

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement, together with the short form base shelf prospectus dated April 5, 2022 to which it relates, as amended or supplemented, and each document incorporated by reference in the short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

These securities have not been and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state of the United States of America and may not be offered, sold or delivered, directly or indirectly, within the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act), except in certain transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States.

Information has been incorporated by reference in this prospectus supplement and the short form base shelf prospectus dated April 5, 2022 from documents filed with securities commissions or similar authorities in Canada. See “Documents Incorporated by Reference”. Copies of the documents incorporated herein or therein by reference may be obtained on request without charge from the Vice President and Chief Legal Officer of iA Financial Corporation Inc. at 1080 Grande Allée West, Québec City, Québec, G1S 1C7, telephone (418) 684-5000, and are also available electronically at www.sedar.com.

PROSPECTUS SUPPLEMENT

(To the Short Form Base Shelf Prospectus dated April 5, 2022)

New Issue

June 15, 2023



\$400,000,000

5.685% Fixed/Floating Subordinated Debentures of iA Financial Corporation Inc.

iA Financial Corporation Inc. (“iA Financial Corporation” or the “Corporation”) is offering \$400,000,000 aggregate principal amount of 5.685% fixed/floating subordinated debentures (the “Debentures”). The Debentures will be dated June 20, 2023 and will mature on June 20, 2033. Interest on the Debentures at the rate of 5.685% per annum will be payable in arrears in equal semi-annual installments on June 20 and December 20, in each year, commencing on December 20, 2023 and continuing until June 20, 2028. After June 20, 2028, interest on the Debentures will be payable at a rate per annum equal to Daily Compounded CORRA (as defined herein) as determined for the Observation Period (as defined herein) in respect of each Floating Interest Period (as defined herein) plus 1.96% payable quarterly in arrears on March 20, June 20, September 20 and December 20 in each year, commencing on September 20, 2028. See “Details of the Offering”.

Subject to the prior consent of the *Autorité des marchés financiers* (the “AMF”), iA Financial Corporation may, at its option, redeem the Debentures in whole or in part on not less than 10 days’ nor more than 60 days’ prior notice to the registered holder, on or after June 20, 2028 at a redemption price equal to par, together with accrued and unpaid interest to but excluding the date fixed for redemption. Further particulars concerning the attributes and the distribution of the Debentures are set out under the heading “Details of the Offering”.

	Price to the Public	Agents' Fee ⁽¹⁾	Net Proceeds to iA Financial Corporation ⁽²⁾
Per \$1,000 principal amount of Debentures	\$1,000	\$3.50	\$996.50
Total	\$400,000,000	\$1,400,000	\$398,600,000

(1) Agents' fee consists of a fee equal to \$3.50 for each \$1,000 principal amount of Debentures sold.

(2) Before deduction of expenses of this offering payable by iA Financial Corporation estimated at \$1,125,000. See "Plan of Distribution".

RBC Dominion Securities Inc. ("RBC"), BMO Nesbitt Burns Inc. ("BMO"), Scotia Capital Inc. ("Scotia" and, together with RBC and BMO, the "Lead Agents"), CIBC World Markets Inc. ("CIBC"), National Bank Financial Inc. ("NBF"), TD Securities Inc. ("TD"), iA Private Wealth Inc. ("iAPW"), Casgrain & Company Limited ("Casgrain") and UBS Securities Canada Inc. ("UBS") (collectively, and together with the Lead Agents, the "Agents"), as agents, conditionally offer the Debentures, on a best efforts basis at 100% of the principal amount of Debentures subject to prior sale, if, as and when issued by iA Financial Corporation in accordance with an agency agreement dated June 15, 2023 by and among the Corporation and the Agents (the "Agency Agreement"), the whole as more fully described under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of iA Financial Corporation by Torys LLP and on behalf of the Agents by McCarthy Tétrault LLP.

iA Private Wealth Inc., one of the Agents, is an indirect subsidiary of iA Financial Corporation. Therefore, iA Financial Corporation is a "related issuer" of iA Private Wealth Inc. under applicable securities legislation by virtue of iA Financial Corporation's indirect interest in iA Private Wealth Inc. See "Plan of Distribution".

The Debentures will not be listed on any security exchange. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus Supplement. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".

iA Financial Corporation's head and registered office is located at 1080 Grande Allée West, Québec City, Québec, G1S 1C7.

Subscriptions for the Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of this offering will take place on June 20, 2023 (the "Closing Date") or on such other date as iA Financial Corporation and the Agents may agree but not later than July 7, 2023. The Debentures will be issued in "book-entry form" through the facilities of CDS Clearing and Depository Services Inc. ("CDS").

The Debentures offered by this Prospectus Supplement will be iA Financial Corporation's direct unsecured subordinated obligations and will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (Canada) (the "CDIC Act"), the *Deposit Institutions and Deposit Protection Act* (Québec) (the "QDIDP Act") or any other deposit insurance scheme. The Debentures will constitute direct unsecured subordinated indebtedness of iA Financial Corporation, ranking equally and rateably with each other (regardless of their actual dates of issue) and with all other unsecured subordinated indebtedness of iA Financial Corporation from time to time issued and outstanding, including guarantees provided by iA Financial Corporation in respect of outstanding debentures of its subsidiary, Industrial Alliance Insurance and Financial Services Inc. ("IAIFS") (other than subordinated indebtedness which has been further subordinated in accordance with its terms). The Debentures will, however, rank senior in right of payment to guarantees provided by iA Financial Corporation in respect of certain obligations in respect of outstanding preferred shares of its subsidiaries, including IAIFS. In the event of the insolvency or winding-up of iA Financial Corporation, the Debentures will be subordinated in right of payment to all liabilities of iA Financial Corporation, except those liabilities that, by their terms, rank equally with or are subordinated to, subordinated indebtedness of iA Financial Corporation, including the Debentures. The Debentures will be structurally subordinated to all indebtedness, policy liabilities and other liabilities and preferred shares of iA Financial Corporation's subsidiaries (the "Subsidiaries' Preferred Shares"). See "Details of the Offering".

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PRESENTATION OF INFORMATION

In this prospectus supplement (the “**Prospectus Supplement**”), unless otherwise indicated, capitalized terms which are defined in the accompanying short form base shelf prospectus of the Corporation dated April 5, 2022 (the “**Prospectus**”) are used herein with the meaning defined therein. If information in this Prospectus Supplement is inconsistent with the accompanying Prospectus, investors should rely on the information in this Prospectus Supplement. All references to “dollars” in this Prospectus Supplement are to Canadian dollars unless otherwise indicated.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this Prospectus Supplement, the Prospectus or in documents incorporated by reference herein, including those relating to strategies used by iA Financial Corporation and other 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. 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 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. 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 Corporation 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 Corporation’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 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; 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 Corporation; no material variation in interest rates; no significant changes to the Corporation’s effective tax rate; no material changes in the level of the Corporation’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 Corporation’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 Corporation 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 iA Financial Corporation’s management’s discussion and analysis for the most recent

audited consolidated financial statements that could influence the Corporation's performance or results.

Specifically, this Prospectus Supplement contains forward-looking statements with respect to:

- the use of proceeds of this offering; and
- the completion of this offering and anticipated timing thereof.

Economic and financial instability in a context of geopolitical tensions – Unfavourable economic conditions and financial instability are causing some concern. Central banks have hiked interest rates to combat last year's high inflation. The war in Ukraine and tension in China are also causing instability in global markets. These events could result in significant financial volatility and test the Corporation's ability to anticipate and mitigate headwinds in its markets and negatively affect the Corporation'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 section "Risk Factors" in this Prospectus Supplement and in the Prospectus, in the section "Risk Factors" in iA Financial Corporation's most recent annual information form, in the "Risk Management" section of iA Financial Corporation's management's discussion and analysis for the most recent audited consolidated financial statements, in the "Management of Risks Associated with Financial Instruments" note to iA Financial Corporation's most recent audited consolidated financial statements, in the "Risk Management – Update" section of iA Financial Corporation's management's discussion and analysis for the most recent unaudited interim condensed consolidated financial statements, and elsewhere in iA Financial Corporation's filings with Canadian securities regulators, which are available for review at www.sedar.com.

The forward-looking statements in this Prospectus Supplement or the documents incorporated by reference in this Prospectus Supplement reflect, unless otherwise indicated, iA Financial Corporation's expectations as of the date of this Prospectus Supplement or the documents incorporated by reference in this Prospectus Supplement. iA Financial Corporation does not undertake any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Prospectus Supplement or to reflect the occurrence of unanticipated events, except as required by law.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference, as of the date hereof, into the Prospectus solely for the purpose of this offering of Debentures. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars thereof. The following documents have been filed by iA Financial Corporation with the securities commissions or similar authorities in each province of Canada and are incorporated by reference into the Prospectus and this Prospectus Supplement:

- (a) iA Financial Corporation's audited consolidated financial statements and the notes thereto for the years ended December 31, 2022 and 2021, together with the independent auditor's report thereon;
- (b) iA Financial Corporation's management's discussion and analysis dated February 14, 2023 for the audited consolidated financial statements referred to in paragraph (a);
- (c) iA Financial Corporation's unaudited interim condensed consolidated financial statements and the notes thereto for the three-month periods ended March 31, 2023 and March 31, 2022;
- (d) iA Financial Corporation's management's discussion and analysis dated May 10, 2023 for the unaudited interim condensed consolidated financial statements referred to in paragraph (c);
- (e) iA Financial Corporation's management information circular for the solicitation of proxies dated March 14, 2023 in connection with the annual meeting of shareholders held on May 10, 2023;

- (f) iA Financial Corporation's Annual Information Form dated March 29, 2023 for the year ended December 31, 2022;
- (g) the template version of the indicative term sheet (the "**Indicative Term Sheet**") prepared for potential investors in connection with this offering of Debentures dated June 15, 2023, and filed on SEDAR by iA Financial Corporation on June 15, 2023; and
- (h) the template final term sheet (the "**Final Term Sheet**") prepared for potential investors in connection with this offering of Debentures dated June 15, 2023, and filed on SEDAR by iA Financial Corporation on June 15, 2023.

Any documents of the types referred to above, any business acquisition reports and any material change reports (excluding confidential material change reports if any) and any marketing materials (as defined in National Instrument 41-101 – General Prospectus Requirements) filed by iA Financial Corporation with the securities regulatory authorities in Canada after the date of this Prospectus Supplement and prior to the completion or withdrawal of the distribution of the Debentures, shall be deemed to be incorporated by reference into the Prospectus and this Prospectus Supplement.

Any statement in this Prospectus Supplement, the Prospectus or contained in a document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or in the Prospectus is deemed to be modified or superseded, for purposes of this Prospectus Supplement or of the Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement or the Prospectus.

MARKETING MATERIALS

The Indicative Term Sheet and the Final Term Sheet may be considered marketing materials for purposes of applicable securities legislation. The Indicative Term Sheet and the Final Term Sheet are not part of the Prospectus Supplement to the extent that the contents of the Indicative Term Sheet and the Final Term Sheet have been modified or superseded by a statement contained in this Prospectus Supplement.

Any "template version" of "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) filed on SEDAR after the date of this Prospectus Supplement and before the termination of the distribution under this offering will be deemed to be incorporated into this Prospectus Supplement.

ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP, counsel to iA Financial Corporation, and McCarthy Tétrault LLP, counsel to the Agents, the Debentures, if issued on the date of this Prospectus Supplement, would be, on such date, qualified investments under the Income Tax Act (Canada) (the "**Tax Act**") and the regulations thereunder for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), registered disability savings plans ("**RDSPs**"), registered education savings plans ("**RESPs**"), deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan for which any employer is iA Financial Corporation or is an employer with whom iA Financial Corporation does not deal at arm's length within the meaning of the Tax Act), tax-free savings accounts ("**TFSAs**") and first home savings accounts ("**FHSAs**").

Notwithstanding the foregoing, if the Debentures are "prohibited investments" for a particular RRSP, RRIF, RDSP, RESP, TFSA or FHSA for purposes of the Tax Act, the annuitant under the RRSP or RRIF, the holder of the RDSP, TFSA or FHSA or the subscriber of the RESP, as the case may be, will be subject to a penalty tax under the Tax Act. The Debentures, if issued on the date of this Prospectus Supplement, would not be, on such date, a "prohibited

investment” for these purposes unless the annuitant under the RRSP or RRIF, the holder of the RDSP, TFSA or FHSA or the subscriber of the RESP, as the case may be, (i) does not deal at arm’s length with iA Financial Corporation for purposes of the Tax Act, or (ii) has a “significant interest”, as defined in the Tax Act, in iA Financial Corporation. Prospective purchasers should consult their own tax advisors regarding their particular circumstances.

DETAILS OF THE OFFERING

The following is a summary of certain of the material attributes and characteristics of the Debentures offered hereby, which does not purport to be complete. Reference should be made to the Trust Indenture (as defined below) for further particulars of the attributes and characteristics applicable to the Debentures.

General

The Debentures will be issued under and pursuant to the provisions of a trust indenture (the “**Trust Indenture**”) to be dated as of the Closing Date between iA Financial Corporation and Computershare Trust Company of Canada, as trustee (the “**Trustee**”). The debentures issuable under the Trust Indenture will be unlimited in aggregate principal amount, with Debentures in the aggregate principal amount of \$400,000,000 issued as of the Closing Date. The Debentures will mature on June 20, 2033. The Debentures will be issued in denominations of \$1,000 and integral multiples thereof. The principal and interest on the Debentures will be paid in lawful money of Canada in the manner and on terms set out in the Trust Indenture.

Ranking

The Debentures will constitute direct unsecured subordinated indebtedness of iA Financial Corporation, ranking equally and rateably with each other (regardless of their actual dates of issue) and with all other unsecured subordinated indebtedness of iA Financial Corporation from time to time issued and outstanding, including guarantees provided by iA Financial Corporation in respect of outstanding debentures of its subsidiary, IAIFS (other than subordinated indebtedness which has been further subordinated in accordance with its terms). However, solely for the purpose of defining the relative rights of the holders of the Debentures and the holders of the Guarantees (as defined below) and without in any way affecting the relative rights of the holders of Debentures and the other creditors of iA Financial Corporation (except the holders of the Guarantees), the Debentures will rank senior in right of payment to all existing and future guarantees provided or that may be provided from time to time by iA Financial Corporation in respect of preferred shares (regardless of the class of or series of or actual dates of issue of such preferred shares) of its subsidiaries, including IAIFS, unless in any case it is provided by the terms of the instrument creating or evidencing any such guarantee, that such guarantee is not subordinate in right of payment to the Debentures but ranks equally with, or senior in right of payment to, the Debentures (collectively, the “**Guarantees**”). The Trust Indenture will provide that in the event of the insolvency or winding-up of iA Financial Corporation, the indebtedness evidenced by the Debentures will be subordinated in right of payment to all liabilities of iA Financial Corporation except those liabilities that, by their terms, rank equally with, or are subordinated to, subordinated indebtedness of iA Financial Corporation, including the Debentures. The Debentures will be structurally subordinated to the Subsidiaries’ Preferred Shares and all other indebtedness, policy liabilities and other liabilities of iA Financial Corporation’s subsidiaries. See “Risk Factors - No Guarantees / Structural Subordination”.

The Debentures are Unsecured Obligations

The Debentures will be direct unsecured subordinated obligations of iA Financial Corporation. **The Debentures will not constitute deposits that are insured under the CDIC Act or the QDIDP Act.**

Interest

The Debentures will be dated June 20, 2023 and will mature on June 20, 2033. Interest on the Debentures at the rate of 5.685% per annum will be payable in arrears in equal semi-annual installments on June 20 and December 20, in each year, commencing on December 20, 2023 and continuing until June 20, 2028. After June 20, 2028, interest on the Debentures will be payable at a rate per annum equal to Daily Compounded CORRA (as defined herein) as determined for the Observation Period (as defined herein) in respect of each Floating Interest Period (as defined herein) plus 1.96% payable quarterly in arrears on March 20, June 20, September 20 and December 20 in each year, commencing on September 20, 2028.

Definitions

The Trust Indenture will contain definitions substantially to the following effect:

“**Daily Compounded CORRA**” means, for an Observation Period, the rate calculated as follows, with the resulting percentage rounded, if necessary, to the fifth decimal place, with 0.000005% being rounded upwards and (-) 0.000005% being rounded downwards:

$$\text{Daily Compounded CORRA} = \left(\frac{\text{CORRA Compounded Index}_{\text{end}}}{\text{CORRA Compounded Index}_{\text{start}}} - 1 \right) \times \frac{365}{d}$$

Where:

- “CORRA Compounded Index_{start}” is equal to the CORRA Compounded Index (as defined herein) value on the date that is two Bank of Canada Business Days (as defined herein) preceding the first date of the relevant Floating Interest Period;
- “CORRA Compounded Index_{end}” is equal to the CORRA Compounded Index value on the date that is two Bank of Canada Business Days preceding the Interest Payment Date (as defined herein) relating to such Floating Interest Period (or, in the case of the final Interest Payment Date, the Maturity Date, or if the Debentures are redeemed prior to the Maturity Date, the date of redemption of such Debentures, as applicable); and
- “d” is the number of calendar days in the relevant Observation Period.

Business Day Convention

If any Interest Payment Date on or before the Interest Reset Date would otherwise fall on a day that is not a Business Day (as defined herein), then the Interest Payment Date will be the next day that is a Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

If any Interest Payment Date after the Interest Reset Date would otherwise fall on a day that is not a Bank of Canada Business Day, then the Interest Payment Date will be the next day that is a Bank of Canada Business Day, unless the next Bank of Canada Business Day falls in the next calendar month, in which case the Interest Payment Date will instead be the immediately preceding day that is a Bank of Canada Business Day.

If the Maturity Date falls on a day that is not a Bank of Canada Business Day, the required payment of principal and interest will be made on the next succeeding Bank of Canada Business Day.

Floating Interest Rate Fallback

Temporary Non-Publication of CORRA Compounded Index

If, on or after the Interest Reset Date (i) the CORRA Compounded Index_{start} or the CORRA Compounded Index_{end} is not published or displayed by the Reference Rate Administrator or an authorized distributor by 11:30 a.m. Toronto time (or an amended publication time, if any, as specified in the Reference Rate Administrator’s methodology for calculating the CORRA Compounded Index) on the Interest Determination Date for such Floating Interest Period, but an Index Cessation Effective Date with respect to the CORRA Compounded Index has not occurred, or (ii) an Index Cessation Effective Date with respect to the CORRA Compounded Index has occurred, then Daily Compounded CORRA will be calculated by the Calculation Agent as follows, with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005% being rounded upwards and (-) 0.000005% being rounded downwards:

$$\text{Daily Compounded CORRA} = \left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{CORRA}_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

Where:

- “d₀” for any Observation Period is the number of Bank of Canada Business Days in the relevant Observation Period;
- “i” is a series of whole numbers from one to d₀, each representing the relevant Bank of Canada Business Day in chronological order from, and including, the first Bank of Canada Business Day in the relevant Observation Period;
- “CORRA_i” means, in respect of any Bank of Canada Business Day “i” in the relevant Observation Period, a reference rate equal to the daily CORRA rate for that day, as published or displayed by the Reference Rate Administrator or an authorized distributor at 11:00 a.m. Toronto time (or an amended publication time, if any, as specified in the Reference Rate Administrator’s methodology for calculating CORRA) on the immediately following Bank of Canada Business Day, which is Bank of Canada Business Day “i” + 1;
- “n_i” for any Bank of Canada Business Day “i” in the relevant Observation Period, means the number of calendar days from, and including, such Bank of Canada Business Day “i” to, but excluding, the following Bank of Canada Business Day, which is Bank of Canada Business Day “i” + 1; and
- “d” is the number of calendar days in the relevant Observation Period.

Temporary Non-Publication of CORRA

If neither the Reference Rate Administrator nor authorized distributors provide or publish CORRA, and an Index Cessation Effective Date with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

Effect of an Index Cessation Event with respect to CORRA

If an Index Cessation Effective Date occurs with respect to CORRA, the Trust Indenture will provide that the interest rate for an Interest Determination Date which occurs on or after such Index Cessation Effective Date will be the CAD Recommended Rate, to which the Calculation Agent will apply the most recently published spread and make such adjustments as are necessary to account for any difference in the term, structure or tenor of the CAD Recommended Rate in comparison to CORRA.

If there is a CAD Recommended Rate before the end of the first Bank of Canada Business Day following the Index Cessation Effective Date with respect to CORRA, but neither the Reference Rate Administrator nor authorized distributors provide or publish the CAD Recommended Rate and an Index Cessation Effective Date with respect to the CAD Recommended Rate has not occurred, then, in respect of any day for which the CAD Recommended Rate is required, references to the CAD Recommended Rate will be deemed to be references to the last provided or published CAD Recommended Rate.

If: (i) there is no CAD Recommended Rate before the end of the first Bank of Canada Business Day following the Index Cessation Effective Date with respect to CORRA, or (ii) there is a CAD Recommended Rate and an Index Cessation Effective Date subsequently occurs with respect to the CAD Recommended Rate, the Trust Indenture will provide that the interest rate for an Interest Determination Date which occurs on or after such applicable Index Cessation Effective Date will be the BOC Target Rate, to which the Calculation Agent will apply the most recently published spread and make such adjustments as are necessary to account for any difference in the term, structure or tenor of the BOC Target Rate in comparison to CORRA.

In respect of any day for which the BOC Target Rate is required, references to the BOC Target Rate will be deemed to be references to the last provided or published BOC Target Rate as of the close of business in Toronto on that day.

In connection with the implementation of an Applicable Rate, the Calculation Agent may, in consultation with the Corporation, make such adjustments to the Applicable Rate or the spread thereon, if any, as well as the business day convention, the calendar day count convention, Interest Determination Dates, and related provisions and definitions (including the observation dates for reference rates), in each case as are consistent with accepted market practice for the use of the Applicable Rate for debt obligations such as the Debentures in such circumstances.

Any determination, decision or election that may be made by the Corporation or the Calculation Agent, as applicable, in relation to the Applicable Rate, including any determination with respect to an adjustment or the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection: (i) will be conclusive and binding absent manifest error, (ii) if made by the Corporation, will be made in the sole discretion of the Corporation, or, as applicable, if made by the Calculation Agent will be made after consultation with the Corporation and the Calculation Agent will not make any such determination, decision or election to which the Corporation objects and will have no liability for not making any such determination, decision or election, and (iii) shall become effective without consent from the holders of the Debentures or any other party.

The Trust Indenture will contain definitions substantially to the following effect:

“**Applicable Rate**” means one of the CORRA Compounded Index, CORRA, the CAD Recommended Rate or the BOC Target Rate, as applicable.

“**Bank of Canada Business Day**” means a day that Schedule I banks under the *Bank Act* (Canada) are open for business in Toronto, Ontario, Canada, other than a Saturday or a Sunday or a public holiday in Toronto (or such revised regular publication calendar for an Applicable Rate as may be adopted by the Reference Rate Administrator from time to time).

“**BOC Target Rate**” means the Bank of Canada’s target for the overnight rate as set by the Bank of Canada and published on the Bank of Canada’s website.

“**Business Day**” means a day on which Canadian chartered banks are open for business in Toronto, Ontario and Montreal, Quebec, other than a Saturday, Sunday or statutory or civic holiday in Toronto, Ontario or Montreal, Quebec.

“**CAD Recommended Rate**” means the rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the Bank of Canada for the purpose of recommending a replacement for CORRA (which rate may be produced by the Bank of Canada or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor.

“**Calculation Agent**” means a third party trustee or financial institution of national standing with experience providing such services (which may be an affiliate of the Corporation), which has been selected by the Corporation.

“**CORRA**” means the Canadian Overnight Repo Rate Average, as published by the Bank of Canada, as the administrator of CORRA (or any successor Reference Rate Administrator), on the website of the Bank of Canada or any successor website.

“**CORRA Compounded Index**” means the measure of the cumulative impact of CORRA compounding over time administered and published by the Bank of Canada (or any successor Reference Rate Administrator).

“**Floating Interest Period**” means the period from and including each Interest Payment Date commencing on the Interest Reset Date to but excluding the next succeeding Interest Payment Date or, in the case of the final Interest Payment Date, the Maturity Date or, if Debentures are redeemed prior to the Maturity Date, the date of redemption of such Debentures, as applicable.

“**Index Cessation Effective Date**” means, in respect of an Index Cessation Event, the first date on which the Applicable Rate is no longer provided. If the Applicable Rate ceases to be provided on the same day that it is required to determine the rate for an Interest Determination Date but it was provided at the time at which it is to be observed

(or, if no such time is specified, at the time at which it is ordinarily published), then the Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published.

“Index Cessation Event” means:

- (a) a public statement or publication of information by or on behalf of the Reference Rate Administrator or provider of the Applicable Rate announcing that it has ceased or will cease to provide the Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor Reference Rate Administrator or provider of the Applicable Rate that will continue to provide the Applicable Rate, or
- (a) a public statement or publication of information by the regulatory supervisor for the Reference Rate Administrator or provider of the Applicable Rate, the Bank of Canada, an insolvency official with jurisdiction over the Reference Rate Administrator or provider of the Applicable Rate, a resolution authority with jurisdiction over the Reference Rate Administrator or provider of the Applicable Rate or a court or an entity with similar insolvency or resolution authority over the Reference Rate Administrator or provider of the Applicable Rate, which states that the Reference Rate Administrator or provider of the Applicable Rate has ceased or will cease to provide the Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor Reference Rate Administrator or provider of the Applicable Rate that will continue to provide the Applicable Rate.

“Interest Determination Date” means, in respect of a Floating Interest Period, the date that is two Bank of Canada Business Days preceding each Interest Payment Date, or, in the case of the final Floating Interest Period, preceding the Maturity Date, or, if applicable, preceding the date of redemption of any Debentures.

“Interest Payment Date” means (i) June 20 and December 20 in each year, commencing on December 20, 2023 and continuing until June 20, 2028 and (ii) thereafter, March 20, June 20, September 20 and December 20 in each year, commencing on September 20, 2028 until the Maturity Date.

“Observation Period” means, in respect of each Floating Interest Period, the period from, and including, the date that is two Bank of Canada Business Days preceding the first date in such Floating Interest Period to, but excluding, the date that is two Bank of Canada Business Days preceding the Interest Payment Date or, in the case of the final Interest Payment Date, the Maturity Date or, if Debentures are redeemed prior to the Maturity Date, the date of redemption of such Debentures, as applicable.

“Reference Rate Administrator” means the Bank of Canada or any successor administrator for CORRA and/or the CORRA Compounded Index or the administrator (or its successor) of another Applicable Rate, as applicable.

Redemption at the Option of iA Financial Corporation

Subject to the prior consent of the AMF, iA Financial Corporation may, at its option, redeem the Debentures on not less than 10 nor more than 60 days' prior notice to the registered holder, in whole or in part on or after June 20, 2028 at a redemption price equal to par, together with accrued and unpaid interest to but excluding the date fixed for redemption. In cases of partial redemption, the Debentures to be redeemed will be selected by the Trustee on a pro rata basis according to the principal amount of the Debentures registered in the respective name of each holder of the Debentures or in such other manner as the Trustee may consider equitable, provided that such selection is proportionate.

Unless iA Financial Corporation defaults in payment of the redemption price, the Debentures will cease to accrue interest on their respective redemption date.

Any Debentures that are redeemed by iA Financial Corporation will be cancelled and will not be reissued.

Market for Securities

There is no market through which the Debentures may be sold and purchasers may not be able to resell Debentures purchased hereunder. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures and the extent of issuer regulation. See “Risk Factors”.

Depository Services

The Debentures will be issued in “book-entry only” form and must be purchased, transferred or redeemed through “participants” in the depository service of CDS or its nominee. At the Closing Date, iA Financial Corporation will cause a global certificate representing the Debentures to be delivered to, and registered in the name of, CDS or its nominee. So long as CDS or its nominee is the registered holder of the global certificate representing the Debentures, CDS or its nominee, as the case may be, will be the sole holder of Debentures for all purposes under the Trust Indenture. No purchaser of Debentures will be (i) entitled to a certificate or other instrument from iA Financial Corporation or CDS evidencing that purchaser’s ownership thereof, (ii) considered the holder of the Debenture for any purpose under the Trust Indenture, or (iii) shown on the records maintained by CDS except through a book-entry account of a participant acting on behalf of such purchaser. CDS will be responsible for establishing and maintaining book-entry accounts for its participants having interests in the Debentures. Accordingly, each person owning a beneficial interest in Debentures must rely on the procedures of CDS and, if such person is not a participant, on the procedures of the participant through which such person owns its interest in order to exercise any rights of a holder under the Trust Indenture. Rights of purchasers of Debentures will be governed by the standard agreement to be entered into between iA Financial Corporation and CDS regarding the use of the book-entry system in respect of the Debentures (as amended from time to time), by the agreements, service rules and procedures entered into between CDS and each participant, by the agreements between purchasers of Debentures and the participants and by applicable law. The practices of participants may vary, but generally customer confirmations are issued promptly after execution of a customer order.

Reference in this Prospectus Supplement to a holder of Debentures means, unless the context otherwise requires, the owner of the beneficial interest in the Debentures.

Use of the book-entry system for the Debentures may be terminated in certain circumstances including, if iA Financial Corporation determines in accordance with the terms of the Trust Indenture, or if CDS notifies iA Financial Corporation in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Debentures and iA Financial Corporation is unable to locate a qualified successor, or if iA Financial Corporation at its option elects, or is required by law, to terminate the book-entry system. If use of the book entry system is terminated, then Debentures will be issued in fully registered form to holders or their nominees.

Transfer or Redemption

Transfer of ownership or redemptions of Debentures will be effected through records maintained by CDS or its nominee for such Debentures with respect to interests of participants, and on the records of participants with respect to interests of persons other than participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Debentures, may do so only through participants. The ability of a holder to pledge a Debenture or otherwise take action with respect to such holder’s interest in a Debenture (other than through a participant) may be limited due to the lack of a physical certificate evidencing ownership of a Debenture.

Payments and Notices

As long as CDS or its nominee is the registered holder of the Debentures, payments of principal, premium, if any, interest and redemption price, if any, on the Debentures will be made by iA Financial Corporation to CDS or its nominee, as the case may be, as the registered holder of the Debentures and iA Financial Corporation understands that such payments will be credited by CDS or its nominee in the appropriate amounts to the relevant participants. Payments to beneficial holders of Debentures of amounts so credited will be the responsibility of the participants.

CDS or its nominee, as the case may be, will be considered the sole owner of the Debentures for the purposes of receiving notices or payments on the Debentures. In such circumstances, iA Financial Corporation’s responsibility

and liability in respect of notices or payments on the Debentures is limited to giving notice or making payment of any principal, premium, if any, redemption price, if any, and interest due on the Debentures to CDS or its nominee.

Each holder must rely on the procedures of CDS and, if such holder is not a participant, on the procedures of the participant through which such holder owns its interest, to exercise any rights with respect to the Debentures.

iA Financial Corporation understands that under existing policies of CDS and industry practices, if iA Financial Corporation requests any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Debentures, CDS would authorize the participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by iA Financial Corporation, the Trustee and CDS. Any holder that is not a participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its participant to give such notice or take such action.

None of iA Financial Corporation, the Agents or the Trustee identified in this Prospectus Supplement, as applicable, will have any liability or responsibility for (i) records maintained by CDS relating to beneficial ownership interests in book-entry notes that are Debentures held by CDS or the book-entry accounts maintained by CDS, (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interests, or (iii) any advice or representation made by or with respect to CDS and contained herein or in the Trust Indenture with respect to the rules and regulations of CDS or at the direction of the participants.

Events of Default

The Trust Indenture will provide that an event of default in respect of the Debentures (an “**Event of Default**”) will occur if iA Financial Corporation becomes bankrupt or insolvent, acknowledges its insolvency, consents to the institution of bankruptcy or insolvency proceedings against it, resolves to wind-up or liquidate, is ordered wound-up or liquidated, makes a general assignment for the benefit of its creditors, or a receiver of a substantial portion of iA Financial Corporation’s property is appointed.

Effect of an Event of Default

If an Event of Default has occurred and is continuing, the Trustee may, in its discretion and shall, upon request of holders of not less than 25% of the principal amount of the Debentures, declare the principal of and interest on all outstanding Debentures to be immediately due and payable. However, the holders of a majority in principal amount of the Debentures by written notice to the Trustee may, under certain circumstances, instruct the Trustee to waive any Event of Default and/or to cancel any such declaration. There is no right of acceleration in the case of a default in the performance of any covenant of iA Financial Corporation in the Trust Indenture, although a legal action could be brought by the Trustee to enforce such covenant.

Holders of the Debentures may, by an Extraordinary Resolution, direct, control or authorize the actions of the Trustee or of any holder of Debentures bringing an action after the failure of the Trustee to act in any proceedings against iA Financial Corporation. Whenever an Event of Default has occurred, the Trustee, in the exercise of its discretion, may proceed to enforce the rights of the Trustee and the holders of the Debentures by any action, suit, remedy or proceeding authorized or permitted by law or by equity and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and holders of the Debentures lodged in any bankruptcy, insolvency, winding-up or other judicial proceedings relative to iA Financial Corporation.

Legal Proceedings and Enforcement of Right of Payment

You will not have any right to institute any proceeding in connection with the Trust Indenture or for any remedy under the Trust Indenture, unless:

- you have previously given to the Trustee written notice of the occurrence of an Event of Default with respect to the Debentures;

- the holders of Debentures, by Extraordinary Resolution, have made a request to the Trustee to take action and the Trustee has been offered a reasonable opportunity to exercise its powers or to institute a proceeding in its name on behalf of the holders;
- the holders of Debentures have provided the Trustee, when requested, with sufficient funds and an indemnity; and
- the Trustee has failed to act within a reasonable time thereafter.

Open Market Purchases

Subject to the prior consent of the AMF and provided that it is not in default under the Trust Indenture, iA Financial Corporation will have the right at any time, to purchase Debentures on the market or by tender (available to all holders of Debentures) or by private contract at any price. All Debentures that are purchased by iA Financial Corporation will be cancelled and will not be reissued. Notwithstanding the foregoing, any direct or indirect subsidiary of iA Financial Corporation may purchase Debentures in the ordinary course of its business of dealing in securities.

Amalgamation, Merger, Consolidation or Sale of Assets

iA Financial Corporation may from time to time be involved in corporate reorganizations or other transactions which could involve the acquisition or divestiture of subsidiaries or assets. iA Financial Corporation may not, however, enter into any transaction by way of amalgamation, merger, reconstruction, reorganization, consolidation, transfer, sale, lease or otherwise, whereby all or substantially all of the aggregate undertakings, property and assets of iA Financial Corporation and its subsidiaries, taken as a whole, would become the property of another person, or in the case of an amalgamation, of the continuing corporation resulting therefrom (any such person or continuing corporation being referred to herein as the “**successor entity**”) (other than transactions between or among iA Financial Corporation and/or one or more of its subsidiaries or that do not involve a change in the beneficial ownership of iA Financial Corporation), but may do so if:

- the successor entity is either (i) iA Financial Corporation or one of its subsidiaries, or (ii) a corporation duly incorporated under the laws of Canada, the United States or any political subdivision of the foregoing;
- the successor entity assumes the liability for, and agrees to perform, all of iA Financial Corporation’s obligations under the Debentures and the Trust Indenture;
- where the successor entity is not organized under the laws of Canada or a province or territory thereof, such transaction is, to the satisfaction of the Trustee and in the opinion of counsel, upon such terms that would not cause any material adverse tax consequences to the holders of Debentures; and
- no condition or event exists in respect of iA Financial Corporation or the successor entity, either at the time of such transaction or immediately after giving full effect to such transaction, which constitutes or would, after the giving of notice or the lapse of time or both, constitute an Event of Default under the Trust Indenture.

If the conditions described above are satisfied with respect to the Debentures, iA Financial Corporation will not need to obtain the approval of the holders of Debentures in order to amalgamate, merge, reconstruct, reorganize, consolidate or otherwise transfer, sell or lease its assets. Also, these conditions will apply only if iA Financial Corporation wishes to amalgamate, merge, reconstruct, reorganize, consolidate or otherwise transfer, sell or lease substantially all of iA Financial Corporation’s assets to another entity. iA Financial Corporation will not need to satisfy these conditions if iA Financial Corporation enters into other types of transactions, including any transaction in which iA Financial Corporation acquires the stock or assets of another entity, any transaction that involves a change of control but in which iA Financial Corporation does not amalgamate, merge, reconstruct, reorganize or consolidate with another entity and any transaction in which iA Financial Corporation transfers, sells or leases less than substantially all of iA Financial Corporation’s assets. It is possible that this type of transaction may result in a reduction in iA Financial Corporation’s credit ratings or market perceptions about iA Financial Corporation’s credit ratings, may negatively

affect iA Financial Corporation's operating results or may impair iA Financial Corporation's financial condition. Holders of Debentures, however, will have no approval right with respect to any transaction of this type.

Modification and Waiver

Modification

Subject to the voting rights discussed below, the Trust Indenture and the rights of the holders of Debentures may, in certain circumstances, be modified, including by way of an Extraordinary Resolution of the holders of Debentures. For that purpose, among others, the Trust Indenture will contain provisions making Extraordinary Resolutions binding upon all holders of Debentures.

Waiver

The holders of at least 50% of the principal amount of the affected Debentures then outstanding may, on behalf of the holders of all Debentures, waive any Event of Default under the Trust Indenture or, if possible, rescind or cancel any enforcement proceedings initiated by the Trustee, as each case relates to the Debentures and the consequences of such default.

Voting Rights

Holders of Debentures will be entitled to vote as a group on all matters affecting the Debentures in general and must exercise their rights through participants in accordance with the rules and procedures of CDS.

Repayment of Unclaimed Money

Any amount paid by iA Financial Corporation to the Trustee or CDS that remains unclaimed at the end of three years after the amount is due to holders of Debentures, will, subject to applicable law, be repaid to iA Financial Corporation at its request. After that time, the holder of the Debentures will, subject to applicable law, be able to seek from iA Financial Corporation any payment (without interest) to which that holder may be entitled.

Governing Law

The Debentures will be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

USE OF PROCEEDS

The estimated net proceeds to iA Financial Corporation from the sale of the Debentures offered under this Prospectus Supplement, after deducting the Agents' fee and the estimated expenses of issue, will amount to \$397,475,000 (assuming the Agents' fee is \$1,400,000 and the expenses are \$1,125,000). iA Financial Corporation intends to use the net proceeds from the sale of the Debentures for general corporate purposes, which may include investments in subsidiaries and repayment of indebtedness.

This issue will increase iA Financial Corporation's Tier 2 capital determined in accordance with the capital adequacy guideline established by the AMF. All expenses relating to the offering of the Debentures, including the fee paid to the Agents, will be paid out of iA Financial Corporation's general funds.

RATINGS

It is a condition of closing of the offering that a final rating of at least "A(low)" from DBRS Limited ("**DBRS**") and "A-" from S&P Global Ratings, a division of S&P Global, Inc. ("**S&P**") using S&P's global scale for long-term debt obligations be obtained.

The "A" rating category used by DBRS is the third highest of ten rating categories for long term debt. Long-term obligations rated "A" are of good credit quality. The capacity for the payment of financial obligations is substantial

and may be vulnerable to future events, but qualifying negative factors are considered manageable. The assignment of a “(high)” or “(low)” modifier indicates relative standing within the rating category.

The “A” rating category used by S&P is the third highest of ten rating categories for long term debt. An obligation rated “A” indicates the obligor’s capacity to meet its financial commitment is strong; however, the obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. The addition of a plus (+) or minus (-) sign shows relative standing within the rating category.

Credit ratings are intended to provide investors with an independent measure of credit quality of any issue of securities. The credit ratings accorded to securities by the rating agencies are not recommendations to purchase, hold or sell the securities inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances so warrant, and if any such rating is so revised or withdrawn, iA Financial Corporation is under no obligation to update this Prospectus Supplement. Prospective purchasers of Debentures should consult the relevant rating organization with respect to the interpretation and implications of the foregoing ratings.

The Corporation has paid customary rating fees to each of DBRS and S&P (the “**Rating Agencies**”) in connection with the provision of ratings for the Debentures. The Corporation has paid customary fees to each of the Rating Agencies in connection with the provision of ratings for other securities and for certain other services provided during the last two years.

EARNINGS COVERAGE

For the twelve months ended December 31, 2022¹

iA Financial Corporation’s pro forma interest requirements for subordinated debentures and capital instrument liabilities amounted to \$93 million for the 12 months ended December 31, 2022 after giving effect to this offering and the other indebtedness of iA Financial Corporation. The Corporation’s earnings before interest and income tax for the 12 months ended December 31, 2022 were \$396 million, which was 4.3 times the Corporation’s aggregate interest requirements for this period after giving effect to this offering and the other indebtedness of iA Financial Corporation.

The earnings of iA Financial Corporation before the deduction of interest and amortization for discounts and premiums and issue expenses on the Debentures and income taxes for the 12 months ended December 31, 2022 amounted to \$396 million. This amount is approximately 5.7 times iA Financial Corporation’s interest expense for the 12 months ended December 31, 2022.

For the twelve months ended March 31, 2023

iA Financial Corporation’s pro forma interest requirements for subordinated debentures and capital instrument liabilities amounted to \$89 million for the 12 months ended March 31, 2023 after giving effect to this offering and the other indebtedness of iA Financial Corporation. The Corporation’s earnings before interest and income tax for the 12 months ended March 31, 2023 were \$784 million, which was 8.8 times the Corporation’s aggregate interest requirements for this period after giving effect to this offering and the other indebtedness of iA Financial Corporation.

The earnings of iA Financial Corporation before the deduction of interest and amortization for discounts and premiums and issue expenses on the Debentures and income taxes for the 12 months ended March 31, 2023 amounted to \$784 million. This amount is approximately 11.8 times iA Financial Corporation’s interest expense for the 12 months ended March 31, 2023.

The information in this “Earnings Coverage” section is disclosed in accordance with Item 6 of Form 44-101F1 – *Short Form Prospectus*.

¹ Restated for the adoption of IFRS 17 *Insurance Contracts* and the related IFRS 9 *Financial Instruments* overlay.

CONSOLIDATED CAPITAL AND INDEBTEDNESS

Certain related financial data set forth below has been derived from iA Financial Corporation’s unaudited interim condensed consolidated financial statements and the notes thereto for the three-month period ended March 31, 2023.

The following table sets forth the consolidated capitalization of iA Financial Corporation as of March 31, 2023, before and after giving effect to the sale by iA Financial Corporation of the Debentures offered by this Prospectus Supplement. This table should be read in conjunction with the detailed information and financial statements appearing in the documents incorporated by reference in the Prospectus and this Prospectus Supplement.

	March 31, 2023	March 31, 2023
	(\$ millions)	as adjusted for the issuance of the Debentures
		(\$ millions)
Direct Unsecured 3.30% Fixed/Floating Subordinated Debentures ⁽¹⁾	400	400
Direct Unsecured 3.072% Fixed/Floating Subordinated Debentures ⁽²⁾	399	399
Direct Unsecured 2.400% Fixed/Floating Subordinated Debentures ⁽³⁾	399	399
Direct Unsecured 3.187% Fixed/Floating Subordinated Debentures ⁽⁴⁾	298	298
Direct Unsecured 5.685% Fixed/Floating Subordinated Debentures (this offering of Debentures) ⁽⁵⁾	-	397
Floating rate surplus notes based on LIBOR plus 4.25% ⁽⁶⁾	4	4
6.611% Limited Recourse Capital Notes Series 2022-1 ⁽⁷⁾	250	250
Class A Preferred Shares Series A ⁽⁸⁾	-	-
Class A Preferred Shares Series B ⁽⁹⁾	125	125
Common Shareholders’ Equity.....	6,702	6,702
Total Capital and Indebtedness.....	8,577	8,974

- (1) Issued by a subsidiary on September 16, 2016 under a prospectus supplement dated September 13, 2016.
- (2) Issued by iA Financial Corporation on September 24, 2019 under a prospectus supplement dated September 19, 2019.
- (3) Issued by iA Financial Corporation on February 21, 2020 under a prospectus supplement dated February 18, 2020.
- (4) Issued by iA Financial Corporation on February 25, 2022 under a prospectus supplement dated February 22, 2022.
- (5) Nominal amount of \$400,000,000 less transaction costs of \$2,525,000.
- (6) Issued by a subsidiary, maturing in May 2034.
- (7) Issued by iA Financial Corporation on June 1, 2022 under a prospectus supplement dated May 25, 2022. For accounting purposes, the 6.611% Limited Recourse Capital Notes Series 2022-1 (Subordinated Indebtedness) are presented as equity.
- (8) For accounting purposes, the Preferred Shares Series A of the Corporation are eliminated on the Corporation’s consolidated statement of financial position while being held by Computershare Trust Company of Canada, as trustee of iA Financial Corporation Limited Recourse Trust.
- (9) Issued by a subsidiary.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to iA Financial Corporation, and McCarthy Tétrault LLP, counsel to the Agents, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a holder of Debentures, who acquires Debentures pursuant to this offering and who, at all relevant times, for purposes of the Tax Act, is resident in Canada or deemed to be resident in Canada, holds the Debentures as capital property, deals at arm’s length, and is not affiliated with, iA Financial Corporation (a “**Holder**”). Generally, the Debentures will be considered capital property to a holder provided that the holder does not acquire, use or hold the Debentures in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain holders whose Debentures might not otherwise qualify as capital property may make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have the Debentures and every other “Canadian security” (as defined in the Tax Act) owned by such holder in the taxation year of election and all subsequent taxation years deemed to be capital property.

This summary is not applicable to a Holder (i) that is a “financial institution” (as defined in the Tax Act), for purposes of the mark-to-market rules, (ii) an interest in which is a “tax shelter investment” (as defined in the Tax Act), (iii) that makes or has made a “functional currency” election under the Tax Act to determine its “Canadian tax results” (as defined in the Tax Act) in a currency other than Canadian currency or (iv) that has entered into or will enter into a “derivative forward agreement” or a “synthetic disposition arrangement” (each defined in the Tax Act) in respect of the Debentures. Holders to which this summary does not apply should consult their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of the Debentures. In addition, this summary does not address the deductibility of interest expense or other expense incurred by a Holder in connection with the acquisition or holding of the Debentures.

This summary is based upon the facts set out in the Prospectus and this Prospectus Supplement, the provisions of the Tax Act and the regulations thereunder (the “**Regulations**”) in force at the date of this Prospectus Supplement, all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”), and counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) published in writing prior to the date hereof. There can be no assurance that the Proposed Amendments will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes of law or practice, whether by judicial, governmental or legislative decision or action or changes in the administration policies or assessing practices of the CRA, nor does it take into account any other federal tax legislation or considerations or the tax legislation or considerations of any province or foreign jurisdiction. The provisions of provincial income tax legislation vary from province to province in Canada and in some cases may differ from federal income tax legislation.

This summary is not exhaustive of all Canadian federal income tax considerations that may be relevant to a particular Holder. This summary is not intended to be, and should not be interpreted as, legal or tax advice to any particular Holder. Accordingly, prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of Debentures, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on a Debenture (including any amount that is deemed for the purposes of the Tax Act to be interest on a Debenture) that accrues or is deemed to accrue to such Holder to the end of that taxation year or that becomes receivable or is received by such Holder before the end of that taxation year, to the extent that such interest (or amount deemed to be interest) was not otherwise included in computing the Holder’s income for a preceding taxation year.

Any other Holder, including an individual or a trust (other than a trust described in the preceding paragraph), will be required to include in computing its income for a taxation year all interest on a Debenture (including any amount that is deemed for the purposes of the Tax Act to be interest on a Debenture) that is received or receivable by such Holder in that taxation year (depending on the method regularly followed by the Holder in computing income) to the extent that such interest (or amount deemed to be interest) was not otherwise included in computing the Holder’s income for that taxation year or a preceding taxation year.

Any amount paid by iA Financial Corporation to a Holder as a penalty or bonus because of the redemption, repurchase or repayment of the principal amount by it of a Debenture before the maturity thereof will generally be deemed to be interest received on the Debenture by the Holder at the time of payment to the extent that such amount can reasonably be considered to relate to, and does not exceed the value at the time of redemption, repurchase or repayment of principal, the interest that would have been paid or payable by iA Financial Corporation on the Debenture, but for the redemption, repurchase or repayment of principal, for a taxation year of iA Financial Corporation ending after the redemption, repurchase or repayment of principal. Such deemed interest will be required to be included in computing the Holder’s income in the manner described above.

On a disposition or deemed disposition of a Debenture, whether on a repayment at maturity, or on a redemption, purchase for cancellation or otherwise, a Holder will generally be required to include in computing its income for the taxation year in which the disposition occurs the amount of interest (including amounts deemed to be interest) accrued on the Debenture from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder’s income for that taxation year or a preceding taxation year.

In addition, the disposition or deemed disposition of a Debenture will generally give rise to a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of any amount included in the Holder’s income as interest, exceed (or are less than) the aggregate of the adjusted cost base of the Debenture to the Holder immediately before the disposition and any reasonable costs of disposition. Generally, one-half of a capital gain (a “**taxable capital gain**”) will be included in the Holder’s income, and one-half of a capital loss (an “**allowable capital loss**”) must be deducted against taxable capital gains realized by such Holder in the same taxation year. Any excess of allowable capital losses over taxable capital gains may be carried back and deducted in any of the three preceding taxation year or carried forward and deducted in any subsequent taxation years and applied against net taxable capital gains realized in such years in accordance with the detailed rules contained in the Tax Act. Capital gains realized by an individual and by most trusts may give rise to liability for alternative minimum tax.

A Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) or that is a “substantive CCPC” (as proposed to be defined in the Tax Act pursuant to Proposed Amendments released on August 9, 2022) may be liable to pay an additional tax (refundable in certain circumstances) on certain investment income, including amounts of interest and taxable capital gains earned or realized in respect of the Debentures.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, iA Financial Corporation has agreed to sell and the Agents have agreed to use their reasonable best efforts to obtain purchasers to purchase on June 20, 2023, or on such other date not later than July 7, 2023 as may be agreed upon, subject to the terms and conditions contained therein, \$400,000,000 principal amount of Debentures at a price of \$1,000 per \$1,000 principal amount for a total consideration of \$400,000,000 plus accrued interest, if any, from June 20, 2023 to the date of delivery, payable in cash to iA Financial Corporation against delivery of the Debentures. The Agency Agreement provides that the Agents will be paid an agency fee per \$1,000 principal amount of Debentures equal to \$3.50 for each \$1,000 principal amount of Debentures sold. In the event the full amount of the Debentures are not sold, the fee paid to the Agents will be reduced accordingly.

The obligations of the Agents under the Agency Agreement may be terminated at their discretion upon the occurrence of certain stated events, including standard “disaster out”, “market out”, “material change out”, “litigation or regulatory out” and “credit rating out” rights of termination.

While the Agents have agreed to use their reasonable best efforts to sell the Debentures offered hereby, they are not obligated to purchase any Debentures which are not sold.

The Agency Agreement does not contain a minimum offering restriction on the sale of the Debentures to the public.

Pursuant to policy statements of the Ontario Securities Commission and the AMF, the Agents may not, throughout the period of distribution under this Prospectus Supplement, bid for or purchase the Debentures. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Debentures. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Canadian Investment Regulatory Organization relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer when the order was not solicited during the period of distribution.

The decision to distribute the Debentures and the determination of the terms of the distribution were made through negotiations between iA Financial Corporation and the Agents.

iA Private Wealth Inc., one of the Agents, is an indirect subsidiary of iA Financial Corporation. Therefore, iA Financial Corporation is a “related issuer” of iA Private Wealth Inc. under applicable securities legislation by virtue of iA Financial Corporation’s indirect interest in iA Private Wealth Inc. The terms of the offering were negotiated at arm’s length among iA Financial Corporation and the Agents. iA Private Wealth Inc. will not receive any benefit in connection with the offering other than as described herein.

Under applicable securities legislation, the Lead Agents are independent dealers acting as agents in connection with this offering and are not related or connected to iA Financial Corporation. In that capacity, the Lead Agents have participated with all other Agents in due diligence meetings relating to this Prospectus Supplement with iA Financial Corporation and its representatives, have reviewed this Prospectus Supplement and have had the opportunity to propose such changes to this Prospectus Supplement as they considered appropriate. In addition, the Lead Agents have participated, together with the other Agents, in the structuring and pricing of this offering.

iA Financial Corporation reserves the right to accept or reject any subscription in whole or in part.

Each of the Agents has represented and agreed that it will not solicit offers to purchase or sell the Debentures so as to require registration thereof or filing of a prospectus with respect thereto under the laws of any jurisdiction including, without limitation, the United States, except as set forth in the Agency Agreement. The offering is being made concurrently in all provinces of Canada. The Debentures have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, within the

United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act).

This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Debentures in the United States.

RISK FACTORS

An investment in the Debentures is subject to various risks, including those risks inherent in investing in a diversified financial institution. Before deciding whether to invest in the Debentures, investors should consider carefully the risks relating to iA Financial Corporation described below and in the information incorporated by reference in the Prospectus and this Prospectus Supplement (including subsequently filed documents incorporated by reference).

General

Prospective investors should consider the categories of risks identified and discussed under “Risk Factors” in the Prospectus, under “Risk Factors” in iA Financial Corporation’s most recent annual information form, in iA Financial Corporation’s management’s discussion and analysis for the most recent audited consolidated financial statements under “Risk Management”, in the “Management of Risks Associated with Financial Instruments”, “Management of Insurance Risk” and “Insurance Contract Liabilities and Investment Contract Liabilities” notes to iA Financial Corporation’s most recent audited consolidated financial statements, and elsewhere in iA Financial Corporation’s filings with Canadian securities regulators, which are available for review at www.sedar.com. These sections discuss, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on iA Financial Corporation’s business, financial condition or results of operations. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business. We cannot assure you that any of the events discussed in the risk factors below will not occur. If any of such events does occur, you may lose all or part of your original investment in the securities distributed under this Prospectus Supplement.

Credit Ratings

The value of the Debentures will be affected by the general creditworthiness of iA Financial Corporation. The credit ratings applied to the Debentures are an assessment, by each rating agency, of the Corporation’s ability to pay its obligations when due. The credit ratings are based on certain assumptions about the future performance and capital structure of the Corporation that may or may not reflect the actual performance or capital structure of the Corporation. Real or anticipated changes in credit ratings on the Debentures will generally affect the market value of the Debentures. No assurance can be given that any credit rating assigned to the Debentures will not be lowered or withdrawn entirely by the relevant rating agency.

In addition, real or anticipated changes in credit ratings could affect the cost at which iA Financial Corporation can transact or obtain funding, thereby affecting iA Financial Corporation’s liquidity, business, financial condition or results of operations.

IAIFS Financial Strength and Credit Ratings

Credit rating agencies publish financial strength ratings on life insurance companies, including IAIFS, that are indicators of an insurance company’s ability to meet contract holder and policyholder obligations. Credit rating agencies also assign credit ratings, which are indicators of an issuer’s ability to meet the terms of its obligations in a timely manner and are important factors in a company’s overall funding profile and ability to access external capital.

Ratings are important factors in establishing the competitive position of insurance companies, including IAIFS, maintaining public confidence in products being offered, and determining the cost of capital. A ratings downgrade affecting IAIFS, or the potential for such a downgrade could, among other things: increase IAIFS’s cost of capital and limit its access to the capital markets; cause some of its existing liabilities to be subject to acceleration, additional collateral support, changes in terms, or additional financial obligations; result in the termination of its relationships with broker-dealers, banks, agents, wholesalers and other distributors of its products and services; unfavourably impact its ability to execute on its hedging strategies; materially increase the number of surrenders, for all or a portion

of the net cash values, by the owners of policies and contracts it has issued, and materially increase the number of withdrawals by policyholders of cash values from their policies; and reduce new sales. Any of these consequences could adversely affect its results of operations and financial condition, and as a result could affect the cost at which iA Financial Corporation can transact or obtain funding, thereby affecting iA Financial Corporation's liquidity, business, financial condition or results of operations.

On March 9, 2021, DBRS upgraded the Issuer Rating and Financial Strength Rating (FSR) of IAIFS to "AA(low)" from "A(high)" and IAIFS's subordinated debentures rating to "A(high)" from "A". Otherwise, since January 1, 2021, the credit ratings assigned to IAIFS have remained unchanged, with a stable outlook, but there can be no guarantee that downgrades will not occur.

It is possible that there will be changes in the benchmarks for capital, liquidity, earnings and other factors used by these credit rating agencies that are important to a ratings assignment at a particular rating level. Any such changes could have a negative impact on IAIFS's ratings, which could adversely impact IAIFS and iA Financial Corporation's results of operations, financial condition and access to capital markets.

Market Value Fluctuation

Prevailing interest rates on similar debt instruments will affect the market value of the Debentures, which have a fixed interest rate until June 20, 2028. Assuming all other factors remain unchanged, the market value of the Debentures would be expected to decline as prevailing interest rates for comparable debt instruments rise, and would be expected to increase as prevailing interest rates for comparable debt instruments decline.

From time to time, the financial markets experience significant price and volume volatility that may affect the market price of the Debentures for reasons unrelated to iA Financial Corporation's performance. The continuing volatility in financial markets may adversely affect iA Financial Corporation and the market price of the Debentures. Also, the financial markets are generally characterized by extensive interconnections among financial institutions. As such, defaults by other financial institutions in Canada, the United States or other countries could adversely affect iA Financial Corporation and the market price of the Debentures. Additionally, the value of the Debentures is subject to market value fluctuations based upon factors which influence iA Financial Corporation's operations, such as legislative or regulatory developments, competition, technological change and global capital market activity.

Absence of Trading Market

There is currently no market through which the Debentures may be sold. No assurance can be given as to whether an active trading market will develop or be maintained for the Debentures. To the extent that an active trading market for the Debentures does not develop, the liquidity and trading prices for the Debentures may be adversely affected. If the Debentures are traded after their initial issuance, they may trade at a discount from their initial public offering price depending on prevailing interest rates, the market for similar securities, the performance of iA Financial Corporation and other factors.

Redemption of Debentures

The Debentures are redeemable at iA Financial Corporation's option, as set forth in this Prospectus Supplement, and iA Financial Corporation may choose to redeem the Debentures from time to time, in accordance with its rights under the Trust Indenture, including when prevailing interest rates are lower than the rate borne by the Debentures. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Debentures being redeemed. iA Financial Corporation's redemption right also may adversely impact a purchaser's ability to sell Debentures as the optional redemption date or period approaches.

The redemption of the Debentures is subject to the consent of the AMF.

Floating Rate Debentures

Investments in the Debentures, given their floating interest component, entail significant risks not associated with investments in fixed rate debentures. The resetting of the applicable rate on a floating rate debenture may result in

lower interest compared to a fixed rate debenture issued at the same time. The applicable rate on a floating rate debenture will fluctuate in accordance with fluctuations in the instrument or obligation on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which iA Financial Corporation has no control.

If CORRA is no longer published following an Index Cessation Event with respect to CORRA, the Trust Indenture will require that iA Financial Corporation use another Applicable Rate, as described above. In so acting, iA Financial Corporation would not assume any obligations or relationship of agency or trust, including, but not limited to, any fiduciary duties or obligations, for or with any of the holders of the Debentures. There is no assurance that the characteristics and behaviour of any other Applicable Rate will be similar to CORRA and such rates may result in interest payments that are lower than or that do not otherwise correlate over time with the payments that would have been made on the Debentures if CORRA was available in its current form. In addition, such rates may not always operate as intended (including, without limitation, as a result of limited history and changes and developments in respect of such rates, the availability of rates information and the determination of the applicable adjustment spread (if any) at the relevant time). Uncertainty with respect to market conventions related to the calculation of another Applicable Rate and whether such alternative reference rate is a suitable replacement or successor for Daily Compounded CORRA may adversely affect the liquidity, return on, value and trading market for the Debentures. Further, iA Financial Corporation may in the future issue notes referencing CORRA that differ materially in terms of interest determination when compared with the Debentures or any other previous CORRA-referenced securities issued by it, which could result in increased volatility or could adversely affect the liquidity, return on, value and trading market for the Debentures. Any of the outcomes noted above may result in different than expected distributions and could materially affect the value of the Debentures.

Upon the occurrence of an Index Cessation Event with respect to CORRA and a related Index Cessation Effective Date, the Calculation Agent will make changes and adjustments as set forth above that may adversely affect the liquidity, return on, value and trading market for the Debentures.

As CORRA is published by the Bank of Canada, iA Financial Corporation has no control over its determination, calculation or publication. There can be no guarantee that CORRA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in securities that reference CORRA, including the Debentures. If the manner in which CORRA is calculated is changed, then that change might result in a reduction of the amount of interest payable on the relevant securities and the market prices of such securities, including the Debentures.

Investors should be aware that the market continues to develop in relation to risk free rates, such as CORRA, as reference rates in capital markets. Further, limited market precedent exists for securities that use a compounded daily reference rate (such as Daily Compounded CORRA) as the reference rate, and the method for calculating a rate of interest based upon a compounded daily reference rate in those precedents varies. In addition, market participants and relevant working groups are exploring alternative reference rates based on different applications of CORRA. As such, the formula and related documentation conventions used for the Debentures issued pursuant to this Prospectus Supplement may not be widely adopted by other market participants, if at all. Adoption by the market (including by iA Financial Corporation) of a different calculation method from the formula and related documentation conventions used for the Debentures issued pursuant to this Prospectus Supplement likely would adversely affect the liquidity, return on, value and trading market for the Debentures.

Investors should also be aware that the Floating Rate in respect of the Debentures will only be capable of being determined on the Interest Determination Date near the end of the relevant Floating Interest Period and immediately or shortly prior to the relevant Interest Payment Date relating to such Floating Interest Period. It may be difficult for investors to reliably estimate the amount of interest which will be payable on the Debentures in advance of the Interest Determination Date, and some investors may be unable or unwilling to trade the Debentures without changes to their information technology systems, both of which factors could adversely affect the liquidity, return on, value and trading market for the Debentures.

In addition, the manner of adoption or application of CORRA reference rates in the debt securities markets may differ materially compared with the application and adoption of CORRA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of CORRA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of securities that reference CORRA, including the Debentures.

No Limit on Debt / No Event Risk Protection

The Debentures are direct unsecured subordinated obligations of iA Financial Corporation, ranking equally and rateably with each other (regardless of their actual dates of issue) and with all other unsecured subordinated indebtedness of iA Financial Corporation from time to time issued and outstanding, including guarantees provided by iA Financial Corporation in respect of outstanding debentures of its subsidiaries, IAIFS (other than subordinated indebtedness which has been further subordinated in accordance with its terms). The Debentures will, however, rank senior in right of payment to the Guarantees. In the event of insolvency or winding up of iA Financial Corporation, the indebtedness evidenced by debentures issued by iA Financial Corporation, including the Debentures, will be subordinated in right of payment to the prior payment in full of all liabilities of iA Financial Corporation except liabilities which by their terms rank in right of payment equally with or subordinate to indebtedness evidenced by such debentures. In addition, the Debentures will be structurally subordinated to the Subsidiaries' Preferred Shares and all other indebtedness, policy liabilities and other liabilities of iA Financial Corporation's subsidiaries, as more fully described under "No Guarantees / Structural Subordination" below.

Except to the extent regulatory capital requirements or undertakings affect iA Financial Corporation's or its subsidiaries' decisions to issue subordinated or more senior debt, there is no limit on iA Financial Corporation's or any of its subsidiaries' respective ability to incur additional subordinated or more senior debt.

Neither the Trust Indenture nor any of the trust indentures governing outstanding indebtedness of iA Financial Corporation's subsidiaries contain any provision limiting the ability of iA Financial Corporation or of any of its subsidiaries to incur indebtedness generally, or that would afford holders protection should iA Financial Corporation be involved in a highly leveraged, change of control or similar transaction.

Deposit Insurance

The Debentures will not be deposits insured under the CDIC Act, the QDIDP Act or any other deposit insurance scheme or by any governmental agency. Therefore, you will not be entitled to insurance from the Canada Deposit Insurance Corporation or other such protection, and as a result, you could lose all or a portion of your investment.

Holding Company Structure

iA Financial Corporation is a holding company that relies on dividends and interest payments from its subsidiaries (insurance and others) as the principal source of cash flow to meet its obligations (including with respect to the Debentures). As a result, iA Financial Corporation's cash flows and ability to service its obligations, including the Debentures, are dependent upon the earnings of its subsidiaries and the distribution of those earnings and other funds by its subsidiaries to it. All of iA Financial Corporation's business is currently conducted through its subsidiaries.

IAIFS is iA Financial Corporation's principal operating subsidiary. The payment of dividends to iA Financial Corporation by IAIFS is subject to restrictions set out in the *Insurers Act* (Québec). The *Insurers Act* (Québec) prohibits the declaration or payment of any dividend on shares of a regulated business corporation if there are reasonable grounds for believing that the corporation is, or would after the payment be, unable to maintain adequate assets to meet its liabilities, as and when they become due, and adequate capital to ensure its sustainability. All of iA Financial Corporation's operating insurance companies are subsidiaries of IAIFS. Accordingly, a restriction on dividends from IAIFS would prevent iA Financial Corporation from obtaining dividends from its insurance business.

Certain of iA Financial Corporation's other indirect regulated subsidiaries are subject to a variety of insurance and other laws and regulations in other jurisdictions in which these subsidiaries are domiciled and/or carry activities, including, without limitation, the United States, which impose general limitations on the payment of dividends and other upstream distributions by these subsidiaries to IAIFS. In addition, the ability of iA Financial Corporation's insurance subsidiaries to pay dividends to iA Financial Corporation in the future will depend on their earnings and regulatory restrictions. These subsidiaries are subject to a variety of insurance and other laws and regulations that vary by jurisdiction and are intended to protect policyholders and beneficiaries in that jurisdiction first and foremost, rather than investors. These subsidiaries are generally required to maintain solvency and capital standards as set by their local regulators and may also be subject to other regulatory restrictions, all of which may limit the ability of subsidiary companies to pay dividends or make distributions to iA Financial Corporation. Such limits could have a material

adverse effect on iA Financial Corporation's liquidity, including its ability to service its debt, including the Debentures.

Potential changes to regulatory capital and actuarial and accounting standards could also limit the ability of the insurance subsidiaries to pay dividends or make distributions and could have a material adverse effect on iA Financial Corporation's liquidity and on internal capital mobility, including on iA Financial Corporation's ability to meet its obligations, including with respect to the Debentures. iA Financial Corporation may be required to raise additional capital, which could be dilutive to existing shareholders, or to limit the new business it writes, or to pursue actions that would support capital needs but adversely impact its subsequent earnings potential. In addition, the timing and outcome of these initiatives could have a significantly adverse impact on iA Financial Corporation's competitive position relative to that of Canadian and international financial institutions with which iA Financial Corporation competes for business and capital.

iA Financial Corporation seeks to maintain capital in its insurance subsidiaries in excess of the minimum required in all jurisdictions in which such subsidiaries do business. The minimum requirements in each jurisdiction may increase due to regulatory changes and iA Financial Corporation may decide to maintain additional capital in its operating subsidiaries to fund expected growth of the business or to deal with changes in the risk profile of such subsidiaries. Any such increases in the level of capital may reduce the ability of the operating companies to pay dividends and have a material adverse effect on iA Financial Corporation's liquidity.

No Guarantees / Structural Subordination

The Debentures are obligations exclusively of iA Financial Corporation and are not guaranteed by any of its subsidiaries, and its subsidiaries have no obligation to pay any amounts due on the Debentures. Furthermore, except to the extent iA Financial Corporation has a priority or equal claim against its subsidiaries as a creditor, the Debentures will be structurally subordinated to debt and preferred stock at the subsidiary level because, as the direct or indirect common shareholder of its subsidiaries, iA Financial Corporation will be subject to the prior claims of creditors of its subsidiaries. As a result, a holder of Debentures will not have any claim as a creditor against iA Financial Corporation's subsidiaries. Accordingly, the Debentures are structurally subordinated to all liabilities of iA Financial Corporation's subsidiaries, including liabilities to policyholders and contract holders, and to the Subsidiaries' Preferred Shares. Therefore, holders of Debentures should rely only on iA Financial Corporation's assets for payments on the Debentures.

Issued and outstanding series of preferred shares and debentures remain issued by IAIFS and have been guaranteed by iA Financial Corporation. As of March 31, 2023, iA Financial Corporation's subsidiaries had \$529 million of aggregate principal amount of debentures and outstanding preferred shares.

Changes in Regulatory Framework and Prudential Regulatory Supervision

The operations of the Corporation's regulated subsidiaries are subject to a variety of insurance and other laws and regulations as well as supervision by regulators. Financial authorities and regulators, including the AMF, have reviewed (and in some cases, enhanced) their requirements and are considering further changes. Prudential regulators in Canada are currently focused on insurance and wealth management companies' compliance with their requirements relating to risk management systems and procedures and appropriate corporate governance procedures, among others. Failure to comply with laws or to conduct the business of the Corporation's subsidiaries consistent with changing regulatory expectations and requirements could adversely affect the Corporation and may also lead to regulatory steps, proceedings, penalties and litigation. From time to time, regulators raise issues during examinations or audits of iA Financial Corporation's regulated subsidiaries that could have a material adverse impact on the Corporation. The Corporation cannot predict whether or when regulatory actions may be taken that could adversely affect operations of iA Financial Corporation's subsidiaries. In addition, the application of regulations by regulators may change and laws may be enacted with retroactive effect, and new and revised guidelines and other regulatory requirements may be adopted, particularly in areas such as corporate risk management, capital requirements, corporate governance, accounting or statutory reserve requirements. For further discussion of legal and regulatory compliance risk, please refer to "Legal, Regulatory and Reputational Risk" in iA Financial Corporation's management's discussion and analysis for the most recent audited consolidated financial statements.

Limited Remedies for Non-payment

The Trust Indenture provides that an Event of Default in respect of the Debentures will occur only if iA Financial Corporation becomes bankrupt or insolvent, acknowledges its insolvency, consents to the institution of bankruptcy or insolvency proceedings against it, resolves to wind-up or liquidate, is ordered wound-up or liquidated, makes a general assignment for the benefit of its creditors, or a receiver of a substantial portion of iA Financial Corporation's property is appointed. A failure to pay amounts due on the Debentures does not contractually confer a right of acceleration or a right to institute any such proceedings.

Changes in Laws

The terms and conditions of the Debentures are based on the laws of the Province of Québec and the federal laws of Canada applicable therein as at the date of the issue of the Debentures. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Province of Québec or the federal laws of Canada applicable therein or administrative practice after the date of issue of the Debentures.

TRUSTEE

The Trustee for the Debentures is Computershare Trust Company of Canada at its office in Montréal, Québec.

LEGAL MATTERS

Certain legal matters in connection with the issue and sale of the Debentures will be passed upon by Torys LLP on behalf of iA Financial Corporation and by McCarthy Tétrault LLP on behalf of the Agents. As of the date of this Prospectus Supplement, the partners, associates and counsel of Torys LLP, as a group, and McCarthy Tétrault LLP, as a group, respectively, beneficially own, directly or indirectly, less than 1% of the outstanding securities of iA Financial Corporation.

INDEPENDENT AUDITOR

The independent auditor of iA Financial Corporation is Deloitte LLP located at 801 Grande Allée West, Suite 350, Québec City, Québec, G1S 4Z4. Deloitte LLP is independent with respect to iA Financial Corporation within the meaning of the Code of Ethics of the Ordre des Comptables Professionnels Agréés du Québec.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE AGENTS

Dated: June 15, 2023

To the best of our knowledge, information and belief, the short form base shelf prospectus dated April 5, 2022, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

**RBC DOMINION SECURITIES
INC.**

By: *(Signed)*
ANDREW FRANKLIN

BMO NESBITT BURNS INC.

By: *(Signed)*
KRIS SOMERS

SCOTIA CAPITAL INC.

By: *(Signed)*
PATRICK BREITHAUPT

CIBC WORLD MARKETS INC.

By: *(Signed)*
BRIAN PONG

NATIONAL BANK FINANCIAL INC.

By: *(Signed)*
ALEXIS ROCHETTE GRATTON

TD SECURITIES INC.

By: *(Signed)*
GREG McDONALD

IA PRIVATE WEALTH INC.

By: *(Signed)*
FRANK LACHANCE

CASGRAIN & COMPANY LIMITED

By: *(Signed)*
PIERRE CASGRAIN

UBS SECURITIES CANADA INC.

By: *(Signed)*
BEN METZLER

By: *(Signed)*
JOSH FRITZ