge and potentially lead to a gain or loss on the income statement. The hedging program itself entails certain risks that may limit the program's effectiveness, in particular:

- The program is based on dynamic rebalancing of the derivative hedging instruments. A decrease in the liquidity of these instruments would have an adverse impact on the effectiveness of the program.
- The use of derivative hedging instruments entails a counterparty risk, which is mitigated by the presence of collateral agreements whose net settlement is carried out on a daily basis.
- There may be a favourable or unfavourable variance between the returns realized on the segregated funds and those realized on the hedge positions held to cover the guarantees associated with these funds.

The variations in the economic worth of the liabilities are largely offset by variations in assets held under the hedging program. In the last eight quarters, the quarterly effectiveness of our dynamic hedging program has fluctuated between 88.4% and 95.6% depending on the volatility of the financial markets. In addition, it has had an excellent effectiveness rate of 93.0% since it was implemented in October 2010.

Exchange Rate Risk – Exchange rate risk represents the risk of changes in the value of investments and other assets due to unexpected changes in the level or volatility of currency exchange rates. The Company is exposed to this risk in various ways as part of its regular operations, through its investments and other assets held or exposed to, denominated in foreign currency; its revenues and expenses denominated in foreign currency; and its insurance contract liabilities denominated in foreign currency.

[7] Represents the value of assets underlying guarantees at maturity with a significant level of risk, or withdrawal guarantees.
[8] Represents the value of assets for which the risk of the guarantees is limited and which the Company has decided not to include in the dynamic hedging program.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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 Company has adopted a policy to avoid exposing itself to material exchange rate risk. To this end, liabilities are generally replicated with assets expressed in the same currency; otherwise, derivative financial instruments are used to reduce net currency exposure.

To protect itself against exchange rate risk, the Company also uses hedge accounting to limit the impact of changes in equity, primarily with respect to net investment in foreign operations that has a different functional currency from the Company's functional currency. Disclosure on hedge accounting is presented in Note 8 "Derivative Financial Instruments" of the Company's audited consolidated financial statements. Residual exchange rate risk does not have a significant impact on the Company's financial statements and can be assessed in the Consolidated Comprehensive Income Statements.

Market Risk Immediate Sensitivities

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 (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.

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, it analyzes and discloses its sensitivities on a net basis.

Immediate Impact of an Immediate Parallel Shift of Interest Rates

	As at December 31, 2024		As at December 31, 2023	
(In millions of dollars, unless otherwise indicated)	50 basis point decrease	50 basis point increase	50 basis point decrease	50 basis point increase
Net income[9]	—	(25)	—	(25)
Equity[9,10]	(25)	25	(50)	25
Contractual service margin[9,11]	(25)	25	(25)	25
Solvency ratio[12]	0.5%	(0.5%)	(1.5%)	1.0 %

Immediate Impact of an Immediate Parallel Shift of Corporate Bond Credit Spreads

	As at December 31, 2024		As at December 31, 2023	
(In millions of dollars, unless otherwise indicated)	50 basis point decrease	50 basis point increase	50 basis point decrease	50 basis point increase
Net income[9]	—	—	—	(25)
Equity[9,10]	(75)	50	(75)	50
Contractual service margin[9,11]	—	—	—	—
Solvency ratio[12]	(1.0%)	0.5%	(1.5%)	1.5%

9 These sensitivities are rounded to the nearest 25 million dollars.
10 The impact on equity includes the impact on net income and the remeasurement impact of post-employment benefits.
11 The impact on contractual service margin is before tax.
12 These sensitivities are rounded to the nearest 0.5 percentage point.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Immediate Impact of an Immediate Parallel Shift of Provincial Government Bond Credit Spreads

	As at December 31, 2024		As at December 31, 2023	
(In millions of dollars, unless otherwise indicated)	50 basis point decrease	50 basis point increase	50 basis point decrease	50 basis point increase
Net income[13]	(25)	25	(25)	25
Equity[13,14]	—	—	—	—
Contractual service margin[13,15]	(100)	75	(100)	75
Solvency ratio[16]	0.5 %	(0.5%)	0.5%	(0.5)%

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.

Immediate Impact of an Immediate Change in Ultimate Discount Rate Assumption Used For the Valuation of Insurance Contract Liabilities (Assets)

	As at December 31, 2024		As at December 31, 2023	
(In millions of dollars, unless otherwise indicated)	10 basis point decrease	10 basis point increase	10 basis point decrease	10 basis point increase
Net income[17]	(50)	50	(50)	50
Equity[17]	(50)	50	(50)	50
Contractual service margin[15,17]	—	—	—	—

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, it analyzes and discloses its sensitivity on a net basis.

Immediate Impact of an Immediate Change in Public Equity Market Values[18]

	As at December 31, 2024			
(In millions of dollars, unless otherwise indicated)	25% decrease	10% decrease	10% increase	25% increase
Net income[13]	(150)	(100)	100	150
Equity[13,14]	(250)	(125)	125	225
Contractual service margin[13,15]	(675)	(275)	250	600
Solvency ratio[16]	1.0%	1.0%	(1.0%)	(1.0%)

	As at December 31, 2023			
(In millions of dollars, unless otherwise indicated)	25% decrease	10% decrease	10% increase	25% increase
Net income[13]	(150)	(75)	100	200
Equity[13,14]	(225)	(100)	125	275
Contractual service margin[13,15]	(500)	(200)	175	450
Solvency ratio[16]	1.0%	0.5%	(1.0%)	(2.0%)

In order to measure its public equity sensitivity, the Company examined the impact of a 10% market variance at the end of the year, 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.

13 These sensitivities are rounded to the nearest 25 million dollars.
14 The impact on equity includes the impact on net income and the remeasurement impact of post-employment benefits.
15 The impact on contractual service margin is before tax.
16 These sensitivities are rounded to the nearest 0.5 percentage point.
17 These sensitivities are rounded to the nearest 10 million dollars.
18 Preferred shares are excluded from the scope of these sensitivities' analysis.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

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.

Immediate Impact of an Immediate Change in Private Non-Fixed Income Assets' Market Values (Private Equity, Investment Property and Infrastructure)

	As at December 31, 2024		As at December 31, 2023	
(In millions of dollars, unless otherwise indicated)	10% decrease	10% increase	10% decrease	10% increase
Net income[19]	(275)	275	(275)	275
Equity[19,20]	(300)	300	(300)	300
Contractual service margin[19,21]	—	—	—	—
Solvency ratio[22]	(1.0%)	1.0%	(1.5%)	1.5%

Market Risk Core Earnings Sensitivities

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.

Market Risk Core Earnings Sensitivities – An analysis of the Company's sensitivity to an immediate change in various factors is presented below. Each sensitivity assumes that all other assumptions and factors remain unchanged.

Impacts estimated below are mainly attributable to the following revenues and expenses that are directly impacted by the level of market indicators:

- expected return on non-fixed income asset investments;
- CSM recognition in earnings for segregated fund products;
- net revenues on assets under management (mutual funds) and on assets under administration (wealth management distribution affiliates); and
- expected return on fixed income assets and on expected liability finance expense.

19 These sensitivities are rounded to the nearest 25 million dollars.
20 The impact on equity includes the impact on net income and the remeasurement impact of post-employment benefits.
21 The impact on contractual service margin is before tax.
22 These sensitivities are rounded to the nearest 0.5 percentage point.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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.

Impacts of Future Quarter Core Earnings as at December 31, 2024

Core Earnings† Sensitivities				
(as at December 31, 2024)	**Business segment**	**Variation**	**Impact on future quarter core earnings†,[23]** *$M after tax*	**Description of shock**
Public equity[24]	Investment	+5%	0.4	Immediate +5% change in market values
		-5%	(0.4)	Immediate -5% change in market values
	Wealth Management	+5%	4.0	Immediate +5% change in market values
		-5%	(4.3)	Immediate -5% change in market values
Private non-fixed income (NFI) assets[25]	Investment	+5%	3.1	Immediate +5% change in market values
		-5%	(3.1)	Immediate -5% change in market values
Interest rates	Investment	+10 bps	0.4	Immediate parallel shift of +10 bps on all rates
		-10 bps	(0.5)	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	0.1	Immediate parallel shift of +10 bps
		-10 bps	—	Immediate parallel shift of -10 bps

These impacts represent impacts on core earnings for the next quarter. Impacts on the level of core earnings will be similar for future quarters if future equity market returns are as expected and if interest rates are stable. Moreover, core earnings for the current quarter would also be impacted by market movements during the current quarter, but only for these two effects: effect on CSM recognition in earnings for segregated fund products and effect on net revenues on assets under management (mutual funds) and on assets under administration (wealth distribution affiliates).

These core earnings sensitivities should be used with caution to estimate impacts of market movements as they do not reflect diversification between these risk factors, potential future management actions and investment portfolio re-optimization.

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. This risk originates mainly from credit granted in the form of loans and corporate bonds, but also from exposure to derivative financial instruments and to reinsurers that share the Company's policyholder commitments.

The Company uses derivative financial instruments under its investment policies. Some of these contracts are used to replicate assets and liabilities and to manage financial risk. They are primarily used to mitigate credit risk, as well as risks associated with fluctuations in interest rates, exchange rates, and stock markets.

The derivative financial instruments used expose the Company to credit risk due to the presence of counterparties involved. As indicated earlier, the counterparties for derivative financial instruments must meet certain well-defined criteria, and collateral exchange agreements to offset daily variation margins have been reached with these institutions in accordance with industry norms and standards, in order to minimize and control the credit risk.

Credit risk can also occur when there is a concentration of investments in entities with similar characteristics or that operate in the same sector or the same geographic region, or when a major investment is made in one entity. More information about concentration risk is presented in Note 7 "Management of Financial Risks Associated with Financial Instruments and Insurance Contracts" of the audited consolidated financial statements as at December 31, 2024.

The Company's investment policies aim to mitigate concentration risk by promoting the sound diversification of investments, limiting exposure to any one issuer and seeking a relatively high quality of issuers. Portfolio construction criteria also include limits by groups of related issuers, by activity sector and by geographic region. These limits depend on the credit quality of the issuers.

The Company also has a risk management guideline and a credit risk policy that stipulate the management of impaired loans and the assignment of internal credit ratings for investments that do not have a credit rating assigned by a recognized rating agency. The policies and procedures in place establish certain selection criteria and define the credit authorization limits based on the scope and degree of risk. In order to manage the credit risk associated with these investments, the Company may require collateral, particularly for loans or commercial mortgages.

Lastly, although reinsurance agreements provide for the recovery of claims arising from the liabilities ceded, the Company retains primary responsibility to its policyholders, and is therefore exposed to the credit risk associated with the amounts ceded to reinsurers. This risk category includes residual insurance risk, legal risk, counterparty risk and liquidity risk resulting from reinsurance operations. To limit this risk, the Company applies the processes and criteria prescribed in its reinsurance risk management corporate policy, such as conducting due diligence on the selected reinsurers and limiting the concentration of risks. The Company's reinsurance agreements are diversified, so that the Company is not dependent on a single reinsurer and the Company's operations are not substantially dependent upon any single reinsurance contract.

[23] Impacts on core earnings† for the next quarter.
[24] Excluding preferred shares.
[25] Private equity, investment property and infrastructure.

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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.

Liquidity Risk

Liquidity risk represents the risk of not being able to release its investments and other assets in a timely manner to meet its financial obligations, including collateral requirements, as they come due. The Company is exposed to this risk mainly through benefits payable under the insurance contracts in force or through its wealth management activities; cash outflows needed for the acquisition or during the holding period of its investments; the amounts of collateral to be paid to its counterparties in respect of its derivatives contracts; and other corporate needs related to the Company's capital structure or its strategic and business objectives. The non-availability (total or partial) of liquidity sources is also a component of this risk.

The Company has established a liquidity risk management corporate policy that contains multiple metrics, time horizons, and concentration measures, to ensure sound and prudent management of its liquidity risk and to monitor its liquidity position under different market conditions. In order to maintain an appropriate level of liquidity, the Company ensures that it holds a good proportion of its assets in highly liquid securities. In addition, a number of scenarios are analyzed to ensure that the Company will be able to meet its commitments in various extreme situations. The policy is reviewed periodically, and any modifications are submitted to the Board of Directors for approval. Compliance with the policy is monitored regularly, and the results are reported to the Board of Directors' Investment Committee at least quarterly.

The risk associated with benefits payable under insurance contracts is managed through replicating assets with financial liabilities as well as strict cash flow management.

The use of derivatives requires that securities be sent as collateral to clearing houses and derivative counterparties in order to mitigate the credit risk. Simulations are carried out to measure the liquidity needs that could arise due to interest rate and stock market turmoil in order to assess the liquidity that needs to be maintained to meet those requirements.

Given the quality of its investment portfolio, and despite financial market volatility, the Company believes its current liquidity level to be adequate.

Strategic Risk

Strategic risk is the risk that internal or external decisions or events prevent the Company from achieving its business plan and/or its strategic initiatives including merger, acquisition and divestiture initiatives, and thus hinder the achievement of its strategic objectives. Strategic risk can therefore arise internally, from challenges in executing strategic initiatives, or from the inability to fulfill mandate and achieve strategic objectives. Strategic risk can also arise from external causes, such as:

Risk Associated with the Business Environment – Several business units operate in highly competitive sectors. There is a risk that competitive pressures or changes in client needs and spending habits could lead to increased pressure on the business model and have an adverse effect on the Company's results if it doesn't adapt accordingly. The business planning and related strategic objectives are reassessed annually through a rigorous and robust process that ensures the Company considers potential changes in the business environment.

Risk Associated with the Economic Environment – Economic changes, such as a deterioration in financial market conditions, could increase pressure on the business model or adversely affect the Company's profitability, financial strength, and access to capital. Stress testing with various economic scenarios, periodic revision of credit and market risk appetite and tolerance limits, and credit risk monitoring are examples of processes the Company has in place to ensure its resilience to the economic environment.

Risk Associated with the Legal or Regulatory Environment – The Company is subject to a vast number of laws and regulations. As a result, legislative and regulatory changes, and increased regulatory scrutiny, could mobilize significant resources. The Company is continuously monitoring its legal and regulatory environment to guarantee ongoing compliance.

Risk Associated with the Political and Social Environment – Political events or decisions could have an adverse impact on the relevance of the Company's products or its profitability. Ongoing surveillance of macroeconomic indicators and geopolitical events is conducted to ensure the Company can adapt to its political and social environment.

Risk Associated with the Technological Environment – Not adapting well to changes in the technological environment could impact the integrity of the Company's information systems and technology infrastructure or generally disrupt its business plan. The Company continuously explores the potential introduction of innovative technological solutions, such as artificial intelligence, to enhance operational efficiency and the organization's relevance in its competitive environment. The information technology governance and controls framework allows oversight of risks underlying the information technology strategy. By its nature, strategic risk is impacted by both external factors related to the impact of unanticipated external events on the Company, and internal factors related to poor handling of external impacts or poor execution of the business plan. All segments of the Company keep informed and monitor changes in the competitive, economic, technological, legal, or regulatory environment, in order to anticipate potential impacts on their activities and to consider potential responses should these changes occur.

Strategic risk management also consists in identifying the risks of strategic initiatives, including acquisition and divestiture initiatives, upstream of their execution; assessing their potential impact on the risk limits defined in the Risk Appetite and Tolerance Statement, particularly on the internal target level and the core internal target level of the solvency ratio; continuously monitoring strategic risks for activities of a strategic nature to measure their evolution; and disclosing this risk assessment to senior management and appropriate governance bodies on a periodic basis. In addition, senior management reassesses current and emerging strategic risks annually or more frequently, if required. During the sectors' annual strategic planning exercise carried out across the organization, these risks are analyzed to determine their impact on the Company's strategy and, conversely, to identify whether additional strategies are needed to manage or mitigate the risks.

During the 2024 review of strategic and emerging risks, the following identified risks were confirmed and the strategies in place for managing them were reviewed.

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Cybersecurity, Data Protection and Readiness – Despite sustained prioritization of information security risks, their significance will carry into 2025 due to the growing complexity of cyberattacks, along with the persistent insider threat of personal data theft. This necessitates continuous investment to maintain and enhance the effectiveness of information security capabilities (see the "Technology, Data, and Information Security" section below for more information). Moreover, to keep abreast of rapidly evolving technological trends, including artificial intelligence, data readiness will prove crucial to ensure that rapid advancements in technology don't outpace our ability to adapt. The Company must consequently prioritize data-related risks to facilitate the achievement of strategic objectives.

Operational Efficiency Amid Rapidly Evolving External Conditions – In a constantly changing environment, there is a risk that the Company may not evolve swiftly enough to stay relevant and competitive, whether due to the rapid pace of technological innovations or the growing number of new regulatory requirements and scrutiny. To sustain its success and achieve its objectives, the Company must maintain its growth trajectory and execute its strategic plan by prioritizing high-value initiatives. Additionally, it must deploy capital for acquisitions, integrate these acquisitions, and realize the expected synergies from new subsidiaries, all while adapting to its environment. In this context, operational efficiency and close monitoring of strategic risks will be pivotal in ensuring that revenues outpace expenses and that strategic objectives are achieved.

Economic and Financial Instability Amid Geopolitical Tensions – Economic and financial instability, driven by geopolitical tensions such as the Ukraine war, Middle East conflicts and other global conflicts, as well as China tensions, could cause global market volatility. In addition, trade barriers, such as potential and actual tariffs by the U.S., could shift global growth and trade patterns and have a ripple effect on supply chains, potentially further disrupting markets. These events, among others, could lead to reduced consumer and investor confidence, significant financial volatility, or limited growth opportunities. Political instability in Canada and potential early elections add to the uncertainty.

Operational Risk

Operational risk is the risk of loss arising from deficiencies or errors attributable to processes, people, systems or external events.

This risk is present in all the Company's activities and is organized around the following risk categories: financial reporting, human resources, physical security, fraud, technology, data and information security, processing, third parties, business continuity, model, and ethical risk related to the use of artificial intelligence. The impact of one of these risks occurring can take the form of financial losses from regulatory fines and penalties, legal costs, missed financial gains, or additional expenses, for example, as well as commercial relationship or reputational damage, diversion of resources or additional regulatory scrutiny.

To manage operational risk, the Company emphasizes proactive management practices by ensuring that appropriate and effective internal controls are in place and by utilizing competent, well-trained employees at all levels. The Company also makes it a priority to revise its policies and develop stricter standards, when appropriate, to account for changes in its operations and environment.

In addition, through its enterprise and operational risk management frameworks, the Company has developed standard tools in order to identify, assess, manage, monitor, and report operational risks.

Financial Reporting – This risk refers to the risk of not preparing internal and external financial reports that fully and accurately reflect financial results. The Company maintains an ongoing control evaluation program in order to issue the certification required by the regulatory authorities with respect to the financial information presented in the Company's annual and interim filings (certification under Multilateral Instrument 52-109). Under this program, the managers of each business segment evaluate and test the controls in their sector, following which a designated team verifies the quality of the controls and the conclusion of the managers' evaluation. A summary report is submitted quarterly to the Audit Committee, which then reports the results of the evaluation to the Board of Directors. The certification of the financial information presented in the annual and interim filings is submitted quarterly in the prescribed format. This certification is available on SEDAR+ and on the Company's website.

Human Resources – Human resources are an essential component in the realization of the Company's strategic plan and the implementation of business and operational risk management strategies. Human resources risk is the risk of loss resulting from a shortage of competent, motivated, and engaged resources (due to capacity, employment practices and the working environment, respectively) to carry out the operational activities needed to support the organization's growth. In this regard, the Company follows best practices and has a code of business conduct in addition to well-defined policies and procedures with respect to compensation, recruitment, training, employment equity, diversity, and occupational health and safety. These policies are continually kept up to date in order to attract and retain the best candidates at every level of the Company. The Company shows its concern for its employees' quality of life by offering programs that promote a healthy lifestyle and adopting various measures designed to improve the work environment.

Physical Security – Physical security risk is the risk of failure in the protection and physical security of goods and people (employees, customers, or others) when they are in or around the Company's premises or during the Company's activities. iA Financial Group has several measures in place in corporate buildings to reduce exposure to this risk, such as video surveillance, motion detection, alarms, and electronic access control systems, as well as sensors to detect fire, water, humidity, and heat.

Fraud – Fraud risk is the risk of dishonest conduct resulting in the Company suffering financial loss, disposing of property, or providing a service as a result of deception, deceit, breach of trust or similar fraudulent means. Benefits may be in the form of cash, cash equivalents, or physical assets. To mitigate this risk, the Company has implemented a corporate policy promoting a culture of integrity. The Company also has a monitoring program as well as a segregation of duties process that aims to prevent and detect fraud situations within the Company.

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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.

Technology, Data and Information Security – With an evolving technological landscape, financial institutions like iA Financial Group constantly aim to enhance clients' experience while protecting their information and providing the best possible return on investment for its investors. At the same time, cyber threats have increased, impacting financial position and reputation, and disrupting business activities. Artificial intelligence, while advancing customer service, predictive analysis, and regulatory compliance, also introduces new complexities to cybersecurity, information technology asset resiliency and data readiness.

Our technology, data, and information security functions strive to continually enhance their strategies, policies, processes, and operations to take effective and preventive measures to align with industry standards and best practices. Technology incident management and controls to detect and manage cyber threats were strengthened in 2024, and a comprehensive data strategy was formalized. These measures are monitored for their effectiveness and are complemented by awareness-raising campaigns and training for all Company employees.

The Chief Information Officer, Chief Data Officer, and Chief Information Security Officer manage resources and services that focus on identifying, preventing, detecting and eliminating threats and vulnerabilities against the Company's technological assets and operations for business sectors. The Chief Risk Officer oversees the risk management function, which spans the entire organization, ensuring oversight and comprehensive coverage of technology, data and information security risks.

In an era of rapidly evolving technology threats, especially with the advent of artificial intelligence, the potential for internal and external malicious actions is amplified. Coupled with a constantly transforming business and regulatory landscape, it becomes challenging to identify and pre-empt all potential technology, data, and information security risks. Hence, our monitoring, oversight and reporting on our risk posture, emerging risks, incidents, and metrics allow for a proactive stance and enable the Company to refine its risk mitigation strategies accordingly.

Processing – Processing risk is the risk of error, omission, or failure when processing a transaction. This risk is linked to the day-to-day processing of transactions and is mitigated by various measures such as employee training on their activities, peer validation and quality control. In addition, the implementation of key performance indicators enables the Company to monitor compliance with processing deadlines.

Third-Party – Third-party risk is the risk of third parties failing to provide goods, business activities or services and therefore exposing the Company to multiple negative outcomes. The third-party risk scenarios may include insolvency, operational disruption of the third party, geopolitical tensions, breaches or loss of data or corruption.

Business Continuity – This risk refers to the inability to maintain prioritized activities, through inaccessibility to workplaces, loss of key employees, unavailability of systems, applications or connectivity, loss of critical third-party providers, or interruption of processes and services. The Company's business continuity management framework considers all potential risks it may be exposed to through a consequence-based approach. The Company has also adopted a hybrid operating model that combines remote with onsite work. Business continuity plans have been implemented throughout business units to ensure continued service delivery at acceptable predefined levels following events that may disrupt activities. Business continuity plans and related procedures are reviewed and tested on a regular basis.

With respect to disruption management, a structure and processes are in place within the Company to ensure that events that could impact its activities are quickly identified and managed. Depending on the significance of these events, a multidisciplinary, management-level committee oversees the response and ensures consistency throughout the Company.

Model – The Company is exposed to model risk, which is the risk of inappropriate design, implementation and/or use of a model. While the use of data and models generates value for the Company and offers significant opportunities for the future based on business and artificial intelligence, it also introduces the risk that a loss might occur or inappropriate decisions might be made due to modelling deficiencies or limitations, improper implementation or utilization, inaccurate or inappropriate data, or incorrect assumptions. To reduce this risk, the Company has developed a Model Risk Governance Framework and created a model inventory in order to identify the risk level of models across the Company. As the framework is being deployed across the Company, awareness and training are in progress and independent validation will be performed on models with the most elevated risk.

Ethical Risk Related to the Use of Artificial Intelligence – Recent advancements in artificial intelligence provide significant opportunities, while having the potential to increase existing risks and introduce new ones. Ethical risk related to the use of artificial intelligence systems has been introduced into the Risk Taxonomy. It is defined as the risk of making decisions or executing processes in a manner that is morally controversial, unethical or in violation of social norms or values, resulting from the use of artificial intelligence systems. To make sure the Company benefits from this technology while adequately measuring the risks involved, an Artificial Intelligence Risk Management and Governance Framework has been developed in the past year. All these measures aim to enable the Company to leverage this technological advancement while proactively fostering a culture that promotes the responsible use of artificial intelligence.

Legal and Regulatory Risk

The Company is subject to a complex legal and regulatory environment that ensues from the provinces and territories of Canada and the various U.S. states where it conducts business. It is also supervised by various regulatory bodies and must ensure compliance with all applicable laws and regulations.

Legal and regulatory risk arises from the possibility that the Company will be negatively impacted by a change in legislation or regulations, or will fail to comply with applicable laws and regulations in the jurisdictions where it operates.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section and the "Reconciliation of Select Non-IFRS Financial Measures" section in this document for relevant information about such measures and a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure.
†† 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 Company has adopted a Regulatory Risk Management Corporate Policy that is an integral part of the risk management framework and is used as the foundation for a regulatory risk management program. It aims to ensure that the Company carries out its activities while meeting the applicable regulatory requirements, based on its level of tolerance for legal and regulatory risks. Other policies have also been adopted within the regulatory risk management program to address specific regulatory risks such as anti-money laundering, fair treatment of customers, or privacy in order to provide tailored governance and monitoring.

The Company has implemented a compliance function which falls under the responsibility of the Chief Compliance Officer. The Chief Compliance Officer is responsible for coordinating the program within the Company and ensuring that it is implemented and enforced in all business units. Business compliance officers are responsible for ensuring that corporate compliance standards are implemented within their business units. They are also responsible for developing and implementing a regulatory risk management strategy specific to their business unit.

To ensure the sound management of legal and regulatory risk, the Company uses a methodology that focuses on identifying, assessing, and quantifying risk and putting effective, efficient and appropriate controls in place in its day-to-day activities. The Company's assessment of legal and regulatory risk includes the potential impacts on its operations and reputation, among other things.

The Company monitors new regulatory risks and communicates them to the appropriate business units to ensure that any controls required to comply with new laws or guidelines are put in place in a timely manner. More generally, the Company emphasizes ongoing communication to remind employees of the importance of legal and regulatory compliance issues.

Climate Risk

Climate change, and the vulnerabilities it entails, could have direct or indirect adverse impacts on all risk categories of the taxonomy. Climate risk encompasses physical risks and transition risks. Physical risks refer to risks arising from extreme weather events such as floods, forest fires, drought, or severe storms (high or acute physical hazards) or longer-term climate changes such as sustained temperature rises (chronic physical hazards), while transition risks refer to risks related to the process of adjusting to a low carbon economy. As a transversal risk, climate risk is likely to amplify the probability of occurrence and/or the impact of all risk categories, for example by increasing the frequency and cost of claims, causing property damage or critical business interruption, creating exposure to litigation or legal disputes, or increasing volatility or decreasing the value of portfolio investments in carbon-intensive sectors. The Company has incorporated climate risk in its Risk Appetite and Tolerance Statement and has also formalized its climate-related risk management framework in its Climate Risk Management Corporate Policy, fostering the alignment of risk identification, assessment and management methods, through a consistent and proportionate approach relative to other risks. In addition to being signatory of the United Nations-supported Principles for Responsible Investment (PRI), the Company, through its subsidiary iA Investment Management Inc., has adopted a Sustainable Investment Policy, which shows the Company's commitment to integrating climate-related risks and opportunities into the investment process. More information on the climate-related risk management and governance framework is available in the 2024 Sustainability Report and the 2024 Climate Change Report.

Reputational Risk – The Company is also exposed to reputation risk. This risk is defined as the risk that events, decisions by a regulatory authority or public perception will have a negative impact on the public's perception of the Company and potentially lead to fewer clients, lost revenues or considerable litigation costs.

The Company has adopted a detailed communication plan designed to protect its corporate image during a crisis and to reassure the public about its ability to manage this kind of situation. The plan outlines the communication strategies to use in a crisis in order to notify the public of its causes and consequences, the procedures in place to resolve it and the measures taken to reduce the risk of recurrence. In addition, the Company continually monitors social media for elements that could have a negative impact on the Company.

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