

SUCCESSING NOW AND TOMORROW



iA Financial Corporation Inc.

Interim Condensed Consolidated Financial Statements

For the first quarter of 2026

As at March 31, 2026 and 2025

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Consolidated Income Statements

(unaudited, in millions of Canadian dollars, unless otherwise indicated)	Three months ended March 31	
	2026	2025
Insurance service result		
Insurance revenue (Note 8)	\$ 2,016	\$ 1,826
Insurance service expenses	(1,622)	(1,465)
Net income (expenses) from reinsurance contracts	(89)	(80)
	305	281
Net investment result		
Net investment income (Note 3)		
Interest and other investment income	574	549
Change in fair value of investments	(662)	(86)
	(88)	463
Finance income (expenses) from insurance contracts	196	(366)
Finance income (expenses) from reinsurance contracts	15	50
(Increase) decrease in investment contract liabilities and interest on deposits	(23)	(41)
	100	106
Investment income (expenses) from segregated funds net assets	87	(116)
Finance income (expenses) related to segregated funds liabilities	(87)	116
	—	—
	100	106
Other revenues	628	487
Other operating expenses	(769)	(615)
Other financing charges	(17)	(18)
Income before income taxes	247	241
Income tax (expense) recovery (Note 12)	(101)	(46)
Net income	146	195
Dividends on preferred shares and distributions on other equity instruments (Note 10)	(9)	(9)
Net income attributed to common shareholders	\$ 137	\$ 186
Earnings per common share (in dollars) (Note 14)		
Basic	\$ 1.50	\$ 1.99
Diluted	1.49	1.98
Weighted average number of shares outstanding (in millions of units) (Note 14)		
Basic	91	93
Diluted	92	94
Dividends per common share (in dollars) (Note 9)	0.99	0.90

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

Consolidated Comprehensive Income Statements

(unaudited, in millions of Canadian dollars)	Three months ended March 31	
	2026	2025
Net income	\$ 146	\$ 195
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	131	3
Hedges of net investment in foreign operations	(94)	(1)
	37	2
Items that will not be reclassified subsequently to net income:		
Remeasurement of post-employment benefits	22	16
Total other comprehensive income	59	18
Comprehensive income attributed to shareholders	\$ 205	\$ 213

Income Taxes Included in Other Comprehensive Income

(unaudited, in millions of Canadian dollars)	Three months ended March 31	
	2026	2025
Income tax recovery (expense) related to:		
Items that may be reclassified subsequently to net income:		
Hedges of net investment in foreign operations	\$ 17	\$ —
Items that will not be reclassified subsequently to net income:		
Remeasurement of post-employment benefits	(9)	(6)
Total income tax recovery (expense) included in other comprehensive income	\$ 8	\$ (6)

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

Consolidated Statements of Financial Position

	As at March 31 2026	As at December 31 2025
(in millions of Canadian dollars)	(unaudited)	
Assets		
Investments (Note 3)		
Cash and short-term investments	\$ 2,208	\$ 2,262
Bonds	30,337	31,080
Stocks	7,390	6,504
Loans	3,723	3,687
Derivative financial instruments (Note 6)	814	926
Other investments	119	119
Investment properties	1,422	1,446
	46,013	46,024
Other assets	7,031	5,185
Insurance contract assets (Note 8)	75	80
Reinsurance contract assets (Note 8)	3,335	3,287
Fixed assets	342	333
Deferred income tax assets	813	775
Intangible assets	2,279	2,278
Goodwill	1,814	1,799
General fund assets	61,702	59,761
Segregated funds net assets (Note 7)	64,150	63,047
Total assets	\$ 125,852	\$ 122,808
Liabilities		
Insurance contract liabilities (Note 8)	\$ 36,883	\$ 37,317
Reinsurance contract liabilities (Note 8)	2	—
Investment contract liabilities and deposits	8,094	7,620
Derivative financial instruments (Note 6)	859	734
Other liabilities	5,857	3,936
Deferred income tax liabilities	401	392
Debentures	1,497	1,496
General fund liabilities	53,593	51,495
Insurance contract liabilities related to segregated funds (Note 8)	47,550	46,365
Investment contract liabilities related to segregated funds	16,600	16,682
Total liabilities	\$ 117,743	\$ 114,542
Equity		
Common shares and contributed surplus	\$ 1,506	\$ 1,530
Preferred shares and other equity instruments (Note 10)	1,000	1,000
Retained earnings and accumulated other comprehensive income	5,603	5,736
	8,109	8,266
Total liabilities and equity	\$ 125,852	\$ 122,808

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

Consolidated Equity Statements

	As at March 31, 2026					
	Common shares	Preferred shares and other equity instruments	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total
(unaudited, in millions of Canadian dollars)	(Note 9)	(Note 10)				
Balance as at December 31, 2024	\$ 1,524	\$ 600	\$ 16	\$ 5,253	\$ 74	\$ 7,467
Net income	—	—	—	1,096	—	1,096
Other comprehensive income	—	—	—	—	(23)	(23)
Comprehensive income for the year	—	—	—	1,096	(23)	1,073
Equity transactions						
Transfer of post-employment benefits	—	—	—	47	(47)	—
Stock option plan	—	—	4	—	—	4
Stock options exercised	—	—	(4)	—	—	(4)
Issuance of common shares	22	—	—	—	—	22
Redemption of common shares	(32)	—	—	(267)	—	(299)
Issuance of preferred shares	—	400	—	(4)	—	396
Dividends on common shares	—	—	—	(350)	—	(350)
Dividends on preferred shares and distributions on other equity instruments	—	—	—	(43)	—	(43)
	(10)	400	—	(617)	(47)	(274)
Balance as at December 31, 2025	1,514	1,000	16	5,732	4	8,266
Net income	—	—	—	146	—	146
Other comprehensive income	—	—	—	—	59	59
Comprehensive income for the period	—	—	—	146	59	205
Equity transactions						
Transfer of post-employment benefits	—	—	—	22	(22)	—
Stock option plan	—	—	1	—	—	1
Issuance of common shares	2	—	—	—	—	2
Redemption of common shares	(27)	—	—	(239)	—	(266)
Dividends on common shares	—	—	—	(90)	—	(90)
Dividends on preferred shares and distributions on other equity instruments	—	—	—	(9)	—	(9)
	(25)	—	1	(316)	(22)	(362)
Balance as at March 31, 2026	\$ 1,489	\$ 1,000	\$ 17	\$ 5,562	\$ 41	\$ 8,109

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

Consolidated Cash Flows Statements

	Three months ended March 31	
	2026	2025
(unaudited, in millions of Canadian dollars)		
Cash flows from operating activities		
Income before income taxes	\$ 247	\$ 241
Other financing charges	17	18
Income taxes paid, net of refunds	(394)	(170)
Operating activities not affecting cash:		
Expenses (income) from insurance contracts	(590)	5
Expenses (income) from reinsurance contracts	74	30
Expenses (income) from investment contracts and interest on deposits	23	41
Unrealized losses (gains) on investments	664	89
Provision for credit losses	17	24
Other depreciation	104	86
Other items not affecting cash	27	34
Operating activities affecting cash:		
Sales, maturities and repayments on investments	17,083	12,751
Purchases of investments	(17,681)	(12,782)
Change in assets/liabilities related to insurance contracts	86	264
Change in assets/liabilities related to reinsurance contracts	(75)	(97)
Change in liabilities related to investment contracts and deposits	451	108
Other items affecting cash	348	229
Net cash from (used in) operating activities	401	871
Cash flows from investing activities		
Acquisition of businesses, net of cash	(15)	(52)
Net purchases of fixed and intangible assets	(75)	(50)
Net cash from (used in) investing activities	(90)	(102)
Cash flows from financing activities		
Issuance of common shares	2	5
Redemption of common shares (Note 9)	(261)	(29)
Redemption of debentures	—	(400)
Reimbursement of lease liabilities	(7)	(5)
Dividends paid on common shares	(90)	(84)
Dividends paid on preferred shares and distributions on other equity instruments	(12)	(12)
Interest paid on debentures	(11)	(16)
Interest paid on lease liabilities	(2)	(1)
Net cash from (used in) financing activities	(381)	(542)
Foreign currency gains (losses) on cash	6	1
Increase (decrease) in cash and short-term investments	(64)	228
Cash and short-term investments at beginning¹	2,272	1,566
Cash and short-term investments at end	\$ 2,208	\$ 1,794
Supplementary information:		
Cash	\$ 1,884	\$ 1,227
Short-term investments including cash equivalents	324	567
Total cash and short-term investments	\$ 2,208	\$ 1,794

¹ The cash and short-term investments at the beginning of the three months ended March 31, 2026 reflects the application of the amendment to IFRS 9 on January 1, 2026, and consequently the amount differs from the cash and short-term investments at end previously published as at December 31, 2025. For information on the amendment to IFRS 9, refer to Note 2 to these Interim Condensed Consolidated Financial Statements.

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, 2026 and 2025 (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, 2025, which are included in the 2025 Annual Report. The material accounting policies used to prepare these Financial Statements are consistent with those found in the 2025 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 5, 2026.

2 › Changes in Accounting Policies

New Accounting Policies Applied to Financial Statements beginning on or after January 1, 2026.

Standards or amendments	Description of the standards or amendments and impacts on financial statements of the Company
IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>	<p><i>Description:</i> On May 30, 2024, the IASB published an amendment to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>.</p> <p><i>Amendments to the Classification and Measurement of Financial Instruments</i> 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, including environmental, social and corporate governance events.</p> <p><i>Impact:</i> In accordance with the provisions of the amendment, the Company has applied it on a modified retrospective basis as at January 1, 2026, and as a result, the comparative figures are not restated. The effect is limited to the accounting treatment related to the derecognition of certain financial liabilities which led, on January 1, 2026, to an increase of \$10 in <i>Cash and short-term investments</i> and an increase in <i>Other liabilities</i> of the same amount. This had no impact on the equity of the Company.</p>
Annual Improvements to IFRS Accounting Standards 2024-2025 Cycle	<p><i>Description:</i> 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:</p> <ul style="list-style-type: none"> IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> 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 <i>Financial Instruments</i> to reflect it in its opening IFRS statement of financial position. Otherwise, the entity should discontinue the hedge accounting; IFRS 7 <i>Financial Instruments: Disclosures</i> 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 in IFRS 13 <i>Fair Value Measurement</i>; IFRS 9 <i>Financial Instruments</i> 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 <i>Revenue from Contracts with Customers</i>” instead of “at their transaction price”, as previously mentioned in IFRS 9; IFRS 10 <i>Consolidated Financial Statements</i> 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 <i>Statement of Cash Flows</i> 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. <p>The provisions of these improvements apply prospectively.</p> <p><i>Impact:</i> No impact on the Company’s financial statements.</p>

3 › Investments and Net Investment Income

a) Carrying Value and Fair Value

(in millions of dollars)	As at March 31, 2026				
	At fair value through profit or loss	At amortized cost	Other	Total	Fair value
Cash and short-term investments	\$ 323	\$ 1,885	\$ —	\$ 2,208	\$ 2,208
Bonds					
Governments	7,743	—	—	7,743	
Municipalities	972	—	—	972	
Corporate and other	21,622	—	—	21,622	
	30,337	—	—	30,337	30,337
Stocks					
Common	4,863	—	—	4,863	
Preferred	484	—	—	484	
Stock indexes	390	—	—	390	
Investment fund units	1,653	—	—	1,653	
	7,390	—	—	7,390	7,390
Loans					
Mortgages					
Insured mortgages					
Multi-residential	609	—	—	609	
Non-residential	1	—	—	1	
	610	—	—	610	
Conventional mortgages					
Multi-residential	215	—	—	215	
Non-residential	279	—	—	279	
	494	—	—	494	
	1,104	—	—	1,104	
Corporate loans	280	—	—	280	
Car loans	—	1,450	—	1,450	
Other loans	—	889	—	889	
	1,384	2,339	—	3,723	3,711
Derivative financial instruments	814	—	—	814	814
Other investments	46	3	70	119	119
Investment properties	—	—	1,422	1,422	1,456
Total investments	\$ 40,294	\$ 4,227	\$ 1,492	\$ 46,013	\$ 46,035

(in millions of dollars)	As at December 31, 2025				
	At fair value through profit or loss	At amortized cost	Other	Total	Fair value
Cash and short-term investments	\$ 308	\$ 1,954	\$ —	\$ 2,262	\$ 2,262
Bonds					
Governments	7,833	—	—	7,833	
Municipalities	1,028	—	—	1,028	
Corporate and other	22,219	—	—	22,219	
	31,080	—	—	31,080	31,080
Stocks					
Common	3,996	—	—	3,996	
Preferred	461	—	—	461	
Stock indexes	400	—	—	400	
Investment fund units	1,647	—	—	1,647	
	6,504	—	—	6,504	6,504
Loans					
Mortgages					
Insured mortgages					
Multi-residential	694	—	—	694	
Non-residential	1	—	—	1	
	695	—	—	695	
Conventional mortgages					
Multi-residential	198	—	—	198	
Non-residential	264	—	—	264	
	462	—	—	462	
	1,157	—	—	1,157	
Corporate loans	250	—	—	250	
Car loans	—	1,450	—	1,450	
Other loans	—	830	—	830	
	1,407	2,280	—	3,687	3,675
Derivative financial instruments	926	—	—	926	926
Other investments	45	4	70	119	119
Investment properties	—	—	1,446	1,446	1,480
Total investments	\$ 40,270	\$ 4,238	\$ 1,516	\$ 46,024	\$ 46,046

Other investments include bonds, common stocks and short-term investments that are restricted investments, notes receivable and investments in associates and joint ventures. Bonds, common stocks and short-term investments that are restricted investments are classified at fair value through profit or loss. Notes receivable are classified at amortized cost. Investments in associates and joint ventures, accounted for according to 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 8 years as at March 31, 2026 (less than 1 year to 8 years as at December 31, 2025). The notional amount of the bonds is \$603 as at March 31, 2026 (\$629 as at December 31, 2025), while the carrying value and the fair value of the bonds are \$606 (\$640 as at December 31, 2025). For the three months ended March 31, 2026, the Company recognized a loss of \$1 on the hedging instruments (gain of \$5 for the three months ended March 31, 2025) and a gain of \$4 on the hedged items (loss of \$1 for the three months ended March 31, 2025). For the three months ended March 31, 2026, the Company recognized an ineffectiveness of \$3 (\$4 for the three months ended March 31, 2025).

b) Investments in Associates and Joint Ventures

The Company holds interests ranging from 25% to 29% as at March 31, 2026 (25% to 29% as at December 31, 2025). The carrying value of these investments as at March 31, 2026 is \$70 (\$70 as at December 31, 2025). The share of net income and comprehensive income for the three months ended March 31, 2026 corresponds to a profit of less than \$1 (profit of \$1 for the three months ended March 31, 2025).

c) Net Investment Income

(in millions of dollars)	Three months ended March 31	
	2026	2025
Interest and other investment income		
Interest	\$ 469	\$ 455
Dividends	134	113
Derivative financial instruments	(23)	(17)
Net rental income	16	22
Provision for credit losses	(17)	(24)
Other income and expenses	(5)	—
	574	549
Change in fair value of investments		
Cash and short-term investments	2	3
Bonds	(382)	283
Stocks	13	(59)
Loans	(5)	14
Derivative financial instruments	(286)	(317)
Investment properties	(4)	(11)
Other	—	1
	(662)	(86)
Total net investment income	\$ (88)	\$ 463

4 › Fair Value of Financial Instruments and Investment Properties

Methods and assumptions used to estimate fair values of financial instruments and investment properties are disclosed in Note 6 of the Company's Consolidated Financial Statements for the year ended December 31, 2025.

Fair Value Hierarchy

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. Level 1 financial instruments are composed, among other things, of stocks traded on the market.

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. Level 2 financial instruments are composed, among other things, of bonds and private debts.

Level 3 – Valuation model based on valuation techniques that use significant unobservable market parameters and that reflect management's best estimates. Level 3 financial instruments are composed, among other things, of private equity.

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

(in millions of dollars)	As at March 31, 2026			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Cash and short-term investments	\$ —	\$ 323	\$ —	\$ 323
Bonds				
Governments	—	7,743	—	7,743
Municipalities	—	972	—	972
Corporate and other	—	21,307	315	21,622
	—	30,022	315	30,337
Stocks	3,959	334	3,097	7,390
Mortgages	—	1,104	—	1,104
Corporate loans	—	—	280	280
Derivative financial instruments	274	539	1	814
Other investments	—	46	—	46
Investment properties	—	—	1,422	1,422
General fund investments recognized at fair value	4,233	32,368	5,115	41,716
Other assets	—	66	—	66
Segregated funds financial instruments	53,441	9,403	1,322	64,166
Total financial assets at fair value	\$ 57,674	\$ 41,837	\$ 6,437	\$ 105,948

(in millions of dollars)	As at December 31, 2025 ¹			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Cash and short-term investments	\$ —	\$ 308	\$ —	\$ 308
Bonds				
Governments	—	7,833	—	7,833
Municipalities	—	1,028	—	1,028
Corporate and other	—	21,894	325	22,219
	—	30,755	325	31,080
Stocks	3,189	331	2,984	6,504
Mortgages	—	1,157	—	1,157
Corporate loans	—	—	250	250
Derivative financial instruments	219	706	1	926
Other investments	3	42	—	45
Investment properties	—	—	1,446	1,446
General fund investments recognized at fair value	3,411	33,299	5,006	41,716
Other assets	—	65	—	65
Segregated funds financial instruments	52,401	9,242	1,291	62,934
Total financial assets at fair value	\$ 55,812	\$ 42,606	\$ 6,297	\$ 104,715

¹ During the three months ended March 31, 2026, the Company revised the presentation of fair value hierarchy information to more accurately represent the observability of inputs used in valuation models and to better reflect practices observed on the market. Data for the year ended December 31, 2025 have been reclassified to comply with the current period's presentation. An amount of \$4,223 of corporate bonds, an amount of \$84 of governments bonds and an amount of \$95 of segregated funds financial instruments have therefore been reclassified from Level 3 to Level 2 as at December 31, 2025. These reclassifications had no impact on the net income of the Company.

There were no transfers from Level 1 to Level 2 during the three months ended March 31, 2026 (none for the year ended December 31, 2025). There were no transfers from Level 2 to Level 1 during the three months ended March 31, 2026 (none for the year ended December 31, 2025).

There were no transfers from Level 2 to Level 3 during the three months ended March 31, 2026 (\$11 for the year ended December 31, 2025). The transfers for the year ended December 31, 2025 were related to the fair value of bonds whose price had remained unchanged for more than 30 days which, according to the Company's internal policy, resulted in a transfer. There were no transfers from Level 3 to Level 2 during the three months ended March 31, 2026 (none for the year ended December 31, 2025).

There were no transfers from Level 1 to Level 3 during the three months ended March 31, 2026 (none for the year ended December 31, 2025). There were no transfers from Level 3 to Level 1 during the three months ended March 31, 2026 (none for the year ended December 31, 2025).

During the three months ended March 31, 2026, the Company did not reclassify properties from own-use to investment properties, in relation to a change in use. For the year ended December 31, 2025, the fair value of properties reclassified from own-use to investment properties, which are classified as Level 3, was assessed at \$44. The reclassifications did not have a significant impact on the Company's Consolidated Comprehensive Income Statements.

The Company presents the transfers between hierarchy levels and reclassifications at the quarter-end fair value for the quarter during which the transfer occurred. The following tables present assets recognized at fair value evaluated according to Level 3 parameters:

Three months ended March 31, 2026							
(in millions of dollars)	Balance as at December 31, 2025	Gains (losses) included in net income	Purchases	Sales and settlements	Transfers into (out of) Level 3 and reclassifications	Balance as at March 31, 2026	Total unrealized gains (losses) included in net income on investments still held
Bonds	\$ 325	\$ (6)	\$ —	\$ (4)	\$ —	\$ 315	\$ (8)
Stocks	2,984	26	177	(90)	—	3,097	25
Corporate loans	250	3	39	(12)	—	280	(1)
Derivative financial instruments	1	—	—	—	—	1	—
Investment properties	1,446	(4)	14	(34)	—	1,422	(5)
General fund investments recognized at fair value	5,006	19	230	(140)	—	5,115	11
Segregated funds financial instruments	1,291	8	28	(5)	—	1,322	6
Total	\$ 6,297	\$ 27	\$ 258	\$ (145)	\$ —	\$ 6,437	\$ 17

Year ended December 31, 2025 ¹							
(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 December 31, 2025	Total unrealized gains (losses) included in net income on investments still held
Bonds	\$ 326	\$ (18)	\$ 38	\$ (32)	\$ 11	\$ 325	\$ (14)
Stocks	2,501	32	664	(213)	—	2,984	48
Corporate loans	—	1	249	—	—	250	1
Derivative financial instruments	—	—	1	—	—	1	—
Investment properties	1,519	(61)	46	(102)	44	1,446	(62)
General fund investments recognized at fair value	4,346	(46)	998	(347)	55	5,006	(27)
Segregated funds financial instruments	1,155	77	503	(444)	—	1,291	(45)
Total	\$ 5,501	\$ 31	\$ 1,501	\$ (791)	\$ 55	\$ 6,297	\$ (72)

¹ During the three months ended March 31, 2026, the Company revised the presentation of fair value hierarchy information to more accurately represent the observability of inputs used in valuation models and to better reflect practices observed on the market. Consequently, data for the year ended December 31, 2025 have been reclassified to comply with the current period's presentation. These reclassifications had no impact on the net income of the Company.

During the three months ended March 31, 2026, an amount of \$6 (\$46 for the year ended December 31, 2025) 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 and corporate loans as at March 31, 2026 corresponds to credit and liquidity risk premiums ranging from 1.02% to 6.50% (0.70% to 6.50% as at December 31, 2025). 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 and corporate loans.

The main unobservable input used in valuation of stocks as at March 31, 2026 corresponds to 100% of the net asset value of the shares owned by the Company (100% as at December 31, 2025), which is provided by the general partner of the limited partnership 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 limited partnership or a fund.

The main unobservable inputs used in the valuation of the investment properties as at March 31, 2026 are the discount rate, which is between 5.75% and 8.75% (5.75% and 9.00% as at December 31, 2025) and the terminal capitalization rate, which is between 5.50% and 7.75% (5.25% and 7.75% as at December 31, 2025). 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 tables show the hierarchy level of such fair values:

(in millions of dollars)	As at March 31, 2026			
	Level 1	Level 2	Level 3	Total
Classified at amortized cost				
Car loans and other loans	\$ —	\$ 2,327	\$ —	\$ 2,327
Total of assets whose fair value is disclosed in the notes	\$ —	\$ 2,327	\$ —	\$ 2,327

(in millions of dollars)	As at December 31, 2025			
	Level 1	Level 2	Level 3	Total
Classified at amortized cost				
Car loans and other loans	\$ —	\$ 2,268	\$ —	\$ 2,268
Total of assets whose fair value is disclosed in the notes	\$ —	\$ 2,268	\$ —	\$ 2,268

Financial Liabilities

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

(in millions of dollars)	As at March 31, 2026			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Other liabilities				
Short-selling securities	\$ —	\$ 499	\$ —	\$ 499
Securities sold under repurchase agreements	—	1,951	—	1,951
Securitization liabilities	—	6	—	6
Derivative financial instruments	103	756	—	859
Investment contract liabilities and deposits	—	1,173	—	1,173
Total of liabilities classified at fair value through profit or loss	\$ 103	\$ 4,385	\$ —	\$ 4,488
Classified at amortized cost				
Other liabilities				
Mortgage debt	\$ —	\$ 2	\$ —	\$ 2
Debentures	—	1,515	—	1,515
Investment contract liabilities and deposits	—	6,860	—	6,860
Investment contract liabilities related to segregated funds	—	16,600	—	16,600
Total of liabilities classified at amortized cost	\$ —	\$ 24,977	\$ —	\$ 24,977

(in millions of dollars)	As at December 31, 2025			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Other liabilities				
Short-selling securities	\$ —	\$ 452	\$ —	\$ 452
Securities sold under repurchase agreements	—	988	—	988
Securitization liabilities	—	6	—	6
Derivative financial instruments	65	669	—	734
Investment contract liabilities and deposits	—	1,101	—	1,101
Total of liabilities classified at fair value through profit or loss	\$ 65	\$ 3,216	\$ —	\$ 3,281
Classified at amortized cost				
Other liabilities				
Mortgage debt	\$ —	\$ 2	\$ —	\$ 2
Debentures	—	1,524	—	1,524
Investment contract liabilities and deposits	—	6,435	—	6,435
Investment contract liabilities related to segregated funds	—	16,682	—	16,682
Total of liabilities classified at amortized cost	\$ —	\$ 24,643	\$ —	\$ 24,643

5 › 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 2025 Management's Discussion and Analysis, and any relevant updates are presented in the "Risk Management and Sensitivities – Update" section of the Management's Discussion and Analysis for the First Quarter of 2026. Those shaded portions are considered an integral part of these financial statements.

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.

a) Credit Quality Indicators

Bonds by Investment Grade

(in millions of dollars)	As at March 31, 2026	As at December 31, 2025
AAA	\$ 1,716	\$ 1,568
AA	8,048	8,378
A	10,845	11,240
BBB	9,532	9,693
BB and lower	196	201
Total	\$ 30,337	\$ 31,080

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 \$3,776 as at March 31, 2026 (\$3,573 as at December 31, 2025).

Loans

(in millions of dollars)	As at March 31, 2026	As at December 31, 2025
Insured mortgages	\$ 610	\$ 695
Conventional mortgages	494	462
Corporate loans ¹	280	250
Car loans and other loans	2,339	2,280
Total	\$ 3,723	\$ 3,687

¹ Corporate loans have an investment grade of BB and lower.

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

b) Allowance for Credit Losses**Allowance for Credit Losses by Stage**

The following tables present the gross carrying amount and the allowance for credit losses related to car loans by stage:

(in millions of dollars)	As at March 31, 2026			
	Non-impaired		Impaired	
	Stage 1	Stage 2	Stage 3	Total
Car loans¹				
Low risk ²	\$ 1,256	\$ 226	\$ —	\$ 1,482
Medium risk ²	20	6	—	26
High risk ²	3	—	—	3
Impaired	—	—	18	18
Gross carrying amount	1,279	232	18	1,529
Allowance for credit losses	45	22	12	79
Carrying amount	\$ 1,234	\$ 210	\$ 6	\$ 1,450
(in millions of dollars)	As at December 31, 2025			
	Non-impaired		Impaired	
	Stage 1	Stage 2	Stage 3	Total
Car loans¹				
Low risk ²	\$ 1,254	\$ 230	\$ —	\$ 1,484
Medium risk ²	22	7	—	29
High risk ²	2	—	—	2
Impaired	—	—	20	20
Gross carrying amount	1,278	237	20	1,535
Allowance for credit losses	45	28	12	85
Carrying amount	\$ 1,233	\$ 209	\$ 8	\$ 1,450

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, 2026, the provision for credit losses related to car loans was \$17 (\$24 for the three months ended March 31, 2025).

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

6 › 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, 2026 is \$814 (\$926 as at December 31, 2025). 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, 2026						
(in millions of dollars)	Notional amount			Total	Fair value	
	Less than 1 year	1 to 5 years	Over 5 years		Positive	Negative
Equity contracts						
Swaps	\$ 2,387	\$ 9	\$ 34	\$ 2,430	\$ 30	\$ (28)
Futures	377	—	—	377	—	—
Options	8,345	—	—	8,345	296	(112)
Currency contracts						
Swaps	50	365	7,307	7,722	252	(135)
Futures	3	—	—	3	—	—
Forwards	8,065	—	—	8,065	21	(107)
Options	72	—	—	72	—	—
Interest rate contracts						
Swaps	525	3,892	12,331	16,748	210	(344)
Futures	207	—	—	207	—	—
Forwards	10,882	—	—	10,882	4	(133)
Options	46	—	—	46	—	—
Other derivative contracts	1	2	—	3	1	—
Total	\$ 30,960	\$ 4,268	\$ 19,672	\$ 54,900	\$ 814	\$ (859)

As at December 31, 2025						
(in millions of dollars)	Notional amount			Total	Fair value	
	Less than 1 year	1 to 5 years	Over 5 years		Positive	Negative
Equity contracts						
Swaps	\$ 1,850	\$ 5	\$ 42	\$ 1,897	\$ 20	\$ (29)
Futures	319	—	—	319	—	—
Options	6,726	—	—	6,726	234	(70)
Currency contracts						
Swaps	68	246	7,245	7,559	329	(80)
Forwards	8,904	—	—	8,904	127	(20)
Options	259	—	—	259	2	(2)
Interest rate contracts						
Swaps	609	3,924	11,333	15,866	206	(379)
Futures	27	—	—	27	—	—
Forwards	9,976	—	—	9,976	7	(154)
Other derivative contracts	—	2	—	2	1	—
Total	\$ 28,738	\$ 4,177	\$ 18,620	\$ 51,535	\$ 926	\$ (734)

(in millions of dollars)	As at March 31, 2026		
	Notional amount	Fair value	
		Positive	Negative
Derivative financial instruments not designated as hedge accounting	\$ 49,027	\$ 725	\$ (766)
Net investment hedge	5,865	86	(93)
Cash flow hedge			
Market risk	8	3	—
Total of derivative financial instruments	\$ 54,900	\$ 814	\$ (859)

(in millions of dollars)	As at December 31, 2025		
	Notional amount	Fair value	
		Positive	Negative
Derivative financial instruments not designated as hedge accounting	\$ 48,396	\$ 871	\$ (734)
Net investment hedge	3,131	50	—
Cash flow hedge			
Market risk	8	5	—
Total of derivative financial instruments	\$ 51,535	\$ 926	\$ (734)

Net Investment Hedge

As at March 31, 2026, forward contracts and currency swaps, 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 for forward contracts (less than 1 year as at December 31, 2025) and maturities of less than 1 year to 38 years for currency swaps (none as at December 31, 2025). The average CAD/USD exchange rate is 0.7332 for forward contracts (0.7174 as at December 31, 2025) and 0.7606 for currency swaps (none as at December 31, 2025). 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, 2026 and 2025, the Company did not recognize any ineffectiveness.

Cash Flow Hedge

Market Risk Hedging

As at March 31, 2026, 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 2 years or less (2 years or less as at December 31, 2025). For the three months ended March 31, 2026 and 2025, the Company did not recognize any ineffectiveness.

7 > 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 8 "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, 2026	As at December 31, 2025
Assets		
Cash and short-term investments	\$ 1,057	\$ 1,745
Bonds	7,859	7,679
Stocks and investment funds	55,339	54,264
Mortgages	92	86
Derivative financial instruments	—	1
Other assets	998	697
	65,345	64,472
Liabilities		
Accounts payable and accrued expenses	1,183	1,425
Derivative financial instruments	12	—
	1,195	1,425
Net assets	\$ 64,150	\$ 63,047

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

(in millions of dollars)	Three months ended March 31	
	2026	2025
Balance at beginning	\$ 63,047	\$ 52,575
Add:		
Amounts received from policyholders	3,686	3,210
Interest, dividends and other investment income	401	315
Change in fair value of investments	(314)	(431)
	3,773	3,094
Less:		
Amounts withdrawn by policyholders	2,357	1,771
Operating expenses	313	258
	2,670	2,029
Balance at end	\$ 64,150	\$ 53,640

8 › 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, 2026			
(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	\$ 23,692	\$ 4,116	\$ 6,927	\$ 34,735
Insurance contract assets	(376)	35	261	(80)
Insurance contract liabilities related to segregated funds	46,365	—	—	46,365
Net insurance contract liabilities (assets) at beginning	69,681	4,151	7,188	81,020
Insurance service result				
Changes that relate to current services				
Contractual service margin recognized for services provided	—	—	(210)	(210)
Change in risk adjustment for non-financial risk for risk expired	—	(89)	—	(89)
Experience adjustments	(12)	—	—	(12)
Changes that relate to future services				
Contracts initially recognized in the period	(300)	123	193	16
Changes in estimates that adjust the contractual service margin	(5)	(29)	34	—
Changes in estimates that result in losses and reversal of losses on onerous contracts	11	(3)	—	8
Changes that relate to past services				
Changes to liabilities for incurred claims	4	(13)	—	(9)
	(302)	(11)	17	(296)
Finance expenses (income) from insurance contracts	(197)	(9)	28	(178)
Amounts recognized in net income	(499)	(20)	45	(474)
Effect of change in exchange rates	12	9	11	32
Cash flows	1,158	—	—	1,158
Net insurance contract liabilities (assets) at end	\$ 70,352	\$ 4,140	\$ 7,244	\$ 81,736
Balance at end				
Insurance contract liabilities	\$ 23,178	\$ 4,105	\$ 6,978	\$ 34,261
Insurance contract assets	(376)	35	266	(75)
Insurance contract liabilities related to segregated funds	47,550	—	—	47,550
Net insurance contract liabilities (assets) at end	\$ 70,352	\$ 4,140	\$ 7,244	\$ 81,736

(in millions of dollars)	As at December 31, 2025			
	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	—	—	(782)	(782)
Change in risk adjustment for non-financial risk for risk expired	—	(350)	—	(350)
Experience adjustments	(110)	—	—	(110)
Changes that relate to future services				
Contracts initially recognized in the year	(1,126)	457	721	52
Changes in estimates that adjust the contractual service margin	(859)	87	772	—
Changes in estimates that result in losses and reversal of losses on onerous contracts	40	(5)	—	35
Changes that relate to past services				
Changes to liabilities for incurred claims	19	(28)	—	(9)
	(2,036)	161	711	(1,164)
Finance expenses (income) from insurance contracts	5,718	84	22	5,824
Amounts recognized in net income	3,682	245	733	4,660
Effect of change in exchange rates	(36)	(23)	(33)	(92)
Cash flows	4,028	—	—	4,028
Contracts acquired in the year	14	1	3	18
Net insurance contract liabilities (assets) at end	\$ 69,681	\$ 4,151	\$ 7,188	\$ 81,020
Balance at end				
Insurance contract liabilities	\$ 23,692	\$ 4,116	\$ 6,927	\$ 34,735
Insurance contract assets	(376)	35	261	(80)
Insurance contract liabilities related to segregated funds	46,365	—	—	46,365
Net insurance contract liabilities (assets) at end	\$ 69,681	\$ 4,151	\$ 7,188	\$ 81,020

As at March 31, 2026, the amount of net insurance contract liabilities (assets) measured under the PAA is \$2,622 (\$2,582 as at December 31, 2025).

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, 2026			
	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	\$ 1,062	\$ 1,077	\$ (519)	\$ 1,620
Reinsurance contract liabilities	(65)	9	54	(2)
	\$ 997	\$ 1,086	\$ (465)	\$ 1,618

(in millions of dollars)	As at December 31, 2025			Total
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	
Net reinsurance contract assets (liabilities)				
Reinsurance contracts not measured under the PAA				
Reinsurance contract assets	\$ 1,042	\$ 1,084	\$ (514)	\$ 1,612
Reinsurance contract liabilities	(61)	9	52	—
	\$ 981	\$ 1,093	\$ (462)	\$ 1,612

As at March 31, 2026, the amount of net reinsurance contract assets (liabilities) measured under the PAA is \$1,715 (\$1,675 as at December 31, 2025).

B) Insurance Revenue

(in millions of dollars)	Three months ended March 31	
	2026	2025
Contracts not measured under the PAA		
Changes in liabilities for remaining coverage		
Contractual service margin recognized for services provided	\$ 210	\$ 186
Change in risk adjustment for non-financial risk for risk expired	99	93
Expected incurred claims and other insurance service expenses	969	874
Recovery of insurance acquisition cash flows	197	147
	1,475	1,300
Contracts measured under the PAA		
	541	526
	\$ 2,016	\$ 1,826

C) Discount Rates

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

	As at March 31, 2026					
	1 year	5 years	10 years	20 years	30 years	70 years
Canadian products						
Least illiquid curve	2.78%	3.40%	4.15%	5.03%	5.04%	4.35%
Most illiquid curve	3.87%	4.61%	5.22%	5.75%	6.07%	5.15%
U.S. products						
Least illiquid curve	4.48%	4.80%	5.34%	6.10%	6.24%	4.90%
Most illiquid curve	4.73%	5.05%	5.59%	6.35%	6.49%	5.15%

	As at December 31, 2025					
	1 year	5 years	10 years	20 years	30 years	70 years
Canadian products						
Least illiquid curve	2.56%	3.24%	4.08%	4.93%	4.93%	4.35%
Most illiquid curve	3.50%	4.39%	5.08%	5.62%	5.80%	5.15%
U.S. products						
Least illiquid curve	4.03%	4.45%	5.05%	5.88%	6.05%	4.90%
Most illiquid curve	4.28%	4.70%	5.30%	6.13%	6.30%	5.15%

9 › Common Shares

The common shares issued by the Company are as follows:

(in millions of dollars, unless otherwise indicated)	As at March 31, 2026		As at December 31, 2025	
	Number (in thousands)	Amount	Number (in thousands)	Amount
Common shares				
Balance at beginning	91,735	\$ 1,514	93,403	\$ 1,524
Shares issued on exercise of stock options	29	2	300	22
Shares redeemed and cancelled	(1,646)	(27)	(1,968)	(32)
Balance at end	90,118	\$ 1,489	91,735	\$ 1,514

Stock Option Plan

As at March 31, 2026, the number of outstanding stock options was 1,272,173 (1,149,634 as at December 31, 2025). For the three months ended March 31, 2026, the Company granted 151,689 stock options exercisable at \$154.37 (162,000 stock options exercisable at \$134.17 for the year ended December 31, 2025).

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 for cancellation, in the normal course of its activities, between November 14, 2025 and November 13, 2026, up to 4,607,178 common shares (4,694,894 common shares in the normal course issuer bid of 2024), representing approximately 5% of its 92,143,563 common shares issued and outstanding as at October 31, 2025. For the three months ended March 31, 2026, a total of 1,646,356 common shares (1,968,075 as at December 31, 2025) were repurchased and cancelled for a net cash amount of \$261 (\$294 as at December 31, 2025), of which \$27 was recorded against common shares (\$32 as at December 31, 2025) and \$234 against retained earnings (\$262 as at December 31, 2025). Taxes related to the redemption net of the issuance of common shares for a total of \$5 were recognized in *Retained earnings* (\$5 as at December 31, 2025).

Dividends

(in millions of dollars, unless otherwise indicated)	Three months ended March 31			
	2026		2025	
	Total	Per share (in dollars)	Total	Per share (in dollars)
Common shares	\$ 90	\$ 0.99	\$ 84	\$ 0.90

Dividends Declared and Not Recognized on Common Shares

A dividend of 1.1000 dollars per share was approved by the Board of Directors of the Company on May 5, 2026. This dividend was not recorded as a liability in these Financial Statements. This dividend will be paid on June 15, 2026 to the shareholders of record as of May 15, 2026, date on which it will be recognized in the retained earnings of the Company.

10 › Preferred Shares and Other Equity Instruments

The preferred shares and other equity instruments issued are as follows:

(in millions of dollars, unless otherwise indicated)	As at March 31, 2026		As at December 31, 2025	
	Number (in thousands)	Amount	Number (in thousands)	Amount
Preferred shares, Class A				
Balance at beginning	400	\$ 400	—	\$ —
Shares issued – Series C	—	—	400	400
Balance at end	400	400	400	400
Other equity instruments – Subordinated debentures				
Balance at beginning and at end	600	600	600	600
Total preferred shares and other equity instruments	1,000	\$ 1,000	1,000	\$ 1,000

Preferred Shares

Dividends Declared and Not Recognized

A dividend of 32.175 dollars per Class A – Series C preferred share was approved by the Board of Directors of the Company on May 5, 2026. This dividend was not recorded as a liability in these Financial Statements. This dividend will be paid on June 30, 2026 to the shareholders of record as of June 5, 2026, date on which it will be recognized in the retained earnings of the Company.

Other Equity Instruments

Distributions

For the three months ended March 31, 2026, distributions on other equity instruments for a total of \$12 (\$9 after tax) were recognized in *Retained earnings* (\$12 (\$9 after tax) for the three months ended March 31, 2025).

11 › 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).

An updated version of CARLI, applicable prospectively, came into effect on January 1, 2026. As at December 31, 2025, the Company anticipated the application, as authorized by the AMF, of the sections related to exposure to domestic infrastructure, whether in the form of debt or equity.

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

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

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

Tier 2 capital, notably composed of subordinated debentures and various items, represents capital of lower quality than Tier 1 capital, but still qualifies as available capital in the calculation of the total ratio.

The surplus allowance is the value of the risk adjustment for non-financial risk included in insurance contract liabilities.

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, 2026, the Company maintains a ratio that satisfies the regulatory requirements.

(in millions of dollars, unless otherwise indicated)	As at March 31, 2026
Available capital	
Tier 1 capital	\$ 6,325
Tier 2 capital	5,720
Surplus allowance and eligible deposits	3,083
Total	\$ 15,128
Base solvency buffer	\$ 11,311
Total ratio	134%

As at December 31, 2025, the solvency ratio was 133% and the Company maintained a ratio that satisfied the regulatory requirements.

12 › Income Taxes

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

(in millions of dollars, unless otherwise indicated)	Three months ended	
	March 31	
	2026	2025
Current income tax expense (recovery)	\$ 127	\$ 116
Deferred income tax expense (recovery)	(26)	(70)
	\$ 101	\$ 46

Effective Income Tax Rate

The effective income tax rate for the three months ended March 31, 2026 differs from the Company's statutory income tax rate of 28%, mainly due to the impact of tax legislation changes enacted during the quarter.

For the three months ended March 31, 2026, the effective income tax rate was 41% in comparison to 19% for the three months ended March 31, 2025. This increase is mainly due to the unfavourable impact of tax legislation changes enacted during the quarter and lower tax savings from tax-exempt investment income, partially offset by lower adjustments related to prior years compared to the three months ended March 31, 2025.

13 > 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)	Three months ended March 31, 2026						Consolidation adjustments	Total
	Insurance, Canada	Wealth Management	US Operations	Investment	Corporate			
Insurance service result								
Insurance revenue	\$ 1,127	\$ 377	\$ 512	\$ —	\$ —	\$ —	\$ —	\$ 2,016
Insurance service expenses and net expenses from reinsurance contracts	(988)	(260)	(463)	—	—	—	—	(1,711)
	139	117	49	—	—	—	—	305
Net investment result								
Net investment income	—	41	—	(121)	(8)	—	—	(88)
Finance income (expenses) from insurance and reinsurance contracts and change in investment contract liabilities and interest on deposits	—	(2)	—	190	—	—	—	188
	—	39	—	69	(8)	—	—	100
Other revenues	55	543	46	9	1	(26)	(26)	628
Other expenses	(69)	(542)	(74)	(62)	(65)	26	26	(786)
Income before income taxes	125	157	21	16	(72)	—	—	247
Income tax (expense) recovery	(37)	(43)	(5)	(35)	19	—	—	(101)
Net income	88	114	16	(19)	(53)	—	—	146
Dividends on preferred shares and distributions on other equity instruments	—	—	—	(9)	—	—	—	(9)
Net income attributed to common shareholders	\$ 88	\$ 114	\$ 16	\$ (28)	\$ (53)	\$ —	\$ —	\$ 137

(in millions of dollars)	Three months ended March 31, 2025						Consolidation adjustments	Total
	Insurance, Canada	Wealth Management	US Operations	Investment	Corporate			
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 contract liabilities 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	
Distributions on other equity instruments	—	—	—	(9)	—	—	(9)	
Net income attributed to common shareholders	\$ 87	\$ 95	\$ 19	\$ 35	\$ (50)	\$ —	\$ 186	

14 › 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.

(in millions of dollars, unless otherwise indicated)	Three months ended March 31	
	2026	2025
Net income attributed to common shareholders	\$ 137	\$ 186
Weighted average number of outstanding shares (in millions of units)	91	93
Basic earnings per share (in dollars)	\$ 1.50	\$ 1.99

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, 2026, an average of 23,379 antidilutive stock options (35,452 for the three months ended March 31, 2025) were excluded from the calculation.

(in millions of dollars, unless otherwise indicated)	Three months ended March 31	
	2026	2025
Net income attributed to common shareholders	\$ 137	\$ 186
Weighted average number of outstanding shares (in millions of units)	91	93
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)	92	94
Diluted earnings per share (in dollars)	\$ 1.49	\$ 1.98

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.

15 › 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 \$2,138 (\$2,166 as at December 31, 2025) of outstanding commitments as at March 31, 2026, of which the estimated disbursements will be \$128 (\$127 as at December 31, 2025) in 30 days, \$497 (\$480 as at December 31, 2025) in 31 to 365 days and \$1,513 (\$1,559 as at December 31, 2025) in more than one year.

16 › Event After the Reporting Period

Amendment to Normal Course Issuer Bid

With the approval of the Toronto Stock Exchange and the AMF, the Board of Directors has authorized the Company, on May 5, 2026, to amend its current normal course issuer bid in order to increase the maximum number of common shares that may be repurchased for cancellation thereunder from 4,607,178 common shares, representing approximately 5% of the Company's 92,143,563 common shares issued and outstanding as at October 31, 2025, to 7,371,485 common shares, representing approximately 8% of the 92,035,190 common shares that constituted the Company's "public float" as at October 31, 2025. No other terms of the normal course issuer bid have been amended.

17 › Comparative Figures

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