Condensed Consolidated Interim Financial Statements
(In Canadian dollars)

SAGEN MI CANADA INC.

Three months ended March 31, 2024 and 2023
(Unaudited)

SAGEN MI CANADA INC.

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SAGEN MI CANADA INC.

Condensed Consolidated Interim Statements of Financial Position
(In thousands of Canadian dollars)
(Unaudited)

	Notes	March 31, 2024	December 31, 2023 (Audited)
Assets			
Cash and cash equivalents[1]	5	$ 246,064	$ 451,745
Short-term investments	5	27,602	18,090
Accrued investment income and other receivables		97,160	87,030
Derivative financial instruments	5	133,834	175,943
Bonds and debentures	5	5,223,664	5,323,653
Private credit loans and alternative assets	5	161,073	135,618
Preferred shares	5	543,783	491,788
Total invested assets, accrued investment income and other receivables		6,433,180	6,683,867
Prepaid assets		4,972	5,342
Deferred tax asset		137,152	142,788
Investment in associate	10	44,855	39,335
Property and equipment		2,059	2,276
Right-of-use assets		5,210	4,930
Intangible assets		15,835	16,127
Goodwill		11,172	11,172
Total assets		$ 6,654,435	$ 6,905,837
Liabilities and Shareholders' Equity			
Liabilities:			
Accounts payable and accrued liabilities[1]		$ 114,310	$ 191,772
Income taxes payable		10,977	201,104
Insurance contract liabilities	4	2,503,532	2,562,603
Share-based compensation liabilities	7	19,466	22,386
Derivative financial instruments	5	156,895	132,700
Lease liabilities		7,225	6,994
Debt outstanding	8	920,842	920,614
Accrued net benefit liabilities under employee benefit plans		34,583	34,341
Total liabilities		3,767,830	4,072,514
Shareholders' equity:			
Common shares		725,656	725,656
Preferred shares		97,907	97,907
Retained earnings		2,149,568	2,105,613
Accumulated other comprehensive (loss) income:			
Insurance finance reserve		60,033	54,768
Fair value reserve		(146,087)	(150,686)
Other reserves	10	(472)	65
Total shareholders' equity		2,886,605	2,833,323
Total liabilities and shareholders' equity		$ 6,654,435	$ 6,905,837

[1]Cash and cash equivalents as at March 31, 2024 includes $56,930 (December 31, 2023 - $92,163) of collateral posted to the benefit of the Company from its derivative counterparties with a corresponding liability to return the collateral in accounts payable and accrued liabilities.

See accompanying notes to the condensed consolidated interim financial statements.

On behalf of the Board:

(signed) "Stuart Levings" Director

(signed) "Neil Parkinson" Director

SAGEN MI CANADA INC.

Condensed Consolidated Interim Statements of Income
(In thousands of Canadian dollars)
(Unaudited)

	Notes	Three months ended March 31, 2024	2023
Insurance revenue	4(a)	$ 191,766	$ 144,961
Insurance service expenses:			
Net losses on claims	4(b)	14,750	8,244
Insurance expenses		27,279	21,768
	4(b)	42,029	30,012
Insurance service result		149,737	114,949
Insurance finance expense		17,755	14,022
Other operating expenses		10,982	9,417
		121,000	91,510
Investment income:			
Interest	5	59,750	52,966
Dividends	5	7,187	6,639
Loss from associate	10	(1,429)	(122)
Net realized losses from sale of investments	5	(1,690)	(3,683)
Net fair value gains (losses) on financial assets at FVTPL		28,576	(1,355)
Net (losses) gains on derivatives and foreign exchange	5	(2,824)	1,567
Change in allowance for expected credit losses	5	(3,263)	(1,007)
Total investment income		86,307	55,005
General investment expenses		(2,131)	(2,868)
		84,176	52,137
Interest expense		9,795	8,525
Income before income taxes		195,381	135,122
Income taxes:			
Current		44,101	3,405
Deferred		5,975	30,519
		50,076	33,924
Net income for the period attributable to owners of the Company		$ 145,305	$ 101,198

See accompanying notes to the condensed consolidated interim financial statements.

SAGEN MI CANADA INC.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
(In thousands of Canadian dollars)
(Unaudited)

	Three months ended March 31,	
	2024	2023
Net income	$ 145,305	$ 101,198
Other comprehensive income:		
Items that may be reclassified subsequently to income:		
Insurance finance income	7,125	23,457
Expense for taxes on the above item	(1,860)	(6,122)
Insurance finance result	5,265	17,335
Foreign currency loss on translation	(537)	—
Foreign currency translation	(537)	—
Net change in fair value of bonds and debentures at FVOCI	(18,387)	72,042
Net losses on bonds and debentures at FVOCI realized and reclassified to income	2,259	4,698
Recovery of (Expense for) taxes on the above items	4,210	(20,030)
Debt instruments at FVOCI	(11,918)	56,710
Items that will not be reclassified subsequently to income:		
Net change in fair value of equity instruments designated as FVOCI	22,351	914
Expense for taxes on the above item	(5,834)	(239)
Equity instruments designated as FVOCI	16,517	675
Total other comprehensive income for the period attributable to owners of the Company	9,327	74,720
Total comprehensive income attributable to owners of the Company	$ 154,632	$ 175,918

See accompanying notes to the condensed consolidated interim financial statements.

SAGEN MI CANADA INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(In thousands of Canadian dollars, except per share amounts)
(Unaudited)

				Accumulated other comprehensive income (loss)			
Three months ended March 31, 2024	Common shares	Preferred shares	Retained earnings	Insurance finance reserve	Fair value reserve	Other reserves	Total shareholders' equity
Balance as at January 1, 2024	$725,656	$ 97,907	$2,105,613	$ 54,768	$(150,686)	$ 65	$ 2,833,323
Comprehensive income (loss):							
Net income	—	—	145,305	—	—	—	145,305
Other comprehensive income (loss)	—	—	—	5,265	4,599	(537)	9,327
Total comprehensive income (loss)	—	—	145,305	5,265	4,599	(537)	154,632
Total transactions recognized directly in equity:							
Dividends on common shares[1]	—	—	(100,000)	—	—	—	(100,000)
Dividends on preferred shares[2]	—	—	(1,350)	—	—	—	(1,350)
Total transactions recognized directly in equity	—	—	(101,350)	—	—	—	(101,350)
Balance as at March 31, 2024	$725,656	$ 97,907	$2,149,568	$ 60,033	$(146,087)	$ (472)	$ 2,886,605

[1]The Company paid ordinary dividends of $64 per Class A Common Share and special dividends of $34.46 per Class A Common Share in the first quarter of 2024.
[2]The Company paid dividends of $0.3375 per Series 1 Preferred Share in the first quarter of 2024.

SAGEN MI CANADA INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(In thousands of Canadian dollars, except per share amounts)
(Audited)

				Accumulated other comprehensive income (loss)			
Year ended December 31, 2023	Common shares	Preferred shares	Retained earnings	Insurance finance reserve	Fair value reserve	Other reserves	Total shareholders' equity
Balance as at January 1, 2023	$ 683,854	$ 97,907	$2,055,014	$ 93,406	$(281,840)	$ —	$ 2,648,341
Comprehensive income (loss):							
Net income	—	—	511,743	—	—	—	511,743
Other comprehensive income (loss)	—	—	—	(38,638)	131,154	(2,679)	89,837
Total comprehensive income (loss)	—	—	511,743	(38,638)	131,154	(2,679)	601,580
Total transactions recognized directly in equity:							
Dividends on common shares[1]	—	—	(453,000)	—	—	—	(453,000)
Dividends on preferred shares [2]	—	—	(5,400)	—	—	—	(5,400)
Issuance of common shares	20,901	—	—	—	—	—	20,901
Benefit from corporate reorganization	20,901	—	—	—	—	—	20,901
Re-measurement of employee benefit obligations	—	—	(2,744)	—	—	2,744	—
Total transactions recognized directly in equity	41,802	—	(461,144)	—	—	2,744	(416,598)
Balance as at December 31, 2023	$ 725,656	$ 97,907	$2,105,613	$ 54,768	$(150,686)	$ 65	$ 2,833,323

[1]The Company paid ordinary dividends of $64.38 per Class A Common Share in the second, third and fourth quarter of 2023 and special dividends of $255.55 per Class A Common Share in the fourth quarter of 2023.

[2]The Company paid dividends of $0.3375 per Series 1 Preferred Share in the first, second, third and the fourth quarter of 2023.

See accompanying notes to the condensed consolidated interim financial statements.

SAGEN MI CANADA INC.

Condensed Consolidated Interim Statements of Cash Flows
(In thousands of Canadian dollars)
(Unaudited)

	Notes	Three months ended March 31, 2024	2023
Cash generated from (used in):			
Operating activities:			
Net income		$ 145,305	$ 101,198
Adjustments for non-cash items in net income:			
Amortization of intangible assets and depreciation of property and equipment		1,696	1,652
Income taxes		50,076	33,924
Interest income		(59,750)	(52,966)
Dividend income		(7,187)	(6,639)
Loss from associate		1,429	122
Net realized losses on investments	5	1,690	3,683
Net fair value (gains) losses on financial assets at FVTPL		(28,576)	1,355
Net losses (gains) on derivatives and foreign exchange	5	2,824	(1,567)
Change in allowance for expected credit losses		3,263	1,007
Interest expense		9,795	8,525
Net share-based compensation expense	7	3,857	1,831
		124,422	92,125
Changes in operating assets and liabilities:			
Accrued investment income and other receivables		8,121	(19,765)
Prepaid assets		370	(290)
Accounts payable and accrued liabilities		(50,490)	(10,306)
Insurance contract liabilities		(51,947)	(45,736)
Accrued net benefit liabilities under employee benefit plans		242	276
		30,718	16,304
Cash (used in) generated from operating activities:			
Interest received from bonds and debentures		59,541	54,578
Dividends received from preferred shares		7,187	6,639
Interest and fees paid on debt outstanding		(12,895)	(13,048)
Income taxes paid		(237,087)	(814)
Share-based compensation awards settled in cash		(6,776)	(4,636)
Net cash (used in) generated from operating activities		**(159,312)**	**59,023**
Financing activities:			
Dividends paid		(101,350)	(1,350)
Payment of lease liabilities		(232)	(230)
Net cash used in financing activities		**(101,582)**	**(1,580)**
Investing activities:			
Purchase of short-term investments		(41,275)	(46,916)
Proceeds from sale or maturities of short-term investments		98,400	75,937
Purchase of bonds, private credit loans and alternative assets		(220,202)	(227,439)
Proceeds from sale or maturities of bonds, private credit loans and alternative assets		244,458	179,588
Purchase of preferred shares		(8,671)	(2,698)
Proceeds from sale of preferred shares		9,595	9,733
Purchase of intangible assets and property and equipment		(1,007)	(1,224)
Derivative financial instruments		(18,599)	(20,696)
Investment in associate		(7,486)	—
Net cash generated (used in) from investing activities		**55,213**	**(33,715)**
(Decrease) Increase in cash and cash equivalents		(205,681)	23,728
Cash and cash equivalents, beginning of period		451,745	256,595
Cash and cash equivalents, end of period		**$ 246,064**	**$ 280,323**

See accompanying notes to the condensed consolidated interim financial statements.

1. Reporting entity:

Sagen MI Canada Inc. (the "Company"), was incorporated under the *Canada Business Corporations Act* on May 25, 2009 and is domiciled in Canada. The share capital of the Company is comprised of Class A Common Shares and Class A Preferred Shares. Through Falcon Holding Acquisition Corporation, Brookfield Business Partners L.P. and institutional partners (collectively "Brookfield") indirectly own 100% of the Class A Common Shares of the Company. The Company's Class A Preferred Shares, Series 1 are traded publicly on the Toronto Stock Exchange under the symbol "MIC.PR.A". The Company's registered office is located at Suite 300, 2060 Winston Park Drive, Oakville, Ontario, L6H 5R7, Canada.

The Company holds a 100% ownership interest in the holding companies Sagen Holdings I Company ("Holdings I"), Sagen Holdings II Company ("Holdings II"), MIC Holdings L Company and Sagen International Holdings Inc ("SIHI"). Through Holdings I and Holdings II, the Company also holds an indirect 100% ownership interest in Sagen Mortgage Insurance Company Canada (the "Insurance Subsidiary"), which in turn directly owns all of the issued and outstanding shares of MIC Insurance Company Canada ("MICICC"). These condensed consolidated interim financial statements as at and for the three months ended March 31, 2024 reflect the consolidation of the Company and these subsidiaries. In addition to its interests in consolidated subsidiaries, the Company holds a 47.50% equity-accounted interest in India Mortgage Guarantee Corporation Private Limited ("IMGC") through the subsidiary SIHI.

The Insurance Subsidiary is engaged in mortgage insurance in Canada. Insurance premiums for mortgage insurance are received by the Company in full on an upfront, single premium basis.

Under a mortgage insurance policy, a mortgage lender is insured against risk of loss for the entire unpaid loan balance, plus interest and customary selling costs and expenses related to the sale of the property upon default by a mortgage borrower. Claims paid to the lender are net of the proceeds received from sale of the underlying property.

MICICC is licensed to service policies originated prior to its acquisition by the Company and does not have any policies in force as at March 31, 2024.

The Insurance Subsidiary and MICICC are regulated by the Office of the Superintendent of Financial Institutions Canada ("OSFI") as well as applicable provincial financial services regulators.

1. Reporting entity (continued):

The Insurance Subsidiary is also subject to regulation under the *Protection of Residential Mortgage or Hypothecary Insurance Act* ("PRMHIA"). Under the terms of PRMHIA, the Canadian federal government guarantees the benefits payable under eligible mortgage insurance policies issued by the Insurance Subsidiary, less 10% of the original principal amount of each insured loan, in the event that the Insurance Subsidiary fails to make claim payments with respect to that loan due to its bankruptcy or insolvency. The maximum outstanding insured exposure for all private insured mortgages, including those insured by other private mortgage insurance companies, under PRMHIA is $350 billion.

2. Basis of preparation:

(a) Statement of compliance:

These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standard ("IAS") 34: Interim Financial Reporting. Accordingly, the condensed consolidated interim financial statements contain selected explanatory notes to the financial statements and do not include all the disclosures required by International Financial Reporting Standards ("IFRS"). Full disclosures were included in the Company's annual consolidated financial statements as at and for the year ended December 31, 2023 and these unaudited condensed consolidated interim financial statements should be read in conjunction with those financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors on May 1, 2024.

(b) Use of estimates and judgments:

The preparation of these condensed consolidated interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of income and expenses during the period. Actual results may differ from these estimates. We have disclosed the Company's key judgments, estimates and assumptions in the Company's annual consolidated financial statements as at and for the year ended December 31, 2023. There were no significant changes in the Company's methodologies to determine these judgments, estimates and assumptions during the three months ended March 31, 2024.

2. Basis of preparation (continued):

(c) Seasonality:

The mortgage insurance business is seasonal in nature. Business volume and losses on claims may vary each quarter. These variations are driven by the level of mortgage originations and related mortgage policies written, which typically peak in the spring and summer months. Delinquencies and losses on claims vary from quarter to quarter primarily as the result of prevailing economic conditions as well as the characteristics of the insurance in-force portfolio, such as size and age. Typically, losses on claims increase during the winter months, primarily due to an increase in new delinquencies, and decrease during the spring and summer months.

3. Material accounting policies and changes in accounting standards:

(a) Amended standards, and interpretations effective January 1, 2024:

The accounting policies and methods of computation applied in the preparation of these condensed consolidated interim financial statements are the same as those described and followed in the preparation of the Company's annual consolidated financial statements as at and for the year ended December 31, 2023, except for the adoption of amendments to IFRS effective as of January 1, 2024. These amendments apply for the first time in 2024, but do not have an impact on the Company's condensed consolidated interim financial statements.

- Amendments to IAS 1: Presentation of financial statements - Classification of liabilities as current or non-current.
- Amendments to IFRS 16: Lease liability in a sale and leaseback.
- Amendments to IAS 1: Presentation of financial statements - Non-current liabilities with covenants.
- Amendments to IAS 7: Statement of cashflows and IFRS 7 Financial instruments: Disclosures - Supplier finance arrangements.

(b) Future accounting standards, amendments, and interpretations:

The Company has not early adopted any of the following standards, amendments or interpretations that have been issued by the International Accounting Standards Board (IASB) but are not yet effective in preparing these condensed consolidated interim financial statements:

Effective January 1, 2025:

- Amendments to IAS 21: The effects of changes in foreign exchange rates - Lack of exchangeability.

3. Material accounting policies and changes in accounting standards (continued):

Effective January 1, 2027:

- IFRS 18: Presentation and disclosure in financial statements (“IFRS 18”) - IFRS 18 was issued on April 9, 2024 and will replace IAS 1: Presentation of Financial Statements (“IAS 1”). It includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements

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

(c) Sustainability and climate-related reporting standards:

On June 26, 2023, the International Sustainability Standards Board (ISSB) issued its first two sustainability reporting standards. These standards are voluntary and are effective for annual reporting periods beginning on or after January 1, 2024:

- General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1), which is the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity’s value chain.

- Climate-related Disclosures (IFRS S2), which is the first thematic standard, and sets out requirements for entities to disclose information about climate-related risks and opportunities.

On March 13, 2024, the Canadian Sustainability Standards Board (CSSB) released two Exposure Drafts relating to its first "Proposed Canadian Sustainability Disclosure Standard (CSDS) 1: General Requirements for Disclosure of Sustainability-related Financial Information" and "Proposed CSDS 2: Climate-related Disclosures". These proposed standards aim to set a new benchmark for the disclosure of sustainability-related information to serve the public interest and upholding the quality of sustainability disclosure in Canada. Overall, the CSSB’s objective is to align the CSDS standards with the ISSB IFRS S1 and S2 except for modifications relating to a proposed effective date of January 1, 2025, and certain transition reliefs. Proposed CSDS 1 and 2 will remain voluntary until mandated by the appropriate authorities. These Exposure Drafts are open for feedback from the public until June 10, 2024.

The Company is currently assessing the impact of these sustainability reporting requirements.

4. Insurance contracts:

(a) Insurance revenue:

Insurance revenue is comprised of the following:

	Three months ended March 31,	
	2024	2023
Amounts relating to the changes in the liability for remaining coverage:		
Expected insurance service expenses incurred in the period[1]	$ 20,932	$ 17,818
Change in the risk adjustment for non-financial risk	23,373	27,122
Contractual service margin (CSM) recognized for services provided	127,013	84,142
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	20,448	15,879
Insurance revenue	$ 191,766	$ 144,961

[1]Expected insurance service expenses include future cash flows for expected losses on claims, claims handling expenses, and policy maintenance expenses.

(b) Insurance service expenses:

Insurance service expenses is comprised of the following:

	Three months ended March 31,	
	2024	2023
Net losses on claims	14,750	8,244
Incurred policy maintenance expenses	6,831	5,889
Amortization of insurance acquisition cash flows	20,448	15,879
Insurance service expenses	$ 42,029	$ 30,012

4. Insurance contracts (continued):

(c) Movements in carrying amounts - analysis by measurement component:

	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin		Total
			Fair value approach	All other contracts	
Insurance contract liabilities as at January 1, 2024	**$ 510,372**	**$ 634,829**	**$ 262,337**	**$ 1,155,065**	**$ 2,562,603**
Changes in the statement of income and statement of comprehensive income for the three months ended March 31, 2024:					
Changes that relate to current services:					
Contractual service margin recognized for services provided	—	—	(23,636)	(103,377)	(127,013)
Change in risk adjustment for non-financial risk recognized for the risk expired	—	(23,373)	—	—	(23,373)
Experience adjustments	4,288	—	—	—	4,288
Changes that relate to future services:					
Contracts initially recognized in the period	(74,357)	24,714	—	49,643	—
Changes in estimates that adjust the contractual service margin	13,805	(2,036)	12,512	(24,281)	—
Changes that relate to past services:					
Adjustments to liabilities for incurred claims	(4,190)	551	—	—	(3,639)
Insurance service result	(60,454)	(144)	(11,124)	(78,015)	(149,737)
Insurance finance expenses	(26)	1,553	1,194	7,909	10,630
Total changes in the statement of income and statement of comprehensive income for the three months ended March 31, 2024	**(60,480)**	**1,409**	**(9,930)**	**(70,106)**	**(139,107)**
Cash flows for the three months ended March 31, 2024:					
Premiums received	110,678	—	—	—	110,678
Claims and other expenses paid	(12,871)	—	—	—	(12,871)
Insurance acquisition cash flows	(17,771)	—	—	—	(17,771)
Total cash flows	**80,036**	**—**	**—**	**—**	**80,036**
Insurance contract liabilities as at March 31, 2024	**$ 529,928**	**$ 636,238**	**$ 252,407**	**$ 1,084,959**	**$ 2,503,532**

4. Insurance contracts (continued):

	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin		Total
			Fair value approach	All other contracts	
Insurance contract liabilities as at January 1, 2023	**$ 476,437**	**$ 792,643**	**$ 221,432**	**$ 1,086,454**	**$ 2,576,966**
Changes in the statement of income and statement of comprehensive income for the year ended December 31, 2023:					
Changes that relate to current services:					
Contractual service margin recognized for services provided	—	—	(102,811)	(379,635)	(482,446)
Change in risk adjustment recognized for the risk expired	—	(111,140)	—	—	(111,140)
Experience adjustments	(19,033)	—	—	—	(19,033)
Changes that relate to future services:					
Contracts initially recognized in the period	(412,538)	158,104	—	254,434	—
Changes in estimates that adjust the contractual service margin	(28,397)	(271,865)	139,656	160,606	—
Changes that relate to past services:					
Adjustments to liabilities for incurred claims	8,327	4,725	—	—	13,052
Insurance service result	(451,641)	(220,176)	36,845	35,405	(599,567)
Insurance finance expenses	30,130	62,362	4,060	33,206	129,758
Total changes in the statement of income and statement of comprehensive income for the year ended December 31, 2023	**(421,511)**	**(157,814)**	**40,905**	**68,611**	**(469,809)**
Cash flows for the year ended December 31, 2023:					
Premiums received	612,184	—	—	—	612,184
Claims and other expenses paid	(74,569)	—	—	—	(74,569)
Insurance acquisition cash flows	(82,169)	—	—	—	(82,169)
Total cash flows	**455,446**	**—**	**—**	**—**	**455,446**
Insurance contract liabilities as at December 31, 2023	**$ 510,372**	**$ 634,829**	**$ 262,337**	**$ 1,155,065**	**$ 2,562,603**

4. Insurance contracts (continued):

(d) Movements in carrying amounts - analysis by remaining coverage and incurred claims:

	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
Insurance contract liabilities as at January 1, 2024	**$ 2,521,008**	**$ —**	**$ 41,595**	**$ 2,562,603**
Changes in the statement of income and statement of comprehensive income for the three months ended March 31, 2024:				
Insurance revenue:				
Contracts under fair value approach	(35,193)	—	—	(35,193)
Contracts under full retrospective approach	(156,573)	—	—	(156,573)
Insurance service expenses:				
Incurred claims and other expenses	—	—	25,220	25,220
Changes to liability for incurred claims	—	—	(3,639)	(3,639)
Amortization of insurance acquisition cash flows	20,448	—	—	20,448
Insurance service result	(171,318)	—	21,581	(149,737)
Insurance finance expenses	10,535	—	95	10,630
Total changes in the statement of income and statement of comprehensive income for the three months ended March 31, 2024	**(160,783)**	**—**	**21,676**	**(139,107)**
Cash flows for the three months ended March 31, 2024:				
Premiums received	110,678	—	—	110,678
Claims and other expenses paid	—	—	(12,871)	(12,871)
Insurance acquisition cash flows	(17,771)	—	—	(17,771)
Total cash flows	**92,907**	**—**	**(12,871)**	**80,036**
Insurance contract liabilities as at March 31, 2024	**$ 2,453,132**	**$ —**	**$ 50,400**	**$ 2,503,532**

4. Insurance contracts (continued):

	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
Insurance contract liabilities as at January 1, 2023	**$ 2,523,362**	**$ —**	**$ 53,604**	**$ 2,576,966**
Changes in the statement of income and statement of comprehensive income for the year ended December 31, 2023:				
Insurance revenue:				
Contracts under fair value approach	(168,263)	—	—	(168,263)
Contracts under full retrospective approach	(561,947)	—	—	(561,947)
Insurance service expenses:				
Incurred claims and other expenses	—	—	48,888	48,888
Changes to liabilities for incurred claims	—	—	13,052	13,052
Amortization of insurance acquisition cash flows	68,703	—	—	68,703
Insurance service result:	(661,507)	—	61,940	(599,567)
Insurance finance expenses	129,138	—	620	129,758
Total changes in the statement of income and statement of comprehensive income for the year ended December 31, 2023	**(532,369)**	**—**	**62,560**	**(469,809)**
Cash flows:				
Premiums received	612,184	—	—	612,184
Claims and other expenses paid	—	—	(74,569)	(74,569)
Insurance acquisition cash flows	(82,169)	—	—	(82,169)
Total cash flows	**530,015**	**—**	**(74,569)**	**455,446**
Insurance contract liabilities as at December 31, 2023	**$ 2,521,008**	**$ —**	**$ 41,595**	**$ 2,562,603**

4. Insurance contracts (continued):

(e) Liability for incurred claims:

Liability for incurred claims is compromised of the following:

	March 31, 2024	December 31, 2023
Case reserves	$ 45,201	$ 41,556
IBNR reserves	21,106	18,339
Borrower recoveries	(10,291)	(10,428)
Subrogation rights related to real estate	(14,147)	(15,921)
Claim handling expenses	2,604	2,362
Discounting	(1,154)	(798)
Risk adjustment	7,081	6,485
Liability for incurred claims	$ 50,400	$ 41,595

5. Investments:

The Company's invested assets are presented in the table below:

	March 31, 2024			
	Carrying value	Amortized cost	Unrealized gain (loss)	% total carrying value
Cash and cash equivalents:				
Canadian federal government treasury bills	$ 54,022	$ 54,053	$ (31)	0.9
Cash[1]	192,042	192,042	—	3.1
	246,064	246,095	(31)	4.0
Investments carried at amortized cost:				
Private credit loans	101,245	101,245	—	1.6
Investments carried at fair value:				
Short-term investments:				
Canadian federal government treasury bills	27,602	27,619	(17)	0.4
Alternative assets[2]	54,071	54,071	—	0.9
Private credit loans	5,757	5,547	210	0.1
Government bonds and debentures:				
Canadian federal government	1,346,402	1,411,457	(65,055)	21.7
Canadian provincial and municipal governments[3]	642,253	670,359	(28,106)	10.4
Total government bonds and debentures	1,988,655	2,081,816	(93,161)	32.1
Corporate bonds and debentures:				
Financial	590,206	611,836	(21,630)	9.5
Utility	473,963	494,636	(20,673)	7.6
Energy	302,918	313,702	(10,784)	4.9
Infrastructure	104,568	110,675	(6,107)	1.7
All other sectors	806,578	841,979	(35,401)	13.0
	2,278,233	2,372,828	(94,595)	36.7
Collateralized loan obligations	956,776	958,433	(1,657)	15.4
Total bonds and debentures	5,223,664	5,413,077	(189,413)	84.2
Preferred shares:				
Financial	348,978	359,383	(10,405)	5.6
Utility	105,279	113,438	(8,159)	1.7
Energy	71,448	71,483	(35)	1.2
All other sectors	18,078	16,698	1,380	0.3
	543,783	561,002	(17,219)	8.8
Total investments	$ 6,202,186	$ 6,408,656	$ (206,470)	100.0

[1] As at March 31, 2024, cash includes $56,930 of collateral posted to the benefit of the Company from its derivative counterparties with a corresponding liability to return the collateral in accounts payable and accrued liabilities.

[2] As at March 31, 2024, alternative assets is comprised of an investment in the Brookfield Infrastructure Debt Fund III ("BID III"), which is a vehicle for debt investments in high quality infrastructure assets. The Company has committed to an investment of $75 million USD in BID III.

[3] As at March 31, 2024, the Company had posted collateral of $7,099 for the benefit of the Company's counterparties to its derivative financial instrument contracts.

5. Investments (continued):

	December 31, 2023			
	Carrying value	Amortized cost	Unrealized gain (loss)	% total carrying value
Cash and cash equivalents:				
Canadian federal government treasury bills	$ 259,390	$ 259,508	$ (118)	4.0
Cash[1]	192,355	192,355	—	3.0
	451,745	451,863	(118)	7.0
Investments carried at amortized cost:				
Private credit loans	81,644	81,644	—	1.3
Investments carried at fair value:				
Short-term investments:				
Canadian federal government treasury bills	18,090	18,099	(9)	0.3
Alternative assets[2]	48,327	48,327	—	0.7
Private credit loans	5,647	5,427	220	0.1
Government bonds and debentures:				
Canadian federal government	1,423,397	1,480,740	(57,343)	22.2
Canadian provincial and municipal governments	663,844	680,486	(16,642)	10.3
Total government bonds and debentures	2,087,241	2,161,226	(73,985)	32.5
Corporate bonds and debentures:				
Financial	591,327	613,724	(22,397)	9.2
Utility	484,185	503,297	(19,112)	7.5
Energy	295,922	306,309	(10,387)	4.6
Infrastructure	105,788	110,856	(5,068)	1.7
All other sectors	817,788	850,447	(32,659)	12.7
	2,295,010	2,384,633	(89,623)	35.7
Collateralized loan obligations	941,402	949,492	(8,090)	14.7
Total bonds and debentures	5,323,653	5,495,351	(171,698)	82.9
Preferred shares:				
Financial	313,872	361,668	(47,796)	4.9
Utility	101,019	115,224	(14,205)	1.6
Energy	59,715	66,661	(6,946)	0.9
All other sectors	17,182	16,698	484	0.3
	491,788	560,251	(68,463)	7.7
Total investments	$ 6,420,894	$ 6,660,962	$ (240,068)	100.0

[1] Cash and cash equivalents include $92,163 of collateral posted to the benefit of the Company from its derivative counterparties with a corresponding liability to return the collateral in accounts payable and accrued liabilities.

[2] As at December 31, 2023, alternative assets is comprised of an investment in the Brookfield Infrastructure Debt Fund III ("BID III"), which is a vehicle for debt investments in high quality infrastructure assets. The Company has committed to an investment of $75 million USD in BID III.

5. Investments (continued):

The following table provides a breakdown of financial instruments based on their classification:

	For the period ended and as at March 31, 2024						
	Carrying value (fair value)			Carrying value			
	Financial instruments mandatorily classified as FVTPL	Financial instrument classified as FVOCI	Financial instruments optionally designated as FVOCI	Financial instruments measured at Amortized cost	Total carrying amount	Total Amortized Cost	Unrealized gain (loss)
Financial Assets:							
Cash and cash equivalents	$ —	$ 54,022	$ —	$ 192,042	$ 246,064	$ 246,095	$ (31)
Bonds and debentures	31,492	5,192,172	—	—	5,223,664	5,413,077	(189,413)
Alternative assets	54,071	—	—	—	54,071	54,071	—
Private credit loans	5,757	—	—	101,245	107,002	106,792	210
Short-term investments	—	27,602	—	—	27,602	27,619	(17)
Preferred shares[(1)]	193,867	—	349,916	—	543,783	561,002	(17,219)
Derivative financial instruments	133,834	—	—	—	133,834	—	133,834
Accrued investment income and other receivables	—	—	—	97,160	97,160	97,160	—
Total financial assets	419,021	5,273,796	349,916	390,447	6,433,180	6,505,816	(72,636)
Financial liabilities:							
Account payable and accrued liabilities	—	—	—	114,310	114,310	114,310	—
Derivative financial instruments	156,895	—	—	—	156,895	—	156,895
Debt outstanding	—	—	—	920,842	920,842	920,842	—
Total financial liabilities	$ 156,895	$ —	$ —	$ 1,035,152	$ 1,192,047	$ 1,035,152	$ 156,895

[(1)] The Company elected to designate preferred shares without a non-viable contingency clause at FVOCI to reduce volatility in the statement of income from the fluctuation of market prices of the preferred shares. Preferred shares with a non-viable contingency clause do not qualify for the OCI election.

5. Investments (continued):

	For the period ended December 31, 2023						
	Carrying value (fair value)			Carrying value			
	Financial instruments mandatorily classified as FVTPL	Financial instrument classified as FVOCI	Financial instruments optionally designated as FVOCI	Financial instruments measured at Amortized cost	Total carrying amount	Total Amortized Cost	Unrealized gain (loss)
Financial Assets:							
Cash and cash equivalents	$ —	$ 259,390	$ —	$ 192,355	$ 451,745	$ 451,863	$ (118)
Bonds and debentures	30,347	5,293,306	—	—	5,323,653	5,495,351	(171,698)
Alternative assets	48,327	—	—	—	48,327	48,327	—
Private credit loans	5,647	—	—	81,644	87,291	87,071	220
Short-term investments	—	18,090	—	—	18,090	18,099	(9)
Preferred shares[(1)]	167,287	—	324,501	—	491,788	560,251	(68,463)
Derivative financial instruments	175,943	—	—	—	175,943	—	175,943
Accrued investment income and other receivables	—	—	—	87,030	87,030	87,030	—
Total financial assets	427,551	5,570,786	324,501	361,029	6,683,867	6,747,992	(64,125)
Financial liabilities:							
Account payable and accrued liabilities	—	—	—	191,772	191,772	191,772	—
Derivative financial instruments	132,700	—	—	—	132,700	—	132,700
Debt outstanding	—	—	—	920,614	920,614	920,614	—
Total financial liabilities	$ 132,700	$ —	$ —	$ 1,112,386	$ 1,245,086	$ 1,112,386	$ 132,700

[(1)] The Company elected to designate preferred shares without a non-viable contingency clause at FVOCI to reduce volatility in the statement of income from the fluctuation of market prices of the preferred shares. Preferred shares with a non-viable contingency clause do not qualify for the OCI election.

5. Investments (continued):

The carrying value of short-term investments, bonds and debentures, alternative assets and private credit loans, are shown by contractual maturity of the investment[(1)].

	March 31, 2024	December 31, 2023
Terms to maturity:		
Federal, provincial, municipal bonds and debentures, and short-term investments:		
1 year or less	$ 275,225	$ 226,460
1–3 years	903,254	981,634
3–5 years	257,832	293,285
5–10 years	430,514	447,270
Over 10 years	149,432	156,682
	2,016,257	2,105,331
Corporate bonds and debentures and collateralized loan obligations:		
1 year or less	275,819	263,285
1–3 years	773,030	664,725
3–5 years	1,050,875	1,030,207
5–10 years	1,018,713	1,166,314
Over 10 years	116,572	111,881
	3,235,009	3,236,412
Private credit loans and alternative assets:		
1 year or less	16,518	10,312
1–3 years	18,795	23,579
3–5 years	33,020	26,220
5–10 years	20,705	9,346
Over 10 years	72,035	66,161
	161,073	135,618
	$ 5,412,339	$ 5,477,361

[(1)]Certain bonds and collateralized loan obligations have prepayment features that may cause actual maturities to be shorter than contractual maturities.

5. Investments (continued):

(a) Investments denominated in foreign currencies:

Collateralized Loan Obligations ("CLOs") of $956,776 (December 31, 2023 - $941,402) are denominated in U.S. dollars. The CLOs are structured credit securities, collateralized by U.S. bank loans with majority AAA credit ratings, that pay interest based on floating interest rates indexed to the Secured Overnight Financing Rate ("SOFR"). Corporate bonds and debentures includes $462,595 (December 31, 2023 - $461,073) of emerging market bonds, $267,264 of global bonds (December 31, 2023 - $265,691), $276,061 of high-yield bonds (December 31, 2023 - $270,032), $54,071 of alternative assets (December 31, 2023 - $48,327) and $92,392 (December 31, 2023 - $72,674) of private credit loans denominated in U.S. dollars and $14,610 of private credit loans (December 31, 2023 -$14,617) denominated in Euro.

Re-measurement adjustments arising on translation of the investments from U.S. dollars into Canadian dollars are recognized in net gains or losses on derivatives and foreign exchange in the condensed consolidated interim statements of income.

(b) Investment expected credit loss assessment:

The following table reconciles the opening and closing allowance for expected credit losses for debt securities at FVOCI and amortized cost by stage. Reconciling items include the following:

- Transfers between stages, which are presumed to occur before any corresponding remeasurement of the allowance.

- Purchases and originations, which reflect the allowance related to assets newly recognized during the period.

- Derecognitions and maturities, which reflect the allowance related to assets derecognized during the period.

- Remeasurements, which comprise the impact of changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions and partial repayments; changes in the measurement following a transfer between stages; and unwinding of the time value discount due to the passage of time.

During the three months ended March 31, 2024 and 2023, there were no significant changes to the models used to estimate expected credit losses.

5. Investments (continued):

Allowance for credit losses	Three months ended March 31, 2024			
	Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of period	$ 6,535	$ 2,190	$ —	$ 8,725
Provision for credit losses				
Transfer into (out of) to Stage 1	(28)	—	—	(28)
Transfer into (out of) to Stage 2	—	28	—	28
Transfer into (out of) to Stage 3	—	—	—	—
Purchase and originations	1,754		—	1,754
Derecognitions and maturities	(830)	(467)	—	(1,297)
Remeasurements	931	457	—	1,388
Balance at end of period	$ 8,362	$ 2,208	$ —	$ 10,570

Allowance for credit losses	For the period ended December 31, 2023			
	Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of period	$ 6,468	$ 2,213	$ —	$ 8,681
Provision for credit losses				
Transfer into (out of) to Stage 1	414	—	—	414
Transfer into (out of) to Stage 2	—	(414)	—	(414)
Transfer into (out of) to Stage 3	—	—	—	—
Purchase and originations	2,057	—	—	2,057
Derecognitions and maturities	(1,381)	(983)	—	(2,364)
Remeasurements	(1,023)	1,374	—	351
Balance at end of period	$ 6,535	$ 2,190	$ —	$ 8,725

5. Investments (continued):

(c) Derivative financial instruments:

Derivative financial instruments are used by the Company for economic hedging purposes, hedge accounting, and for the purpose of modifying the risk profile of the Company's investment portfolio, subject to exposure limits specified within the Company's investment policy guidelines, which have been approved by the Board of Directors.

The Company uses derivative financial instruments in the form of foreign currency forwards and cross currency interest rate swaps to mitigate foreign currency risk associated with financial instruments denominated in U.S. dollars. Foreign currency forwards and cross currency interest rate swaps are contractual obligations to exchange one currency for another at a predetermined future date.

The Company uses both fixed-for-floating and floating-for-fixed interest rate swaps in conjunction with management of interest rate risk related to its fixed income investments. The fixed-for-floating interest rate swaps are derivative financial instruments in which the Company and its counterparty agree to exchange interest rate cash flows based on a specified notional amount from a fixed rate to a floating rate. The floating-for-fixed interest rate swaps are derivative financial instruments in which the Company and its counterparty agree to exchange interest rate cash flows based on a specified notional amount from a floating rate to a fixed rate.

5. Investments (continued):

The following table shows the fair value and notional amounts of the derivatives by terms of maturity:

				Notional amount				
March 31, 2024	Derivative asset	Derivative liability	Net fair value	1 year or less	1–3 years	3–5 years	Over 5 years	Total
Fair value through profit or loss:								
Foreign currency forwards	$ 3,008	$ (21,164)	$ (18,156)	1,781,028	100,647	58,705	123,162	2,063,542
Cross currency interest rate swaps	2,706	(5,351)	(2,645)	27,736	77,544	17,426	98,488	221,194
Interest rate swaps	128,120	(130,380)	(2,260)	3,000,000	1,000,000	4,000,000	—	8,000,000
Total	$ 133,834	$ (156,895)	$ (23,061)	4,808,764	1,178,191	4,076,131	221,650	10,284,736

				Notional amount				
December 31 2023	Derivative asset	Derivative liability	Net fair value	1 year or less	1–3 years	3–5 years	Over 5 years	Total
Fair value through profit or loss:								
Foreign currency forwards	$ 57,772	$ (12,144)	$ 45,628	1,777,168	112,451	53,193	128,673	2,071,485
Cross currency interest rate swaps	1,971	(1,829)	142	24,174	73,278	31,981	98,488	227,921
Interest rate swaps	116,200	(118,727)	(2,527)	—	4,000,000	4,000,000	—	8,000,000
Total	$ 175,943	$ (132,700)	$ 43,243	1,801,342	4,185,729	4,085,174	227,161	10,299,406

5. Investments (continued):

Net gains (losses) on derivatives and foreign exchange in the condensed consolidated interim statements of income consist of the following amounts:

	Three months ended March 31	
	2024	2023
Unrealized foreign exchange gains (losses) on bonds and debentures denominated in U.S. dollars	$ 40,697	$ (7,374)
Unrealized (losses) gains on foreign currency forward and cross currency interest rate swap contracts[(1)]	(49,689)	4,811
Realized foreign exchange gains	6,186	4,185
Net (losses) gains on foreign exchange	(2,806)	1,622
Losses on interest rate swap contracts	(18)	(55)
Net (losses) gains on derivatives and foreign exchange	$ (2,824)	$ 1,567

[(1)]Includes net realized interest rate swap expense related to contractual cash flows of $274 (March 31, 2023 - net realized expense of $271).

The Company enters into collateral arrangements with its derivative counterparties that require the posting of collateral to its derivative financial instruments upon certain net exposure thresholds being met. As at March 31, 2024, the Company had posted $7,099 collateral in the form of provincial government bonds, and accepted collateral of $145,686 from its counterparties consisting of $56,930 cash and $88,756 provincial government bonds. As at December 31, 2023, the Company has accepted collateral of $205,532 from its counterparties consisting of $92,163 cash, $110,475 provincial government bonds and $2,894 in federal government bonds.

Cash received from counterparties as collateral for derivative contracts is recognized within cash and cash equivalents, with a corresponding liability recognized within accounts payable and accrued liabilities on the condensed consolidated interim statements of financial position. Securities received from counterparties as collateral are not recorded as assets. Securities delivered to counterparties as collateral for derivative financial instruments continue to be reflected as investment assets on the condensed consolidated interim statements of financial position. The Company does not currently pledge cash to its counterparties as collateral for derivative contracts.

5. Investments (continued):

(d) Securities lending:

The Company loaned the following investments under its securities lending program:

		March 31, 2024		December 31, 2023
Cash equivalents	$	—	$	3,180
Short-term investments		8,646		1,307
Bonds and debentures		486,058		756,818
Preferred shares		14,285		14,402
	$	508,989	$	775,707

As at March 31, 2024, the Company has accepted eligible securities as collateral with a fair value of $538,479 (December 31, 2023 - $817,473).

(e) Fair value measurements:

Fair value measurements are based on a three-level fair value hierarchy based on inputs used in estimating the fair value of financial instruments. The hierarchy of inputs is summarized below:

- Level 1 – inputs used to value the financial instruments are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs used to value the financial instruments are other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3 – inputs used to value the financial instruments are not based on observable market data.

5. Investments (continued):

The following tables set forth the classification of financial instruments carried at fair value based on the fair value hierarchy: Financial instruments carried at amortized cost have been excluded from these tables.

March 31, 2024	Level 1	Level 2	Level 3	Total
Bonds and debentures	$ —	$ 5,223,664	$ —	$ 5,223,664
Alternative assets	—	—	54,071	54,071
Private credit loans	—	5,757	—	5,757
Preferred shares	543,783	—	—	543,783
Short-term investments	27,602	—	—	27,602
Derivative financial instruments assets	—	133,834	—	133,834
Derivative financial instruments liabilities	—	(156,895)	—	(156,895)
	$ 571,385	$ 5,206,360	$ 54,071	$ 5,831,816

December 31, 2023	Level 1	Level 2	Level 3	Total
Bonds and debentures	$ —	$ 5,323,653	$ —	$ 5,323,653
Alternative assets	—	—	48,327	48,327
Private credit loans	—	5,647	—	5,647
Preferred shares	491,788	—	—	491,788
Short-term investments	18,090	—	—	18,090
Derivative financial instruments assets	—	175,943	—	175,943
Derivative financial instruments liabilities	—	(132,700)	—	(132,700)
	$ 509,878	$ 5,372,543	$ 48,327	$ 5,930,748

The Company reviews the fair value hierarchy classifications each reporting period. Changes in the valuation attributes may result in a reclassification of certain financial assets or liabilities. Such reclassifications are reported as transfers between levels at the beginning fair value for the reporting period in which the changes occur. Given the nature of the Company's invested assets, the Company does not typically have any transfers between the levels within the fair value hierarchy, and there were no such transfers during the three months ended March 31, 2024, and the year ended December 31, 2023.

5. Investments (continued):

The following table presents a reconciliation of fair value measurements of Level 3 financial assets as at March 31, 2024 and December 31, 2023:

Alternative assets	March 31, 2024	December 31, 2023
Balance, beginning of the period	$ 48,327	$ —
Total gains recognized in income	107	141
Purchases	8,930	54,134
Paydowns	(4,253)	(5,828)
Foreign exchange rate differences	960	(120)
Balance, end of the period	$ 54,071	$ 48,327

Valuation of Level 2 financial instruments:

Fair values of bonds and debentures, including CLOs, are obtained primarily from industry-standard pricing services and third-party brokers utilizing market observable inputs. Fair value is assessed by analyzing available market information through processes such as benchmark curves, benchmarking of like securities and quotes from market participants.

Observable information is compiled and integrates relevant credit information, interest rates of the underlying investment, perceived market movements and sector news. Market indicators, industry and economic events are also monitored as triggers to obtain additional data. The primary inputs used in determining fair value of bonds and debentures are interest rate curves and credit spreads.

Derivative financial instruments are non-exchange traded foreign currency forwards, cross currency interest rate swaps, and interest rate swaps. The value of these derivative financial instruments is determined using an income approach in which future cash flows expected from the contracts are discounted to reflect the current value of the derivative financial instruments.

5. Investments (continued):

The following table describes the primary inputs used in valuing the Company's derivative financial instruments:

Derivative financial instrument	Primary inputs
Foreign currency forwards and cross currency interest rate swaps	Interest rate yield curves and foreign currency exchange rates
Interest rate swaps	Interest rate yield curves

Valuation of Level 3 financial instruments:

Level 3 financial assets are alternative assets comprising an investment in BID III (the "Fund"), a vehicle for debt investments in high quality infrastructure assets. 90% of Sagen’s investment in the Fund consists of secured fixed rate notes and 10% consists of a residual equity interest in the form of certificates. The fair value of Sagen’s investment is based on the amortized cost of the notes and the fair value of the equity certificates, which is determined based on the Fund’s performance against a target return. The target return is based on market transactions of the Fund and is an unobservable input. Given the equity certificates make up a small portion of the overall Fund, changes in the target return do not have a significant impact on the fair value of the Fund.

5. Investments (continued):

The following table presents the net realized gains (losses) on sale of investments, interest income, dividend income, and interest expense for each class of financial instrument by measurement category as recognized in the condensed consolidated interim statements of income.

	Three months ended March 31, 2024			
	Interest income	Dividend income	Net realized gains (losses) on investments	Interest expense
Financial instruments at Amortized cost:				
Cash and cash equivalents	$ 2,268	$ —	$ —	$ —
Private credit loans	1,998	—	262	—
Debt outstanding	—	—	—	(9,795)
	4,266	—	262	(9,795)
Financial instruments at FVOCI:				
Cash and cash equivalents	1,742	—	(1)	—
Short term investments	247	—	(4)	—
Bonds and debentures	52,464	—	(3,384)	—
Preferred shares	—	4,970	—	—
	54,453	4,970	(3,389)	—
Financial instruments at FVTPL:				
Alternative assets	466	—	21	—
Private credit loans	64	—	1	—
Bonds and debentures	398	—	—	—
Preferred shares	—	2,217	1,415	—
	928	2,217	1,437	—
Miscellaneous income:				
Securities lending	103	—	—	—
Income (expense) for the period ended March 31, 2024	$ 59,750	$ 7,187	$ (1,690)	$ (9,795)

5. Investments (continued):

	Three months ended March 31, 2023			
	Interest income	Dividend income	Net realized gains (losses) on investments	Interest expense
Financial instruments at Amortized cost:				
Cash and cash equivalents	$ 2,002	$ —	$ —	$ —
Private credit loans	1,250	—	—	—
Debt Outstanding	—	—	—	(8,525)
	3,252	—	—	(8,525)
Financial instruments at FVOCI:				
Cash and cash equivalents	538	—	(20)	—
Short term investments	1,154	—	(5)	—
Bonds and debentures	47,552	—	(3,658)	—
Preferred shares	—	4,721	—	—
	49,244	4,721	(3,683)	—
Financial instruments at FVTPL:				—
Private credit Loans	114			
Bonds and debentures	244	—	—	—
Preferred shares	—	1,918	—	—
	358	1,918	—	—
Miscellaneous income:				
Securities Lending	112	—	—	—
Income (expense) for the period ended March 31, 2023	$ 52,966	$ 6,639	$ (3,683)	$ (8,525)

6. Related party transactions and balances:

During the three months ended March 31, 2024 and 2023, the Company has in place service relationships with Brookfield Asset Management Private Institutional Capital Adviser US LLC, Brookfield Asset Management Private Institutional Capital Adviser (Canada) L.P, Oaktree Capital Management L.P. and Brookfield subsidiary Brookfield Public Securities Group LLC to provide investment management services for certain investment portfolios. Additionally, the Company has an agreement with Brookfield Asset Management Insurance Advisor LLC. for provision of investment management services related to Company's private credit loans. RPS Real Property Solutions Inc. provides property valuation services used by Company for underwriting purposes. All of these arrangements are undertaken at market terms and conditions. The Company also pays director fees and other related amounts otherwise owing to directors directly to Brookfield.

The Company incurred aggregate charges of $1,077 for the three months ended March 31, 2024 (March 31, 2023 - $1,497 for the three months ended) for services provided by Brookfield entities and director fees. The net balance owing for the services as at March 31, 2024 is $1,048 (December 31, 2023 - $95).

The Company has in place a hedging agreement with Falcon Holding Acquisition Corporation, a Brookfield subsidiary that holds all of the outstanding Class A Common Shares of the Company, and executed a cross currency interest rate swap that is subject to semi-annual coupon payments. All outstanding balances with related parties to the hedging agreement are unsecured and settled within three months of the reporting date. Details of the cross currency interest rate swap are disclosed in the table below:

				Notional amount				
March 31, 2024	Derivative asset	Derivative liability	Net fair value	1 year or less	1–3 years	3–5 years	Over 5 years	Total
Fair value through profit or loss:								
Cross currency interest rate swap	1,415	—	1,415	—	—	—	49,244	49,244

				Notional amount				
December 31, 2023	Derivative asset	Derivative liability	Net fair value	1 year or less	1–3 years	3–5 years	Over 5 years	Total
Fair value through profit or loss:								
Cross currency interest rate swap	0	(119)	(119)	—	—	—	49,244	49,244

7. Share-based compensation:

The Company provides long-term incentive plans for the granting of stock options ("Options"), restricted share units ("RSUs"), performance share units ("PSUs"), and executive deferred share units (“EDSUs”). The Company has reserved 100,000 Class A Common Shares of its issued and authorized shares for issuance under these long-term incentive plans. As at March 31, 2024, the Company has 90,596 (December 31, 2023 - 92,368) Class A Common Shares remaining that are available for distribution.

The following table summarizes information about the Company's share-based compensation plans:

	Number of share-based awards outstanding as at March 31, 2024	Fair value of share-based awards as at March 31, 2024	Share-based compensation expense for three months ended March 31, 2024
Options	9,404	$ 19,826	$ 2,332
RSUs	2,025	7,437	817
PSUs	1,137	4,174	516
EDSUs	699	2,568	192
	13,265	$ 34,005	$ 3,857

Total share-based compensation liabilities as of March 31, 2024 were $19,466 (December 31, 2023 - $22,386).

8. Debt outstanding:

Summary of debt outstanding:

Issuance	Maturity date	Term (years)	Coupon rate	Coupon payment	Principal amount	Net carrying value	
						March 31, 2024	December 31, 2023
Debentures:							
Series 4	March 1, 2027	7	2.955%	March 1 and September 1	282,000	281,224	281,161
Series 5	March 5, 2031	10	3.261%	March 5 and September 5	294,000	292,492	292,444
Series 7	May 19, 2028	5	5.909%	May 19 and November 19	200,000	198,601	198,528
Hybrid Notes:							
Series 6[(1)]	March 24, 2081	60	4.950%	March 24 and September 24	150,000	148,525	148,481
					$ 926,000	$ 920,842	$ 920,614

[(1)]The Series 6 notes initially have a coupon of 4.95% per annum. On March 24, 2031, and on every fifth anniversary thereafter, the coupon rate will reset to a rate per annum equal to the five-year Government of Canada Yield plus a spread of 3.566% for the period from March 2031 to March 2051, and 4.316% for the period from March 2051 until maturity. The Series 6 notes may be redeemed at the option of the Company on or after March 24, 2026 at a redemption price between 101% to 104% of the principal amount if redeemed prior to March 24, 2030, with the redemption price declining for each year that the notes remain outstanding, and 100% of the principal amount if redeemed on or after March 24, 2030, plus accrued and unpaid interest. The Series 6 notes are subordinated to all indebtedness and obligations of the Company and are subject to automatic conversion into preferred shares of the Company in the event of bankruptcy or insolvency.

The debentures and the hybrid notes are accounted for at amortized cost, which equals their carrying value.

8. Debt outstanding (continued):

As at March 31, 2024 and December 31, 2023, the Company was in compliance with all debt covenants.

Changes in the Company's borrowings are presented in the table below:

	Debt outstanding	Interest payable[1]
Balance as at January 1, 2024	$ 920,614	$ 8,748
Net amortization of premium and capitalized borrowing costs	228	—
Interest expense	—	9,265
Interest paid	—	(12,673)
Balance as at March 31, 2024	$ 920,842	$ 5,340

[1] Accrued interest payable is recorded in accounts payable and accrued liabilities in the condensed consolidated interim statements of financial position.

Credit Facilities:

As at March 31, 2024, the Company had an undrawn unsecured syndicated revolving credit facility of $300 million (the "Revolving Facility"). The Company extended the term of Revolving Facility, with the maturity date revised from January 2025 to September 2027. The Revolving Facility is described below:

	Revolving Facility
Amount	Up to $300 million
Maturity Date	September 30, 2027
Tenure	5 years
Draw Period	5 years
Status	Active

The Revolving Facility includes an accordion feature that permits the Company to request that individual commitments with respect to the credit facility be increased by an aggregate amount of up to $100 million.

The Company pays standby fees based on the committed and undrawn principal amount of the credit facilities, which is recorded in interest expense in the condensed consolidated interim statements of income. The credit facilities include customary representations, warranties, covenants, terms and conditions for transactions of this type.

8. Debt outstanding (continued):

As at March 31, 2024, there was no amount outstanding under the Revolving Facility and all covenants under the credit facilities were fully met.

During the three months ended March 31, 2023, the Company borrowed $30,000 under the Revolving Facility and fully repaid it on March 24, 2023.

Debt outstanding is classified as Level 2 in the fair value hierarchy. Fair value of debt outstanding was $840,151 at March 31, 2024 as compared to its carrying value of $920,842 (December 31, 2023 - $832,896 as compared to its carrying value of $920,614).

9. Capital management:

The Company is subject to the Mortgage Insurer Capital Adequacy Test ("MICAT"). The OSFI supervisory MICAT target ratio and the minimum MICAT ratio under the Government Guarantee legislation for 2024 is 150% (December 31, 2023 - 150%) and the Company's internal target ratio under the MICAT is 157% (December 31, 2023 - 157%).

The Company has determined that it is in compliance with the MICAT as at March 31, 2024 and December 31, 2023.

10. Investment in associate:

On February 5, 2024, the company paid $7,486 to acquire an additional 7.30% of common shares in the capital of IMGC from its existing shareholders increasing its ownership interest from 40.20% to approximately 47.50%. IMGC offers mortgage guarantees against borrower defaults on housing loans to mortgage lenders in India. As the only mortgage guarantee company in India, IMGC offers products that help lenders expand their businesses and enter new and underserved markets by providing them with an added layer of protection through a mortgage guarantee. The investment in this entity has been classified as an investment in associate and is accounted for using the equity method. The Company's proportionate share of loss on this investment for the three months ended March 31, 2024 of $1,429 (March 31, 2023 - $122) is recognized in the statements of income.

10. Investment in associate (continued):

The following table summarizes the changes in Investment in associate during the three months ended March 31, 2024:

		Investment in associate
Balance as at January 1, 2024	$	39,335
Loss from associate recognized in income		(1,429)
Foreign currency loss on translation		(537)
Additional investment		7,486
Balance as at March 31, 2024	$	44,855

		Investment in associate
Balance as at January 1, 2023	$	40,005
Loss from associate recognized in income		(735)
Foreign currency gain on translation		65
Balance as at December 31, 2023	$	39,335

As at March 31, 2024 and as at March 31, 2023, there were no events or changes in circumstances that indicate that the carrying value of the investment is not recoverable.