Intact Financial Corporation

Interim Condensed Consolidated Financial Statements (unaudited)

For the quarter ended September 30, 2024

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Interim Condensed Consolidated Financial Statements (unaudited)

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Interim Condensed Consolidated Balance Sheets (unaudited)

(in millions of Canadian dollars, except as otherwise noted)

As at	Note	September 30, 2024	December 31, 2023
Assets			
Investments	*5*		
Cash and cash equivalents		**$ 1,355**	$ 1,171
Debt securities		**29,273**	28,436
Preferred shares		**1,645**	1,384
Common shares		**5,790**	4,668
Investment property		**534**	480
Loans		**829**	944
Total investments		**39,426**	37,083
Reinsurance contract assets	*8*	**5,242**	5,217
Income taxes receivable		**101**	57
Deferred tax assets		**652**	811
Investments in associates and joint ventures		**935**	944
Property and equipment		**832**	799
Intangible assets		**5,047**	5,047
Goodwill		**4,414**	4,085
Other assets	*9*	**2,651**	1,936
Total assets		**$ 59,300**	$ 55,979
Liabilities			
Insurance contract liabilities	*8*	**$ 32,023**	$ 30,353
Income taxes payable		**102**	205
Deferred tax liabilities		**558**	726
Debt outstanding	*10*	**4,843**	5,081
Other liabilities	*9*	**3,994**	3,139
Total liabilities		**$ 41,520**	$ 39,504
Equity			
Common shares		**$ 8,126**	$ 8,099
Preferred shares and other equity		**1,619**	1,619
Share capital	*11*	**9,745**	9,718
Contributed surplus		**271**	290
Retained earnings		**7,616**	6,503
Accumulated other comprehensive income (loss)	*13*	**148**	(321)
Equity attributable to shareholders		**17,780**	16,190
Equity attributable to non-controlling interests	*12*	**-**	285
Total equity		**$ 17,780**	$ 16,475
Total liabilities and equity		**$ 59,300**	$ 55,979

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Income (unaudited)

(in millions of Canadian dollars, except as otherwise noted)

Periods ended September 30,	Note	Three-month 2024	Three-month 2023	Nine-month 2024	Nine-month 2023
Insurance revenue	8	**$ 6,757**	$ 6,385	**$ 19,756**	$ 18,982
Insurance service expense	8	**(6,809)**	(5,948)	**(17,363)**	(17,044)
Insurance service result from insurance contracts		**(52)**	437	**2,393**	1,938
Expense from reinsurance contracts	8	**(645)**	(815)	**(1,937)**	(2,470)
Income from reinsurance contracts	8	**848**	780	**1,527**	2,054
Net expense from reinsurance contracts		**203**	(35)	**(410)**	(416)
Insurance service result		**151**	402	**1,983**	1,522
Net investment income	15	**394**	349	**1,161**	970
Net gains (losses) on investment portfolio	15	**399**	(137)	**325**	(283)
Net investment return		**793**	212	**1,486**	687
Insurance finance income (expense)	15	**(485)**	(211)	**(844)**	(412)
Reinsurance finance income (expense)	15	**77**	62	**144**	91
Net insurance financial result		**(408)**	(149)	**(700)**	(321)
Net investment return and net insurance financial result		**385**	63	**786**	366
Share of profit from investments in associates and joint ventures		**17**	16	**67**	74
Other net gains (losses)	16	**5**	9	**259**	28
Other income and expense	16	**(197)**	(136)	**(609)**	(438)
Other finance costs		**(55)**	(61)	**(166)**	(163)
Acquisition, integration and restructuring costs		**(77)**	(109)	**(280)**	(321)
Income before income taxes		**229**	184	**2,040**	1,068
Income tax benefit (expense)	17	**(17)**	(21)	**(397)**	(268)
Net income		**$ 212**	$ 163	**$ 1,643**	$ 800
Net income attributable to:					
Shareholders		**207**	163	**1,630**	792
Non-controlling interests		**5**	-	**13**	8
		$ 212	$ 163	**$ 1,643**	$ 800
Earnings per common share (in dollars)	18				
Basic		**$ 1.07**	$ 0.83	**$ 8.79**	$ 4.19
Diluted		**$ 1.06**	$ 0.83	**$ 8.78**	$ 4.19
Dividends paid per common share (in dollars)		**$ 1.21**	$ 1.10	**$ 3.63**	$ 3.30

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Comprehensive Income (unaudited)

(in millions of Canadian dollars, except as otherwise noted)

Periods ended September 30,	Note	Three-month 2024	Three-month 2023	Nine-month 2024	Nine-month 2023
Net income		**$ 212**	$ 163	**$ 1,643**	$ 800
Items that may be reclassified subsequently to Net income					
FVTOCI debt securities:					
Net changes in unrealized gains (losses)		**364**	(150)	**251**	(184)
Reclassification of net losses (gains)		**(4)**	5	**18**	12
Income tax benefit (expense)		**(72)**	30	**(54)**	38
		288	(115)	**215**	(134)
Foreign currency gains (losses) on:					
Translation of foreign operations		**150**	89	**447**	61
Net investment hedges		**(66)**	(71)	**(214)**	(26)
Income tax benefit (expense)		**14**	-	**21**	3
		98	18	**254**	38
		386	(97)	**469**	(96)
Items that will not be reclassified subsequently to Net income					
Employee future benefits:					
Actuarial gains (losses), net of other surplus remeasurement	*20*	**35**	(16)	**149**	(1,398)
Income tax benefit (expense)		**(9)**	14	**(12)**	111
		26	(2)	**137**	(1,287)
FVTOCI equity securities:					
Net changes in unrealized gains (losses)		**62**	(24)	**151**	(45)
Income tax benefit (expense)		**(16)**	5	**(39)**	8
		46	(19)	**112**	(37)
		72	(21)	**249**	(1,324)
Other comprehensive income (loss)		**458**	(118)	**718**	(1,420)
Total comprehensive income (loss)		**$ 670**	$ 45	**$ 2,361**	$ (620)
Total comprehensive income (loss) attributable to:					
Shareholders		**665**	45	**2,348**	(628)
Non-controlling interests		**5**	-	**13**	8
		$ 670	$ 45	**$ 2,361**	$ (620)

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Changes in Equity (unaudited)

(in millions of Canadian dollars, except as otherwise noted)

	Note	Equity attributable to shareholders				Equity attributable to NCI	Total Equity
		Share Capital	Contributed surplus	Retained earnings	AOCI		
Balance as at January 1, 2024		**$ 9,718**	**$ 290**	**$ 6,503**	**$ (321)**	**$ 285**	**$ 16,475**
Net income		**-**	**-**	**1,630**	**-**	**13**	**1,643**
Other comprehensive income (loss)		**-**	**-**	**249**	**469**	**-**	**718**
Total comprehensive income (loss)		**-**	**-**	**1,879**	**469**	**13**	**2,361**
Issuance of common shares	*11*	**32**	**-**	**-**	**-**	**-**	**32**
Repurchase of common shares for cancellation	*11*	**(5)**	**-**	**(19)**	**-**	**-**	**(24)**
Dividends and other distributions:							
Common shares		**-**	**-**	**(648)**	**-**	**-**	**(648)**
Preferred shares and other equity		**-**	**-**	**(62)**	**-**	**-**	**(62)**
Share-based payments		**-**	**(19)**	**(43)**	**-**	**-**	**(62)**
Non-controlling interests:							
Dividends		**-**	**-**	**-**	**-**	**(13)**	**(13)**
Cancellation	*12*	**-**	**-**	**6**	**-**	**(285)**	**(279)**
Balance as at September 30, 2024		**$ 9,745**	**$ 271**	**$ 7,616**	**$ 148**	**$ -**	**$ 17,780**
Balance as at January 1, 2023		$ 8,864	$ 269	$ 7,379	$ (671)	$ 285	$ 16,126
Net income		-	-	792	-	8	800
Other comprehensive income (loss)		-	-	(1,324)	(96)	-	(1,420)
Total comprehensive income (loss)		-	-	(532)	(96)	8	(620)
Issuance of common shares	*11*	557	-	-	-	-	557
Issuance of preferred shares and other equity	*11*	297	-	-	-	-	297
Dividends and other distributions:							
Common shares		-	-	(582)	-	-	(582)
Preferred shares and other equity		-	-	(56)	-	-	(56)
Share-based payments		-	(7)	(30)	-	-	(37)
Non-controlling interests:							
Dividends		-	-	-	-	(8)	(8)
Balance as at September 30, 2023		$ 9,718	$ 262	$ 6,179	$ (767)	$ 285	$ 15,677

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Cash Flows (unaudited)

(in millions of Canadian dollars, except as otherwise noted)

Periods ended September 30,	Note	Three-month 2024	Three-month 2023	Nine-month 2024	Nine-month 2023
Operating activities					
Income before income taxes		**$ 229**	$ 184	**$ 2,040**	$ 1,068
Income tax received (paid), net		**(119)**	14	**(611)**	(77)
Adjustments for non-cash items	*22*	**(223)**	298	**45**	792
Changes in other operating assets and liabilities	*22*	**1,215**	857	**836**	(318)
Net cash flows provided by (used in) operating activities		**1,102**	1,353	**2,310**	1,465
Investing activities					
Proceeds from sale of business	*4*	**-**	-	**145**	-
Proceeds from sale of investments		**7,712**	8,812	**23,419**	24,756
Purchases of investments		**(8,759)**	(9,837)	**(23,987)**	(25,720)
Proceeds from sale of (purchases of) brokerages and other equity investments, net		**(30)**	(131)	**(166)**	(68)
Purchases of intangibles and property and equipment, net		**(109)**	(122)	**(327)**	(344)
Net cash flows provided by (used in) investing activities		**(1,186)**	(1,278)	**(916)**	(1,376)
Financing activities					
Payment of lease liabilities		**(25)**	(24)	**(76)**	(62)
Proceeds from issuance of debt, net		**-**	396	**298**	690
Repayment of debt	*10*	**(6)**	(80)	**(663)**	(147)
Borrowing on (repayment of) the credit facility and commercial paper	*10*	**197**	(141)	**97**	(137)
Proceeds from issuance of common shares, net	*11*	**-**	551	**-**	551
Proceeds from issuance of common shares on exercise of stock options	*11*	**-**	-	**11**	-
Proceeds from issuance of preferred shares and other equity, net	*11*	**-**	-	**-**	296
Repurchase of common shares for cancellation	*11*	**-**	-	**(24)**	-
Repurchase of common shares for share-based payments	*19*	**(8)**	(5)	**(152)**	(122)
Payment of dividends on common shares and preferred shares, and other equity distributions		**(233)**	(213)	**(710)**	(638)
Payment of dividends to non-controlling interests		**(5)**	-	**(13)**	(8)
Cancellation of non-controlling interests	*12*	**(279)**	-	**(279)**	-
Net cash flows provided by (used in) financing activities		**(359)**	484	**(1,511)**	423
Net increase (decrease) in cash and cash equivalents		**(443)**	559	**(117)**	512
Cash and cash equivalents, net of bank overdraft, beginning of period		**1,515**	976	**1,171**	1,010
Exchange rate differences on cash and cash equivalents		**11**	(4)	**29**	9
Cash and cash equivalents, net of bank overdraft, end of period	*22*	**$ 1,083**	$ 1,531	**$ 1,083**	$ 1,531

See accompanying notes to the interim condensed consolidated financial statements.

Glossary of abbreviations			
ABS	Asset-backed securities	**LIC**	Liability for incurred claims
AIC	Asset for incurred claims	**LRC**	Liability for remaining coverage
AOCI	Accumulated other comprehensive income (loss)	**LTIP**	Long-term incentive plan
ARC	Asset for remaining coverage	**MBS**	Mortgage-backed securities
CAD	Canadian Dollar	**MD&A**	Management's Discussion and Analysis
CAN	Canada	**NCI**	Non-controlling interests
CPI	Consumer price index	**NCIB**	Normal course issuer bid
DB	Defined benefits	**NOI**	Net operating income
ECL	Expected credit losses	**OCI**	Other comprehensive income
EPS	Earnings per share to common shareholders	**PAA**	Premium allocation approach
ESOP	Employee stock option plan	**P&C**	Property and casualty
ESPP	Employee share purchase plan	**PTOI**	Pre-tax operating income
EUR (€)	Euro, European Union's official currency	**RSA**	RSA Insurance Group Limited, a subsidiary domiciled in the UK (parent of UK&I business)
FVTOCI	Fair value through other comprehensive income	**RPI**	Retail price index
FVTPL	Fair value through profit or loss	**SAR**	Stock appreciation rights
GBP (£)	British pound sterling, UK's official currency	**TSX**	Toronto Stock Exchange
GMM	General measurement model	**UK**	United Kingdom
IAS	International Accounting Standard	**UK&I**	United Kingdom and International
IASB	International Accounting Standards Board	**US**	United States
JV	Joint ventures	**USD**	US Dollar

Note 1 – Status of the Company

Intact Financial Corporation (the "Company"), incorporated under the *Canada Business Corporations Act*, is domiciled in Canada and its shares are publicly traded on the Toronto Stock Exchange (TSX: IFC). The Company has investments in wholly owned subsidiaries which operate principally in the Canadian, UK and US P&C insurance markets. The Company, through its operating subsidiaries, principally underwrites automobile, home, as well as commercial P&C contracts to individuals and businesses.

These interim condensed consolidated financial statements include the accounts of the Company and its subsidiaries. The Company's significant operating subsidiaries are presented in ***Note 32 – Segment information*** of the Company's annual consolidated financial statements for the year ended December 31, 2023.

The registered office of the Company is 700 University Avenue, Suite 1500, Toronto, Ontario, Canada, M5G 0A1.

Note 2 – Basis of presentation

2.1 Statement of compliance

These interim condensed consolidated financial statements and the accompanying notes are prepared in accordance with IAS 34 – *Interim Financial Reporting* as issued by the IASB. They were authorized for issue in accordance with a resolution of the Board of Directors on November 5, 2024.

2.2 Preparation and presentation of financial statements

These interim condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2023.

Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

The Company presents its interim condensed consolidated balance sheets broadly in order of liquidity.

2.3 Seasonality

The P&C insurance business is seasonal in nature. While Insurance revenue net of Expense from reinsurance contracts is generally stable from quarter to quarter, insurance service results are influenced by weather conditions which may vary significantly between quarters.

2.4 Foreign currency translation

Table 2.1 – Key exchange rates used

	As at		Average rate for the nine-month periods ended	
	September 30, 2024	December 31, 2023	September 30, 2024	September 30, 2023
USD vs CAD	**1.352**	1.325	**1.360**	1.346
GBP vs CAD	**1.808**	1.689	**1.737**	1.675
EUR vs CAD	**1.506**	1.463	**1.479**	1.458

Note 3 – Summary of material accounting policies

The accounting policies applied during the nine-month period September 30, 2024 are the same as those described and disclosed in ***Note 3 – Summary of material accounting policies*** of the Company's annual consolidated financial statements for the year ended December 31, 2023, except for the amendments to existing standards described below which were adopted on January 1, 2024.

3.1 Amendments to IAS 1 – *Presentation of Financial Statements*

In October 2022, the IASB amended IAS 1 – *Presentation of Financial Statements* ("IAS 1") to clarify how covenants with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also require an entity to disclose additional information in the notes to the financial statements to enable stakeholders to understand the risk that non-current liabilities could become repayable within twelve months after the reporting date.

The amendments were applied retrospectively with no financial impact on these interim condensed consolidated financial statements. Additional disclosures will be included in the Company's annual consolidated financial statements.

Note 4 – Business combinations and disposals

4.1 Business combinations

Direct Line Insurance Group plc's brokered commercial lines operations

On September 6, 2023, the Company entered into an agreement to acquire the brokered Commercial Lines operations of Direct Line Insurance Group plc ("DLG"), a P&C company with leading market positions in the UK ("the DLG acquisition"). The acquisition was structured through several agreements including a business transfer agreement related to new business franchise and certain operations, renewal rights, data, brands, employees, contractors, third party contracts, and premises. The business transfer agreement resulted in a business combination on October 26, 2023 and the operational transfer was completed on May 1, 2024. The transfer of policy renewals started in June 2024 and new business written by the Company started in July 2024.

The purchase price included an initial cash consideration of £520 million ($869 million) paid on October 26, 2023, with potential for up to a further £30 million ($50 million) contingent payment under earnout provisions relating to the financial performance of the acquired business lines.

During the second quarter of 2024, the final determination of the fair value of identifiable assets acquired and liabilities assumed at the acquisition date was completed with no adjustments. Refer to ***Note 5 – Business combinations and disposals*** of the annual consolidated financial statements for the year ended December 31, 2023, for more details.

For the three and nine-month periods ended September 30, 2024, the Company recognized integration costs of $10 million and $43 million, respectively, in Acquisition, integration and restructuring costs ($9 million of acquisition costs for the three and nine-month periods ended September 30, 2023), related to the DLG acquisition.

4.2 Disposals

UK Personal Lines

In 2023, the Company exited the UK Personal Lines market (motor, Home and Pet), including the announcement of both the sale of its direct Home and Pet operations to Admiral Group plc ("Admiral") and its decision to transfer the Home and Pet partnerships to other parties or to let them expire over time.

The sale to Admiral closed on March 31, 2024, for an initial cash consideration of £85 million ($145 million), received on April 2, 2024, with a potential for up to a further £33 million ($56 million) subject to the fulfilment of certain retention thresholds. The sale included the transfer of new business franchise, certain operations, data, renewal rights, brands, and employees on March 31, 2024. The transfer of new business and policy renewals started in the third quarter of 2024. The Company will retain claims related to business it has written. The sale resulted in a gain of $138 million which was recognized in Other net gains (losses) in the first quarter of 2024 and considers a contingent consideration of nil as at September 30, 2024.

For the three and nine-month periods ended September 30, 2024, the Company recorded restructuring costs of $25 million and $82 million, respectively, in Acquisition, integration and restructuring costs ($7 million and $76 million, respectively, for the three and nine-month periods ended September 30, 2023), related to the exit of the UK Personal Lines market.

Note 5 – Investments

5.1 Classification of investments

Table 5.1 – Classification of investments

	FVTOCI		FVTPL		Amortized cost[1]	Total
As at	**Classified as FVTOCI[1]**	**Designated as FVTOCI**	**Classified as FVTPL**	**Designated as FVTPL**	**Carrying amount**	**carrying amount**
September 30, 2024						
Cash and cash equivalents	**-**	**-**	**-**	**-**	**1,355**	**1,355**
Short-term notes	**863**	**-**	**-**	**807**	**-**	**1,670**
Fixed income						
Government	**4,110**	**-**	**-**	**5,927**	**-**	**10,037**
Corporate	**8,529**	**-**	**-**	**3,585**	**-**	**12,114**
ABS and MBS[2]	**2,908**	**-**	**226**	**754**	**-**	**3,888**
Private funds (Non-rated)	**-**	**-**	**1,564**	**-**	**-**	**1,564**
Debt securities	**16,410**	**-**	**1,790**	**11,073**	**-**	**29,273**
Preferred shares	**-**	**1,128**	**517**	**-**	**-**	**1,645**
Common shares	**-**	**-**	**5,790**	**-**	**-**	**5,790**
Investment property	**-**	**-**	**534**	**-**	**-**	**534**
Loans	**-**	**-**	**-**	**-**	**829**	**829**
	16,410	**1,128**	**8,631**	**11,073**	**2,184**	**39,426**
December 31, 2023						
Cash and cash equivalents	-	-	-	-	1,171	1,171
Short-term notes	1,365	-	-	223	-	1,588
Fixed income						
Government	3,760	-	-	6,448	-	10,208
Corporate	7,959	-	-	3,226	-	11,185
ABS and MBS[2]	2,925	-	183	780	-	3,888
Private funds (Non-rated)	-	-	1,567	-	-	1,567
Debt securities	16,009	-	1,750	10,677	-	28,436
Preferred shares	-	992	392	-	-	1,384
Common shares	-	-	4,668	-	-	4,668
Investment property	-	-	480	-	-	480
Loans	-	-	-	-	944	944
	16,009	992	7,290	10,677	2,115	37,083

[1] As at September 30, 2024, these investments were classified as stage 1 and the allowance for ECL on securities at amortized cost and classified as FVTOCI were $1 million and $12 million, respectively ($2 million and $11 million, respectively, as at December 31, 2023).

[2] Includes publicly traded MBS, which carry the full faith and credit guarantee of the US Government or are guaranteed by a government sponsored entity, and ABS such as credit card receivables or auto loans.

5.2 Carrying amount of investments

Table 5.2 – Carrying amount of investments

	FVTPL investments	Other investments				Total investments
As at	Carrying amount	Amortized cost	Unrealized gains[1]	Unrealized losses[1]	Carrying amount	Carrying amount
September 30, 2024						
Cash and cash equivalents	**-**	**1,355**	**-**	**-**	**1,355**	**1,355**
Debt securities	**12,863**	**16,656**	**228**	**(474)**	**16,410**	**29,273**
Preferred shares	**517**	**1,126**	**62**	**(60)**	**1,128**	**1,645**
Common shares	**5,790**	**-**	**-**	**-**	**-**	**5,790**
Investment property	**534**	**-**	**-**	**-**	**-**	**534**
Loans	**-**	**829**	**-**	**-**	**829**	**829**
	19,704	**19,966**	**290**	**(534)**	**19,722**	**39,426**
December 31, 2023						
Cash and cash equivalents	-	1,171	-	-	1,171	1,171
Debt securities	12,427	16,513	124	(628)	16,009	28,436
Preferred shares	392	1,141	9	(158)	992	1,384
Common shares	4,668	-	-	-	-	4,668
Investment property	480	-	-	-	-	480
Loans	-	944	-	-	944	944
	17,967	19,769	133	(786)	19,116	37,083

[1] Amounts in foreign currency are translated using the period-end exchange rate.

Note 6 – Derivative financial instruments

6.1 Fair value and notional amount of derivatives

The Company generally uses derivatives for economic hedging purposes and to improve the risk profile of its investment portfolio, as long as the resulting exposures remain within the guidelines of its investment policy. In certain circumstances, these hedges also meet the requirements for hedge accounting. Risk management strategies eligible for hedge accounting have been designated as net investment hedges in foreign operations, cash flow hedges and fair value hedges.

Table 6.1 – Fair value and notional amount of derivatives

As at		September 30, 2024			December 31, 2023		
		Notional	Fair value		Notional	Fair value	
Type of hedge	Instrument type	amount	Asset	Liability	amount	Asset	Liability
Designated for hedge accounting							
Net investment hedges	Currency forward contracts	**6,097**	**33**	**70**	4,992	62	2
Cash flow hedges	Cross currency interest rate swaps	**-**	**-**	**-**	74	-	9
Fair value hedges	Cross currency interest rate swaps	**-**	**-**	**-**	5	-	-
Fair value hedges	Interest rate swaps	**-**	**-**	**-**	92	29	-
		6,097	**33**	**70**	5,163	91	11
Not designated for hedge accounting							
	Currency forward contracts	**1,215**	**19**	**6**	1,343	39	7
	Cross currency interest rate swaps	**9**	**-**	**2**	-	-	-
	Interest rate futures	**343**	**-**	**-**	357	-	-
	Equity swaps	**1,598**	**1**	**56**	1,586	8	52
	Equity futures	**552**	**-**	**-**	843	-	-
	Inflation swaps	**217**	**57**	**20**	203	56	21
		3,934	**77**	**84**	4,332	103	80
		10,031	**110**	**154**	9,495	194	91

Note 7 – Fair value measurement

7.1 Categorization of fair value

Table 7.1 – Fair value hierarchy of financial assets, investment property and financial liabilities measured at fair value

As at	Level 1 Valued using quoted (unadjusted) market prices	Level 2 Valued using models with observable inputs	Level 3 Valued using models without observable inputs	Total
September 30, 2024				
Short-term notes	**1,670**	**-**	**-**	**1,670**
Fixed income				
Government	**4,423**	**5,614**	**-**	**10,037**
Corporate	**-**	**12,114**	**-**	**12,114**
ABS and MBS	**-**	**3,888**	**-**	**3,888**
Private funds (Non-rated)	**-**	**-**	**1,564**	**1,564**
Debt securities	**6,093**	**21,616**	**1,564**	**29,273**
Preferred shares	**1,645**	**-**	**-**	**1,645**
Common shares	**5,678**	**-**	**112**	**5,790**
Investment property	**-**	**-**	**534**	**534**
Derivative financial assets (*Table 9.2*)	**-**	**110**	**-**	**110**
Financial assets and investment property measured at fair value	**13,416**	**21,726**	**2,210**	**37,352**
Financial liabilities measured at fair value (*Table 9.4*)	**226**	**154**	**-**	**380**
December 31, 2023				
Short-term notes	1,582	6	-	1,588
Fixed income				
Government	4,749	5,459	-	10,208
Corporate	-	11,185	-	11,185
ABS and MBS	-	3,888	-	3,888
Private funds (Non-rated)	-	-	1,567	1,567
Debt securities	6,331	20,538	1,567	28,436
Preferred shares	1,384	-	-	1,384
Common shares	4,539	-	129	4,668
Investment property	-	-	480	480
Derivative financial assets (*Table 9.2*)	-	194	-	194
Financial assets and investment property measured at fair value	12,254	20,732	2,176	35,162
Financial liabilities measured at fair value (*Table 9.4*)	9	91	-	100

The fair value of loans was $800 million as at September 30, 2024 ($904 million as at December 31, 2023). The carrying amount of certain short-term financial instruments not measured at fair value is a reasonable approximation of their fair value.

7.2 Reconciliation of fair value measurement of Level 3 financial assets and investment property

Table 7.2 – Reconciliation of fair value measurement of Level 3 financial assets and investment property

	Classified as FVTPL			
Nine-month periods ended September 30,	**Debt securities**	**Common shares**	**Investment property**	**Total**
2024				
Balance, beginning of the period	**1,567**	**129**	**480**	**2,176**
Total gains (losses) recognized in Net income	**(8)**	**(6)**	**(5)**	**(19)**
Purchases	**133**	**-**	**31**	**164**
Disposals	**(164)**	**(19)**	**(7)**	**(190)**
Exchange rate differences	**36**	**8**	**35**	**79**
Balance, end of the period	**1,564**	**112**	**534**	**2,210**
2023				
Balance, beginning of the period	1,506	165	476	2,147
Total gains (losses) recognized in Net income	9	(7)	(3)	(1)
Purchases	244	-	20	264
Disposals	(129)	(14)	(15)	(158)
Exchange rate differences	(6)	1	4	(1)
Transfers to Level 2	(9)	-	-	(9)
Balance, end of the period	1,615	145	482	2,242

Note 8 – Insurance and reinsurance contracts

Table 8.1 – Net carrying amounts of insurance and reinsurance contracts

	September 30, 2024			December 31, 2023		
As at	**Remaining coverage**	**Incurred claims**	**Total**	**Remaining coverage**	**Incurred claims**	**Total**
Insurance contracts:						
Canada	**2,897**	**15,305**	**18,202**	3,134	14,012	17,146
UK&I	**3,407**	**5,721**	**9,128**	3,905	5,071	8,976
US	**1,739**	**2,954**	**4,693**	1,603	2,628	4,231
Total insurance contract liabilities	**8,043**	**23,980**	**32,023**	8,642	21,711	30,353
Reinsurance contracts:						
Canada	**185**	**1,533**	**1,718**	289	1,097	1,386
UK&I	**1,226**	**1,402**	**2,628**	1,307	1,630	2,937
US	**152**	**744**	**896**	192	702	894
Total reinsurance contract assets	**1,563**	**3,679**	**5,242**	1,788	3,429	5,217
Net insurance and reinsurance contracts	**6,480**	**20,301**	**26,781**	6,854	18,282	25,136

8.1 Insurance revenue

Table 8.2 – Insurance revenue

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Contracts measured under PAA	**6,431**	5,990	**18,715**	17,381
Contracts measured under the GMM[1]				
Amounts related to changes in liability for remaining coverage				
Risk adjustment recognized for the risk expired	**12**	14	**38**	63
Expected incurred claims and other insurance service expense	**314**	381	**1,003**	1,538
Total insurance revenue	**6,757**	6,385	**19,756**	18,982

[1] Insurance revenue from contracts measured under the GMM was related to acquired claims.

8.2 Reconciliation of carrying amounts

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts changed during the period as a result of cash flows and amounts recognized in Comprehensive income.

The Company presents tables that separately analyze movements in the liability for remaining coverage and the liability for incurred claims and reconcile these movements to the line items in Comprehensive income (Refer to ***Tables 8.3*** and ***8.4***).

Table 8.3 – Insurance contracts analysis by remaining coverage and incurred claims

	2024			2023		
Nine-month period ended September 30,	**LRC[1]**	**LIC**	**Total**	**LRC[2]**	**LIC**	**Total**
Insurance contract liabilities, beginning of period	**8,642**	**21,711**	**30,353**	9,691	19,439	29,130
Changes in comprehensive income:						
Insurance revenue	**(19,756)**	**-**	**(19,756)**	(18,982)	-	(18,982)
Incurred claims and other insurance service expense	**(1,029)**	**13,936**	**12,907**	(912)	13,555	12,643
Amortization of insurance acquisition cash flows	**4,056**	**-**	**4,056**	3,752	-	3,752
Losses and reversals on onerous contracts	**1,250**	**-**	**1,250**	1,201	-	1,201
Prior-year development	**-**	**(850)**	**(850)**	-	(552)	(552)
Insurance service expense	**4,277**	**13,086**	**17,363**	4,041	13,003	17,044
Investment component	**-**	**-**	**-**	(118)	118	-
Insurance service result from insurance contracts	**(15,479)**	**13,086**	**(2,393)**	(15,059)	13,121	(1,938)
Insurance finance expense (income)	**81**	**763**	**844**	75	337	412
Exchange rate differences	**260**	**510**	**770**	43	77	120
Total changes in comprehensive income	**(15,138)**	**14,359**	**(779)**	(14,941)	13,535	(1,406)
Cash flows						
Premiums received	**18,686**	**-**	**18,686**	18,418	-	18,418
Claims and other insurance service expense paid	**-**	**(12,090)**	**(12,090)**	-	(11,917)	(11,917)
Insurance acquisition cash flows	**(4,147)**	**-**	**(4,147)**	(3,918)	-	(3,918)
Total cash flows	**14,539**	**(12,090)**	**2,449**	14,500	(11,917)	2,583
Insurance contract liabilities, end of period	**8,043**	**23,980**	**32,023**	9,250	21,057	30,307

[1] Includes a loss component of $3,030 million as at September 30, 2024 of which $3,025 million was related to acquired claims ($2,608 million and $2,595 million, respectively, as at December 31, 2023) which reflects claims that the Company will settle later than initially anticipated.

[2] Includes a loss component of $2,675 million as at September 30, 2023 of which $2,642 million was related to acquired claims ($2,341 million and $2,250 million, respectively, as at December 31, 2022) which reflects claims that the Company will settle later than initially anticipated.

Table 8.4 – Reinsurance contracts analysis by remaining coverage and incurred claims

	2024			2023		
Nine-month period ended September 30,	**ARC[1]**	**AIC**	**Total**	**ARC[2]**	**AIC**	**Total**
Reinsurance contract assets, beginning of period	**1,788**	**3,429**	**5,217**	2,120	2,884	5,004
Changes in comprehensive income:						
Expense from reinsurance contracts	**(1,937)**	**-**	**(1,937)**	(2,470)	-	(2,470)
Amounts recoverable for incurred claims and other expenses	**(319)**	**1,317**	**998**	(267)	2,003	1,736
Loss recoveries and reversals on onerous contracts	**401**	**-**	**401**	351	-	351
Prior-year development	**-**	**129**	**129**	-	(25)	(25)
Changes in non-performance risk of reinsurers	**5**	**(6)**	**(1)**	-	(8)	(8)
Income from reinsurance contracts	**87**	**1,440**	**1,527**	84	1,970	2,054
Net expense from reinsurance contracts	**(1,850)**	**1,440**	**(410)**	(2,386)	1,970	(416)
Reinsurance finance income (expense)	**40**	**104**	**144**	38	53	91
Exchange rate differences	**82**	**111**	**193**	19	11	30
Total changes in comprehensive income	**(1,728)**	**1,655**	**(73)**	(2,329)	2,034	(295)
Cash flows						
Premiums paid	**1,605**	**-**	**1,605**	2,007	-	2,007
Amounts received	**(102)**	**(1,405)**	**(1,507)**	(1)	(1,454)	(1,455)
Total cash flows	**1,503**	**(1,405)**	**98**	2,006	(1,454)	552
Reinsurance contract assets, end of period	**1,563**	**3,679**	**5,242**	1,797	3,464	5,261

[1] Includes a recovery loss component of $937 million as at September 30, 2024 of which $933 million was related to acquired claims ($785 million and $781 million, respectively, as at December 31, 2023) and is related to the underlying loss component that was recoverable under the terms of the reinsurance contracts held.

[2] Includes a recovery loss component of $761 million as at September 30, 2023 of which $757 million was related to acquired claims ($662 million and $649 million, respectively, as at December 31, 2022) and is related to the underlying loss component that was recoverable under the terms of the reinsurance contracts held.

8.3 Fair value of the net liability for incurred claims

The Company estimates that the fair value of its net liability for incurred claims approximates its carrying amount.

Table 8.5 – Carrying amount of the net liability for incurred claims

	September 30, 2024			December 31, 2023		
As at	**Direct**	**Ceded**	**Net**	**Direct**	**Ceded**	**Net**
Undiscounted value	**28,632**	**4,841**	**23,791**	27,065	4,560	22,505
Effect of time value of money	**(2,192)**	**(355)**	**(1,837)**	(2,356)	(372)	(1,984)
Undiscounted risk adjustment	**1,137**	**211**	**926**	1,106	217	889
Periodic payment orders[1]	**458**	**206**	**252**	417	186	231
Net liability for incurred claims before net payables and claims reported under the GMM	**28,035**	**4,903**	**23,132**	26,232	4,591	21,641
Net payables included in incurred claims	**655**	**275**	**380**	692	467	225
Reclass of claims reported under the GMM[2]	**(4,710)**	**(1,499)**	**(3,211)**	(5,213)	(1,629)	(3,584)
Net liability for incurred claims	**23,980**	**3,679**	**20,301**	21,711	3,429	18,282

[1] The net periodic payment orders are net of the discount and risk adjustment of $362 million as at September 30, 2024 ($346 million as at December 31, 2023).

[2] Includes the acquired claims and retroactive reinsurance reclassifications from liability for incurred claims to liability for remaining coverage.

8.4 Discount rates

The following table presents the yield curves used to discount cash flows for insurance and reinsurance contracts. Refer to ***Note 11 – Insurance and reinsurance contracts*** of the annual Consolidated financial statements for the year ended December 31, 2023 for more details.

Table 8.6 – Yield curves used to discount cash flows for insurance and reinsurance contracts for major currencies

	September 30, 2024				December 31, 2023			
As at	**1 year**	**3 years**	**5 years**	**10 years**	**1 year**	**3 years**	**5 years**	**10 years**
CAD	**3.7%**	**3.4%**	**3.6%**	**4.0%**	4.9%	4.3%	4.2%	4.2%
USD	**4.4%**	**4.1%**	**4.2%**	**4.5%**	5.2%	4.7%	4.6%	4.7%
GBP	**4.8%**	**4.6%**	**4.6%**	**4.9%**	5.0%	4.5%	4.4%	4.5%
EUR	**3.0%**	**2.8%**	**2.9%**	**3.2%**	3.5%	3.2%	3.1%	3.2%
Periodic payment orders	**4.0%**	**4.0%**	**4.0%**	**4.0%**	4.0%	4.0%	4.0%	4.0%

8.5 Company's reinsurance net retention and coverage limits by nature of risk

In the ordinary course of business, the Company reinsures certain risks with reinsurers to limit its maximum loss in the event of catastrophic events or other significant losses.

The Company has a corporate reinsurance program which covers single risk events and multi-risk events and catastrophes. The following table shows the Company's reinsurance retention and coverage limits for multi-risk events and catastrophes.

Table 8.7 – Company's reinsurance net retention and coverage limits by nature of risk

As at	**September 30, 2024**	**December 31, 2023**
Canadian events (in million of CAD)		
Retention[1]	**250**	250
Coverage limits[2]	**5,400**	6,400
US events (in million of CAD)		
Retention[1]	**150**	150
Coverage limits[2]	**1,300**	1,300
UK events (in million of GBP)		
Retention[1]	**150**	125
Coverage limits[2]	**2,100**	1,600

[1] Excludes reinstatement premiums, tax impacts, and co-participations between the retention level and coverage limits.
[2] Represents the ground up limits before co-participations and retention level.

Effective January 1, 2024, the Company reduced its coverage limits for Canadian events to reflect the reduction in earthquake exposure in British Columbia, while maintaining a consistent risk appetite. For US events, the Company maintained the same retention and coverage limit for 2024. For UK events, the Company increased its UK retention and coverage limits to reflect the impact of the DLG acquisition.

Note 9 – Other assets and other liabilities

9.1 Other assets

Table 9.1 – Components of other assets

As at	September 30, 2024	December 31, 2023
Financial assets related to investments (*Table 9.2*)	**671**	203
Other receivables and recoverables	**536**	553
Other investments[1]	**368**	338
Pension plans in a surplus position (*Table 20.1*)	**367**	229
Accrued investment income	**262**	206
Prepaids	**254**	195
Restricted funds	**40**	54
Other	**153**	158
	2,651	1,936

[1] Mainly includes preferred shares and private funds recorded at fair value based on information such as future cash flows, discount rates, projected earnings multiples, multiples of broker commissions, or recent transactions, classified in Level 3 of the fair value hierarchy.

Table 9.2 – Financial assets related to investments

As at	September 30, 2024	December 31, 2023
Securities purchased under reverse repurchase agreements	**324**	-
Accounts receivable from investment brokers on unsettled trades	**237**	9
Derivative financial assets (*Table 6.1*)	**110**	194
	671	203

9.2 Other liabilities

Table 9.3 – Components of other liabilities

As at	September 30, 2024	December 31, 2023
Financial liabilities related to investments (*Table 9.4*)	**740**	135
Lease liabilities	**661**	660
Accrued salaries and related compensation	**519**	535
Accounts payable and accrued expenses	**428**	417
Bank overdraft (*Table 22.3*)	**272**	-
Pension plans in a deficit position and unfunded plans (*Table 20.1*)	**209**	228
Other payables to broker	**190**	188
Collaterals from third parties	**172**	154
Facility carrier payables	**142**	132
Industry pool payables	**132**	133
Premiums payable by brokers to insurers	**108**	116
Other post-employment benefits and other post-retirement benefits	**85**	85
Provisions	**79**	93
Other	**257**	263
	3,994	3,139

Table 9.4 – Financial liabilities related to investments

As at	September 30, 2024	December 31, 2023
Accounts payable to investment brokers on unsettled trades	**360**	35
Equities sold short positions	**226**	9
Derivative financial liabilities (*Table 6.1*)	**154**	91
	740	135

Note 10 – Debt outstanding

10.1 Summary of debt outstanding

Table 10.1 – Carrying amount of debt outstanding

As at	Maturity date	Initial term (years)	Fixed rate	Coupon (payment)	Principal amount	September 30, 2024	December 31, 2023
Medium-term notes							
Series 2	Nov. 2039	30	6.40%	May & Nov.	250	**248**	248
Series 3	Jul. 2061	50	6.20%	Jan. & Jul.	100	**99**	99
Series 5	Jun. 2042	30	5.16%	Jun. & Dec.	250	**249**	249
Series 6	Mar. 2026	10	3.77%	Mar. & Sep.	250	**250**	250
Series 7	Jun. 2027	10	2.85%	Jun. & Dec.	425	**424**	424
Series 8	Mar. 2025	5	3.69%	Mar. & Sep.	300	**300**	299
Series 9	Dec. 2030	10	1.93%	Jun. & Dec.	300	**299**	299
Series 10	Dec. 2050	30	2.95%	Jun. & Dec.	300	**298**	298
Series 11	May 2024	3	1.21%	May & Nov.	375	**-**	375
Series 12	May 2028	7	2.18%	May & Nov.	375	**374**	374
Series 13	May 2053	32	3.77%	May & Nov.	250	**248**	248
Series 14	Sep. 2054	31	5.28%	Mar. & Sep.	400	**397**	396
Series 15	May 2034	10	4.65%	May & Nov.	300	**298**	-
2022 US senior notes	Sep. 2032	10	5.46%	Mar. & Sep.	USD500	**670**	655
Term loans ***(Refer to 10.3)***							
GBP tranche	Feb. 2024	1			£100	**-**	169
GBP loan	Oct. 2025	2			£65	**-**	110
Guaranteed subordinated							
GBP notes	Oct. 2045	31	5.13%	Oct.	£120	**224**	214
US bonds	Oct. 2029	30	8.95%	Apr. & Oct.	USD9	**16**	16
Commercial paper						**202**	105
Other debt	Various					**-**	6
Total debt outstanding before hybrid subordinated notes						**4,596**	4,834
Hybrid subordinated notes							
Series 1	Mar. 2081	60	4.13%	Mar. & Sep.	250	**247**	247
Total debt outstanding						**4,843**	5,081

The Series 2 to 14 medium-term notes may be redeemed at the option of the issuer, in whole or in part at any time, at a redemption price equal to the greater of the Government of Canada Yield at the date of redemption plus a margin or their par value. The Series 15 medium-term notes may be redeemed at the option of the issuer, in whole or in part, at any time within five years of maturity, at a redemption price equal to par, together with accrued and unpaid interest.

The fair value of debt outstanding amounted to $4,873 million as at September 30, 2024 ($5,004 million as at December 31, 2023) and was established using valuation data from a benchmark firm.

10.2 New financing issued

Series 15 Unsecured Medium-Term Notes	• On May 16, 2024, the Company completed an offering of $300 million principal amount of Series 15 unsecured medium-term notes through a private placement in Canada. The notes bear interest at a fixed annual rate of 4.65% payable in semi-annual instalments, commencing on November 16, 2024, until May 16, 2029. Subsequently, the interest is reset at a rate of 1.00% over the Daily Compounded Canadian Overnight Repo Rate Average and is payable in quarterly instalments until the maturity date on May 16, 2034. • The net proceeds received were used to redeem the Company's $375 million Series 11 unsecured medium-term notes due May 21, 2024.

10.3 Other financing

Term loans

The GBP tranche and the GBP loan were repaid in full on February 8, 2024 and on March 26, 2024, respectively, using available excess cash.

Credit facility

The Company has an unsecured revolving term credit facility of $1.8 billion, which matures on October 19, 2028. As at September 30, 2024, no balance was drawn under this credit facility (nil as at December 31, 2023).

Note 11 – Share capital

11.1 Issued and outstanding

Table 11.1 – Reconciliation of share capital

	Common shares		Preferred shares Class A shares		Other equity		Share capital
Nine-month periods ended	**Number of shares**	**Carrying amount**	**Number of shares**	**Carrying amount**	**Number of units**	**Carrying amount**	**Carrying amount**
September 30, 2024							
Balance, beginning of period	**178,320,868**	**8,099**	**54,000,000**	**1,322**	**n/a**	**297**	**9,718**
Issuance of common shares[1]	**84,021**	**19**	**-**	**-**	**n/a**	**-**	**19**
Issuance of common shares on exercise of stock options[2]	**70,000**	**13**	**-**	**-**	**n/a**	**-**	**13**
Repurchase of common shares for cancellation	**(110,921)**	**(5)**	**-**	**-**	**n/a**	**-**	**(5)**
Balance, end of period	**178,363,968**	**8,126**	**54,000,000**	**1,322**	**n/a**	**297**	**9,745**
September 30, 2023							
Balance, beginning of period	175,256,968	7,542	54,000,000	1,322	n/a	-	8,864
Issuance of common shares	3,065,900	557	-	-	n/a	-	557
Issuance of other equity	-	-	-	-	n/a	297	297
Balance, end of period	178,322,868	8,099	54,000,000	1,322	n/a	297	9,718

[1] Common shares issued were related to a broker acquisition transaction.
[2] Refer to ***Note 19.3 – Executive stock option plan*** for more details.

11.2 Dividends declared and paid per share

On February 13, 2024, the Board of Directors approved the increase of the Company's quarterly dividend by $0.11 to $1.21 per common share. Subsequent to the quarter, on November 5, 2024, the Board of Directors approved the quarterly dividend for common and preferred shares for the fourth quarter of 2024. Refer to ***Note 20 – Share capital*** of the annual Consolidated financial statements for the year ended December 31, 2023 for more details.

11.3 Normal course issuer bid

On February 17, 2024, the Company renewed its NCIB to repurchase, for cancellation, up to 5,349,626 common shares during the next twelve months, representing approximately 3% of its issued and outstanding common shares. The actual number of common shares purchased for cancellation and the timing of any such purchases will be determined by the Company.

Table 11.2 – Summary of the common shares repurchased and cancelled under the NCIB

Periods ended September 30, 2024	Three-month	Nine-month
Common shares repurchased and cancelled (in shares)	**-**	**110,921**
Average price (in dollars)	**-**	**220.04**
Total consideration paid	**-**	**24**

No common shares were repurchased and cancelled by the Company during the three and nine-month periods ended September 30, 2023. Refer to ***Note 20 – Share capital*** of the annual Consolidated financial statements for the year ended December 31, 2023 for more details.

Note 12 – Non-controlling interests

12.1 Cancellation of RSA's preferred shares

On June 12, 2024, RSA's Preference Shareholders were invited to tender their preferred shares. This transaction was part of the Company's on-going process of optimizing its capital structure, as these perpetual instruments would have lost their regulatory capital eligibility in 2026 and would no longer have satisfied the purpose for which they were originally issued.

Following the shareholders' approval on July 16, 2024, all 125,000,000 preferred shares issued by RSA were cancelled at an offer price of £1.22 per preferred share plus voting and transaction fees for total cash consideration of $279 million (£158 million). In addition, $5 million (£3 million) of dividends were accrued and paid to the preferred shareholders during the three-month period ended September 30, 2024. The transaction was funded through the Company's commercial paper program and excess cash.

As a result, the Company derecognized the NCI's carrying amount of $285 million which reflected the fair value on acquisition of RSA and recorded a gain of $6 million in Retained earnings. Following this transaction, the Company no longer has any NCI.

Refer to ***Note 21 – Non-controlling interests*** of the annual Consolidated financial statements for the year ended December 31, 2023 for more details on RSA's preferred shares.

Note 13 – Accumulated other comprehensive income (loss)

Table 13.1 – Components of AOCI

As at	September 30, 2024	December 31, 2023
FVTOCI debt securities	**(123)**	(338)
Translation of foreign operations, net of hedges	**271**	17
	148	(321)

Note 14 – Capital management

14.1 Capital management objectives

As at September 30, 2024 and December 31, 2023, each of the Company's regulated P&C insurance subsidiaries was in compliance with regulatory capital requirements. Refer to ***Note 23 – Capital management*** of the annual Consolidated financial statements for the year ended December 31, 2023 for more details on the management of the Company's capital.

Note 15 – Net investment return and net insurance financial result

Table 15.1 – Net investment return and net insurance financial result

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Net investment income	**394**	349	**1,161**	970
Net gains (losses) on investment portfolio	**399**	(137)	**325**	(283)
Net investment return	**793**	212	**1,486**	687
Net insurance financial result	**(408)**	(149)	**(700)**	(321)
Net investment return and net insurance financial result	**385**	63	**786**	366

Table 15.2 – Net investment income

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Interest income calculated using the effective interest method:				
Debt securities classified or designated as FVTOCI	**161**	135	**473**	343
Loans and cash and cash equivalents	**29**	25	**86**	74
Interest and similar income on securities classified or designated as FVTPL	**128**	117	**374**	314
Interest income	**318**	277	**933**	731
Dividend income (expense) from:				
Common shares, net				
Classified as FVTPL	**58**	55	**171**	187
Preferred shares, net				
Designated as FVTOCI	**16**	17	**48**	49
Classified as FVTPL	**8**	5	**21**	16
Dividend income	**82**	77	**240**	252
Investment property rental income	**7**	5	**24**	16
Investment income	**407**	359	**1,197**	999
Investment expense	**(13)**	(10)	**(36)**	(29)
	394	349	**1,161**	970

Table 15.3 – Net gains (losses) on investment portfolio

Three-month periods ended September 30,	**2024**			**2023**		
Portfolios	**Fixed income**	**Equity and property**	**Total**	**Fixed income**	**Equity and property**	**Total**
Financial instruments:						
Classified or designated as FVTOCI	**5**	**-**	**5**	(5)	-	(5)
Designated as FVTPL	**266**	**-**	**266**	(106)	-	(106)
Classified as FVTPL	**8**	**475**	**483**	-	(123)	(123)
	279	**475**	**754**	(111)	(123)	(234)
Derivatives[1]:						
Swap agreements	**25**	**(171)**	**(146)**	-	41	41
Forwards and futures	**(5)**	**(72)**	**(77)**	(12)	31	19
	20	**(243)**	**(223)**	(12)	72	60
Investment property	**-**	**1**	**1**	-	(14)	(14)
Net foreign currency gains (losses)	**(132)**	**-**	**(132)**	51	-	51
ECL expense	**(1)**	**-**	**(1)**	-	-	-
	166	**233**	**399**	(72)	(65)	(137)

Nine-month periods ended September 30,	2024			2023		
Portfolios	**Fixed income**	**Equity and property**	**Total**	**Fixed income**	**Equity and property**	**Total**
Financial instruments:						
Classified or designated as FVTOCI	**(15)**	**-**	**(15)**	(12)	-	(12)
Designated as FVTPL	**141**	**-**	**141**	(115)	-	(115)
Classified as FVTPL	**10**	**651**	**661**	11	(161)	(150)
	136	**651**	**787**	(116)	(161)	(277)
Derivatives[1]:						
Swap agreements	**25**	**(196)**	**(171)**	-	39	39
Forwards and futures	**2**	**(91)**	**(89)**	9	2	11
	27	**(287)**	**(260)**	9	41	50
Investment property	**-**	**(5)**	**(5)**	-	(3)	(3)
Net foreign currency gains (losses)	**(195)**	**-**	**(195)**	(51)	-	(51)
ECL expense	**(2)**	**-**	**(2)**	(2)	-	(2)
	(34)	**359**	**325**	(160)	(123)	(283)

[1] Excluding foreign currency contracts, which are recognized in Net foreign currency gains (losses) on investments.

Table 15.4 – Net insurance financial result

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Change in the carrying amount of insurance contracts due to:				
Unwind of discount	**(267)**	(260)	**(772)**	(769)
Changes in discount rates and other financial assumptions	**(358)**	106	**(275)**	283
Net foreign currency gains (losses)	**140**	(57)	**203**	74
Insurance finance income (expense)	**(485)**	(211)	**(844)**	(412)
Change in the carrying amount of reinsurance contracts due to:				
Unwind of discount	**50**	49	**144**	156
Changes in discount rates and other financial assumptions	**47**	(1)	**30**	(45)
Net foreign currency gains (losses)	**(20)**	14	**(30)**	(20)
Reinsurance finance income (expense)	**77**	62	**144**	91
	(408)	(149)	**(700)**	(321)

Note 16 – Other net gains (losses) and other income and expense

Table 16.1 – Components of other net gains (losses)

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Gain on sale of business[1]	**-**	-	**138**	-
Currency derivative hedges related to acquisition				
Purchase price	**-**	(28)	**-**	(28)
Net investment	**-**	11	**-**	11
Other net foreign currency gains (losses)	**(9)**	7	**(3)**	3
Other[2,3]	**14**	19	**124**	42
	5	9	**259**	28

[1] Related to the sale of the UK direct Home and Pet operations completed on March 31, 2024. Refer to ***Note 4 – Business combinations and disposals***.
[2] Includes gains of nil and $68 million for the three and nine-month periods ended September 30, 2024, respectively, related to broker transactions consisting of the acquisition of control of investments in associates and joint ventures.
[3] Includes gains of nil and $25 million for the three and nine-month periods ended September 30, 2024, respectively, related to a broker transaction consisting of the disposal of an investment in associates and joint ventures.

Table 16.2 – Other income and other expense

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Other income (*Table 21.2*)	**174**	146	**534**	506
Other expense	**(371)**	(282)	**(1,143)**	(944)
	(197)	(136)	**(609)**	(438)

Note 17 – Income taxes

17.1 Income tax expense recognized in Net income

Table 17.1 – Components of income tax expense recognized in Net income

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Current income tax expense (benefit)	**64**	96	**458**	282
Deferred income tax expense (benefit)	**(47)**	(75)	**(61)**	(14)
	17	21	**397**	268

17.2 Effective income tax rate

The effective income tax rates are different from the combined Canadian federal and provincial statutory income tax rates. The interim condensed consolidated statements of income contain items that are non-taxable or non-deductible for income tax purposes, which cause the income tax expense to differ from what it would have been if based on statutory tax rates.

The following table presents the reconciliation of the effective income tax rate to the income tax expense calculated at statutory tax rates.

Table 17.2 – Effective income tax rate reconciliation

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Statutory tax rates	**25.9%**	25.9%	**25.9%**	25.9%
Increase (decrease) in income tax rates resulting from:				
Non-deductible losses (non-taxable gains)	**(0.1)%**	(2.6)%	**(1.1)%**	(0.5)%
Non-taxable investment income	**(10.9)%**	(9.5)%	**(2.7)%**	(6.0)%
Non-deductible losses (non-taxable income) from subsidiaries and associates	**(1.8)%**	(2.5)%	**(0.8)%**	(1.9)%
Change in unrecognized deferred income taxes	**(4.2)%**	(1.6)%	**(2.3)%**	4.9%
Higher (lower) effective rates on income subject to taxation in foreign jurisdictions	**(5.2)%**	1.0%	**(1.5)%**	2.0%
Non-deductible expenses	**1.1%**	0.8%	**0.4%**	0.5%
Other	**2.6%**	(0.1)%	**1.6%**	0.2%
Effective income tax rate	**7.4%**	11.4%	**19.5%**	25.1%

The effective income tax rate reconciliation may be impacted by a mix of losses and earnings taxed at different statutory rates. The insurance service results are tax affected at the full statutory rate while investment income is taxed at a lower rate.

17.3 Tax legislative changes

Pillar two

The Company has prepared its financial statements to consider enacted and substantively enacted Pillar Two legislation in jurisdictions in which it operates including Canada which enacted such legislation in June 2024 with retroactive application to January 1, 2024. There was no material impact on the interim condensed consolidated financial statements for the three and nine-month periods ended September 30, 2024. Furthermore, the Company has applied the exception from recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two tax, as permitted by IAS 12 – *Income Taxes*.

Refer to ***Note 28 – Income Taxes*** of the annual Consolidated financial statements for the year ended December 31, 2023 for more details on Pillar Two legislative changes.

Canadian Federal Tax Measures

In June 2024, the Government of Canada enacted certain tax measures, including the proposal to deny financial institutions a deduction on dividends received after December 31, 2023, on certain types of shares of Canadian corporations. The enacted measures that impact the Company have been applied in the interim condensed consolidated financial statements. There was no material impact for the three and nine-month periods ended September 30, 2024.

Note 18 – Earnings per share

Basic EPS was calculated by dividing the Net income attributable to common shareholders of the Company by the weighted-average number of common shares outstanding during the period. Diluted EPS considered the effect of stock options.

Table 18.1 – Earnings per share

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Net income attributable to shareholders	**207**	163	**1,630**	792
Less: dividends declared on preferred shares and other equity distribution, net of tax	**(17)**	(17)	**(62)**	(56)
Net income attributable to common shareholders	**190**	146	**1,568**	736
Weighted-average number of common shares outstanding (in millions)	**178.4**	175.9	**178.3**	175.5
Net effect of stock options	**0.2**	-	**0.3**	-
Weighted-average diluted number of common shares outstanding (in millions)	**178.6**	175.9	**178.6**	175.5
EPS (in dollars)				
Basic	**1.07**	0.83	**8.79**	4.19
Diluted	**1.06**	0.83	**8.78**	4.19

Note 19 – Share-based payments

The following tables present information on key share-based payment plans.

19.1 Long-term incentive plan

Table 19.1 – Reconciliation of LTIP share units

	Three-month		Nine-month	
Periods ended September 30,	**2024 (in units)**	**2023 (in units)**	**2024 (in units)**	**2023 (in units)**
Outstanding, beginning of period	**1,393,825**	1,608,038	**1,650,768**	1,733,703
Awarded (forfeited)	**(4,949)**	2,608	**384,489**	393,402
Net change in estimate of units outstanding	**2,029**	2,471	**23,937**	91,541
Units settled	**(2,874)**	-	**(671,163)**	(605,529)
Outstanding, end of period	**1,388,031**	1,613,117	**1,388,031**	1,613,117

The LTIP expense was $23 million and $64 million for the three and nine-month periods ended September 30, 2024, respectively ($17 million and $68 million for the three and nine-month periods ended September 30, 2023, respectively).

19.2 Employee share purchase plan

Table 19.2 – Reconciliation of restricted common shares

	Three-month		Nine-month	
Periods ended September 30,	**2024 (in units)**	**2023 (in units)**	**2024 (in units)**	**2023 (in units)**
Outstanding, beginning of period	**124,407**	118,588	**122,703**	114,637
Accrued	**30,199**	33,698	**90,871**	93,058
Awarded and vested	**(32,679)**	(30,457)	**(90,570)**	(84,052)
Forfeited	**(556)**	(648)	**(1,633)**	(2,462)
Outstanding, end of period	**121,371**	121,181	**121,371**	121,181

The ESPP expense was $6 million and $20 million for the three and nine-month periods ended September 30, 2024, respectively ($5 million and $18 million for the three and nine-month periods ended September 30, 2023, respectively).

19.3 Executive stock option plan

The Company maintains an ESOP for certain key executive employees under which, from time-to-time, stock options and SARs may be granted. On February 13, 2024, the Board of Directors approved a grant of 120,000 stock options with an exercise price of $223.46 and a maturity date of February 15, 2034.

During the nine-month period ended September 30, 2024, 70,000 stock options were exercised for cash consideration of $11 million and the Company derecognized the fair value of these options of $2 million from Contributed surplus resulting in the issuance of common shares totaling $13 million.

19.4 Common shares repurchased for share-based payments

The Company's equity-settled LTIP and ESPP plans were settled through the plan administrator purchasing common shares on the market and remitting them to the participants. The cumulative cost of these units was removed from Contributed surplus.

The difference between the market price of the shares and the cumulative cost for the Company of these vested units, net of income taxes, was recognized in Retained earnings.

Table 19.3 – Settlement in shares (LTIP and ESPP plans)

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Value of common shares repurchased for share-based payments	**8**	5	**152**	122
Less: cumulative cost of the units for the Company	**8**	5	**98**	82
Excess of market price over the cumulative cost for the Company	**-**	-	**54**	40
Amount recognized in Retained earnings, net of taxes	**-**	-	**43**	30

Note 20 – Employee future benefits

20.1 Funded status

The DB obligation, net of the fair value of plan assets, is recognized on the Consolidated balance sheets as an asset, when the plan is in a surplus position, or as a liability, when the plan is in a deficit position. This classification is determined on a plan-by-plan basis.

Table 20.1 – DB pension plan asset (liability) by country

	September 30, 2024			December 31, 2023		
As at	**UK&I**	**Canada[1]**	**Total**	**UK&I**	**Canada**	**Total**
DB obligation	**(9,455)**	**(2,322)**	**(11,777)**	(9,327)	(3,272)	(12,599)
Annuity buy-in insurance contracts	**9,316**	**-**	**9,316**	9,188	1,035	10,223
Debt securities	**121**	**1,631**	**1,752**	124	1,545	1,669
Other plan assets[2]	**58**	**820**	**878**	20	696	716
Fair value of plan assets	**9,495**	**2,451**	**11,946**	9,332	3,276	12,608
Other net surplus remeasurement	**(6)**	**(5)**	**(11)**	(3)	(5)	(8)
Net DB asset (liability)	**34**	**124**	**158**	2	(1)	1
Recognized in:						
Other assets – plans in a surplus position	**52**	**315**	**367**	40	189	229
Other liabilities – plans in a deficit position and unfunded plans	**(18)**	**(191)**	**(209)**	(38)	(190)	(228)
	34	**124**	**158**	2	(1)	1

[1] The Company derecognized buy-in annuity assets and a corresponding DB obligation of $1,009 million related to the conversion of Canadian annuity buy-in insurance contracts during the nine-month period ended September 30, 2024. Refer to ***Note 20.5 – Additional information on pension plans***.
[2] Other plan assets in the UK&I were net of deferred annuity premium of $180 million as at December 31, 2023. The Company repaid the remaining balance of deferred annuity premium during the nine-month period ended September 30, 2024.

20.2 Employee future benefit expense recognized in Net income

Table 20.2 – Employee future benefit expense recognized in Net income

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Current service cost	**16**	13	**49**	38
Net interest expense:				
Interest expense on DB obligation	**134**	147	**407**	440
Interest income on plan assets	**(134)**	(166)	**(406)**	(491)
Other	**8**	6	**20**	16
	24	-	**70**	3

20.3 Actuarial gains (losses) on employee future benefits, net of other surplus remeasurement, recognized in OCI

Table 20.3 – Actuarial gains (losses) on employee future benefits, net of other surplus remeasurement, recognized in OCI

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Changes in discount rate used to determine the benefit obligation	**(226)**	562	**668**	891
Actual return on plan assets	**214**	(654)	**(347)**	(1,067)
Plan experience and changes in other financial assumptions[1]	**46**	(49)	**(169)**	(121)
Changes in demographic assumptions	**-**	125	**-**	125
Annuity buy-in insurance contracts[2]	**-**	-	**-**	(1,404)
Other net surplus remeasurements[2]	**1**	-	**(3)**	178
	35	(16)	**149**	(1,398)

[1] Changes in other financial assumptions are mainly related to inflation rate.
[2] The UK buy-in transaction completed on February 27, 2023 resulted in a net impact of $1,195 million (£727 million), composed of a remeasurement loss on plan assets of $1,404 million (£854 million) included in annuity buy-in insurance contracts and the derecognition of a tax expense on surplus of $209 million (£127 million) included in other net surplus remeasurements. Refer to ***Note 31.6 – Additional information on UK DB pension plans*** of the Company's annual Consolidated financial statements for the year ended December 31, 2023 for more details.

20.4 Assumptions used

The following table presents changes of certain key assumptions as disclosed in ***Note 4 – Material accounting judgments, estimates and assumptions*** of the Company's annual consolidated financial statements for the year ended December 31, 2023.

Table 20.4 – Key weighted-average assumptions used in measuring the DB obligation

	September 30, 2024		December 31, 2023	
As at	**UK**	**Canada**	**UK**	**Canada**
Discount rate	**5.03%**	**4.77%**	4.54%	4.64%
Rate of inflation (CPI)[1]	**2.55%**	**1.87%**	2.45%	1.85%
Rate of inflation (RPI)	**3.11%**	**n/a**	3.05%	n/a

[1] For Canada: 4.00% for 2024 and 3.00% for 2025 as at September 30, 2024 and December 31, 2023, and 1.87% and 1.85% per year thereafter as at September 30, 2024 and December 31, 2023, respectively.

20.5 Additional information on pension plans

Conversion of Canadian annuity buy-in insurance contracts in 2024

In March 2024, the Company entered into agreements to convert qualifying annuity buy-in insurance contracts into buy-out annuity insurance contracts. The agreements were effective as of March 1, 2024. As a result, during the nine-month period ended September 30, 2024, the Company derecognized the buy-in annuity assets and the corresponding DB obligation of $1,009 million previously recognized on a net basis in Other liabilities. The impact on the Company's Net income and OCI was nil as the fair value of the buy-in annuities fluctuated based on changes in the associated DB obligation.

Purchase of Canadian annuity buy-in insurance contracts in 2024

Subsequent to the quarter, on October 16, 2024, the Company purchased qualifying annuity buy-in insurance contracts in the amount of $275 million on behalf of certain Canadian DB pension plans, as part of its de-risking strategy. The Company will record an actuarial loss of $5 million as a result of this transaction which will be recognized in OCI during the fourth quarter of 2024. The fair value of annuity buy-in insurance contracts will fluctuate based on changes in the associated DB obligation.

Purchase of UK annuity buy-in insurance contracts in 2023

As part of a de-risking strategy, annuity buy-in insurance contracts were acquired in 2023. As a result, an initial actuarial loss of $1,195 million (£727 million) was recognized in OCI during the year ended December 31, 2023. Refer to ***Note 31.6 – Additional information on UK DB pension plans*** of the Company's annual consolidated financial statements for the year ended December 31, 2023, for more details.

Note 21 – Segment information

21.1 Reportable segments

The Company has three reportable segments, in line with its management structure and internal financial reporting which is based on country and the nature of its activities as described below.

Canada

- Underwriting of automobile, home and business insurance contracts to individuals and businesses in Canada distributed through a wide network of brokers and directly to consumers.
- Distribution income includes the operating results from the Company's wholly owned subsidiary, BrokerLink Inc., broker associates, managing general agent platforms, and supply chain operations from On Side Developments LTD.

UK & International

- Underwriting of automobile, home, pet and business insurance contracts to businesses in the UK, Europe, and Ireland as well as internationally through the Company's global network. The Company distributes insurance through a wide network of affinity partners and brokers or directly to consumers.
- As the Company exited these businesses, the following were excluded from operating performance effective:
  - January 1, 2023, the underwriting results of the UK Personal Lines motor market; and
  - October 1, 2023, the underwriting results of the UK Home and Pet Personal Lines.
- Effective October 1, 2023, results from the DLG acquisition were included in this segment.
- Refer to ***Note 4 – Business combinations and disposals*** for more details.

US

- Underwriting of specialty contracts mainly to small to medium-sized businesses in the United States. The Company distributes insurance through independent agencies, brokers, wholesalers and managing general agencies.
- Distribution income includes the operating results from the Company's wholly owned subsidiary, Striior Insurance Solutions.

Corporate and Other ("Corporate" or "Corp.") consists of investment management, treasury and capital management activities, corporate reinsurance, including certain internal and external agreements, as well as other corporate activities.

21.2 Segment operating performance

All segment operating revenues presented in ***Table 21.1*** are generated from external customers.

Management measures the profitability of the Company's segments based on PTOI which excludes elements that are not representative of the Company's operating performance because they include elements that arise mostly from changes in market conditions, relate to acquisition-related items or special items, or because they are not part of the Company's normal activities. Refer to ***Section 14 – Non-GAAP and other financial measures*** of the Company's interim MD&A for the definition and reconciliation of related operating measures.

The reconciliation of the segment operating revenue and PTOI to the amounts recognized in the interim condensed consolidated statements of income is presented in ***Table 21.2*** and ***Table 21.3*** respectively.

As at April 1, 2024, the Company refined the reporting of its segment information and reclassified the comparative information accordingly. The discount build and the net unwind of discount on claims liabilities were previously reported within Corporate and other in operating results and are now reported within non-operating results. The change will remove volatility related to changes in discount rates from the Company's operating results as it was not representative of the fundamental performance of the Company's business. This change in presentation does not impact how the Company manages its lines of business as these were already presented on an undiscounted basis. For the three and nine-month periods ended September 30, 2023, this resulted in a decrease of $27 million and $11 million, respectively, in PTOI and a decrease of $21 million and $8 million, respectively, in NOI attributable to common shareholders.

Table 21.1 – Segment operating performance

	2024					2023				
Three-month periods ended September 30,	**CAN**	**UK&I**	**US**	**Corp**	**Total**	**CAN**	**UK&I**	**US**	**Corp**	**Total**
Operating income										
Operating net underwriting revenue	**3,870**	**1,062**	**573**	**-**	**5,505**	3,586	1,103	530	7	5,226
Operating net investment income	**-**	**-**	**-**	**394**	**394**	-	-	-	349	349
Other operating income	**138**	**-**	**7**	**5**	**150**	107	-	16	2	125
Segment operating revenue	**4,008**	**1,062**	**580**	**399**	**6,049**	3,693	1,103	546	358	5,700
Operating net claims	**(3,024)**	**(617)**	**(289)**	**(4)**	**(3,934)**	(2,529)	(636)	(258)	3	(3,420)
Operating net underwriting expenses	**(1,214)**	**(359)**	**(212)**	**(1)**	**(1,786)**	(1,123)	(385)	(210)	-	(1,718)
Share of profit from invest. in associates & JV	**31**	**-**	**-**	**-**	**31**	32	-	-	-	32
Total finance costs	**(4)**	**-**	**-**	**(55)**	**(59)**	(2)	-	-	(61)	(63)
Other operating expense	**(43)**	**-**	**(1)**	**(44)**	**(88)**	(28)	-	(11)	(36)	(75)
PTOI	**(246)**	**86**	**78**	**295**	**213**	43	82	67	264	456
Operating income tax expense					**(9)**					(90)
Net income (loss) attributable to NCI					**(5)**					-
Preferred share dividends and other equity distributions					**(17)**					(17)
NOI attributable to common shareholders					**182**					349
PTOI is comprised of:										
Underwriting income (loss)	**(368)**	**86**	**72**	**(5)**	**(215)**	(66)	82	62	10	88
Operating net investment income	**-**	**-**	**-**	**394**	**394**	-	-	-	349	349
Distribution income	**126**	**-**	**6**	**-**	**132**	111	-	5	-	116
Total finance costs	**(4)**	**-**	**-**	**(55)**	**(59)**	(2)	-	-	(61)	(63)
Other operating income (expense)	**-**	**-**	**-**	**(39)**	**(39)**	-	-	-	(34)	(34)
PTOI	**(246)**	**86**	**78**	**295**	**213**	43	82	67	264	456

	2024					2023				
Nine-month periods ended September 30,	**CAN**	**UK&I**	**US**	**Corp**	**Total**	**CAN**	**UK&I**	**US**	**Corp**	**Total**
Operating income										
Operating net underwriting revenue	**11,239**	**3,112**	**1,645**	**3**	**15,999**	10,428	3,132	1,524	22	15,106
Operating net investment income	**-**	**-**	**-**	**1,161**	**1,161**	-	-	-	970	970
Other operating income	**428**	**-**	**24**	**10**	**462**	387	-	43	7	437
Segment operating revenue	**11,667**	**3,112**	**1,669**	**1,174**	**17,622**	10,815	3,132	1,567	999	16,513
Operating net claims	**(7,087)**	**(1,788)**	**(809)**	**(7)**	**(9,691)**	(6,779)	(1,815)	(756)	3	(9,347)
Operating net underwriting expenses	**(3,640)**	**(1,102)**	**(638)**	**(3)**	**(5,383)**	(3,363)	(1,119)	(609)	(2)	(5,093)
Share of profit from invest. in associates & JV	**121**	**-**	**-**	**-**	**121**	129	-	-	-	129
Total finance costs	**(12)**	**-**	**-**	**(166)**	**(178)**	(10)	-	-	(163)	(173)
Other operating expense	**(167)**	**-**	**(5)**	**(137)**	**(309)**	(174)	-	(27)	(119)	(320)
PTOI	**882**	**222**	**217**	**861**	**2,182**	618	198	175	718	1,709
Operating income tax expense					**(412)**					(344)
Net income (loss) attributable to NCI					**(13)**					(8)
Preferred share dividends and other equity distributions					**(62)**					(56)
NOI attributable to common shareholders					**1,695**					1,301
PTOI is comprised of:										
Underwriting income (loss)	**512**	**222**	**198**	**(7)**	**925**	286	198	159	23	666
Operating net investment income	**-**	**-**	**-**	**1,161**	**1,161**	-	-	-	970	970
Distribution income	**382**	**-**	**19**	**-**	**401**	342	-	16	-	358
Total finance costs	**(12)**	**-**	**-**	**(166)**	**(178)**	(10)	-	-	(163)	(173)
Other operating income (expense)	**-**	**-**	**-**	**(127)**	**(127)**	-	-	-	(112)	(112)
PTOI	**882**	**222**	**217**	**861**	**2,182**	618	198	175	718	1,709

Table 21.2 – Reconciliation of segment operating revenue to amounts recognized in the interim condensed consolidated statements of income

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Segment operating revenue (*Table 21.1*)	**6,049**	5,700	**17,622**	16,513
Expense from reinsurance contracts	**645**	815	**1,937**	2,470
Net insurance revenue from claims acquired in a business combination	**250**	245	**738**	1,107
Assumed (ceded) commissions and premium adjustment	**25**	67	**57**	181
Net insurance revenue from retroactive reinsurance contracts	**(22)**	(31)	**(44)**	(98)
Other income included in Operating net underwriting expenses	**24**	21	**72**	69
Net underwriting revenue from exited lines	**354**	63	**1,069**	216
Revenue, as reported	**7,325**	6,880	**21,451**	20,458
Represented by:				
Insurance revenue	**6,757**	6,385	**19,756**	18,982
Net investment income	**394**	349	**1,161**	970
Other income (*Table 16.2*)	**174**	146	**534**	506
	7,325	6,880	**21,451**	20,458

Table 21.3 – Reconciliation of segment PTOI to amounts recognized in the interim condensed consolidated statements of income

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Segment PTOI (*Table 21.1*)	**213**	456	**2,182**	1,709
Non-operating items:				
Net gains (losses) on investment portfolio	**399**	(137)	**325**	(283)
Changes in discount rate and other financial assumptions	**(311)**	105	**(245)**	238
Net foreign currency gains (losses) included in net insurance financial result	**120**	(43)	**173**	54
Discount build on claims liabilities	**230**	252	**695**	678
Net unwind of discount on claims liabilities	**(230)**	(225)	**(676)**	(667)
Other net gains (losses)	**5**	9	**259**	28
Income (loss) from exited lines	**(21)**	(58)	**(96)**	(155)
Amortization of acquired intangible assets	**(75)**	(66)	**(225)**	(196)
Acquisition, integration and restructuring costs	**(77)**	(109)	**(280)**	(321)
Net result from claims acquired in a business combination	**(1)**	-	**(3)**	(2)
Other	**(16)**	7	**(44)**	13
Pre-tax income, as reported in the interim MD&A	**236**	191	**2,065**	1,096
Less: share of income tax expense from broker associates	**(7)**	(7)	**(25)**	(28)
Income before income taxes, as reported	**229**	184	**2,040**	1,068

21.3 Selected segment assets and liabilities

Table 21.4 – Selected segment assets and liabilities

	September 30, 2024					December 31, 2023				
As at	**CAN**	**UK&I**	**US**	**Corp**	**Total**	**CAN**	**UK&I**	**US**	**Corp**	**Total**
Investments (*Note 5*)	**-**	**-**	**-**	**39,426**	**39,426**	-	-	-	37,083	37,083
Net liability for incurred claims[1]	**14,428**	**6,465**	**2,235**	**4**	**23,132**	13,746	5,867	2,026	2	21,641

[1] Represents the net liability for incurred claims before net payables included in incurred claims and the reclass of net claims reported under the GMM. Refer to ***Table 8.5 – Carrying amount of the net liability for incurred claims***.

Note 22 – Additional information on the interim condensed consolidated statements of cash flows

22.1 Supplementary information on cash flows from operating activities

Table 22.1 – Cash flows from operating activities

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Adjustments for non-cash items				
Net (gains) losses on investment portfolio (*Note 15*)	**(399)**	137	**(325)**	283
Other net (gains) losses	**(5)**	(9)	**(259)**	(28)
Depreciation of property and equipment[1]	**41**	36	**123**	123
Amortization of intangible assets	**134**	109	**416**	324
Net premiums on debt securities classified as FVTOCI	**(31)**	(14)	**(93)**	(3)
DB pension expense (*Note 20*)	**24**	-	**70**	3
Share-based payment expense	**30**	23	**87**	88
Share of profit from investments in associates and joint ventures	**(17)**	(16)	**(67)**	(74)
Other	**-**	32	**93**	76
	(223)	298	**45**	792
Changes in other operating assets and liabilities				
Contributions to the defined benefit pension plans	**(3)**	(13)	**(75)**	(1,022)
Changes in insurance and reinsurance contracts	**1,216**	854	**1,068**	830
Share-based payments	**-**	(1)	**(20)**	(16)
Other operating assets	**84**	8	**(57)**	(47)
Other operating liabilities	**(88)**	3	**(119)**	(86)
Dividends received from investments in associates and joint ventures	**6**	6	**39**	23
	1,215	857	**836**	(318)

[1] Includes depreciation of right-of-use assets of leases.

Table 22.2 – Other relevant cash flow disclosures – operating activities

	Three-month		Nine-month	
Periods ended September 30,	**2024**	**2023**	**2024**	**2023**
Interest paid	**55**	59	**162**	165
Interest received	**297**	237	**882**	676
Dividends received	**86**	103	**274**	272

22.2 Composition of cash and cash equivalents, net of bank overdraft

Table 22.3 – Composition of cash and cash equivalents, net of bank overdraft

As at September 30,	**2024**	**2023**
Cash	**1,042**	813
Cash equivalents	**313**	718
Cash and cash equivalents	**1,355**	1,531
Bank overdraft, recorded in Other liabilities (*Table 9.3*)	**(272)**	-
Cash and cash equivalents, net of bank overdraft	**1,083**	1,531

Cash and cash equivalents with restricted use was approximately $247 million and $267 million as at September 30, 2024 and 2023, respectively.

Note 23 – Standards issued but not yet effective

23.1 IFRS 18 – *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18 – *Presentation and Disclosure in Financial Statements* ("IFRS 18") to improve reporting of financial performance. IFRS 18 replaces IAS 1, however, it carries forward many requirements from IAS 1 unchanged. IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. IFRS 18 introduces specified subtotals in the statements of income, new disclosures for management-defined performance measures, and additional requirements for the aggregation and disaggregation of information.

The Company is currently assessing the impact of this new standard on the presentation and disclosure of its financial statements.

23.2 Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB published *Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7* to address matters identified during the post-implementation review of IFRS 9 – *Financial Instruments*. The amendments clarify the classification of certain financial assets as well as the derecognition of a financial liability and introduce an accounting policy option for the derecognition of financial liabilities settled through electronic transfer if certain conditions are met. The amendments also add disclosure requirements for certain financial instruments.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted, and will apply retrospectively.

The Company is currently assessing the impact of these amendments on its financial statements.