

# Fourth Quarter 2023 Conference Call

## Presenters:

**Denis Ricard**, President and CEO

**Éric Jobin**, EVP, CFO and Chief Actuary

February 21, 2024



# Forward-looking statements

This document may contain statements relating to strategies used by iA Financial Group or statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “may”, “will”, “could”, “should”, “would”, “suspect”, “expect”, “anticipate”, “intend”, “plan”, “believe”, “estimate”, and “continue” (or the negative thereof), as well as words such as “objective”, “goal”, “guidance”, “outlook” and “forecast”, or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this document, forward-looking statements include, but are not limited to, information concerning possible or assumed future operating results. These statements are not historical facts; they represent only expectations, estimates and projections regarding future events and are subject to change.

Although iA Financial Group believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. In addition, certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements.

- Material factors and risks that could cause actual results to differ materially from expectations include, but are not limited to: insurance, market, credit, liquidity, strategic, operational and regulatory risks, such as: general business and economic conditions; level of inflation; level of competition and consolidation; changes in laws and regulations, including tax laws and changes made to capital and liquidity guidelines; actions by regulatory authorities that may affect the business or operations of iA Financial Group or its business partners; risks associated with the regional or global political and social environment; risks related to climate change including the transition to a low-carbon economy and iA Financial Group’s ability to satisfy stakeholder expectations on environmental, social and governance issues; information technology, data and information security risks, including cyber risks; fraud risk; risks related to human resources; hedging strategy risks; iA Financial Group liquidity risk, including the availability of financing to meet financial commitments at expected maturity dates; risk of incorrect design, implementation or use of a model; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; and the occurrence of natural or man-made disasters, international conflicts, pandemic diseases (such as the COVID-19 pandemic) and acts of terrorism.
- Material factors and assumptions used in the preparation of financial outlooks include, but are not limited to: accuracy of estimates, assumptions and judgments under applicable accounting policies, and no material change in accounting standards and policies applicable to the Company; no material variation in interest rates; no significant changes to the Company’s effective tax rate; no material changes in the level of the Company’s regulatory capital requirements; availability of options for deployment of excess capital; credit experience, mortality, morbidity, longevity and policyholder behaviour being in line with actuarial experience studies; investment returns being in line with the Company’s expectations and consistent with historical trends; different business growth rates per business unit; no unexpected changes in the economic, competitive, insurance, legal or regulatory environment or actions by regulatory authorities that could have a material impact on the business or operations of iA Financial Group or its business partners; no unexpected change in the number of shares outstanding; and the non-materialization of risks or other factors mentioned or discussed elsewhere in this document or found in the “Risk Management” section of the Company’s Management’s Discussion and Analysis for 2023 that could influence the Company’s performance or results.

Economic and financial instability in a context of geopolitical tensions – Unfavourable economic conditions and financial instability are causing some concern including interest rate hikes by central banks to fight against inflation. The war in Ukraine, the Hamas-Israel conflict and tension in China are also causing instability in global markets. These events could result in a reduction in the confidence of consumers and investors, significant financial volatility, more limited growth opportunities and test the Company’s ability to anticipate and mitigate headwinds in its markets and could negatively affect the Company’s financial outlook, results and operations.

Additional information about the material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the “Risk Management” section of the Management’s Discussion and Analysis for 2023, the “Management of Risks Associated with Financial Instruments” note to the audited consolidated financial statements for the year ended December 31, 2023 and elsewhere in iA Financial Group’s filings with the Canadian Securities Administrators, which are available for review at [sedarplus.ca](http://sedarplus.ca).

The forward-looking statements in this document reflect iA Financial Group’s expectations as of the date of this document. iA Financial Group does not undertake to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

# Non-IFRS and Additional Financial Measures

iA Financial Corporation and iA Insurance (hereinafter referred to individually in this section as the “Company”) report their financial results and statements in accordance with International Financial Reporting Standards (“IFRS”). They also publish certain financial measures or ratios that are not based on IFRS (“non-IFRS”). A financial measure is considered a non-IFRS measure for Canadian securities law purposes if it is presented other than in accordance with the generally accepted accounting principles (“GAAP”) used for the Company’s audited financial statements. The Company uses non-IFRS measures when evaluating its results and measuring its performance. The Company believes that non-IFRS measures provide additional information to better understand its financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full year results of the Company’s ongoing operations. Since non-IFRS measures do not have standardized definitions and meaning, they may differ from the non-IFRS financial measures used by other institutions and should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. The Company strongly encourages investors to review its financial statements and other publicly filed reports in their entirety and not to rely on any single financial measure. These non-IFRS measures are often accompanied by and reconciled with IFRS financial measures. For certain non-IFRS measures, there are no directly comparable amounts under IFRS.

For relevant information about non-IFRS measures used in this document, see the “Non-IFRS and Additional Financial Measures” section in the Management’s Discussion and Analysis for the period ended December 31, 2023, which is hereby incorporated by reference, and is available for review on SEDAR at [sedar.com](https://www.sedar.com) or on iA Financial Group’s website at [ia.ca](https://www.ia.ca).

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## NOTE TO READERS REGARDING 2022 RESTATED RESULTS UNDER IFRS 17 AND IFRS 9

The Company’s 2022 annual results have been restated for the adoption of IFRS 17 Insurance Contracts and the related IFRS 9 Financial Instruments overlay (“the new accounting standards”). Additionally, the restated 2022 results are not fully representative of the Company’s future market risk profile and future reported and core earnings profile, as the transition of the Company’s invested asset portfolio for asset/liability management purposes under the new accounting standards was not fully completed until 2023. Accordingly, analysis based on 2022 comparative results may not be indicative of future trends and should be interpreted within this context. For additional information about risk management under the new accounting standards, refer to the “Risk Management” section of the Management’s Discussion and Analysis for the period ended December 31, 2023.

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# AGENDA

- Key results
  - Business growth
  - Financial targets
  - 2023 in a nutshell
  - 2024 outlook
- 
- Profitability
  - Financial strength
  - Assumption changes and management actions
  - Questions & Answers

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EVP, Group Benefits  
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# Q4/2023 KEY RESULTS

**Core ROE aligned with the Company's medium-term target of 15%+**  
**Robust capital position, supported by continued organic capital generation**  
**Q1/24 dividend increased by 7% to \$0.82 per share**

<b>\$2.34</b>	<b>Core EPS<sup>†</sup></b> <i>\$9.31 in 2023, up 4% YoY<sup>1</sup></i>	<b>14.4%<sup>2</sup></b>	<b>Core ROE<sup>†</sup></b> <i>Aligned with 15%+ medium-term guidance</i>
<b>145%</b>	<b>Solvency ratio<sup>†</sup></b> <i>120% operating target</i>	<b>\$160M</b>	<b>Organic capital generation<sup>†</sup></b> <i>\$600M in 2023, in line with guidance</i>
<b>11%</b> YoY growth	<b>AUA/AUM<sup>†</sup></b> <i>Good performance amid challenging markets</i>	<b>\$66.90</b>	<b>Book value<sup>3</sup></b> <i>8.0% growth in 2023, excluding impact of \$461M share buybacks (NCIB)</i>

<sup>1</sup> Caution should be used when comparing 2023 results with 2022 restated results under IFRS 17 and IFRS 9. <sup>2</sup> ROE is presented on a trailing 12-month basis.

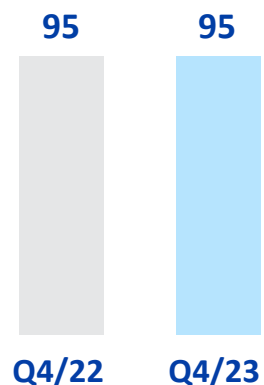
<sup>3</sup> Book value per common share is a financial measure calculated by dividing the common shareholders' equity by the number of common shares outstanding at the end of the period; all components of this measure are IFRS measures.

<sup>†</sup> This item is a non-IFRS measure.

# Q4/2023 BUSINESS GROWTH – Insurance, Canada

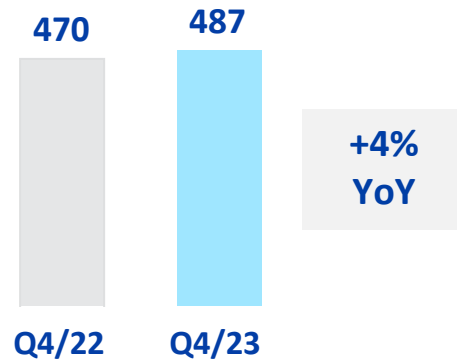
## INDIVIDUAL INSURANCE

(sales<sup>†</sup> in \$M)



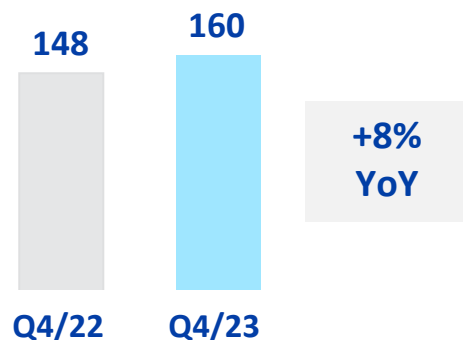
## GROUP INSURANCE

Employee Plans and Special Markets  
(premiums and deposits<sup>2,†</sup> in \$M)



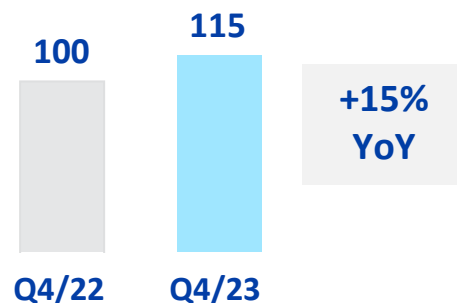
## DEALER SERVICES

(creditor insurance and P&C sales<sup>†</sup> in \$M)



## iA AUTO AND HOME

(sales<sup>†</sup> in \$M)



## HIGHLIGHTS

### Individual Insurance

- Another good performance which compares to a strong quarter a year earlier
- #1 in number of individual insurance policies issued in Canada, with a leading position in the mass/mid market<sup>1</sup>
- Comprehensive and distinctive range of products
- Strong and diversified distribution networks with high-performance digital tools

### Group Insurance

- Employee Plans: Several renewals of large groups
- Special Markets: Sales up 3% YoY

### Dealer Services

- Strong business growth continued in Q4 pushing 2023 sales<sup>†</sup> to \$686M, up 12% over 2022
- Top-of-mind dealer services provider with full suite of products

### iA Auto and Home

- Strong business growth during the quarter

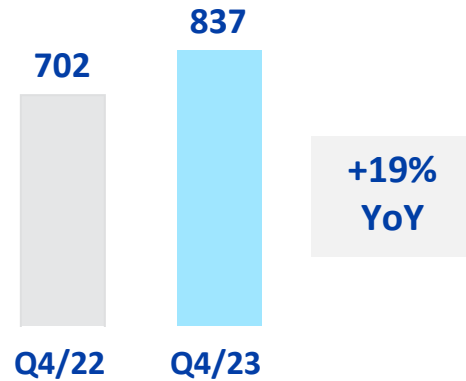
<sup>1</sup> According to the Canadian data published by LIMRA for the first nine months of the year. <sup>2</sup> Net premiums, premiums equivalents and deposits.

<sup>†</sup> This item is a non-IFRS measure; see the “Non-IFRS and Additional Financial Measures” section at the beginning of this document for relevant information about such measures.

# Q4/2023 BUSINESS GROWTH – Wealth Management

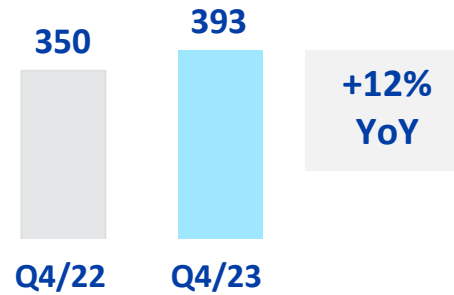
## INDIVIDUAL SEGREGATED FUNDS

(gross sales<sup>†</sup> in \$M)



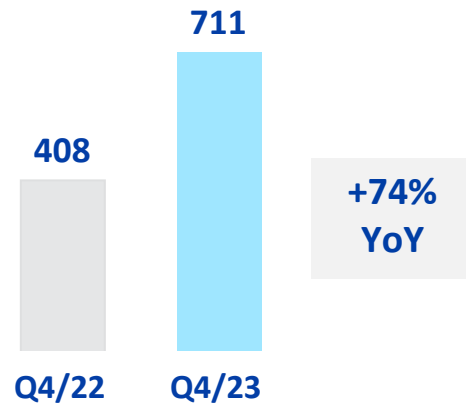
## INDIVIDUAL MUTUAL FUNDS

(gross sales<sup>†</sup> in \$M)



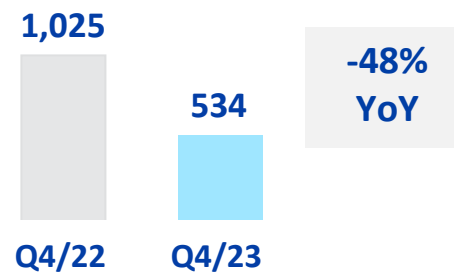
## OTHER INDIVIDUAL SAVINGS PRODUCTS

(gross sales<sup>†</sup> in \$M)



## GROUP SAVINGS AND RETIREMENT

(total sales<sup>†</sup> in \$M)



## HIGHLIGHTS

### Individual Wealth

- Positive combined net sales of \$83M for 2023 amid challenging macroeconomic environment for the fund sales industry
- #1 in Canada in YTD gross and net sales<sup>1</sup> of seg funds
- Q4 insured annuities and other savings products sales significantly up over last year's result, propelling 2023 sales to nearly double last year's level

### Group Savings

- Good performance that compares to a very strong quarter a year earlier

<sup>1</sup> Source: Investor Economics, January 2024.

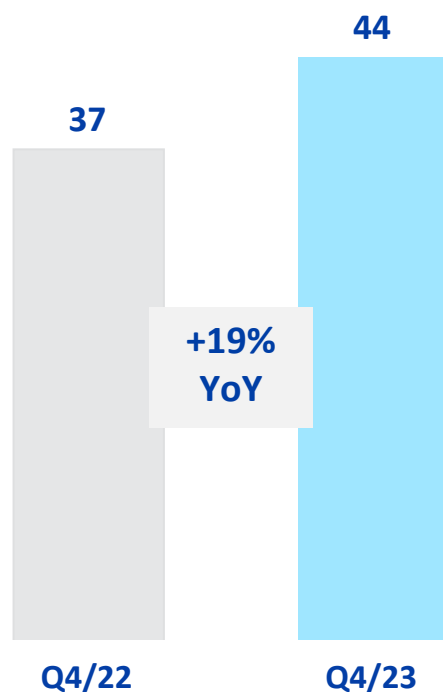
<sup>†</sup> This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section at the beginning of this document for relevant information about such measures.



# Q4/2023 BUSINESS GROWTH – US Operations

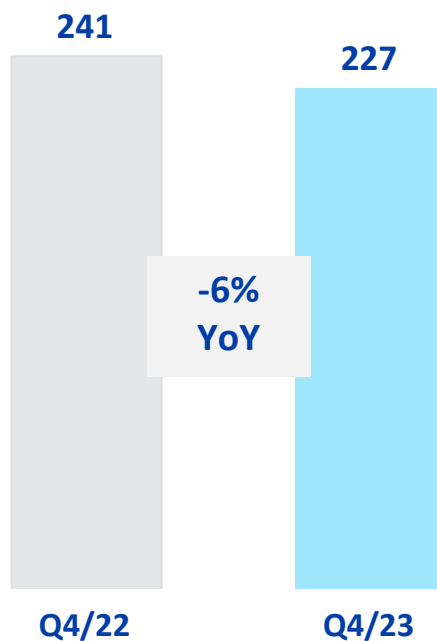
## INDIVIDUAL INSURANCE

(sales<sup>†</sup> in US\$M)



## DEALER SERVICES

(sales<sup>†</sup> in US\$M)



## HIGHLIGHTS

### Individual Insurance

- Record year in terms of sales confirming strong growth potential in the US life insurance market
- Strong performance of distribution channels
- Customized portfolio of products sold in select markets through independent marketing organizations
- Simplified sales process with key digital capabilities

### Dealer Services

- Reduced affordability resulting from higher financing costs for consumers continued to have unfavourable impacts on sales
- Leveraging products and services and optimizing synergies
- Continue to focus on delivering the best customer experience in the industry



# FINANCIAL TARGETS SUMMARY



	2021	2022		2023	Medium-term guidance
	IFRS 4	IFRS 4	IFRS 17 and IFRS 9 <sup>1</sup>	IFRS 17 and IFRS 9	
Core EPS YoY growth	+17%	+6%	N/A	4%	10%+ annual average growth
Core ROE <sup>2</sup>	14.2%	14.2%	14.4%	14.4%	15%+
Solvency ratio <sup>3</sup>	134%	126% <sup>4</sup>	154% <sup>5</sup>	145%	120% operating target
Organic capital generation	~\$490M	~\$550M	N/A	\$600M	\$600M+ in 2023 and 2024
Dividend payout ratio <sup>6,†</sup>	25%	29%	N/A	32%	25% to 35%

<sup>1</sup> Caution should be used when comparing 2023 results with 2022 restated results under IFRS 17 and IFRS 9 (see details on slide 3). <sup>2</sup> ROE is presented on a trailing 12-month basis. <sup>3</sup> End of period.

<sup>4</sup> Ratio calculated under the IFRS 4 accounting standard and with the capital standard applicable in 2022. <sup>5</sup> Pro forma 2023 capital regime as at December 31, 2022. <sup>6</sup> % of core earnings.

<sup>†</sup> This item is a non-IFRS measure; see the “Non-IFRS and Additional Financial Measures” section at the beginning of this document for relevant information about such measures.

# 2023 IN A NUTSHELL

## CONTINUED SOLID PROFITABILITY

- Seamless transition to IFRS 17 and IFRS 9 – Book value per share and EPS level maintained at transition
- 14.4% core ROE – Aligned with medium-term target of 15%+
- Core EPS of \$9.31, 4% higher than 2022 result and well positioned for further growth through our organic investments
- Expected insurance earnings up 10.5% YoY and insurance experience in line with expectations

## BUSINESS GROWTH MOMENTUM

- AUM/AUA of \$218.9B, up 11% YoY & Premiums and deposits of \$16.6B, up 8% YoY
- Insurance Canada: All business units recorded solid performances
- Wealth Management: Net fund inflows and record sales of guaranteed products
- US: Individual Insurance record sales up 20% YoY – Dealer Services: Sales impacted by environment

## CAPITAL STRENGTH

- \$600M organic capital generation, reaching annual target of \$600M+
- Robust capital position with 145% solvency ratio – Comfortably above 120% operating target
- \$1.6B in capital available for deployment
- Book value up 8% YoY (excluding impact of NCIB)

## ACTIVE CAPITAL DEPLOYMENT

- Investment in organic growth and in digital transformation
- Acquisition of Vericity – US life insurance carrier and digital agency
- Dividend of \$2.97 paid in 2023, +14% YoY – New increase announced for Q1/24 dividend
- Share buybacks of 5.4M shares for \$461M



# 2024 OUTLOOK

## INSURANCE, CANADA

- **Sales:** Momentum from leadership position, high-performing distribution networks and digital tools
- **Earnings:** Expecting strong growth from sales, well-positioned assumptions and pricing

## WEALTH MANAGEMENT

- **AUM:** Maintain seg fund leadership and leverage very strong sales of guaranteed products
- **AUA:** Expecting distribution affiliates' very solid 2023 performance to continue in 2024

## US OPERATIONS

- **Individual Insurance:** Building on 2023 record sales and Vericity acquisition
- **Dealer Services:** Taking action to grow sales and earnings amid challenging environment

## INVESTMENT

- **Total portfolio management:** Holistic approach focused on asset-liability management
- **Investment portfolio:** High-quality and conservative with comprehensive set of sensitivities provided

## CORPORATE

- **Organic investment:** Continue to invest with discipline in organic growth and digital transformation
- **Efficiency:** Growing earnings with the same level of Corporate expenses as in 2023, a solid target amid inflationary environment





**Éric Jobin**  
EVP, Chief Financial Officer  
and Chief Actuary

# Q4/2023 PROFITABILITY AND FINANCIAL STRENGTH



	Q4/2023	Q4/2022 <sup>1</sup>	YoY
<b>Profitability</b>			
Core EPS	\$2.34	\$2.40 <sup>5</sup>	(3%)
Core earnings	\$236M	\$254M	(7%)
Core ROE <sup>2</sup>	14.4%	14.4%	---
Net income to common shareholders	\$248M	\$181M	+37%
<b>Financial strength<sup>3</sup></b>			
Solvency ratio	145%	No IFRS 17 and IFRS 9 data	
Capital available for deployment	\$1.6B		
Financial leverage ratio <sup>4,+</sup>	14.6%	16.0%	(140 bps)
Book value per share	\$66.90	\$63.00	+6%
<b>Other key metrics</b>			
Organic capital generation	\$160M	No IFRS 17 and IFRS 9 data	
New business CSM	\$148M	\$159M	(7%)

## HIGHLIGHTS

### Core ROE<sup>2</sup> of 14.4% and EPS of \$2.34

- Expected insurance earnings: **+8%** YoY
- Core insurance service result: **(6%)** YoY
- Core net investment result: **+18%** YoY
- Core non-insurance activities: **(3%)** YoY
- Reported earnings higher than core earnings

### Very robust capital position

- Solvency ratio comfortably above 120% operating target, supported by strong ongoing organic capital generation
- \$1.6B of capital available for deployment to fuel growth

### Value for shareholders

- NCIB: \$171M deployed to buy back shares during Q4
- Dividend: Announced increase, payable in Q1/24
- Book value: Up 8% in 2023, excluding NCIB impact

<sup>1</sup> Caution should be used when comparing 2023 results with 2022 restated results under IFRS 17 and IFRS 9 (see details on slide 3). <sup>2</sup> ROE is presented on a trailing 12-month basis.

<sup>3</sup> End of period. <sup>4</sup> Debentures, preferred shares issued by a subsidiary and other equity instruments / (Capital structure + post-tax CSM).

<sup>5</sup> To ensure comparability with 2023 results, Q3/2022 and Q4/2022 restated figures have been adjusted to reflect IFRS 17 and IFRS 9 ongoing refinements in methodologies.

<sup>†</sup> This item is a non-IFRS measure; see the “Non-IFRS and Additional Financial Measures” section at the beginning of this document for relevant information about such measures.

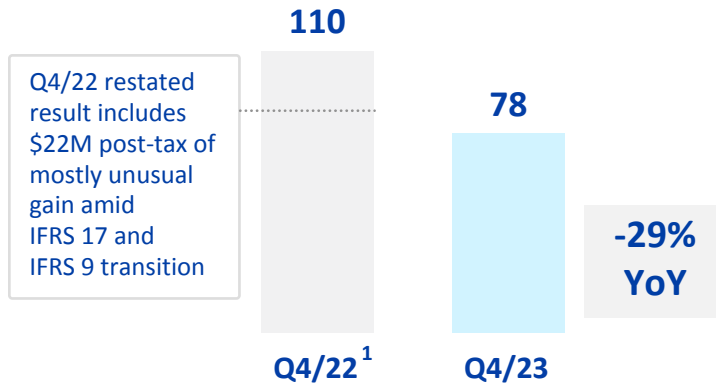


# Q4/2023 PERFORMANCE – Operating business segments



## INSURANCE, CANADA

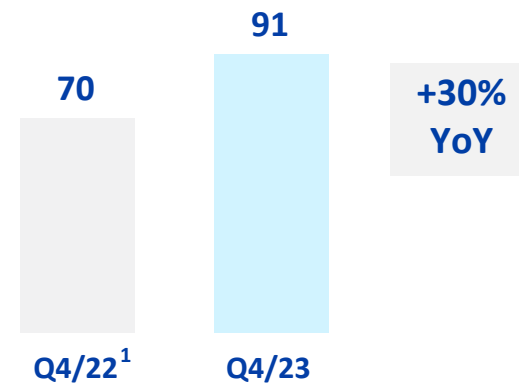
### Core earnings (\$M)



- Expected insurance earnings up 6% YoY
  - CSM recognized for services provided up 11% YoY
- Experience: Minor variations offset each other
  - Disability: Favourable
  - Higher administration expenses
  - iA Auto and Home: Higher auto claim severity
- \$26M pre-tax for new Employee Plans business
  - Renewal of some large groups
  - Positive for future earnings

## WEALTH MANAGEMENT

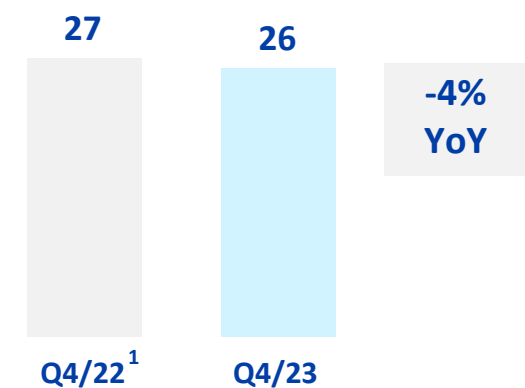
### Core earnings (\$M)



- Segregated funds and annuities:
  - 20% YoY growth in expected earnings
  - Favourable insurance experience (+\$8M pre-tax)
- Core non-insurance activities up 33% YoY
  - Solid results again from distribution affiliates, mainly due to better margins amid the higher interest rate environment
- Good business growth and lower expenses

## US OPERATIONS

### Core earnings (\$M)



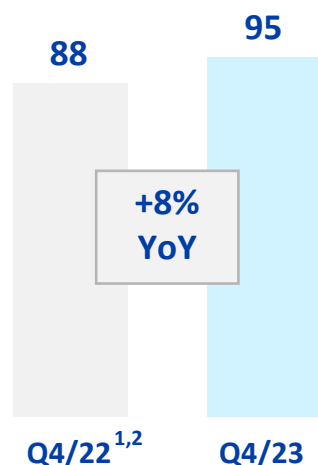
- US Individual Insurance: Strong result
  - Core insurance service result up 15% YoY
  - Business growth momentum
  - Favourable mortality experience
- US Dealer Services:
  - Lower sales, due to reduced affordability for clients resulting from higher financing costs and high vehicle prices

<sup>1</sup> Caution should be used when comparing 2023 results with 2022 restated results under IFRS 17 and IFRS 9 (see details on slide 3).

# Q4/2023 PERFORMANCE – Investment and Corporate

## INVESTMENT

### Core earnings (\$M)



### +18% YoY in core net investment result

Items of note:

- Favourable impact of investment portfolio optimization
- Favourable impact of higher interest rates at Sept. 30, 2023 (despite unfavourable yield curve shape)
- Credit experience<sup>3</sup> of -\$2M pre-tax from:
  - Favourable bond portfolio credit experience (more upgrades than downgrades)
  - Mainly change in allowance for credit losses for the car loan portfolio

## CORPORATE

After-tax expenses of \$54M, compares to \$41M in Q4/22<sup>1</sup>

### Including:

- Investments for digital transformation
- Higher M&A prospecting activities
- Enhanced employee experience to support talent retention
- Regulatory compliance projects
- Digital data and security projects

## CORE EARNINGS RECONCILIATION

(\$M, unless otherwise indicated)

	Q4/2023	2023
<b>Core earnings</b>	<b>236</b>	<b>956</b>
<b>Non-core gains (losses) and adjustments (post-tax)</b>		
Market-related impacts	89	(82)
<i>See slide 28</i>		
Assumption changes and management actions	(56)	(13)
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	(4)	(10)
Amortization of acquisition-related finite life intangible assets	(17)	(66)
Non-core pension expense	(2)	(8)
Other specified unusual gains and losses	2	(8)
<b>Net income to common shareholders</b>	<b>248</b>	<b>769</b>

<sup>1</sup> Caution should be used when comparing 2023 results with 2022 restated results under IFRS 17 and IFRS 9 (see details on slide 3). <sup>2</sup> To ensure comparability with 2023 results, Q3/2022 and Q4/2022 restated figures have been adjusted to reflect IFRS 17 and IFRS 9 ongoing refinements in methodologies. <sup>3</sup> Credit experience that flows directly to core earnings includes: 1) the impact of rating changes, including defaults, on fixed income assets measured at fair value through profit or loss of the investment portfolio, and 2) changes in the quarterly credit experience on car loans (which are all classified at amortized cost), including impacts on allowance for credit losses (ACL).



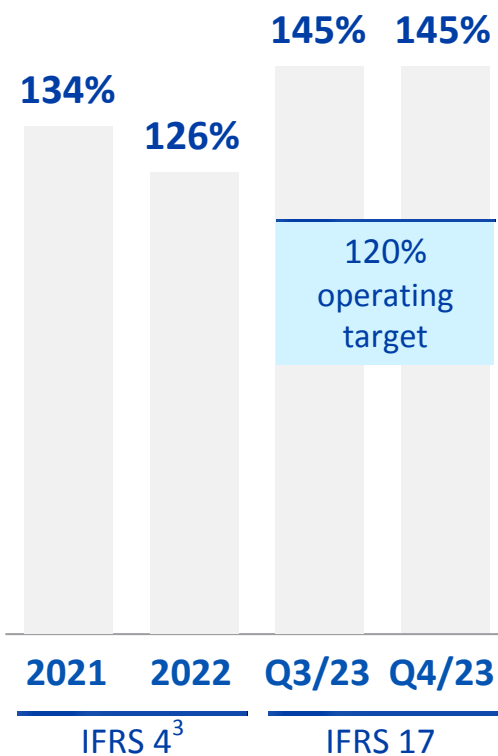


# ROBUST CAPITAL POSITION

Supported by ongoing organic capital generation

## Solvency ratio<sup>1</sup>

(end of period)



## Q4/2023 MOVEMENTS

	Solvency ratio <sup>1</sup>	Capital available for deployment <sup>2</sup>
<b>Beginning of quarter</b>	145%	\$1.6B
Core earnings net of dividends	2.5%	\$159M
Organic CSM growth (excl. seg funds)	0.5%	\$44M
+ Capital required for organic growth	(1.0%)	(\$43M)
<b>Organic capital generation</b>	<b>2.0%</b>	<b>\$160M</b>
Macroeconomic variations	1.0%	\$75M
Capital deployments and financing activities	(3.0%)	(\$200M)
Other non-organic variations (including assumption changes, management actions and adjustments to investment portfolio)	—%	\$—M
<b>End of quarter</b>	<b>145%</b>	<b>\$1.6B</b>

**Pro-forma solvency ratio: 142%**

(As at Dec. 31, 2023, considering the acquisition of Vericity announced in October)

**14.6% leverage ratio<sup>4,†</sup>**

(December 31, 2023)

**Low capital sensitivity<sup>†</sup> to macro variations** (see slide in appendices)

<sup>1</sup> iA Financial Corporation Inc. and rounded to the nearest 0.5 percentage points. <sup>2</sup> Reflecting excess capital over 120%, capital issuances at target level and regulatory constraints.

<sup>3</sup> 2022 figures calculated according to the IFRS 4 accounting standard and with the capital standard applicable in 2022.

<sup>4</sup> Calculated as: Debentures, preferred shares issued by a subsidiary and other equity instruments/(Capital structure + post-tax contractual service margin (CSM)<sup>†</sup>).

<sup>†</sup> This item is a non-IFRS measure; see the “Non-IFRS and Additional Financial Measures” section at the beginning of this document for relevant information about such measures.



# ASSUMPTION REVIEW AND MANAGEMENT ACTIONS

Slightly negative total impact of \$14M pre-tax in Q4/23 and positive impact for the full year



(\$M pre-tax)	Total impact <sup>1</sup>		Impact on P&L	Impact on CSM	Impact on RA
Mortality & morbidity	44	<ul style="list-style-type: none"> <li>Morbidity: Favourable assumption review</li> <li>Mortality: Slightly unfavourable assumption review</li> </ul>	(13)	66	(9)
Policyholder behaviour	49	<ul style="list-style-type: none"> <li>Segregated funds assumption review</li> </ul>	9	44	(4)
Financial	(7)	<ul style="list-style-type: none"> <li>Minor model refinements</li> </ul>	(1)	(5)	(1)
Expenses	(36)	<ul style="list-style-type: none"> <li>Annual update of expense studies</li> </ul>	(11)	(27)	2
Other	(64)	<ul style="list-style-type: none"> <li>Mostly risk adjustment diversification factor (P&amp;L/CSM/RA reallocation)</li> <li>Model refinements &amp; Management actions</li> </ul>	(59)	(112)	107
<b>Q4/23 total</b>	<b>(14)</b>		(75) (-56 post-tax)	(34)	95
Q1, Q2 and Q3	44		60	(16)	0
<b>2023 total</b>	<b>30</b>		(15) (-12 post-tax)	(50)	95

**POSITIVE  
IMPACT  
ON  
FUTURE  
EARNINGS**

<sup>1</sup> Impacts of assumption changes and management actions that occurred during the year and prior to December 31, 2023 are not reflected in the above tables.

For participating contracts, changes in assumptions and experience deviations have no impact on net income. In fact, as required by IFRS 17, their impact is offset by an immediate impact on liabilities arising from the adjustment of dividends to be paid to participating policyholders in the future.

# Question & Answer Session

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# APPENDICES

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# BOOK VALUE PER SHARE

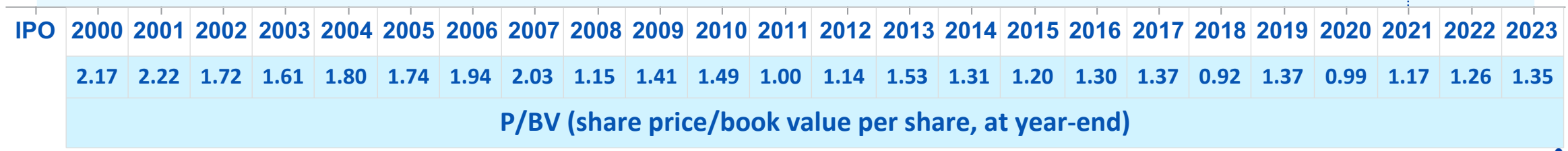
P/BV ratio of 1.35 at December 31, 2023

\$66.90  
at December 31, 2023

8.0% growth in 2023,  
excluding impact of \$461M  
share buybacks (NCIB)

March 31, 2000<sup>1</sup>  
\$8.44

CAGR	
1-year	+6%
5-year	+7%
10-year	+8%
Since 2000	+10%

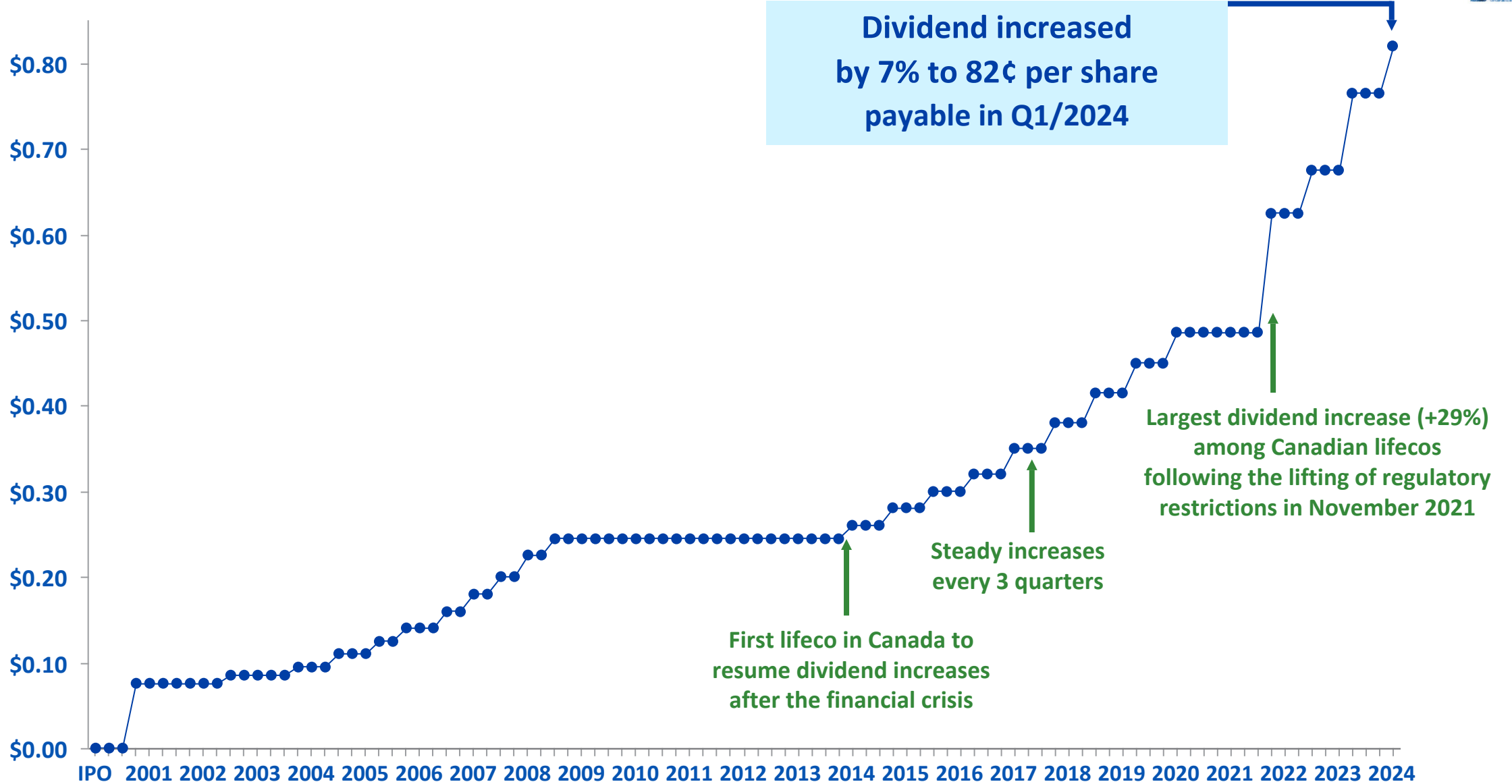


Book value per common share is a financial measure calculated by dividing the common shareholders' equity by the number of common shares outstanding at the end of the period; all components of this measure are IFRS measures.



<sup>1</sup> First disclosed book value as a public company.

# DIVIDEND TO COMMON SHAREHOLDERS



# GROWTH-DRIVEN STRATEGY FOCUSED ON STRONG SHAREHOLDER VALUE



**\$1.6B**

**Capital available  
for deployment<sup>1</sup>** (December 31, 2023)

## RECENT INITIATIVES

- Dividend increase by 7% to \$0.8200 payable in Q1/2024
- NCIB:
  - Nearly 2.0M shares redeemed and cancelled (\$171M) during Q4/2023 and nearly 5.4M shares (\$461M) during 2023
  - Through its renewed NCIB program, the company can redeem and cancel up to 5,046,835 (~5%) outstanding common shares)
- Investment in digital transformation to support growth

## Capital deployment priorities

1



### Profitable organic growth

Investing in digital evolution  
to propel growth

2



### Disciplined acquisitions

To strengthen strategic positioning

3



### Steadily growing dividends

Committed to a 25%-35% target  
payout ratio based on core earnings

4



### NCIB

Up to 5% of outstanding shares  
(between Nov. 14, 2023 and Nov. 13, 2024)  
*Program renewed for another year*

<sup>1</sup> Does not include the impact of the Vericity acquisition announced in October 2023.



# Q4/2023 CORE DOE AND CORE RECONCILIATION BY SEGMENT

Core and reported EPS gradually converging



(\$M, unless otherwise indicated)

		Insurance, Canada	Wealth Management	US Operations	Investment	Corporate	TOTAL	
<b>DRIVERS OF EARNINGS</b>	Expected insurance earnings	145	73	38	—	—	256	YoY 8%
	Impact of new insurance business	(26)	—	(2)	—	—	(28)	
	+ Core insurance experience gains (losses)	—	8	3	—	—	11	
	<b>Core insurance service result</b>	<b>119</b>	<b>81</b>	<b>39</b>	—	—	<b>239</b>	<b>(6%)</b>
	<b>Core net investment result</b>	—	—	—	<b>134</b>	—	<b>134</b>	<b>18%</b>
	<b>Core non-insurance activities</b>	<b>5</b>	<b>48</b>	<b>19</b>	—	—	<b>72</b>	<b>(3%)</b>
	Core other expenses	(17)	(4)	(25)	(13)	(72)	(131)	17%
	Core income taxes	(29)	(34)	(7)	(18)	18	(70)	
	Dividends/distributions on equity instruments	—	—	—	(8)	—	(8)	
	<b>Core earnings</b>	<b>78</b>	<b>91</b>	<b>26</b>	<b>95</b>	<b>(54)</b>	<b>236</b>	<b>(7%)</b>
<b>CORE RECONCILIATION</b>	<b>Non-core gains (losses) and adjustments (post-tax)</b>							
	Market-related impacts	—	—	—	89	—	89	
	Assumption changes and management actions	(31)	—	(19)	(6)	—	(56)	
	Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	(2)	—	(2)	—	—	(4)	
	Amortization of acquisition-related finite life intangible assets	(4)	(5)	(8)	—	—	(17)	
	Non-core pension expense	(1)	(1)	—	—	—	(2)	
	Other specified unusual gains and losses	3	—	(4)	3	—	2	
	<b>Net income to common shareholders</b>	<b>43</b>	<b>85</b>	<b>(7)</b>	<b>181</b>	<b>(54)</b>	<b>248</b>	<b>37%</b>

# Q4/2023 DRIVERS OF EARNINGS<sup>†</sup>

(\$M, unless otherwise indicated)

	Fourth quarter			Year-to-date at December 31		
	2023	2022 <sup>1</sup>	YoY	2023	2022 <sup>1</sup>	YoY
<b>DRIVERS OF EARNINGS - CORE - CONSOLIDATED</b>						
<b>Core insurance service result</b>						
Risk adjustment release	61	57	7%	240	228	5%
CSM recognized for services provided	157	139	13%	609	526	16%
+ <u>Expected earnings on PAA insurance business</u>	38	40	(5%)	133	135	(1%)
Expected insurance earnings	256	236	8%	982	889	10%
Impact of new insurance business	(28)	(12)		(68)	(43)	
+ <u>Core insurance experience gains (losses)</u>	11	31		—	22	
<b>Core insurance service result (total)</b>	<b>239</b>	<b>255</b>	<b>(6%)</b>	<b>914</b>	<b>868</b>	<b>5%</b>
<b>Core net investment result</b>	<b>134</b>	<b>114</b>	<b>18%</b>	<b>536</b>	<b>485</b>	<b>11%</b>
Core non-insurance activities	72	74	(3%)	295	311	(5%)
Core other expenses	(131)	(112)	17%	(499)	(404)	24%
Core income taxes	(70)	(67)		(270)	(280)	
Dividends/distributions on equity instruments	(8)	(10)		(20)	(25)	
<b>Core earnings</b>	<b>236</b>	<b>254</b>	<b>(7%)</b>	<b>956</b>	<b>955</b>	<b>—%</b>
<b>Core earnings per common share</b>	<b>\$2.34</b>	<b>\$2.40<sup>2</sup></b>	<b>(3%)</b>	<b>\$9.31</b>	<b>\$8.93<sup>2</sup></b>	<b>4%</b>

<sup>1</sup> Caution should be used when comparing 2023 results with 2022 restated results under IFRS 17 and IFRS 9 (see details on slide 3).

<sup>2</sup> To ensure comparability with 2023 results, Q3/2022 and Q4/2022 restated figures have been adjusted to reflect IFRS 17 and IFRS 9 ongoing refinements in methodologies.



# MARKET-RELATED IMPACTS



## METHODOLOGY <sup>1</sup>

Quarterly non-core market-related impacts are the difference between:

*Reported net investment result*, which is the actual IFRS result, and

*Core net investment result*, which is based on management expectations

## MANAGEMENT EXPECTATIONS FOR *CORE NET INVESTMENT RESULT* <sup>2</sup>

Interest rates and credit spreads	Investment income assuming constant interest rates level throughout the quarter
Equity and investment properties	Investment income assuming long-term expected average annual returns of 8%-9% on aggregate
Currency	Investment income assuming constant exchange rates level throughout the quarter

## 2023 NON-CORE MARKET-RELATED IMPACTS

(M, post-tax) <sup>2</sup>	Q4/2023	YTD
<b>INTEREST RATES &amp; CREDIT SPREADS</b>	30	10
<b>EQUITY</b>	93	102
<b>INVESTMENT PROPERTIES</b>	(24)	(184)
<b>CIF<sup>3</sup></b>	(10)	(10)
<b>CURRENCY</b>	0	0
<b>TOTAL</b>	<b>\$89</b>	<b>(\$82)</b>

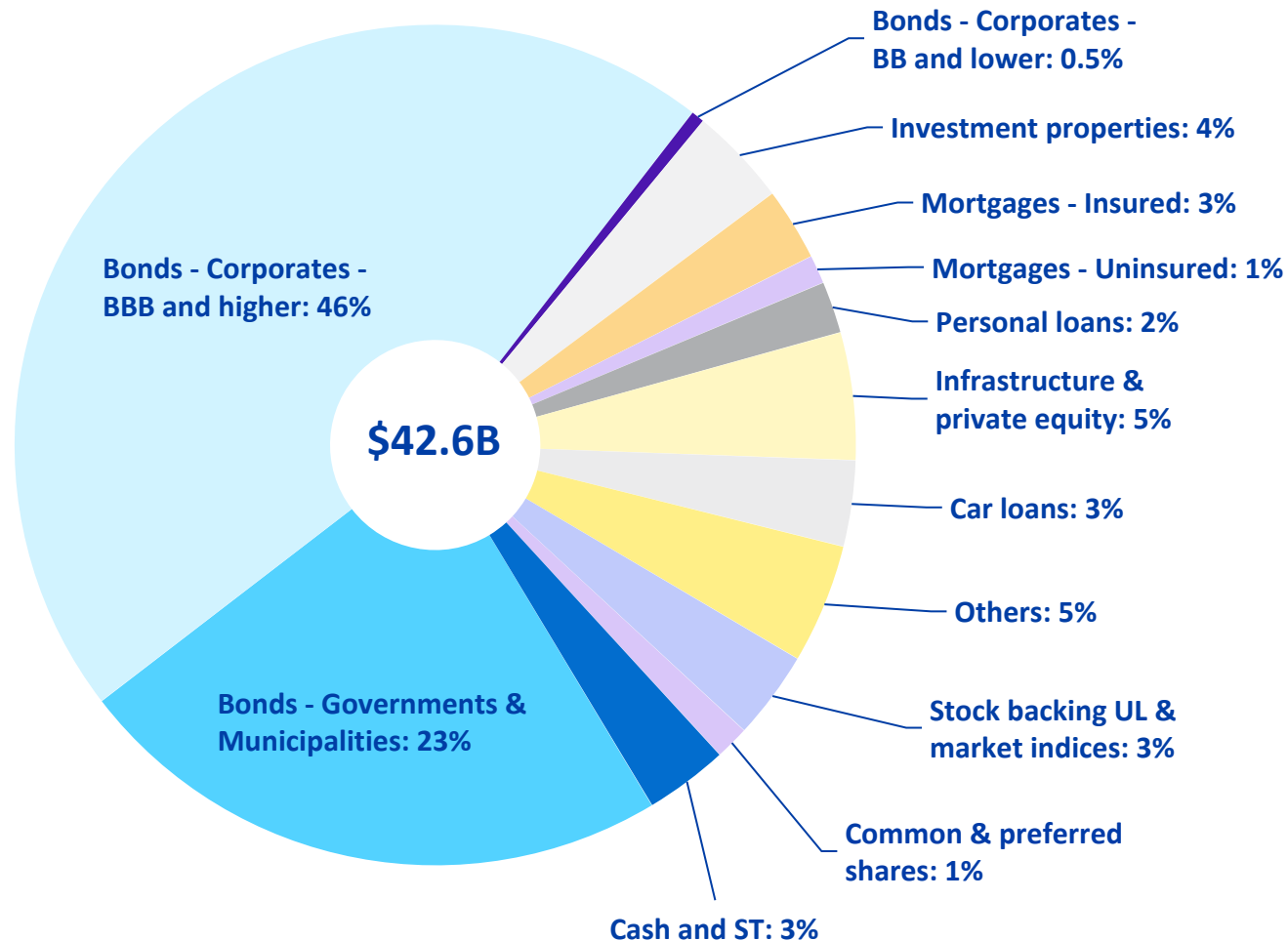
<sup>1</sup> Small non-core market-related impacts might be measured on the insurance service result regarding losses and reversal of losses on onerous contracts accounted for using the VFA measurement model.

<sup>2</sup> See *Core earnings* definition in the “Non-IFRS and Additional Financial Measures” section of the Management’s Discussion and Analysis for the period ending December 31, 2023, for the complete details.

<sup>3</sup> Impact of the tax-exempt investment income (above or below expected long-term tax impacts) from the Company’s multinational insurer status.

# INVESTMENT PORTFOLIO

Resilient portfolio composed of high-quality assets and diversified exposures



- ✓ **Fixed income ALM<sup>1</sup>-oriented portfolio**
  - *see further details on slide 30*
- ✓ **Prudent exposure to equity market**
  - Quality private equity & infrastructure
  - Part of public equity exposure with downside protection and the other part is pass-through
- ✓ **Capital-efficient investment properties**
  - *see further details on slide 31*
- ✓ **High-quality mortgage portfolio**
  - *see further details on slide 31*

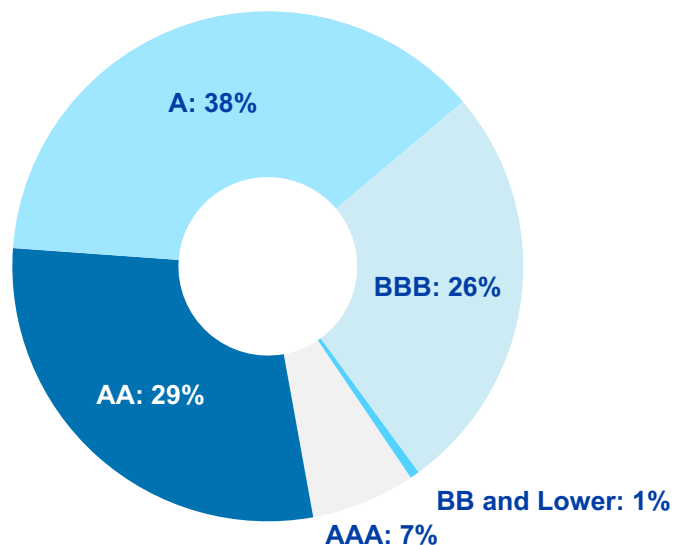
# \$29.9B BOND PORTFOLIO

## High-quality and conservative portfolio

### BOND PORTFOLIO IS 70% OF TOTAL PORTFOLIO

- 67% are corporate bonds and 33% are government & municipalities bonds
- Bonds with average credit rating between A and A+
- No exposure to Collateralized Loan Obligations (CLOs)

### BOND PORTFOLIO BY CREDIT RATING



Data as at December 31, 2023.  
The figures do not always add up exactly due to rounding differences.

Distribution by category of issuer	
Governments	30%
Municipalities	3%
Corporates - Public issues	48%
Corporates - Private issues	19%
<b>Total</b>	<b>100%</b>

Distribution by industry sector (Corporate bonds)	
Financial services	20%
Utilities	28%
Consumer cyclical and non-cyclical	16%
Energy	11%
Industrial	8%
Communications	11%
Other	6%
<b>Total</b>	<b>100%</b>

### 2023 EXPERIENCE

- Favourable annual bond portfolio credit experience flowing through Q4/23 core earnings

### BOND CREDIT EXPERIENCE METHODOLOGY

- All bonds are at fair value to P&L – Defaults and credit rating changes flow directly to core earnings
- Bonds already reflects expected credit losses, therefore no IFRS 9 allowance for credit losses required<sup>1</sup>

<sup>1</sup> Whereas, for assets at fair value to other comprehensive income and amortized cost, investment income recognized in P&L is amortized, thus requiring an IFRS 9 allowance for credit losses.



# HIGH-QUALITY INVESTMENT PROPERTIES & MORTGAGES PORTFOLIOS



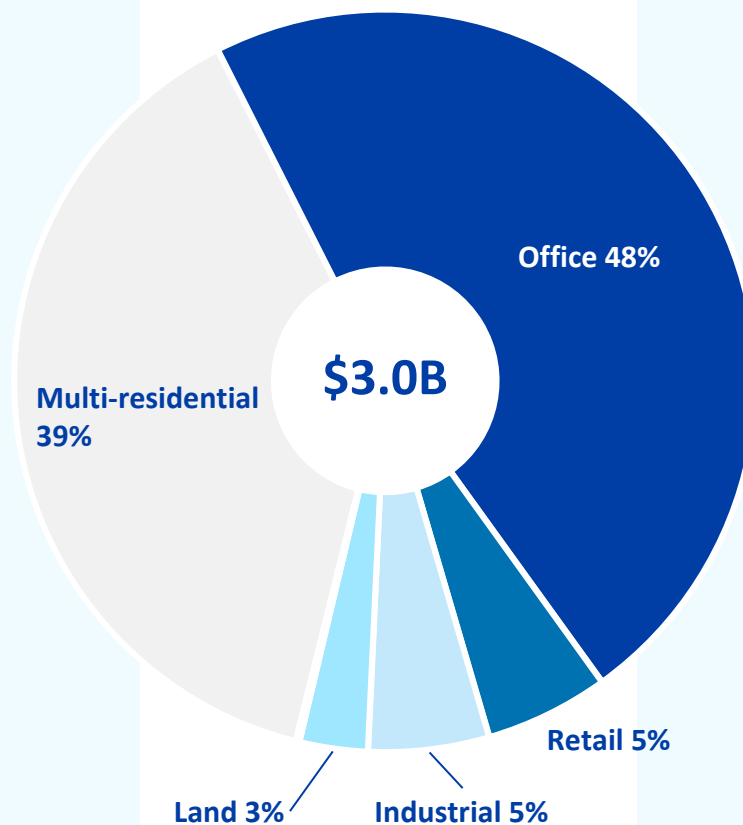
## \$1.6B INVESTMENT PROPERTIES

- Capital-efficient investment properties
- Average lease terms remaining of ~9 years<sup>1</sup>
- Large portion rented to governments
- Occupancy above market at 87%
- Lower risk profile via unlevered ownership
- 99.8% of investment properties are in Canada

## \$1.4B MORTGAGES

- Disciplined underwriting process
- 68% of mortgages are insured
- 89% of mortgages are in Canada

### Combined portfolios



Investment properties by property type	
Office	85%
Retail	6%
Industrial	4%
Land	5%
Multi-residential	—%

Mortgage portfolio by property type	
Office	6%
Retail	4%
Industrial	7%
Land	—%
Multi-residential	83%

<sup>1</sup> Weighted average lease term.

# IMMEDIATE SENSITIVITIES UNDER IFRS 17

For more information on sensitivities, please refer to the quarterly and annual Management's Discussion and Analysis (MD&A)

as at December 31, 2023

		IMMEDIATE IMPACT			
		Net income (non-core)	Equity	Solvency ratio	CSM
		\$M post-tax	\$M post-tax	Percentage points	\$M pre-tax
PUBLIC EQUITY	Immediate +10% change in market values <sup>1</sup>	100	125	(1.0%)	175
	Immediate -10% change in market values <sup>1</sup>	(75)	(100)	0.5%	(200)
PRIVATE NON-FIXED INCOME (NFI) ASSETS	Immediate +10% change in market values of private equity, invest. property and infrastructure	275	300	1.5%	0
	Immediate -10% change in market values of private equity, invest. property and infrastructure	(275)	(300)	(1.5%)	0
INTEREST RATES	Immediate parallel shift of +50 bps on all rates	(25)	25	1.0%	25
	Immediate parallel shift of -50 bps on all rates	0	(50)	(1.5%)	(25)
CORPORATE SPREADS	Immediate parallel shift of +50 bps	(25)	50	1.5%	0
	Immediate parallel shift of -50 bps	0	(75)	(1.5%)	0
PROVINCIAL GOV. BOND SPREADS	Immediate parallel shift of +50 bps	25	0	(0.5%)	75
	Immediate parallel shift of -50 bps	(25)	0	0.5%	(100)
Rounding		±25	±25	±0.5%	±25

<sup>1</sup> Excluding preferred shares.







## REVENUES & EXPENSES DIRECTLY IMPACTED BY THE LEVEL OF EQUITY MARKETS AND INTEREST RATES

- Expected return on non-fixed income (NFI) asset investments
- CSM recognition in earnings for seg funds
- Net revenues on AUM/AUA of mutual funds and wealth distribution affiliates
- Expected return on fixed income assets and on expected liability finance expense

## CORE EARNINGS SENSITIVITIES DO NOT REFLECT:

- Diversification between macroeconomic factors
- Future management actions and investment portfolio re-optimization

# CORE EARNINGS SENSITIVITIES

as at Dec. 31, 2023	Variation	IMPACT ON FUTURE QUARTER CORE EARNINGS <sup>1</sup> <i>\$M post-tax</i>	Description of shock
PUBLIC EQUITY <sup>2</sup>	+5%	4	Immediate +5% change in market values
	-5%	(5)	Immediate -5% change in market values
PRIVATE NON-FIXED INCOME (NFI) ASSETS <sup>3</sup>	+5%	3	Immediate +5% change in market values
	-5%	(3)	Immediate -5% change in market values
INTEREST RATES	+10 bps	2	Immediate parallel shift of +10 bps on all rates
	-10 bps	(2)	Immediate parallel shift of -10 bps on all rates
CREDIT AND SWAP SPREADS	+10 bps	2	Immediate parallel shift of +10 bps
	-10 bps	(2)	Immediate parallel shift of -10 bps

For more information on sensitivities, please refer to the “Risk Management” sections of the quarterly and annual Management’s Discussion and Analysis (MD&A)

<sup>1</sup> Impacts on core earnings for the next quarter. <sup>2</sup> Excluding preferred shares. <sup>3</sup> Private equity, investment property and infrastructure.

# INSURANCE, CANADA



(\$M, unless otherwise indicated)

	Fourth quarter			Year-to-date at December 31		
	2023	2022	Variation	2023	2022	Variation
<b>Individual Insurance</b>						
Sales <sup>1</sup>						
Minimum premiums <sup>2</sup>	83	87	(5%)	328	352	(7%)
Excess premiums <sup>3</sup>	12	8	50%	41	35	17%
<b>Total</b>	<b>95</b>	95	—%	<b>369</b>	387	(5%)
Gross premiums	649	596	9%	2,479	2,345	6%
Net premiums	511	472	8%	1,985	1,882	5%
Number of policies issued						
Life insurance only	36,667	39,113	(6%)	151,965	159,722	(5%)
Life, critical illness, disability	56,383	57,942	(3%)	228,849	232,603	(2%)
<b>iA Auto &amp; Home</b>						
Sales - Direct written premiums	115	100	15%	519	457	14%
Net premiums	112	94	19%	501	440	14%

<sup>1</sup> First-year annualized premiums. <sup>2</sup> Insurance component. <sup>3</sup> Savings component.

<sup>†</sup> This item is a non-IFRS measure; see the “Non-IFRS and Additional Financial Measures” section at the beginning of this document for relevant information about such measures.

# INSURANCE, CANADA (cont.)



(\$M, unless otherwise indicated)

	Fourth quarter			Year-to-date at December 31		
	2023	2022	Variation	2023	2022	Variation
<b>Group Insurance</b>						
Employee Plans						
Sales - New business during the year	6	18	(67%)	50	46	9%
Net premiums	331	326	2%	1,312	1,263	4%
Premium equivalents and deposits	59	49	20%	235	184	28%
Special Markets						
Sales - Gross premiums	105	102	3%	367	322	14%
Net premiums	97	95	2%	335	292	15%
<b>Total - Sales</b>	<b>111</b>	<b>120</b>	<b>(8%)</b>	<b>417</b>	<b>368</b>	<b>13%</b>
<b>Total - Net premiums, premium equivalents and deposits</b>	<b>487</b>	<b>470</b>	<b>4%</b>	<b>1,882</b>	<b>1,739</b>	<b>8%</b>
<b>Dealer Services</b>						
Sales - Creditor insurance	50	53	(6%)	211	223	(5%)
Sales - P&C	110	95	16%	475	392	21%
<b>Total - Sales</b>	<b>160</b>	<b>148</b>	<b>8%</b>	<b>686</b>	<b>615</b>	<b>12%</b>
<b>Total - Net premiums and premium equivalents</b>	<b>136</b>	<b>116</b>	<b>17%</b>	<b>584</b>	<b>482</b>	<b>21%</b>

<sup>†</sup> This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section at the beginning of this document for relevant information about such measures.

# WEALTH MANAGEMENT



(\$M, unless otherwise indicated)

	Fourth quarter			Year-to-date at December 31		
	2023	2022	Variation	2023	2022	Variation
<b>Individual Wealth Management</b>						
<b>Sales - Gross sales</b>						
Segregated funds	837	702	19%	3,581	3,908	(8%)
Mutual funds <sup>†</sup>	393	350	12%	1,531	1,722	(11%)
Insured annuities and other savings products	711	408	74%	2,700	1,203	124%
<b>Total</b>	<b>1,941</b>	<b>1,460</b>	<b>33%</b>	<b>7,812</b>	<b>6,833</b>	<b>14%</b>
<b>Sales - Net sales</b>						
Segregated funds	(21)	172	(193)	751	1,915	(1,164)
Mutual funds <sup>†</sup>	(219)	(290)	71	(668)	(615)	(53)
<b>Total</b>	<b>(240)</b>	<b>(118)</b>	<b>(122)</b>	<b>83</b>	<b>1,300</b>	<b>(1,217)</b>

(\$M, unless otherwise indicated)

	December 31, 2023	3-month variation	1-year variation
<b>Assets under management<sup>†</sup></b>			
Insured annuities and other savings products (general fund) <sup>1</sup>	4,513	14%	75%
Segregated funds	26,650	7%	14%
Mutual funds	12,204	7%	5%
<b>Total</b>	<b>43,367</b>	<b>8%</b>	<b>15%</b>
<b>Assets under administration<sup>2,†</sup></b>	<b>108,265</b>	<b>6%</b>	<b>11%</b>
<b>Total AUM/AUA</b>	<b>151,632</b>	<b>7%</b>	<b>12%</b>

<sup>1</sup> Represents in-force business sold by the Wealth Management business segment; assets are managed by the Investment business segment.

<sup>2</sup> Includes assets related to distribution affiliates.

<sup>†</sup> This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section at the beginning of this document for relevant information about such measures.

# WEALTH MANAGEMENT (cont.)



(\$M, unless otherwise indicated)	Fourth quarter			Year-to-date at December 31		
	2023	2022	Variation	2023	2022	Variation
<b>Group Savings and Retirement</b>						
Sales - Gross sales						
Accumulation contracts <sup>†</sup>						
Other accumulation contracts	23	21	10%	83	77	8%
Segregated funds	482	542	(11%)	1,847	1,949	(5%)
<b>Total</b>	<b>505</b>	<b>563</b>	<b>(10%)</b>	<b>1,930</b>	<b>2,026</b>	<b>(5%)</b>
Insured annuities (general fund) <sup>†</sup>	29	462	(94%)	660	801	(18%)
<b>Total - Gross sales</b>	<b>534</b>	<b>1,025</b>	<b>(48%)</b>	<b>2,590</b>	<b>2,827</b>	<b>(8%)</b>
Net premiums	529	1,019	(48%)	2,565	2,800	(8%)

(\$M, unless otherwise indicated)	December 31, 2023	3-month variation	1-year variation
<b>Assets under management</b>			
Accumulation contracts <sup>†</sup>			
Other accumulation contracts (general fund) <sup>1</sup>	364	10%	30%
Segregated funds	15,187	6%	9%
<b>Total</b>	<b>15,551</b>	<b>7%</b>	<b>10%</b>
Insured annuities (general fund) <sup>1,†</sup>	5,685	11%	20%
<b>Total - Assets under management</b>	<b>21,236</b>	<b>8%</b>	<b>12%</b>

<sup>1</sup> Represents in-force business sold by the Wealth Management business segment; assets are managed by the Investment business segment.

<sup>†</sup> This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section at the beginning of this document for relevant information about such measures.

# US OPERATIONS



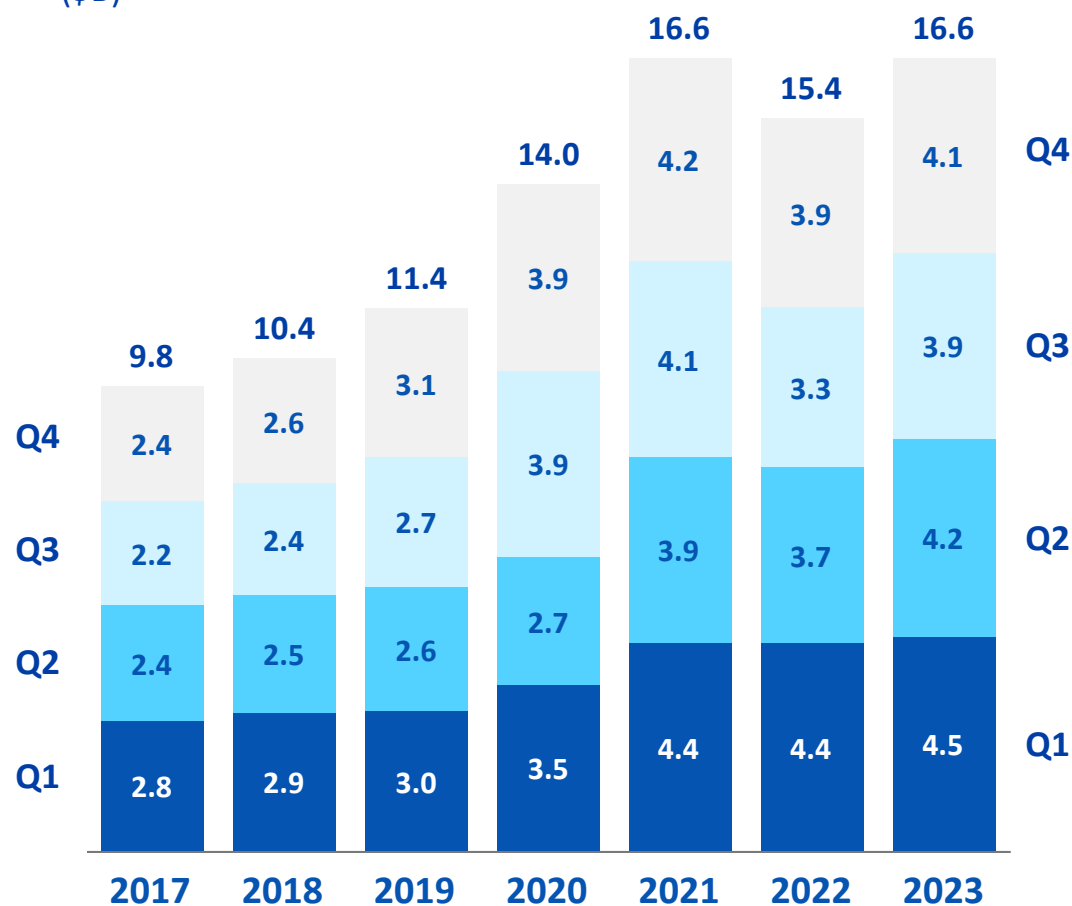
(\$M, unless otherwise indicated)

	Fourth quarter			Year-to-date at December 31		
	2023	2022	Variation	2023	2022	Variation
<b>Individual Insurance<sup>†</sup></b>						
Sales (\$US)	44	37	19%	172	143	20%
Sales (\$CAN)	60	49	22%	231	185	25%
Net premiums (\$CAN)	170	149	14%	643	548	17%
<b>Dealer Services<sup>†</sup></b>						
Sales (\$US)	227	241	(6%)	951	1,011	(6%)
Sales (\$CAN)	309	328	(6%)	1,283	1,315	(2%)
Net premiums (\$CAN)	109	133	(18%)	476	493	(3%)
Premium equivalents (\$CAN)	66	56	18%	230	224	3%
<b>Total net premiums and premium equivalents (\$CAN)</b>	<b>345</b>	<b>338</b>	<b>2%</b>	<b>1,349</b>	<b>1,265</b>	<b>7%</b>

<sup>†</sup> This item is a non-IFRS measure; see the “Non-IFRS and Additional Financial Measures” section at the beginning of this document for relevant information about such measures.

# PREMIUMS AND DEPOSITS

Net premiums, premium equivalents and deposits<sup>†</sup>  
(\$B)



(\$M, unless otherwise indicated)

	Q4/2023	YoY
<b>Insurance, Canada</b>		
Individual Insurance	511	8%
Group Insurance	487	4%
Dealer Services	136	17%
iA Auto and Home <sup>1</sup>	122	12%
<b>Wealth Management</b>		
Individual Wealth Management	1,941	33%
Group Savings and Retirement	529	(48%)
<b>US Operations</b>		
Individual Insurance	170	14%
Dealer Services	175	(7%)
<b>TOTAL</b>	<b>4,072</b>	<b>2%</b>

<sup>1</sup> Includes iAAH and some minor consolidation adjustments.

Notes: The figures do not always add up exactly due to rounding differences. The definition of net premiums for P&C businesses has been updated based on the new IFRS 17 and IFRS 9 accounting standards. Net premiums for 2022 and after reflect this new definition; net premiums prior to 2022 have not been restated.

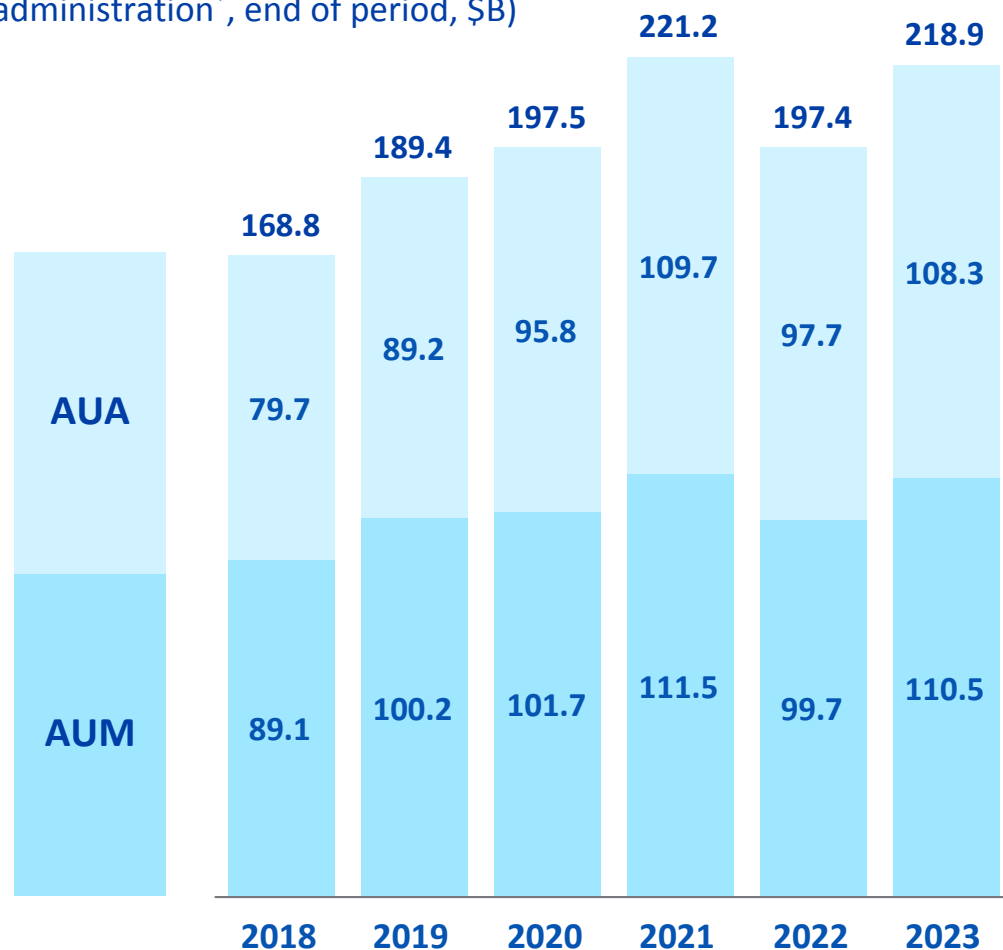
<sup>†</sup> This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section at the beginning of this document for relevant information about such measures.



# ASSET GROWTH

## AUM/AUA

(assets under management and administration<sup>†</sup>, end of period, \$B)



Assets under management and administration			
(\$B, unless otherwise indicated)	December 31 2023	QoQ	YoY
<b>Assets under management</b>			
General fund <sup>1</sup>	52.0	8%	10%
Segregated funds	41.8	7%	12%
Mutual funds	12.2	7%	5%
Other	4.5	7%	22%
<b>Subtotal</b>	<b>110.5</b>	<b>8%</b>	<b>11%</b>
<b>Assets under administration</b>	<b>108.3</b>	<b>6%</b>	<b>11%</b>
<b>Total</b>	<b>218.9</b>	<b>7%</b>	<b>11%</b>

<sup>1</sup> All general fund assets, including, among other things: insured annuities, other savings products and other accumulation contracts. Adjustments to asset and liability calculations for Q4/2022 to Q3/2023 bond portfolio figures have been implemented in Q4/2023. The figures do not always add up exactly due to rounding differences.

<sup>†</sup> This item is a non-IFRS measure; see the “Non-IFRS and Additional Financial Measures” section at the beginning of this document for relevant information about such measures.





# CSM MOVEMENT ANALYSIS<sup>†</sup>

## Q4/23 highlights

(\$M, unless otherwise indicated)

	Q4/2023	Q4/2022	YoY
<b>CSM - Beginning of period</b>	<b>5,781</b>	<b>5,680</b>	
<b>Organic CSM movement<sup>1</sup></b>			
Impact of new insurance business <sup>2</sup>	148	159	
Organic financial growth	63 <sup>3</sup>	61	
Insurance experience gains (losses)	18	7	
CSM recognized for services provided	(157)	(139)	
<b>Subtotal - Organic CSM movement<sup>1</sup></b>	<b>72</b>	<b>88</b>	<b>(18%)</b>
<b>Non-organic CSM movement</b>			
Impact of changes in assumptions and management actions	(34)	(292)	
Impact of markets	119	105	
Currency impact	(13)	(7)	
<b>Subtotal - Non-organic CSM movement</b>	<b>72</b>	<b>(194)</b>	<b>(137%)</b>
<b>Total - CSM movement</b>	<b>144</b>	<b>(106)</b>	
<b>CSM - End of period</b>	<b>5,925</b>	<b>5,574</b>	<b>6%</b>

### Organic CSM increase of \$72M

- \$63M organic financial growth<sup>3</sup>
- Higher CSM recognized in P&L for services provided
- \$18M experience gains mainly due to:
  - favourable mortality experience; and
  - favourable policyholder behaviour stemming from Wealth Management fund mix
- Driven by strong business growth, the *Impact of new insurance business* was tempered by the effect of high interest rates, the latter being a positive for the Company's future profits

### Non-organic CSM increase of \$72M

- \$119M positive macroeconomic impact mainly due to favourable equity market performance
- -\$13M impact of currency variations
- Year-end assumption review and management actions had an unfavourable impact of \$34M on the CSM and a favourable impact on the RA<sup>4</sup> of \$95M. Therefore, the impact on future profit is favourable (+\$61M).

**Total CSM growth of \$144M to end at \$5.9B, up 6% YoY**

<sup>1</sup> Organic CSM movement excludes the impacts of items that create undue volatility or are non-representative of underlying business performance from period to period and helps in better understanding ongoing CSM value creation, in an approach similar to that of core earnings. <sup>2</sup> Impact of new insurance business includes, since Q2/2023, the impacts related to policy cancellations and, since Q3/2023, the impacts related to acquisition expenses, both previously included in Insurance experience gains (losses).

<sup>3</sup> For the calculation of organic financial growth, an improved methodology has been applied starting from the second quarter of 2023. <sup>4</sup> Risk Adjustment.

<sup>†</sup> This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section at the beginning of this document for relevant information about such measures.



# 2023 CSM MOVEMENT ANALYSIS<sup>†</sup>

(\$M, unless otherwise indicated)

	Insurance, Canada	Wealth Management	US Operations	Total
<b>CSM - Beginning of period</b> (as at December 31, 2022)	<b>3,016</b>	<b>2,014</b>	<b>544</b>	<b>5,574</b>
<b>Organic CSM movement<sup>1</sup></b>				
Impact of new insurance business <sup>2</sup>	384	160	53	<b>597</b>
Organic financial growth	79	163	11	<b>253</b>
Insurance experience gains (losses)	(1)	24	(5)	<b>18</b>
CSM recognized for services provided	(295)	(243)	(71)	<b>(609)</b>
<b>Subtotal - Organic CSM movement<sup>1</sup></b>	<b>167</b>	<b>104</b>	<b>(12)</b>	<b>259</b>
<b>Non-organic CSM movement</b>				
Impact of changes in assumptions and management actions	(97)	80	(33)	<b>(50)</b>
Impact of markets	8	148	—	<b>156</b>
Currency impact	—	—	(14)	<b>(14)</b>
<b>Subtotal - Non-organic CSM movement</b>	<b>(89)</b>	<b>228</b>	<b>(47)</b>	<b>92</b>
<b>Total - CSM movement</b>	<b>78</b>	<b>332</b>	<b>(59)</b>	<b>351</b>
<b>CSM - End of period</b> (as at December 31, 2023)	<b>3,094</b>	<b>2,346</b>	<b>485</b>	<b>5,925</b>

## 2023 highlights

### Organic CSM increase of \$259M

- \$597M impact of new business and \$253M in organic financial growth
- \$609M recognized in P&L for services provided
- Driven by strong business growth, the *Impact of new insurance business* was tempered by the effect of high interest rates, the latter being a positive for the Company's future profits

### Non-organic CSM increase of \$92M

- \$156M positive macroeconomic impact mainly due to favourable equity market performance
- Changes in assumptions and management actions had an unfavourable impact of \$50M

**Total CSM growth of \$351M in 2023**  
**+6% YoY**

**CSM of more than \$5.9B at year-end**

<sup>1</sup> Organic CSM movement excludes the impacts of items that create undue volatility or are non-representative of underlying business performance from period to period and helps in better understanding ongoing CSM value creation, in an approach similar to that of core earnings. <sup>2</sup> Impact of new insurance business includes, since Q2/2023, the impacts related to policy cancellations and, since Q3/2023, the impacts related to acquisition expenses, both previously included in Insurance experience gains (losses).

<sup>†</sup> This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section at the beginning of this document for relevant information about such measures.



# GLOSSARY

Acronym	Term	Additional information
<b>ACL</b>	Allowance for credit losses	Amount defined by IFRS 9 that adjusts the carrying amount of an asset for estimated future credit losses.
<b>AMF</b>	Autorité des marchés financiers	Body mandated by the Government of Quebec to regulate Quebec insurers, including Industrial Alliance Insurance and Financial Services Inc.
<b>ASO</b>	Administrative services only	An ASO contract refers to a service contract, which is a contract that does not contain any significant insurance risk and no financial risk and for which the Company offers administrative services.
<b>AUA</b>	Assets under administration	Non-IFRS measure. All assets with respect to which the Company acts only as an intermediary between a client and an external fund manager.
<b>AUM</b>	Assets under management	Non-IFRS measure. All assets with respect to which the Company establishes a contract with a client and makes investment decisions for amounts deposited in this contract.
<b>BVPS</b>	Book value per common share	A financial measure calculated by dividing the common shareholders' equity by the number of common shares outstanding at the end of the period; all components of this measure are IFRS measures.
<b>CAGR</b>	Compound annual growth rate	The average annual growth rate of a metric over a specified period of time longer than one year.
<b>CARLI</b>	Capital adequacy requirements for life and health insurance	Capital adequacy guideline of the Autorité des marchés financiers applicable to Quebec life and health insurers, including Industrial Alliance Insurance and Financial Services Inc.
<b>CSM</b>	Contractual service margin	Portion of the insurance contract liability established at issuance of a contract to offset new business profit at issue and to defer it over the life of the contract as services are provided.
<b>DOE</b>	Drivers of earnings	Analysis that presents earnings broken down by key drivers.
<b>DRIP</b>	Dividend reinvestment and share purchase plan	-
<b>EPS</b>	Earnings per common share	A measure of the Company's profitability, calculated by dividing the consolidated net income attributed to common shareholders by the weighted average number of outstanding common shares for the period, excluding common shares held in treasury.
<b>ESG</b>	Environment, social, governance	Integrating environmental, social and governance factors into the activities of the Company.
<b>FCF</b>	Fulfilment cash flows	The sum of the estimates of present value of future cash flows and the risk adjustment for non-financial risk (RA).
<b>FVPL</b>	Fair value through profit or loss	Classification of financial instruments defined by IFRS 9 where changes in fair value of the financial instruments are recorded through profit or loss (not in other comprehensive income).
<b>GAAP</b>	Generally accepted accounting principles	-
<b>GHG</b>	Greenhouse gas emissions	-
<b>GMM</b>	General measurement model	One of the three measurement models under IFRS 17. The GMM is the measurement model by default.
<b>IAS</b>	International Accounting Standards	Set of accounting standards mandatory for Canadian publicly-owned companies.
<b>IASB</b>	International Accounting Standards Board	Body responsible for the development and publication of IFRS and IAS accounting standards.

# GLOSSARY (cont.)

Acronym	Term	Additional information
<b>IFRS</b>	International Financial Reporting Standards	Set of accounting standards mandatory for Canadian publicly-owned companies.
<b>MD&amp;A</b>	Management's Discussion and Analysis	-
<b>NCIB</b>	Normal course issuer bid	-
<b>NFI</b>	Non-fixed income	Asset class notably including public and private equity exposures, investment properties and infrastructure investments.
<b>P&amp;C</b>	Property and casualty	Broad type of insurance coverages that includes auto and home insurance, warranties, etc.
<b>P&amp;L</b>	Profits and losses	Refers to the net income in an accounting income statement.
<b>PAA</b>	Premium allocation approach	One of the three measurement models under IFRS 17. The PAA is a simplified model allowed for short-term contracts.
<b>QoQ</b>	Quarter-over-quarter	Analysis which compares the result of a quarter versus the previous quarter.
<b>QTD</b>	Quarter-to-date	Last completed quarter.
<b>RA</b>	Risk adjustment for non-financial risk (or risk adjustment)	Portion of the insurance contract liability which represents the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts.
<b>ROE</b>	Return on common shareholders' equity	Non-IFRS measure. A ratio, expressed as a percentage, obtained by dividing the consolidated net income available to common shareholders by the average common shareholders' equity for the period.
<b>TPM</b>	Total portfolio management	Asset portfolio management approach where assets baking liabilities of multiple lines of business are managed without segmentation.
<b>US</b>	United States	-
<b>VFA</b>	Variable fee approach	One of the three measurement models under IFRS 17. The VFA applies to contracts with significant investment-related pass-through elements.
<b>YTD</b>	Year-to-date	Sum of the completed quarters of the calendar year.
-	Estimates of present value of future cash flows (or current estimate)	Portion of the insurance contract liability which represents an explicit, unbiased and probability-weighted estimate (i.e. expected value) of the present value of the future cash flows that will arise as the insurer fulfils its insurance contract obligations.
-	Deposits	Deposits refer to amounts of money received from clients under a mutual fund contract or an investment contract.
-	Initial recognition	Refers to the accounting of a contract at issuance.
-	Insurance contract	Contracts that contain a significant insurance risk. The Company has classified most of its contracts as insurance contracts.
-	Investment contract	Contracts that contain a financial risk and which do not include a significant insurance risk.
-	Loss component	For onerous contracts at initial recognition, a loss is recognized in earnings and a loss component (notional amount) is established. After initial recognition, the loss component is tracked and disclosed.
-	Onerous contract	An insurance contract is onerous at initial recognition if fulfilment cash flows measured (including acquisition expenses) represent a net outflow (i.e. loss) at initial recognition.
-	Service contract	Contracts that do not contain any significant insurance risk and no financial risk and for which the Company offers administrative services. Administrative services only (ASO) contracts fall into this category.

# INVESTOR RELATIONS

## Contact

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## Next Reporting Dates

Q1/2024 - May 9, 2024	Conference call on May 9, 2024
Q2/2024 - August 6, 2024 after market close	Conference call on August 7, 2024
Q3/2024 - November 5, 2024 after market close	Conference call on November 6, 2024

For information on our earnings releases, conference calls and related disclosure documents, consult the Investor Relations section of our website at [ia.ca](http://ia.ca).

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