Report to Shareholders

2025 First Quarter

For the Quarter Ended March 31, 2025

iA Financial Group

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis for iA Financial Corporation Inc. ("iA Financial Group" or the "Company") is dated May 7, 2025. This Management's Discussion and Analysis should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025 and 2024. It should also be read with the Management's Discussion and Analysis and the audited consolidated financial statements for the year ended December 31, 2024. The Supplemental Information Package for the last nine quarters may contain additional data that complements the information in this Management's Discussion and Analysis and is not and should not be considered incorporated by reference into this document.

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. The Company also uses non-IFRS and other financial measures when evaluating its results and measuring its performance. For relevant information about non-IFRS and other financial measures, see the "Non-IFRS and Additional Financial Measures" and the "Reconciliation of Select Non-IFRS Financial Measures" sections in this document.

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

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

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

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

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

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

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

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

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

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A. Highlights for the First Quarter

Profitability

	First quarter		
	2025	**2024**	**Variation**
Net income attributed to common shareholders (in millions)	$186	$233	(20%)
Core earnings† (in millions)	$273	$243	12%
Weighted average number of common shares (diluted) (in millions)	94	100	(6%)
Earnings per common share (EPS) (diluted)	$1.98	$2.34	(15%)
Core earnings per common share (core EPS) (diluted)††	$2.91	$2.44	19%

Return on common shareholders' equity (ROE)[1]	March 31, 2025	Dec. 31, 2024	March 31, 2024
ROE (trailing 12 months)	13.0%	13.9%	10.9%
Core ROE†† (trailing 12 months)	16.1%	15.9%	14.6%

The Company recorded core earnings† of $273 million in the first quarter of 2025 and core diluted earnings per common share (core EPS)†† of $2.91, which is 19% higher than the same period in 2024. Core return on common shareholders' equity (ROE)†† for the trailing 12 months was 16.1% at March 31, 2025. Annualized core ROE†† was 15.8% for the first quarter.

Net income attributed to common shareholders was $186 million and diluted earnings per common share (EPS) was $1.98, which compares to $2.34 in the first quarter of 2024. Return on common shareholders' equity (ROE) for the trailing 12 months was 13.0% at March 31, 2025. Annualized ROE was 10.8% for the first quarter.

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

Business growth – The strong sales[2] momentum of 2024 continued into the first quarter despite uncertainties related to tariffs. Almost every business unit recorded good sales growth compared to the same period last year. In Insurance, Canada, all business units posted good sales growth, particularly Group Insurance, with sales of $178 million. Within this segment, Individual Insurance recorded strong sales of $99 million, and the Company maintained a leading position for the number of policies sold.[3] In the Wealth Management segment, the Company had record quarterly sales and continued to rank first for both gross and net segregated fund[4] sales, with net inflows totalling nearly $1,173 million. Gross sales of mutual funds posted solid year-over-year growth. Business growth in the US Operations segment was also strong, with solid year-over-year sales growth for both Individual Insurance and Dealer Services. Good sales contributed to the growth in net premiums,[5] premium equivalents and deposits,[5] totalling nearly $5.8 billion, a 19% increase compared to the same period last year. Also, total assets under management[6] and total assets under administration[6] exceeded $264 billion, an increase of 15% over the last 12 months.

Financial position – The Company's solvency ratio[7] was 132% at March 31, 2025, compared with 139% at the end of the previous quarter and 142% a year earlier. This result is well above the regulatory minimum ratio of 90%. The seven-percentage-point decrease during the first quarter is the result of specific items. These include capital management and deployment activities through the Global Warranty acquisition, share buybacks (NCIB), IT investments and the redemption of subordinated debentures outlined below in this section. Also, macroeconomic variations and other non-organic items had an unfavourable impact on the ratio during the quarter. These items were partly offset by the favourable impact of organic capital generation.[8] The Company's financial leverage ratio†† of 14.8% at March 31, 2025 compares to 17.3% at the end of the previous quarter.

1 Consolidated net income attributed to common shareholders divided by the average common shareholders' equity for the period. Return on common shareholders' equity is a supplementary financial measure. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information on return on common shareholders' equity.
2 Sales is a supplementary financial measure. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information on sales.
3 According to the latest Canadian data published by LIMRA.
4 According to the latest industry data from Investor Economics.
5 Net premiums and premium equivalents and deposits are supplementary financial measures. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information.
6 Assets under management and assets under administration are supplementary financial measures. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information.
7 The solvency ratio is calculated in accordance with the Capital Adequacy Requirements Guideline – Life and Health Insurance (CARLI) mandated by the Autorité des marchés financiers du Québec (AMF). This financial measure is exempt from certain requirements of Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure according to AMF Blanket Order No. 2021-PDG-0065. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information.
8 Organic capital generation is a supplementary financial measure. Refer to the "Non-IFRS and Additional Financial Measures" section of this document for more information.

† 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.

Organic capital generation and capital available for deployment[9] – The Company organically generated $125 million in additional capital during the first quarter. At March 31, 2025, the capital available for deployment was assessed at $1.4 billion. As detailed below in this section, the AMF's revised Capital Adequacy Requirements Guideline – Life and Health Insurance (CARLI) positively impacted the Company's capital available for deployment.

Book value – The book value per common share[10] was $74.62 at March 31, 2025, up 2% during the quarter and 8% during the last 12 months.

Normal Course Issuer Bid (NCIB) – During the first quarter of 2025, the Company repurchased and cancelled 218,200 outstanding common shares for a total value of $29 million under the NCIB program and cancelled 52,700 additional shares that had been repurchased but not cancelled as of December 31, 2024. Under the program in force from November 14, 2024 to November 13, 2025, the Company can repurchase up to 4,694,894 common shares, representing approximately 5% of the issued and outstanding common shares as at October 31, 2024. Since November 14, 2024, 822,600 shares, or 0.9% of the outstanding common shares, have been repurchased and cancelled. Therefore, the Company may repurchase up to 3,872,294 outstanding common shares between March 31, 2025 and November 13, 2025.

Dividend – The Company paid a quarterly dividend of $0.9000 per share to common shareholders in the first quarter of 2025. The Board of Directors approved a quarterly dividend of $0.9000 per share payable during the second quarter of 2025. This dividend is payable on June 16, 2025 to the shareholders of record at May 23, 2025.

Dividend Reinvestment and Share Purchase Plan – Registered shareholders wishing to enrol in iA Financial Group's Dividend Reinvestment and Share Purchase Plan (DRIP) so as to be eligible to reinvest the next dividend payable on June 16, 2025 must ensure that the duly completed form is delivered to Computershare no later than 4:00 p.m. on May 15, 2025. Enrolment information is provided on iA Financial Group's website at ia.ca, under *About iA,* in the *Investor Relations/Dividends* section. Common shares issued under iA Financial Group's DRIP will be purchased on the secondary market and no discount will be applicable.

AMF Capital Adequacy Requirements Guideline – As disclosed in the financial documents for the third and fourth quarters of 2024, a revised Capital Adequacy Requirements for Life and Health Insurance (CARLI) Guideline became effective on January 1, 2025. As anticipated, this revision mainly impacted iA Financial Group by increasing the Company's capital available for deployment, through exempting iA Financial Group from intervention target ratios at the holding company level, while still requiring adherence to minimum ratios. The new CARLI guideline also includes revisions related to the regulatory capital requirements for segregated fund guarantees. As allowed by the AMF for insurers, the Company will continue to apply the previous version of the guideline during the first half of 2025.

External auditor appointment – On January 28, 2025, iA Financial Group announced that the Board of Directors, following the recommendation of its Audit Committee, has proposed the appointment of Ernst & Young LLP ("EY") as the Company's external auditor for the 2026 financial year. The decision followed a comprehensive external auditor tender process and is part of the Company's commitment to upholding robust governance practices. For additional information, please refer to the press release, which can be found on our website at ia.ca.

Acquisition of Global Warranty – On February 4, 2025, iA Financial Group acquired Global Warranty, a group of companies that are leading 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 dealer services presence in the used vehicle warranty market. For additional information, please refer to the press release, which can be found on our website at ia.ca.

Anniversary on TSX – On February 3, 2025, iA Financial Group celebrated its 25th anniversary of being listed on the Toronto Stock Exchange. Mr. Denis Ricard and Mr. Jacques Martin marked the occasion by opening the markets at the Toronto Stock Exchange, joined by board members and members of iA's senior leadership teams. The event was broadcast live by the TSX.

Investor Event – iA Financial Group hosted an Investor Event on February 24, 2025. The event, titled "Ready for more, the iA way" provided an update on the Company's growth strategy, with a particular focus on U.S. business operations and key objectives for Canadian units. New financial targets were also shared during the event. Materials from the event, including video webcasts, can be accessed on the Company's website at ia.ca, under About Us/Investor Relations/Events and Presentations/2025 Investor Event.

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

[10] Book value per common share is calculated by dividing the common shareholders' equity, which represents the total equity less other equity instruments, 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.

Subordinated debentures redemption – On February 21, 2025, iA Financial Group completed the redemption of its $400 million principal amount of 2.400% subordinated debentures due February 21, 2030.

2024 annual documents publication – On March 28, 2025, iA Financial Group released its Annual Report, Proxy Circular, Annual Information Form and Sustainability Report. The documents are available on our website at ia.ca.

Appointment – On January 8, 2025, iA Financial Group announced the appointment of John Laudenslager as President of iA American Warranty Group. For additional information, please refer to the press release, which can be found on our website at ia.ca.

Credit ratings – During the first quarter of 2025, the S&P Global and DBRS Morningstar agencies confirmed with a stable outlook all ratings of iA Financial Group and its related entities, including Industrial Alliance Insurance and Financial Services Inc.

Philanthropy – On March 8, 2025, iA Financial Group recognized the efforts of four inspiring women at the Company and their collaboration with YWCAs in Quebec City, Toronto, and Vancouver, donating a total of $600,000 to four important YWCA programs that provide support, a safe environment and opportunities for women, girls and gender diverse individuals in need to reach their full potential.

Subsequent to the first quarter:

- **Annual Meetings** – The Annual Shareholder Meeting of iA Financial Corporation Inc. and the Annual Meeting of the Sole Common Shareholder and of the Participating Policyholders of Industrial Alliance Insurance and Financial Services Inc. will be held in hybrid format on Thursday, May 8, 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.

B. Business Growth

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

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

Sales Growth by Business Segment

	First quarter		
(In millions of dollars, unless otherwise indicated)	**2025**	**2024**	**Variation**
INSURANCE, CANADA			
Individual Insurance			
Minimum premiums	86	80	8%
Excess premiums	13	9	44%
Total	99	89	11%
Group Insurance			
Employee Plans	70	30	133%
Special Markets	108	106	2%
Total	178	136	31%
Dealer Services			
Creditor Insurance	35	39	(10%)
P&C Insurance	128	109	17%
Total	163	148	10%
General Insurance			
iA Auto and Home	129	114	13%
WEALTH MANAGEMENT			
Individual Wealth Management			
Gross sales			
Segregated funds	1,939	1,278	52%
Mutual funds	647	486	33%
Other savings products	467	581	(20%)
Total	3,053	2,345	30%
Net sales			
Segregated funds	1,173	557	616
Mutual funds	(62)	(143)	81
Total	1,111	414	697
Group Savings and Retirement	841	918	(8%)
US OPERATIONS ($US)			
Individual Insurance	68	42	62%
Dealer Services	306	248	23%

† 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 – First quarter sales totalled $99 million, 11% higher than the same period last year. This very good result reflects the strength of all our distribution networks, the excellent performance of our digital tools, as well as our comprehensive and distinctive range of products. Sales were notably strong for participating insurance and term life insurance. The Company maintained the leading position in the Canadian market for the number of policies issued.[1]

Group Insurance – First quarter sales of $70 million in Employee Plans were significantly higher than the $30 million recorded during the same quarter last year. This result is largely attributed to the addition of products and members to existing policies. Net premiums, premium equivalents and deposits increased by 6% year over year, benefiting from good sales and premium increases on renewals. Special Markets sales were 2% higher than a year earlier, reaching $108 million, supported by good sales in travel medical insurance products.

Dealer Services – Total sales ended the first quarter at $163 million, 10% higher than the same period last year. This growth was supported by sales of Guaranteed Asset Protection (GAP) and ancillary products.

General Insurance (iA Auto and Home) – Direct written premiums reached $129 million in the first quarter, a strong increase of 13% compared to the same period last year. This good business growth is the result of an increased number of policies and disciplined and agile price adjustments.

WEALTH MANAGEMENT

Individual Wealth Management – Sales of segregated funds were strong during the first quarter, with gross sales amounting to more than $1.9 billion, a significant increase of 52% year over year, and strong net sales of nearly $1.2 billion. The Company continued to rank first in Canada in gross and net segregated fund sales.[2] This robust performance was notably driven by the strength of our distribution networks and our competitive and comprehensive product lineup. Additionally, clients continued to favour asset classes with higher return potential over guaranteed investments. Sales of other savings products reached $467 million in the first quarter, compared to a strong quarter of $581 million a year earlier. Gross sales of mutual funds totalled $647 million for the quarter, a 33% increase over the same period in 2024. Net outflows of $62 million were recorded, an improvement compared to outflows of $143 million in the first quarter of 2024.

Group Savings and Retirement – Sales for the first quarter totalled $841 million and were 8% lower than a year earlier as accumulation product sales were at the same level as in 2024 and insured annuities sales were lower than last year. Total assets under management at the end of the quarter were 17% higher than they were a year earlier.

US OPERATIONS

Individual Insurance – Sales of US$68 million in the first quarter, which were 62% higher than a year earlier, reflect our potential for strong growth in the U.S. life insurance market, both organically and through acquisitions. This solid result is driven by good growth in the final expense, middle/family and government/worksite markets and the addition of sales from the Vericity acquisition.

Dealer Services – First quarter sales were up 23% over the same period last year, reaching US$306 million. This good result reflects the quality of our products and services as well as the effectiveness and diversity of our distribution channels. Also, sales of supplementary (F&I) products sold alongside vehicles have improved during the quarter due to increased consumer affordability resulting from lower interest rates, cash incentives from manufacturers, and greater vehicle inventory.

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[1] According to the latest Canadian data published by LIMRA.
[2] According to the latest industry data from Investor Economics.

† 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.

ASSETS UNDER MANAGEMENT AND ASSETS UNDER ADMINISTRATION

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

Assets Under Management and Assets Under Administration			
(In millions of dollars)	March 31, 2025	December 31, 2024	March 31, 2024
Assets under management			
General fund[3]	58,036	57,286	52,213
Segregated funds	53,640	52,575	45,192
Mutual funds	13,101	13,290	12,741
Other	5,876	5,579	4,679
Subtotal	130,653	128,730	114,825
Assets under administration	133,368	130,636	114,485
Total	264,021	259,366	229,310

Assets under management and administration totalled more than $264 billion at the end of the first quarter, up 15% over the last 12 months and up 2% during the quarter. This growth was mainly driven by high net fund inflows, particularly from segregated funds.

NET PREMIUMS, PREMIUM EQUIVALENTS AND DEPOSITS

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

Net Premiums, Premium Equivalents and Deposits[4]			
	First quarter		
(In millions of dollars)	2025	2024	Variation
Insurance, Canada			
Individual Insurance	581	516	65
Group Insurance	531	506	25
Dealer Services	139	128	11
General Insurance[5]	141	124	17
Wealth Management			
Individual Wealth Management	3,053	2,345	708
Group Savings and Retirement	835	911	(76)
US Operations			
Individual Insurance	255	173	82
Dealer Services	252	176	76
Total	5,787	4,879	908

Net premiums, premium equivalents and deposits amounted to nearly $5.8 billion in the first quarter, a solid increase of 19% over the same period last year. Almost all business units contributed to this strong performance, particularly Individual Wealth Management and both business units in our U.S. Operations segment.

3 All general fund assets, including insured annuities, other savings products and other accumulation contracts.

4 Premium equivalents and deposits include all premiums collected by the Company for its insurance and annuity activities (and posted to the general fund), all amounts collected for segregated funds (which are also considered to be premiums), deposits from the Group Insurance, Group Savings and Retirement and US Operations sectors, and mutual fund deposits.

5 Includes iA Auto and Home and some minor consolidation adjustments.

† 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.

C. Analysis of Earnings by Business Segment

The following table sets out the core earnings† and net income attributed to common shareholders by business segment. An analysis of the performance by business segment and a reconciliation between the net income attributed to common shareholders and core earnings† are provided in the following pages.

Core earnings†					
		Quarter-over-quarter		*Year-over-year*	
(In millions of dollars, unless otherwise indicated)	**Q1/2025**	**Q4/2024**	**Variation**	**Q1/2024**	**Variation**
Insurance, Canada	100	116	(14%)	92	9%
Wealth Management	106	112	(5%)	95	12%
US Operations	30	26	15%	19	58%
Investment	85	102	(17%)	86	(1%)
Corporate	(48)	(69)	(30%)	(49)	(2%)
Total	**273**	**287**	**(5%)**	**243**	**12%**
Net income attributed to common shareholders					
Insurance, Canada	87	41	112%	83	5%
Wealth Management	95	101	(6%)	88	8%
US Operations	19	(13)	not meaningful	12	58%
Investment	35	163	(79%)	100	(65%)
Corporate	(50)	(72)	(31%)	(50)	—%
Total	**186**	**220**	**(15%)**	**233**	**(20%)**

† 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 – Consolidated			
	First quarter		
(In millions of dollars, unless otherwise indicated)	2025	2024	Variation
Net income attributed to common shareholders	**186**	**233**	**(20%)**
Core earnings adjustments (post tax)			
Market-related impacts	63	(9)	
Interest rates and credit spreads	(16)	(3)	
Equity	59	(32)	
Investment properties	16	23	
CIF[1]	4	3	
Currency	—	—	
Assumption changes and management actions	(5)	(5)	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	2	3	
Amortization of acquisition-related finite life intangible assets	21	17	
Non-core pension expense[2]	4	4	
Other specified unusual gains and losses	2	—	
Total	87	10	
Core earnings†	**273**	**243**	**12%**

Core earnings† of $273 million in the first quarter are derived from net income attributed to common shareholders of $186 million and a total adjustment of $87 million (post tax) from:

- the unfavourable market-related impacts that differ from management's expectations, totalling $63 million. This adjustment is explained by the unfavourable impacts of: 1) equity variations, reflecting losses of $42 million from public equity and $17 million from private equity; 2) investment property value adjustments totalling $16 million; and 3) CIF adjustments of $4 million. These were partly offset by the favourable impact of interest rate and credit spread variations of $16 million;
- the favourable impact of assumption changes of $5 million resulting from the update of credit assumptions used to develop the interest rate scale (recurring update related to our Investment segment and expected to be carried out in the first quarter of each year under IFRS 17);
- a total of $2 million mainly related to the acquisition and integration of Vericity;
- the expenses associated with acquisition-related intangible assets of $21 million;
- the impact of non-core pension expenses of $4 million; and
- specified items totalling $2 million consisting mostly of tax-related items.

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

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

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section 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 and Core Earnings† Reconciliation – Insurance, Canada

	First quarter		
(In millions of dollars, unless otherwise indicated)	**2025**	**2024**	**Variation**
Net income attributed to common shareholders	**87**	**83**	**5%**
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	—	2	
Amortization of acquisition-related finite life intangible assets	5	4	
Non-core pension expense	3	3	
Other specified unusual gains and losses	5	—	
Total	13	9	
Core earnings†	**100**	**92**	**9%**

Results for the first quarter of 2025

- Net income attributed to common shareholders for the Insurance, Canada segment was $87 million, which is higher than $83 million for the same period in 2024. Net income attributed to common shareholders is composed of core earnings† as well as core earnings adjustments.

- Core earnings adjustments to net income totalled $13 million. These include acquisition-related items ($5 million), impact of non-core pension expenses ($3 million) and other adjustments consisting primarily of tax-related items and reallocations for reporting consistency, which mostly sum to zero on a consolidated basis ($5 million).

- Core earnings† for this business segment were $100 million, higher than $92 million for the same period in 2024. This 9% increase in core earnings† over the same period in 2024 is the net result of several favourable items. Expected insurance earnings[3] were 9% higher, reflecting an increase in the combined risk adjustment (RA) release[3] and CSM recognized for services provided[3] and an increase in expected earnings on Premium Allocation Approach (PAA)[3] business from iA Auto and Home. Additionally, the impact of new insurance business[3] from Employee Plans was lower compared to a year ago. The increase in core non-insurance activities[3] was driven by good performances from Dealer Services and distribution activities. Lastly, core insurance experience[3] gains of $4 million were recorded during the quarter, reflecting lower claims at iA Auto and Home and favourable morbidity experience in Employee Plans, which were partially offset by unfavourable mortality experience.

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

† 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 and Core Earnings† Reconciliation – Wealth Management

(In millions of dollars, unless otherwise indicated)	First quarter 2025	First quarter 2024	Variation
Net income attributed to common shareholders	**95**	**88**	**8%**
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	—	—	
Amortization of acquisition-related finite life intangible assets	7	6	
Non-core pension expense	1	1	
Other specified unusual gains and losses	3	—	
Total	11	7	
Core earnings†	**106**	**95**	**12%**

Results for the first quarter of 2025

- Net income attributed to common shareholders for the Wealth Management segment was $95 million, which is higher than $88 million for the same period in 2024. Net income attributed to common shareholders is composed of core earnings† as well as core earnings adjustments.
- Core earnings adjustments to net income totalled $11 million, mostly from acquisition-related items ($7 million) and a non-recurring specified item ($3 million).
- Core earnings† for this business segment were $106 million for the first quarter compared with $95 million a year ago. The 12% increase in core earnings† over the same period in 2024 is mainly the result of an increase in the combined RA release and CSM recognized for service provided due to strong net segregated fund sales and the impact of favourable financial market performance over the last 12 months. Also, core non-insurance activities were higher, reflecting a good performance from Group Savings and Retirement, arising mainly from higher net revenue on assets.

† 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 and Core Earnings† Reconciliation – US Operations

(In millions of dollars, unless otherwise indicated)	First quarter 2025	2024	Variation
Net income attributed to common shareholders	**19**	**12**	**58%**
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	—	—	
Amortization of acquisition-related finite life intangible assets	9	7	
Non-core pension expense	—	—	
Other specified unusual gains and losses	2	—	
Total	11	7	
Core earnings†	**30**	**19**	**58%**

Results for the first quarter of 2025

- Net income attributed to common shareholders for the US Operations segment was $19 million, which is higher than $12 million for the same period in 2024. Net income attributed to common shareholders is composed of core earnings† as well as core earnings adjustments.
- Core earnings adjustments to net income totalled $11 million from acquisition-related items ($9 million) and an adjustment consisting of a reallocation for reporting consistency, which sum to zero on a consolidated basis ($2 million).
- Core earnings† for this business segment were $30 million, compared to $19 million for the same period in 2024. The 58% increase in core earnings† over the same period in 2024 is driven by the following:
  - A strong $19 million[4] increase in the core insurance service result,[5] which includes the contributions of the Prosperity blocks of business and $8 million[4] from the Vericity acquisition.
  - A $1 million[4] increase in core non-insurance activities, which includes a significant year-over-year increase of $5 million[4] from Dealer Services and a $4 million[4] loss from the distribution activities of Vericity.
  - An increase in core other expenses[5] as expected following the addition of Vericity expenses.

The impact of the Vericity and Prosperity acquisitions is neutral on core earnings and in line with expectations at the time of their acquisition.

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

† 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 and Core Earnings† Reconciliation – Investment

	First quarter		
(In millions of dollars, unless otherwise indicated)	**2025**	**2024**	**Variation**
Net income attributed to common shareholders	**35**	**100**	**(65%)**
Core earnings adjustments (post tax)			
Market-related impacts	63	(9)	
Interest rates and credit spreads	(16)	(3)	
Equity	59	(32)	
Investment properties	16	23	
CIF[6]	4	3	
Currency	—	—	
Assumption changes and management actions	(5)	(5)	
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	(8)	—	
Total	50	(14)	
Core earnings†	**85**	**86**	**(1%)**

Results for the first quarter of 2025

- Net income attributed to common shareholders for the Investment segment was $35 million compared to $100 million for the same period in 2024. Net income attributed to common shareholders is composed of core earnings† as well as core earnings adjustments.
- Core earnings adjustments to net income of $50 million for this business segment include the following three items:
  - the market-related impacts that differ from management's expectations, resulting in a net loss of $63 million. This adjustment is explained by the unfavourable impacts of: 1) equity variations, reflecting losses of $42 million from public equity and $17 million from private equity; 2) investment property value adjustments totalling $16 million; and 3) CIF adjustments of $4 million. These were partly offset by the favourable impact of interest rate and credit spread variations of $16 million;
  - the favourable impact of assumption changes of $5 million resulting from the update of credit assumptions used to develop the interest rate scale (recurring update specific to the Investment segment and expected to be carried out in the first quarter of each year under IFRS 17); and
  - other favourable adjustments consisting of tax-related items and reallocations for reporting consistency, which mostly sum to zero on a consolidated basis.
- Core earnings† for this business segment were $85 million compared to $86 million a year ago. Prior to taxes, financing charges and expenses, core earnings were driven by a core net investment result[7] of $124 million. This result compares favourably with $109 million recorded a year ago and $120 million the previous quarter. This strong outcome was bolstered by, among other factors, the favourable impact of interest rate variations in recent quarters. In addition, credit experience[7] was favourable due to higher impacts from upgrades than downgrades in the fixed income portfolio ($1 million) and credit experience that was in line with expectations in the car loans portfolio of iA Auto Finance.

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

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

† 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 and Core Earnings† Reconciliation – Corporate			
	First quarter		
(In millions of dollars, unless otherwise indicated)	**2025**	**2024**	**Variation**
Net income (net loss) attributed to common shareholders	**(50)**	**(50)**	**—%**
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	2	1	
Amortization of acquisition-related finite life intangible assets	—	—	
Non-core pension expense	—	—	
Other specified unusual gains and losses	—	—	
Total	2	1	
Core earnings (losses)†	**(48)**	**(49)**	**(2%)**

Results for the first quarter of 2025

- The net loss attributed to common shareholders for the Corporate segment was $50 million, which is similar to the result for the same period in 2024. The net loss attributed to common shareholders is composed of core losses† as well as core loss adjustments.
- Core loss adjustments to net loss for this business segment totalled $2 million and are related to the acquisition and integration of Vericity.
- This segment recorded core losses† from after-tax expenses of $48 million, which compares with $49 million in the first quarter of 2024. This quarter's result is derived from Corporate core other expenses of $65 million before taxes, which is in line with the 2025 quarterly expectation of $68 million plus or minus $5 million. This result reflects, among other things, ongoing strong emphasis on operational efficiency leading to positive operating leverage[8] and temporary savings that may reverse in future quarters.

[8] Operating leverage is the difference between revenue growth and expense growth at a consolidated level.

† 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.

Results for the first quarter of 2025

- Income tax expense amounted to $46 million compared to $71 million for the same period of 2024. This result comprises the tax charge included in core earnings[†] as well as core taxes adjustments.
- Core taxes adjustments by segments, that mostly sum to zero on a consolidated basis, totalled $1 million in the first quarter.
- Core income taxes[9] in the first quarter was $82 million, for a core effective tax rate[††] of 22.5%. This result is close to management expectations.

Distributions on other equity instruments and dividends on preferred shares issued by a subsidiary

This item represents the after-tax dividends on preferred shares issued by a subsidiary and distributions on other equity instruments, which amounted to $9 million in the first quarter.

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

[†] 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.

D. Analysis According to the Financial Statements

The following table presents the Company's financial results by business segment according to the financial statements for the first quarter of 2025 and 2024. The analysis of these results is presented below and should be read in conjunction with the consolidated income statement presented in the last pages of this document and Note 16 "Segmented Information" in the Company's unaudited interim condensed consolidated financial statements.

	First quarter													
	Insurance, Canada		Wealth Management		US Operations		Investment		Corporate		Consolidation adjustments		Total	
(in millions of dollars)	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Insurance service result														
Insurance revenue	1,049	968	307	262	470	365	—	—	—	—	—	—	1,826	1,595
Insurance service expenses and net expenses from reinsurance contracts	(913)	(834)	(211)	(180)	(421)	(332)	—	—	—	—	—	—	(1,545)	(1,346)
	136	134	96	82	49	33	—	—	—	—	—	—	281	249
Net investment result														
Net investment income	—	—	26	32	—	—	436	(580)	1	(2)	—	—	463	(550)
Finance income (expenses) from insurance and reinsurance contracts and change in investment contracts and interest on deposits	—	—	—	(1)	—	—	(357)	747	—	—	—	—	(357)	746
	—	—	26	31	—	—	79	167	1	(2)	—	—	106	196
Other revenues	52	44	390	328	53	39	9	8	2	1	(19)	(16)	487	404
Other expenses	(60)	(64)	(380)	(320)	(78)	(57)	(64)	(53)	(70)	(66)	19	16	(633)	(544)
Income before income taxes	128	114	132	121	24	15	24	122	(67)	(67)	—	—	241	305
Income tax (expense) recovery	(41)	(31)	(37)	(33)	(5)	(3)	20	(21)	17	17	—	—	(46)	(71)
Net income	87	83	95	88	19	12	44	101	(50)	(50)	—	—	195	234
Distribution on other equity instruments and dividends on preferred shares issued by a subsidiary	—	—	—	—	—	—	(9)	(1)	—	—	—	—	(9)	(1)
Net income attributed to common shareholders	87	83	95	88	19	12	35	100	(50)	(50)	—	—	186	233

INSURANCE SERVICE RESULT

INSURANCE, CANADA

For the first quarter of 2025, the insurance service result in the Insurance, Canada segment totalled $136 million, representing an increase of $2 million compared to the same period in 2024. 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 $1,049 million in the first quarter of 2025, up 8% from $968 million in the same quarter last year. The increase was primarily driven by business growth from Individual Insurance, iA Auto and Home, P&C insurance in Dealer Services, and employee plans in Group Insurance, which resulted in higher revenue recognized to cover expected incurred claims and other insurance service expenses, as well as higher recovery of insurance acquisition cash flows.

The segment's insurance service expenses and net expenses from reinsurance contracts totalled $913 million in the first quarter of 2025 compared to $834 million in the same quarter last year, a 9% increase. This change was mostly due to the impact of higher incurred claims and higher amortization of insurance acquisition cash flows, in line with business growth, primarily in Individual Insurance, iA Auto and Home, and P&C Insurance in Dealer Services. These were partially offset by fewer losses on onerous contracts in Group Insurance: Employee Plans.

WEALTH MANAGEMENT

For the first quarter of 2025, the insurance service result in the Wealth Management segment totalled $96 million, representing an increase of $14 million or 17% compared to the same period in 2024. This result was driven by the segment's insurance revenue, partly offset by insurance service expenses and net expenses from reinsurance contracts.

† 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 segment's insurance revenue amounted to $307 million in the first quarter of 2025, up 17% from $262 million in the same quarter last year. This increase was mainly driven by higher sales of segregated funds in Individual Wealth Management, which resulted in higher revenue recognized to cover expected incurred claims and other insurance service expenses, a higher contractual service margin recognized for services provided during the period as well as higher recovery of insurance acquisition cash flows. The increase was also driven by steady growth in insured annuity contracts in Group Savings and Retirement, outpacing the yearly decrease due to mortality, which resulted in higher revenue recognized to cover expected incurred claims and other insurance service expenses.

The segment's insurance service expenses and net expenses from reinsurance contracts totalled $211 million in the first quarter of 2025 compared to $180 million in the same quarter last year, a 17% increase. This change was mainly due to higher trailer fees from the increased sale of segregated funds and higher amortization of insurance acquisition cash flows in Individual Wealth Management, as well as higher benefits paid in Group Savings and Retirement, which grew proportionately to revenue recognized.

US OPERATIONS

For the first quarter of 2025, the insurance service result in the US Operations segment totalled $49 million, representing an increase of $16 million or 48% compared to the same period in 2024. 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 revenue amounted to $470 million in the first quarter of 2025, up 29% from $365 million in the same quarter last year. The increase was primarily driven by the contributions from Individual Insurance as well as the acquisitions of Vericity and the two blocks of business from Prosperity Life Group. This resulted in higher revenue recognized to cover expected incurred claims and other insurance service expenses, higher recovery of insurance acquisition cash flows as well as a higher contractual service margin recognized for services provided during the period.

The segment's insurance service expenses and net expenses from reinsurance contracts totalled $421 million in the first quarter of 2025 compared to $332 million in the same period of 2024, a 27% increase. This change was primarily a result of the contributions from Individual Insurance as well as the acquisitions of Vericity and the two blocks of business from Prosperity Life Group. This resulted in higher incurred claims and higher amortization of insurance acquisition cash flows. The change was also partly due to higher net expenses from reinsurance contracts from Vericity.

NET INVESTMENT RESULT

For the first quarter of 2025, the net investment result totalled $106 million compared to $196 million for the same period in 2024. This change was almost entirely driven by market-related impacts in the Investment segment and is explained by net investment income, offset by finance income (expenses) from insurance and reinsurance contracts and change in investment contracts and interest on deposits.

Net investment income amounted to $463 million in the first quarter of 2025, a $1,013 million increase compared to the same period in 2024. The increase was mainly driven by the impact that decreasing interest rates in 2025 had on fair value of fixed income and derivative financial instruments, compared to rising rates in 2024.

Finance income (expenses) from insurance and reinsurance contracts and change in investment contracts and interest on deposits correspond to an expense of $357 million in the first quarter of 2025, compared to income of $746 million in the same period of 2024. This $1,103 million change was mainly driven by the impact of decreasing interest rates in 2025, compared to rising rates in 2024, which are an important factor in determining the finance expenses of the insurance contract liabilities.

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 first quarter of 2025, other revenues totalled $487 million compared to $404 million in the same quarter last year. The increase of $83 million mainly comes from the Wealth Management segment, with an increase of $62 million. This is due to higher commission from distribution affiliates and higher management fee revenues from Group Savings and Retirement, which is the result of increased assets under administration and assets under management, driven favourably by advisor recruitment and positive market performance in 2024. The increase is also explained by the revenues in the US Operations segment from the distribution operations of the Vericity 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.

OTHER EXPENSES

For the first quarter of 2025, other expenses totalled $633 million compared to $544 million in the same quarter last year. The variation of $89 million is mainly explained by increased commission expenses in the Wealth Management segment related to increased revenues. The change is also explained by the additions in the US Operations segment from the acquisition of Vericity.

INCOME TAX (EXPENSE) RECOVERY

For the first quarter of 2025, the Company recorded an income tax expense of $46 million compared to $71 million in the same quarter last year. The variation is in line with the amount calculated under the applicable statutory tax rate, combined with 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.

NET INCOME ATTRIBUTED TO COMMON SHAREHOLDERS

Net income attributed to common shareholders totalled $186 million for the first quarter of 2025, compared to $233 million for the same period in 2024. The change is primarily a result of:

- sustained business growth across Insurance, Canada, Wealth Management and US Operations, which had a favourable impact on the insurance service result; and
- the net impact of decreasing interest rates in 2025, compared to rising rates in 2024, on the net investment result.

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

Quarterly results

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

Selected Financial Data								
	2025	2024				2023		
(In millions of dollars, unless otherwise indicated)	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues								
Insurance revenue	1,826	1,822	1,741	1,644	1,595	1,547	1,458	1,376
Net investment income	463	273	2,170	225	(550)	4,414	(2,573)	635
Other revenues	487	471	437	432	404	386	387	388
Total	**2,776**	**2,566**	**4,348**	**2,301**	**1,449**	**6,347**	**(728)**	**2,399**
Income before income taxes	241	269	389	266	305	333	69	245
Income taxes	(46)	(43)	(101)	(52)	(71)	(77)	(13)	(41)
Net income	195	226	288	214	234	256	56	204
Distribution on other equity instruments and dividends on preferred shares issued by a subsidiary	(9)	(6)	(5)	(8)	(1)	(8)	(1)	(8)
Net income attributed to common shareholders	**186**	**220**	**283**	**206**	**233**	**248**	**55**	**196**
Earnings per common share								
Basic	1.99	2.34	3.00	2.13	2.35	2.47	0.55	1.90
Diluted	1.98	2.33	2.99	2.12	2.34	2.46	0.54	1.89

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

Quarterly insurance revenue has increased steadily over the last eight quarters due to the Company's organic growth, which has been particularly notable in the Individual Insurance and Wealth Management business units. The acquisition of Vericity and the two blocks of business from Prosperity Group in the US Operations segment have also contributed to this growth since their acquisition at the end of the second quarter 2024. Overall, the increase in insurance revenue reflects the Company's strength and performance year over year.

† 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 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 both short-term and long-term rates. Although higher long-term rates impacted bond values, macroeconomic factors in Canada drove robust equity and bond returns, supported by reduced credit spreads and real estate recovery. The first quarter of 2025 saw a further decrease in interest rates, which led to higher returns on bonds.

Other revenues were stable for the last three quarters of 2023 and have increased steadily since the first quarter of 2024. This growth is mainly attributed to higher commission from distribution affiliates and higher management fee revenues in the Wealth Management segment, as well as higher revenues from distribution operations in the US Operations segment resulting from the acquisition of Vericity.

Net income attributed to common shareholders fluctuated from quarter to quarter primarily due to market-related impacts. For the first quarter of 2025, the variations were mainly attributable to unfavourable macroeconomic variations. For the third quarter of 2023, the variations were mainly attributable to unfavourable macroeconomic variations, including value adjustments to investment properties.

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.

ACCOUNTING POLICIES AND MAIN ACCOUNTING ESTIMATES

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

The preparation of financial statements requires management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities, net income and complementary information. Actual results could differ from management's best estimates. Management has exercised its judgment and made estimates and assumptions as outlined in Note 2 "Material Accounting Policy Information" in section b) "Important Estimates, Assumptions and Judgments" of the consolidated financial statements in the Company's 2024 Annual Report.

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

E. CSM Movement Analysis

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

The following table presents the evolution of the CSM for the first quarter of 2025.

CSM Movement Analysis[3]

	First quarter		
(In millions of dollars, unless otherwise indicated)	**2025**	**2024**	**Variation**
CSM - Beginning of period	6,899	5,925	16%
Organic CSM movement			
Impact of new insurance business	191	158	
Organic financial growth	92	75	
Insurance experience gains (losses)	44	(18)	
CSM recognized for services provided	(195)	(164)	
Sub-total - Organic CSM movement	132	51	159%
Non-organic CSM movement			
Impact of changes in assumptions and management actions	(3)	2	
Impact of markets	(99)	168	
Currency impact	—	13	
Acquisition or disposition of a business	3	—	
Sub-total - Non-organic CSM movement	(99)	183	
Total - CSM movement	33	234	
CSM - End of period	6,932	6,159	13%
CSM - Net insurance contract liabilities at end	6,509	5,863	11%
CSM - Net reinsurance contract liabilities at end	423	296	43%
CSM - End of period	6,932	6,159	13%

At March 31, 2025, the CSM totalled more than $6.9 billion, an increase of $773 million or 13% over the last 12 months.

Results for the first quarter of 2025

During the first quarter, the CSM increased organically by $132 million and was driven by the following items:

- The positive impact of new insurance business of $191 million, mainly driven by strong segregated fund sales;
- Organic financial growth of $92 million; and
- Net insurance experience gains of $44 million, mainly reflecting favourable policyholder behaviour experience in the segregated fund portfolio and favourable mortality experience consistent with the experience loss in earnings.

Organic CSM growth is consistently moderated by CSM recognized for service provided in earnings, which amounted to $195 million, 19% higher than a year ago.

During the first quarter, non-organic items led to a decrease in the CSM of $99 million, mostly due to the unfavourable impact of market performance of $99 million, which mainly affected the CSM for segregated funds.

As a result of organic and non-organic items, the CSM increased by $33 million during the first quarter of 2025.

[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.

F. Financial Position

Solvency			
(In millions of dollars, unless otherwise indicated)	March 31, 2025	December 31, 2024	March 31, 2024
Available capital			
Tier 1	4,628	4,742	5,027
Tier 2	3,818	4,081	3,200
Surplus allowance and eligible deposits	2,785	2,758	2,431
Total	11,231	11,581	10,658
Base solvency buffer	8,500	8,337	7,527
Solvency ratio	132%	139%	142%

The Company ended the first quarter of 2025 with a solvency ratio of 132%, compared with 139% at the end of the previous quarter and 142% a year earlier. This result is well above the regulatory minimum ratio of 90%. The seven-percentage-point decrease during the first quarter is the result of specific items. These include capital management and deployment activities through the acquisition of Global Warranty, share buybacks (NCIB), IT investments and the redemption of subordinated debentures as outlined in the "Highlights" section of this document. Also, macroeconomic variations and other non-organic items had an unfavourable impact on the ratio during the quarter. These items were partly offset by the favourable impact of organic capital generation.

During the first quarter, the Company organically generated $125 million in additional capital. At March 31, 2025, the capital available for deployment was assessed at $1.4 billion. As outlined in the "Highlights" section of this document, the AMF's revised Capital Adequacy Requirements Guideline – Life and Health Insurance (CARLI) that took effect on January 1, 2025 had a favourable impact on the Company's capital available for deployment. This increase was partly offset by capital deployed during the quarter as mentioned above.

Financial Leverage Ratio††			
	March 31, 2025	December 31, 2024	March 31, 2024
Financial leverage ratio	14.8%	17.3%	14.3%

The financial leverage ratio†† was 14.8% on March 31, 2025 compared to 17.3% at the end of the previous quarter. The favourable variation is mainly due to the $400 million redemption of subordinated debentures outlined in the "Highlights" section of this document and, to a lesser extent, the increase in the post-tax contractual service margin.[1]

Book Value per Common Share and Market Capitalization			
	March 31, 2025	December 31, 2024	March 31, 2024
Book value per common share[2]	$74.62	$73.44	$68.93
Number of common shares outstanding	93,258,297	93,455,697	98,350,869
Share price at close	$136.66	$133.32	$84.15
Market capitalization (in million of dollars)	$12,745	$12,460	$8,276

The book value per common share increased by 8% during the last 12 months and by 2% during the quarter to reach $74.62 at March 31, 2025. This result is mostly attributable to the increase in retained earnings, which was partly offset by the impact of the share buybacks (NCIB) and the dividend payment to common shareholders.

The number of common shares outstanding decreased by 197,400 during the quarter. This decrease is mainly due to the Company's redemption and cancellation of common shares under the NCIB program, which was partly offset by the exercise of stock options under the stock option plan for senior managers.

[1] Post-tax contractual service margin is a component of the financial leverage ratio calculation. For more information, see the "Non-IFRS and Additional Financial Measures" section in this document.
[2] Book value per common share is calculated by dividing the common shareholders' equity, which represents the total equity less other equity instruments, 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.

During the first quarter, the Company repurchased and cancelled a total of 218,200 outstanding common shares for a total value of $29 million and cancelled 52,700 additional shares that had been repurchased but not cancelled as of December 31, 2024. Under the current NCIB in force from November 14, 2024 to November 13, 2025, the Company can repurchase up to 4,694,894 common shares, representing approximately 5% of the issued and outstanding shares as at October 31, 2024. Since November 14, 2024, 822,600 shares, or 0.9% of the outstanding shares, have been repurchased and cancelled. Therefore, the Company may repurchase up to 3,872,294 outstanding common shares between March 31, 2025 and November 13, 2025.

CHANGES IN FINANCIAL POSITION ACCORDING TO THE FINANCIAL STATEMENTS

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

Financial Position of General Fund		
(In millions of dollars)	**March 31, 2025**	**December 31, 2024**
General fund assets	58,036	57,286
General fund liabilities	50,474	49,819
Total equity	7,562	7,467

General fund assets and liabilities remained relatively stable as at March 31, 2025 compared to the previous year ended December 31, 2024.

At March 31, 2025, general fund assets totalled $58.0 billion compared to $57.3 billion at December 31, 2024. The variation is mainly driven by amounts receivable arising from investment transactions that occurred in the normal course of business.

At March 31, 2025, general fund liabilities totalled $50.5 billion compared to $49.8 billion at December 31, 2024. The redemption of subordinated debentures in February 2025 decreased the general fund liabilities by $400 million, the impact of which was offset by an increase in other liabilities due to amounts payable related to investment transactions in the normal course of business.

Capital Structure			
(In millions of dollars)	**March 31, 2025**	**December 31, 2024**	**March 31, 2024**
Equity			
Share capital and contributed surplus	1,542	1,540	1,601
Other equity instruments and preferred shares issued by a subsidiary	600	600	375
Retained earnings and accumulated other comprehensive income	5,420	5,327	5,182
Total shareholders' equity	7,562	7,467	7,158
Debentures	1,495	1,894	1,500
Total capital structure	9,057	9,361	8,658

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

Equity was $7.6 billion at March 31, 2025 compared to $7.5 billion at December 31, 2024. The three-month variation is primarily related to:

- the contribution of net income to retained earnings, totalling $195 million for the first three months of 2025;
- the impact of dividends on common shares of $84 million; and
- the repurchase and cancellation of common shares for $29 million through the NCIB program.

Debentures were $1.5 billion at March 31, 2025 compared to $1.9 billion at December 31, 2024. The three-month variation is due to the redemption of subordinated debentures as mentioned above.

As a result of the items listed above, the Company's capital structure amounted to nearly $9.1 billion at March 31, 2025, a decrease of $304 million from December 31, 2024.

† 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 March 31, 2025, cash and short-term investments totalled $1,794 million compared to $1,566 million at December 31, 2024. The following table summarizes the source and use of the Company's funds for the first quarter of 2025 and 2024.

Cash Flows	**First quarter**	
(In millions of dollars, unless otherwise indicated)	**2025**	**2024**
Cash and short-term investments at beginning	1,566	1,379
Cash flows from (used in):		
Operating activities	871	351
Investing activities	(102)	(58)
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 end	1,794	1,462

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 $228 million for the first quarter of 2025 compared to an increase of $83 million for the same period in 2024. The higher increase in 2025 is mainly due to the cash flow from operating activities, partially offset by the cash flow used in financing activities, which fluctuated due to the redemption of $400 million of subordinated debentures in February 2025. The change in cash flows used in investing activities is due to the acquisition of Global Warranty in the first quarter of 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.

G. Investments

The following table shows the main asset classes that make up the Company's investment portfolio.

Investment Mix			
(In millions of dollars, unless otherwise indicated)	**March 31, 2025**	**December 31, 2024**	**March 31, 2024**
Book value of investments	45,676	45,580	41,586
Allocation of investments by asset class			
Bonds	70.5%	71.7%	71.0%
Stocks	12.3%	11.3%	10.4%
Loans (including mortgages)	7.5%	7.6%	8.6%
Investment properties	3.3%	3.3%	3.8%
Cash and short-term investments	3.9%	3.4%	3.5%
Other	2.5%	2.7%	2.7%
Total	100.0%	100.0%	100.0%

The total value of the investment portfolio was nearly $46 billion at March 31, 2025, 10% higher than a year ago but only slightly higher than at the end of 2024. The slight variation in the first quarter is primarily attributed to growth, which was partly offset by the redemption of subordinated debentures and the acquisition of Global Warranty.

Quality of Investments			
	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Bonds – Proportion rated BB or lower	0.7%	0.7%	0.6%
Mortgages – Proportion of securitized and insured loans	63.4%	65.0%	66.8%
Investment properties – Occupancy rate[1]	85.8%	85.5%	86.4%
Car loans – Net impaired loans as a percentage of gross loans[2]	0.44%	0.49%	0.48%
Car loans – Total allowance for credit losses (ACL) as a percentage of gross loans[3]	5.63%	5.61%	5.16%

The indicators in the above table continue to demonstrate the high quality of the investment portfolio. For investment properties, the occupancy rate remained relatively stable during the quarter and compares favourably with the Canadian office market.[4] The quality of the auto loan portfolio continues to be very good, despite a slight increase during the last 12 months in the total allowance for credit losses (ACL) as a percentage of gross loans.

Derivative Financial Instruments			
	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Total notional amount ($B)	49	48	44
Company's credit risk			
AA - or higher	100%	100%	100%
A + or lower	—	—	—
Positive fair value ($M)	995	1,066	975
Negative fair value ($M)	1,021	1,060	892

1 Occupancy rate on investment properties is calculated by dividing the total number of square feet rented by the total number of square feet in the Company's real estate portfolio. Land and real estate properties intended for redevelopment are excluded from the calculation.

2 Net impaired loans as a percentage of gross loans is a ratio of impaired loans net of allowance for credit losses expressed as a percentage of gross loans. It is an indicator of quality of the loan portfolio.

3 Total allowance for credit losses (ACL) as a percentage of gross loans is defined as the ratio of ACL expressed as a percentage of gross loans. Provides a measure of the expected credit experience of the loan portfolio.

4 Source: CBRE.

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

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

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

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

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section 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.

H. Declaration of Dividend

The Board of Directors of iA Financial Group approved a quarterly dividend of $0.9000 per share on the Company's outstanding common shares, the same as that announced the previous quarter.

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

Declaration of Dividend	Amount	Payment date	Closing date
Common shares – iA Financial Corporation Inc.	$0.9000	June 16, 2025	May 23, 2025

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

REINVESTMENT OF DIVIDENDS

Registered shareholders wishing to enrol in the Company's Dividend Reinvestment and Share Purchase Plan (DRIP) so as to be eligible to reinvest the next dividend payable on June 16, 2025 must ensure that the duly completed form is delivered to Computershare no later than 4:00 p.m. on May 15, 2025. Enrolment information is provided on iA Financial Group's website at ia.ca under *About iA,* in the *Investor Relations/Dividends* section. Common shares issued under the Company's DRIP will be purchased on the secondary market and no discount will apply.

I. Risk Management and Sensitivities – Update

The "Risk Management and Sensitivities – Update" section of this Management's Discussion and Analysis contains certain IFRS® Accounting Standards information regarding the nature and scope of the risks arising from financial instruments. This information, which appears in darker grey in this section, is disclosed in the unaudited interim condensed consolidated financial statements for the period ended March 31, 2025, given that the standards permit cross-references between the Notes to the Financial Statements and the Management's Discussion and Analysis. Because of the references made to the financial statements, the terminology used in this section is generally aligned with what is found in the financial statements.

As at March 31, 2025, the Company updated some portions of the Management's Discussion and Analysis for 2024, "Risk Management" section. Considering that the unaudited interim condensed consolidated financial statements do not contain all the information required in complete annual financial statements, they should be read in conjunction with the consolidated financial statements for the year ended December 31, 2024 as well as the Management's Discussion and Analysis for 2024. The Company's risk profile has not changed significantly with respect to strategic risk, credit risk, liquidity risk, model risk, operational risk, or legal, regulatory and reputational risk.

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

Immediate Sensitivity						
		Immediate Impact				
		Net income[1]	**Equity: OCI only[2]**	**Equity: OCI[2] and net income**	**Solvency ratio**	**CSM**
(as at March 31, 2025)		*$M after tax*	*$M after tax*	*$M after tax*	*Percentage points*	*$M before tax*
Public equity[3]	Immediate +10% change in market values	100	25	125	(0.5%)	250
	Immediate -10% change in market values	(100)	(25)	(125)	0.5%	(275)
Private non-fixed income (NFI) assets	Immediate +10% change in market values of private equity, investment property and infrastructure	300	25	325	1.5%	—
	Immediate -10% change in market values of private equity, investment property and infrastructure	(300)	(25)	(325)	(1.5%)	—
Interest rates	Immediate parallel shift of +50 bps on all rates	(25)	25	—	(0.5%)	25
	Immediate parallel shift of -50 bps on all rates	—	(25)	(25)	0.5%	(25)
Corporate spreads	Immediate parallel shift of +50 bps	(25)	75	50	0.5%	—
	Immediate parallel shift of -50 bps	—	(75)	(75)	(0.5%)	—
Provincial government bond spreads	Immediate parallel shift of +50 bps	25	(50)	(25)	(0.5%)	75
	Immediate parallel shift of -50 bps	(25)	50	25	0.5%	(100)
	Rounding	**±25**	**±25**	**±25**	**±0.5%**	**±25**

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

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section 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.

Core Earnings† Sensitivities				
(as at March 31, 2025)	Business segment	Variation	Impact on future quarter core earnings†,4 *$M after tax*	Description of shock
Public equity[5]	Investment	+5%	0.3	Immediate +5% change in market values
		-5%	(0.3)	Immediate -5% change in market values
	Wealth Management	+5%	4.0	Immediate +5% change in market values
		-5%	(4.4)	Immediate -5% change in market values
Private non-fixed income (NFI) assets[6]	Investment	+5%	3.2	Immediate +5% change in market values
		-5%	(3.2)	Immediate -5% change in market values
Interest rates	Investment	+10 bps	0.5	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	0.2	Immediate parallel shift of +10 bps
		-10 bps	(0.1)	Immediate parallel shift of -10 bps

Caution Regarding Immediate Sensitivities

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

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

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

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

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 factors based on the assumptions outlined in the Management's Discussion and Analysis for 2024, "Risk Management" section.

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

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section 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.

J. Reconciliation of Select Non-IFRS Financial Measures

RECONCILIATION OF EARNINGS ACCORDING TO THE DRIVERS OF EARNINGS ANALYSIS

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

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

	Three months ended March 31								
	Core earnings†,1			Core earnings adjustments[1]	Reclassifications: Net investment result[2]	Reclassifications: Other[2]	Income per financial statements		
(In millions of dollars, unless otherwise indicated)	2025	2024	Variation	2025	2025	2025	2025	2024	Variation
Insurance service result	285	249	14%	(4)	—	—	281	249	13%
Net investment result	124	109	14%	(83)	65	—	106	196	(46%)
Non-insurance activities or other revenues per financial statements	86	75	15%	(6)	(25)	432	487	404	21%
Other expenses	(131)	(123)	7%	(30)	(40)	(432)	(633)	(544)	16%
Core earnings† or income per financial statements, before taxes	364	310	17%	(123)	—	—	241	305	(21%)
Income taxes or income tax (expense) recovery	(82)	(66)	not meaningful	36	—	—	(46)	(71)	not meaningful
Distributions on other equity instruments[3]	(9)	(1)	not meaningful				(9)	(1)	not meaningful
Core earnings† or net income attributed to common shareholders per financial statements	**273**	**243**	**12%**	**(87)**	**—**	**—**	**186**	**233**	**(20%)**

1 For a breakdown of core earnings† adjustments applied to reconcile to net income attributed to common shareholders, see "Core Earnings Adjustments" below.
2 These reclassifications reflect items subject to a different classification treatment between the financial statements and the drivers of earnings (DOE).
3 Dividends on preferred shares and distributions on other equity instruments.

† This item is a non-IFRS financial measure; see the "Non-IFRS and Additional Financial Measures" section 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.

CORE EARNINGS ADJUSTMENTS

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

NET INVESTMENT RESULT RECLASSIFICATION

Net investment result reclassifications totalled $65 million for the first quarter and are broken down in the following table.

Net investment result

	First quarter		
(in millions of dollars, unless otherwise indicated)	**2025**	**2024**	**Variation**
Net investment result – IFRS Income Statements	106	196	(90)
Investment income of wealth distribution affiliates *Income statements: Net investment result* *DOE: Non-insurance activities*	(26)	(31)	5
Investment expenses *Income statements: Other operating expenses* *DOE: Net investment result*	(12)	(8)	(4)
Other revenues and other operating expenses of iA Auto Finance *Income statements: Other revenues and other operating expenses* *DOE: Net investment result*	(26)	(23)	(3)
Income relating to the DSU hedging instrument *Income statements: Change in fair value of investment* *DOE: Other expenses*	(1)	2	(3)
Net investment result – Non-IFRS Drivers of Earnings (DOE)	**41**	**136**	**(95)**

OTHER RECLASSIFICATIONS

Other reclassifications relate mainly to expenses that are subject to a different classification treatment in the financial statements and the drivers of earnings (DOE). Other reclassifications totalled $432 million for the first quarter of 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.

K. Non-IFRS and Additional Financial Measures

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; and

– *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;

[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.

† 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.

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

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

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

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

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

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

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

a) Organic CSM movement, which excludes the impacts of items that create undue volatility or are non-representative of the underlying business performance from period to period and helps in better understanding the ongoing CSM value creation. It is the sum of the following components:

   i. *Impact of new insurance business*, which is the CSM established from non-onerous insurance contracts initially recognized in the period. It includes the impacts related to policy cancellations and acquisition expenses, and it excludes the impacts of unusual new reinsurance contracts on in-force business that are categorized as management actions;

   ii. *Organic financial growth*, which is the movement of the CSM from 1) expected asset returns on underlying items (for insurance contracts measured under the variable-fee approach); and 2) interest accreted based on locked-in discount rates at initial recognition (for insurance contracts measured under the general measurement model);

† 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.

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; and

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; and

iv. *Acquisition or disposition of a business*, which represents the impact on the CSM from contracts acquired as part of the acquisition of a business, or the impact on the CSM as part of the disposition of a business, presented in Canadian dollars.

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

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

† 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.

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

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

   i. *Expected insurance earnings*, which represent the recurring insurance-related earnings on business in force during the reporting period. It is the sum of the following components:

      - Risk adjustment release, which is the change in risk adjustment for non-financial risk for risk expired;
      - Contractual service margin (CSM) recognized for services provided, which is the CSM recognized in net income for services provided during the period; and
      - 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; and

   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.

† 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.

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

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

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

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

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

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

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

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

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.

Core dividend payout ratio – Core dividend payout ratio 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 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 premiums after reinsurance and exclude premium equivalents.

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

Premium equivalents and deposits

a) Premium equivalents is a supplementary financial measure and refers to amounts related to service contracts (such as Administrative Services Only (ASO) contracts) or related to services where the Company is primarily an administrator. For some business units, they also include the amount of premiums kept externally for insurance contracts where the Company will compensate the counterparty for losses that exceed a specific threshold, or failure to pay. These amounts are not accounted for in "Net premiums".

b) Deposits refer to amounts received from clients under a mutual fund contract or an investment contract. Deposits are not reflected in the Company's income statements.

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

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

a) Insurance, Canada

- Individual Insurance: In the Individual Insurance sector, sales are defined as first-year annualized premiums. Gross sales are defined as premiums before reinsurance and cancellations. Net premiums include both fund entries on new business written during the period and on in-force contracts and are reduced by premiums ceded to reinsurers.
- Group Insurance:

  Employee Plans: Sales are defined as annualized premiums of contracts for new groups becoming effective during the quarter. Net premiums are net of reinsurance and include both fund entries on new business written during the period and on in-force contracts.

  Special Markets: Sales (gross premiums) are defined as premiums before reinsurance. Net sales are defined as gross premiums net of reinsurance.

- Dealer Services:

  Creditor Insurance: Creditor insurance sales are defined as premiums before reinsurance and cancellations.

  P&C: P&C sales are defined as direct written premiums before reinsurance and cancellations.

- iA Auto & Home: In iA Auto & Home, sales are defined as direct written premiums before reinsurance and cancellations.

b) Wealth Management

- Individual Wealth Management

† 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.

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.

† 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.

L. Notice and General Information

INTERNAL CONTROL OVER FINANCIAL REPORTING

No changes were made to the Company's internal control over financial reporting during the interim period ended March 31, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

This document may contain statements that are predictive or otherwise forward-looking 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 "financial targets", "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 future operating results, strategies, and financial and operational outlook. 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; geopolitical and trade uncertainty; 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.

Escalating U.S.-Canada trade tensions, including tariffs on automobiles and auto parts, along with U.S.-China trade frictions and retaliatory tariffs, have intensified global trade instability. Global equity markets have experienced volatility due to uncertainty around tariffs, shifting interest rate expectations, and softer-than-expected economic data. In addition, trade barriers, such as potential and actual tariffs by the U.S., may shift global growth and trade patterns and have a ripple effect on supply chains, potentially further disrupting markets. These factors could lead to reduced consumer and investor confidence, increased financial volatility, and constrained growth opportunities.

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 and outlooks 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. Forward-looking statements are presented in this document for the purpose of assisting investors and others in understanding certain key elements of the Company's expected financial results, as well as the Company's objectives, strategic priorities and business outlook, and in obtaining a better understanding of the Company's anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

DOCUMENTS RELATED TO THE FINANCIAL RESULTS

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

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	As at December 31
	2025	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

(unaudited, in millions of Canadian dollars)	Three months ended March 31 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**

(in millions of dollars)	As at December 31, 2024 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**

(in millions of dollars)	Year ended December 31, 2024 Balance as at December 31, 2023	Gains (losses) included in net income	Purchases	Sales and settlements	Transfers into (out of) Level 3 and reclassifications	Balance as at 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**

(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
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:

(in millions of dollars)	**As at March 31, 2025** **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**

	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
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

	Three months ended March 31	
(in millions of dollars)	**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:

(in millions of dollars, unless otherwise indicated)	As at March 31, 2025 Number of shares (in thousands)	As at March 31, 2025 Amount	As at December 31, 2024 Number of shares (in thousands)	As at December 31, 2024 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

(in millions of dollars, unless otherwise indicated)	Three months ended March 31 2025 Total	2025 Per share (in dollars)	2024 Total	2024 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

(in millions of dollars)	Insurance, Canada	Wealth Management	US Operations	Investment	Corporate	Consolidation adjustments	Total
	Three months ended March 31, 2025						
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**

(in millions of dollars)	Insurance, Canada	Wealth Management	US Operations	Investment	Corporate	Consolidation adjustments	Total
	Three months ended March 31, 2024						
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.

Conference Call

Management held a conference call to present its results on Thursday, May 8, 2025, at 12:00 p.m. (ET). You can listen a replay of the conference call starting at 2:30 pm on Thursday, May 8, 2025, 2025, until 11:00 pm on Thursday, June 19, 2025 on the Company's website at ia.ca, under *About iA,* in the *Investor Relations/Financial Reports* section.

About iA Financial Group

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

Shareholder Information

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

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

To obtain financial information about Industrial Alliance, contact the Investor Relations Department:
Investor Relations Department
Industrial Alliance Insurance and Financial Services Inc.
Telephone: 418 684-5000, extension 105862
1 800 463-6236, extension 105862 (toll free)
Fax: 418 684-5192
Email: investors@ia.ca
Website: www.ia.ca

For questions regarding Industrial Alliance products and services, contact your agent. If you don't have an agent, contact Industrial Alliance at:
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