Growth oriented, excellence driven

iA Financial Corporation Inc.

Interim Condensed Consolidated Financial Statements
For the first quarter of 2025

As at March 31, 2025 and 2024

iA Financial Group

Interim Condensed Consolidated Financial Statements (unaudited)

3 Consolidated Income Statements

4 Consolidated Comprehensive Income Statements

5 Consolidated Statements of Financial Position

6 Consolidated Equity Statements

8 Consolidated Cash Flows Statements

9 Notes to Interim Condensed Consolidated Financial Statements

9 Note 1 General Information

9 Note 2 Changes in Accounting Policies

10 Note 3 Acquisition of Businesses

11 Note 4 Investments and Net Investment Income

13 Note 5 Fair Value of Financial Instruments and Investment Properties

18 Note 6 Management of Financial Risks Associated with Financial Instruments and Insurance Contracts

22 Note 7 Derivative Financial Instruments

24 Note 8 Segregated Funds Net Assets

25 Note 9 Insurance Contracts and Reinsurance Contracts

27 Note 10 Debentures

28 Note 11 Share Capital

28 Note 12 Other Equity Instruments

29 Note 13 Accumulated Other Comprehensive Income

29 Note 14 Capital Management

30 Note 15 Income Taxes

30 Note 16 Segmented Information

32 Note 17 Earnings Per Common Share

32 Note 18 Commitments

Consolidated Income Statements

	Three months ended March 31	
(unaudited, in millions of Canadian dollars, unless otherwise indicated)	**2025**	2024
Insurance service result		
Insurance revenue (Note 9)	**$ 1,826**	$ 1,595
Insurance service expenses	**(1,465)**	(1,283)
Net income (expenses) from reinsurance contracts	**(80)**	(63)
	281	249
Net investment result		
Net investment income (Note 4)		
Interest and other investment income	**540**	577
Change in fair value of investments	**(77)**	(1,127)
	463	(550)
Finance income (expenses) from insurance contracts	**(366)**	793
Finance income (expenses) from reinsurance contracts	**50**	3
(Increase) decrease in investment contract liabilities and interest on deposits	**(41)**	(50)
	106	196
Investment income (expenses) from segregated funds net assets	**(116)**	2,641
Finance income (expenses) related to segregated funds liabilities	**116**	(2,641)
	—	—
	106	196
Other revenues	**487**	404
Other operating expenses	**(615)**	(527)
Other financing charges	**(18)**	(17)
Income before income taxes	**241**	305
Income tax (expense) recovery (Note 15)	**(46)**	(71)
Net income	**195**	234
Distributions on other equity instruments and dividends on preferred shares issued by a subsidiary	**(9)**	(1)
Net income attributed to common shareholders	**$ 186**	$ 233
Earnings per common share (in dollars) (Note 17)		
Basic	**$ 1.99**	$ 2.35
Diluted	**1.98**	2.34
Weighted average number of shares outstanding (in millions of units) (Note 17)		
Basic	**93**	99
Diluted	**94**	100
Dividends per common share (in dollars) (Note 11)	**0.90**	0.82

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

Consolidated Comprehensive Income Statements

	Three months ended March 31	
(unaudited, in millions of Canadian dollars)	**2025**	2024
Net income	**$ 195**	$ 234
Other comprehensive income, net of income taxes		
Items that may be reclassified subsequently to net income:		
Net investment hedge		
Unrealized gains (losses) on currency translation in foreign operations	**3**	72
Hedges of net investment in foreign operations	**(1)**	(44)
	2	28
Cash flow hedge		
Unrealized gains (losses) on cash flow hedges	**—**	3
Items that will not be reclassified subsequently to net income:		
Remeasurement of post-employment benefits	**16**	46
Total other comprehensive income	**18**	77
Comprehensive income attributed to shareholders	**$ 213**	$ 311

Income Taxes Included in Other Comprehensive Income

	Three months ended March 31	
(unaudited, in millions of Canadian dollars)	**2025**	2024
Income tax recovery (expense) related to:		
Items that may be reclassified subsequently to net income:		
Hedges of net investment in foreign operations	**$ —**	$ 8
Items that will not be reclassified subsequently to net income:		
Remeasurement of post-employment benefits	**(6)**	(17)
Total income tax recovery (expense) included in other comprehensive income	**$ (6)**	$ (9)

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

Consolidated Statements of Financial Position

	As at March 31 2025	As at December 31 2024
(in millions of Canadian dollars)	(unaudited)	
Assets		
Investments (Note 4)		
Cash and short-term investments	**$ 1,794**	$ 1,566
Bonds	**32,177**	32,690
Stocks	**5,601**	5,130
Loans	**3,425**	3,444
Derivative financial instruments (Note 7)	**995**	1,066
Other investments	**167**	165
Investment properties	**1,517**	1,519
	45,676	45,580
Other assets	**4,458**	3,989
Insurance contract assets (Note 9)	**79**	105
Reinsurance contract assets (Note 9)	**3,451**	3,382
Fixed assets	**323**	317
Deferred income tax assets	**530**	459
Intangible assets	**1,994**	1,964
Goodwill	**1,525**	1,490
General fund assets	**58,036**	57,286
Segregated funds net assets (Note 8)	**53,640**	52,575
Total assets	**$ 111,676**	$ 109,861
Liabilities		
Insurance contract liabilities (Note 9)	**$ 37,157**	$ 36,894
Investment contract liabilities and deposits	**6,501**	6,352
Derivative financial instruments (Note 7)	**1,021**	1,060
Other liabilities	**3,960**	3,292
Deferred income tax liabilities	**340**	327
Debentures	**1,495**	1,894
General fund liabilities	**50,474**	49,819
Insurance contract liabilities related to segregated funds (Note 9)	**38,822**	38,149
Investment contract liabilities related to segregated funds	**14,818**	14,426
Total liabilities	**$ 104,114**	$ 102,394
Equity		
Share capital and contributed surplus	**$ 1,542**	$ 1,540
Other equity instruments (Note 12)	**600**	600
Retained earnings and accumulated other comprehensive income	**5,420**	5,327
	7,562	7,467
Total liabilities and equity	**$ 111,676**	$ 109,861

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

Consolidated Equity Statements

	As at March 31, 2025					
(unaudited, in millions of Canadian dollars)	Common shares (Note 11)	Other equity instruments and preferred shares issued by a subsidiary	Contributed surplus	Retained earnings	Accumulated other comprehensive income (Note 13)	Total
Balance as at December 31, 2023	$ 1,603	$ 375	$ 17	$ 5,060	$ (17)	$ 7,038
Net income	—	—	—	962	—	962
Other comprehensive income	—	—	—	—	183	183
Comprehensive income for the year	—	—	—	962	183	1,145
Equity transactions						
Transfer of revaluation surplus related to investment properties	—	—	—	22	(22)	—
Transfer of post-employment benefits	—	—	—	70	(70)	—
Stock option plan	—	—	3	—	—	3
Stock options exercised	—	—	(4)	—	—	(4)
Issuance of common shares	28	—	—	—	—	28
Redemption of common shares	(107)	—	—	(513)	—	(620)
Redemption of preferred shares issued by a subsidiary	—	(125)	—	—	—	(125)
Issuance of other equity instruments	—	350	—	(4)	—	346
Dividends on common shares	—	—	—	(322)	—	(322)
Dividends on preferred shares issued by a subsidiary and distributions on other equity instruments	—	—	—	(20)	—	(20)
Other	—	—	—	(2)	—	(2)
	(79)	225	(1)	(769)	(92)	(716)
Balance as at December 31, 2024	**1,524**	**600**	**16**	**5,253**	**74**	**7,467**
Net income	**—**	**—**	**—**	**195**	**—**	**195**
Other comprehensive income	**—**	**—**	**—**	**—**	**18**	**18**
Comprehensive income for the period	**—**	**—**	**—**	**195**	**18**	**213**
Equity transactions						
Transfer of post-employment benefits	**—**	**—**	**—**	**16**	**(16)**	**—**
Stock option plan	**—**	**—**	**1**	**—**	**—**	**1**
Stock options exercised	**—**	**—**	**(1)**	**—**	**—**	**(1)**
Issuance of common shares	**6**	**—**	**—**	**—**	**—**	**6**
Redemption of common shares	**(4)**	**—**	**—**	**(25)**	**—**	**(29)**
Dividends on common shares	**—**	**—**	**—**	**(84)**	**—**	**(84)**
Distributions on other equity instruments	**—**	**—**	**—**	**(9)**	**—**	**(9)**
Other	**—**	**—**	**—**	**(2)**	**—**	**(2)**
	2	**—**	**—**	**(104)**	**(16)**	**(118)**
Balance as at March 31, 2025	**$ 1,526**	**$ 600**	**$ 16**	**$ 5,344**	**$ 76**	**$ 7,562**

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

	As at March 31, 2024					
	Common shares	Other equity instruments and preferred shares issued by a subsidiary	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total
(unaudited, in millions of Canadian dollars)	(Note 11)				(Note 13)	
Balance as at December 31, 2023	$ 1,603	$ 375	$ 17	$ 5,060	$ (17)	$ 7,038
Net income	—	—	—	234	—	234
Other comprehensive income	—	—	—	—	77	77
Comprehensive income for the period	—	—	—	234	77	311
Equity transactions						
Transfer of post-employment benefits	—	—	—	46	(46)	—
Stock option plan	—	—	1	—	—	1
Issuance of common shares	1	—	—	—	—	1
Redemption of common shares	(21)	—	—	(94)	—	(115)
Dividends on common shares	—	—	—	(81)	—	(81)
Dividends on preferred shares issued by a subsidiary and distributions on other equity instruments	—	—	—	(1)	—	(1)
Other	—	—	—	4	—	4
	(20)	—	1	(126)	(46)	(191)
Balance as at March 31, 2024	$ 1,583	$ 375	$ 18	$ 5,168	$ 14	$ 7,158

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

Consolidated Cash Flows Statements

	Three months ended March 31	
(unaudited, in millions of Canadian dollars)	**2025**	2024
Cash flows from operating activities		
Income before income taxes	**$ 241**	$ 305
Other financing charges	**18**	17
Income taxes paid, net of refunds	**(170)**	(159)
Operating activities not affecting cash:		
Expenses (income) from insurance contracts	**5**	(1,105)
Expenses (income) from reinsurance contracts	**30**	60
Expenses (income) from investment contracts and interest on deposits	**41**	50
Unrealized losses (gains) on investments	**80**	1,131
Provision for credit losses	**24**	20
Other depreciation	**86**	76
Other items not affecting cash	**34**	28
Operating activities affecting cash:		
Sales, maturities and repayments on investments	**12,751**	10,680
Purchases of investments	**(12,782)**	(9,957)
Change in assets/liabilities related to insurance contracts	**264**	115
Change in assets/liabilities related to reinsurance contracts	**(97)**	(86)
Change in liabilities related to investment contracts and deposits	**108**	64
Other items affecting cash	**238**	(888)
Net cash from (used in) operating activities	**871**	351
Cash flows from investing activities		
Acquisition of businesses, net of cash	**(52)**	—
Net purchases of fixed and intangible assets	**(50)**	(58)
Net cash from (used in) investing activities	**(102)**	(58)
Cash flows from financing activities		
Issuance of common shares	**5**	1
Redemption of common shares (Note 11)	**(29)**	(115)
Redemption of debentures (Note 10)	**(400)**	—
Reimbursement of lease liabilities[1]	**(5)**	(5)
Dividends paid on common shares	**(84)**	(81)
Distributions on other equity instruments and dividends paid on preferred shares issued by a subsidiary	**(12)**	(1)
Interest paid on debentures	**(16)**	(16)
Interest paid on lease liabilities	**(1)**	(1)
Net cash from (used in) financing activities	**(542)**	(218)
Foreign currency gains (losses) on cash	**1**	8
Increase (decrease) in cash and short-term investments	**228**	83
Cash and short-term investments at beginning	**1,566**	1,379
Cash and short-term investments at end	**$ 1,794**	$ 1,462
Supplementary information:		
Cash	**$ 1,227**	$ 993
Short-term investments including cash equivalents	**567**	469
Total cash and short-term investments	**$ 1,794**	$ 1,462

[1] For the three months ended March 31, 2025, lease liabilities, presented in *Other liabilities* in the Consolidated Statements of Financial Position, include an amount of $13 ($6 for the three months ended March 31, 2024) of items not affecting cash, mostly attributable to new liabilities.

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

Notes to Interim Condensed Consolidated Financial Statements

Three months ended March 31, 2025 and 2024 (unaudited) (in millions of Canadian dollars, unless otherwise indicated)

1 › General Information

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

The Company's Interim Condensed Consolidated Financial Statements (the "Financial Statements") are prepared on the basis of IFRS® Accounting Standards in accordance with IAS 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB). These Financial Statements do not contain all the information required in a complete annual financial statement and should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2024, which are included in the 2024 Annual Report. The material accounting policies used to prepare these Financial Statements are consistent with those found in the 2024 Annual Report, except for items mentioned in Note 2.

The publication of these Financial Statements was authorized by the Company's Board of Directors on May 7, 2025.

2 › Changes in Accounting Policies

New Accounting Policies Applied to Financial Statements beginning on or after January 1, 2025.

Standards or amendments	Description of the standards or amendments and impacts on financial statements of the Company
IAS 21 *The Effects of Changes in Foreign Exchange Rates*	*Description:* On August 15, 2023, the IASB published an amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rates.* The amendment *Lack of Exchangeability* specifies when a currency is exchangeable and when it is not, how to determine the exchange rate when a currency is not exchangeable, and the additional information required to be disclosed when a currency is not exchangeable. The provisions of this amendment apply on a modified retrospective basis. *Impact:* No impact on the Company's financial statements.

Future Changes in Accounting Policies

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

Standards or amendments	Description of the standards or amendments
IFRS 18 *Presentation and Disclosure in Financial Statements*	*Description:* On April 9, 2024, the IASB published the standard IFRS 18 *Presentation and Disclosure in Financial Statements* which replaces the provisions of the standard IAS 1 *Presentation of Financial Statements* and carries forward many of its requirements. The standard IFRS 18: • establishes a defined structure for the income statement by classifying income and expenses into distinct defined categories and imposing new defined subtotals to improve comparability; • requires that specific information on management-defined performance measures (MPMs), which represent subtotals of income and expenses disclosed outside the financial statements, be disclosed in a single note to the financial statements in order to enhance transparency on those MPMs; • sets out guidance on classification of the information in the primary financial statements or in the notes. The provisions of the new standard IFRS 18 will apply retrospectively to financial statements beginning on or after January 1, 2027. Early adoption is permitted. *Status:* The Company is currently evaluating the impact of this standard on its financial statements.
IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*	*Description:* On May 30, 2024, the IASB published an amendment to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures.* The amendment *Amendments to the Classification and Measurement of Financial Instruments* introduces an accounting policy choice relating to the derecognition of financial liabilities settled through electronic payment systems, clarifies the classification and characteristics of some financial asset types and adds new disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The provisions of this amendment will apply on a modified retrospective basis to financial statements beginning on or after January 1, 2026. Early adoption is permitted. *Status:* The Company is currently evaluating the impact of this amendment on its financial statements.

Standards or amendments	Description of the standards or amendments
Annual Improvements to IFRS Accounting Standards 2024-2025 Cycle	*Description:* On July 18, 2024, the IASB published the Annual Improvements to IFRS Accounting Standards 2024-2025 Cycle. The Annual Improvements clarify situations specific to five standards: • IFRS 1 *First-time Adoption of International Financial Reporting Standards* related to the fact that an entity which had designated a transaction as hedge accounting before the date of transition to IFRS Accounting Standards must meet the qualifying criteria of IFRS 9 *Financial Instruments* to reflect it in its opening IFRS statement of financial position. Otherwise, the entity should discontinue the hedge accounting; • IFRS 7 *Financial Instruments: Disclosures* related to the fact that an entity which is disclosing a gain or a loss on derecognition relating to financial assets in which the entity has continuing involvement shall disclose whether the fair value measurements included significant unobservable inputs as described in the "fair value hierarchy" requirements of IFRS 13 *Fair Value Measurement*; • IFRS 9 *Financial Instruments* related to the fact that when a lease liability is derecognized by a lessee, the difference between the carrying amount of the extinguished liability and the consideration paid are recognized in profit or loss. The amendment also specifies that the initial measurement of trade receivables must be in accordance with "the amount determined by applying IFRS 15 *Revenue from Contracts with Customers*" instead of "at their transaction price", as previously mentioned in IFRS 9; • IFRS 10 *Consolidated Financial Statements* related to the fact that when assessing control, a party might be a "de facto agent" when those that direct the activities of the investor have the ability to direct that party to act on the investor's behalf; • IAS 7 *Statement of Cash Flows* related to the fact that the term "cost method" replaces the term "at cost" regarding the reporting requirements in the statement of cash flows for investments in subsidiaries, associates and joint ventures since the term "cost method" is no longer defined in IFRS Accounting Standards. The provisions of these improvements will apply prospectively to financial statements beginning on or after January 1, 2026. Early adoption is permitted. *Status:* The Company is currently evaluating the impact of these improvements on its financial statements.

3 › Acquisition of Businesses

Insurance, Canada

On February 4, 2025, the Company acquired 100% of the shares of Global Warranty, a group of companies that are important independent warranty providers and administrators in the used vehicle market in Canada, for consideration of $55, subject to post-closing adjustments. Global Warranty does business with a network of over 1,500 automotive dealerships and more than 400 authorized repair centres across the country.

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

(in millions of dollars)	
Fair value of identifiable assets and liabilities acquired	**$ (4)**
Fair value of intangible assets	**36**
Fair value of deferred income tax liabilities on intangible assets	**(10)**
Fair value of net identifiable assets acquired	**22**
Goodwill	**33**
	$ 55

The allocation of the purchase price could be adjusted to reflect new information obtained about facts and circumstances that existed at the acquisition date within a period not to exceed 12 months.

Goodwill primarily reflects the growth potential arising from the acquisition. Goodwill is not deductible for tax purposes. Intangible assets mainly consist of distribution networks. As at March 31, 2025, revenues and net income from Global Warranty did not have a significant impact on the Company's financial results.

US Operations

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

The allocation of the purchase price could be adjusted to reflect new information obtained about facts and circumstances that existed at the acquisition date within a period not to exceed 12 months. As at March 31, 2025, the allocation of the purchase price was not completed for this acquisition, and no significant adjustments were made to the preliminary allocation.

4 › Investments and Net Investment Income

a) Carrying Value and Fair Value

	As at March 31, 2025				
(in millions of dollars)	At fair value through profit or loss	At amortized cost	Other	Total	Fair value
Cash and short-term investments	$ 541	$ 1,253	$ —	$ 1,794	$ 1,794
Bonds					
Governments	8,396	—	—	8,396	
Municipalities	1,093	—	—	1,093	
Corporate and other	22,688	—	—	22,688	
	32,177	—	—	32,177	32,177
Stocks					
Common	3,341	—	—	3,341	
Preferred	531	—	—	531	
Stock indexes	319	—	—	319	
Investment fund units	1,410	—	—	1,410	
	5,601	—	—	5,601	5,601
Loans					
Mortgages					
Insured mortgages					
Multi-residential	738	—	—	738	
Non-residential	2	—	—	2	
	740	—	—	740	
Conventional mortgages					
Multi-residential	185	—	—	185	
Non-residential	243	—	—	243	
	428	—	—	428	
	1,168	—	—	1,168	
Car loans	—	1,433	—	1,433	
Other loans	—	824	—	824	
	1,168	2,257	—	3,425	3,415
Derivative financial instruments	995	—	—	995	995
Other investments	41	2	124	167	167
Investment properties	—	—	1,517	1,517	1,551
Total investments	$ 40,523	$ 3,512	$ 1,641	$ 45,676	$ 45,700

	As at December 31, 2024				
(in millions of dollars)	At fair value through profit or loss	At amortized cost	Other	Total	Fair value
Cash and short-term investments	$ 510	$ 1,056	$ —	$ 1,566	$ 1,566
Bonds					
Governments	9,096	—	—	9,096	
Municipalities	1,077	—	—	1,077	
Corporate and other	22,517	—	—	22,517	
	32,690	—	—	32,690	32,690
Stocks					
Common	2,916	—	—	2,916	
Preferred	515	—	—	515	
Stock indexes	319	—	—	319	
Investment fund units	1,380	—	—	1,380	
	5,130	—	—	5,130	5,130
Loans					
Mortgages					
Insured mortgages					
Multi-residential	774	—	—	774	
Non-residential	2	—	—	2	
	776	—	—	776	
Conventional mortgages					
Multi-residential	185	—	—	185	
Non-residential	232	—	—	232	
	417	—	—	417	
	1,193	—	—	1,193	
Car loans	—	1,457	—	1,457	
Other loans	—	794	—	794	
	1,193	2,251	—	3,444	3,433
Derivative financial instruments	1,066	—	—	1,066	1,066
Other investments	39	3	123	165	165
Investment properties	—	—	1,519	1,519	1,552
Total investments	$ 40,628	$ 3,310	$ 1,642	$ 45,580	$ 45,602

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

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

Financial Assets Used in Fair Value Hedging

Interest Rate Risk Hedging

The Company designated a portion of its bonds in a fair-value hedge relationship in order to reduce its exposure to changes in interest rates on financial liabilities classified as financial liabilities at amortized cost. The Company uses bonds that have maturities of less than 1 year to 9 years as at March 31, 2025 (less than 1 year to 9 years as at December 31, 2024). The notional amount of the bonds is $811 as at March 31, 2025 ($845 as at December 31, 2024), while the carrying value and the fair value of the bonds are $823 ($858 as at December 31, 2024). For the three months ended March 31, 2025, the Company recognized a gain of $5 on the hedging instruments and a loss of $1 on the hedged items. Thus, the Company recognized an ineffectiveness of $4.

b) Investments in Associates and Joint Ventures

The Company holds interests ranging from 25% to 29% as at March 31, 2025 (25% to 29% as at December 31, 2024). The carrying value of these investments as at March 31, 2025 is $124 ($123 as at December 31, 2024). The share of net income and comprehensive income for the three months ended March 31, 2025 corresponds to a profit of $1 (profit of $1 for the three months ended March 31, 2024).

c) Net Investment Income

	Three months ended March 31	
(in millions of dollars)	**2025**	2024
Interest and other investment income		
Interest	**$ 455**	$ 422
Dividends	**113**	101
Derivative financial instruments	**(26)**	39
Net rental income	**22**	21
Provision for credit losses	**(24)**	(20)
Other income and expenses	**—**	14
	540	577
Change in fair value of investments		
Cash and short-term investments	**3**	4
Bonds	**283**	(741)
Stocks	**(59)**	102
Loans	**14**	(4)
Derivative financial instruments	**(308)**	(476)
Investment properties	**(11)**	(17)
Other	**1**	5
	(77)	(1,127)
Total net investment income	**$ 463**	$ (550)

5 › Fair Value of Financial Instruments and Investment Properties

a) Methods and Assumptions Used to Estimate Fair Values

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

Financial Assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b) Hierarchy of the Fair Value

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

Level 1 – Valuation based on quoted prices in active markets (unadjusted) for identical assets or liabilities. Stocks traded on the market, among other things, are classified in Level 1.
Level 2 – Valuation model based on inputs other than quoted prices included in Level 1 that are observable on the market for the asset or liability, either directly or indirectly. Most bonds, short-term investments and certain derivative financial instruments are classified in Level 2.
Level 3 – Valuation model based on valuation techniques that use significant unobservable market parameters and that reflect management's best estimates. Most private placements are classified in Level 3.

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

Assets

	As at March 31, 2025			
(in millions of dollars)	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Cash and short-term investments	$ —	$ 541	$ —	$ 541
Bonds				
Governments	—	8,308	88	8,396
Municipalities	—	1,093	—	1,093
Corporate and other	—	18,627	4,061	22,688
	—	28,028	4,149	32,177
Stocks	2,515	396	2,690	5,601
Mortgages	—	1,168	—	1,168
Derivative financial instruments	239	756	—	995
Other investments	3	38	—	41
Investment properties	—	—	1,517	1,517
General fund investments recognized at fair value	2,757	30,927	8,356	42,040
Other assets	—	137	—	137
Segregated funds financial instruments	42,623	9,624	1,266	53,513
Total financial assets at fair value	$ 45,380	$ 40,688	$ 9,622	$ 95,690

	As at December 31, 2024			
(in millions of dollars)	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Cash and short-term investments	$ —	$ 510	$ —	$ 510
Bonds				
Governments	—	9,008	88	9,096
Municipalities	—	1,077	—	1,077
Corporate and other	—	18,502	4,015	22,517
	—	28,587	4,103	32,690
Stocks	2,236	393	2,501	5,130
Mortgages	—	1,193	—	1,193
Derivative financial instruments	223	843	—	1,066
Other investments	—	39	—	39
Investment properties	—	—	1,519	1,519
General fund investments recognized at fair value	2,459	31,565	8,123	42,147
Other assets	—	87	—	87
Segregated funds financial instruments	41,878	9,309	1,178	52,365
Total financial assets at fair value	$ 44,337	$ 40,961	$ 9,301	$ 94,599

There were no transfers from Level 1 to Level 2 during the three months ended March 31, 2025 (none for the year ended December 31, 2024). There were no transfers from Level 2 to Level 1 during the three months ended March 31, 2025 (none for the year ended December 31, 2024).

There were no transfers from Level 2 to Level 3 during the three months ended March 31, 2025 ($44 for the year ended December 31, 2024). The transfers for the year ended December 31, 2024 were related to bonds. The fair value of these bonds was previously measured at the quoted market price obtained through brokers. The fair value of these bonds is now valued using internal valuation models that require the use of assumptions, including one main assumption that is not observable in the market. Transfers from Level 3 to Level 2 during the three months ended March 31, 2025 amount to $65 ($35 for the year ended December 31, 2024). These transfers are related to bonds. The fair value of these bonds was previously determined using internal valuation models that required the use of assumptions, including one main assumption that was not observable in the market. The fair value of these bonds is now measured at the quoted market price obtained through brokers.

There were no transfers from Level 1 to Level 3 during the three months ended March 31, 2025 (none for the year ended December 31, 2024). There were no transfers from Level 3 to Level 1 during the three months ended March 31, 2025 (none for the year ended December 31, 2024).

There were no Level 3 transfers from owner-occupied properties to investment properties in relation to a change in use during the three months ended March 31, 2025 (none for the year ended December 31, 2024).

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

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

	Three months ended March 31, 2025						
(in millions of dollars)	**Balance as at December 31, 2024**	**Gains (losses) included in net income**	**Purchases**	**Sales and settlements**	**Transfers into (out of) Level 3 and reclassifications**	**Balance as at March 31, 2025**	**Total unrealized gains (losses) included in net income on investments still held**
Bonds	**$ 4,103**	**$ 55**	**$ 98**	**$ (42)**	**$ (65)**	**$ 4,149**	**$ 54**
Stocks	**2,501**	**33**	**162**	**(6)**	**—**	**2,690**	**32**
Investment properties	**1,519**	**(11)**	**9**	**—**	**—**	**1,517**	**(11)**
General fund investments recognized at fair value	**8,123**	**77**	**269**	**(48)**	**(65)**	**8,356**	**75**
Segregated funds financial instruments	**1,178**	**29**	**60**	**(1)**	**—**	**1,266**	**29**
Total	**$ 9,301**	**$ 106**	**$ 329**	**$ (49)**	**$ (65)**	**$ 9,622**	**$ 104**

	Year ended December 31, 2024						
(in millions of dollars)	Balance as at December 31, 2023	Gains (losses) included in net income	Purchases	Sales and settlements	Transfers into (out of) Level 3 and reclassifications	Balance as at December 31, 2024	Total unrealized gains (losses) included in net income on investments still held
Bonds	$ 3,257	$ 57	$ 1,201	$ (421)	$ 9	$ 4,103	$ 57
Stocks	2,097	122	516	(234)	—	2,501	191
Investment properties	1,611	(47)	34	(79)	—	1,519	(62)
General fund investments recognized at fair value	6,965	132	1,751	(734)	9	8,123	186
Segregated funds financial instruments	915	80	313	(130)	—	1,178	67
Total	$ 7,880	$ 212	$ 2,064	$ (864)	$ 9	$ 9,301	$ 253

During the three months ended March 31, 2025, an amount of $9 ($34 for the year ended December 31, 2024) presented in *Purchases* for investment properties corresponds to capitalizations to *Investment properties*.

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

Valuation for Level 3 Assets

The main unobservable input used in valuation of bonds as at March 31, 2025 corresponds to credit and liquidity risk premiums ranging from 0.84% to 5.52% (0.63% to 5.29% as at December 31, 2024). The credit and liquidity risk premiums are the difference between the expected yield of an asset and the risk-free rate of return. The difference is called a spread and represents an extra compensation for the risk of default of the borrower and the lack of active markets to sell the financial assets. If all other factors remain constant, a decrease (increase) in credit and liquidity risk premiums will lead to an increase (decrease) in fair value of bonds.

The main unobservable input used in valuation of stocks as at March 31, 2025 corresponds to 100% of the net asset value of the shares owned by the Company, which is provided by the general partner of the limited partnership investments or the manager of the funds. The net asset value is the estimated fair value of the asset minus the fair value of the liability divided by the number of shares outstanding of a fund or a limited partnership.

The main unobservable inputs used in the valuation of the investment properties as at March 31, 2025 are the discount rate, which is between 5.75% and 8.75% (5.75% and 8.75% as at December 31, 2024) and the terminal capitalization rate, which is between 5.50% and 7.75% (5.50% and 7.75% as at December 31, 2024). The discount rate is based on market activity by type of building and by location and reflects the expected rate of return to be realized on investments over the next 10 years. The terminal capitalization rate is based on market activity by type of building and by location and reflects the expected rate of return to be realized on investments over the remaining life after the 10-year period. If all other factors remain constant, a decrease (increase) in the discount rate and terminal capitalization rate will lead to an increase (decrease) in fair value of investment properties.

Fair Value Disclosed in the Notes

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

	As at March 31, 2025			
(in millions of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**
Classified at amortized cost				
Car loans and other loans	**$ —**	**$ 2,247**	**$ —**	**$ 2,247**
Total of assets whose fair value is disclosed in the notes	**$ —**	**$ 2,247**	**$ —**	**$ 2,247**

	As at December 31, 2024			
(in millions of dollars)	Level 1	Level 2	Level 3	Total
Classified at amortized cost				
Car loans and other loans	$ —	$ 2,240	$ —	$ 2,240
Total of assets whose fair value is disclosed in the notes	$ —	$ 2,240	$ —	$ 2,240

Financial Liabilities

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

	As at March 31, 2025			
(in millions of dollars)	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Other liabilities				
Short-selling securities	$ —	$ 415	$ —	$ 415
Securities sold under repurchase agreements	—	1,010	—	1,010
Securitization liabilities	—	45	—	45
Derivative financial instruments	79	942	—	1,021
Investment contract liabilities and deposits	—	945	—	945
Total of liabilities classified at fair value through profit or loss	$ 79	$ 3,357	$ —	$ 3,436
Classified at amortized cost				
Other liabilities				
Mortgage debt	$ —	$ 2	$ —	$ 2
Debentures	—	1,523	—	1,523
Investment contract liabilities and deposits	—	5,578	—	5,578
Investment contract liabilities related to segregated funds	—	14,818	—	14,818
Total of liabilities classified at amortized cost	$ —	$ 21,921	$ —	$ 21,921

	As at December 31, 2024			
(in millions of dollars)	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Other liabilities				
Short-selling securities	$ —	$ 397	$ —	$ 397
Securities sold under repurchase agreements	—	838	—	838
Securitization liabilities	—	89	—	89
Derivative financial instruments	64	996	—	1,060
Investment contract liabilities and deposits	—	735	—	735
Total of liabilities classified at fair value through profit or loss	$ 64	$ 3,055	$ —	$ 3,119
Classified at amortized cost				
Other liabilities				
Mortgage debt	$ —	$ 2	$ —	$ 2
Debentures	—	1,910	—	1,910
Investment contract liabilities and deposits	—	5,610	—	5,610
Investment contract liabilities related to segregated funds	—	14,426	—	14,426
Total of liabilities classified at amortized cost	$ —	$ 21,948	$ —	$ 21,948

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

Effective risk management rests on identifying, assessing, measuring, understanding, managing, monitoring and communicating the risks to which the Company is exposed to in the course of its operations. Risk management is comprised of a series of objectives, policies and procedures that are approved by the Board of Directors and enforced by managers. The main risk management policies and procedures are subject to review annually, or more frequently when deemed relevant. More information regarding the principles, responsibilities, key measures and management practices of the Company's risk management of financial instruments is provided in the shaded portion of the "Risk Management" section of the 2024 Management's Discussion and Analysis on pages 67 to 80. The shaded information in these pages is considered an integral part of these financial statements.

a) Market Risk

Market risk represents the risk of financial loss due to unexpected changes in the level or volatility of market prices of assets and liabilities.

a) i) Market Risk Immediate Sensitivities

Interest Rate and Credit Spread Immediate Sensitivities

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

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

Interest rates

	As at March 31, 2025		As at December 31, 2024	
(in millions of dollars)	**50 basis point decrease**	**50 basis point increase**	50 basis point decrease	50 basis point increase
Net income	**$ —**	**$ (25)**	$ —	$ (25)
Equity	**(25)**	**—**	(25)	25
Contractual service margin	**(25)**	**25**	(25)	25

Corporate bond credit spreads

	As at March 31, 2025		As at December 31, 2024	
(in millions of dollars)	**50 basis point decrease**	**50 basis point increase**	50 basis point decrease	50 basis point increase
Net income	**$ —**	**$ (25)**	$ —	$ —
Equity	**(75)**	**50**	(75)	50
Contractual service margin	**—**	**—**	—	—

Provincial government bond credit spreads

	As at March 31, 2025		As at December 31, 2024	
(in millions of dollars)	**50 basis point decrease**	**50 basis point increase**	50 basis point decrease	50 basis point increase
Net income	**$ (25)**	**$ 25**	$ (25)	$ 25
Equity	**25**	**(25)**	—	—
Contractual service margin	**(100)**	**75**	(100)	75

Ultimate Discount Rate Immediate Sensitivities

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

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

	As at March 31, 2025		As at December 31, 2024	
(in millions of dollars)	**10 basis point decrease**	**10 basis point increase**	10 basis point decrease	10 basis point increase
Net income	**$ (50)**	**$ 50**	$ (50)	$ 50
Equity	**(50)**	**50**	(50)	50
Contractual service margin	**—**	**—**	—	—

Public Equity Immediate Sensitivities

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

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

	As at March 31, 2025			
(in millions of dollars)	**25% decrease**	**10% decrease**	**10% increase**	**25% increase**
Net income	**$ (175)**	**$ (100)**	**$ 100**	**$ 175**
Equity	**(250)**	**(125)**	**125**	**250**
Contractual service margin	**(700)**	**(275)**	**250**	**625**

	As at December 31, 2024			
(in millions of dollars)	25% decrease	10% decrease	10% increase	25% increase
Net income	$ (150)	$ (100)	$ 100	$ 150
Equity	(250)	(125)	125	225
Contractual service margin	(675)	(275)	250	600

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

Private Non-Fixed Income Asset Immediate Sensitivities

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

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

	As at March 31, 2025		As at December 31, 2024	
(in millions of dollars)	**10% decrease**	**10% increase**	10% decrease	10% increase
Net income	**$ (300)**	**$ 300**	$ (275)	$ 275
Equity	**(325)**	**325**	(300)	300

b) Credit Risk

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

b) i) Credit Quality Indicators
Bonds by Investment Grade

(in millions of dollars)	**As at March 31, 2025**	As at December 31, 2024
AAA	**$ 1,932**	$ 1,942
AA	**8,128**	8,794
A	**11,555**	11,513
BBB	**10,351**	10,221
BB and lower	**211**	220
Total	**$ 32,177**	$ 32,690

The Company prepares an assessment of the quality of the investment if the evaluation is not available from a credit rating agency. Bonds that have been internally evaluated represent an amount of $3,027 as at March 31, 2025 ($3,357 as at December 31, 2024).

Loans

(in millions of dollars)	As at March 31, 2025	As at December 31, 2024
Insured mortgages	$ 740	$ 776
Conventional mortgages	428	417
Car loans and other loans	2,257	2,251
Total	$ 3,425	$ 3,444

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

b) ii) Allowance for Credit Losses
Allowance for Credit Losses by Stage
The following table presents the gross carrying amount and the allowance for credit losses related to car loans by stage:

	As at March 31, 2025			
	Non-impaired		Impaired	
(in millions of dollars)	Stage 1	Stage 2	Stage 3	Total
Car loans[1]				
Low risk[2]	$ 1,248	$ 211	$ —	$ 1,459
Medium risk[2]	30	8	—	38
High risk[2]	2	—	—	2
Impaired	—	—	19	19
Gross carrying amount	1,280	219	19	1,518
Allowance for credit losses	47	27	11	85
Carrying amount	$ 1,233	$ 192	$ 8	$ 1,433

	As at December 31, 2024			
	Non-impaired		Impaired	
(in millions of dollars)	Stage 1	Stage 2	Stage 3	Total
Car loans[1]				
Low risk[2]	$ 1,264	$ 214	$ —	$ 1,478
Medium risk[2]	33	9	—	42
High risk[2]	2	—	—	2
Impaired	—	—	21	21
Gross carrying amount	1,299	223	21	1,543
Allowance for credit losses	48	25	13	86
Carrying amount	$ 1,251	$ 198	$ 8	$ 1,457

[1] The credit risk rating is reflective of a nonprime lender's risk perception.
[2] Low risk is considered near prime, medium risk is nonprime and high risk is subprime.

For the three months ended March 31, 2025, the provision for credit losses related to car loans was $24 ($20 for the three months ended March 31, 2024).

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

7 › Derivative Financial Instruments

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

The notional amount represents the amount to which a rate or price is applied to determine the cash flows to be exchanged periodically and does not represent direct credit exposure. Maximum credit risk is the estimated cost of replacing derivative financial instruments that have a positive value should the counterparty default. The maximum credit risk of derivative financial instruments as at March 31, 2025 is $995 ($1,066 as at December 31, 2024). The Company's exposure at the end of each reporting period is limited to the risk that a counterparty does not honour the terms of a derivative financial instrument.

	As at March 31, 2025					
	Notional amount				Fair value	
(in millions of dollars)	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total**	**Positive**	**Negative**
Equity contracts						
Swap contracts	**$ 831**	**$ 8**	**$ 57**	**$ 896**	**$ 10**	**$ (17)**
Futures contracts	**885**	**—**	**—**	**885**	**—**	**—**
Options	**7,558**	**—**	**—**	**7,558**	**254**	**(84)**
Currency contracts						
Swap contracts	**66**	**190**	**7,002**	**7,258**	**387**	**(94)**
Forward contracts	**6,389**	**—**	**—**	**6,389**	**7**	**(52)**
Options	**874**	**100**	**—**	**974**	**24**	**(24)**
Interest rate contracts						
Swap contracts	**1,100**	**4,139**	**10,764**	**16,003**	**263**	**(710)**
Futures contracts	**56**	**—**	**—**	**56**	**—**	**—**
Forward contracts	**8,600**	**—**	**—**	**8,600**	**50**	**(40)**
Other derivative contracts	**—**	**1**	**—**	**1**	**—**	**—**
Total	**$ 26,359**	**$ 4,438**	**$ 17,823**	**$ 48,620**	**$ 995**	**$ (1,021)**

	As at December 31, 2024					
	Notional amount				Fair value	
(in millions of dollars)	Less than 1 year	1 to 5 years	Over 5 years	Total	Positive	Negative
Equity contracts						
Swap contracts	$ 833	$ 4	$ 57	$ 894	$ 21	$ (16)
Futures contracts	574	—	—	574	—	—
Options	6,300	—	—	6,300	235	(68)
Currency contracts						
Swap contracts	30	240	7,007	7,277	445	(84)
Forward contracts	6,515	—	—	6,515	13	(113)
Options	674	198	—	872	18	(18)
Interest rate contracts						
Swap contracts	1,099	3,902	11,092	16,093	283	(644)
Futures contracts	64	—	—	64	—	—
Forward contracts	9,137	—	—	9,137	51	(117)
Other derivative contracts	1	1	—	2	—	—
Total	$ 25,227	$ 4,345	$ 18,156	$ 47,728	$ 1,066	$ (1,060)

	As at March 31, 2025		
	Notional amount	**Fair value**	
(in millions of dollars)		**Positive**	**Negative**
Derivative financial instruments not designated as hedge accounting	**$ 46,533**	**$ 993**	**$ (1,003)**
Net investment hedge	**2,079**	**—**	**(18)**
Cash flow hedges			
Market risk	**8**	**2**	**—**
Total of derivative financial instruments	**$ 48,620**	**$ 995**	**$ (1,021)**

	As at December 31, 2024		
	Notional amount	Fair value	
(in millions of dollars)		Positive	Negative
Derivative financial instruments not designated as hedge accounting	$ 45,741	$ 1,064	$ (1,018)
Net investment hedge	1,983	—	(42)
Cash flow hedges			
Market risk	4	2	—
Total of derivative financial instruments	$ 47,728	$ 1,066	$ (1,060)

Net Investment Hedge

As at March 31, 2025, forward contracts, designated as hedges of net investments in foreign operations with a functional currency other than the functional currency of the Company, have maturities of less than 1 year (less than 1 year as at December 31, 2024) and an average CAD/USD exchange rate of 0.7050 (0.7127 as at December 31, 2024). The effective portion of changes in fair value is recorded in *Other comprehensive income*, as is the foreign currency translation of the net investment in a foreign operation. For the three months ended March 31, 2025 and 2024, the Company did not recognize any ineffectiveness.

Cash Flow Hedge

Currency Risk Hedging

As at March 31, 2024, the Company was in a hedging relationship to manage its exposure to changes in currency rate risk on forecasted transactions. The Company was using forward contracts that had maturities of less than 1 year. For the three months ended March 31, 2024, the Company did not recognize any ineffectiveness. The Company ended the hedging relationship during the year ended December 31, 2024.

Market Risk Hedging

As at March 31, 2025, the Company uses a cash flow hedging relationship in order to manage its exposure to volatility of market prices on forecast transactions. The Company uses swap contracts that have maturities of 3 years or less (2 years or less as at December 31, 2024). For the three months ended March 31, 2025 and 2024, the Company did not recognize any ineffectiveness.

8 › Segregated Funds Net Assets

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

(in millions of dollars)	**As at March 31, 2025**	As at December 31, 2024
Assets		
Cash and short-term investments	**$ 1,469**	$ 1,707
Bonds	**7,682**	7,489
Stocks and investment funds	**44,463**	43,623
Mortgages	**57**	55
Derivative financial instruments	**—**	4
Other assets	**1,054**	617
	54,725	53,495
Liabilities		
Accounts payable and accrued expenses	**1,083**	920
Derivative financial instruments	**2**	—
	1,085	920
Net assets	**$ 53,640**	$ 52,575

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

	Three months ended March 31	
(in millions of dollars)	**2025**	2024
Balance at beginning	**$ 52,575**	$ 41,837
Add:		
Amounts received from policyholders	**3,210**	2,455
Interest, dividends and other investment income	**315**	232
Change in fair value of investments	**(431)**	2,409
	3,094	5,096
Less:		
Amounts withdrawn by policyholders	**1,771**	1,537
Operating expenses	**258**	204
	2,029	1,741
Balance at end	**$ 53,640**	$ 45,192

9 › Insurance Contracts and Reinsurance Contracts

A) Changes in Insurance Contract and Reinsurance Contract Balances

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

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

	As at March 31, 2025			
(in millions of dollars)	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Balance at beginning				
Insurance contract liabilities	$ 24,336	$ 3,896	$ 6,130	$ 34,362
Insurance contract assets	(492)	32	355	(105)
Insurance contract liabilities related to segregated funds	38,149	—	—	38,149
Net insurance contract liabilities (assets) at beginning	61,993	3,928	6,485	72,406
Insurance service result				
Changes that relate to current services				
Contractual service margin recognized for services provided	—	—	(186)	(186)
Change in risk adjustment for non-financial risk for risk expired	—	(84)	—	(84)
Experience adjustments	(5)	—	—	(5)
Changes that relate to future services				
Contracts initially recognized in the period	(282)	114	177	9
Changes in estimates that adjust the contractual service margin	26	(10)	(16)	—
Changes in estimates that result in losses and reversal of losses on onerous contracts	8	(3)	—	5
Changes that relate to past services				
Changes to liabilities for incurred claims	8	(8)	—	—
	(245)	9	(25)	(261)
Finance expenses (income) from insurance contracts	(25)	69	46	90
Amounts recognized in net income	(270)	78	21	(171)
Effect of change in exchange rates	1	—	—	1
Cash flows	1,074	—	—	1,074
Contracts acquired in the period	13	1	3	17
Net insurance contract liabilities (assets) at end	$ 62,811	$ 4,007	$ 6,509	$ 73,327
Balance at end				
Insurance contract liabilities	$ 24,329	$ 3,975	$ 6,280	$ 34,584
Insurance contract assets	(340)	32	229	(79)
Insurance contract liabilities related to segregated funds	38,822	—	—	38,822
Net insurance contract liabilities (assets) at end	$ 62,811	$ 4,007	$ 6,509	$ 73,327

	As at December 31, 2024			
(in millions of dollars)	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Balance at beginning				
Insurance contract liabilities	$ 22,749	$ 3,416	$ 5,305	$ 31,470
Insurance contract assets	(531)	29	335	(167)
Insurance contract liabilities related to segregated funds	30,201	—	—	30,201
Net insurance contract liabilities (assets) at beginning	52,419	3,445	5,640	61,504
Insurance service result				
Changes that relate to current services				
Contractual service margin recognized for services provided	—	—	(684)	(684)
Change in risk adjustment for non-financial risk for risk expired	—	(329)	—	(329)
Experience adjustments	(130)	—	—	(130)
Changes that relate to future services				
Contracts initially recognized in the year	(1,016)	415	655	54
Changes in estimates that adjust the contractual service margin	(629)	53	576	—
Changes in estimates that result in losses and reversal of losses on onerous contracts	(10)	64	—	54
Changes that relate to past services				
Changes to liabilities for incurred claims	80	(23)	—	57
	(1,705)	180	547	(978)
Finance expenses (income) from insurance contracts	6,882	126	12	7,020
Amounts recognized in net income	5,177	306	559	6,042
Effect of change in exchange rates	69	32	50	151
Cash flows	4,276	—	—	4,276
Contracts acquired in the year	52	145	236	433
Net insurance contract liabilities (assets) at end	$ 61,993	$ 3,928	$ 6,485	$ 72,406
Balance at end				
Insurance contract liabilities	$ 24,336	$ 3,896	$ 6,130	$ 34,362
Insurance contract assets	(492)	32	355	(105)
Insurance contract liabilities related to segregated funds	38,149	—	—	38,149
Net insurance contract liabilities (assets) at end	$ 61,993	$ 3,928	$ 6,485	$ 72,406

As at March 31, 2025, the amount of net insurance contract liabilities (assets) measured under the PAA is $2,573 ($2,532 as at December 31, 2024).

b) Net Reinsurance Contract Assets (Liabilities) by Measurement Component
The following tables disclose the net reinsurance contract assets (liabilities) by measurement component for reinsurance contracts not measured under the PAA:

	As at March 31, 2025			
(in millions of dollars)	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Contractual service margin**	**Total**
Net reinsurance contract assets (liabilities)				
Reinsurance contracts not measured under the PAA				
Reinsurance contract assets	**$ 1,065**	**$ 1,067**	**$ (423)**	**$ 1,709**
Reinsurance contract liabilities	**—**	**—**	**—**	**—**
	$ 1,065	**$ 1,067**	**$ (423)**	**$ 1,709**

(in millions of dollars)	As at December 31, 2024 Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net reinsurance contract assets (liabilities)				
Reinsurance contracts not measured under the PAA				
Reinsurance contract assets	$ 1,030	$ 1,053	$ (414)	$ 1,669
Reinsurance contract liabilities	—	—	—	—
	$ 1,030	$ 1,053	$ (414)	$ 1,669

During the three months ended March 31, 2025, there were no reinsurance contracts acquired. For the year ended December 31, 2024, the amount arising from the initial recognition of reinsurance contracts acquired was $159, which corresponded to estimates of present value of future cash flows of $70, a risk adjustment for non-financial risk of $53 and a contractual service margin of $36.

As at March 31, 2025, the amount of net reinsurance contract assets measured under the PAA is $1,742 ($1,713 as at December 31, 2024).

B) Insurance Revenue

(in millions of dollars)	**Three months ended March 31** **2025**	2024
Contracts not measured under the PAA		
Changes in liabilities for remaining coverage		
Contractual service margin recognized for services provided	**$ 186**	$ 158
Change in risk adjustment for non-financial risk for risk expired	**93**	81
Expected incurred claims and other insurance service expenses	**874**	763
Recovery of insurance acquisition cash flows	**147**	102
	1,300	1,104
Contracts measured under the PAA	**526**	491
Total insurance revenue	**$ 1,826**	$ 1,595

C) Discount Rates

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

	As at March 31, 2025 **1 year**	**5 years**	**10 years**	**20 years**	**30 years**	**70 years**
Canadian products						
Least illiquid curve	**2.51%**	**2.97%**	**3.82%**	**4.49%**	**4.40%**	**4.35%**
Most illiquid curve	**3.64%**	**4.32%**	**4.89%**	**5.39%**	**5.35%**	**5.15%**
U.S. products						
Least illiquid curve	**4.64%**	**4.82%**	**5.31%**	**5.79%**	**5.78%**	**4.90%**
Most illiquid curve	**4.89%**	**5.07%**	**5.56%**	**6.04%**	**6.03%**	**5.15%**

	As at December 31, 2024 1 year	5 years	10 years	20 years	30 years	70 years
Canadian products						
Least illiquid curve	2.99%	3.30%	4.00%	4.46%	4.32%	4.35%
Most illiquid curve	3.92%	4.44%	4.99%	5.40%	5.29%	5.15%
U.S. products						
Least illiquid curve	4.82%	5.13%	5.48%	5.84%	5.77%	4.90%
Most illiquid curve	5.07%	5.38%	5.73%	6.09%	6.02%	5.15%

10 › Debentures

Redemption

On February 21, 2025, the Company redeemed all of its $400 subordinated debentures maturing February 21, 2030, bearing interest of 2.40% payable semi-annually until February 21, 2025. The subordinated debentures were redeemed at nominal value plus accrued and unpaid interest, for a total disbursement of $405.

11 › Share Capital

The share capital issued by the Company is as follows:

	As at March 31, 2025		As at December 31, 2024	
(in millions of dollars, unless otherwise indicated)	**Number of shares (in thousands)**	**Amount**	Number of shares (in thousands)	Amount
Common shares				
Balance at beginning	**93,403**	**$ 1,524**	99,643	$ 1,603
Shares issued on exercise of stock options	**73**	**6**	410	28
Shares redeemed and cancelled	**(218)**	**(4)**	(6,597)	(106)
Common shares outstanding	**93,258**	**1,526**	93,456	1,525
Shares redeemed but not cancelled	**—**	**—**	(53)	(1)
Balance at end	**93,258**	**$ 1,526**	93,403	$ 1,524

Stock Option Plan

As at March 31, 2025, the number of outstanding stock options was 1,376,333 (1,287,833 as at December 31, 2024). For the three months ended March 31, 2025, the Company granted 162,000 stock options exercisable at $134.17 (233,000 stock options exercisable at $92.15 for the year ended December 31, 2024).

Normal Course Issuer Bid

With the approval of the Toronto Stock Exchange and the Autorité des marchés financiers (AMF), the Board of Directors authorized the Company to repurchase, in the normal course of its activities, between November 14, 2024 and November 13, 2025, up to 4,694,894 common shares, representing approximately 5% of its 93,897,897 common shares issued and outstanding as at October 31, 2024 (8,074,936 common shares, representing approximately 8.01% of its common shares that constituted the Company's "public float" in the normal course issuer bid of 2023). For the three months ended March 31, 2025, a total of 218,200 common shares were repurchased and cancelled (6,596,948 as at December 31, 2024) and 52,700 common shares were cancelled (52,700 repurchased but not cancelled as at December 31, 2024) for a net cash amount of $29 ($609 as at December 31, 2024), of which $4 was recorded against share capital ($107 as at December 31, 2024) and $25 against retained earnings ($502 as at December 31, 2024). Taxes related to the redemption net of the issuance of common shares for a total of less than $1 were recognized in *Retained earnings* ($11 as at December 31, 2024).

Dividends

	Three months ended March 31			
	2025		2024	
(in millions of dollars, unless otherwise indicated)	**Total**	**Per share (in dollars)**	Total	Per share (in dollars)
Common shares	**$ 84**	**$ 0.90**	$ 81	$ 0.82

Dividends Declared and Not Recognized on Common Shares

A dividend of 0.900 dollars per share was approved by the Board of Directors of the Company on May 7, 2025. This dividend was not recorded as a liability in these Financial Statements. This dividend will be paid on June 16, 2025 to the shareholders of record as of May 23, 2025, date on which it will be recognized in the retained earnings of the Company.

12 › Other Equity Instruments

The other equity instruments issued are as follows:

(in millions of dollars, unless otherwise indicated)	**As at March 31, 2025**	As at December 31, 2024
Balance at beginning	**$ 600**	$ 250
Subordinated debentures issued – Series 2024-1	**—**	350
Balance at end	**$ 600**	$ 600

Issuance

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

Distributions

For the three months ended March 31, 2025, distributions on other equity instruments for a total of $12 ($9 after tax) were recognized in *Retained earnings* (none for the three months ended March 31, 2024).

13 › Accumulated Other Comprehensive Income

(in millions of dollars)	Currency translation	Hedging	Investment properties	Total
Balance as at December 31, 2024	**$ 300**	**$ (229)**	**$ 3**	**$ 74**
Other	**3**	**(1)**	**—**	**2**
Income taxes on other	**—**	**—**	**—**	**—**
	3	**(1)**	**—**	**2**
Balance as at March 31, 2025	**303**	**(230)**	**3**	**76**
Balance as at December 31, 2023	57	(99)	25	(17)
Revaluation surplus related to transfers to investment properties	—	—	(26)	(26)
Income taxes on revaluation surplus related to transfers to investment properties	—	—	4	4
Other	243	(155)	—	88
Income taxes on other	—	25	—	25
	243	(130)	(22)	91
Balance as at December 31, 2024	300	(229)	3	74
Balance as at December 31, 2023	57	(99)	25	(17)
Other	72	(49)	—	23
Income taxes on other	—	8	—	8
	72	(41)	—	31
Balance as at March 31, 2024	$ 129	$ (140)	$ 25	$ 14

14 › Capital Management

Regulatory Requirements and Solvency Ratio

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

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

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

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

Tier 2 capital is notably composed of subordinated debentures.

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

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

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

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

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

The Company manages its capital on a consolidated basis. As at March 31, 2025, the Company maintains a ratio that satisfies the regulatory requirements.

(in millions of dollars, unless otherwise indicated)	**As at March 31, 2025**
Available capital	
Tier 1 capital	**$ 4,628**
Tier 2 capital	**3,818**
Surplus allowance and eligible deposits	**2,785**
Total	**$ 11,231**
Base solvency buffer	**$ 8,500**
Total ratio	**132%**

As at December 31, 2024, the solvency ratio was 139% and the Company maintained a ratio that satisfied the regulatory requirements.

15 › Income Taxes

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

	Three months ended March 31	
(in millions of dollars, unless otherwise indicated)	**2025**	2024
Current income tax expense (recovery)	**$ 116**	$ 91
Deferred income tax expense (recovery)	**(70)**	(20)
	$ 46	$ 71

Effective Income Tax Rate

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

For the three months ended March 31, 2025, the effective income tax rate was 19%, compared to 23% for the three months ended March 31, 2024. The current effective income tax rate is lower than it was for the three months ended March 31, 2024, mainly due to higher savings from tax-exempt investment income and higher income from activities in the United States, reduced by higher tax expenses from prior years' adjustments.

16 › Segmented Information

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

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

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

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

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

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

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

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

Segmented Results

	Three months ended March 31, 2025						
(in millions of dollars)	**Insurance, Canada**	**Wealth Management**	**US Operations**	**Investment**	**Corporate**	**Consolidation adjustments**	**Total**
Insurance service result							
Insurance revenue	**$ 1,049**	**$ 307**	**$ 470**	**$ —**	**$ —**	**$ —**	**$ 1,826**
Insurance service expenses and net expenses from reinsurance contracts	**(913)**	**(211)**	**(421)**	**—**	**—**	**—**	**(1,545)**
	136	**96**	**49**	**—**	**—**	**—**	**281**
Net investment result							
Net investment income	**—**	**26**	**—**	**436**	**1**	**—**	**463**
Finance income (expenses) from insurance and reinsurance contracts and change in investment contracts and interest on deposits	**—**	**—**	**—**	**(357)**	**—**	**—**	**(357)**
	—	**26**	**—**	**79**	**1**	**—**	**106**
Other revenues	**52**	**390**	**53**	**9**	**2**	**(19)**	**487**
Other expenses	**(60)**	**(380)**	**(78)**	**(64)**	**(70)**	**19**	**(633)**
Income before income taxes	**128**	**132**	**24**	**24**	**(67)**	**—**	**241**
Income tax (expense) recovery	**(41)**	**(37)**	**(5)**	**20**	**17**	**—**	**(46)**
Net income	**87**	**95**	**19**	**44**	**(50)**	**—**	**195**
Distribution on other equity instruments	**—**	**—**	**—**	**(9)**	**—**	**—**	**(9)**
Net income attributed to common shareholders	**$ 87**	**$ 95**	**$ 19**	**$ 35**	**$ (50)**	**$ —**	**$ 186**

	Three months ended March 31, 2024						
(in millions of dollars)	Insurance, Canada	Wealth Management	US Operations	Investment	Corporate	Consolidation adjustments	Total
Insurance service result							
Insurance revenue	$ 968	$ 262	$ 365	$ —	$ —	$ —	$ 1,595
Insurance service expenses and net expenses from reinsurance contracts	(834)	(180)	(332)	—	—	—	(1,346)
	134	82	33	—	—	—	249
Net investment result							
Net investment income	—	32	—	(580)	(2)	—	(550)
Finance income (expenses) from insurance and reinsurance contracts and change in investment contracts and interest on deposits	—	(1)	—	747	—	—	746
	—	31	—	167	(2)	—	196
Other revenues	44	328	39	8	1	(16)	404
Other expenses	(64)	(320)	(57)	(53)	(66)	16	(544)
Income before income taxes	114	121	15	122	(67)	—	305
Income tax (expense) recovery	(31)	(33)	(3)	(21)	17	—	(71)
Net income	83	88	12	101	(50)	—	234
Dividends on preferred shares issued by a subsidiary and distribution on other equity instruments	—	—	—	(1)	—	—	(1)
Net income attributed to common shareholders	$ 83	$ 88	$ 12	$ 100	$ (50)	$ —	$ 233

17 › Earnings Per Common Share

Basic Earnings Per Share

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

	Three months ended March 31	
(in millions of dollars, unless otherwise indicated)	**2025**	2024
Net income attributed to common shareholders	**$ 186**	$ 233
Weighted average number of outstanding shares (in millions of units)	**93**	99
Basic earnings per share (in dollars)	**$ 1.99**	$ 2.35

Diluted Earnings Per Share

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

The dilutive effect of stock options considers the number of shares presumed issued without consideration, calculated as the difference between the number of shares deemed to have been issued (by assuming the outstanding stock option grants are exercised) and the number of shares that would have been issued at the average market price for the period (the number of shares that would have been issued using the issuance proceeds, using the average market price of the Company's common shares for the period). For the three months ended March 31, 2025, an average of 35,452 antidilutive stock options (59,541 for the three months ended March 31, 2024) were excluded from the calculation.

	Three months ended March 31	
(in millions of dollars, unless otherwise indicated)	**2025**	2024
Net income attributed to common shareholders	**$ 186**	$ 233
Weighted average number of outstanding shares (in millions of units)	**93**	99
Add: dilutive effect of stock options granted and outstanding (in millions of units)	**1**	1
Weighted average number of outstanding shares on a diluted basis (in millions of units)	**94**	100
Diluted earnings per share (in dollars)	**$ 1.98**	$ 2.34

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

18 › Commitments

Investment Commitments

In the normal course of the Company's business, various outstanding contractual commitments related to offers for commercial loans, private placements, joint ventures and real estate are not reflected in the financial statements and may not be fulfilled. There were $1,196 ($1,169 as at December 31, 2024) of outstanding commitments as at March 31, 2025, of which the estimated disbursements will be $78 ($75 as at December 31, 2024) in 30 days, $282 ($328 as at December 31, 2024) in 31 to 365 days and $836 ($766 as at December 31, 2024) in more than one year.