# INSPIRED TO GROW TOGETHER, NOW

## NBF 21st Annual Financial Services Conference

**Investor presentation**
March 30, 2023

iA Financial Group

**iA Financial Group is one of the largest insurance and wealth management groups in Canada, with operations in the United States**

## OUR PURPOSE

To assure that our clients feel confident and secure about their future

## OUR MISSION

To ensure the financial wellbeing of our clients by offering them personal insurance coverage and investment solutions to help them achieve their personal goals

**Foundation 1892**

**$9.4B market cap.**

**IAG on TSX IPO in 2000**

**$83.31 stock price**

**4M+ clients**

**$93.15 all-time high**

**8,600+ employees**

**25%-35% dividend payout ratio target range**

Data as at March 28, 2023

## IMPACTS AT TRANSITION[1] (at Jan. 1, 2022)

| | IMPACT | IFRS 17 VALUE |
|---|---|---|
| Book value | +$10M | $6.7B |
| CSM level | --- | $5.5B |

## IMPACTS ON 2022 RESULTS[1,2] (at Dec. 31, 2022)

| | IMPACT | IFRS 17 VALUE |
|---|---|---|
| Book value | ($7M) | $6.6B |
| Solvency ratio | +28% | 154% |
| Capital available for deployment | +$1.4B | $1.8B |
| Core ROE 2022 | +0.3% | 14.5% |
| Core EPS 2022 | +$0.19 | $9.04 |

iA Financial Group

# POSITIVE IMPACTS OF IFRS 17

## FROM iA'S PRUDENT APPROACH

- Sustained book value
- Significant increase in solvency ratio
- Favorable impact on core EPS and core ROE

**Positive impacts at transition arising from iA's prudent accounting approach**

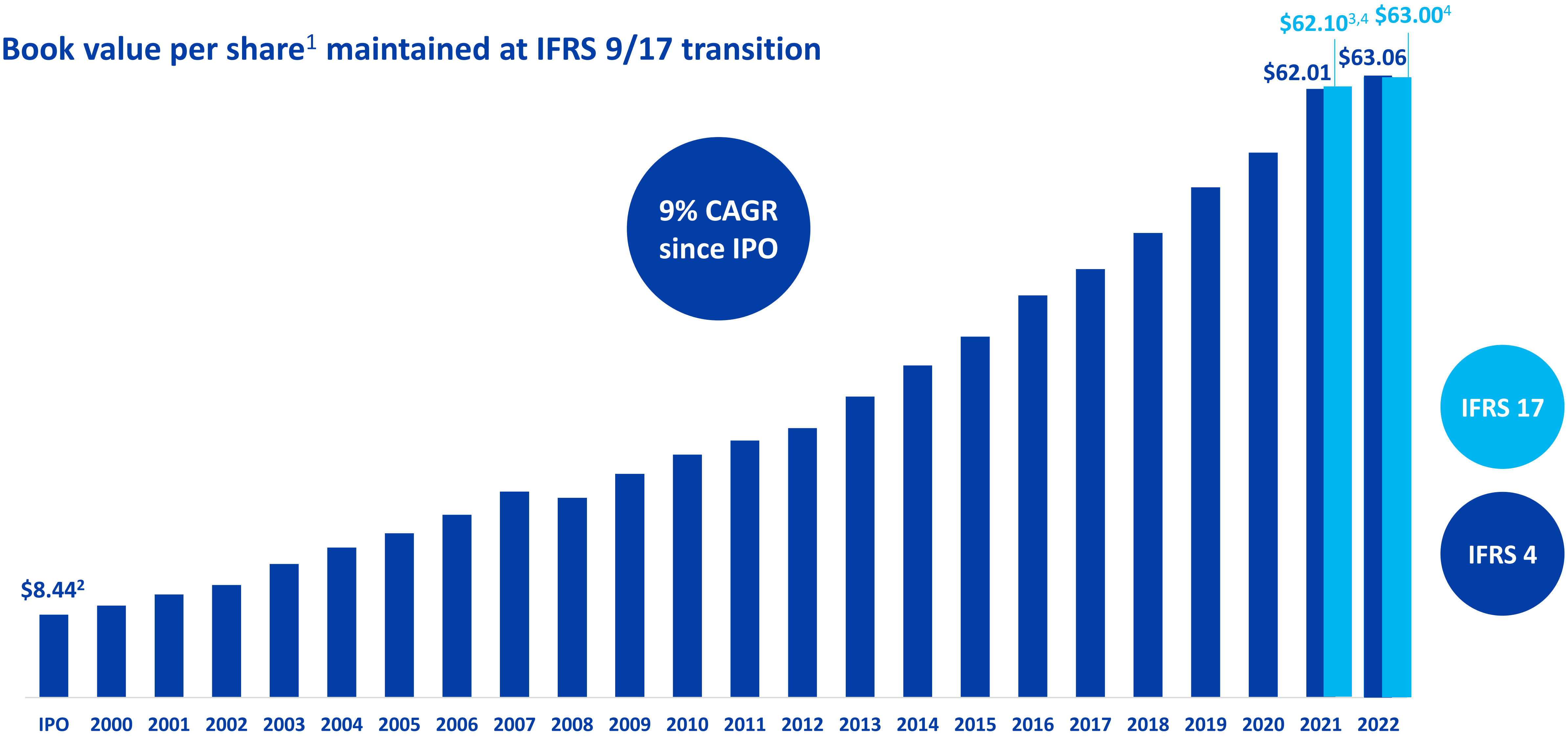
- Mainly coming from individual insurance and individual seg funds businesses
- No impact from non-insurance businesses, such as our wealth mutual funds and distribution businesses

**While the business model is unchanged, iA's financial strength is better recognized**

[1] Estimated value as the finalization of the Consolidated Statements of Financial Position at the January 1, 2022 transition date and at December 31. 2022 are in progress. [2] Some of these items are non-IFRS measures; see the "Non-IFRS and Additional Financial Measures" section at the end of this document for relevant information about such measures.

# SHAREHOLDER VALUE CREATION

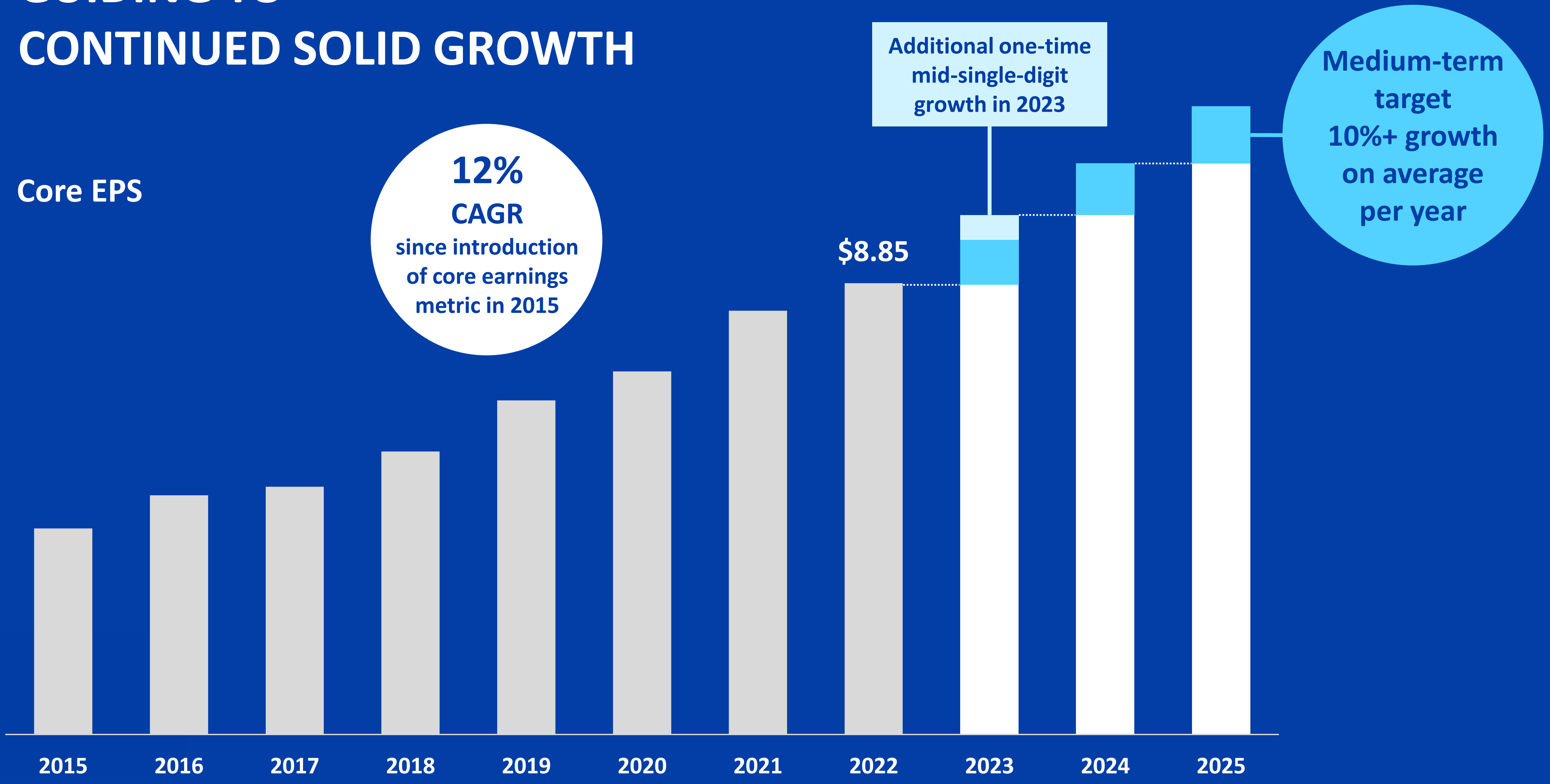
## Book value per share[1] maintained at IFRS 9/17 transition




As at December 31, unless otherwise indicated.

[1] 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.
[2] At March 31, 2000: First disclosed book value as a public company. [3] At January 1, 2022. [4] Estimated value as the finalization of the Consolidated Financial Statements as at December 31, 2022 under IFRS 17 and IFRS 9 is in progress.

# GUIDING TO CONTINUED SOLID GROWTH



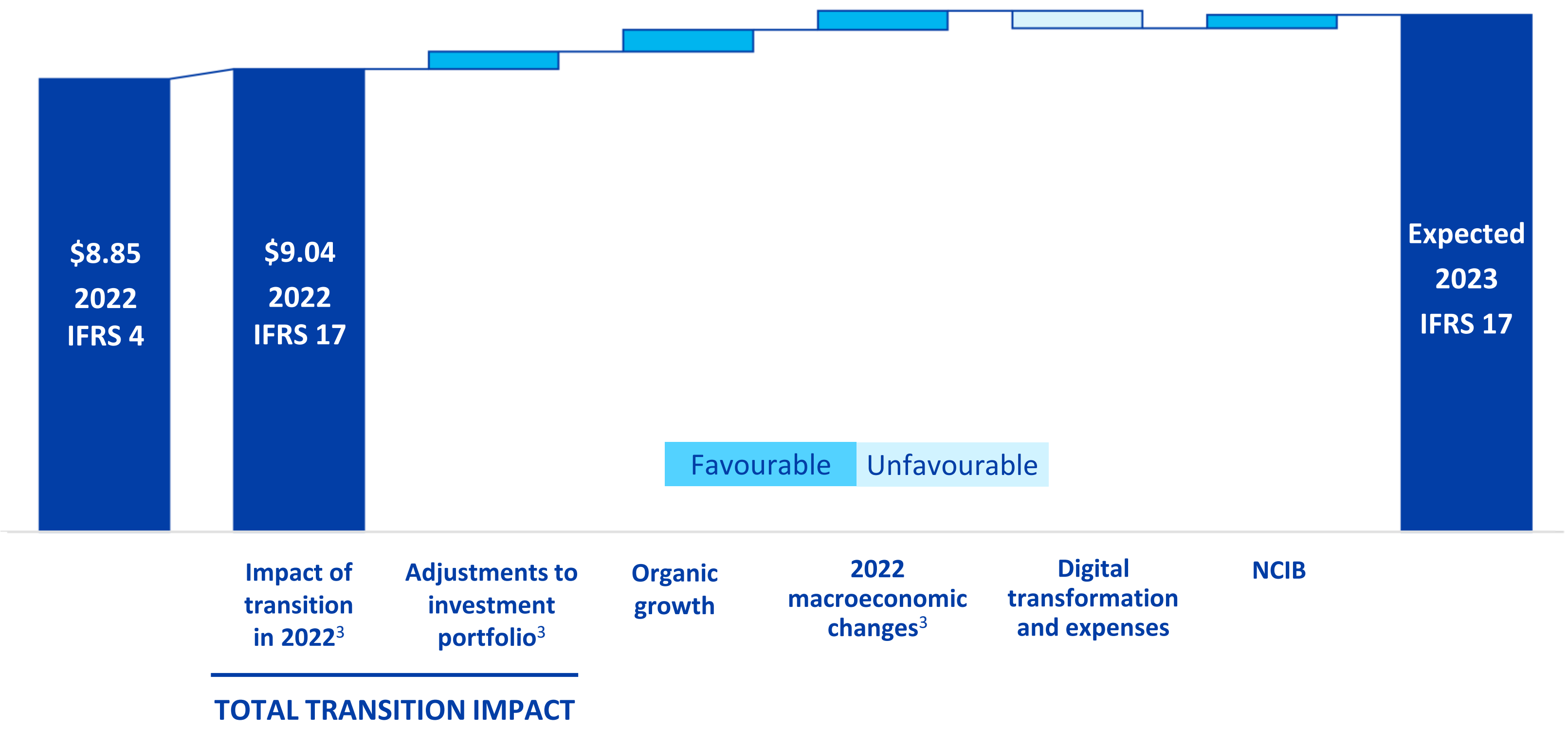
# 2023 CORE EPS GROWTH DRIVERS

Based on macroeconomic environment at Dec. 31, 2022

ROE expansion

## Core EPS[1]

10%[2] + mid-single-digit growth vs. 2022 IFRS 4 Core EPS

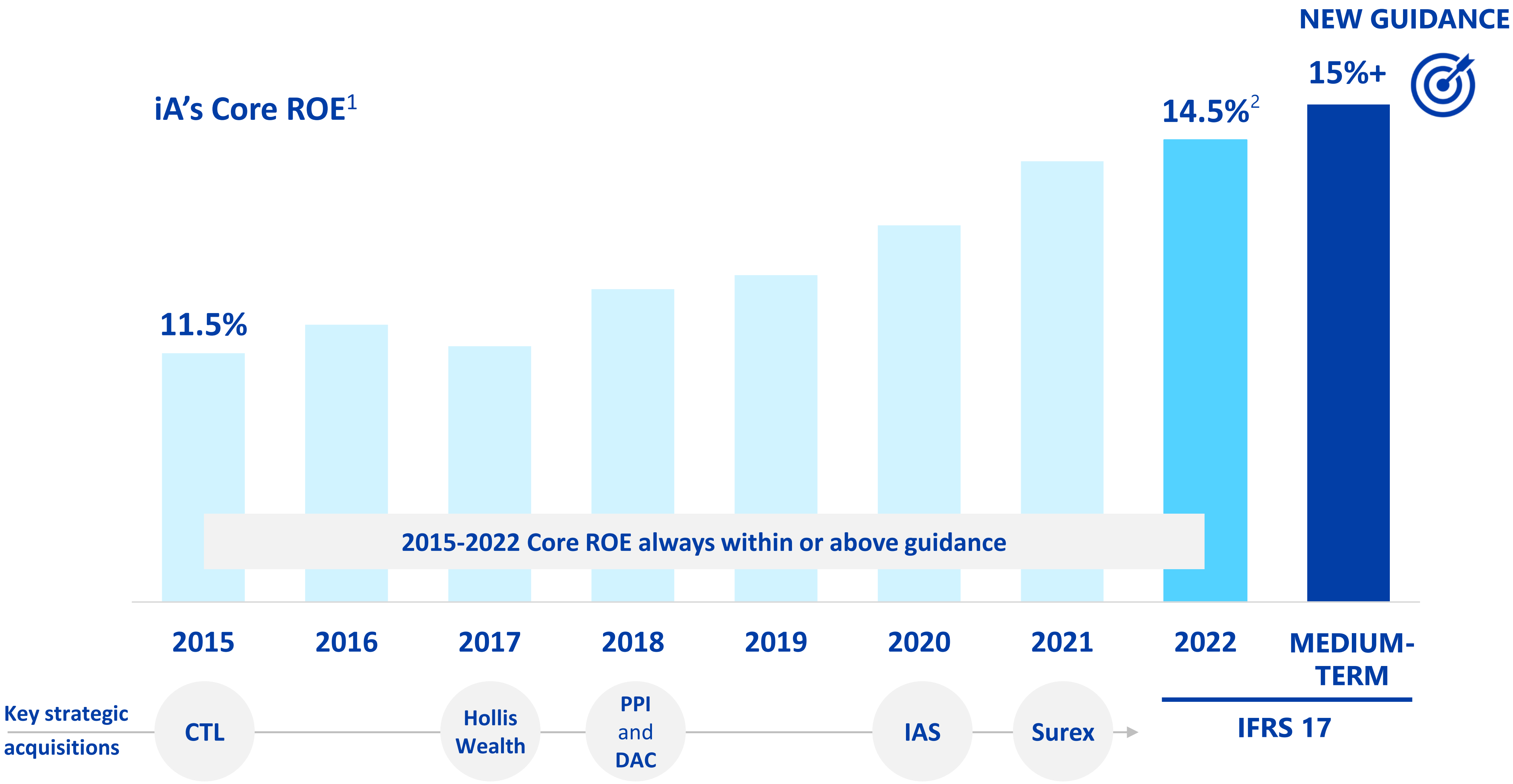



**2023 RESULT TO BE INFLUENCED BY:**

- Macroeconomic environment
- Level and type of capital deployment
- Car sales

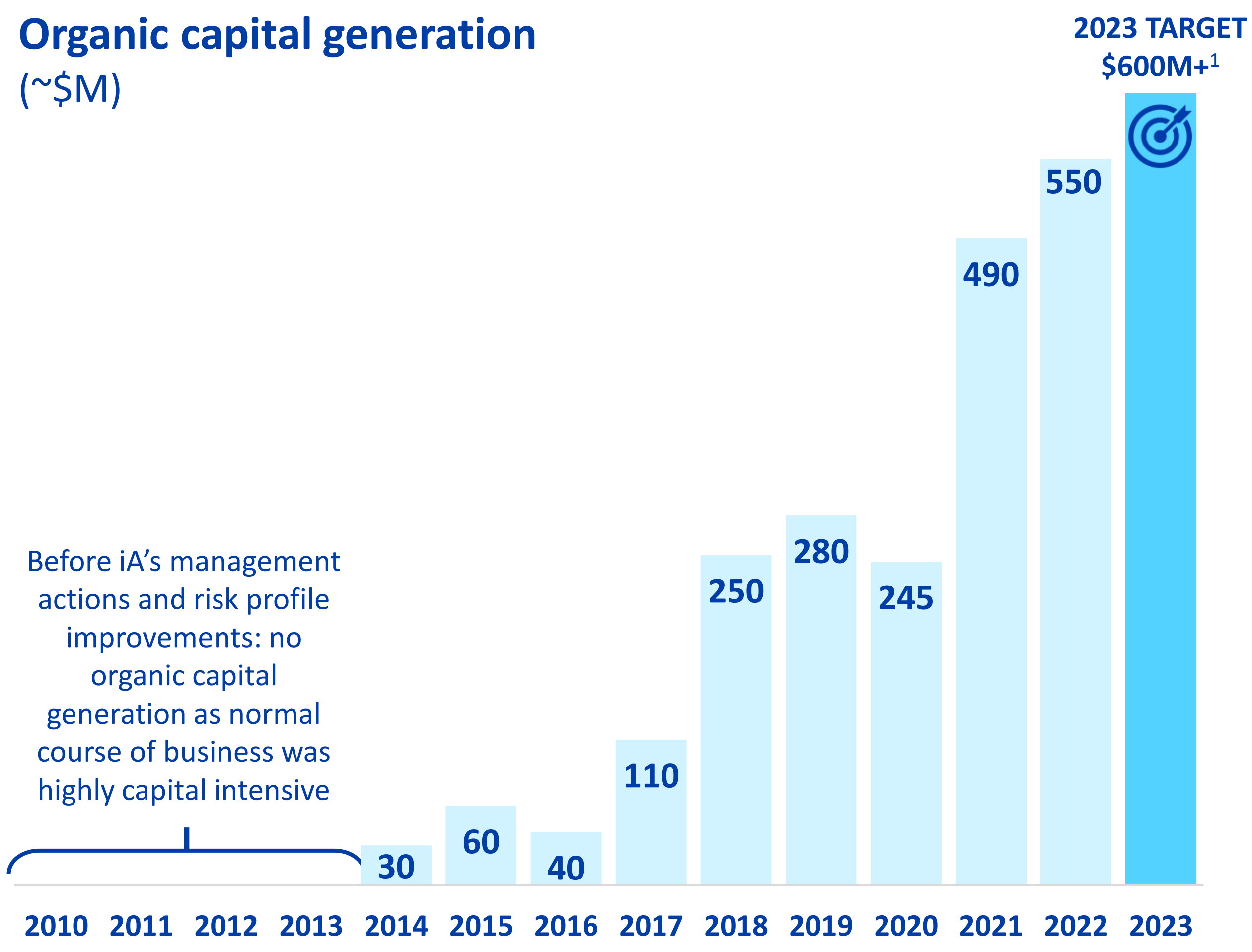
[1] Estimated values as the finalization of the Consolidated Financial Statements as at Dec. 31, 2022 under IFRS 17 is in progress. [2] Medium-term target 10%+ growth on average per year. [3] Effect of 2022 macroeconomic changes and 2022 adjustments to investment portfolio were partially reflected in 2022 IFRS 17 Core EPS.

# EXPANDING CORE ROE
# WHILE ADDING 25+ ACQUISITIONS SINCE 2015[1]




[1] Since introduction of core earnings metric in 2015. [2] Estimated value as the finalization of the Consolidated Financial Statements as at Dec. 31, 2022 under IFRS 17 is in progress.

# STRONG AND ONGOING ORGANIC CAPITAL GENERATION resulting from reduced risk profile




## Organic capital generation growth drivers looking forward

- Continuing improvement of risk management practices
- Decision-making process with a focus on capital
- Pricing discipline

## Organic capital generation calculation

= Core Earnings Net of Dividend[2]
 − Organic CSM Growth[3]
 − Capital Required for Organic Growth

[1] Net of dividends [2] Dividend to common shareholders. [3] Excluding organic CSM growth for segregated funds.

# 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**

## Active NCIB

Up to 5% of outstanding shares
between Nov. 14, 2022 and Nov. 13, 2023

# NEARLY $2B AVAILABLE FOR STRATEGIC DEPLOYMENT

## Fostering accelerated growth

1. Accelerate growth in Expansion businesses, primarily US Operations
2. Strengthen leadership position in Foundation businesses, with a focus on retail distribution

ROE
expansion

## How we look at acquisitions

Strategic fit is key

- Significant growth prospects
- Ability to leverage our experience and expertise
- Synergy potential – through scale or competencies

Other decision criteria

- Core ROE within iA's parameters
- Core EPS accretion velocity
- Sectors in which we can establish a market-leading position

# PRUDENT PORTFOLIO POSITIONING

## Resilient portfolio composed of high-quality assets and diversified exposures

### Fixed income, ALM-oriented portfolio

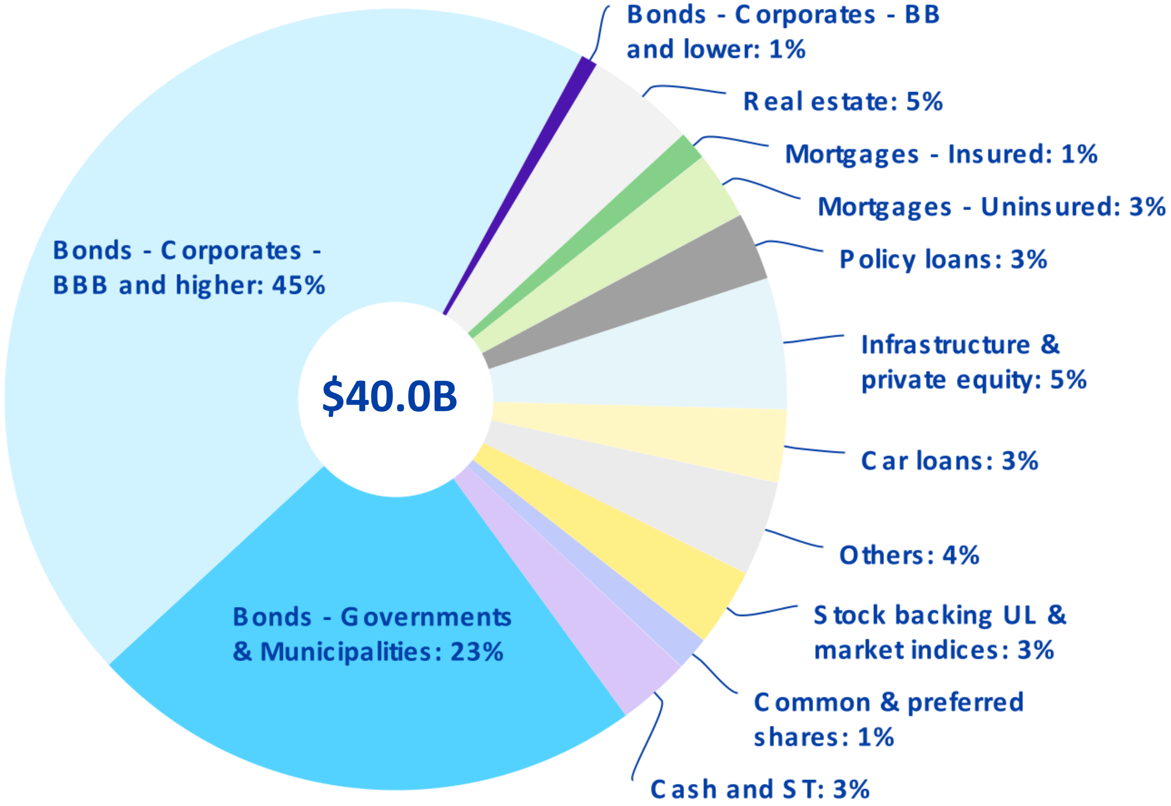
- 68% of portfolio in bonds
- Average credit rating between A and A+
- No net impairments in 2022
- No exposure to CLO (Collateralized Loan Obligations)

### Prudent exposure to equity market

- Quality private equity
  (less levered, majority is infrastructure)
- Public equity exposure mainly via an option strategy with downside protection
- Part of the exposure on balance sheet is pass-through (= no risk for iA)

### Capital Efficient Investment Properties

- Long-term leases (WALT[1] ~9 years)
- Large portion rented to government
- Higher occupancy than market




Data as at December 31, 2022. [1] Weighted average lease term.

# NEW ACCOUNTING BUSINESS SEGMENTS IN 2023

## Aligned with iA's purpose and consistent with internal performance analysis

**OUR PURPOSE - FOR OUR CLIENTS TO BE CONFIDENT AND SECURE ABOUT THEIR FUTURE**

From personal protection for the unexpected to savings solutions to meet their goals

### 1 INSURANCE, CANADA

- Individual insurance
- Group insurance
- Dealer services
- iA Auto and Home
- Retail distribution

### 2 WEALTH MANAGEMENT

- Individual wealth management
- Group savings and retirement
- Retail distribution

### 3 US OPERATIONS

- Individual insurance
- Dealer services

### 4 INVESTMENT

Strategically supporting all our businesses
Important contribution in iA's overall performance
Total portfolio management

### 5 CORPORATE

Corporate functions

# 2022 IN A NUTSHELL

## 2022 – Solid results, amidst declining financial markets

- Core ROE[†] of 14.2% and Core EPS[†] of $8.85, both well within guidance
- Robust solvency ratio[†] and continued organic capital generation[†]
- Strong sales results in most business units
- $0.5B returned to shareholders through dividends and share buybacks

## Employer of choice & Superior employee experience

- iA recognized by Glassdoor and Forbes as one of Canada's Best Employers
- Executive bench strength from internal flexibility and rewarding career
- Work from anywhere at iA is a reality and an asset to attract workforce

## Premium client and advisor experience

- #1 for overall company rating in Advisor Perception Survey, for 2nd year in a row[1]
- Making it as easy as possible for clients and advisors to do business with iA

[1] According to Environics Research.

[†] This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section at the end of this document for relevant information about such measures.

# 2022 SALES – CONTINUED GOOD BUSINESS GROWTH

| ($M, unless otherwise indicated) | 2022 | 2021 | YoY variation |
|---|---|---|---|
| **Individual Insurance** | **387** | 286 | 35% |
| **Individual Wealth Management** | | | |
| General fund - sales | **1,203** | 891 | 35% |
| Segregated funds - net sales | **1,915** | 3,307 | (1,392) |
| Mutual funds - net sales | **(615)** | 1,153 | (1,768) |
| **Group Insurance** | | | |
| Employee Plans[1] | **1,263** | 1,147 | 10% |
| Dealer Services (Creditor, P&C and car loan orig.) | **1,250** | 1,109 | 13% |
| Special Markets | **322** | 215 | 50% |
| **Group Savings and Retirement** | **2,827** | 2,773 | 1% |
| **US Operations ($US)** | | | |
| Individual Insurance | **143** | 135 | 6% |
| Dealer Services - P&C | **1,011** | 1,068 | (5%) |
| **iA Auto and Home** | **457** | 432 | 6% |

- Strong sales results in most business units
- Record sales observed in Canadian Individual Insurance
- Dealer Services sales outperformed retail auto sales performance on both sides of the border
- Wealth sales tempered by challenging financial market conditions

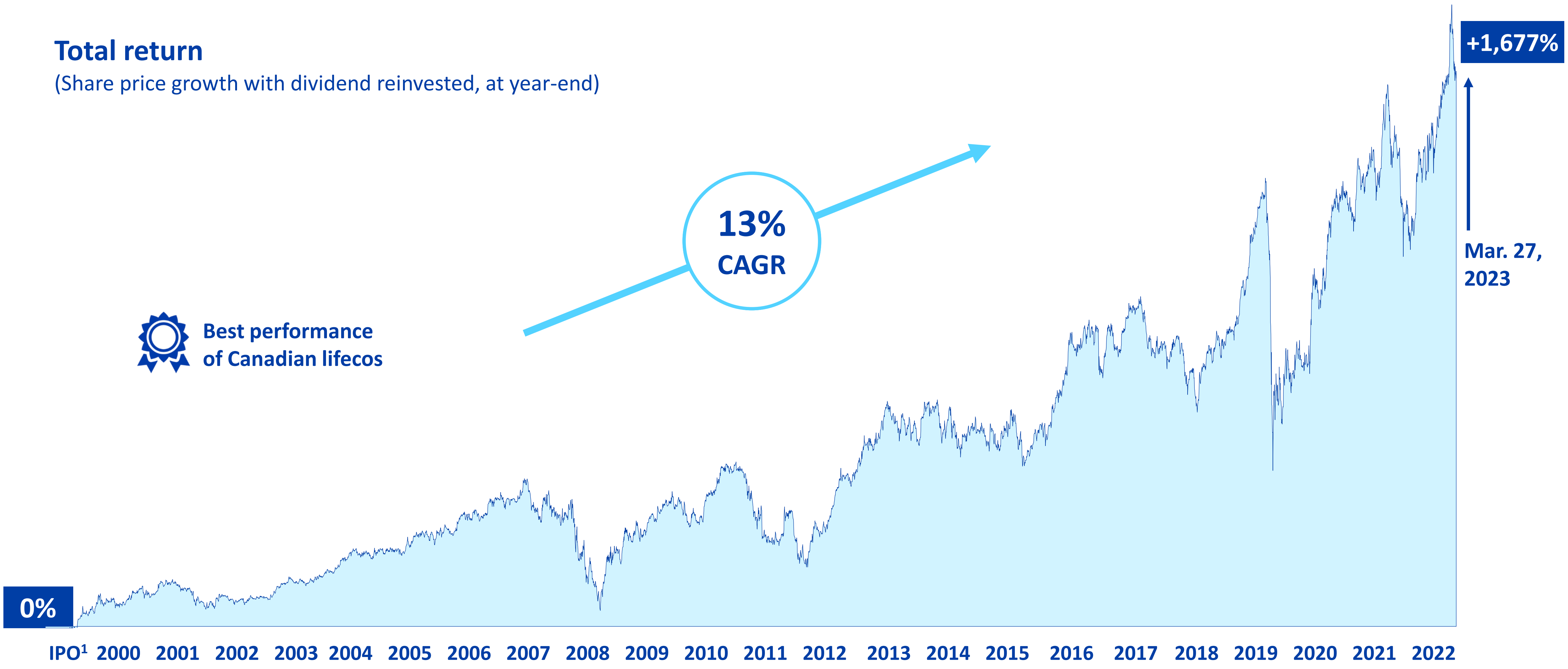
[1] Represents total premiums.

This slide contains non-IFRS measures; see the “Non-IFRS and Additional Financial Measures” section at the end of this document for relevant information about such measures.

# Industry leader for share price growth

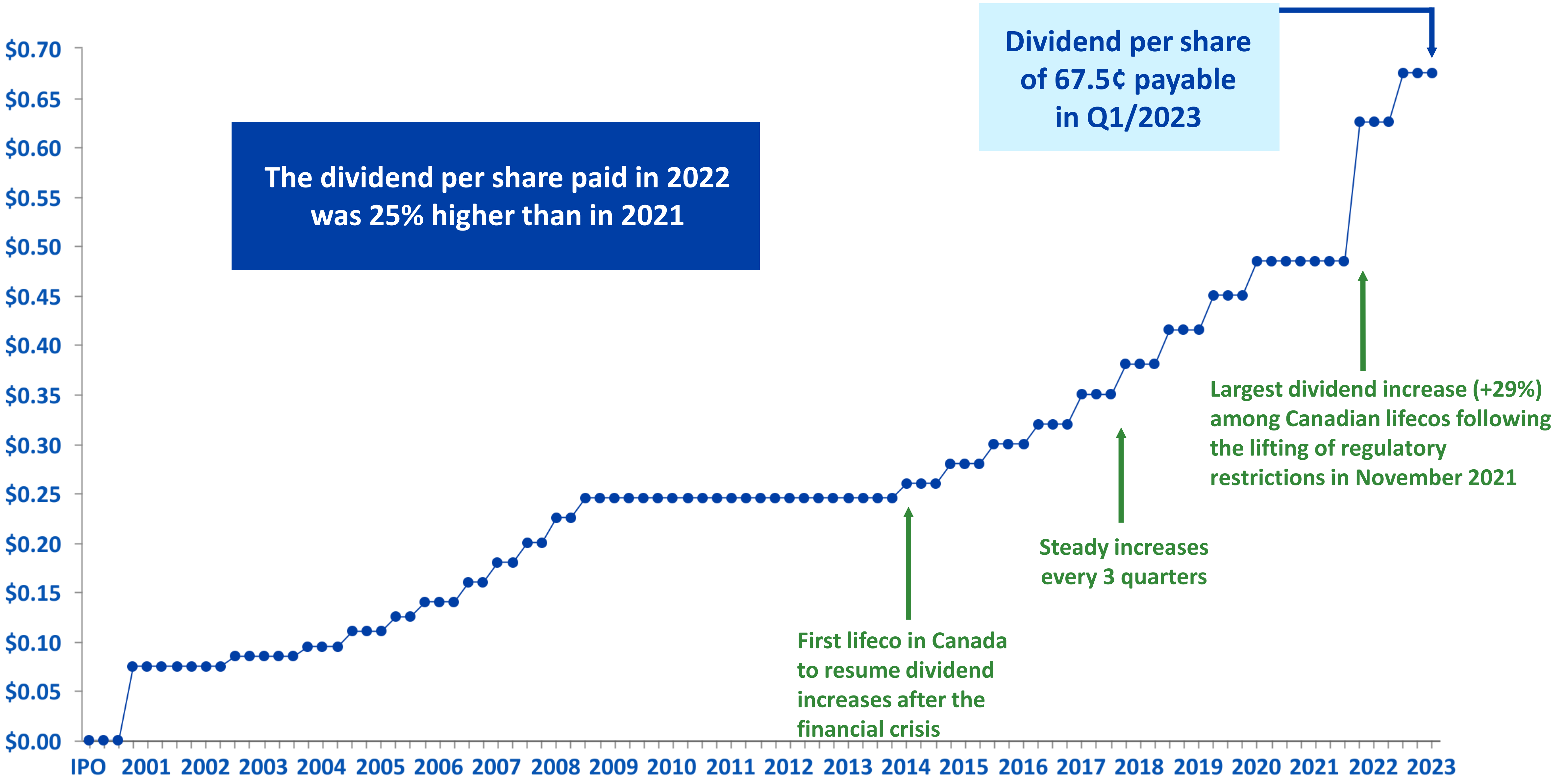
## Total return

(Share price growth with dividend reinvested, at year-end)




[1] Feb. 3, 2000, when iA became a public company.

# DIVIDEND TO COMMON SHAREHOLDERS



# MEDIUM-TERM GUIDANCE

## Adopting medium-term approach

More in line with the longer-term vision of how we manage the business

| | |
|---|---|
| **Core EPS growth** (medium-term) | **10%+ annual average** |
| **Core ROE**[1] (medium-term) | **15%+** |
| **Solvency ratio** operating target | **120%** |
| **Organic capital generation**[2] (2023) | **$600M+** |
| **Dividend payout ratio** | **25% to 35% of core earnings** |

[1] Trailing-twelve-month basis. [2] Net of dividends.

# Appendices

iA Financial Group

# STRONG BALANCE SHEET

## iA's financial strength better reflected under the new regime

| | |
|---|---|
| **IFRS 17 ratios** (Dec. 31, 2022) | Solvency Ratio of **154%**[1] (28 percentage points increase vs. IFRS 4)<br>Leverage ratio of **16.0%**[1,2] |
| **Capital Flexibility** (Dec. 31, 2022) | Potential capital deployment of **$1,800M**[1]<br>Expecting organic capital generation of **$600M+** in 2023[1] |
| **NCIB** | During 2022, 3.1 million shares were redeemed and cancelled for a total value of $213.1 million.<br>A new NCIB program has begun on Nov. 14, 2022, and up to 5,265,045 common shares could be redeemed through Nov. 13, 2023. |

[1] Estimated values as the finalization of the Consolidated Financial Statements as at Dec. 31, 2022 under IFRS 17 is in progress. [2] Calculated as Debentures, preferred shares issued by a subsidiary and other equity instruments/(Capital structure + post-tax CSM†). Leverage ratio calculated as: Debentures, preferred shares issued by a subsidiary and other equity instruments/Capital structure would be 23.5% as at Dec. 31, 2022 under IFRS 17.

# 2022 RESULTS VS. GUIDANCE

## All metrics are in-line or better than guidance

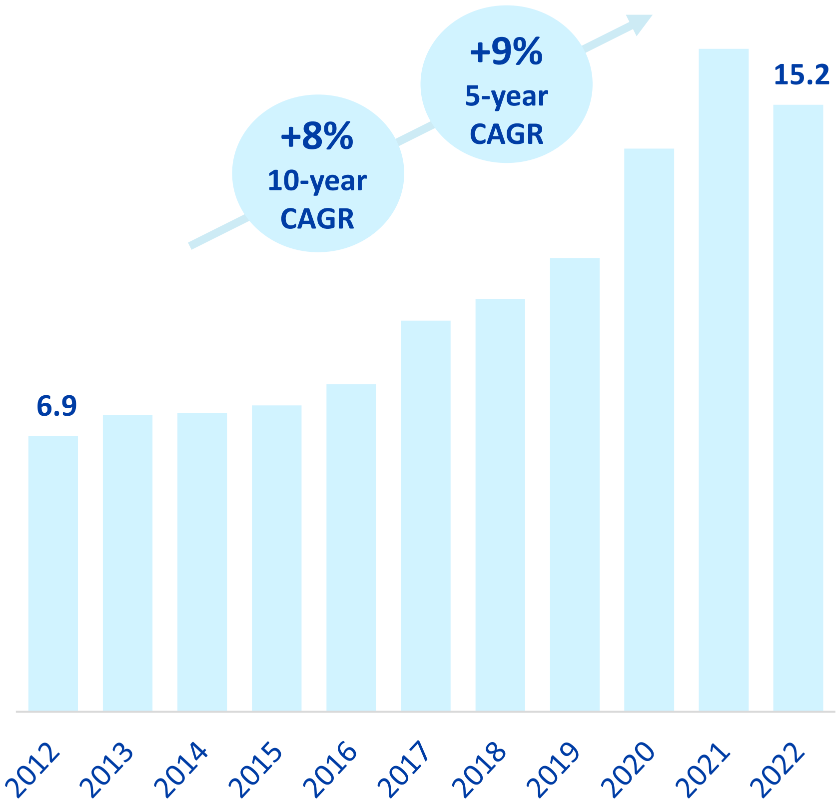
| | 2022 guidance | 2022 results |
|---|---|---|
| **Core EPS** | $8.70 to $9.30 in 2022 | **$8.85** |
| **Core ROE** (trailing 12 months) | 13.0% to 15.0% | **14.2%** |
| **Impact of new business**† (strain) | -5% to 10% | **(8%)**[1] |
| **Solvency ratio** | 110% to 116% | **126%** |
| **Capital generation** | $450M to $525M in 2022 | **~$550M** |
| **Effective tax rate** | 21% to 23% | **17.2%** |
| **Dividend payout ratio**† | 25% to 35% (mid-range) | **29%** |

[1] A negative strain represents a gain at issue.

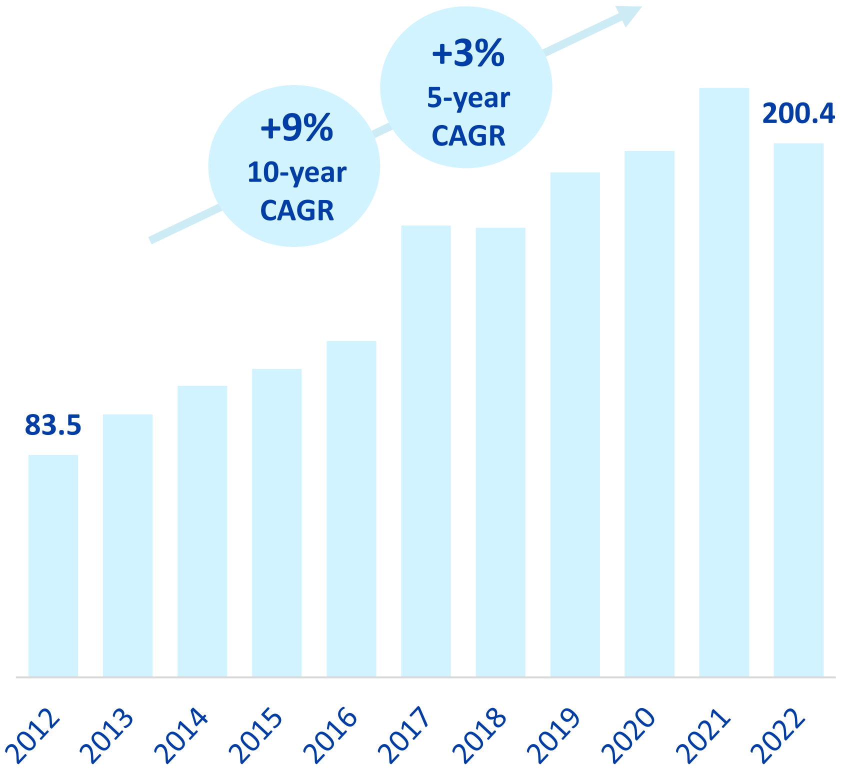
† This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section at the beginning of this document for relevant information about such measures.

# Proven strategy with a strong track record

## Net premiums, premium equivalents and deposits†
($B)




## AUM/AUA†
(Assets under management and administration, end of period, $B)




† These items are non-IFRS measures; see the "Non-IFRS and Additional Financial Measures" section at the end of this document for relevant information about such measures.

# MAIN GROWTH DRIVERS

## Our key actions for success

SALES | EARNINGS

| | | | |
|---|---|---|---|
| Remain at the leading edge of digital tools | Leverage full range of products to meet clients' needs | Build on our extensive relationships with distributors | Optimize synergies between business units |
| Maintain pricing discipline | Continue growing sales and revenues faster than expenses | Digital and Lean initiatives for more operational efficiencies | Develop expansion businesses by leveraging leading expertise |

# iA IS A NORTH AMERICAN LEADER IN DEALER SERVICES, A BUSINESS WITH HIGH GROWTH POTENTIAL FOR FURTHER ROE EXPANSION

## GROWTH

- Distinctive advantage held as Canadian market leader with a full suite of products, software and training for dealers and close relationships with distributors
- High growth potential through acquisition as US industry is highly fragmented and ripe for further consolidation
- Strong sales growth in recent years: 4-year CAGR of 14% (US/CAN combined sales)
- iA’s 2022 sales growth outpacing the vehicle sales industry:

| | | |
|---|---|---|
| Canada: | iA: +13% YoY | Industry[1]: -9% |
| US: | iA: -5% YoY | Industry[1]: -10% |

- High growth opportunities in Canada via cross-line synergies

## PROFITABILITY

- Potential to drive iA's earnings growth and ROE expansion as a high ROE business

## CAPITAL

- Supports iA's active shift to less capital intensive products

## RISK

- Managing risk by leveraging expertise and know-how
- Brings diversification of product mix and revenue streams to iA as a group and good sales diversification within Dealer Services with sales being split between new and used vehicles
- Marginal impact of inflation due to the business model: regular pricing adjustments and reinsured risks

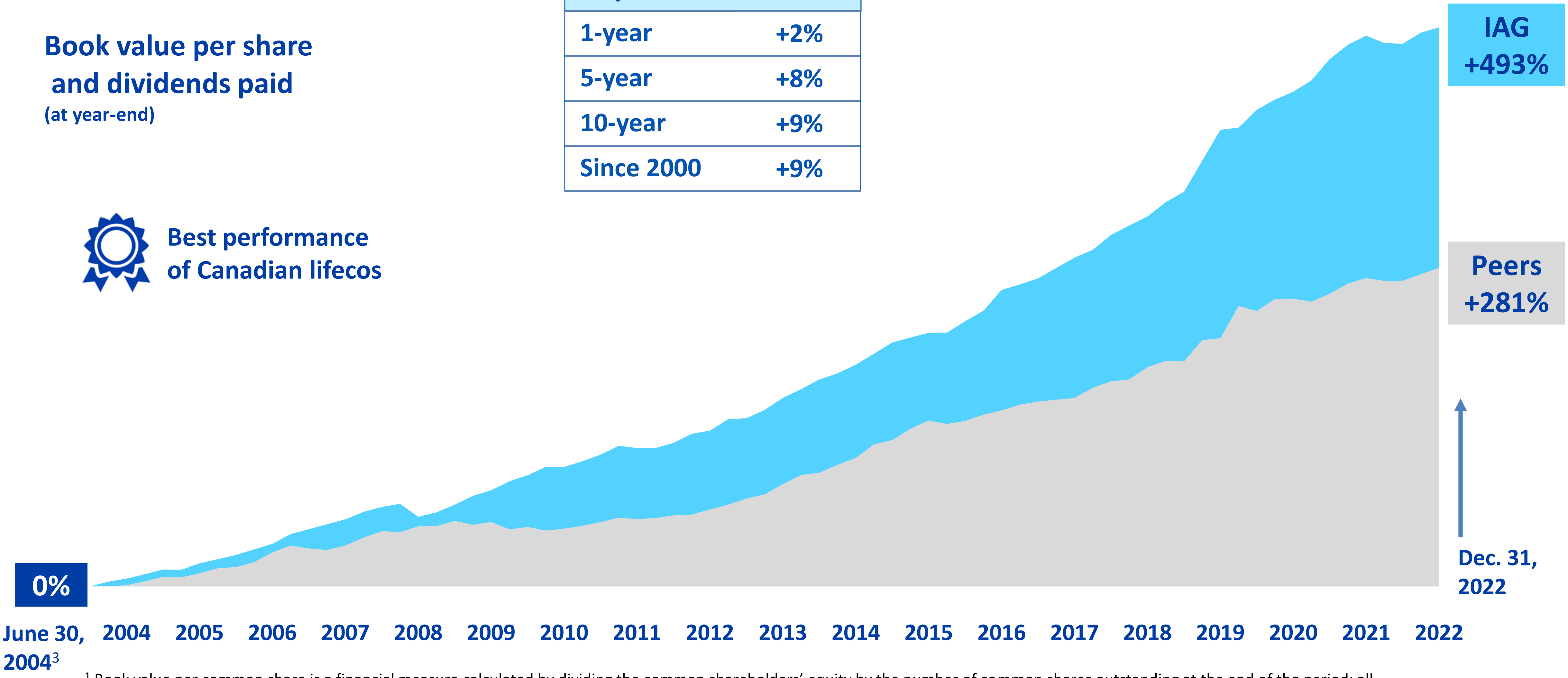
[1] Sources: Canada: DesRosiers Automotive Consultants; US: US Bureau of Economic Analysis and Cox Automotive – Raw numbers of vehicles sold in the US at retail only (fleet and private party sales excluded); numbers are not seasonally adjusted.

# BOOK VALUE[1] – Strong and steady record of value creation

| IAG book value per share CAGR[2] | |
|---|---|
| 1-year | +2% |
| 5-year | +8% |
| 10-year | +9% |
| Since 2000 | +9% |

**Book value per share and dividends paid**
(at year-end)

**Best performance of Canadian lifecos**




[1] 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. [2] At Dec. 31, 2022. [3] Taken as the earliest relevant comparison date.

# CREDIT RATINGS

| Credit rating agency | iA Financial Corporation Inc.<br><br>Issuer rating | Industrial Alliance Insurance and Financial Services Inc.<br><br>Financial strength | Outlook |
|---|---|---|---|
| Standard & Poor's | A | AA- | Stable |
| DBRS Morningstar | A | AA (low) | Stable |
| A.M. Best | N/A | A+ (Superior) | Stable |

# ESG ambition

To contribute to sustainable growth and wellbeing for our clients, employees, partners, investors and communities

## Our main targets

- Reduction of our GHG emissions by **20%** per employee by 2025
- Now and in the future, achieve increased gender equity of **between 40% and 60%** in iA Financial Group senior leadership positions and appointments

## Commitment to five United Nations Sustainable Development Goals

# CONCRETE ACTIONS FOR A SUSTAINABLE FUTURE

## OUR CONTRIBUTION TO SUSTAINABLE FINANCE

- Signatory of United Nations Principles for Responsible Investment (PRI)
- Review of *Responsible Investment Policy* in 2022
- Publication of our first *Sustainability Bond Framework* in February 2022
- Enhanced lineup of socially responsible investment funds for a total of 22 funds
- Support for the International Sustainability Standards Board (ISSB)
- Participation in the *Statement by the Quebec Financial Centre for a Sustainable Finance*

Signatory of: PRI Principles for Responsible Investment

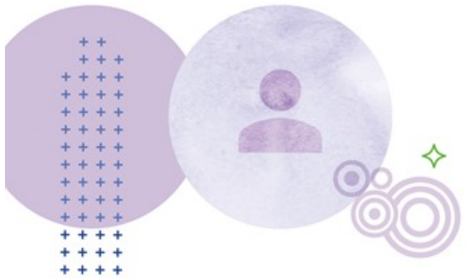
## ENVIRONMENT

- *Climate Change Position Statement* through which we aim at becoming a leader in the industry on climate change in North America over time
- Continue offsetting GHG emissions (scope 1 and 2) as well as reducing our emissions
- Climate change task force to achieve and improve reduction targets
- Work From Anywhere model estimated to result in the reduction of 3,500 tonnes in GHG equivalents
- Majority of our 30+ properties in Canada are BOMA BEST or LEED certified

ENTREPRISE CERTIFIÉE CARBONEUTRE planetair 2021 CARBON NEUTRAL CERTIFIED BUSINESS

CDP

## SOCIAL



- Commitment to obtain the Progressive Aboriginal Relations (PAR) certification of the Canadian Council for Aboriginal Business
- Equity, Diversity and Inclusion program, including a three-year action plan
- Efforts to support employees' wellbeing promoting global health
- Offering our clients products and services that provide access to quality health care and health services
- Continued effort to harmonize and further implement NPS metrics across the Company
- 2022 donations of \$8.5M to different social and community organizations

Progressive Aboriginal Relations COMMITTED

Canadian Council for Aboriginal Business

## GOVERNANCE

- Best governance practices reinforced with a formalized *Governance Framework*
- Use of the TCFD and SASB reporting frameworks to guide ESG disclosure
- Integration of sustainable development in our governance structure through several committees
- ESG criteria included in executive compensation since 2021
- Publication of several policies, practices and statements to support our governance

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

SASB SUSTAINABILITY ACCOUNTING STANDARDS BOARD

# INVESTOR RELATIONS

**Contact**

Marie-Annick Bonneau
Tel.: 418-931-0142
Marie-Annick.Bonneau@ia.ca

**Next Reporting Dates**

| | |
|---|---|
| Q1/2023 - May 10, 2023 at 8AM | *Conference call on May 10, 2023 at 11AM* |
| Q2/2023 - August 3, 2023 after market close | *Conference call on August 4, 2023 at 8AM* |
| Q3/2023 - November 7, 2023 after market close | *Conference call on November 8, 2023 at 11AM* |
| Q4/2023 - February 20, 2024 after market close | *Conference call on February 21, 2024* |

For information on our earnings releases, conference calls and related disclosure documents, consult the Investor Relations section of our website at 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.

# 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 and operational 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; data and cyber risks; risks related to human resources; hedging strategy risks; liquidity of iA Financial Group, 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; 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 Corporation’s Management’s Discussion and Analysis for 2022 that could influence the Company’s performance or results.

- Potential impact of geopolitical conflicts – Since February 2022, Russia’s military invasion of Ukraine and the related sanctions and economic fallout have had several impacts on global financial markets, exacerbating the volatility already present since the beginning of 2022. The outlook for financial markets over the short and medium term remains highly uncertain and vulnerable, in part due to continued geopolitical tensions. The Company continues to monitor potential impacts of the conflict. These impacts 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 2022, the “Management of Risks Associated with Financial Instruments” note to the audited consolidated financial statements for the year ended December 31, 2022, and elsewhere in iA Financial Group’s filings with the Canadian Securities Administrators, which are available for review at sedar.com.

- 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 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.

***Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure*** from the Canadian Securities Administrators ("Regulation 52-112") establishes disclosure requirements that apply, respectively, to each of the following categories of non-IFRS measures used by iA Financial Corporation:

- *Non-IFRS financial measures*, which depict the historical or expected future financial performance, financial position or cash flow, and with respect to their composition, exclude an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the Company's financial statements.
- *Non-IFRS ratios*, which are in the form of a ratio, fraction, percentage, or similar representation, have a non-IFRS financial measure as one or more of their components and are not disclosed in the Company's financial statements.
- *Supplementary financial measures*, which are disclosed on a periodic basis to depict historical or expected future financial performance, financial position, or cash flow and are not disclosed in the Company's financial statements.
- *Capital management measures*, which are financial measures intended to enable the reader to evaluate the Company's objectives, policies, and processes for managing its capital.
- *Segment measures*, which combine financial measures for two or more reportable segments of the Company and are not disclosed in the Company's financial statements.

Below is a description of the non-IFRS financial measures, non-IFRS ratios and supplementary financial measures used by the Company. Additional information is provided, along with a description of the reconciliation to the closest IFRS measure, where applicable.

**Non-IFRS measures published by iA Financial Corporation in this document are:**

- Return on common shareholders' equity (ROE):
  - *Category under Regulation 52-112*: Supplementary financial measure.
  - *Definition*: 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.
  - *Purpose*: Provides a general measure of the Company's efficiency in using equity.

- Solvency Ratio:
  - *Category under Regulation 52-112*: In accordance with the Capital Adequacy Requirements Guideline – Insurance of Persons (CARLI) revised in January 2021 by the Autorité des marchés financiers ("AMF"), this financial measure is exempt from certain requirements of Regulation 52-112.
  - *Definition*: Calculated by dividing the sum of the available capital, the surplus allowance and the eligible deposits by the base solvency buffer.
  - *Purpose*: Provides a measure of the Company's solvency and allows the regulatory authorities to determine if an insurance company is sufficiently capitalized in relation to the minimum set by the Company's regulator.

# NON-IFRS AND ADDITIONAL FINANCIAL MEASURES (CONT.)

- Potential capital deployment:
  - *Category under Regulation 52-112*: Supplementary financial measure.
  - *Definition*: Amount of capital the Company can deploy for a transaction, taking into account all limits and constraints of the regulatory capital guideline and the Company's targets, assuming the transaction parameters to be the worst-case scenario.
  - *Purpose*: Provides a measure of the Company's capacity to deploy capital for transactions.

- Core earnings (under IFRS 4):
  - *Category under Regulation 52-112*: Non-IFRS financial measures that constitute historical information.
  - *Definition*: Removes 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 – each of these items is classified as a Supplementary financial measure and has no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates, nor are reconciliations available:
    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; and
    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.
  - *Purpose:* The core earnings definition provides a supplementary measure to understand the underlying operating business performance compared to IFRS net earnings. Also, core earnings helps in explaining results from period to period by excluding items that are simply non-representative of the business performance from period to period. In addition, core earnings, along with net income attributed to common shareholders, is used as a basis for management planning and strategic priority setting. Therefore, this measure is useful in understanding how management views the underlying operating business performance of the Company and also helps in better understanding the long-term earnings capacity and valuation of the business.
  - *Reconciliation*: "Net income attributed to common shareholders" is the most directly comparable IFRS measure disclosed in the financial statements of the Company to which the measure relates, and a reconciliation with this measure is presented in the Management's Discussion and Analysis for 2022.

  Note: 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. The changes to the definition of core earnings at the beginning of 2021 are consistent with the ongoing evolution of the business and help to better reflect and assess the underlying operating business performance, while maintaining consistency with the general concept of the metric and continuity with the previous definition.

# NON-IFRS AND ADDITIONAL FINANCIAL MEASURES (CONT.)

- Core earnings (under IFRS 17):
  - *Category under Regulation 52-112*: Non-IFRS financial measures that constitute historical information.
  - *Definition*: Removes 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 – each of these items is classified as a Supplementary financial measure and has no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates, nor are reconciliations available:
    a. market-related impacts that differ from management's expectations, which include the impacts of equity and real estate markets, interest rates and exchanges rate variations on the net investment result (including impacts on investment income and on finance expenses from insurance and reinsurance contracts) and on the insurance service result (i.e., on losses and reversal of losses on onerous contracts accounted for using the variable fee approach measurement model). Management's expectations include:
       (i) an expected long-term annual return (between 8% and 9% on average) on non-pass-through non-fixed income asset investments (public/private equity, real estate and infrastructure),
       (ii) that interest rates (including credit spreads) that are observable on the markets at the beginning of the quarter are expected to remain unchanged during the quarter and that liability discount rates for the non-observable period will change as implied in the discount rates curve at the beginning of the quarter, and
       (iii) that exchange rates at the beginning of the quarter are expected to remain unchanged during the quarter;
    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; and
    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.
  - *Purpose:* The core earnings definition provides a supplementary measure to understand the underlying operating business performance compared to IFRS net earnings. Also, core earnings helps in explaining results from period to period by excluding items that are simply non-representative of the business performance from period to period. In addition, core earnings, along with net income attributed to common shareholders, is used as a basis for management planning and strategic priority setting. Therefore, this measure is useful in understanding how management views the underlying operating business performance of the Company and also helps in better understanding the long-term earnings capacity and valuation of the business.
  - *Reconciliation*: "Net income attributed to common shareholders" is the most directly comparable IFRS measure disclosed in the financial statements of the Company to which the measure relates, and a reconciliation with this measure is presented in this document.

- Core earnings per common share (core EPS):
  - *Category under Regulation 52-112*: Non-IFRS ratio.
  - *Definition*: Obtained by dividing the core earnings by the diluted weighted average number of common shares.
  - *Purpose*: Used to better understand the Company's capacity to generate sustainable earnings and is an additional indicator for evaluating the Company's financial performance.
  - *Reconciliation*: "Earnings per common share (EPS)" is the most directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates, and a reconciliation with this measure is presented in the Management's Discussion and Analysis for 2022, which is available at sedar.com.

# NON-IFRS AND ADDITIONAL FINANCIAL MEASURES (CONT.)

- Core return on common shareholders' equity (core ROE):
  - *Category under Regulation 52-112*: Non-IFRS ratio.
  - *Definition*: A ratio, expressed as a percentage, obtained by dividing the consolidated core earnings by the average common shareholders' equity for the period.
  - *Purpose*: Provides a general measure of the Company's efficiency in using equity, based on core earnings, and an additional indicator for evaluating the Company's financial performance.
  - *Reconciliation*: There is no directly comparable IFRS financial measure that is disclosed in the financial statements of the Company to which the measure relates.

- Post-tax contractual service margin (CSM) :
  - *Category under Regulation 52-112*: Non-IFRS financial measures that constitute historical information.
  - *Definition*: Calculated as the difference between the contractual service margin (CSM) balance and the product, for each legal entity, of the contractual service margin (CSM) balance by the applicable statutory tax rate
  - *Purpose*: Used to determine a financial leverage ratio that which includes in its denominator the post-tax CSM
  - *Reconciliation*: "Contractual service margin (CSM)" is the most directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.

- Financial leverage measure – Debentures, preferred shares issued by a subsidiary and other equity instruments/(Capital structure + post tax CSM):
  - *Category under Regulation 52-112*: Non-IFRS ratio.
  - *Definition*: Calculated by dividing the total debentures plus preferred shares issued by a subsidiary and other equity instruments by the sum of total debentures plus shareholders' equity and post-tax contractual service margin (CSM).
  - *Purpose*: Provides a measure of the Company's financial leverage.
  - *Reconciliation*: There is no directly comparable IFRS financial measure that is disclosed in the financial statements of the Company to which the measure relates.

- Assets under administration (AUA):
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition*: All assets with respect to which the Company acts only as an intermediary between a client and an external fund manager.
  - *Purpose*: Used to assess the Company's ability to generate fees, particularly for investment funds and funds under administration.

- Assets under management (AUM):
  - *Category under Regulation 52-112*: Non-IFRS financial measures that constitute historical information.
  - *Definition*: All assets with respect to which the Company establishes a contract with a client and makes investment decisions for amounts deposited in this contract.
  - *Purpose*: Used to assess the Company's ability to generate fees, particularly for investment funds and funds under administration.
  - *Reconciliation*: "General fund assets" and "Segregated funds net assets" disclosed in the Company's financial statements are IFRS measures and components of the AUM calculation. A reconciliation is presented in this document.

# NON-IFRS AND ADDITIONAL FINANCIAL MEASURES (CONT.)

- Organic capital generation:
    - *Category under Regulation 52-112*: Supplementary financial measure.
    - *Definition*: Excess capital generated in the normal course of business, excluding the impact of the macroeconomic environment, where excess capital is the amount of capital over and above the target ratio, calculated under the CARLI guideline.
    - *Purpose*: Provides a measure of the Company's capacity to generate excess capital in the normal course of business.

- Dividend payout ratio:
    - *Category under Regulation 52-112*: Supplementary financial measure.
    - *Definition*: The percentage of net income attributed to common shareholders, on a reported basis, that is distributed to common shareholders in the form of dividends during the period.
    - *Purpose*: Indicates the percentage of the Company's reported revenues shareholders received in the form of dividends.
    - *Reconciliation*: The dividend payout ratio is the ratio of the dividend per common share paid during the period (an IFRS measure) divided by the reported earnings per common share for the period.

- Core dividend payout ratio:
    - *Category under Regulation 52-112*: Non-IFRS ratio.
    - *Definition*: The percentage of net income attributed to common shareholders, on a core earnings basis, that is distributed to common shareholders in the form of dividends during the period.
    - *Purpose*: Indicates the percentage of the Company's core revenues shareholders received in the form of dividends.
    - *Reconciliation*: The core dividend payout ratio is the ratio of the dividend per common share paid during the period (an IFRS measure) divided by the core earnings per common share for the period.

- Individual Wealth Management mutual funds deposits, Group Savings and Retirement deposits, US Operations Dealer Services premium equivalents and Group Insurance Employee Plans ASO, investment contracts and premium equivalents and deposits:
    - *Category under Regulation 52-112*: Supplementary financial measures.
    - *Definition*:
        a. Deposits refer to amounts received from clients under an investment contract. Deposits are not reflected in the Company's income statements.
        b. Premium equivalents refer to amounts related to service contracts or services where the Company is primarily an administrator but could become an insurer if a specific event were to happen. These amounts are not accounted for in "Net premiums".
    - *Purpose*: Premiums, premium equivalents and deposits are one of many measures used to assess the Company's ability to generate income from in-force and new business.

# NON-IFRS AND ADDITIONAL FINANCIAL MEASURES (CONT.)

- Individual Insurance minimum and excess premium sales, Individual Wealth Management gross and net mutual fund sales, Group Insurance Employee Plans sales, US Operations Individual Insurance sales, Group Insurance Special Markets sales, Group Insurance Dealer Services P&C sales, Group Savings and Retirement sales of accumulation contracts and insured annuities, US Operations Dealer Services sales and General Insurance sales:
  - *Category under Regulation 52-112*: Supplementary financial measure.
  - *Definition*: Excess capital generated in the normal course of business, excluding the impact of the macroeconomic environment, where excess capital is the amount of capital over and above the target ratio, calculated under the CARLI guideline.
    a. Individual Insurance minimum and excess premium sales are defined as first-year annualized premiums. The net premiums presented in the Consolidated Financial Statements include fund entries on both in-force contracts and new business written during the period and are reduced by premiums ceded to reinsurers.
    b. Individual Wealth Management gross mutual fund sales are defined as deposits and include primary market sales of ETFs
    c. Individual Wealth Management net mutual fund sales correspond to net fund entries and are defined as Individual Wealth Management gross mutual fund sales less withdrawals and transfers
    d. Group Insurance Employee Plans sales are defined as first-year annualized premiums, including premium equivalents (Administrative Services Only)
    e. US Operations Individual Insurance sales are defined as first-year annualized premiums.
    f. Group Insurance Special Markets sales are defined as fund entries on both in-force contracts and new business written during the period
    g. Group Insurance Dealer Services P&C sales are defined as direct written premiums (before reinsurance).
    h. Group Savings and Retirement sales of accumulation contracts and insured annuities include gross premiums (before reinsurance) and premium equivalents, or deposits
    i. US Operations Dealer Services sales are defined as direct written premiums (before reinsurance) and premium equivalents.
    j. General Insurance sales are defined as direct written premiums.
  - *Purpose*: Used to assess the Company's ability to generate new business and serve as additional tools to help investors better assess the Company's growth potential.
  - *Reconciliation*: There is no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.

- Group Insurance Dealer Services creditor insurance sales:
  - *Category under Regulation 52-112*: Non-IFRS financial measures that constitute historical information.
  - *Definition*: Premiums before reinsurance and cancellations.
  - *Purpose*: Used to assess the Company's ability to generate new business and serve as an additional tool to help investors better assess the Company's growth potential in the Dealer Services division of the Group Insurance sector.
  - *Reconciliation*: There is no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.