

2024

Annual Report



Assumption Life



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We acknowledge that our head office is located on the unceded traditional territory of the Wolastoqey (Maliseet) and Mi'kmaq since the building's construction in 1970.

Board of Directors

 Ivan Toner ICD.D Chairman of the Board of Directors President, MelamTech Consulting	 Sébastien Dupuis CPA, CA President and CEO, Assumption Life	 Alain Bossé Vice president of the Board of Directors Advisor	 Geneviève Laforge LL.B, ASC Corporate Secretary and Director of Organizational Development, Assumption Life	 Luc Farmer FCIA, MAAA Actuary	 Monica Gaudet-Justason President and CEO, New Brunswick Business Council
 Marc Landry CPA, CMA Chief Technology Officer, Major Drilling	 Mylène Lapierre CPA, CA, CFE, EMBA, FCG, Pro Dir., PLC President & CEO, CPA NB	 Denis LeBlanc Entrepreneur	 Adrienne Oldford Executive Director, McKenna Institute	 Nathalie Proteau Vice President, Asset Allocation & External Management, Fonds de solidarité, FTQ	 Steven Ross Company Director

Senior Management

 Sébastien Dupuis CPA, CA President and CEO	 Michel Allain FCIA, FSA Vice President, Chief Financial Officer and Chief Actuary	 Luc Bossé B.B.A. Vice President, Sales and Marketing	 Réjean Boudreau B.B.A. Vice President, Client Experience	 Tony McLaughlin B.Sc. Vice President, Chief Information and Technology Officer
 Michel Simard FCIA, FSA Vice President, Groupe Insurance	 Marie-Claude Thibodeau AICA, ASA Vice President, Actuarial and Product Development			

Our Employees, Our Pride

Head Office, Louisbourg Investments and Lavvi employees

Assomption Vie

Agnew, Scott Kevin
Ait Si Brahim, Loubna
Aka, Yves-Roger
Allain, Keith
Allain, Michel
Allain, Nadine
Amberman, Shawn
Amimri, Amira
Anjorin, Kamal
Arsenault, Denis
Arsenault, Jasmine
Arsenault, Michelle
Arsenault, Sophie
Arsenault, Sylvie
Audet, Daniel
Babineau, Monique
Bakkali, Nabil El
Beefeya, Shalini Divya
Beeharry, Soumedha Devi
Bélanger, André
Belliveau, Sylvie
Benlabiod, Lotfi
Benoit, Eric
Bergevin, Mandy
Berry, Suzanne
Berthe, Rene
Berthomieu, Marie
Birba, Gloria Carelle
Blondeau, Marc-André
Bordage, Lisa
Bossé, Luc
Bouchard, Pierre-Luc
Boucher, Stéfany
Boudreau, Marc
Boudreau, Patrick

Boudreau, Rejean
Boudreau, Sophie
Bourgeois, Isabelle
Bourgeois, Megan
Bourgeois, Melanie
Bourgeois, Renée
Bourgeois-Caya, Sarah
Bourque, Lucie
Bourque, Nicole
Breau, Brenda
Breau, Jakob
Breau, Jammy
Brideau, Lise
Brun Leblanc, Monika Stephanie
Brun, Dina
Brun, Renelle
Brun, Sebastien
Burnet, James
Caissie, Debbie
Caron, Julie
Carrier, Mélanie
Cassidy, Kristine
Charron, Samuel
Colquhoun, Mélanie
Comeau, Rachel
Comeau, Sylvie
Cormier, Daniel
Cormier, Jolène
Cormier, Tania
Couture, Alexis
Cyr, Nathalie
Da Silveira, Sewa Yao-Yao
Daigle, Marie-Josée
Dalissier, Lydie
De Serres, Renay
Desblés, Anne-Sophie

Desmeules, Rachelle
Despres, Robert
Dionne, Nicole
Drouin, Alexandre
Duguay, Monique
Duncan, Louis-Nicholas
Dupuis, Sébastien
Elliott, Celine
Fahim, Farnaz
Fatoki, Akinwale
Febre, Iris Tosca
Fitzgerald, Alain
Folett, Joceline
Fougère, Laurier
Francoeur, Lyne
Gagnon, Lina
Galeano, Patricia
Gallant, Sandra
Gallien, Pascal
Gaudet, Ginette
Gaudet, Gisèle
Gaudet, Mathieu
Gaudet, Serge
Gautreau, Jessica
Gautreau, Nadine
Gauvin, Danielle
Gauvin, Jean-Luc
Gauvin, Mélanie
Gawum, Ernest
Gervais, Charles
Giard, Maryse
Girouard, Julie
Godbout, Melissa
Godin, Amelie
Goguen, Jacqueline
Goguen, Jean-Marc

Haché, Brandon
Haché, Carole Lise
Haché, Mario
Hachey, Danie
Harquail, Shawn
Hebert, Luc
Hebert, Veronique
Hounkpe, Koflax
Idrissi, Mohammed Lahmidi El
Jobin, Jacques
Jones, Evan
Jordan, Jacqueline
Joseph, Nathalie
Koshul, Jennifer
Kouame, Olivier
Kouassi, Melan
Kruthiventi, Chiranjeevi Sai Ram
Laforge, Geneviève
Lagace, Sonia
Lahlali, Kenza
Lahlou, Youssef
Landry, Emilie
Landry, Jean-Marc
Landry, Katherine
Landry, Martin
Landry, Monica
Lanteigne, Pierre-Paul
Larocque, Reno
Lavigne, Natalie
Leblanc Gagnon, Karine
Leblanc St-Onge, Melanie
Leblanc, Brigitte
Leblanc, Céline
Leblanc, Charline
Leblanc, Jean-Valmond
Leblanc, Joline Diane

Leblanc, Lucie
Leblanc, Lynn
Leblanc, Lynn M
Leblanc, Marcus
Leblanc, Melanie
Leblanc, Monique
Leblanc, Nadia
Leblanc, Nadine
Leblanc, Pauline T
Leblanc, Stéphanie
Leblanc, Sylvie H.
Leblanc, Tina
Leblanc-Gallant, Nicole
Léger, Carolyn
Léger, Georges
Leger, Joanne
Leger, Marianne
Legere, Antoinette
Lessard, Rebecca
Levesque, Louis-Philippe
Ma, Kimberly
Maillet, Mireille
Maillet, Natalie
Maillet, Stephane
Maillet, Stephane
Maillet-Gendron, Donna
Mailman, Liette
Malschafsky, Denise
Mandjo, Elie
Martin, Danilyne
Martin, Marie-Pier
Martin, Michel
Martin, Pierre
Mazerolle, Roger
Mccallum, Melanie
Mclaughlin, Tony
McLeod, Renée
Melanson, Cinthia
Melanson, David
Melanson, Sophie
Melanson, Sylvie
Meziani, Lotfi
Michaud, Claudine
Morin, Christa
Morin, Lynne

Mukuna, Steve
Nadeau, Élodie
Ngonon, Alexandra
Niles, Odette
Nkeuna, Constantin Nsikam
Noel, Ghislain
Noel, Guillaume Jones
Noël, Sophie Julie
Nzigamasabo, Marina
Okohossi, Joachim
Ouellet, Allain
Ouellette, Anick
Ouellette, Melanie
Parker, Lynn
Pelletier, Scott
Pineau, Jeremy
Pitre, Jean-Lou
Poirier, Emmanuelle
Poirier, Rachel
Poirier, Serge
Raffy, Thomas
Richard, Anne
Richard, Claudette
Richard, Pierre
Richard, Sheila
Richard, Véronique
Robichaud, Chantal
Robichaud, Claudette
Robichaud, Dominic
Robichaud, Julie
Robichaud, Louise
Robichaud, Sandra
Robichaud, Sophie M
Robichaud, Sophie M
Mccallum, Melanie
Roussel, Timmy
Roussel, Cassandra
Roussel, Sébastien
Roy, Judy
Ryan, Jennifer
Sadler, Angela
Saghir, El Mehdi
Sarrasin, Nicolas
Saulnier, Alexandre
Savoie, Rachel
Savoie, Sylvie

Simard, Michel
Sonier, Michael
Souma, Jenny
St-Jean, Valerie
St-Leger, Sally
Stoshack, Abigail
Surette, Melanie
Surette, Sara-Anne
Surette, Yvette
Tan, Olivier
Thébeau, Marise
Thébeau, Patrick
Thériault, Alain
Thériault, Josée
Thériault, Yves
Thibodeau, Jayden
Pitre, Jean-Lou
Thibodeau, Marie-Claude
Tia, Eunice
Tidd, Christine
Toussaint, Charles
Tremblay-Gosselin, Jordan
Useni, Ornella
Vautour, Isabelle
Vautour, Joshua
Veloso, Munik
Walker, Cameron
Walsh, Connor
Wandji, Herve Yangtang
Wang, Monica
Warren, Aaron
Watusua, Isaac
Zineddine, Sofia

Louisbourg Investments

Beattie, Miguel
Bourgeois, Denis
Bourque, Sam
Castonguay, Marc-André
Ciccone, Vittorio
Currie, Robert
Frail, Derek
Gaudet, Luc
Grenier, Alain
Herrera, Anna

Hniki, Oussama
Horsman Benoit, Deborah
Hurshman, Heather
Lavigne, Anne
Leblanc, Dan
Lewis, Scott
Lurette, Dominique
Mann, Liam
Mayer-Godin, Benoit
Mobilio, Mathieu
Moores, Mike
Murphy, Padraig
Murphy, Jeremy
Roberts, Colin
Robichaud, Daniel
Roy, Mathieu
Selosse, Magalie
Sippley, Caroline
Sturge, Alex
Wynter, Alex

Lavvi

Adamson, Ray
Awad, Roddy
Benoit, Christian
Ceron, Miguel
Clark, Dawson
Cook, Sean
Coté, Francois
Devereaux, Taylor
El Quartassi, Mohammed
Gaudet, Alex
Grass, Malcolm
Guitard, Jeff
Haim, Daniel
Jaber, Ibrahim
Mackenzie, Joel
Mputu, Jocelyn
Poplar, Hudson
Samlioglu, Aliemir
Thibodeau, Eric
Traore, Vincent



Assumption Life Honours Its Employees Who Have Contributed to Its Success!

Congratulations to all 2024 recipients. Thank you to all members of our great team for their commitment.



Community Impact Award
Judy Roy



Influencer of the Year Award
Thomas Raffy



Achievement Award
Mathieu Gaudet



Team Player Award
Isabelle Vautour



Committed Person Award
Charles Toussaint



Positive Leader Award
Christa Morin



Collaborative Team Award
Actuarial and Product Development

Organizational Culture

In 2024, thanks to the collective efforts of our employees in fostering our organizational culture, Assumption Life became the very first recipient of the Sapphire Culture Award for corporate culture. Presented by Human Synergistics, this award recognizes companies that achieve the highest standards of excellence in their culture. This marks Assumption Life's fifth award in five years.

- 2020**
Transformation Award
- 2021**
Merit Award
- 2022**
Culture of Excellence Award
- 2023**
Culture of Excellence Award
- 2024**
Sapphire Culture Award



An Exceptional Year

A Word from the Chairman of the Board

The year 2024 marked the second year of implementing our 2023–2025 strategic plan. This plan focuses on three pillars—experience, distribution, and efficiency—each of which has seen remarkable progress. Our outstanding financial results are a testament to the efforts of everyone who contributed to significant improvements and efficiencies across our three business lines, allowing us to meet and, in some cases, exceed our objectives.

Among our key achievements, I would like to highlight the technological transition of our Lia tool from an application to a web-based platform, which has enhanced the sales experience of our partners and clients.

Additionally, recent hires have brought key individuals into our teams, adding significant value.

Finally, I want to mention the success of our cross-Canada tour, which has strengthened our relationships with our people from coast to coast.

Our Company stood out throughout 2024. We take great pride in seeing Sébastien Dupuis recognized for the second consecutive year among Atlantic Canada's Top 50 CEOs. We are fortunate to have his exemplary leadership guiding us every day.

Assumption Life was also recognized as one of the best employers and one of the best workplaces in Atlantic Canada. These accolades reinforce the unique experience we offer our employees.

Rooted in our mutual values, I also want to recognize our employees who continue to engage in their communities. I commend their many hours of volunteer work with a variety of organizations where they make a real difference.

The continuous evolution of our organizational culture was a defining aspect of the past year. I want to acknowledge the tremendous progress made in truly living a culture of collaboration, excellence, and

achievement every day. These efforts led us to win the very first Sapphire Culture Award, presented by Human Synergistics!

Our people have worked persistently to drive this remarkable progress, bringing us to where we are today. A strong culture leads to a strong organization, and I believe we are now in an enviable position in this regard.

Just like a sports team, we cannot stop training and improving after scoring a goal, securing a victory, or crossing the finish line. Sustained success does not happen overnight—it requires a united team, trust, and continuous support.

Our ambassador, Kamylle Frenette, has exemplified this mindset. Her qualification and participation in the Paris Paralympic Games took years of dedication, determination, and perseverance. Inspired by Kamylle, our teams have worked tirelessly to enhance their collaboration, and the Board of Directors commends their proactive efforts in strengthening our internal culture.

As I conclude my term after eleven years with this incredible organization—as a board member, Chair of the Human Resources Committee, and since 2022, Chair of the Board—I reflect on the importance of peer support in building confidence and achieving success. I have had the privilege of working alongside extraordinary individuals whose talents and expertise have inspired me and contributed to our Company's growth.

Assumption Life is unique in its human-centric culture. The mutual support within this organization proves that great things can be accomplished when we work together. Collective effort and trust are fundamental pillars of our success.

I extend my sincere gratitude to each of you for your leadership and dedication to our Company. I am also deeply grateful to our partners, advisors, clients, and communities. Your trust plays a vital role in our success, and I thank you for your ongoing support.

Thank you to my colleagues on the Board of Directors for their collaboration and expertise. Thank you to the leadership team for their exemplary guidance.

Our Company is in an excellent position for the future, but the work is not done. I encourage you to keep striving forward and building on our momentum. I have no doubt that Assumption Life is in good hands.

Lean on this remarkable corporate culture, shape the future by staying true to our core values of leadership, collaboration, trust, and commitment, which have led us to these outstanding achievements.



IVAN TONER
Chairman of the Board of Directors





2024 Summed Up

Experience

In 2024, experience was a central element of our efforts. The Assumption Life experience is what sets us apart, and we firmly believe that by developing strategies focused on the experience of our partners, advisors, employees, communities, and clients, we will achieve our ambitions.

This year, our commitment to fostering a constructive culture has amplified the internal experience, thanks to the remarkable efforts of our employees. We also strengthened our proximity with our advisors and partners through our third cross-Canada tour, a valuable opportunity to meet them in the field. Additionally, the transition of our Lia application to a fully web-based version allows them to offer a better experience to our clients.

At the same time, we continued to work diligently on the other two pillars of our strategic plan: distribution and efficiency. By rethinking our offerings, we better met the needs of our clients while continuously improving our operational processes. These optimizations have allowed us to achieve record results and strengthen our positioning for the future.

These advancements demonstrate our commitment to innovation and placing experience at the heart of every interaction. They propel us confidently into the future, reaffirming our commitment to excellence and positive impact.

Our Highlights of the Year

Experience

- **Advisors and partners:** Transition of the Lia application to a fully web-based version. Feedback from our partners is favorable, with a score of 4.7 out of 5 for the quality of the experience.
- **Employees:** Mercer* engagement rate of 78%. This positions us in the top national quartile, above the Canadian average of 68%.

Distribution

- **Record Sales:** \$13.6 million** in individual insurance and \$317 million** in investments and retirement.
- Largest product launch in the company's history.
- Successful third cross-Canada tour with our advisors.

Efficiency

- Optimization of our operational procedures and adoption of automated processes in several departments.

* Mercer : Human resources and benefits consulting firm

** Unaudited information

Our People at the Heart of Our Achievements

Message from the CEO

Once again, our company has had a remarkable year, and I am pleased to share some of our main achievements with you.

Celebration of Our 120th Anniversary

In celebrating our 120th anniversary this past year, we took a moment to reflect on the progress made since our beginnings. We feel immense pride in knowing that we contribute to protecting our clients by offering insurance and investment products of ever-improving quality to meet changing needs.

Record Sales and Profits Thanks to Our People's Commitment

Assumption Life reported record sales and profits in 2024. These results are primarily a testament to the exceptional commitment of our people to reach new heights. I express my deep gratitude to each person who contributed to this success.

Key Achievements in Each of Our Business Lines

Our impressive results are based on several Key Achievements in Our Business Lines.

In individual insurance, the year was marked by the transition of our technological tool Lia, in collaboration with our subsidiary LAVVI, an expert in digital solutions. This resulted in the transition of our Lia application to a fully web-based version. This significantly enhanced the client experience. Feedback from our partners is more than favorable, with a score of 4.7 out of 5 for the quality of the experience. Lia web facilitates the sale and distribution of our insurance products.

In July 2024, this platform played a central role in the largest product launch in our history, with an enhanced offering to better meet the needs of our clients. This revision was nothing short of exceptional, highlighting our commitment to uncompromising quality. And we end the year with record sales of \$13.6 million*.

Our agile approach continues to distinguish us in a highly competitive market, placing us in an excellent position for sustained growth.

Our cross-Canada tour returned for a third consecutive year. This time, it brought together not only our

investment and retirement partners but also those in life insurance. These field meetings were hugely successful, with over 375 participants and a satisfaction rate of 97%, allowing for even more personalized contact with our sales teams.

Our investment and retirement business line also had an exceptional year with sales reaching \$317 million*. Improvements in distribution and internal processes have enabled us to reach these recent historic heights.

Our group insurance business line continued its evolution by making significant improvements to its processes to better meet clients' needs. We also invested in our team by recruiting key individuals, an initiative that strengthens our team and prepares us to support our growth in 2025.

Positive Results for Louisbourg Investments

Our subsidiary Louisbourg Investments experienced positive results with growth in its investment funds and assets, thus contributing to our exceptional results. We also mention the opening of an office in Montreal, which will play a crucial role in its future growth, adding to its offices in Dieppe, Halifax, and Vancouver.

External Recognition

Assumption Life stood out on the Atlantic scene as one of the best employers and one of the best places to work. This is supported by an employee engagement rate of 78%, measured by the firm Mercer. This figure exceeds the average Canadian engagement rate of 68% and demonstrates the impact of our efforts to improve our organizational culture.

Such an engagement rate has a catalytic effect on the overall performance of our company and strengthens our ability to achieve our strategic objectives.

Our Culture Continues to Evolve Positively

This past year, our organizational culture continued to evolve and grow. We focused on the axis of employee achievement, a goal we successfully achieved. Thanks to our efforts, we received, for the first time in Human Synergistics' history, the Sapphire Culture Award.

This recognition demonstrates our commitment to creating a positive and fulfilling work environment for all.

Our Continued Commitment to Responsible Practices

And this commitment goes beyond our workplace. It is also reflected in our responsible business practices and our desire to make a difference.

We are proud to be certified B Corp again, which demonstrates our continued commitment to responsible business practices that place our communities and the planet at the heart of our actions to build a better future for all. Our mutual structure naturally aligns with B Corp values that emphasize long-term vision, collective well-being, and community welfare, all elements found in our DNA.

Our Ambassador, an Extraordinary Source of Inspiration

I would like to once again highlight the impact of our ambassador, Olympic para-triathlete Kamyille Frenette. Her example and determination have served as an inspiration to us throughout the year, and we were wholeheartedly with her during the Paris Games, where she delivered an exceptional performance. Kamyille was present with us during our annual meeting, and her words continue to resonate with our teams.

Recognizing an Exemplary Journey

I would like to sincerely thank Ivan Toner for his 11 years of dedication, guidance, and expertise as a member of our Board of Directors. Whether as a board member, Chair of the Human Resources Committee, or most recently as Chair of the Board, his leadership has played a key role in our cultural and technological transformation. Ivan has always been fully committed, and his trust and advice have had a profound impact on me. He leaves a lasting mark on our organization, and we are deeply grateful to him.

Momentum Driving Our Future

The momentum we experienced in 2024 is an excellent indication for the future. This collective success gives us confidence for the future and motivates us to continue on this path.

On behalf of the management team, I sincerely thank each member of our board of directors and the Assumption Life family for your continued commitment. I express my deep gratitude to our employees, business partners, advisors, and communities who have accompanied us throughout this past year.

Our success is your success.

Thank you!



SÉBASTIEN DUPUIS, CPA, CA
President and CEO



Financial Highlights

\$2.3	\$12.6	\$471
BILLION	MILLION	MILLION*
Total assets	Profit attributable to policyholders	In premiums and deposits

165%
Solvency ratio as of
December 31, 2024

\$197
MILLION
Policyholders' equity

Our consolidated financial statements can be found at the end of this report or on our website at www.assumption.ca.

**This data is a non-IFRS financial measure.*

A- (Excellent) from A.M. Best
for the 24th consecutive year

“In 2024, this risk management, combined with the strategies and efforts of our teams and advisors, as well as the trust of our partners and clients, enabled us to achieve record sales and profits, marking a historic milestone for our company of over 120 years of existence.”

- Michel Allain, F.S.A., FCIA – Vice President,
Chief Financial Officer and Chief Actuary



Community Engagement and Employee Experience

For a Better World Today and Tomorrow

Assumption Life has obtained for the second time the B Corp certification and thus reaffirms our commitment towards responsible business practices that place our communities and the planet at the heart of our actions to build a better future. This certification recognizes businesses that meet high standards of social and environmental performance, responsibility and transparency.

For more than 120 years, our company strived to protect our clients, our policyholders and our partners while having a positive impact on our communities and the environment. Our mutual structure aligns naturally with B Corp's values, as both emphasize long-term thinking, collective benefit, and community well-being.

We will continue to respect B Corp standards and to aspire to a bigger tangible effect. All businesses have the responsibility

An Active Society for a Better Collective Health

At the very heart of financial security, Assumption Life makes a difference for our clients and our communities. We want to protect the health and well-being of our people. That's why health is at the centre of many of our philanthropic initiatives.

Making the largest number possible of Canadians move in their communities is now one of our objectives. Either during a family bike ride, a sports event or a golf tournament, all means are good to make you move. Because physical activity goes hand in hand with physical and mental health and has benefits at all levels.

We are thus building a better future for the next generations by relying on our mutualist values of solidarity and sustainability. Determined, we are committed to promoting an active life, so all our team members, our partners, our clients and our communities are healthy and live longer. Our commitment is your well-being!



In 2024, our objective was to make
10,000 Canadians move.

Through our commitments,
sponsorships, donations and
initiatives, we were able to
exceed this target by reaching
more than **11,000**
people.



Committed to Our Communities Since 1903

Assumption Life has been committed to our communities since our very beginning, and we have established long-term relationships with the Acadian and Francophone communities, as well as our local partners. Giving back to our communities, our partners, our employees and our clients has been part of our DNA since 1903. Being there for others deeply embodies our mutualist values.

On this 120th anniversary of the founding of our company, three major projects illustrated our faithful commitment rooted in history.

Linked History and Shared Heritage

We celebrated both Assumption Life's 120th anniversary and Université de Moncton's 60th anniversary during an evening filled with history, jointly organized by us and the university's aLUMni team.



Our People at the Heart of Our Commitment

120 Years of Impact

To celebrate our 120th anniversary, each of our employees was able to choose an association who received a \$120 donation from our company to underline our community commitment on this special year.



A Significant Event for the Acadian Community

Assumption Life had the honor of sponsoring and participating in the unveiling of the 19th Acadian Odyssey Monument in Annapolis Royal, in Nova Scotia, in memory of the 1,664 Acadians who were deported on December 8, 1755.

100 Years of Health in French

Assumption Life is happy to have been a community partner to the CHU Dumont Foundation for the unveiling of a magnificent mural that highlights the 100-year anniversary of health services in French in New Brunswick and Atlantic Canada.

As part of this effort, we were pleased to present donations for a total amount of \$21,360 to:

- **\$3,480** to Atlantic Wellness.
- **\$4,080** to Ronald McDonald House.
- **\$4,080** to the Courage Center.
- **\$4,440** to Heart and Stroke New Brunswick.
- **\$5,520** to PAW (People for Animal Well-being).



Our Commitments in Action

Cycling for the Cause!

Assumption Life was a proud presenting sponsor of the NB Ride Against Cancer, a joint initiative by the CHU Dumont Foundation and the Friends of the Moncton Hospital Foundation, to collect funds to fight cancer.

Driving Research Against Cancer

Assumption Life's 23rd Annual Golf Tournament has reached a new summit by exceeding the 2 million dollars collected over the years for the Atlantic Cancer Research Institute. We were able to count on several sponsors, including our gold sponsor, EY.

For Youth Sports and Culture

Our company was happy to be a gold sponsor for the 43rd Finale des Jeux de l'Acadie that was held in the municipality of Grand Bouctouche. This event helped 1,300 youth move through competitions filled with fair play and friendship.

Our Ambassador Outdoes Herself in Paris

Our ambassador and Paralympic athlete Kamyille Frenette continues to inspire us with her example of determination and self-improvement. Her dazzling accomplishments include a gold medal at the World Triathlete Para Series in Montréal, and then a remarkable performance at the Paralympics Games in Paris, where she finished just a hair's breadth away from the podium with a fourth-place finish. Kamyille exemplifies the engagement, leadership and confidence values that are also part of Assumption Life's DNA. Her accomplishments are a great source of inspiration and motivation for all our teams.

Building for Health

Assumption Life has announced a \$50,000 donation to IWK Health, jointly with Louisbourg Investments and our employees. This collaboration will support the construction of a new emergency establishment in Halifax, Nova Scotia.

Innovation in the Surgical Field

We are extremely proud to support the CHU Dumont Foundation through a \$250,000 contribution towards their Driving Surgery Forward campaign to provide the hospital with cutting-edge technologies!



The Assumption Life Experience

2024 Memorable Moments



Education, Our Mission's Driving Force Since 1903

Ever since the first days of Assumption Life, supporting education was at the forefront of our community's commitment. Indeed, we established a scholarship fund at the founding of our fraternal benefit society in 1903 to support deserving youth.

This commitment towards education has only gotten stronger over the years, and the Assumption Life Foundation answers the call to build the next generation.

Financial Support for Students and Institutions

In 2024, the Assumption Life Foundation awarded 21 scholarships to students and educational institutions.

Our annual \$10,000 scholarships, named in honour of Denis Losier and Fernand Landry, were awarded to Alex Brownstein and Émilie LeBlanc.

The Foundation also awarded two special \$1,200 scholarships in honour of our 120th anniversary during our evening of shared celebration with the Université de Moncton.

First Nations Bursary

We are continuing our commitment towards truth and reconciliation by awarding our first \$5,000 scholarship, to support students from First Nations communities and living in New Brunswick, to Chelsey Arseneault.

Encouraging Leadership and Literacy

The Foundation has also supported leadership and entrepreneurial culture in our youth by sponsoring the innovating Place aux compétences program.

We had the great pleasure of interacting with young leaders from the Francophone South School District during insightful discussions at our head office.

Finally, the Assumption Life Foundation has supported the Atlantic Ballet's movement literacy program, a great initiative that promotes physical literacy, self-expression and artistic development in our youths.

Scholarships for Employees' Children

The company has awarded three annual scholarships to employees' children to:

- Anika Cormier
- Cassandra Mazerolle
- Nicolas Lanteigne



Connection

Culture: Since 2020, we have actively invested in a constructive culture based on collaboration, self-improvement and achievement. These sustained efforts have earned us the Human Synergistic Culture of Excellence Award for the third consecutive year, in an unprecedented manner.

Employee Association: Our Employee Association has enlivened the year with a variety of activities that fostered interactions among everyone. From a summer BBQ to Earth Day initiative, including our Holiday evening, they helped make our daily life more fun and create unforgettable memories.



Development

Assumption Life is an employer where it's great to grow, thanks to attentive support and ongoing training for our professional development. Ranked among the best employers in Atlantic Canada and Best Places to Work, the company offers a rewarding work environment.



Humanism

At Assumption Life, living the Experience also translates into our commitment to promote our employees' well-being. We promote active living through various initiatives:

- A private gym at our head office, with access to yoga and bootcamp classes, walking and running club, as well as health services such as physiotherapy and training plans.
- Support for active transportation, with bike lockers available at our head office parking lot, thanks to a partnership with La Bikery Coop.
- These actions help our employees find balance through well-being, physical activity and respect for the environment.

Impact

Leadership Week: Every year, the human resources team organizes Leadership Week, a unique opportunity to participate in conferences and panels on key topics of the company. In 2024, this week was focused on achievement and marked the launch of the first internal conference of our very own Women's Leadership Group.

Volunteering: From community support to mentoring and coaching, our employees are always ready to lend a hand to give back to their communities. Their dedication totaled **over 3,000 volunteer hours in 2024.**



A Year of Growth for Louisbourg Investments

In 2024, Louisbourg Investment, a subsidiary of Assumption Life, achieved some important milestones in its commitment to growth and adding value for its clients.

Expansion into Quebec with the Acquisition of Alizé Capital Inc.

Summer 2024 marked a significant milestone with Louisbourg Investments acquiring Alizé Capital Inc. This strategic acquisition allowed the firm to grow and strengthens our footprint in Montreal and Quebec to complements the existing offices in Dieppe, Halifax, and Vancouver.

Improved Operational Efficiency

Louisbourg Investments made significant strides in enhancing operational efficiency through the implementation of major platform upgrades. These initiatives have enabled us to continue delivering an exceptional client experience through the development of a new client portal developed in 2024 and

launched in early 2025. Additionally, these upgrades have improved reporting processes and introduced enhanced statement capabilities, further strengthening our commitment to service excellence.

Delivering Long-Term Value

Louisbourg Investments also saw continued strong performance in 2024, maintaining a top-quartile ranking on a 5-year basis for all our equity strategies. This sustained success reflects our disciplined investment approach and commitment to generating long-term value for our clients.

LAVVI



Hi There, We're Lavvi!

We help the life insurance industry connect families with financial security.

2024 Key Accomplishments

Innovation Through Lavvi Studio

Lavvi continued to simplify advisor workflows in 2024 with the launch of Lavvi Studio. This innovative, user-friendly platform makes compliance easy by automating key processes, including advisor disclosures, financial needs analysis, and reason-why letters. Lavvi Studio gives insurers and distributors greater flexibility, efficiency, and accuracy, reducing time-consuming tasks and improving the overall advisor experience. The platform will continue to evolve in 2025, further enhancing workflows and supporting meaningful customer interactions.

Admin Portal: Putting Control in the Hands of Carriers

Lavvi's enhanced Admin Portal significantly improved carriers' ability to manage and customize their products independently. Carriers can effortlessly adjust product settings, update medical questionnaires, and refine business rules without requiring specialized technical knowledge. This greater autonomy helps carriers swiftly respond to market changes and operational needs, resulting in a smoother, more responsive experience for both carriers and advisors. Lavvi remains committed to further enhancing the Admin Portal in 2025 to ensure ongoing simplicity and effectiveness.

A Bold New Identity: The Lavvi Rebrand

Lavvi unveiled a fresh, modern brand identity in 2024, clearly signaling the company's evolution and renewed commitment to innovation, clarity, and partnership. The rebrand featured an updated website and refined visual identity, making it easier for partners to engage with Lavvi and understand its value in simplifying insurance distribution. This rebrand reinforced Lavvi's mission and set the stage for continued growth and industry leadership.

Lavvi is more than just technology—it is about making insurance distribution easier, more efficient, and ready for the future. Looking ahead, Lavvi remains dedicated to empowering its partners with the technology and expertise needed to navigate an ever-evolving industry.

A Message from Our CEO, Roddy Awad

Looking back on 2024, I'm incredibly proud of the growth, change, and progress we've made at Lavvi. Last year, our platform enhancements stood out, with significant innovations designed to simplify and elevate the advisor and carrier experience. We introduced Lavvi Studio, a next-generation tool that streamlines advisor compliance significantly improving efficiency and user satisfaction. Additionally, our enhanced Admin Portal empowered carriers with greater control over their product management, allowing them to quickly adapt and optimize without complex coding. Beyond platform improvements, our bold rebrand marked a new chapter for Lavvi, reinforcing our dedication to simplifying insurance distribution.

With tens of thousands of Canadian families insured coast to coast and an over 90% likeability rating from both advisors and consumers, the impact of our technology is clear. Within 2025, our commitment to delivering practical, innovative solutions remains stronger than ever, directly supporting the life insurance industry's mission to connect families with financial security.



Assumption Mutual Life Insurance Company

Consolidated financial statements
December 31, 2024

Assumption Mutual Life Insurance Company

Consolidated financial statements

For the Year Ended December 31, 2024

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Independent auditors' report to the policyholders

- 2 -

To the Policyholders of
Assumption Mutual Life Insurance Company

Opinion

We have audited the consolidated financial statements of **Assumption Mutual Life Insurance Company** and its subsidiaries [the "Group"], which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ["IFRSs"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

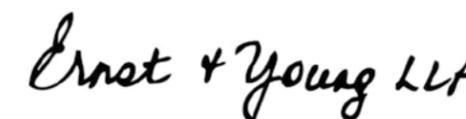
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dieppe, Canada
February 27, 2025



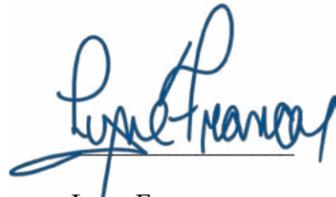
Chartered Professional Accountants

VALUATION ACTUARY'S REPORT

To the policyholders of Assumption Mutual Life Insurance Company:

I have valued the policy liabilities of the Assumption Mutual Life Insurance Company for its consolidated financial statements prepared in accordance with International Financial Reporting Standards for the year ended December 31, 2024.

In my opinion, the amount of policy liabilities is appropriate for this purpose. The valuation conforms to accepted actuarial practice in Canada and the consolidated financial statements fairly present the results of the valuation.



Lyne Francoeur
Fellow, Canadian Institute of Actuaries

Moncton, New Brunswick
February 2025

Assumption Mutual Life Insurance Company

Consolidated statement of financial position

[in thousands]

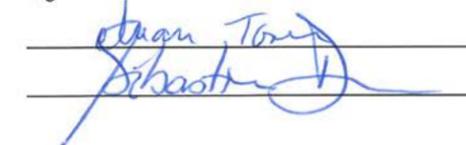
As at

	December 31, 2024	December 31, 2023
	\$	\$
Assets		
Invested assets [note 4]		
Cash and cash equivalents	30,556	44,139
Debt securities	557,377	466,400
Equity securities	267,128	148,416
Mortgages	199,853	193,654
Other invested assets	2,791	516
	1,057,705	853,125
Other assets [note 7]	7,346	6,026
Reinsurance contract assets held [note 11]	237,666	240,712
Deferred tax assets [note 16]	5,357	1,306
Property and equipment	2,671	2,920
Intangible assets [note 8]	6,210	6,479
Right-of-use assets [note 9]	1,758	2,157
Goodwill	2,226	2,226
Pension benefit asset [note 15]	5,413	6,093
Segregated funds net assets [note 10]	990,695	894,913
Total assets	2,317,047	2,015,957
Liabilities		
Insurance contract liabilities [note 11]	902,080	767,940
Investment contract liabilities [note 12]	209,039	151,902
Other liabilities [note 14]	12,489	14,604
Employee benefit liability [note 15]	937	878
Deferred tax liabilities [note 16]	581	1,815
Lease liabilities [note 9]	2,700	3,147
	1,127,826	940,286
Segregated funds insurance contract liabilities [note 11]	393,244	327,543
Segregated funds investment contract liabilities [note 12]	597,451	567,370
	990,695	894,913
Total liabilities	2,118,521	1,835,199
Policyholders' equity		
Accumulated surplus	200,596	187,874
Accumulated other comprehensive income (loss)	(3,999)	(10,056)
	196,597	177,818
Non-controlling interests	1,929	2,940
	198,526	180,758
Total liabilities and equity	2,317,047	2,015,957

Contingencies and commitment [notes 18 and 19]

See accompanying notes

Signed on behalf of the Board

 Chairman

 President and Chief Executive Officer

Assumption Mutual Life Insurance Company

Consolidated statement of income

[in thousands]

Year ended December 31

	2024	2023
	\$	\$
Insurance revenue [notes 11 and 20]	146,921	134,699
Insurance service expenses [notes 11 and 25]	(126,217)	(112,364)
Allocation of reinsurance premiums [note 11]	(38,158)	(37,827)
Amounts recoverable from reinsurers [note 11]	31,416	28,516
Insurance service result	13,962	13,024
Interest revenue calculated using the effective interest method [notes 11 and 21]	6,040	6,207
Other interest and similar income [notes 11 and 24]	28,810	16,659
Net fair value gains on financial assets at fair value through profit or loss [notes 11 and 23]	20,837	32,308
Net realized fair value gains on derecognition of financial assets measured at fair value through OCI [notes 11 and 22]	231	422
Total investment income (losses)	55,918	55,596
Finance income (expenses) from insurance contracts issued [note 11]	(33,314)	(57,245)
Finance income (expenses) from reinsurance contracts held [note 11]	2,796	18,057
Changes in investment contract liabilities [note 11]	(10,522)	(4,850)
Net financial result	14,878	11,558
Investment income related to segregated funds net assets	124,640	77,061
Financial expenses related to segregated funds liabilities	(124,640)	(77,061)
Net segregated funds investment result	-	-
Borrowing costs	(217)	(175)
Administrative and other operating expenses [note 25]	(28,259)	(26,387)
Other operating revenue	14,816	11,791
Other revenue and expenses	(13,660)	(14,771)
Profit before income taxes	15,180	9,811
Income taxes [note 16]	(3,344)	(1,769)
Profit for the year	11,836	8,042
Profit attributable to:		
Non-controlling interests	(756)	(492)
Policyholders	12,592	8,534
	11,836	8,042

See accompanying notes

Assumption Mutual Life Insurance Company

Consolidated statement of comprehensive income

[in thousands]

Year ended December 31

	2024	2023
	\$	\$
Profit for the year	11,836	8,042
Other comprehensive income:		
Items that will be reclassified subsequently to net income		
Change in fair value of financial assets, net of current income taxes of \$898 [(\$884) in 2023]	(734)	1,616
Net amount reclassified to profit or loss, net of current income taxes of \$119 [\$149 in 2023] [note 22]	(112)	(273)
Total of items that will be reclassified subsequently to net income	(846)	1,343
Items that will not be reclassified subsequently to net income		
Remeasurement of defined benefit pension plans, net of deferred income taxes of \$604 [\$280 in 2023] [note 15]	(369)	(1,049)
Equity investments at fair value through other comprehensive income, net of current income taxes of \$(2,110) [(\$478 in 2023)]	7,402	854
Total of items that will not be reclassified subsequently to net income	7,033	(195)
Total of other comprehensive income	6,187	1,148
Total comprehensive income for the year	18,023	9,190
Total comprehensive income attributable to:		
Non-controlling interests	(756)	(492)
Policyholders	18,779	9,682
	18,023	9,190

See accompanying notes

Assumption Mutual Life Insurance Company

Consolidated statement of changes in equity

[in thousands]

Year ended December 31

	Surplus	Accumulated other comprehensive income (loss)	Total policyholders' equity	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$
2024					
Balance, beginning of year	187,874	(10,056)	177,818	2,940	180,758
Profit for the year	12,592	-	12,592	(756)	11,836
Items that will be reclassified subsequently to net income	-	(846)	(846)	-	(846)
Items that will not be reclassified subsequently to net income	-	7,033	7,033	-	7,033
Total comprehensive income	12,592	6,187	18,779	(756)	18,023
Disposal of equity investments at fair value through other comprehensive income	499	(499)	-	-	-
Remeasurement of defined benefit pension plans	(369)	369	-	-	-
Dividends	-	-	-	(255)	(255)
Balance, end of year	200,596	(3,999)	196,597	1,929	198,526
2023					
Balance, beginning of year	180,389	(12,253)	168,136	3,540	171,676
Profit for the year	8,534	-	8,534	(492)	8,042
Items that will be reclassified subsequently to net income	-	1,343	1,343	-	1,343
Items that will not be reclassified subsequently to net income	-	(195)	(195)	-	(195)
Total comprehensive income	8,534	1,148	9,682	(492)	9,190
Remeasurement of defined benefit pension plans	(1,049)	1,049	-	-	-
Dividends	-	-	-	(108)	(108)
Balance, end of year	187,874	(10,056)	177,818	2,940	180,758

See accompanying notes

Assumption Mutual Life Insurance Company

Consolidated statement of cash flows

[in thousands]

Year ended December 31

	2024	2023
	\$	\$
Operating activities		
Profit for the year	11,836	8,042
Adjustment for:		
Change in insurance and reinsurance contract	137,186	55,614
Change in investment contract liabilities	57,137	37,974
Items not affecting cash:		
Deferred income taxes	(4,682)	(3,567)
Amortization of property and equipment and intangible assets [note 8]	2,047	2,080
Amortization of right-of-use assets [note 9]	398	346
Net fair value gains on financial assets at fair value through profit or loss	(20,837)	(32,308)
Net realized fair value gains on derecognition of financial assets measured at fair value through OCI	(231)	(422)
Employee defined benefit plan expense	1,009	794
Amortization of (premium) discount on invested assets	(4,682)	(4,868)
Others	751	556
	179,932	64,241
Change in non-cash working capital items related to operations	(5,770)	8,498
Cash provided by operating activities	174,162	72,739
Investing activities		
Debt securities, equity securities and mortgages:		
Sales, maturities and reimbursements	163,705	105,484
Purchases and loans	(349,119)	(149,606)
Acquisition of property and equipment and intangible assets	(1,529)	(1,897)
Cash used in investing activities	(186,943)	(46,019)
Financing activities		
Repayment on lease liabilities	(547)	(338)
Dividend paid to non-controlling interests	(255)	(108)
Cash used in financing activities	(802)	(446)
Increase in cash and cash equivalents during the year	(13,583)	26,274
Cash and cash equivalents, beginning of year	44,139	17,865
Cash and cash equivalents, end of year	30,556	44,139

See note 17 for additional information

See accompanying notes

Notes to consolidated financial statements

[In thousands]

December 31, 2024

1. Corporate information

Assumption Mutual Life Insurance Company, known as Assumption Life as incorporated under a private law of the Province of New Brunswick's Legislative Assembly. The Assumption Life and its subsidiaries [together "the Group"] underwrite life and non-life insurance risks, such as those associated with death, disability and health. The Group also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs. All these products are only offered in Canada.

The Group's head office is located at 770 Main St., in the Assumption Place building in downtown Moncton, N.B., Canada.

2. Material accounting policy information

Declaration of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards [IFRS], as issued by the International Accounting Standards Board [IASB] and published by CPA Canada Handbook Accounting.

These consolidated financial statements, including all notes, were approved by the Board of Directors on February 27, 2025.

Basis of preparation

The Group presents its consolidated statement of financial position primarily in order of liquidity. Assets are considered current when the Group expects to realize them in its normal operation cycle within twelve months after the reporting date. Liabilities are considered current when the Group expects to settle them in its normal operation cycle within twelve months after the reporting date. All other assets and liabilities are considered non-current. The Group's statement of financial position is not presented according to current and non-current order.

The consolidated financial statements have been prepared on a historical cost basis except for those financial assets and financial liabilities that have been measured at fair value.

The consolidated financial statements values are presented in Canadian dollars [\$] rounded to the nearest thousand [\$000], unless otherwise indicated.

Consolidation

These consolidated financial statements include the accounts of those subsidiaries:

- Atlantic Holdings (1987) Limited 100%
770 Main Street, Moncton, New Brunswick, Canada
- Louisbourg Investments Inc. 70%
230 Champlain Street, Dieppe, New Brunswick, Canada
- Lavvi [formerly Tech Knowledge Solutions] 52%
770 Main Street, Moncton, New Brunswick, Canada

The consolidated financial statements comprise the financial statements of the Group as at December 31 each year.

Notes to consolidated financial statements

[In thousands]

December 31, 2024

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The Group has control over the subsidiaries since it has the power to govern the financial and operating policies of the subsidiaries so as to obtain benefits derived from its activities, has exposure or rights to variable returns from its involvement with the subsidiaries, and the ability to use its power over the subsidiaries to affect the amount of its returns.

All intra-group balances, transactions, income and expenses, dividends, and profits and losses resulting from intra-group transactions are eliminated in full.

Financial Instruments

Recognition

Financial instruments are initially recognized on the trade date measured at their fair value. Except for financial instruments recorded at fair value through profit and loss, transaction costs are added to this amount.

[a] Financial assets

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms. The categories include the following:

- Financial assets measured at amortized cost;
- Financial assets, including equity instruments, mandatorily measured or designated at fair value through profit or loss ["FVPL"];
- Financial assets, including equity instruments, mandatorily measured or designated at fair value through other comprehensive income ["FVOCI"].

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The information considered includes:

- The stated policies and objectives for the portfolio, including whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel;
- The risks that affect the performance of the financial assets held within that business model and, in particular, the way those risks are managed;
- The frequency, volume, value and timing of asset sales in prior periods, the reason for such sales and expectations about future sales activity.

Notes to consolidated financial statements

[In thousands]

December 31, 2024

The solely payments of principal and interest test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they give rise on specified dates to cash flows that are solely payments of principal and interest ["SPPI"] on the principal amount outstanding.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Leverage features;
- Prepayment and extension features;
- Terms that limit the Group's claim to cash flows from specified assets; and
- Features that modify consideration for the time value of money.

Financial assets measured at amortized cost

Financial assets are held at amortized cost if both of the following conditions are met:

- The instruments are held within a business model with the objective of holding the instrument to collect the contractual cash flows; and
- The contractual terms of the financial asset meet the SPPI test.

The Group classifies part of its debt securities and mortgage portfolios, notes receivable presented under other invested assets and accrued income and accounts receivable presented under assets at amortized cost.

Financial assets measured at FVPL

Financial assets in this category are those that are managed in a fair value business model or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. In addition, on initial recognition, financial assets may irrevocably be designated as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. This category includes financial assets whose cash flow characteristics fails the SPPI criterion.

Cash and cash equivalents, which include deposits in bank and short-term notes with a maturity of six months or less from the date of acquisition, and a portion of equity securities are classified as measured at FVPL.

Notes to consolidated financial statements

[In thousands]

December 31, 2024

The Group has designated part of mortgages portfolio it holds, segregated funds net assets and its debt securities backing insurance contract liabilities at FVPL.

Financial assets measured at FVOCI

Financial assets, excluding equity instruments, are measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset meet the SPPI test.

The Group measures some of its debt securities not backing insurance contract liabilities at FVOCI.

Equity instruments designated at FVOCI

Upon initial recognition, it is possible to classify irrevocably equity investments as equity instruments at FVOCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

In order to mitigate the impacts of volatility, the Group has designated a portion of its equity securities at FVOCI.

Subsequent measurement

Financial assets measured at amortized cost

After initial recognition, financial assets are measured at amortized cost, using the effective interest rate ["EIR"] method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. Credit losses are recognized in the consolidated statement of income when financial assets are impaired.

Financial assets measured at FVPL

Financial assets at FVPL are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in the consolidated statement of income. Interest earned is recorded using contractual interest rate. Dividend income from equity instruments measured at FVPL is recorded when the right to the payment has been established. Interest and dividend are both included in other interest and similar income in the consolidated statement of income.

Financial assets measured at FVOCI

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in other comprehensive income.

For financial assets, excluding equity instruments, interest income is recognized in the consolidated statement of income in the same manner as for financial assets measured at amortized cost. Credit losses do not reduce the carrying amount of these financial assets in the consolidated statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in other comprehensive income with a corresponding expense recognized in profit or loss. On derecognition of these financial assets, cumulative gains and losses previously recognized in other comprehensive income are reclassified to profit or loss.

Notes to consolidated financial statements

[In thousands]

December 31, 2024

For equity instruments, dividends are recognized in the consolidated statement of income when the right of the payment has been established, unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the consolidated statement of income. Equity instruments at FVOCI are not subject to an impairment assessment.

Reclassification of financial assets

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses ["ECL"] for all debt instruments and mortgages not held at FVPL.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

The Group calculates ECLs based on scenarios to measure the expected cash shortfalls, discounted at an appropriate EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the entity expects to receive.

[b] Financial liabilities

The Group classifies its financial liabilities into one of the following categories:

- Financial liabilities at FVP;
- Financial liabilities at amortized cost.

Investment contract liabilities and segregated funds investment contract liabilities are designated at FVPL.

Other liabilities, which includes financial liabilities such as suppliers and other charges, are held at amortized cost.

Subsequent measurement

Financial liabilities at FVPL

Financial liabilities at FVPL are subsequently measured at fair value where the net gains and losses, including interest expenses, are recognized in the consolidated statement of income.

Financial liabilities at amortized cost

After initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Interest expenses are recognized in the consolidated statement of income.

Notes to consolidated financial statements

[In thousands]

December 31, 2024

Other Assets

Other assets include financial assets, such as accrued investment income and accounts receivable, and non-financial assets, including prepaid expenses, income tax receivable and other.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred, if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The depreciation method, basis and period are described in the table below.

	Depreciation method	Basis of depreciation	Depreciation period
Office	Straight-line	Useful life	3 to 10 years
Leasehold improvements	Straight-line	Agreement	Lease duration

At the end of each year, the Group revises the residual value and useful life of the assets. Any change represents a modification of an accounting estimate and must be accounted for prospectively.

Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognized in the consolidated statement of income as an expense.

An item of property and equipment is derecognized upon disposal or when no further future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income in the year the asset is derecognized.

Intangible Assets

Intangible assets are recorded at cost, less accumulated amortization and accumulated impairment losses. The amortization method, basis and period are described in the table below. The amortization period and the amortization method are reviewed at least at each financial year end.

	Amortization method	Basis of amortization	Amortization period
Purchased software	Straight-line	Useful life	3 to 10 years
Developed software	Straight-line	Useful life	3 to 10 years
Technology projects under development	None	None	None
Client list	None	Indefinite life	None

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible asset.

The useful lives of intangible assets are assessed to be either finite or indefinite.

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When events or changes in circumstances indicate an impairment of value, the Group remeasures the carrying value of long-lived assets with finite useful lives. An impairment loss exists when the carrying amount of the asset exceeds the higher of fair value less costs to sell and its value in use. All impairment losses are recognized in the consolidated statement of income.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually or whenever there is indication of impairment. Reviews are performed annually to determine whether events and circumstances continue to support the assessment of useful lives. If not, the change in useful life from indefinite to finite is accounted for as a change in accounting estimate.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities for lease payments not yet paid and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease [i.e., the date the underlying asset is available for use]. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Depreciation method	Basis of depreciation	Depreciation period
Office	Straight-line	Lease term	10 years
Equipment	Straight-line	Lease term	5 years
Software	Straight-line	Lease term	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or if the cost of the right-of-use asset reflects the future exercise of a purchase option, depreciation is calculated over the period from the commencement date to the end of the useful life of the asset.

When events or changes in circumstances indicate an impairment of value, the Group remeasures the carrying value of the right-of-use assets. An impairment loss exists when the carrying amount of the asset exceeds the higher of fair value less costs to sell and its value in use. All impairment losses are recognized in the consolidated statement of income.

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Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments [e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments] or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

Goodwill

Goodwill represents the positive difference between the cost and the fair value of identifiable assets, liabilities and contingent liabilities on business acquisitions. It is presumed to have an indefinite life and is not subject to amortization.

Goodwill is tested for impairment annually, and when circumstances indicate that the carrying value may be impaired.

The impairment is determined for goodwill by assessing the recoverable amount of cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than its carrying amount, an impairment loss of the goodwill is recognized in the consolidated statement of income.

Segregated Funds

Funds from group and individual annuities issued by the Group may be invested in segregated portfolios at the option of the policyholders. Although the underlying assets are registered in the name of the Group and the segregated fund policyholders have no direct access to the specific assets, the policyholders bear the risks and rewards of the fund's investment performance. The Group derives fee income from the management of its segregated funds. These fee income are accounted for in the consolidated statement of income as insurance revenue for annuities classified as insurance contracts and as other operating revenue for annuities classified as investment contracts. Investment income and changes in fair value of the segregated funds net assets are presented in investment income related to segregated funds net assets. The risks and rewards of the funds' investment performance are presented in the consolidated statement of income as financial expenses related to segregated funds liabilities.

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Segregated funds net assets

Segregated funds net assets are accounted separately in the consolidated statement of financial position and investments constituting segregated funds net assets are accounted for at fair value. The segregated funds net assets are accounted for at FVPL under IFRS 9 *Financial Instruments*.

Segregated funds insurance contract liabilities and Segregated funds investment contract liabilities

Liabilities related to insurance or investment contracts whose financial risk corresponds to the risk assumed by policyholders are presented separately in the consolidated statement of financial position and are accounted for at the same amount as the fair value of the segregated funds net assets. Both type of contracts are presented distinctively depending of their nature. As segregated funds insurance contract liabilities arise from insurance contracts with direct participation features, they are measured under the variable fee approach under IFRS 17 *Insurance Contracts*. The segregated funds investment contract liabilities are accounted for under IFRS 9 at FVPL.

Insurance and reinsurance contractsClassification

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event had not occurred.

Insurance contracts issued are classified as direct participating insurance contracts or contracts without direct participation features. Direct participating insurance contracts are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

In the normal course of business, the Group uses reinsurance to limit its risk. Contracts issued by a reinsurer to compensate the Group for claims arising from insurance contracts are classified as reinsurance contracts.

Insurance and reinsurance contracts can also transfer financial risk and are both accounted under IFRS 17.

Investment contract liabilities are the amounts that the Group owes to clients since these contracts do not have insurance risk.

Accounting Treatment*Separating Components from Insurance and Reinsurance Contracts Held*

The Group assesses its insurance and reinsurance contracts to determine whether they contain components which must be accounted for under another IFRS rather than IFRS 17: derivatives embedded within insurance contracts that are required to be separated, distinct investment components are accounted for under IFRS 9 and promises to transfer distinct goods or distinct non-insurance services are accounted for under IFRS 15.

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IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance expense. The same concept exists for reinsurance contracts held.

A good or service is distinct if the policyholder can benefit from the good or service either on its own or together with other resources readily available to the policyholder. Readily available resources are goods or services that are sold separately or resources that the policyholder has already got.

Level of Aggregation

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing contracts into portfolios which comprise groups of contracts with similar risks and which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous and the remaining contracts. Every group will be further divided into annual cohorts. For determining the level of aggregation, the Group identifies a contract as the lowest common denominator. However, the Group makes an evaluation of whether a series of contracts can be treated together in making the profitability assessment based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management).

The Group has defined portfolios of insurance contracts issued and reinsurance contracts held based on its product lines due to the fact that the contracts are subject to similar risks and managed together.

The Group does not estimate to have insurance contracts that have no significant risk of being onerous and reinsurance contracts that have no significant risk of being profitable.

The Group adds new contracts to the group when they are issued or initiated. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

Initial Recognition – Insurance Contracts Issued

The Group recognizes groups of insurance contracts that it issues at the beginning of the coverage period of the group of contracts and for a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

An insurance contract acquired in a transfer of contracts is recognized on the date of acquisition.

Initial Recognition – Reinsurance Contracts Held

The Group recognizes a group of reinsurance contracts held at the beginning of the coverage period of the group. If the Group recognizes an onerous group of underlying insurance contracts and the related reinsurance contract was entered into at an earlier date, then the group of reinsurance contracts held is recognized on the same date as the underlying insurance contracts even if the coverage period has not begun. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognized if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

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Insurance Acquisition Cash Flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognized in the consolidated statement of financial position, a separate asset for insurance acquisition cash flows is recognized for each related group and included in the carrying amount of the related portfolios of insurance contracts issued. When insurance contracts are recognized, the related portion of asset for insurance acquisition cash flow is derecognized and subsumed into the measurement at initial recognition of the related group of insurance contracts.

If insurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group and to the groups that will include renewals of those contracts. At each reporting date, the Group revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

The Group assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Group applies an impairment test at the level of an existing or future group of insurance contracts; and an additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognized, the carrying amount of the asset is adjusted and an impairment loss is recognized in the consolidated statement of income. The Group recognizes in the consolidated statement of income a reversal of some or all of an impairment loss previously recognized and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

Contract Boundary

In the measurement of a group of insurance contracts, the Group includes all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with services.

For reinsurance contracts held, cash flows are within the boundary of the contract, if the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

*Measurement – General Model**Insurance Contracts - Initial Measurement*

The general model [GM] measures a group of insurance contracts as the total of:

- Fulfillment cash flows discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk; and
- A contractual service margin [CSM] representing the unearned profit the Group will recognize as it provides service under the insurance contracts in the group.

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The risk adjustment for non-financial risk is the compensation required for bearing uncertainties about the timing and amount of the future cash flows that will arise from non-financial risk. The risk adjustment is determined separately from other estimates. The Group's objective in estimating future cash flows is to determine the expected value, or the probability-weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Group estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary including premiums and related cash flows, claims and benefits including reported claims not yet paid, incurred claims not yet reported and expected future claims, payments to policyholders resulting from embedded surrender value options, an allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs, claims handling costs, policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries, an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts, transaction-based taxes, etc.

The measurement of fulfillment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium through insurance revenue over the period of the contract in a systematic and rational way on the basis of the passage of time. The Group does not elect to accrete interest on insurance acquisition cash flows to be allocated to consolidated statement of income. Additional estimates and assumptions used in determining fulfillment cash flows are described in Note 11.

For groups of contracts assessed as onerous, the Group recognizes a loss on initial recognition for the net outflow, resulting in the carrying amount of the liability of remaining coverage [LRC] for the group being equal to the fulfillment cash flows and the CSM of the group being zero. A loss component is established by the Group for the LRC for an onerous group depicting the losses recognized.

For groups of contracts acquired, the consideration received for the contracts is included in the fulfillment cash flows as a proxy for the premiums received at the date of acquisition.

Reinsurance Contracts Held - Initial Measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Measurement of the cash flows includes an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes;
- The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer;
- The Group recognizes both day 1 gains and day 1 losses at initial recognition in the consolidated statement of financial position as a CSM and releases this to consolidated statement of income as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition.

Where the Group recognizes a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, it establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

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The Group calculates the loss-recovery component by multiplying the loss recognized on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. Where only some contracts in the onerous underlying group are covered by the group of reinsurance contracts held, the Group uses a systematic and rational method to determine the portion of losses recognized on the underlying group of insurance contracts to insurance contracts covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Insurance Contracts – Subsequent Measurement

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognized in the consolidated statement of income, because it relates to future service to be provided.

For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted with the effect of new contracts added to the group, interest accreted on the carrying amount of the CSM during the reporting period measured at the discount rates at initial recognition, the changes in fulfillment cash flows relating to future service and the amount recognized as insurance revenue.

The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period.

The changes in the fulfillment cash flows relating to future service that adjust the CSM comprise of experience adjustments that arise from the difference between the premium receipts and any related cash flows and the estimate of the amounts expected at the beginning of the period, changes in estimates of the present value of future cash flows in the LRC, except those relating to the time value of money and changes in financial risk, differences between any investment component expected to become payable in the period and the actual investment component that becomes payable and changes in the risk adjustment for non-financial risk that relate to future service. These changes will not adjust the CSM to the extent that such increases exceed the carrying amount of the CSM, giving rise to a loss, or such decreases are allocated to the loss component.

Where, during the coverage period, a group of insurance contracts becomes onerous, the Group recognizes a loss in the consolidated statement of income for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfillment cash flows. A loss component is established by the Group for the LRC for such onerous group depicting the losses recognized.

The Group measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of:

- The LRC comprising fulfillment cash flows related to future service allocated to the group at that date and the CSM of the group at that date;
- The liability for incurred claims [LIC] for the Group comprising the fulfillment cash flows related to past service allocated to the group at that date, including claims that have been incurred but not yet reported.

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Reinsurance Contracts Held – Subsequent Measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts with the exception of:

- Changes in the fulfillment cash flows which are recognized in the consolidated statement of income if the related changes arising from the underlying ceded contracts have been recognized in the consolidated statement of income. Alternatively, changes in the fulfillment cash flows adjust the CSM; and
- Changes in the fulfillment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not adjust the CSM.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognized from related reinsurance contracts held is disclosed as a loss-recovery component. Where the Group has established a loss-recovery component, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

A loss-recovery component reverses consistent with reversal of the loss component of underlying groups of contracts, even when a reversal of the loss-recovery component is not a change in the fulfillment cash flows of the group of reinsurance contracts held. Reversals of the loss-recovery component that are not changes in the fulfillment cashflows of the group of reinsurance contracts held adjust the CSM.

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts and is nil when loss component of the onerous group of underlying insurance contracts is nil.

Direct Participating Insurance Contracts

Direct participating contracts are contracts under which the Group has an obligation to pay the policyholder the net of:

- The fair value of the underlying items; and
- A variable fee in exchange for future services provided by the contracts, which is the amount of the Group's share of the fair value of the underlying items less fulfillment cash flows that do not vary based on the returns on underlying items. In addition to insurance coverage the Group provides investment services under these contracts by promising an investment return based on underlying items.

For measuring a group of direct participating contracts, the Group adjusts the fulfillment cash flows for the whole of the changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognized in the consolidated statement of income.

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The CSM will be measured at the amount of the CSM at the beginning of the period, adjusted for:

- the CSM of any new contracts that are added to the group in the year the change in the amount of the Group's share of the fair value of the underlying items and changes in fulfillment cash flows that relate to future services, except to the extent that:
 - a decrease in the amount of the Group's share of the fair value of the underlying items, or an increase in the fulfillment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in the consolidated statement of income and creating a loss component; or
 - an increase in the amount of the Group's share of the fair value of the underlying items, or a decrease in the fulfillment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognized in the consolidated statement of income;
- the insurance revenue recognized due to services provided in the year.

Measurement – Contracts measured under the PAA

The Group applies the premium allocation approach [PAA] to some of the insurance contracts that it issues and reinsurance contracts that it holds, when:

- The coverage period of each contract in the group is one year or less, including coverage arising from all premiums within the contract boundary; or
- For contracts longer than one year, the Group has modeled possible future scenarios and reasonably expects that the measurement of the LRC for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the GM.

On initial recognition, the LRC is measured at the premiums received minus any insurance acquisition cash flows paid allocated to the group and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognized for cash flows related to the group. The Group has chosen not to expense insurance acquisition cash flows when they are incurred and there is no allowance for time value of money as the premiums are received within one year of the coverage period.

Where, at initial recognition or during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognizes a loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfillment cash flows. A loss component is established by the Group for the LRC for such onerous group depicting the losses recognized.

The Group measures some of its reinsurance assets on the same basis as insurance contracts, however, adapted to reflect the features of reinsurance contracts held that differ from insurance contracts.

Subsequently, the Group measures the LRC at the end of each period as the LRC at the beginning of the period plus premiums received in the period and the amortization of the acquisition cash flows recognized as an expense. The LRC will be reduced by the insurance acquisition cash flows paid, the amount recognized as insurance revenue for the services provided in the period and any investment component paid or transferred to the LIC.

The estimation of the LIC under GM and PAA is identical.

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Derecognition and Contract Modification

The Group derecognises a contract when it is extinguished or the contract is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract. In such cases, the Group derecognises the initial contract and recognizes the modified contract as a new contract.

Insurance Revenue – GM

The Group's insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts. The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of insurance service expenses, excluding any amounts allocated to the loss component of the LRC, amounts related to income tax that are specifically chargeable to the policyholder, the risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the LRC, the CSM release and amounts related to insurance acquisition cash flows.

Insurance Revenue – PAA

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Group allocates the expected premium receipts to each period of coverage on the basis of the passage of time.

Loss components

The Group has grouped contracts that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Group has established a loss component of the LRC for any onerous group depicting the future losses recognized.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts or contracts profitable at inception that have become onerous. The loss component is released based on a systematic allocation of the subsequent changes relating to future service in the fulfillment cashflows to the loss component and the LRC excluding the loss component. The loss component is also updated for subsequent changes relating to future service in estimates of the fulfillment cash flows and the risk adjustment for non-financial risk. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts. To determine the systematic allocation of subsequent changes in future cash flows between the loss component and the LRC excluding the loss component, the Group calculates the ratio of the loss component amount expressed as a percentage of the liability for remaining coverage, where adjustments are made to include or exclude particular cash flows in the allocation.

Insurance service expense

Insurance service expenses arising from insurance contracts are recognized in the consolidated statement of income generally as they are incurred. They exclude repayments of investment components and are comprised of incurred claims and other insurance service expenses, insurance acquisition cash flows amortization, losses on onerous contracts and reversals of such losses, adjustments to the LIC that are not related to the effects of the time value of money, financial risk and changes therein and impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

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Allocation of reinsurance premiums and amounts recoverable from reinsurers

The Group presents separately on the face of the consolidated statement of income the amounts expected to be recovered from reinsurers and an allocation of the reinsurance premiums. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from the allocation of reinsurance premiums. The Group treats amounts from the reinsurer that it expects to receive that are not contingent on claims of the underlying contracts as a reduction in the allocation of the premiums to the reinsurer. Amounts relating to the recovery of losses relating to reinsurance of onerous direct contracts are included as amounts recoverable from reinsurers.

Finance income (expenses) from insurance and reinsurance contracts

Finance income (expenses) comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating insurance contracts are allocated to a loss component and included in insurance service expenses. The Group includes changes in the measurement of groups of contracts caused by changes in the value of underlying items [excluding additions and withdrawals]. The Group does not disaggregate finance income and expenses between the consolidated statement of income and the consolidated statement of comprehensive income.

Fair value approach

As part of the transition to IFRS 17, for groups of contracts issued prior to 2022, the Group has applied the fair value approach and grouped contracts from multiple cohorts and years into a single group for accounting purposes. Obtaining reasonable and supportable information to apply the full retrospective approach was impracticable without undue cost or effort. The Group has determined the CSM of the LRC at the transition date, on January 1, 2022, as the difference between the fair value of the group of insurance contracts and the fulfillment cash flows measured at that date. In determining fair value, the Group has applied the requirements of IFRS 13 *Fair Value Measurement*, except for the demand deposit floor requirement.

For the application of the fair value approach, the Group has used reasonable and supportable information available at the transition date.

The Group used the appraisal value to determine the fair value amount used for establishing the insurance contract liabilities and reinsurance contract assets at the transition date. This valuation technique establishes the price that a prospective buyer is willing to pay to purchase a block of business acquired in a business combination. The fair value obtained with this approach represents the amount of assets that would be required to take over the obligations of these contracts. This approach is consistent with the income approach.

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Other liabilities

Other liabilities include financial liabilities, such as suppliers and other charges, and non-financial liabilities, including income taxes payable.

Employee benefit plans

The Group offers defined benefit and defined contribution pension plans and post-employment benefits to its employees. The cost of pension benefits under defined benefit plans and of other post-employment benefits earned by employees is determined according to actuarial calculations using the projected unit credit method and management's most likely assumptions of the expected rate of return on the plan's asset, salary escalation, the retirement age of employees, expected health care costs and mortality rates. Plan obligations are discounted based on current market interest rates, and plan assets are recorded at fair value.

The benefit costs are recorded in administrative expenses in the consolidated statement of income.

Net actuarial gains or losses are accounted for in the year in which they occur through other comprehensive income.

For defined contribution plans, the Group pays specified contributions into a separate entity and has no legal or constructive obligation to pay further amounts. As a result, no liability appears on the Group's consolidated financial statements, except for the expense recognized for contributions due but not yet paid at the end of the reporting period. Contributions payable to defined contribution plans are charged to income.

Taxes

The Group provides for income taxes using the asset and liability method. The income tax provision comprises of current and deferred income taxes based on tax rate and tax regulations enacted or substantially enacted at the consolidated reporting date. Current income taxes are based on taxable income. Deferred income taxes reflect the net tax effect of temporary differences between assets and liabilities reported for financial statement purposes and those reported for income tax purposes. A deferred income tax asset is recognized to the extent that future realization of the tax benefit is more likely than not. In addition to income taxes, the charge to the consolidated statement of income includes the tax on capital imposed on financial institutions and the large corporations tax recorded in other operating expenses.

Foreign currency translation

Monetary assets and liabilities in foreign currencies are converted at the rate of exchange in effect at the consolidated statement of financial position date. Non-monetary assets and liabilities, as well as revenue and expenses, are converted at the historical rate.

Translation gains and losses are included in other operating revenue.

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Provisions

The Group recognizes a provision when there is an obligation towards a third party resulting from a past event and it is probable that an outflow of economic resources will be necessary to settle the obligation and the amount can be estimated reliably.

The amount of provision equals the best estimate of the counterpart needed to extinguish the current obligation, given the risks and uncertainties related to the obligation. The Group does not measure the provision at present value since these provisions do not have a specified duration. No provision is recognized for future operating losses.

Contingent liabilities are disclosed if the future obligation is probable, but the amount cannot be reasonably estimated.

Fee and commission income

Fee and commission income primarily represent fees earned from administrative services only [ASO] income. Fee and commission income are presented as other operating revenue and are recorded on an accrual basis when services are rendered.

Net realized fair value gains (losses) on derecognition of financial assets measured at FVOCI

Realized gains and losses recorded in the consolidated statement of income consist of gains and losses on the sale of financial assets and are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

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Standards issued but not yet effective

IFRS 18 Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, the first three of which are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the financial statements including notes.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

On May 30, 2024, the IASB issued an amendment to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, addressing the classification and measurement of financial instruments. This amendment introduces an accounting policy choice regarding the derecognition of financial liabilities settled through an electronic payment system, specifies the classification and measurement of cash flow characteristics of certain types of financial assets with contingent contractual terms, particularly related to environmental, social, and governance issues. Additionally, the amendment clarifies disclosure requirements related to these assets. The provisions of this amendment apply retrospectively to financial statements beginning on or after January 1, 2026. Early adoption is permitted.

The Group is assessing the impact of this amendment on its consolidated financial statements.

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3. Significant judgments, estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the date of the consolidated financial statements, and the reported amounts of insurance revenue, and insurance service expense during the year. Actual results could differ from management's best estimates.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements:

Classification of insurance and investment contracts

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party [the policyholders] by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk by comparing benefits that will be paid whether the insured event occurs or not.

Investment contracts are those contracts that transfer significant financial risk to the Group. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, a foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided that in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

The Group analyzes the terms and conditions of each contract to determine whether or not they meet the conditions of a contract with direct participation features. Most of the Group's insurance contracts are contract without direct participation features. Some of the Group's insurance contracts are classified as direct participating contracts because, at inception, the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items and the Group has the obligation to pay the policyholder an amount equal to the fair value of the underlying items less a variable fee in exchange for investment services.

Estimates and assumptions

In the process of applying the accounting policies, management has made the following estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements:

Employee future benefits

The defined benefit obligation and expense is calculated using several demographic and financial actuarial assumptions. The main assumptions include the discount rate and the rate of increase in future compensation. These assumptions are described in Note 15.

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Income Taxes

The computation of current and deferred taxes (recovery) is based on several factors including the interpretation of tax regulations in the jurisdictions in question, assessments regarding the recovery of deferred tax assets and how the assets and liabilities are expected to be recovered. The recovery of deferred tax assets depends, among other factors, on the taxable expected future earning from the Group's operations and the tax planning strategies developed. The Group establishes a provision for income tax it considers reasonable, and which is based on the weighted estimate of the possible results from the adopted tax positions. When establishing the provision, the Group takes into consideration previous adjustments made by tax authorities, interpretation bulletins and recent rulings rendered in the relevant jurisdictions.

Insurance and reinsurance contracts

The Group disaggregates information by segment to disclose individual, group, annuities and pension insurance contracts issued and individual and group reinsurance contracts held separately. This disaggregation has been determined based on how the Group is managed.

The methods used to measure insurance contracts

The Group primarily uses deterministic projections to estimate the present value of future cash flows. The Group uses stochastic projections for minimum benefit guarantees liabilities of Segregated funds and Registered Investment Accounts. The following assumptions were used when estimating future cash flows:

[a] Mortality and morbidity rates

Assumptions are based on standard industry and national tables. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's own experiences.

[b] Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience.

[c] Expenses

Expenses are based on the Group's internal cost analysis, which is updated annually. These unit costs are projected into the future factoring inflation.

The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using systematic and rational methods and are consistently applied to all costs that have similar characteristics.

[d] Lapse and surrender rates

Each year, an internal study of the Group's policy lapse rates is conducted. The valuation assumptions are chosen by considering both this internal study and the published industry experience.

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Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium. Risk free rates are determined by reference to the Government of Canada bond yields. The illiquidity premium is determined by reference to observable market rates, including provincial and corporate bonds. Each yield curve is interpolated between the spot rate at the last observable market data point and an ultimate spot rate which reflects the long-term real interest rate plus inflation expectations.

The Group has elected to measure its cash flows as a whole (not bifurcating estimated cash flows into those that vary based on the returns on underlying items and those that do not) by applying an appropriate discount rate to all cash flows.

Discount rates applied for discounting of future cash flows are listed below:

		2024						
		1 year	5 years	10 years	15 years	20 years	30 years	Ultimate
Insurance contracts	Least illiquid curve	3.10%	3.38%	3.98%	4.31%	4.40%	4.26%	4.35%
	Most illiquid curve	3.52%	3.80%	4.40%	4.73%	4.82%	4.68%	4.84%
		2023						
		1 year	5 years	10 years	15 years	20 years	30 years	Ultimate
Insurance contracts	Least illiquid curve	4.52%	3.53%	3.77%	4.01%	4.06%	3.84%	4.35%
	Most illiquid curve	5.02%	4.11%	4.30%	4.51%	4.55%	4.36%	4.84%

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk.

The Group has estimated the risk adjustment using the margin approach. The margin approach links the chosen margins to the compensation that the Group requires for uncertainty related to non-financial risk, which is expressed as a range of acceptable confidence levels. In the event of the risk adjustment confidence level is no longer falling within the defined range, the level of margins used to calculate the risk adjustment would be recalibrated to return to within the pre-established range.

The risk adjustment for insurance and reinsurance contracts on a net of reinsurance basis corresponds to 82% [82% in 2023].

Amortization of the CSM

The CSM represents the unearned profit the Group will recognise as it provides service under the insurance contracts. An amount of the CSM for a group of insurance contracts is recognised as insurance revenue in each period to reflect the insurance contract services provided in that period. The amount is determined by identifying the coverage units in the group, allocating the CSM at the end of the period equally to each coverage unit provided in the current period and expected to be provided in the future periods and recognizing the amount allocated to coverage units provided in the period.

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The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For direct participating insurance contracts, investment-related services are part of the insurance contract service provided to the policyholder.

For reinsurance contracts held, the amortization of the CSM follows the same principles than insurance contracts issued explained above.

Assets for insurance acquisition cash flows

The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period.

In the current and prior year, the Group did not identify any facts and circumstances indicating that the assets may be impaired.

Geopolitical risk

The current geopolitical environment increases uncertainty in financial markets with a possible resurgence of trade tariffs and inflation. With the recent changes in the U.S. Government, the threat of protectionism increases the risk of tariffs, stagflation, turbulence in the financial markets, and a weakening of the Canadian Dollar against other currencies. Supply-chain inflation as well as recessionary conditions could also lead to lower overall demand for insurance products negatively impacting insurance revenue. Management will continue to monitor the impact of geopolitical risk on its use of judgements, estimates, and assumptions.

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4. Invested assets

Carrying value and fair value

	2024							Fair value of underlying assets matched to participating insurance contracts
	Mandatorily measured at FVPL	Designated at FVPL	Mandatorily measured at FVOCI	Designated at FVOCI (no recycling)	Measured at amortized cost	Total	Fair value	
	\$	\$	\$	\$	\$	\$	\$	
Cash and cash equivalents	30,556	-	-	-	-	30,556	30,556	-
Debt securities								
Government	-	293,163	54,599	-	85,143	432,905	416,358	30,757
Corporations and other	29,742	90,672	4,058	-	-	124,472	124,472	4,641
	29,742	383,835	58,657	-	85,143	557,377	540,830	35,398
Equity securities								
Common stocks	405	-	-	-	-	405	405	-
Preferred stocks	16,248	-	-	66,048	-	82,296	82,296	16,248
Investment fund units	184,427	-	-	-	-	184,427	184,427	-
	201,080	-	-	66,048	-	267,128	267,128	16,248
Mortgages								
Insured residential	-	3,829	-	-	27,723	31,552	29,842	-
Other residential	-	41,475	-	-	-	41,475	41,475	-
Commercial	-	126,826	-	-	-	126,826	127,026	4,580
	-	172,130	-	-	27,723	199,853	198,343	4,580
Other invested assets	-	-	-	-	2,791	2,791	2,791	-
	261,378	555,965	58,657	66,048	115,657	1,057,705	1,039,648	56,226

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Carrying value and fair value

	2023					Total	Fair value	Fair value of underlying assets matched to participating insurance contracts
	Mandatorily measured at FVPL	Designated at FVPL	Mandatorily measured at FVOCI	Designated at FVOCI (no recycling)	Measured at amortized cost			
	\$	\$	\$	\$	\$	\$	\$	
Cash and cash equivalents	44,139	-	-	-	-	44,139	44,139	-
Debt securities								
Government	-	291,947	58,006	-	81,684	431,637	416,883	34,345
Corporations and other	13,539	17,076	4,148	-	-	34,763	34,763	1,099
	13,539	309,023	62,154	-	81,684	466,400	451,646	35,444
Equity securities								
Common stocks	342	-	-	-	-	342	342	-
Preferred stocks	11,116	-	-	58,729	-	69,845	69,845	11,116
Investment fund units	78,195	-	-	34	-	78,229	78,229	-
	89,653	-	-	58,763	-	148,416	148,416	11,116
Mortgages								
Insured residential	-	3,908	-	-	28,880	32,788	30,737	-
Other residential	-	43,337	-	-	-	43,337	43,337	-
Commercial	-	117,529	-	-	-	117,529	117,529	4,628
	-	164,774	-	-	28,880	193,654	191,603	4,628
Other invested assets	-	-	-	-	516	516	516	-
	147,331	473,797	62,154	58,763	111,080	853,125	836,320	51,188

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5. Risk management relating to financial risk

The principal financial risks relating to financial instruments, insurance and reinsurance contracts that the Group must manage are credit risk, liquidity risk and market risk (interest rate and stock market). The measures adopted by the Group to control each of these risks are outlined below.

Credit Risk

Credit risk is the risk that the Group will incur a financial loss if some of its debtors fail to fulfill their obligation to make payments when due. The Group, in the normal course of its activities, is exposed to that risk through credit granted to its clients, reinsurers and brokers, through credit in the form of mortgages and exposure through its various investment portfolios. The risk of credit concentration may also occur when there is a concentration of investments in entities with similar activities in the same geographic region or in the same sector of activity or when a significant investment is made with a sole entity.

Credit-risk management is conducted through the Group's investment policy and is applied to various means of investment and credit. Investments in debt securities must be selected after an analysis that considers geographic diversification, the type of issuer, average credit rating and maturity of securities. Limits are established for each of these factors.

The Group also has a specific credit policy for mortgages according to which a study must be conducted in order to determine a credit rating for the loan. To manage the risk of concentration, industry limits are established, some sectors are avoided and the loan amounts granted to one person or to one group are limited. Furthermore, loans must be guaranteed by residential or commercial buildings or by land held for subdividing purposes. The type of guarantee is based on the assessment of the degree of counterparty credit risk.

The conclusion of guarantee agreements is also a credit risk mitigation measure. The required amount and type of guarantee are based on the assessment of the counterparty credit risk. Guidelines have been established for the types of acceptable guarantees and related assessment parameters. Management examines the value of guarantees and requires additional guarantees, if needed.

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers.

The credit risk in respect of customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted against amounts receivable from them to reduce the risk of default.

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Maximum credit risk

The information below summarizes the Group's maximum financial instruments and insurance and reinsurance assets credit risk. The maximum credit risk corresponds to the book value of assets, net of any provision for losses.

	2024	2023
	\$	\$
Cash and cash equivalents	30,556	44,139
Debt securities	557,377	466,400
Equity securities	267,128	148,416
Mortgages	199,853	193,654
Other invested assets	2,791	516
Reinsurance contract assets held	237,666	240,712
Accrued investment income [Note 7]	2,056	1,469
	1,297,427	1,095,306

Quality of the debt securities portfolio

	2024	2023
	\$	\$
AAA	13,496	3,031
AA	265,504	270,919
A	201,266	165,827
BBB	47,369	13,084
Unrated	29,742	13,539
	557,377	466,400

Quality of the preferred equity securities portfolio

	2024	2023
	\$	\$
PF-1	-	1,155
PF-2	58,604	43,375
PF-3	23,692	25,315
	82,296	69,845

Quality of the reinsurance contract assets held

The Group assesses the financial soundness of reinsurers before signing any reinsurance agreements and monitors their situation on a regular basis. According to the internal reinsurance risk management policy, all the Group's reinsurance contracts must be with reinsurers that have a minimum financial strength rating of A-. As of the end of the financial period, the Group is compliant with the policy.

Assumption Mutual Life Insurance Company

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Liquidity Risk

Liquidity risk is the risk that the Group cannot respond to all of its cash flow commitments as they reach maturity and will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

This risk is managed through matching of asset and liability cash flows and active management of funds. However, a certain level of liquidity is required to provide for contingencies such as asset repurchases or defaults.

Additional liquidities are available through credit lines, if needed.

The Group has commitments to customers for undisbursed approved mortgages. The following is the disbursement schedule for those loans:

	1 – 6 months	7 – 12 months	Over 1 year
	\$	\$	\$
Undisbursed approved mortgages	7,146	-	-

Assumption Mutual Life Insurance Company

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The following tables show the carrying amount of financial instruments, by maturity, as well as total fair value.

	2024					Total	Fair value
	No maturity	Under 1 year	1 to 5 years	5 to 10 years	Over 10 years		
	\$	\$	\$	\$	\$	\$	\$
Financial assets							
Cash and cash equivalents	30,556	-	-	-	-	30,556	30,556
Debt securities							
Government	-	-	20,396	44,588	367,921	432,905	416,358
Corporations and other	29,742	16,190	34,477	17,241	26,822	124,472	124,472
	29,742	16,190	54,873	61,829	394,743	557,377	540,830
Equity securities							
Common stocks	405	-	-	-	-	405	405
Preferred stocks	82,296	-	-	-	-	82,296	82,296
Investment fund units	184,427	-	-	-	-	184,427	184,427
	267,128	-	-	-	-	267,128	267,128
Mortgages							
Insured residential	-	1,869	2,308	23,637	3,738	31,552	29,842
Other residential	-	14,119	23,605	561	3,190	41,475	41,475
Commercial	-	65,239	47,314	13,964	309	126,826	127,026
	-	81,227	73,227	38,162	7,237	199,853	198,343
Other invested assets	-	2,791	-	-	-	2,791	2,791
Other assets [Note 7]	-	6,944	-	-	-	6,944	6,944
Financial liabilities							
Investment contract liabilities	24,039	72,883	104,439	5,177	2,501	209,039	209,039
Other liabilities [Note 14]	-	8,714	-	-	-	8,714	8,714

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	2023					Total	Fair value
	No maturity	Under 1 year	1 to 5 years	5 to 10 years	Over 10 years		
	\$	\$	\$	\$	\$	\$	\$
Financial assets							
Cash and cash equivalents	39,139	5,000	-	-	-	44,139	44,139
Debt securities							
Government	-	2,994	6,217	36,227	386,199	431,637	416,883
Corporations and other	13,539	1,472	2,131	7,516	10,105	34,763	34,763
	13,539	4,466	8,348	43,743	396,304	466,400	451,646
Equity securities							
Common stocks	342	-	-	-	-	342	342
Preferred stocks	69,845	-	-	-	-	69,845	69,845
Investment fund units	78,229	-	-	-	-	78,229	78,229
	148,416	-	-	-	-	148,416	148,416
Mortgages							
Insured residential	-	951	3,424	22,748	5,665	32,788	30,737
Other residential	-	14,370	25,071	-	3,896	43,337	43,337
Commercial	-	26,026	62,161	29,015	327	117,529	117,529
	-	41,347	90,656	51,763	9,888	193,654	191,603
Other invested assets	-	516	-	-	-	516	516
Other assets [Note 7]	-	5,488	-	-	-	5,488	5,488
Financial liabilities							
Investment contract liabilities	25,433	41,235	78,094	5,012	2,128	151,902	151,902
Other liabilities [Note 14]	-	9,405	-	-	-	9,405	9,405

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Maturity analysis for insurance and reinsurance contract liabilities (future cash flows basis)

The Group has provided an analysis of maturity profile based on the estimates of future cash flows expected to be paid out in the periods presented. Liabilities for remaining coverage measured under the PAA and segregated fund guarantees have been excluded from this analysis.

	2024							Total
	No maturity	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
	\$	\$	\$	\$	\$	\$	\$	\$
Insurance contract liabilities	-	(9,087)	(434)	4,537	7,990	11,653	1,768,665	1,783,324
Reinsurance contract liabilities held	-	(1,884)	(2,687)	(3,418)	(3,534)	(3,791)	(432,287)	(447,601)

	2023							Total
	No maturity	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
	\$	\$	\$	\$	\$	\$	\$	\$
Insurance contract liabilities	-	(6,996)	291	4,865	8,372	11,239	1,706,887	1,724,658
Reinsurance contract liabilities held	-	(1,885)	(2,149)	(2,616)	(3,178)	(3,282)	(419,854)	(432,964)

The amounts that are payable on demand relative to the carrying amount of the insurance contract liabilities are set out below:

	2024		2023	
	Amounts payable on demand	Carrying amount	Amounts payable on demand	Carrying amount
	\$	\$	\$	\$
Individual Insurance	250,431	552,436	240,918	554,727

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Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument, insurance contract issued or reinsurance contract held will fluctuate due to variations in market factors. It consists of the following: interest rate risk and stock market risk.

Interest Rate Risk

Interest rate risk is present when there is not a perfect match between asset and liability cash flows and when interest rates fluctuate, which leads to a variation in the disparity between assets and liabilities. Due to the nature of an insurance company's activities, which is investing clients' premiums with the ultimate goal of paying benefits, the payment of which may be uncertain and far off, namely with regard to death benefits and annuity payments, interest rate risk must be managed properly.

The Group has matched its assets with its liabilities in order to minimize profit margin volatility caused by fluctuations between realized profits and profits credited to existing contracts. To manage matching requirements, financial assets and liabilities are distributed over business lines in order to match one business line's assets with its liabilities. This matching is regularly analyzed and modified. The exchange of information among the actuarial department, finance department and investment managers along with the regular publication of credited rates are part of the process.

To further manage risk, matching is based on the characteristics of the products sold. For products that must provide fixed and highly predictable benefits, liabilities and assets with similar characteristics are matched, such as investments in fixed-income instruments. This results in some protection against fluctuating interest rates because any variation in the fair value of assets is compensated by a similar variation in the fair value of liabilities. Considering the investments available on the market, it is more difficult to perform this matching for liabilities with maturities of more than 30 years.

Furthermore, the Group's policy is to achieve fairly complete matching. Thus, differences in the durations of assets and liabilities must not exceed certain established parameters. That policy is intended to manage interest rate risk for liabilities with maturities later than those of the matched assets.

The Group has no significant concentration of interest rate risk. The Group's exposure to interest rate risk sensitive insurance and reinsurance contracts and financial instruments are, as follows:

	2024 \$	2023 \$
Reinsurance contracts assets held	237,666	240,712
Debt securities	557,377	466,400
Mortgages	199,853	193,654
Other invested assets	2,791	516
	997,687	901,282
Insurance contract liabilities	902,080	767,940
Investment contract liabilities	209,039	151,902
	1,111,119	919,842

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The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit and equity. The correlation of variables will have a significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

An analysis of the Group's sensitivity to an immediate change in risk-free interest rates, corporate bond and provincial government bond credit spreads, and the ultimate discount rate with all other assumptions remaining unchanged is presented. The immediate impact on profit, equity and contractual service margin for each sensitivity is presented in the table below.

	Change in interest rate	2024			2023		
		Impact on profit \$	Impact on equity \$	Impact on CSM \$	Impact on profit \$	Impact on equity \$	Impact on CSM \$
	+ 50 bps	(100)	(4,351)	87	(72)	(3,870)	1
Immediate parallel shift in risk-free rates	- 50 bps	(245)	4,434	(158)	(231)	3,932	(1)
	+ 50 bps	1,606	(2,013)	-	2,416	(480)	-
Immediate parallel shift in corporate bond credit spreads	- 50 bps	(1,543)	2,660	-	(2,371)	953	-
	+ 50 bps	(1,348)	(4,005)	(245)	(2,183)	(5,057)	1
Immediate parallel shift in provincial government bond credit spreads	- 50 bps	1,560	4,438	61	2,599	5,727	(1)
	+ 50 bps	211	211	-	240	240	-
Immediate change in the ultimate discount rate assumption	- 50 bps	(277)	(277)	-	(245)	(245)	-

Stock Market Risk

Stock market risk is the uncertainty associated with the valuation of financial instruments or insurance contract assets and/or liabilities arising from market fluctuations. The Group is exposed to that risk in various ways: through management fees calculated on the value of the assets being managed, by the expense resulting from the capital guarantee provided for some products and by the return on assets matched to equity and to insurance contract liabilities. In order to mitigate this risk, the Group's investment policy provides for cautious investments in accordance with clearly defined limits.

An analysis of the Group's sensitivity to an immediate change in stock market with all other assumptions remaining unchanged is presented. The immediate impact on profit, equity and contractual service margin for each sensitivity is presented in the table below.

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The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit and equity.

	Change in stock market price	2024			2023		
		Impact on profit	Impact on equity	Impact on CSM	Impact on profit	Impact on equity	Impact on CSM
		\$	\$	\$	\$	\$	\$
Immediate change in market value of Segregated funds and equity securities	+ 10%	-	-	3,174	-	-	2,531
	- 10%	-	-	(3,225)	-	-	(3,102)

The effects on profit will result from changes in the fair value of equity securities measured at FVPL that are not underlying items, changes in the amount of the Group's share of the fair value of underlying items of onerous direct participating contracts and changes in fulfillment cash flows of onerous direct participating contracts arising from equity guarantees recognized in the consolidated statement of income. The effect on equity will result from changes in the fair value of equity securities measured at FVOCI and the total effect on profit.

Concentration risk

The following tables provide information on concentration risk for equity securities.

	2024	
	Common stocks	Preferred stocks
	\$	\$
Energy	52	18,749
Finance	123	39,221
Industrial	71	-
Utilities	11	3,874
Other	148	20,452
	405	82,296

	2023	
	Common stocks	Preferred stocks
	\$	\$
Energy	46	15,610
Finance	95	34,287
Industrial	61	-
Utilities	10	13,589
Other	130	6,359
	342	69,845

The investment fund units designated at FVTPL under the Group's matching model include investments held by the Group to generate a return, a portion of which is expected to be paid to policyholders. For these contracts, policyholders can choose an underlying mutual fund or a benchmark index from the options offered. As a result, the Group is not materially exposed to concentration risk with respect to these investments, which have a carrying amount of \$184,427 as at December 31, 2024 [\$78,229 in 2023].

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6. Fair value measurement

Fair value hierarchy

A hierarchy of valuation techniques is used for assets and liabilities measured at fair value in the consolidated statement of financial position or for which fair value is disclosed in notes. The hierarchies include the following levels:

- Level 1: Quoted prices [unadjusted] in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable to the asset or liability, either directly [i.e., prices] or indirectly [i.e., derived from prices].
- Level 3: Inputs for the asset or liability that are not based on observable market data [unobservable inputs].

The following table presents information about the fair value of assets and liabilities based on the levels of input used:

	2024			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
Assets measured at fair value				
Financial assets mandatorily at FVPL				
Cash and cash equivalents	30,556	-	-	30,556
Debt securities	-	29,742	-	29,742
Equity securities	201,080	-	-	201,080
Segregated funds net assets	786,389	85,782	118,524	990,695
Financial assets designated at FVPL				
Debt securities	-	383,835	-	383,835
Mortgages	-	172,130	-	172,130
Financial assets mandatorily at FVOCI				
Debt securities	-	58,657	-	58,657
Financial assets designated at FVOCI				
Equity securities	66,048	-	-	66,048
	1,084,073	730,146	118,524	1,932,743
Liabilities measured at fair value				
FVTPL				
Investment contract liabilities	-	209,039	-	209,039
Segregated funds investment contract liabilities	-	597,451	-	597,451
	-	806,490	-	806,490

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	2023			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Assets measured at fair value				
Financial assets mandatorily at FVPL				
Cash and cash equivalents	44,139	-	-	44,139
Debt securities	-	13,539	-	13,539
Equity securities	89,653	-	-	89,653
Segregated funds net assets	697,711	82,143	115,059	894,913
Financial assets designated at FVPL				
Debt securities	-	309,023	-	309,023
Mortgages	-	164,774	-	164,774
Financial assets mandatorily measured at FVOCI				
Debt securities	-	62,154	-	62,154
Financial assets designated at FVOCI				
Equity securities	58,763	-	-	58,763
	890,266	631,633	115,059	1,636,958
Liabilities measured at fair value				
FVPL				
Investment contract liabilities	-	151,902	-	151,902
Segregated funds investment contract liabilities	-	567,370	-	567,370
	-	719,272	-	719,272

The fair value of other assets and other liabilities approximates their carrying amounts due to their short-term maturities.

The fair value disclosed in note 4 for invested assets recorded at amortized cost as at December 31, 2024 and 2023 (debt securities, mortgages and other invested assets) are classified as level 2.

The following valuation techniques and assumptions were used to estimate the fair values:

Debt securities

The Group uses active market prices when available for the fair value of debt securities, and which will be classified as Level 1. When active market prices are not available, the Group uses discounted cash flow models with observable market inputs of similar instruments and bond prices to estimate future index levels and extrapolating yields outside the range of active market trading, in which instances the Group classifies those securities as Level 2. The Group does not have Level 3 debt securities where valuation inputs would be unobservable.

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Mortgages

The Group uses observable market inputs to calculate the fair value of its mortgages using a discounted cash flow model. Such instruments are classified as Level 2.

Equity securities

The majority of equity securities are actively traded on public stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1.

Investment fund units are generally classified at Level 2 because fair value is the price assessed by valuation service providers based on observable market data. The level 3 segregated funds net assets are mainly private debt valued on the basis of information available in the financial statements of companies that use models based on discounted cash flows as well as the use of multiples. The Group uses the values published by the managers, adjusted for capital transactions covering the period up to the end of the financial year.

Investment contract liabilities

The Group uses observable market inputs to calculate the fair value of its investment contract liabilities using a discounted cash flow model. Such instruments are classified as Level 2.

There has been no transfer between level 1 and level 2 during the period.

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7. Other assets

	2024 \$	2023 \$
Financial assets		
Accrued investment income	2,056	1,469
Accounts receivable	4,888	4,019
	<u>6,944</u>	<u>5,488</u>
Non-financial assets		
Prepaid expenses	318	532
Income taxes receivable	84	6
	<u>402</u>	<u>538</u>
	<u>7,346</u>	<u>6,026</u>

8. Intangible assets

	Purchased software \$	Developed software \$	Technology projects under development \$	Client list \$	Total \$
Cost					
As at December 31, 2023	2,561	16,955	-	2,169	21,685
Cost capitalized	215	-	588	164	967
Write-offs	(229)	(67)	-	-	(296)
As at December 31, 2024	<u>2,547</u>	<u>16,888</u>	<u>588</u>	<u>2,333</u>	<u>22,356</u>
Accumulated amortization					
As at December 31, 2023	1,419	13,787	-	-	15,206
Amortization	662	574	-	-	1,236
Write-offs	(229)	(67)	-	-	(296)
As at December 31, 2024	<u>1,852</u>	<u>14,294</u>	<u>-</u>	<u>-</u>	<u>16,146</u>
Carrying amount as at:					
December 31, 2023	1,142	3,168	-	2,169	6,479
December 31, 2024	695	2,594	588	2,333	6,210

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9. Leases

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Office \$	Software \$	Total \$
Right-of-use assets			
Cost			
As at December 31, 2023	1,757	400	2,157
Additions	-	60	60
Rental benefit incentive received	(16)	-	(16)
Amortization expense	(210)	(188)	(398)
Lease cancellation	(45)	-	(45)
As at December 31, 2024	<u>1,486</u>	<u>272</u>	<u>1,758</u>

Lease liabilities

	2024 \$	2023 \$
As at January 1	3,147	2,183
Additions	-	1,389
Lease cancellation	(114)	(258)
Accretion of interest	214	171
Payments	(547)	(338)
As at December 31	<u>2,700</u>	<u>3,147</u>

The undiscounted contractual payments planned and required over the next years are as follows:

	\$
Year ended December 31:	
2025	674
2026	538
2027	470
2028	449
Thereafter	1,470

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The following are the amounts recognized in the consolidated statement of income:

	2024	2023
	\$	\$
Depreciation expense of right-of-use assets	398	346
Interest expense on lease liabilities	214	172
Variable lease payments not included in the measurement of the lease liabilities	670	723
Total amount recognized in the consolidated statement of income	<u>1,282</u>	<u>1,241</u>

The Group estimates that it will incur future charges relating to the payment of variable rents in the amount of \$4,480 during the lease term.

The Group has two lease contracts including extension options. These options are negotiated by management to provide flexibility in the management of the leased asset portfolio and to align with the Group's business needs. The undiscounted potential future rents relating to the periods following the exercise of the extension option dates not included in the term of the lease represent an amount of \$3,323.

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10. Segregated funds net assets

	2024	2023
	\$	\$
Net assets		
Investments		
Debt securities	37,469	37,526
Equity securities	5,656	5,833
Pooled funds	944,924	843,936
Cash and term deposits	3,314	6,687
Accrued investment income	186	169
Other	1,158	3,128
	<u>992,707</u>	<u>897,279</u>
Liabilities	2,012	2,366
Net assets	<u>990,695</u>	<u>894,913</u>

	2024	2023
	\$	\$
Change in net assets		
Net assets, beginning of year	894,913	855,544
Net contributions		
Contributions	138,264	111,188
Withdrawals	(148,732)	(132,561)
	<u>(10,468)</u>	<u>(21,373)</u>
Investment income		
Net fair value gains of investments	69,922	35,688
Interest and dividends	54,718	41,373
	<u>124,640</u>	<u>77,061</u>
Management and administrative fees	(18,390)	(16,319)
Net assets, end of year	<u>990,695</u>	<u>894,913</u>

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11. Insurance contract liabilities

The breakdown of portfolios of insurance contracts issued and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	2024			
	Assets \$	Liabilities \$	Segregated funds insurance contract liabilities \$	Net \$
Insurance contract issued				
Individual Insurance	-	552,436	-	552,436
Group insurance (includes both PAA and GMM)	-	68,784	-	68,784
Annuities and pensions	-	280,860	393,244	674,104
	-	902,080	393,244	1,295,324
Reinsurance contracts held				
Individual Insurance	187,781	-	-	187,781
Group insurance	49,885	-	-	49,885
	237,666	-	-	237,666
	2023			
	Assets \$	Liabilities \$	Segregated funds insurance contract liabilities \$	Net \$
Insurance contract issued				
Individual Insurance	-	554,727	-	554,727
Group insurance (includes both PAA and GMM)	-	70,068	-	70,068
Annuities and pensions	-	143,145	327,543	470,688
	-	767,940	327,543	1,095,483
Reinsurance contracts held				
Individual Insurance	189,468	-	-	189,468
Group insurance	51,244	-	-	51,244
	240,712	-	-	240,712

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The breakdown by segment of insurance contracts not measured under PAA issued and reinsurance contracts held by component is set out in the table below:

	2024					
	Estimates of the present value of future cash flows \$	Risk adjustment for non- financial risk \$	CSM			Total \$
Contracts under the fair value transition approach \$			Other contracts \$	Subtotal \$		
Insurance contract issued						
Individual insurance	378,252	107,140	62,968	4,076	67,044	552,436
Group insurance	2,470	27	-	-	-	2,497
Annuities and pensions	633,434	7,427	17,631	15,612	33,243	674,104
	1,014,156	114,594	80,599	19,688	100,287	1,229,037
Reinsurance contract held						
Individual insurance	128,230	53,827	31,234	(25,510)	5,724	187,781
	2023					
	Estimates of the present value of future cash flows \$	Risk adjustment for non- financial risk \$	CSM			Total \$
			Contracts under the fair value transition approach \$	Other contracts \$	Subtotal \$	
Insurance contract issued						
Individual insurance	387,017	97,801	68,178	1,731	69,909	554,727
Group insurance	2,507	27	-	-	-	2,534
Annuities and pensions	446,469	5,491	17,349	1,379	18,728	470,688
	835,993	103,319	85,527	3,110	88,637	1,027,949
Reinsurance contract held						
Individual insurance	120,956	50,194	32,755	(14,437)	18,318	189,468

The breakdown by segment of insurance contracts issued and reinsurance contracts held for the loss component and loss recovery component is set out in the table below:

	2024 \$	2023 \$
Loss component – Insurance contract issued		
Individual insurance	7,054	4,193
Group insurance	157	103
Annuities and pensions	3,867	1,493
	11,078	5,789
Loss recovery component – Reinsurance contract held		
Individual insurance	5,237	3,083

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Movements in insurance and reinsurance contract balances

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

The Group presents the roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims.

Insurance contracts issued – Analysis by remaining coverage and incurred claims

	2024						
	Liabilities for remaining coverage		Liabilities for incurred claims				Total
	Excluding loss component	Loss component	Contracts not under PAA	Contracts under PAA		Total	
Estimates of present value of future cash flows				Risk adjustment for non-financial risk			
	\$	\$	\$	\$	\$	\$	
Insurance contract at beginning of the year							
Liabilities	674,820	5,789	11,157	72,011	4,163	767,940	
Segregated funds insurance contract liabilities	327,543	-	-	-	-	327,543	
	1,002,363	5,789	11,157	72,011	4,163	1,095,483	
Insurance revenue							
Contracts under the fair value transition approach							
- Individual insurance	(52,533)	-	-	-	-	(52,533)	
- Group insurance	(180)	-	-	-	-	(180)	
- Annuities & pension insurance	(10,619)	-	-	-	-	(10,619)	
Other contracts							
- Individual insurance	(12,960)	-	-	-	-	(12,960)	
- Group insurance	(66,626)	-	-	-	-	(66,626)	
- Annuities & pension insurance	(4,003)	-	-	-	-	(4,003)	
	(146,921)					(146,921)	
Insurance service expenses							
Incurring claims and other insurance service expenses	-	(376)	55,439	76,886	858	132,807	
Amortization of insurance acquisition cash flows	8,045	-	-	-	-	8,045	
Losses on onerous contracts and reversal of those losses	-	5,298	-	-	-	5,298	
Changes to liabilities for incurred claims	-	-	932	(19,716)	(1,149)	(19,933)	
	8,045	4,922	56,371	57,170	(291)	126,217	
Investment components and premium refunds	(115,475)	-	116,153	(678)	-	-	
Insurance service result	(254,351)	4,922	172,524	56,492	(291)	(20,704)	
Finance expenses (income) from Liabilities	30,949	367	150	1,755	93	33,314	
Finance expenses (income) from Segregated funds net liabilities	62,254	-	-	-	-	62,254	
Total changes in the consolidated statements of income	(161,148)	5,289	172,674	58,247	(198)	74,864	
Cash flows							
Premiums received	393,854	-	-	-	-	393,854	
Claims and other insurance service expenses paid, including investment components	-	-	(170,950)	(59,320)	-	(230,270)	
Insurance acquisition cash flows	(38,607)	-	-	-	-	(38,607)	
	355,247		(170,950)	(59,320)		124,977	
Insurance contract at end of the year	1,196,462	11,078	12,881	70,938	3,965	1,295,324	
Liabilities	803,218	11,078	12,881	70,938	3,965	902,080	
Segregated funds insurance contract liabilities	393,244	-	-	-	-	393,244	
	1,196,462	11,078	12,881	70,938	3,965	1,295,324	

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	2023						
	Liabilities for remaining coverage		Liabilities for incurred claims				Total
	Excluding loss component	Loss component	Contracts not under PAA	Contracts under PAA		Total	
Estimates of present value of future cash flows				Risk adjustment for non-financial risk			
	\$	\$	\$	\$	\$	\$	
Insurance contract at beginning of the year							
Liabilities	608,493	2,505	12,065	75,313	4,026	702,402	
Segregated funds insurance contract liabilities	302,671	-	-	-	-	302,671	
	911,164	2,505	12,065	75,313	4,026	1,005,073	
Insurance revenue							
Contracts under the fair value transition approach							
- Individual insurance	(52,061)	-	-	-	-	(52,061)	
- Group insurance	(174)	-	-	-	-	(174)	
- Annuities & pension insurance	(11,267)	-	-	-	-	(11,267)	
Other contracts							
- Individual insurance	(6,459)	-	-	-	-	(6,459)	
- Group insurance	(63,463)	-	-	-	-	(63,463)	
- Annuities & pension insurance	(1,275)	-	-	-	-	(1,275)	
	(134,699)					(134,699)	
Insurance service expenses							
Incurring claims and other insurance service expenses	-	(191)	51,004	74,394	873	126,080	
Amortization of insurance acquisition cash flows	5,505	-	-	-	-	5,505	
Losses on onerous contracts and reversal of those losses	-	3,068	-	-	-	3,068	
Changes to liabilities for incurred claims	-	-	(66)	(21,314)	(909)	(22,289)	
	5,505	2,877	50,938	53,080	(36)	112,364	
Investment components and premium refunds	(99,493)	-	99,420	73	-	-	
Insurance service result	(228,687)	2,877	150,358	53,153	(36)	(22,335)	
Finance expenses (income) from Liabilities	53,175	407	-	3,482	181	57,245	
Finance expenses (income) from Segregated funds net liabilities	36,582	-	-	-	-	36,582	
Total changes in the consolidated statements of income	(138,930)	3,284	150,358	56,635	145	71,492	
Cash flows							
Premiums received	261,884	-	-	-	-	261,884	
Claims and other insurance service expenses paid, including investment components	-	-	(151,266)	(59,937)	(8)	(211,211)	
Insurance acquisition cash flows	(31,755)	-	-	-	-	(31,755)	
	230,129		(151,266)	(59,937)	(8)	18,918	
Insurance contract at end of the year	1,002,363	5,789	11,157	72,011	4,163	1,095,483	
Liabilities	674,820	5,789	11,157	72,011	4,163	767,940	
Segregated funds insurance contract liabilities	327,543	-	-	-	-	327,543	
	1,002,363	5,789	11,157	72,011	4,163	1,095,483	

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For contracts not measured under the PAA, the Group presents a roll-forward of the net asset or liability for insurance contracts showing estimates of the present value of future cash flows, risk adjustment and CSM.

Insurance contracts issued – Analysis by measurement component – Contracts not measured under the PAA

	2024					
	Estimates of the present value of future cash flows \$	Risk adjustment for non-financial risk \$	CSM			Total \$
Contracts under the fair value transition approach \$			Other contracts \$	Subtotal \$		
Insurance contract at beginning of the year						
Liabilities	508,450	103,319	85,527	3,110	88,637	700,406
Segregated funds insurance contract liabilities	327,543	-	-	-	-	327,543
	835,993	103,319	85,527	3,110	88,637	1,027,949
Changes that relate to current services						
CSM recognized for services provided	-	-	(9,517)	(1,636)	(11,153)	(11,153)
Change in risk adjustment for non-financial risk for risk expired	-	(7,169)	-	-	-	(7,169)
Experience adjustments	(1,661)	-	-	-	-	(1,661)
	(1,661)	(7,169)	(9,517)	(1,636)	(11,153)	(19,983)
Changes that relate to future services						
Contracts initially recognised in the year	(20,298)	17,456	-	7,869	7,869	5,027
Changes in estimates that adjust the CSM	(11,656)	(1,761)	3,238	10,179	13,417	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	1,022	(752)	-	-	-	270
	(30,932)	14,943	3,238	18,048	21,286	5,297
Changes that relate to past services						
Experience adjustments in claims and other insurance service expenses	375	558	-	-	-	933
Insurance service result	(32,218)	8,332	(6,279)	16,412	10,133	(13,753)
Finance expenses (income)	89,256	2,943	1,351	166	1,517	93,716
Total changes in the consolidated statements of income	57,038	11,275	(4,928)	16,578	11,650	79,963
Cash flows						
Premiums received	327,819	-	-	-	-	327,819
Claims and other insurance service expenses paid, including investment components	(170,926)	-	-	-	-	(170,926)
Insurance acquisition cash flows	(35,768)	-	-	-	-	(35,768)
	121,125	-	-	-	-	121,125
Insurance contract at end of the year	1,014,156	114,594	80,599	19,688	100,287	1,229,037
Liabilities	620,912	114,594	80,599	19,688	100,287	835,793
Segregated funds insurance contract liabilities	393,244	-	-	-	-	393,244
	1,014,156	114,594	80,599	19,688	100,287	1,229,037

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	2023					
	Estimates of the present value of future cash flows \$	Risk adjustment for non-financial risk \$	CSM			Total \$
Contracts under the fair value transition approach \$			Other contracts \$	Subtotal \$		
Insurance contract at beginning of the year						
Liabilities	447,973	88,440	92,838	2,061	94,899	631,312
Segregated funds insurance contract liabilities	302,671	-	-	-	-	302,671
	750,644	88,440	92,838	2,061	94,899	933,983
Changes that relate to current services						
CSM recognized for services provided	-	-	(9,925)	(267)	(10,192)	(10,192)
Change in risk adjustment for non-financial risk for risk expired	-	(6,744)	-	-	-	(6,744)
Experience adjustments	(576)	-	-	-	-	(576)
	(576)	(6,744)	(9,925)	(267)	(10,192)	(17,512)
Changes that relate to future services						
Contracts initially recognised in the year	(11,359)	14,316	-	1,074	1,074	4,031
Changes in estimates that adjust the CSM	(560)	(976)	1,361	175	1,536	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	(445)	(518)	-	-	-	(963)
	(12,364)	12,822	1,361	1,249	2,610	3,068
Changes that relate to past services						
Experience adjustments in claims and other insurance service expenses	-	(64)	-	-	-	(64)
Insurance service result	(12,940)	6,014	(8,564)	982	(7,582)	(14,508)
Finance expenses (income)	79,999	8,843	1,253	67	1,320	90,162
Total changes in the consolidated statements of income	67,059	14,857	(7,311)	1,049	(6,262)	75,654
Cash flows						
Premiums received	198,503	-	-	-	-	198,503
Claims and other insurance service expenses paid, including investment components	(151,285)	-	-	-	-	(151,285)
Insurance acquisition cash flows	(28,928)	-	-	-	-	(28,928)
	18,290	-	-	-	-	18,290
Other movements	-	22	-	-	-	22
Insurance contract at end of the year	835,993	103,319	85,527	3,110	88,637	1,027,949
Liabilities	508,450	103,319	85,527	3,110	88,637	700,406
Segregated funds insurance contract liabilities	327,543	-	-	-	-	327,543
	835,993	103,319	85,527	3,110	88,637	1,027,949

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The Group presents the roll-forward of the net asset or liability for reinsurance contracts held, showing the assets for remaining coverage and the assets for incurred claims.

Reinsurance contracts held – Analysis by remaining coverage and incurred claims

	2024					
	Assets for remaining coverage		Assets for incurred claims			Total
	Excluding loss-recovery component	Loss-recovery component	Contracts not under PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
\$	\$	\$	\$	\$	\$	
Reinsurance contract assets at beginning of the year	177,466	3,083	6,688	51,054	2,421	240,712
Allocation of reinsurance premiums paid	(38,158)	-	-	-	-	(38,158)
Amount recoverable from reinsurers						
Amounts recoverable for claims and other expenses incurred in the period	-	(163)	21,115	21,670	499	43,121
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	2,406	-	-	-	2,406
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	(13,429)	(682)	(14,111)
Reinsurance investment components	(441)	-	796	(355)	-	-
Net expenses from reinsurance contracts held	(38,599)	2,243	21,911	7,886	(183)	(6,742)
Finance income (expenses)	1,501	(89)	12	1,321	51	2,796
Total changes in the consolidated statements of income	(37,098)	2,154	21,923	9,207	(132)	(3,946)
Cash flows						
Premiums and similar expenses paid	33,116	-	-	-	-	33,116
Amounts received	-	-	(21,417)	(10,799)	-	(32,216)
	33,116	-	(21,417)	(10,799)	-	900
Reinsurance contract assets at end of the year	173,484	5,237	7,194	49,462	2,289	237,666

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	2023					
	Assets for remaining coverage		Assets for incurred claims			Total
	Excluding loss-recovery component	Loss-recovery component	Contracts not under PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
\$	\$	\$	\$	\$	\$	
Reinsurance contract assets at beginning of the year	167,557	1,740	7,008	52,308	2,175	230,788
Allocation of reinsurance premiums paid	(37,827)	-	-	-	-	(37,827)
Amount recoverable from reinsurers						
Amounts recoverable for claims and other expenses incurred in the period	-	(86)	19,018	22,959	544	42,435
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	1,543	-	-	-	1,543
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	(14,964)	(498)	(15,462)
Reinsurance investment components	(1,253)	-	972	281	-	-
Net expenses from reinsurance contracts held	(39,080)	1,457	19,990	8,276	46	(9,311)
Finance income (expenses)	15,573	(114)	-	2,495	102	18,056
Total changes in the consolidated statements of income	(23,507)	1,343	19,990	10,771	148	8,745
Cash flows						
Premiums and similar expenses paid	33,416	-	-	-	-	33,416
Amounts received	-	-	(20,310)	(12,025)	-	(32,335)
Other movements	-	-	-	-	98	98
	33,416	-	(20,310)	(12,025)	98	1,179
Reinsurance contract assets at end of the year	177,466	3,083	6,688	51,054	2,421	240,712

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Reinsurance contracts held – Analysis by measurement component – Contracts not measured under the PAA

For contracts not measured under the PAA, the Group presents a roll-forward of the net asset or liability for reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and CSM.

	2024					
	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM			Total
			Contracts under the fair value transition approach	Other contracts	Subtotal	
	\$	\$	\$	\$	\$	\$
Reinsurance contract assets at beginning of the year	120,956	50,194	32,755	(14,437)	18,318	189,468
Changes that relate to current services						
CSM recognized for services received	-	-	(3,206)	2,256	(950)	(950)
Change in risk adjustment for non-financial risk for risk expired	-	(3,750)	-	-	-	(3,750)
Experience adjustments	(807)	-	-	-	-	(807)
	(807)	(3,750)	(3,206)	2,256	(950)	(5,507)
Changes that relate to future services						
Contracts initially recognised in the period	7,823	7,152	-	(12,640)	(12,640)	2,335
Changes in estimates that adjust the CSM	(427)	(777)	987	217	1,204	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	621	(552)	-	-	-	69
	8,017	5,823	987	(12,423)	(11,436)	2,404
Net expenses from reinsurance contracts held	7,210	2,073	(2,219)	(10,167)	(12,386)	(3,103)
Finance income (expenses)	70	1,560	698	(906)	(208)	1,422
Total changes in the consolidated statements of income	7,280	3,633	(1,521)	(11,073)	(12,594)	(1,681)
Cash flows	(6)	-	-	-	-	(6)
Reinsurance contract assets at end of the year	128,230	53,827	31,234	(25,510)	5,724	187,781

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	2023					
	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM			Total
			Contracts under the fair value transition approach	Other contracts	Subtotal	
	\$	\$	\$	\$	\$	\$
Reinsurance contract assets at beginning of the year	106,631	43,685	34,167	(5,484)	28,683	178,999
Changes that relate to current services						
CSM recognized for services received	-	-	(3,286)	1,138	(2,148)	(2,148)
Change in risk adjustment for non-financial risk for risk expired	-	(3,816)	-	-	-	(3,816)
Experience adjustments	(326)	-	-	-	-	(326)
	(326)	(3,816)	(3,286)	1,138	(2,148)	(6,290)
Changes that relate to future services						
Contracts initially recognised in the period	4,970	6,331	-	(9,400)	(9,400)	1,901
Changes in estimates that adjust the CSM	(622)	(413)	1,256	(221)	1,035	-
Changes in estimates that relate to losses and reversal of losses on onerous underlying contracts	(50)	(311)	-	-	-	(361)
	4,298	5,607	1,256	(9,621)	(8,365)	1,540
Net expenses from reinsurance contracts held	3,972	1,791	(2,030)	(8,483)	(10,513)	(4,750)
Finance income (expenses)	10,635	4,675	618	(470)	148	15,458
Total changes in the consolidated statements of income	14,607	6,466	(1,412)	(8,953)	(10,365)	10,708
Cash flows	(282)	43	-	-	-	(239)
Reinsurance contract assets at end of the year	120,956	50,194	32,755	(14,437)	18,318	189,468

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New business

The following tables summarize the effect on the measurement components arising from the initial recognition of insurance contracts issued and reinsurance contracts held not measured under the PAA in the year.

Included in these tables is also the effect on the measurement components arising from the initial recognition of insurance contracts acquired during the transfer of a block of policies. In 2024, the Group completed the acquisition of a block of insurance policies in a transaction that did not meet the definition of a business combination. The block includes individual life insurance policies as well as a portfolio of segregated fund contracts (with guarantees). In consideration for the acquisition of these insurance contracts, the Group received \$11,000 in cash and \$5,700 in investments (segregated funds).

As of the transaction date, the acquired insurance liability for the segregated fund contracts included a present value of execution cash flows of \$6,300, a CSM of \$1,700, and a segregated fund net liability of \$5,700. For the individual insurance contracts, the insurance liability included a present value of execution cash flows of \$1,700 and a CSM of \$1,300.

Individual insurance contracts

	2024			2023		
	Contracts issued			Contracts issued		
	Profitable	Onerous	Total	Profitable	Onerous	Total
	\$	\$	\$	\$	\$	\$
Claims and other cash outflows	31,256	50,828	82,084	27,521	34,198	61,719
Insurance acquisition cash flows	10,946	15,630	26,576	10,435	14,871	25,306
Estimates of present value of cash outflows	42,202	66,458	108,660	37,956	49,069	87,025
Estimates of present value of cash inflows	(48,605)	(74,687)	(123,292)	(42,187)	(55,670)	(97,857)
Risk adjustment for non-financial risk	3,208	11,327	14,535	3,528	9,592	13,120
CSM	3,195	-	3,195	703	-	703
Losses recognised on initial recognition	-	3,098	3,098	-	2,991	2,991

Group insurance contracts

	2024			2023		
	Contracts issued			Contracts issued		
	Profitable	Onerous	Total	Profitable	Onerous	Total
	\$	\$	\$	\$	\$	\$
Claims and other cash outflows	-	24	24	-	22	22
Estimates of present value of cash outflows	-	24	24	-	22	22
Estimates of present value of cash inflows	-	(23)	(23)	-	(20)	(20)
CSM	-	-	-	-	-	-
Losses recognised on initial recognition	-	1	1	-	2	2

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Annuities and Pension insurance contracts

	2024			2023		
	Contracts issued			Contracts issued		
	Profitable	Onerous	Total	Profitable	Onerous	Total
	\$	\$	\$	\$	\$	\$
Claims and other cash outflows	-	35,564	35,564	-	17,679	17,679
Insurance acquisition cash flows	-	173	173	-	169	169
Estimates of present value of cash outflows	-	35,737	35,737	-	17,848	17,848
Estimates of present value of cash inflows	(6,693)	(34,710)	(41,403)	(1,132)	(17,245)	(18,377)
Risk adjustment for non-financial risk	2,019	901	2,920	761	435	1,196
CSM	4,674	-	4,674	371	-	371
Losses recognised on initial recognition	-	1,928	1,928	-	1,038	1,038

Individual reinsurance held

	Contracts initiated	Contracts initiated
	2024	2023
	\$	\$
Estimates of present value of cash outflows	38,910	33,157
Estimates of present value of cash inflows	(46,733)	(38,127)
Risk adjustment for non-financial risk	(7,152)	(6,331)
Income recognised on initial recognition	2,335	1,901
CSM	(12,640)	(9,400)

Expected recognition of CSM

The following table sets out when the Group expects to recognize the remaining CSM in the consolidated statement of income after the reporting date for contracts not measured under the PAA.

	2024				2023			
	Individual insurance	Group Insurance	Annuities and pension	Total	Individual insurance	Group Insurance	Annuities and pension	Total
Insurance contracts issued								
Under 1 year	6,087	-	193	6,280	6,310	-	198	6,508
1 to 5 years	19,629	-	666	20,295	20,661	-	665	21,326
5 to 10 years	16,379	-	597	16,976	17,210	-	609	17,819
Over 10 years	24,949	-	31,787	56,736	25,728	-	17,256	42,984
	67,044	-	33,243	100,287	69,909	-	18,728	88,637
Reinsurance contracts held								
Under 1 year	341	-	-	341	1,596	-	-	1,596
1 to 5 years	1,113	-	-	1,113	5,219	-	-	5,219
5 to 10 years	1,049	-	-	1,049	4,328	-	-	4,328
Over 10 years	3,221	-	-	3,221	7,175	-	-	7,175
	5,724	-	-	5,724	18,318	-	-	18,318

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Net financial result

The table below presents an analysis of total investment income and insurance finance result recognized in the consolidated statements of income in the period. Finance income (expenses) related to segregated funds liabilities represents finance expenses of \$62,254 for insurance contracts [\$36,582 in 2023] and finance expenses of \$62,386 for Investment contracts [\$40,479 in 2023].

	2024				
	Insurance related			Non-insurance related	Total
	Individual	Group	Annuities and Pension		
\$	\$	\$	\$	\$	
Investment income					
Interest revenue calculated using the effective interest method	1,223	-	147	4,670	6,040
Other interest and similar income	4,092	1,230	21,475	2,013	28,810
Net fair value gains on financial assets at FVPL	5,733	708	14,314	82	20,837
Net realized fair value gains on derecognition of financial assets measured at FVOCI	-	-	-	231	231
Amounts recognised in the consolidated statement of income	11,048	1,938	35,936	6,996	55,918
Finance income (expenses) from insurance contracts issued recognised in the consolidated statement of income					
Changes in fair value of underlying items in insurance contracts with direct participation features	(3,896)	-	(17,865)	-	(21,761)
Interest accreted	(11,763)	(2,104)	(2,950)	-	(16,817)
Effect of changes in interest rates and other financial assumptions	6,372	155	(1,263)	-	5,264
	(9,287)	(1,949)	(22,078)	-	(33,314)
Finance income (expenses) from reinsurance contracts held recognised in the consolidated statement of income					
Interest accreted	4,880	1,450	-	-	6,330
Effect of changes in interest rates and other financial assumptions	(3,456)	(78)	-	-	(3,534)
	1,424	1,372	-	-	2,796
Changes in investment contract liabilities	(396)	(554)	(9,572)	-	(10,522)
Net amounts recognised in the consolidated statement of income	2,789	807	4,286	6,996	14,878

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Investment income

Interest revenue calculated using the effective interest method
Other interest and similar income
Net fair value gains on financial assets at FVPL
Net realized fair value gains on derecognition of financial assets measured at FVOCI

	2023				
	Insurance related			Non-insurance related	Total
	Individual	Group	Annuities and Pension		
\$	\$	\$	\$	\$	
Interest revenue calculated using the effective interest method	1,620	-	78	4,509	6,207
Other interest and similar income	2,494	1,011	11,008	2,146	16,659
Net fair value gains on financial assets at FVPL	25,065	547	6,669	27	32,308
Net realized fair value gains on derecognition of financial assets measured at FVOCI	-	-	-	422	422
Amounts recognised in the consolidated statement of income	29,179	1,558	17,755	7,104	55,596
Finance income (expenses) from insurance contracts issued recognised in the consolidated statement of income					
Changes in fair value of underlying items in insurance contracts with direct participation features	(3,683)	-	(4,570)	-	(8,253)
Interest accreted	(10,102)	(2,939)	(2,186)	-	(15,227)
Effect of changes in interest rates and other financial assumptions	(28,902)	(869)	(3,994)	-	(33,765)
	(42,687)	(3,808)	(10,750)	-	(57,245)
Finance income (expenses) from reinsurance contracts held recognised in the consolidated statement of income					
Interest accreted	4,118	2,044	-	-	6,162
Effect of changes in interest rates and other financial assumptions	11,342	553	-	-	11,895
	15,460	2,597	-	-	18,057
Changes in investment contract liabilities	(353)	(536)	(3,961)	-	(4,850)
Net amounts recognised in the consolidated statement of income	1,599	(189)	3,044	7,104	11,558

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12. Investment contract liabilities and segregated funds investment contract liabilities

	2024	2023
	Carrying value	Carrying value
	\$	\$
Investment contract liabilities	209,039	151,902
Segregated funds investment contract liabilities	597,451	567,370
	806,490	719,272

	2024	2023
	\$	\$
Balance, beginning of period	719,272	666,801
Deposits	148,543	123,494
Interest	34,396	26,977
Withdrawals	(133,237)	(116,133)
Increase in fair value	37,516	18,133
Total investment contract liabilities and segregated funds investment contract liabilities	806,490	719,272

13. Insurance risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments, or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure the insurance risk related to the insurance contract liabilities is reduced.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The concentration of risk is managed by using reinsurance to limit the Group's risk in regard to each of its insured and in order to stabilize its results. Maximum amounts of benefits varying by activity sector are established for life and health insurance. The Group also possesses reinsurance treaties that cover financial losses related to multiple settlement requests that could occur following catastrophic events that would include multiple insureds.

Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying insurance contract liabilities and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. Each year, the Group ascertains that its reinsurers exceed the minimum capitalization required by the regulatory authorities.

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Insurance contracts issued and reinsurance contracts held

Life insurance contracts offered by the Group include individual whole life insurance, individual and group term insurance and individual and group annuities. The Group purchases reinsurance for their individual whole life insurance contracts and individual and group term insurance contracts.

Life insurance contracts are contracts for which the insurer receives premiums in exchange for benefits that will be paid at the death of the policyholder or lapse of the policy.

Annuity contracts are expressed in the form of an annuity payable at a specified age in exchange for premiums. If death occurs before retirement, contracts generally return the value of the fund accumulated for deferred annuities. Most contracts give the policyholder the option at retirement to take a cash sum amount or a guaranteed conversion rate allowing the policyholders the option of taking a payable annuity.

Single premiums annuities are products that pay a specified recurring payment to a policyholder. Payments are generally either fixed or increased each year at a specified rate or in line with the rate of inflation. Most contracts guarantee an income for a minimum period or are transferable to a spouse at a specified percentage, at the time of death.

Deferred annuities are contracts that bear a guaranteed interest rate usually for a period equal or less than five years. These contracts waive market value adjustment until death of the policyholder.

The main risks that the Group is exposed to are as follows:

- Mortality risk - risk of loss due to policyholder death experience being different than expected
- Morbidity risk - risk of loss due to policyholder health experience being different than expected
- Longevity risk - risk of loss due to the annuitant living longer than expected
- Investment return risk - risk of loss due to actual returns being different than expected
- Expense risk - risk of loss due to expense experience being higher than expected
- Policyholder decision risk - risk of loss due to policyholder decision (lapses and surrenders) being different than expected

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Sensitivities

The analysis that follows is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact (gross and net of reinsurance held) on CSM, profit and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, these had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

Change in assumptions	2024				
	Impact on CSM		Impact on profit and equity		
	Gross	Net	Gross	Net	
\$	\$	\$	\$	\$	
Assumptions					
Mortality – life insurance products	+ 2%	(9,896)	(2,579)	(902)	(438)
Mortality [longevity] – annuity products	- 2%	(550)	(550)	(11)	(11)
Morbidity	5% adverse	(571)	(402)	(610)	(151)
Expenses	+ 5%	(2,142)	(2,319)	(41)	95
Policy termination rates	10% adverse	(13,068)	(22,903)	492	2,217
Change in assumptions	2023				
	Impact on CSM		Impact on profit and equity		
	Gross	Net	Gross	Net	
\$	\$	\$	\$	\$	
Assumptions					
Mortality – life insurance products	+ 2%	(9,067)	(2,401)	23	(165)
Mortality [longevity] – annuity products	- 2%	(569)	(569)	62	62
Morbidity	5% adverse	(577)	(413)	(702)	(199)
Expenses	+ 5%	(1,813)	(1,917)	(63)	23
Policy termination rates	10% adverse	(11,990)	(19,760)	709	1,957

14. Other liabilities

	2024	2023
	\$	\$
Financial liabilities		
Suppliers	4,569	6,242
Other	4,145	3,163
	8,714	9,405
Non-financial liabilities		
Income tax	3,775	5,199
	12,489	14,604

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15. Employee benefit plans

Information about the Group's defined benefit pension plans is as follows:

	2024	2023
	\$	\$
Changes in defined benefit obligation		
Balance at beginning of year	68,689	61,388
Current service cost	1,236	1,092
Employees' contributions	588	614
Interest cost	3,156	3,141
Benefits paid	(3,796)	(2,992)
Actuarial losses (gains) resulting from experience adjustments	(50)	80
Actuarial losses (gains) resulting from changes in financial assumptions	(1,130)	5,366
Balance at end of year	68,693	68,689
Changes in plan assets		
Fair value at beginning of year	74,483	67,966
Employer's contributions	1,356	1,337
Employees' contributions	588	614
Return on plan assets	4,546	4,956
Benefits paid	(3,796)	(2,992)
Change in asset ceiling	(3,308)	2,745
Interest expense on asset ceiling	(8)	(143)
Fair value at end of year	73,861	74,483
The amounts recognized in the consolidated statement of financial position are as follows:		
	2024	2023
	\$	\$
Present value of the defined benefit obligations	68,693	68,689
Fair value of plan assets	(73,861)	(74,483)
Pension plan liability	(5,168)	(5,794)
Re-measurement effects recognized in other comprehensive income:		
	2024	2023
	\$	\$
Actuarial gains (losses) of defined benefit obligations		
Experience adjustments	50	(80)
Changes in financial assumption	1,130	(5,366)
Return on plan assets greater than discount rate	1,155	1,372
Change in asset ceiling	(3,308)	2,745
Total effect in other comprehensive income	(973)	(1,329)

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The Group's net pension plan expense is computed as follows:

	2024	2023
	\$	\$
Current service cost	1,236	1,092
Net interest on the defined benefit liability	(227)	(298)
	1,009	794

Employee benefit liability and asset on the consolidated statement of financial position comprises the following:

	2024	2023
	\$	\$
Group insurance benefits liability	692	579
Pension plan liability – defined benefit plan	245	299
	937	878
Pension plan asset – defined benefit plan	5,413	6,093

Plan members contribute 7.5% [7.5% in 2023] to their retirement plan. The Group makes the necessary residual contributions to the plans. The Group finances the plans in such a way as to constitute defined benefits according to the plan provisions. The value of these benefits was established by the latest actuarial valuation, dated December 31, 2024 for the Assumption Mutual Life Insurance Company Agent and Employee Pension Plan ["AML"]. The average remaining service periods of the active employees covered by the AML pension plan is 13.7 years [13.5 years in 2023]. The average remaining service periods of the active employees covered by the other retirement benefit plans are the same as for the pension plans.

The Group's best estimate of expected payments for the pension plans for the year ending December 31, 2025, is \$1,435.

The pension fund monies are invested in the following segregated funds:

	2024	2023
	\$	\$
Assumption Life Pension Plan Fund	76,021	73,485
Cash	1,350	1,192
Asset ceiling	(3,510)	(194)
	73,861	74,483

Assumption Life Pension Plan Fund

The Assumption Life Pension Plan Fund [the "Pension Plan Fund"] is a segregated fund established by Assumption Life. The overall objective of the Pension Plan Fund is to generate a net rate of return, after management fees, that is more than the annual increase in the Consumer Price Index, discounted at the average yearly compound rate over a period of four years.

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The Pension Plan Fund portfolio consists of a mix of:

	2024	2023
	%	%
Cash	0.6	0.6
Canadian bonds	44.1	43.6
Long bond overlay	1.8	2.0
Infrastructure private debt	11.7	10.2
Canadian equities	9.6	9.2
Foreign equities	11.7	12.2
Alternative investments	20.5	22.2

The Pension Plan Fund is eligible as a registered retirement savings plan under the *Income Tax Act of Canada*.

Actuarial assumptions utilized to determine the defined benefit obligation

	2024	2023
	%	%
Discount rate	4.7	4.6
Rate of compensation increase	3.25 to 3.75	3.25 to 3.75
Mortality rate	CPM2014, MI-2017	CPM2014, MI-2017

Sensitivity analysis

Valuation of the defined benefit obligation under the defined benefit plans is sensitive to the preceding actuarial assumptions. The following table summarizes the increase (decrease) on the defined benefit obligation at year end if a change of 1% in the actuarial assumptions arises.

	2024	
	+ 1%	- 1%
Discount rate	(9,926)	12,966
Rate of compensation	1,274	(1,178)
Mortality rate	(104)	105

Defined contribution plan

As of July 1, 2014, the Group stopped offering the defined benefit plan to new employees and is now offering a defined contribution plan providing pension benefits. The Group's contributions to the defined contribution plan are not included in the cost recognized for the defined benefit plans above. The total cost recognized for the Group's defined contribution plan is \$976 for the year ended December 31, 2024 [\$718 in 2023].

Notes to consolidated financial statements

[In thousands]

December 31, 2024

16. Taxes

Income tax expense in the consolidated statement of income consists of the following:

	2024	2023
	\$	\$
Current income taxes	8,026	5,336
Deferred income taxes	(4,682)	(3,567)
	3,344	1,769

The effective income tax rate in the consolidated statement of income differs from the Group's statutory tax rate, mainly as a result of the following:

	2024		2023	
	\$	%	\$	%
Income tax at statutory rate	4,129	27.2	2,669	27.2
Increase (decrease) in the tax rate resulting from:				
Non taxable investment income	(1,497)	(9.9)	(1,168)	(11.9)
Deferred tax asset valuation allowance	1,631	10.8	103	1.0
Reversal of deferred tax asset valuation allowance	(741)	(4.9)	-	-
Prior year adjustments	(198)	(1.3)	(19)	(0.2)
Other	20	0.1	184	1.9
	3,344	22.0	1,769	18.0

The Group's deferred tax assets (deferred tax liabilities) arise from the following items:

	2024	2023
	\$	\$
Insurance contracts	9,365	3,404
Mortgages	1,220	1,619
Ontario minimum tax credits carry forward	802	373
Unused tax losses	-	1,401
Other	-	(106)
Employee pension and other benefits	(829)	(1,752)
Property and equipment and intangible assets	(1,317)	(1,496)
Debt securities	(4,465)	(3,952)
	4,776	(509)
Deferred tax assets	5,357	1,306
Deferred tax liabilities	(581)	(1,815)
	4,776	(509)

As at December 31, 2024, the Group has accumulated unused tax losses for which no deferred tax assets have been recorded that amounts to \$5,212, due to the Group not believing it will be able to benefit from them in the foreseeable future. These unused tax losses expire from 2039 to 2044.

The unrecognized taxable temporary differences attributable to the Group's investment in its subsidiaries amount to \$1,300 [\$2,237 in 2023].

Notes to consolidated financial statements

[In thousands]

December 31, 2024

17. Additional information on the consolidated statements of cash flows

Cash flows related to operating activities include the following:

	2024	2023
	\$	\$
Interest received	14,854	11,617
Income taxes paid (received)	10,670	(3,843)
Dividends paid	285	497
Dividends received	14,895	6,777

Cash flows related to financing activities include the following:

	2024	2023
	\$	\$
Interest paid on lease liabilities	226	175

18. Contingencies

In its normal course of business, the Group is occasionally named as a defendant in legal proceedings. While it is not possible to anticipate the outcome of such proceedings, the Group does not expect that it will incur significant losses or need to commit significant amounts to such actions.

19. Commitment

As a member of Assuris, the Group incurs, and will likely incur in the future, certain costs in connection with the operations of Assuris. Assuris is responsible for indemnifying policyholders in the event that a life insurer's operations is wound up.

Assuris annually assesses life insurers on the basis of a five-year average of annual premiums and the assessments are charged to income in the year they are incurred. The Group has agreed to provide Assuris with a credit facility which can be drawn upon, at Assuris' option, should the need arise.

Notes to consolidated financial statements

[In thousands]

December 31, 2024

20. Insurance revenue

The table below presents an analysis of the total insurance revenue recognized in the year:

	2024			Total
	Individual insurance	Group Insurance	Annuities and pension	
	\$	\$	\$	\$
Contracts not measured under the PAA				
Amounts relating to the changes in liabilities for remaining coverage				
CSM recognised for services provided	6,331	-	4,822	11,153
Change in risk adjustment for non-financial risk for risk expired	6,733	3	433	7,169
Expected incurred claims and other insurance services expenses	45,748	177	9,341	55,266
Other	1,456	-	-	1,456
Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows	5,225	-	26	5,251
	65,493	180	14,622	80,295
Contracts measured under the PAA	-	66,626	-	66,626
	65,493	66,806	14,622	146,921

	2023			Total
	Individual insurance	Group Insurance	Annuities and pension	
	\$	\$	\$	\$
Contracts not measured under the PAA				
Amounts relating to the changes in liabilities for remaining coverage				
CSM recognised for services provided	6,657	-	3,535	10,192
Change in risk adjustment for non-financial risk for risk expired	6,300	3	441	6,744
Expected incurred claims and other insurance services expenses	41,258	171	8,553	49,982
Other	1,405	-	-	1,405
Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows	2,900	-	13	2,913
	58,520	174	12,542	71,236
Contracts measured under the PAA	-	63,463	-	63,463
	58,520	63,637	12,542	134,699

Notes to consolidated financial statements

[In thousands]

December 31, 2024

21. Interest revenue calculated using the effective interest method

	2024	2023
	\$	\$
Interest on other assets and invested assets measured at amortized cost	147	78
Interest on mortgages measured at amortized cost	965	968
Amortization on debt securities measured at amortized cost	2,483	2,364
Interest on debt securities mandatorily measured at FVOCI	2,445	2,797
	6,040	6,207

22. Net realized fair value gains on derecognition of financial assets measured at FVOCI

	2024	2023
	\$	\$
Debt securities		
Realized gains	231	459
Realized losses	-	(37)
	231	422

During the year 2024, the Group sold debt instruments measured at FVOCI with a principal value of \$2,000 [2023 – \$29,787]. As a result, \$231 [2023 – \$459] of unrealized gain and no [2023 - (\$37)] unrealized loss were transferred from other comprehensive income to the consolidated statement of income.

23. Net fair value gains on financial assets at FVPL

	2024	2023
	\$	\$
Net gain on financial assets mandatorily measured at FVPL		
Equity securities	15,551	5,714
Net gain on financial assets designated at FVPL		
Debt securities	1,631	24,859
Mortgages	3,655	1,735
	20,837	32,308

Notes to consolidated financial statements

[In thousands]

December 31, 2024

24. Other interest and similar income

	2024	2023
	\$	\$
Interest on cash and cash equivalents	2,173	1,228
Interest on debt securities designated at FVPL	2,473	851
Interest on mortgages designated at FVPL	9,242	7,937
Dividends on equity securities measured at FVPL	11,105	3,085
Dividends on equity securities designated at FVOCI	3,598	3,558
Dividends related to derecognized equity securities designated at FVOCI	219	-
	28,810	16,659

25. Expenses

The breakdown of insurance service expenses and administrative and other operating expenses is presented below:

	2024	2023
	\$	\$
Benefits and claims	85,642	79,152
Management fees	2,320	1,364
Commission expenses	40,048	33,431
Salaries and employee benefits expense	33,384	32,618
Depreciation on property and equipment	811	902
Amortization of intangible assets [note 8]	1,236	1,178
Amortization of right-of-use assets [note 9]	398	346
Professional and consultant fees	9,751	7,422
Other administrative expenses	11,515	10,789
Premium taxes	4,163	3,757
Investment expenses	941	843
Other operating expenses	200	-
	190,409	171,802
Amounts attributed to insurance acquisition cash flows incurred during the year	(49,276)	(41,624)
Losses on onerous contracts [note 11]	5,298	3,068
Amortization of insurance acquisition cash flows [note 11]	8,045	5,505
	154,476	138,751
	126,217	112,364
Administrative and other operating expenses	28,259	26,387
	154,476	138,751

Notes to consolidated financial statements

[In thousands]

December 31, 2024

26. Capital management

With regard to capital management, the Group ensures that equity is always sufficient to maintain the Group's security and stability. Furthermore, it ensures that the return on capital meets the expectations of policyholders entitled to share in the Group's profits. The Group also ensures compliance with the guidelines imposed by the Office of the Superintendent of Financial Institutions of Canada [OSFI] and regulated by the Financial and Consumer Services Commission of New Brunswick [FCNB].

Moreover, each year the valuation actuary projects the expected results of the Group according to its business plan. This analysis, called the Financial Conditioning Testing [FCT], is presented to the Board of Directors and filed with the regulatory authorities. The purpose of this analysis is to make sure the Group has enough capital to successfully go through the next few years and face unexpected outcomes.

This exercise considers many unfavorable scenarios in order to test the financial strength of the Group. Given the diversity of the Group's lines of business, this analysis shows that no element of exposure taken separately has any significant impact on its solvency. Also, the combination of these elements to different degrees does not jeopardize the solvency of the Group.

Regulatory requirements and solvency ratio

The regulatory authorities require life insurance companies in Canada to maintain a minimum capitalization ratio in order to carry on business activities. In reference to the guideline imposed by FCNB, who is aligned with OSFI for solvency ratio purposes, the Group maintains a ratio above the supervisory target total ratio of 100%. As of December 31, 2024, the Group's ratio is 165% [157% in 2023].

A ratio of 165% means that the Group has sufficient capitalization to face unexpected negative results of approximately \$123 million [\$99 million in 2023] while being able to meet the minimum requirement.

The table below shows the Group's solvency ratio:

	2024	2023
Available capital according to requirements	311,875	272,075
Required capital	188,589	172,899
Solvency ratio	165%	157%

Notes to consolidated financial statements

[In thousands]

December 31, 2024

27. Related party transactions

Compensation of key management personnel

Key management personnel of the Group includes all directors, and executives. Prior year comparatives were adjusted to remove the compensation of non-executives. The summary of compensation of key management personnel for the year is as follows:

	2024	2023
	\$	\$
Salaries, other short-term employment benefits and fees	4,317	3,600
Post employment pension benefits	211	172
	4,528	3,772

28. Comparative figures

Certain comparative figures in the notes to the consolidated financial statements have been reclassified to conform to the current year's presentation.

**ASSUMPTION MUTUAL LIFE
INSURANCE COMPANY**

770 Main Street / PO Box 160
Moncton, NB E1C 8L1

Phone: 506.853.6040
Toll-free: 1.800.455.7337



ATLANTIC HOLDINGS (1987) LTD.

770 Main Street
Moncton, NB E1C 8L1

Phone: 506.853.5420

LOUISBOURG INVESTMENTS INC.

230 Champlain St Suite 202
Dieppe, NB E1A 1P1

Site: placementslouisbourg.com
Phone: 1.888.608.7070

LAVVI

770 Main Street, Suite 404
Moncton, N-B E1C 8L1

Site: lavvi.com
Phone: 1.866.724.6200



Assumption Life

assumption.ca

