

# First Quarter 2021 Conference Call

## Presenters:

**Denis Ricard**, President and CEO

**Michael L. Stickney**, EVP and CGO

**Jacques Potvin**, EVP, CFO and Chief Actuary

May 6, 2021



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**Denis Ricard**  
President and CEO

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# Q1/2021 KEY RESULTS

## Sustained growth momentum

Strong results from all sectors,  
most notably iAAH, US Dealer Services and car loans



**\$1.79**

**Core EPS**  
*+20% YoY*

**13.6%**

**Core ROE**  
*Top of guidance*

**\$4.4B**

**P&D**  
*+25% YoY*

**\$201.3B**

**AUM/AUA**  
*+15% YoY*

**128%**

**Solvency ratio**  
*Above target*

**\$56.95**

**Book value**  
*+9% YoY*

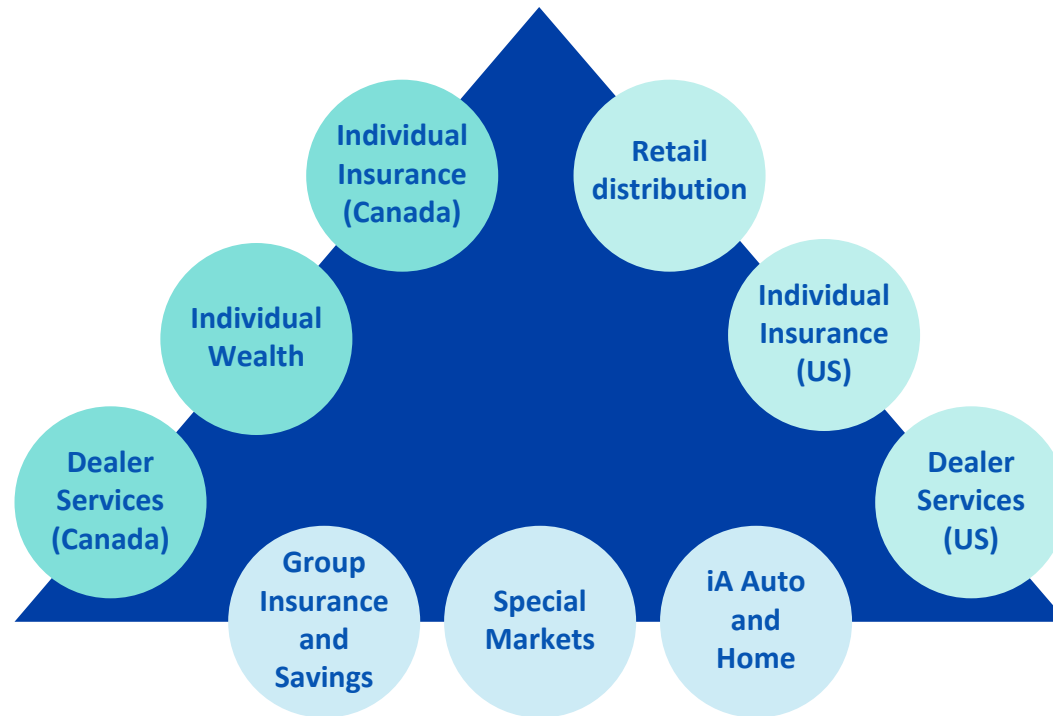




## Foundation

Long-established businesses in which iA excels and is already a leader

- Very strong Individual Insurance sales, up 29% YoY
- Record net inflows of \$972M for seg funds and \$378M for mutual funds
- Good profitability for Dealer Services with gain from car loans



## Expansion

High-growth distinctive businesses in which iA seeks to become a leader

- US Dealer Services: Profit and sales above expectations
- Contribution from distribution affiliates (insurance and wealth) slightly better than expectation



## Support

Businesses supporting branding and delivering synergies and competitive advantages to other iA businesses

- Very favourable experience at iA Auto and Home
- Strong sales in Employee Plans



**Michael L. Stickney**  
EVP and CGO

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# Q1/2021: Solid sales results

## Starting 2021 with solid results across all lines of business

(\$M, unless otherwise indicated)	First quarter			
	2021	2020	Variation	
► Individual Insurance	58.1	45.2	29%	Continued momentum from: <ul style="list-style-type: none"> <li>▪ Strong and diversified distribution networks</li> <li>▪ High-performance digital tools</li> <li>▪ Product offering improvements in 2020</li> </ul>
► Group Insurance				
Employee Plans	87.1	57.1	53%	Several new groups implemented during Q1
Dealer Services <sup>1</sup>	231.2	224.1	3%	Mainly driven by car loan originations and P&C sales
Special Markets	46.8	75.8	(38%)	Decrease from lower travel insurance sales, due to pandemic
► US Operations (\$US)				
Individual Insurance	31.2	29.4	6%	Strong sales in the final expense and term product markets
Dealer Services - P&C	233.0	117.2	99%	Addition of IAS's sales and of several new dealer group enrolments

<sup>1</sup> Includes creditor insurance, P&C products and car loan originations.

# Q1/2021: Solid sales results (cont.)

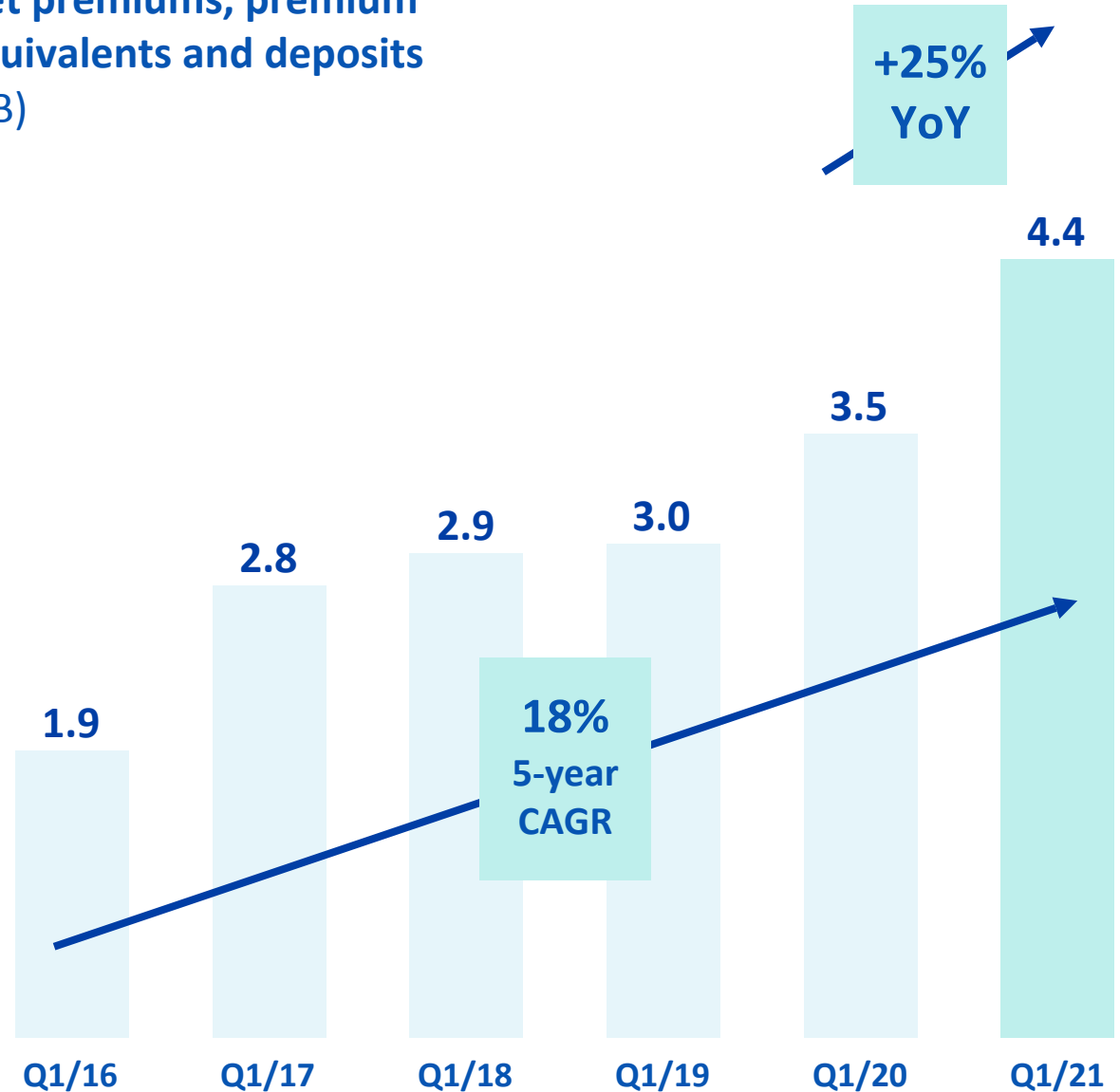
## Starting 2021 with solid results across all lines of business

(\$M, unless otherwise indicated)	First quarter			
	2021	2020	Variation	
<b>► Individual Wealth Management</b>				
General fund - sales	<b>228.7</b>	205.7	11%	Sales continue to be excellent
Segregated funds - net sales	<b>972.3</b>	423.8	548.5	#1 in the industry (gross and net sales) Net sales more than doubled YoY with the performance of our digital tools
Mutual funds - net sales	<b>377.8</b>	(99.2)	477.0	Positive net sales supported by the contribution of all distribution networks
<b>► Group Savings and Retirement</b>	<b>693.3</b>	658.9	5%	Several new groups with substantial assets
<b>► iA Auto and Home</b>	<b>84.1</b>	73.9	14%	Strong business growth continues
<b>Net premiums, premium equivalents and deposits (\$M)</b>	<b>4,421.6</b>	3,545.2	25%	Strong result, mainly due to group and retail wealth lines of business & US Operations
<b>Assets under management and administration (end of period, \$B)</b>	<b>201.3</b>	175.7	15%	Favourable market impacts and solid net fund entries

# Q1 Premiums and deposits



Net premiums, premium  
equivalents and deposits  
(\$B)





**Jacques Potvin**  
EVP, CFO and Chief Actuary

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# Q1/2021 results vs. guidance

All within or better than target, with the exception of the effective tax rate

	2021 guidance	Q1/2021 results
<b>Core EPS<sup>1</sup></b>	\$1.70 to \$1.85 in Q1	<b>\$1.79</b>
<b>Core ROE<sup>1</sup></b> (trailing 12 months)	12.5% to 14.0%	<b>13.6%</b>
<b>Impact of new business</b> (strain)	-5% to 10%	<b>5%</b>
<b>Solvency ratio</b>	110% to 116%	<b>128%</b>
<b>Capital generation</b>	\$275M to \$325M in 2021	<b>~\$90M</b>
<b>Effective tax rate</b>	20% to 22%	<b>25.5%</b>
<b>Payout ratio</b>	25% to 35% (mid-range)	<b>30%</b>

<sup>1</sup> See “Reported EPS and Core EPS Reconciliation” in this slide package.

Note: This slide presents non-IFRS financial measures. See “Non-IFRS Financial Information” at the end of this document for further information.

# Reported and core earnings reconciliation

	\$M PRE-TAX	\$M POST-TAX	EPS	
<b>Reported earnings</b>		<b>172.9</b>	<b>1.61</b>	
Core earnings remove from reported earnings the impacts of the following items:				
Market-related impacts	(6.0)	(4.4)	(0.04)	UL (4¢ EPS gain), assets backing LT liabilities (as expected), MERs (1¢ EPS gain) and hedging (1¢ EPS loss) → <i>see slide 25</i>
Assumption changes and management actions	—	—	—	None during Q1
Charges or proceeds related to acquisition or disposition of a business	4.4	3.5	0.03	IAS integration costs: 3¢ actual vs. 2¢ budgeted → <b>1¢ reported EPS experience loss</b>
Amortization of acquisition-related finite life intangible assets	17.8	13.5	0.13	As expected
Non-core pension expense	9.1	6.7	0.06	As expected
Other specified unusual items	—	—	—	None during Q1
<b>Core earnings</b>		<b>192.2</b>	<b>1.79</b>	

This slide presents non-IFRS financial measures. See “Non-IFRS Financial Information” at the end of this document for further information. Due to rounding, the figures do not always add up exactly and minor differences may occur between items expressed in millions of dollars and expressed in earnings per common share; in all cases, items expressed in millions of dollars prevail over those expressed in earnings per common share.

# Core SOE and items of note

## Core expected profit on in-force up 11.6% YoY

Source of earnings on a core basis (\$M)	Q1/2021
Operating profit	
Expected profit on in-force	216.5
Experience gain (loss)	1.3
Impact of new business (strain)	(4.7)
Changes in assumptions and management actions	—
Total operating profit	213.1
Income on capital	51.8
Income taxes	(67.0)
Dividends on preferred shares	5.7
Core net income attributed to common shareholders	192.2
Core EPS	\$1.79

Q1/2021 items of note (difference vs. expectations)		
\$M PRE-TAX	\$M POST-TAX	EPS
1.3	1.1	0.01
(1.7)	(1.4)	(0.01)
13.9	10.3	0.09
N/A	(9.6)	(0.09)

Good results from US Dealer Services and car loans, partly offset by higher expenses → *see slide 21*

At 5% of sales: within target range of -5% to 10%  
Sales mix was slightly unfavourable → *see slide 22*

Very favourable experience at iAAH (+8¢) and higher investment income on surplus (+1¢) → *see slide 23*

Mainly from the impact of raised interest rates on the Company's multinational insurer status (CIF) → *see slide 24*

## Better-than-expected mortality experience and untouched lapse provision

(amounts in millions of dollars are expressed before taxes)	Initial value at Dec. 31, 2020	Evolution during Q1	Current value at March 31, 2021
<b>Excess mortality protection<sup>1</sup></b>	\$58M	<i>Expected excess mortality: \$12M (9¢ EPS)</i> Actual excess mortality: \$9M	\$49M <sup>3</sup>
<b>Policyholder behaviour protection<sup>2</sup></b>	\$69M	No adverse policyholder behaviour due to pandemic-related economic uncertainty during the quarter	\$69M

<sup>1</sup> This protection in reserves covers potential excess mortality for the next 5 years from direct and indirect COVID impacts. It acts as a downside protection absorbing excess mortality up to a specific maximum. This protection is expected to decrease quarterly and could absorb up to \$33M in mortality losses in 2021. Any unused protection will be carried forward quarterly. The provision will be reassessed at each year-end.

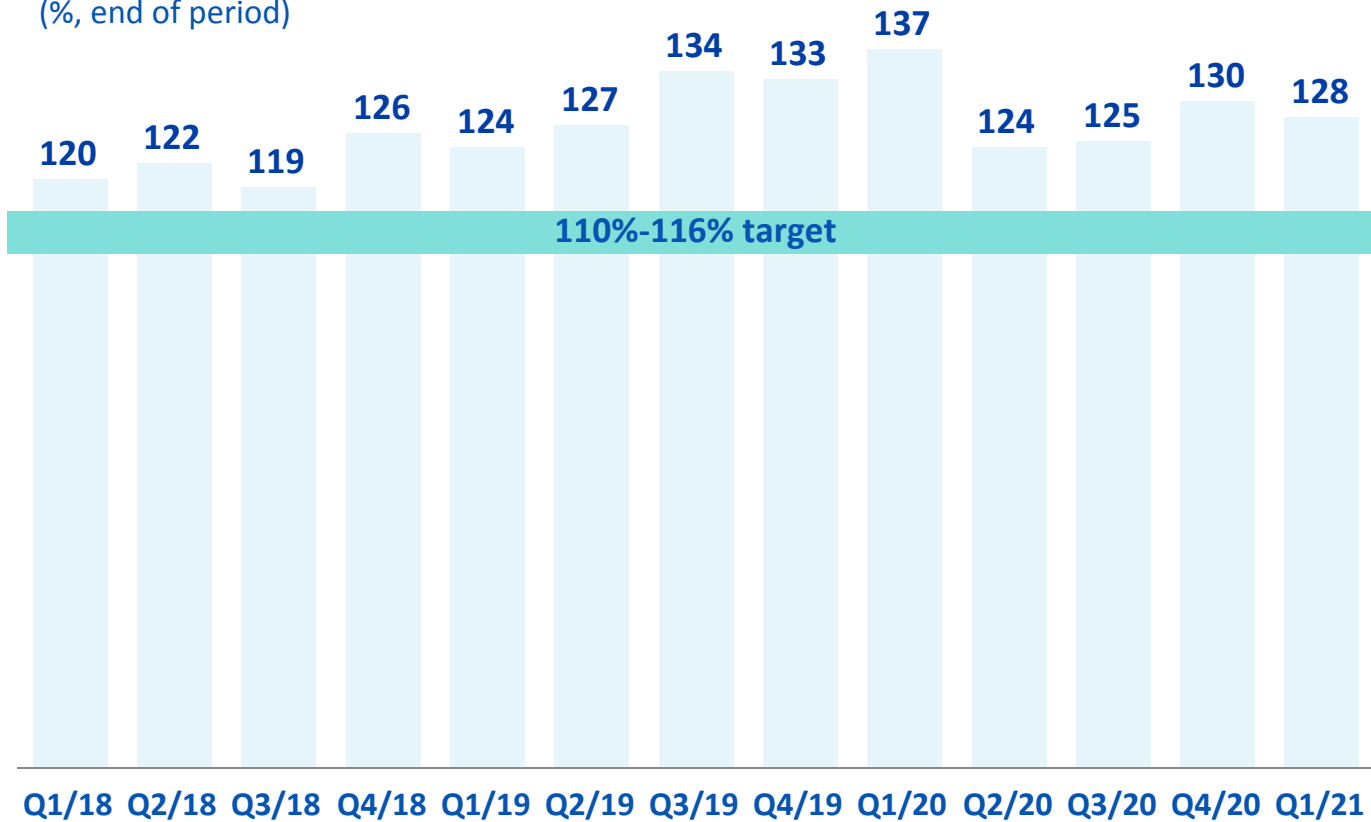
<sup>2</sup> This protection in reserves for a specific high-end product covers potential adverse policyholder behaviour due to pandemic-related economic uncertainty. It covers the downside risk and will be reassessed at year-end.

<sup>3</sup> Excluding a \$3M negative impact on accounting value of provision due to exchange rate variations. This impact is expected to vanish over time as protection is depleted.

128% solvency ratio – Comfortably above iA’s target level

## Solvency ratio

iA Financial Corporation Inc.  
(%, end of period)



## Key changes during the quarter

- ▶ -3.0% Market-related variations
- ▶ +1.0% Organic capital generation net of digital initiatives

# Strong balance sheet

## Distinctive market protection

Embedded in reserving process, iA's distinctive market protection decreases net income and solvency ratio volatility and supports iA's 110% to 116% solvency ratio target. Protection is worth more than **8 percentage points** of solvency ratio (as at March 31, 2021)

## Ratios (March 31, 2021)

Leverage ratio of **24.3%** and coverage ratio of **14.0x**

## Capital generation

Generation of **~\$90M** during Q1/2021  
Targeting \$275M to \$325M in 2021

## Capital sensitivity

Low sensitivity to market-related variations  
(See slide 39 of the Q4/2020 conference call slide deck, available on [ia.ca](http://ia.ca))

## Capital flexibility

Potential capital deployment of **~\$500M**  
(Pro forma<sup>1</sup> as at March 31, 2021, in accordance with regulatory constraints)

## NCIB and dividends

In accordance with regulators' instructions: buybacks and dividend increases on hold

<sup>1</sup> Reflecting the full impact of the revised Capital Adequacy Requirements for Life and Health Insurance ("CARLI") guideline without considering the 5-quarter phase-in period. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.



# Question & Answer Session



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# APPENDICES



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# Book value per share

P/BV ratio of 1.20 at March 31, 2021

CAGR	
1-year	+9%
5-year	+9%
10-year	+8%
Since 2000	+10%



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

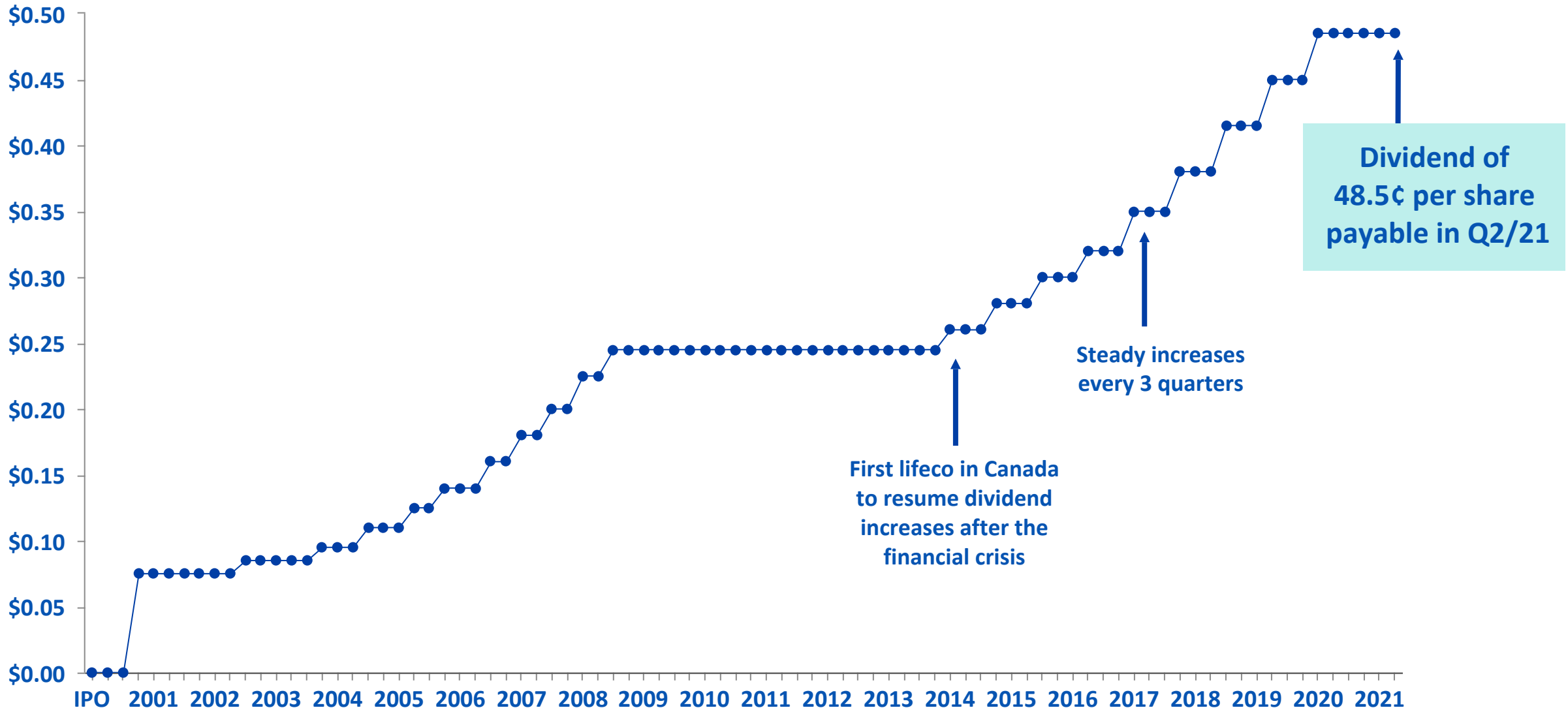
March 31, 2021  
\$56.95

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2.17	2.22	1.72	1.61	1.80	1.74	1.94	2.03	1.15	1.41	1.49	1.00	1.14	1.53	1.31	1.20	1.30	1.37	0.92	1.37	0.99
P/BV (share price/book value per share, at year-end)																				

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

# Dividend to common shareholders

Dividend increases temporarily on hold, in accordance with regulators' instructions



# Policyholder experience (excluding market-related impacts): 9¢ EPS gain

Very favourable experience at iAAH and good results from US Dealer Services and car loans

EPS impact in cents	2021	2020				2019				2020 annual	2019 <sup>2</sup> annual
	Q1	Q4 <sup>1</sup>	Q3	Q2	Q1	Q4 <sup>2</sup>	Q3	Q2	Q1		
Individual Insurance <sup>3</sup>	(6)	3	4	0	(8)	3	4	6	(6)	(1)	7
Individual Wealth Management <sup>4</sup>	2	(10)	(1)	(1)	0	(6)	0	(3)	(1)	(12)	(10)
Group Insurance	(1)	(2)	3	5	(10)	(5)	(7)	1	0	(4)	(11)
Group Savings and Retirement	1	(2)	2	3	2	1	3	2	2	5	8
US Operations <sup>5</sup>	5	(7)	(4)	1	(1)	4	(2)	1	1	(11)	4
iA Auto and Home (in income on capital)	8	11	11	7	11	1	5	1	2	40	9
<b>Total</b>	<b>9</b>	<b>(7)</b>	<b>15</b>	<b>15</b>	<b>(6)</b>	<b>(2)</b>	<b>3</b>	<b>8</b>	<b>(2)</b>	<b>17</b>	<b>7</b>

<sup>1</sup>Excluding pandemic-related additional and non-recurring employee support measures (Q4/20). <sup>2</sup>Excluding litigation provision and software writedowns (Q4/19). <sup>3</sup>Excluding PPI purchase price and/or goodwill adjustments (Q3/19 and Q1/20). <sup>4</sup>Excluding HollisWealth acquisition price final adjustment (Q4/18) and sale of iAIC (Q2/20). <sup>5</sup>Excluding gains and losses on acquisition and integration costs.

This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.

# Impact of new business (strain): 1¢ EPS loss in Q1

Within target range of -5% to 10%, but sales mix was slightly unfavourable

Reported strain includes Individual Insurance in Canada and the US

	2021	2020				2019			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales (\$M)	97.6	112.3	98.4	98.4	84.6	90.0	81.3	81.1	66.6
Strain (\$M)	(4.8)	(5.6)	(1.5)	(9.8)	(10.4)	0.8	(1.7)	(1.4)	(6.2)
Strain (%)	5%	5%	2%	10%	12%	(1%)	2%	2%	9%
Annual strain (%)		7%				3%			



# Income on capital: 9¢ EPS gain in Q1

Very favourable experience at iAAH (+8¢) and higher investment income on surplus (+1¢)

(\$M, pre-tax)	Quarterly run rate in 2021	2021	2020				2019			
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Investment income</b>	<b>37.0</b>	<b>38.7</b>	23.9	26.9	36.2	41.1	35.8	38.8	42.0	41.6
<b>Financing<sup>1</sup></b>	<b>(10.5)</b>	<b>(10.6)</b>	(10.8)	(10.8)	(10.7)	(9.3)	(8.2)	(5.7)	(5.7)	(6.7)
<b>Amortization of acquisition-related finite life intangibles</b>	<b>(17.5)</b>	<b>(17.8)</b>	(17.0)	(21.8)	(10.4)	(10.6)	(9.2)	(9.1)	(9.1)	(9.1)
<b>Subtotal</b>	<b>9.0</b>	<b>10.3</b>	(3.9)	(5.7)	15.1	21.2	18.4	24.0	27.2	25.8
<b>iA Auto and Home</b>	<b>13.0</b> excluding seasonality	<b>23.1</b>	25.1	25.0	15.7	13.1	8.6	16.1	5.2	(3.2)
<b>Total</b>	<b>22.0</b>	<b>33.4</b>	21.2	19.3	30.8	34.3	27.0	40.1	32.4	22.6

# Effective tax rate (ETR) of 25.5%: 9¢ EPS loss in Q1

**Mainly: Higher taxation from the Company's multinational insurer status (CIF), due to market-related variations**  
**Also: Negative impact of the decrease in the value of real estate and other small deviations from expectations**

(\$M, unless otherwise indicated)	2021	2020				2019			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Operating income</b>	<b>206.2</b>	190.0	249.2	209.9	8.8	184.7	201.1	208.7	184.6
<b>Income on capital</b>	<b>33.4</b>	21.2	19.3	30.8	34.3	27.0	40.1	32.4	22.6
<b>Pre-tax income</b>	<b>239.6</b>	211.2	268.5	240.7	43.1	211.7	241.2	241.1	207.2
<b>Income taxes</b>	<b>61.0</b>	33.6	45.5	52.5	(1.6)	35.2	52.1	54.0	50.4
<b>ETR</b>	<b>25.5%</b>	15.9%	16.9%	21.8%	(3.7%)	16.6%	21.6%	22.4%	24.3%

# Market-related impacts on earnings

4¢ EPS gain in Q1 from: UL (+4¢), MERs (+1¢) and hedging (-1¢)

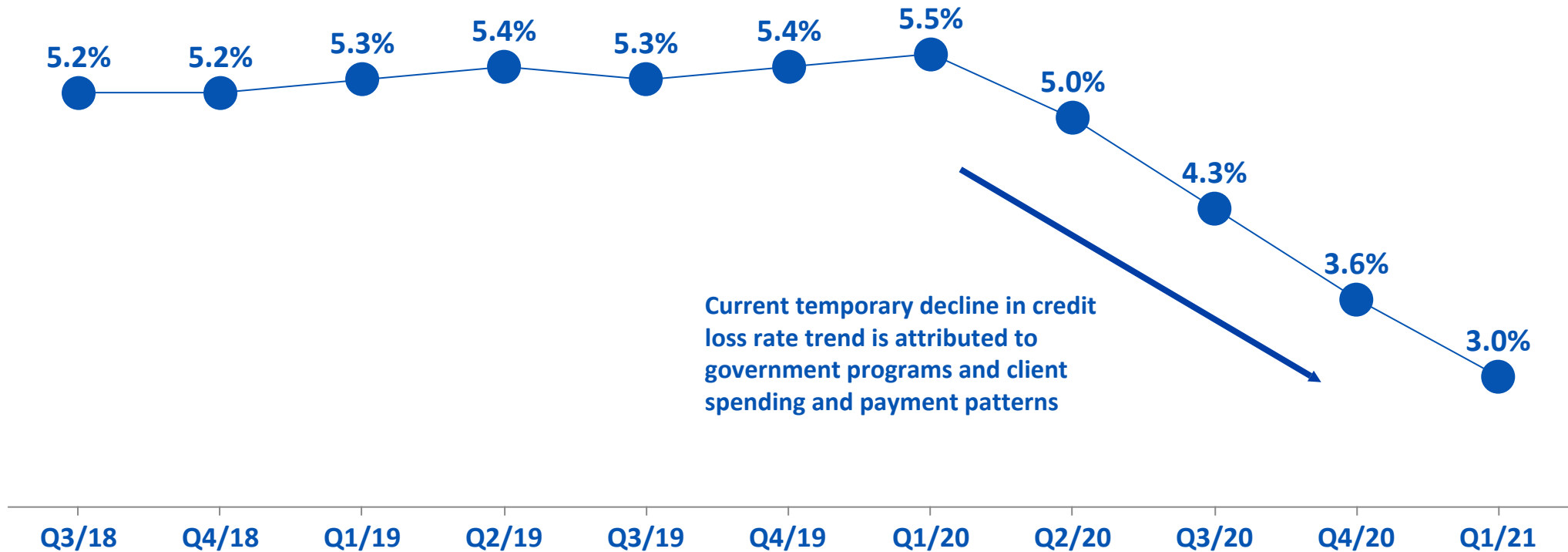
Approximate after-tax impact of market-related variations, in millions of dollars, as compared to the expected net earnings that the Company would have earned under normal macroeconomic conditions	2021	2020				2019			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Increase (decrease) in income on UL policies	4.1	7.9	5.5	14.5	(22.8)	5.3	1.2	(0.3)	12.7
Market-related impact on level of assets backing LT liabilities	0.2	1.8	2.5	(0.5)	0.0	3.1	2.0	0.5	0.1
Higher (lower) than expected management fees (MERs) <sup>1</sup>	1.1	1.5	2.0	4.2	(2.1)	0.7	0.0	0.4	3.6
Impact of dynamic hedging	(1.0)	(1.5)	3.2	(7.1)	(60.7)	5.1	4.2	3.5	(0.4)
<b>Total</b>	<b>4.4</b>	<b>9.7</b>	<b>13.2</b>	<b>11.1</b>	<b>(85.6)</b>	<b>14.2</b>	<b>7.4</b>	<b>4.1</b>	<b>16.0</b>

<sup>1</sup> Expected profit on in-force for the wealth management businesses is updated on a quarterly basis to reflect market variation and net sales. This slide presents non-IFRS financial measures. See “Non-IFRS Financial Information” at the end of this document for further information.

# Car loans: Well-positioned provisions

3¢ EPS gain in Q1 from favourable credit experience

**Average credit loss rate<sup>1</sup>**  
(trailing 12 months)



<sup>1</sup> Non-IFRS measure. Represents total non-prime credit losses divided by the average finance receivables over the same period.

## High-quality, diversified portfolio

### Bond portfolio = 72% of total portfolio

### Low direct exposure to equity market

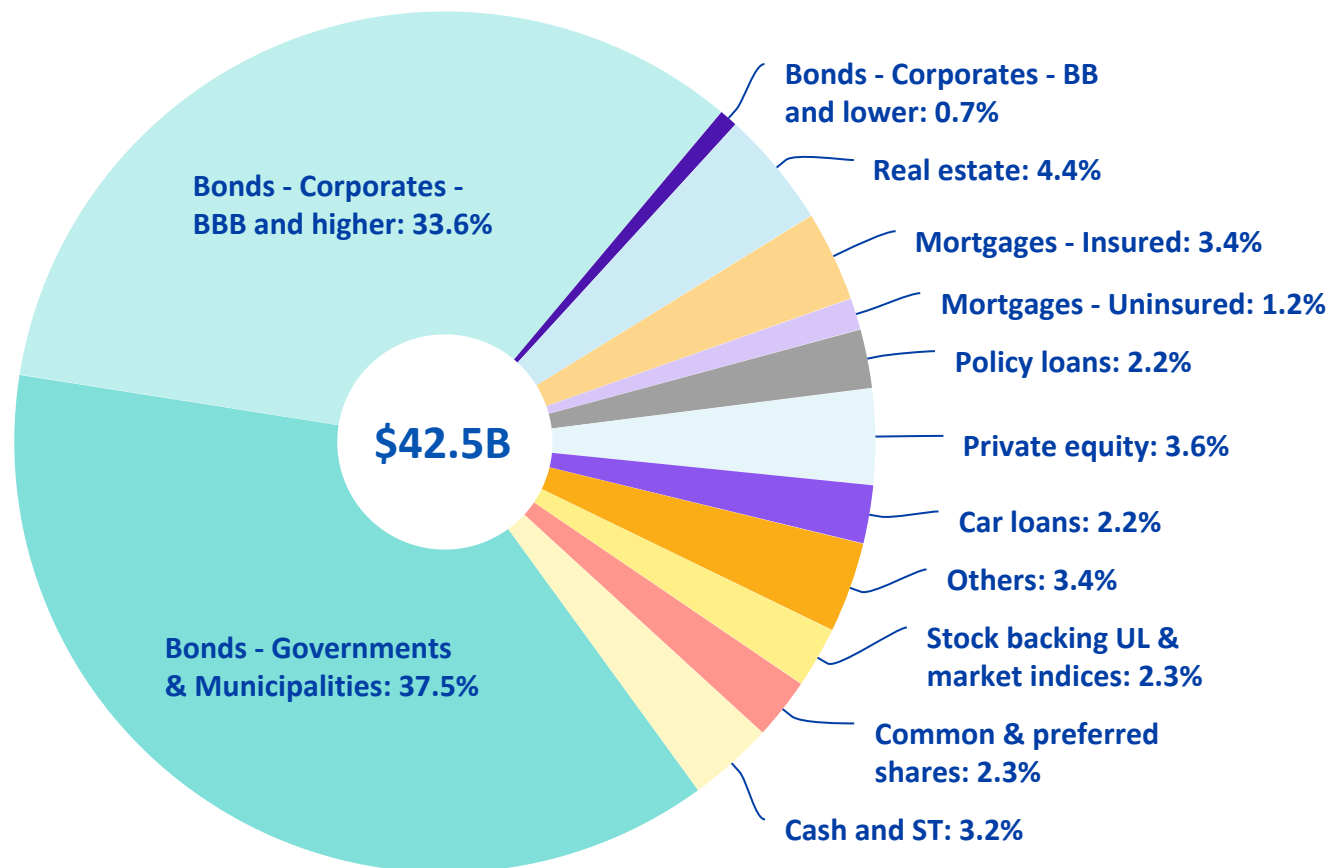
- \$3.5B of stocks in investment portfolio
  - 44% private equity
  - 28% backing UL and market index = No risk for iA
  - 28% common and preferred shares
- Equity exposure in option strategy
  - Strategy to protect against equity downside

### Oil & gas assets = 3% of total portfolio

- Direct exposure is 0.85% of total portfolio

### Investment properties

- Long-term leases (WALT<sup>1</sup> — 9.3 years)
- Biggest type of tenant: governments
- Retail represents <10% of real estate portfolio



## High-quality, conservative portfolio

**Corporate bonds = 47.8% of bond portfolio**

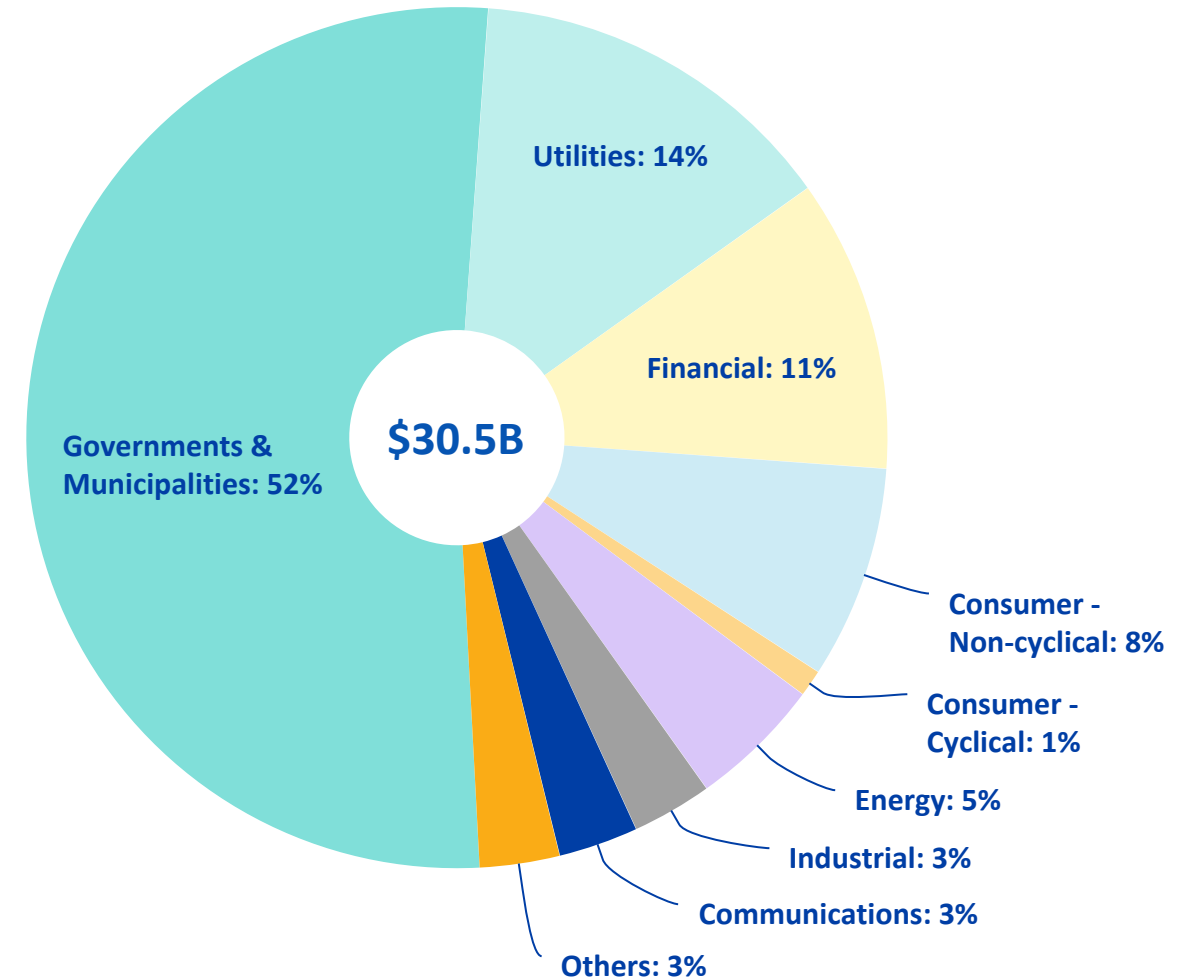
**Bonds in pandemic-affected sectors<sup>1</sup>**

- 0.66% Consumer cyclical (retailers, autos and hotels)
- 0.67% Industrial (airports and airport services)
- 0.02% Materials (metals and mining)
- **1.35% of bond portfolio**

**Total bond portfolio by credit rating**

- 8% AAA
- 45% AA
- 29% A
- 17% BBB
- 1% BB and lower

**No exposure to Collateralized Loan Obligations (CLOs)**





# Equity market sensitivity

(End of period)		Q1/2021	Q4/2020	Q1/2020
<b>S&amp;P/TSX closing value</b>		<b>18,701 pts</b>	17,433 pts	13,379 pts
<b>iA Financial Corporation solvency ratio</b>		<b>128%</b>	130%	137%
<b>Sensitivities</b>				
<b>Market protection for private and public equity matching long-term liabilities</b>	S&P/TSX <sup>1</sup> level at which provisions for future policy benefits would have to be strengthened	<b>14,200 pts</b>	12,800 pts	11,700 pts
	Variation	<b>(24%)</b>	(27%)	(13%)
	Net income <sup>2</sup> impact for each 1% S&P/TSX <sup>1</sup> additional decrease below this level	<b>(\$21M)</b>	(\$24M)	(\$18M)
<b>Solvency ratio</b>	S&P/TSX <sup>1</sup> level at which the solvency ratio decreases to 110%	<b>2,900 pts</b>	2,900 pts	1,800 pts
	Variation	<b>(84%)</b>	(83%)	(87%)
<b>Net income<sup>2</sup></b>	Full-year impact of a sudden 10% decrease in equity markets	<b>(\$34M)</b>	(\$34M)	(\$26M)

<sup>1</sup> S&P/TSX is a proxy that can move differently from our equity portfolio, which includes international public equity and private equity.

<sup>2</sup> Net income attributed to common shareholders.

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(End of period)		Q1/2021	Q4/2020	Q1/2020
<b>IRR</b>	<ul style="list-style-type: none"> <li>▶ IRR = Initial Reinvestment Rate</li> <li>▶ Key element is long-term Canadian rate at year-end</li> </ul>			
	▶ <b>Impact on net income<sup>1</sup> of a 10 bps decrease in IRR</b>	\$1M	\$4M	\$0M
<b>URR</b>	<ul style="list-style-type: none"> <li>▶ URR = Ultimate Reinvestment Rate</li> <li>▶ Maximum assumption is promulgated by CIA and reviewed periodically</li> </ul>			
	▶ <b>Impact on net income<sup>1</sup> of a 10 bps decrease in URR</b>	(\$60M)	(\$68M)	(\$66M)

<sup>1</sup> Net income attributed to common shareholders.

This slide presents non-IFRS financial measures. See “Non-IFRS Financial Information” at the end of this document for further information.

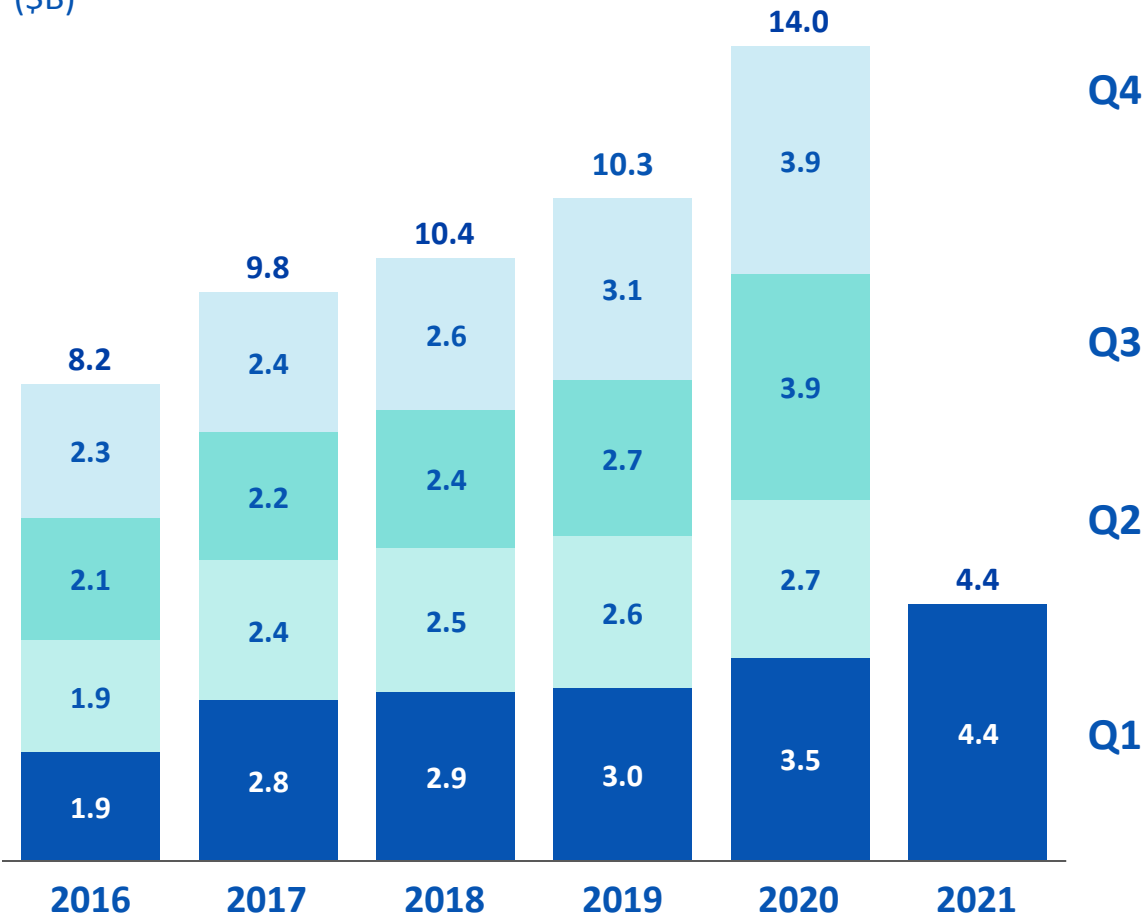
# S&P/TSX thresholds for Q2/2021 gain or loss

Earnings driver	TSX threshold for gain or loss	Threshold compared with:	Potential impact on Q2/2021 net income attributed to common shareholders of a $\pm 10\%$ variation vs. threshold
Revenues on UL policy funds	18,958 <sup>1</sup>	Actual TSX value at the end of Q2/2021	$\pm \$10.6M$
MERs collected on investment funds	18,829 <sup>2</sup>	Actual average value <sup>3</sup> of TSX during Q2/2021	$\pm \$5.8M$

<sup>1</sup> Expected closing value of TSX at the end of Q2/2021. <sup>2</sup> Expected average value of TSX during Q2/2021. <sup>3</sup> Average of all trading day closing values. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.

# Premiums and deposits

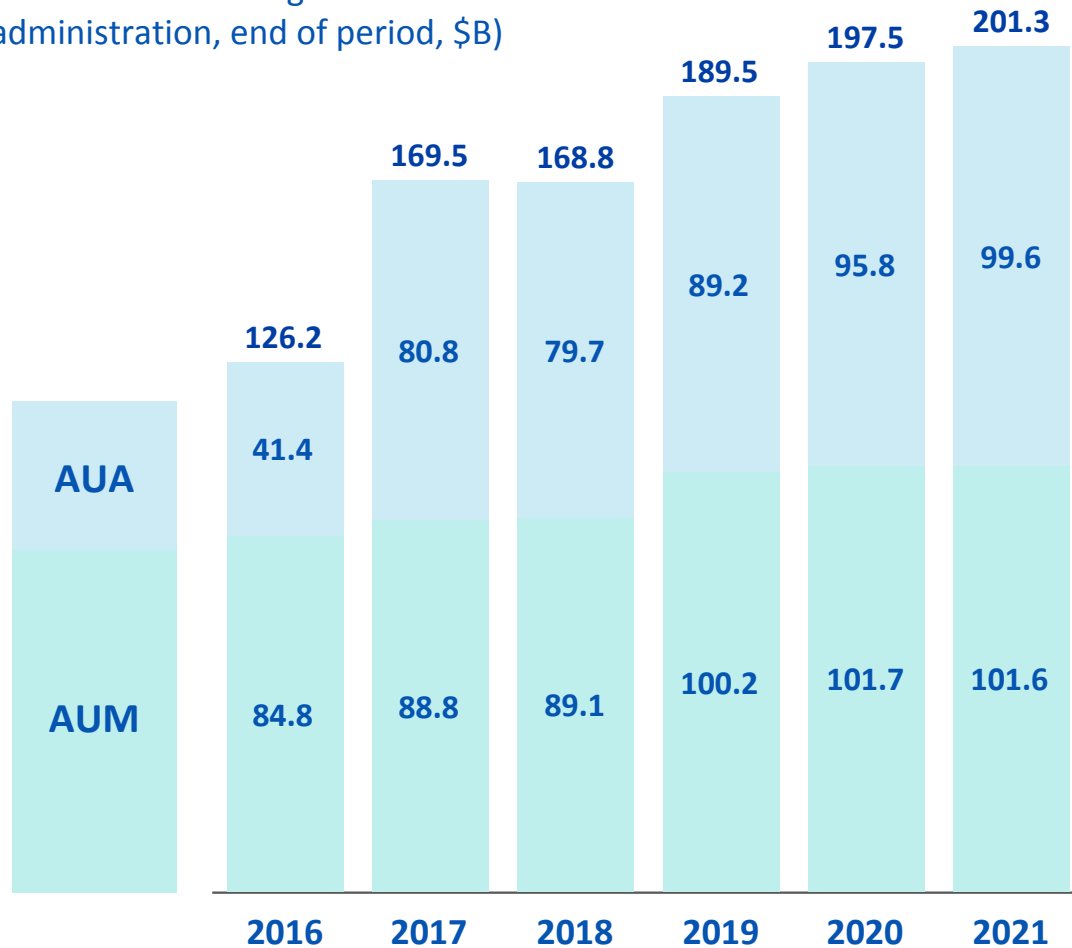
**Net premiums, premium equivalents and deposits**  
(\$B)



	Q1/2021	\$M	YoY
Individual Insurance		418.7	5%
Individual Wealth Management		2,547.5	44%
Group Insurance		429.7	(7%)
Group Savings and Retirement		686.8	5%
US Operations		246.4	38%
General Insurance		92.5	9%
<b>TOTAL</b>		<b>4,421.6</b>	<b>25%</b>

## AUM/AUA

(assets under management and administration, end of period, \$B)



Assets under management and administration			
(\$B, unless otherwise indicated)	March 31 2021	QoQ	YoY
<b>Assets under management</b>			
General fund <sup>1</sup>	52.2	(3%)	9%
Segregated funds	33.4	2%	31%
Mutual funds	12.0	6%	21%
Other	3.9	3%	(72%)
<b>Subtotal</b>	<b>101.6</b>	<b>—</b>	<b>5%</b>
<b>Assets under administration</b>	<b>99.6</b>	<b>4%</b>	<b>27%</b>
<b>Total</b>	<b>201.3</b>	<b>2%</b>	<b>15%</b>

<sup>1</sup> Includes investment portfolio of \$42.5B, reinsurance assets, fixed assets, deferred income tax assets, intangible assets, goodwill and other assets (refer to financial statements for more information). This slide presents non-IFRS financial measures. See “Non-IFRS Financial Information” at the end of this document for further information. The figures do not always add up exactly due to rounding differences.

# Individual Insurance (Canada)

(\$M, unless otherwise indicated)

	First quarter		
	2021	2020	Variation
<b>Sales<sup>1</sup></b>			
Minimum premiums <sup>2</sup>	54.4	43.3	26%
Excess premiums <sup>3</sup>	3.7	1.9	95%
<b>Total</b>	<b>58.1</b>	<b>45.2</b>	<b>29%</b>
<b>Premiums</b>	<b>418.7</b>	<b>397.5</b>	<b>5%</b>
<b>Number of policies (life insurance only)</b>	<b>35,590</b>	<b>28,929</b>	<b>23%</b>

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

This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.

(\$M, unless otherwise indicated)	First quarter		
	2021	2020	Variation
<b>Sales<sup>1</sup></b>			
General fund	228.7	205.7	11%
Segregated funds	1,377.0	872.3	58%
Mutual funds	941.8	693.0	36%
<b>Total</b>	<b>2,547.5</b>	<b>1,771.0</b>	<b>44%</b>
<b>Net sales</b>			
Segregated funds	972.3	423.8	548.5
Mutual funds	377.8	(99.2)	477.0
<b>Total</b>	<b>1,350.1</b>	<b>324.6</b>	<b>1,025.5</b>

(\$M, unless otherwise indicated)	March 31	Q1	1-year
	2021	variation	variation
<b>Assets under management</b>			
General fund	2,117.3	—	11%
Segregated funds	20,423.4	6%	37%
Mutual funds	12,030.7	6%	21%
Other	1,074.0	8%	(72%) <sup>2</sup>
<b>Total</b>	<b>35,645.4</b>	<b>6%</b>	<b>17%</b>
<b>Assets under administration</b>	<b>98,292.1</b>	<b>4%</b>	<b>27%</b>
<b>Total AUM/AUA</b>	<b>133,937.5</b>	<b>4%</b>	<b>24%</b>

<sup>1</sup> Defined as net premiums for general and segregated funds and deposits for mutual funds. <sup>2</sup> Reduction from sale of iA Investment Counsel Inc. in Q2/2020.

This slide presents non-IFRS financial measures. See “Non-IFRS Financial Information” at the end of this document for further information.



(\$M, unless otherwise indicated)	First quarter		
	2021	2020	Variation
<b>Sales<sup>1</sup></b>			
Employee Plans	87.1	57.1	53%
Dealer Services - Creditor Insurance <sup>2</sup>	43.0	58.9	(27%)
P&C Insurance	64.5	62.0	4%
Car loan originations	123.7	103.2	20%
Total	231.2	224.1	3%
Special Markets	46.8	75.8	(38%)
<b>Total Group Insurance</b>	<b>365.1</b>	<b>357.0</b>	<b>2%</b>
<b>Premiums and equivalents</b>			
Premiums	399.5	423.9	(6%)
Service contracts (ASO)	24.4	16.9	44%
Investment contracts	5.8	20.5	(72%)
<b>Total premiums and equivalents</b>	<b>429.7</b>	<b>461.3</b>	<b>(7%)</b>
<b>Car loans (non-prime) - Fin. receivables</b>	<b>948.2</b>	<b>762.5</b>	<b>24%</b>

<sup>1</sup> Employee Plans: first-year annualized premiums (including premium equivalents), Dealer Services (Creditor): gross premiums (before reinsurance and cancellations), Dealer Services (P&C): direct written premiums, Special Markets: premiums before reinsurance. <sup>2</sup> Includes all creditor insurance business sold by the Company.

This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.

# Group Savings and Retirement

(\$M, unless otherwise indicated)

	First quarter		
	2021	2020	Variation
<b>Sales<sup>1</sup></b>			
Accumulation products	638.9	633.8	1%
Insured annuities	27.4	6.1	349%
Deposits <sup>2</sup>	27.0	19.0	42%
<b>Total</b>	<b>693.3</b>	<b>658.9</b>	<b>5%</b>
<b>Premiums</b>	<b>686.8</b>	<b>652.0</b>	<b>5%</b>

Funds under management	March 31, 2021	Q1 variation	1-year variation
Accumulation products	13,622.2	(4%)	22%
Insured annuities	4,495.8	(6%)	18%
<b>Total</b>	<b>18,118.0</b>	<b>(5%)</b>	<b>21%</b>

<sup>1</sup> Sales are defined as gross premiums (before reinsurance) and deposits. <sup>2</sup> Deposits include GICs held in trust and institutional management contracts. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.

(\$M, unless otherwise indicated)

	First quarter		
	2021	2020	Variation
<b>Sales (\$US)<sup>1</sup></b>			
Individual Insurance	31.2	29.4	6%
Dealer Services (P&C)	233.0	117.2	99%
<b>Premiums and equivalents (\$CAN)</b>	246.4	178.9	38%

<sup>1</sup> Sales are defined as first-year annualized premiums for Individual Insurance and as direct written premiums (before reinsurance) and premium equivalents for Dealer Services (P&C). This slide presents non-IFRS financial measures. See “Non-IFRS Financial Information” at the end of this document for further information.

# Quality of investment portfolio

	March 31 2021	December 31 2020	March 31 2020
<b>IMPAIRED INVESTMENTS AND PROVISIONS</b>			
Gross impaired investments	\$23.1M	\$45.2M	\$5.5M
Provisions for impaired investments	\$5.6M	\$14.1M	\$2.8M
Net impaired investments <sup>2</sup>	\$17.5M	\$31.1M	\$2.7M
Net impaired investments as a % of investment portfolio	0.04%	0.07%	0.01%
Provisions as a % of gross impaired investments	24.2%	31.2%	50.9%
<b>BONDS – Proportion rated BB or lower</b>	1.01%	0.99%	0.75%
<b>MORTGAGES – Delinquency rate</b>	—	—	0.06%
<b>REAL ESTATE – Occupancy rate on investment properties</b>	95%	95%	95%
<b>CAR LOANS – Average credit loss rate (non-prime)<sup>1</sup></b>	3.0%	3.6%	5.5%

<sup>1</sup> Non-IFRS measure. Quarterly average credit loss on a trailing-12-month basis. Represents total credit losses divided by the average finance receivables over the same period.

<sup>2</sup> The figures do not always add up exactly due to rounding differences.

This slide presents non-IFRS financial measures. See “Non-IFRS Financial Information” at the end of this document for further information.



## ENVIRONMENTAL

- iA Financial Group has been carbon neutral since the beginning of 2020
- Commitment to reduce our GHG emissions by 20% per employee by 2025
- \$80.5 million invested in renewable energy in 2020
- Majority of our 40+ properties in Canada are BOMA BEST or LEED certified



## SOCIAL

- COVID-19 relief measures for clients, employees and communities totalling \$11.4 million
- Diversity and inclusion: Working toward greater gender equity in senior leadership positions
- \$400,000 in donations through our Canada-wide philanthropic contest
- 2020 donations totalling \$6.4 million, or the equivalent of \$820 per employee



## GOVERNANCE

- Incorporation of ESG criteria into executive compensation
- Best governance practices
- Signatory of United Nations Principles for Responsible Investment (PRI)
- Commitments in five United Nations Sustainable Development Goals (SDG)



Upgraded credit ratings: DBRS Morningstar (March 2021) based on improved risk profile

Stable credit ratings affirmed: Standard & Poor's (March 2021) and A.M. Best (April 2021)

## iA Financial Corporation Inc.

Credit rating agency	Issuer rating
S&P	A
DBRS	A

## Industrial Alliance Insurance and Financial Services Inc.

Credit rating agency	Financial strength
S&P	AA-
DBRS	AA (low)
A.M. Best	A+ (Superior)

Core EPS			
Q1	\$1.70	to	\$1.85
Q2	\$1.95	to	\$2.10
Q3	\$2.00	to	\$2.15
Q4	\$1.95	to	\$2.10
<b>2021</b>	<b>\$7.60</b>	<b>to</b>	<b>\$8.20</b>

Non-core items	
Integration charges for recent acquisitions	\$0.10
Amortization of intangible assets	\$0.50
Non-core pension expense	\$0.22
<b>Total</b>	<b>\$0.82</b>

<b>Core ROE</b>	<b>12.5% to 14.0%</b>
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<b>Impact of new business (strain)</b>	<b>2% annual target (quarterly range from -5% to 10%)</b>
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<b>Solvency ratio</b>	<b>110% to 116%</b>
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<b>Capital generation</b>	<b>\$275M to \$325M</b>
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<b>Effective tax rate</b>	<b>20% to 22%</b>
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<b>Dividend payout ratio<sup>1</sup></b>	<b>25% to 35% (mid-range)</b>
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<sup>1</sup> Dividend per common share paid in the period divided by the basic earnings per common share in the period.  
 The market guidance provided above is a forecast. Please refer to the “Forward-Looking Statements” section at the end of this document for more information.  
 This slide presents non-IFRS financial measures. See “Non-IFRS Financial Information” at the end of this document for further information.

## Contact

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## Next Reporting Dates

Q2/2021 - July 29, 2021  
Q3/2021 - November 2, 2021  
Q4/2021 - February 17, 2022

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).

## No offer or solicitation to purchase

This presentation does not, and is not intended to, constitute or form part of, and should not be construed as, an offer or invitation for the sale or purchase of, or a solicitation of an offer to purchase, subscribe for or otherwise acquire, any securities, businesses and/or assets of any entity, nor shall it or any part of it be relied upon in connection with or act as any inducement to enter into any contract or commitment or investment decision whatsoever.



iA Financial Corporation reports its financial results and statements in accordance with International Financial Reporting Standards (IFRS). It also publishes certain financial measures 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 used for the Company's audited financial statements. These non-IFRS financial measures are often accompanied by and reconciled with IFRS financial measures. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. The Company believes that these non-IFRS financial measures provide additional information to better understand the Company's 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 financial 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.

Non-IFRS financial measures published by iA Financial Corporation include, but are not limited to: return on common shareholders' equity (ROE), core earnings per common share (core EPS), core return on common shareholders' equity (core ROE), sales, net sales, assets under management (AUM), assets under administration (AUA), premium equivalents, deposits, sources of earnings measures (expected profit on in-force, experience gains and losses, impact of new business (strain), changes in assumptions, management actions and income on capital), capital, solvency ratio, interest rate and equity market sensitivities, loan originations, finance receivables and average credit loss rate on car loans.

The analysis of profitability according to the sources of earnings presents sources of income in compliance with the guideline issued by the Office of the Superintendent of Financial Institutions and developed in co-operation with the Canadian Institute of Actuaries. This analysis is intended to be a supplement to the disclosure required by IFRS and to facilitate the understanding of the Company's financial position by both existing and prospective stakeholders to better form a view as to the quality, potential volatility and sustainability of earnings. It provides an analysis of the difference between actual income and the income that would have been reported had all assumptions at the start of the reporting period materialized during the reporting period. It sets out the following measures: expected profit on in-force business (representing the portion of the consolidated net income on business in force at the start of the reporting period that was expected to be realized based on the achievement of best-estimate assumptions); experience gains and losses (representing gains and losses that are due to differences between the actual experience during the reporting period and the best-estimate assumptions at the start of the reporting period); impact of new business (strain) (representing the point-of-sale impact on net income of writing new business during the period); changes in assumptions, management actions and income on capital (representing the net income earned on the Company's surplus funds); and any other items not attributed to operating profit.

Core earnings (loss) and financial measures based on core earnings (loss), including core EPS and core ROE, are non-IFRS financial measures used to better understand the capacity of the Company to generate sustainable earnings. Core earnings (loss) remove from reported earnings (loss) the impacts of the following items that create volatility in the Company's results under IFRS, or that are not representative of its underlying operating performance:

- a) market-related impacts that differ from management's best estimate assumptions, which include impacts of returns on equity markets and changes in interest rates related to (i) management fees collected on assets under management or administration (MERS), (ii) universal life policies, (iii) the level of assets backing long-term liabilities, and (iv) the dynamic hedging program for segregated fund guarantees;
- b) assumption changes and management actions;
- c) charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs;
- d) amortization of acquisition-related finite life intangible assets;
- e) non-core pension expense, that represents the difference between the asset return (interest income on plan assets) calculated using the expected return on plan assets and the IFRS prescribed pension plan discount rate;
- f) specified items which management believes are not representative of the performance of the Company, including (i) material legal settlements and provisions, (ii) unusual income tax gains and losses, (iii) material impairment charges related to goodwill and intangible assets, and (iv) other specified unusual gains and losses.

This core earnings definition is applicable as of January 1, 2021. However, the core results for prior periods that are presented for comparison purposes have also been calculated according to this definition.

Non-IFRS financial measures published by iA Insurance include, but are not limited to: return on common shareholders' equity (ROE), sales, assets under management (AUM), assets under administration (AUA), capital and solvency ratio.

Sales is a non-IFRS measure used to assess the Company's ability to generate new business. They are defined as fund entries on new business written during the period. Net premiums, which are part of the revenues presented in the financial statements, include fund entries from both in-force contracts and new business written during the period. Assets under management and administration is a non-IFRS measure used to assess the Company's ability to generate fees, particularly for investment funds and funds under administration. An analysis of revenues by sector is presented in the "Analysis According to the Financial Statements" section of the Management's Discussion and Analysis.

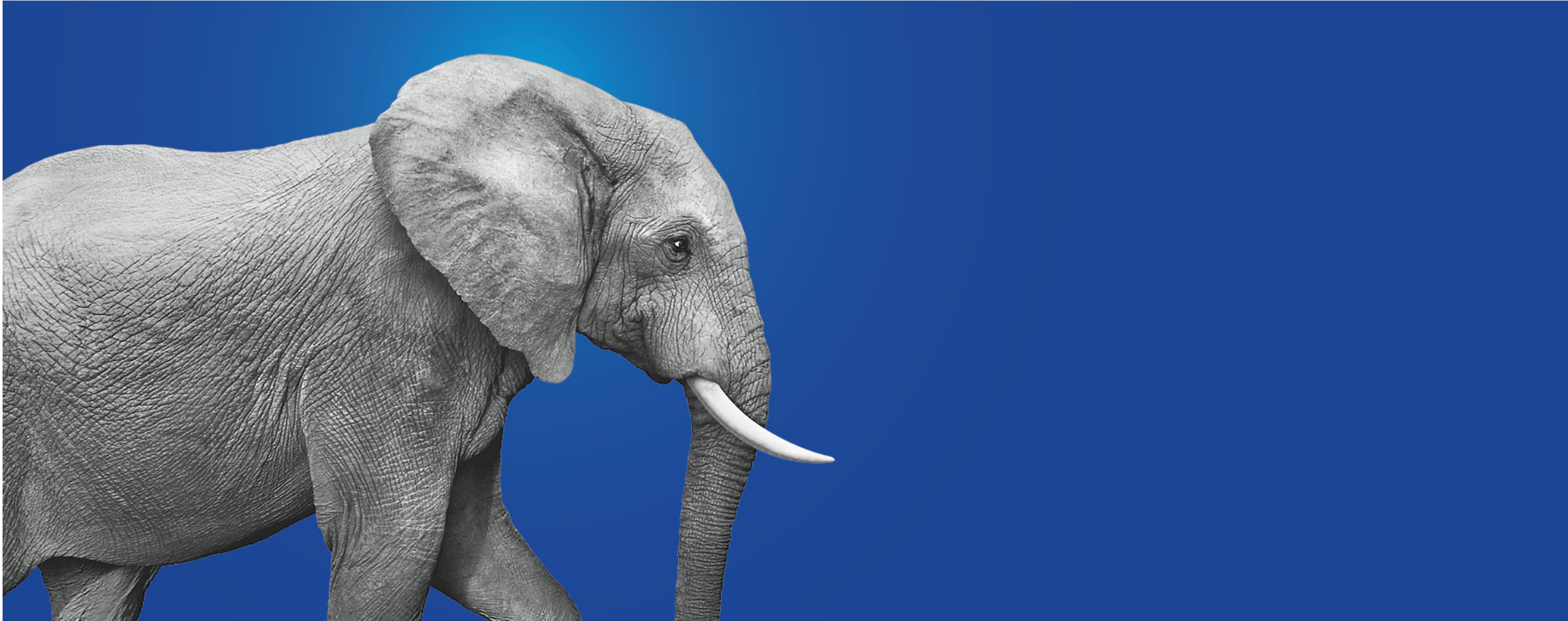
This presentation may contain statements relating to strategies used by iA Financial Corporation or statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “may,” “could,” “should,” “would,” “suspect,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate,” and “continue” (or the negative thereof), as well as words such as “objective,” “goal,” “guidance,” and “forecast” or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this presentation, 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, particularly in light of the ongoing and evolving COVID-19 pandemic, its effect on the global economy and its uncertain impact on our operations.

Although iA Financial Corporation 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. 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. Factors that could cause actual results to differ materially from expectations include, but are not limited to: general business and economic conditions; level of competition and consolidation; changes in laws and regulations, including tax laws; liquidity of iA Financial Corporation, including the availability of financing to meet existing financial commitments on their expected maturity dates when required; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; accuracy of accounting policies and actuarial methods used by iA Financial Corporation; insurance risks such as mortality, morbidity, longevity and policyholder behaviour, including the occurrence of natural or man-made disasters, pandemic diseases (such as the current COVID-19 pandemic) and acts of terrorism.

*Potential impacts of the COVID-19 pandemic* – Since March 2020, the COVID-19 pandemic has had major, unprecedented implications for both society and the economy. The overall impact of the COVID-19 pandemic is still uncertain and depends on many factors, such as the progression of the virus, the emergence of new variants, the duration of the pandemic, potential treatments and therapies, the availability of vaccines, the effectiveness of government measures to slow the virus’s spread and the impact of those measures on the economy. As a result, we cannot accurately predict the total bearing the pandemic will have, but the impact on iA Financial Corporation’s business and financial results could be material. However, despite the short-term negative impacts of the pandemic on its results, iA Financial Corporation remains financially solid. In addition, iA Financial Corporation’s business continuity protocol has continued, ensuring that the quality of service clients receive is similar to or better than before the pandemic and enabling employees and advisors to continue to work safely and securely.

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 2020, the “Management of Risks Associated with Financial Instruments” note to the audited consolidated financial statements for the year ended December 31, 2020 and elsewhere in iA Financial Corporation’s filings with Canadian Securities Administrators, which are available for review at [sedar.com](https://www.sedar.com).

The forward-looking statements in this presentation reflect the Company’s expectations as of the date of this document. iA Financial Corporation 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.



**INVESTED IN YOU.**

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