

Responsible Choices

STRENGTH
GROWTH
AMBITION

Scotiabank Financials Summit

Investor presentation
September 10, 2020





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Solid fundamentals

Staying on course with our long-term vision



EARNINGS

More positive for 2020 following resilient Q2 results



GROWTH

Solid H1/2020 sales results and increasing US contribution



CAPITAL

Strong and flexible balance sheet and ongoing capital optimization



VALUE FOR
SHAREHOLDERS

10% historical book value CAGR

Attractive price/BV ratio



H1/2020 highlights – Resilient results

Solid EPS, strong business growth and robust capital position amid pandemic



- Reported EPS of \$2.07 (-33% YoY) and trailing-12-month ROE¹ of 10.5%
- Core EPS of \$2.98 (+3% YoY) and trailing-12-month core ROE¹ of 12.4%
- Direct impact of the pandemic during H1 is estimated at -\$1.00 EPS, mainly from hedging program (-\$0.64 EPS)
- Many positive items: iA Auto and Home, taxes and Q2 policyholder experience



- Acquisition of US company IAS Parent Holdings, Inc. and its subsidiaries
- Premiums and deposits of \$6.2 billion (+12% YoY) and AUM/AUA¹ of \$181.0 billion (-2% YoY)
- Canada: Strong net inflows of \$792 million from seg and mutual funds
 - Individual Insurance: Very good H1 with sales up 10% YoY
 - Strong results for Individual Wealth, Employee Plans and iA Auto and Home
- US: Momentum continues in Individual Insurance division



- Solvency ratio¹ of 124%, above 110%-116% target
- Organic capital generation of ~\$105M
- Leverage ratio¹ of 25.6%
- Book value per share¹ of \$53.23 (+7% YoY)



Organic growth fuelled by the strength of our distribution and the client and advisor experience



INDIVIDUAL INSURANCE

- 47% of 2019 operating profit, aiming at 5% annual growth in sales
- Key success factors:
 - Extensive distribution network
 - Competitive digital tools for advisors and clients
 - Leader in the family market
 - Broad product offering
- Ahead of competition to support remote sales for our distribution networks



INDIVIDUAL WEALTH MANAGEMENT

- Broad product offering, including seg and mutual funds – Three distribution affiliates (MFDA and full brokerage)
- Leveraging our leading position in the life insurance family market and increasing penetration of affiliated distribution
- 1st in seg fund net sales since 2016 – Positive mutual fund net sales in Q2/2020



GROUP BUSINESSES

- Employee Plans: Focus on accelerating sales growth with efficient administrative processes and digital tools
- Dealer Services: iA is a Canadian leader for creditor insurance and P&C products – Expanding near-prime car loan footprint
- Special Markets Solutions: Focus to accelerate sales growth post-pandemic
- Group Savings and Retirement: Emphasis on optimizing administrative processes and digital tools

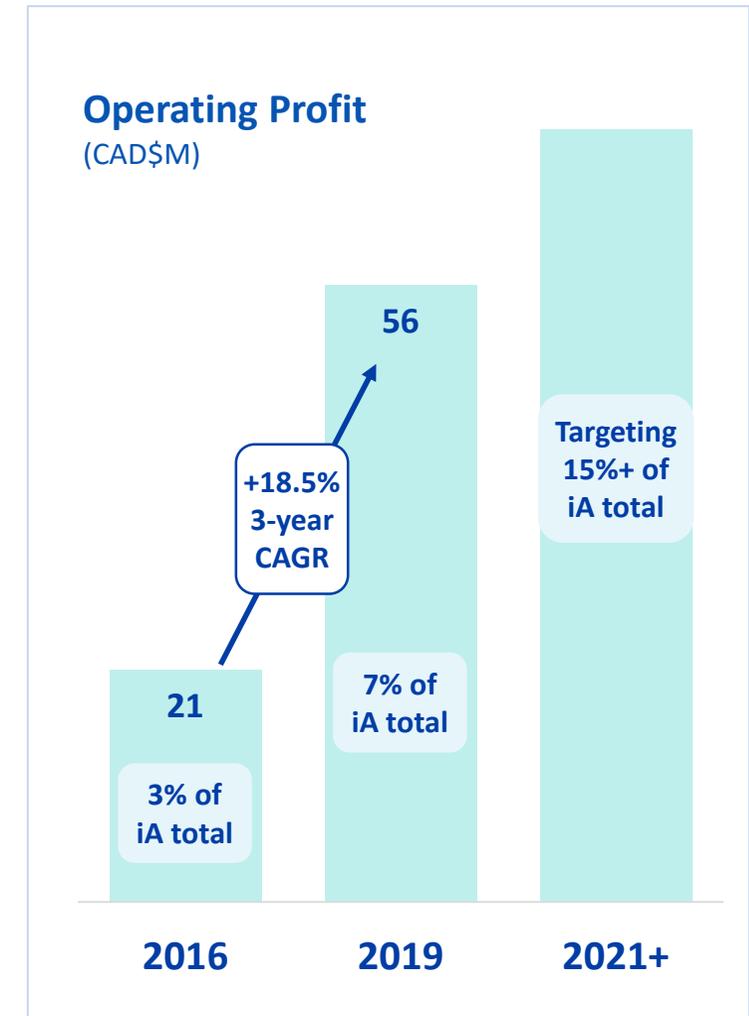
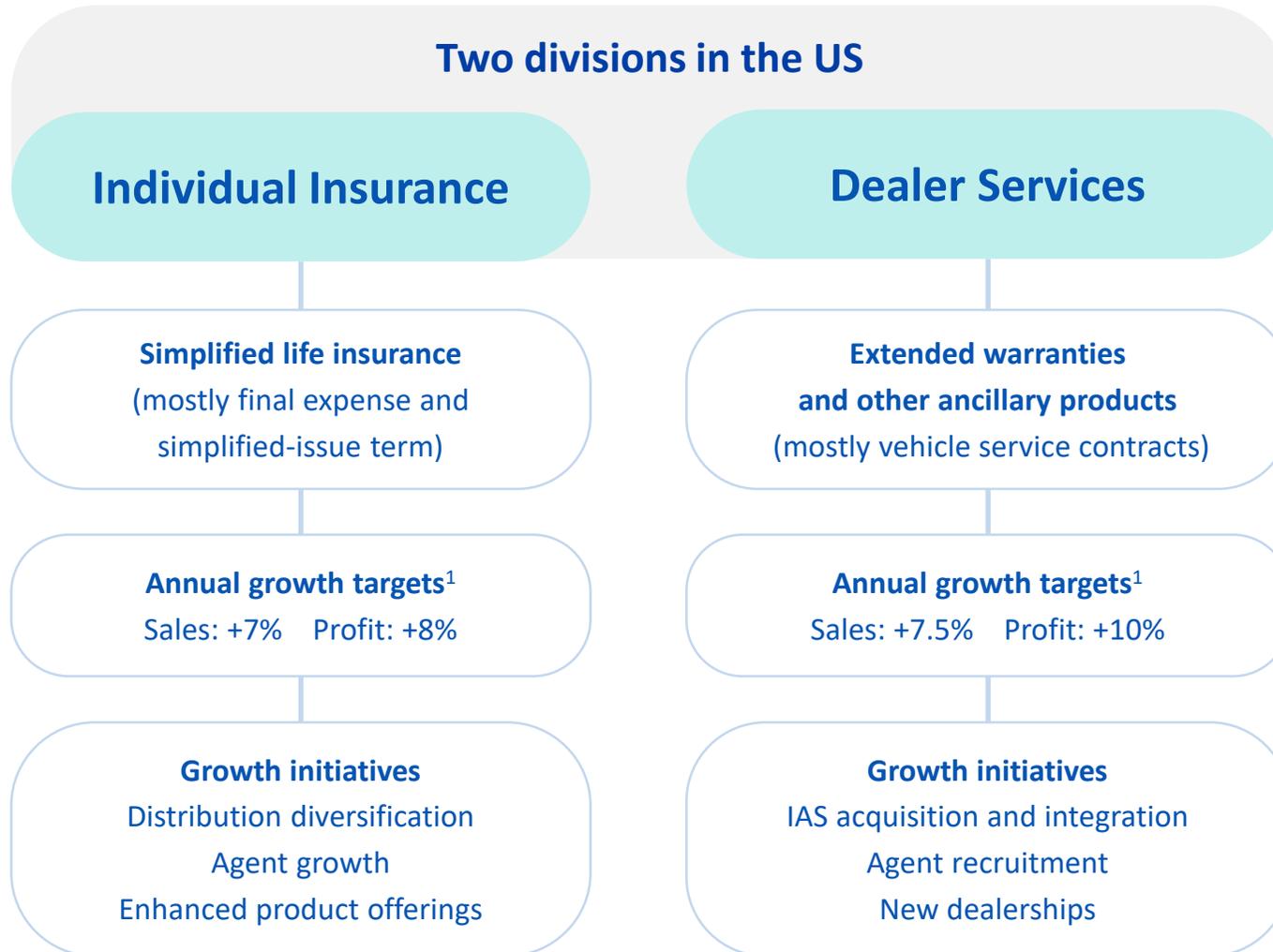
Auto and home insurance subsidiary in Quebec: Priority on developing new partnerships and maximizing synergies with iA's other businesses



US strategy – Moving toward a meaningful business



Steadily and successfully growing two capital-light businesses





Acquisition of US company IAS Parent Holdings, Inc.

Ongoing integration, with a view to supporting our long-term growth strategy



Consistent with iA's capital optimization and growth strategies by increasing capital-light business



Creates a US platform of scale with significant synergies to participate in future industry consolidation



Diversifies iA's product and geographic mix, as well as distribution capabilities



Positive contribution¹ to EPS in 2020 & 2021
Lower short-term EPS accretion due to pandemic
Longer-term outlook is unchanged



Parent Holdings

- One of the largest providers of solutions in the US vehicle warranty market
- Based in Austin, TX
- 35+ years of history
- Multiple-channel distribution: Direct, indirect and post-sale (direct to consumer)
- Innovative data-driven product development and risk management
- End-to-end product and service offerings
- High-performing management team
- Large geographic footprint
- Well-positioned as a consolidator, to drive future US expansion

¹ Excluding acquisition and integration costs.



Remote selling tools for advisors

Strategically advantaged by digital tools and current position in the middle market

Individual Insurance

- Approval at point of sale using predictive analysis since 2017
- Constantly improving our predictive models
- 100% of iA's products can be sold remotely
- 95%+ of applications are now done electronically

Seg funds

- New electronic platform introduced in 2019
 - Contracts can be issued in less than 10 minutes
 - Electronic platform rated 9.7/10 by advisors
- 69%+ of new contracts are now put in place electronically and penetration is rapidly increasing

The pandemic has accelerated the adoption of digital tools by advisors

Digital transition is even more beneficial for high-volume companies like iA:

- #1 in number of individual insurance policies issued in 2017, 2018 and 2019
- #1 in seg fund net sales in 2016, 2017, 2018 and 2019



Technology: Making smart choices to support our strategy

iA's agility is a competitive advantage

Ongoing digital transformation since 2018

- Improving client experience
- Optimizing operational efficiency
- Strengthening digital tools for advisors and employees
- Developing initiatives to generate new digital revenues

Quick and successful shift to working and selling remotely when the pandemic broke out

Additional investments to come

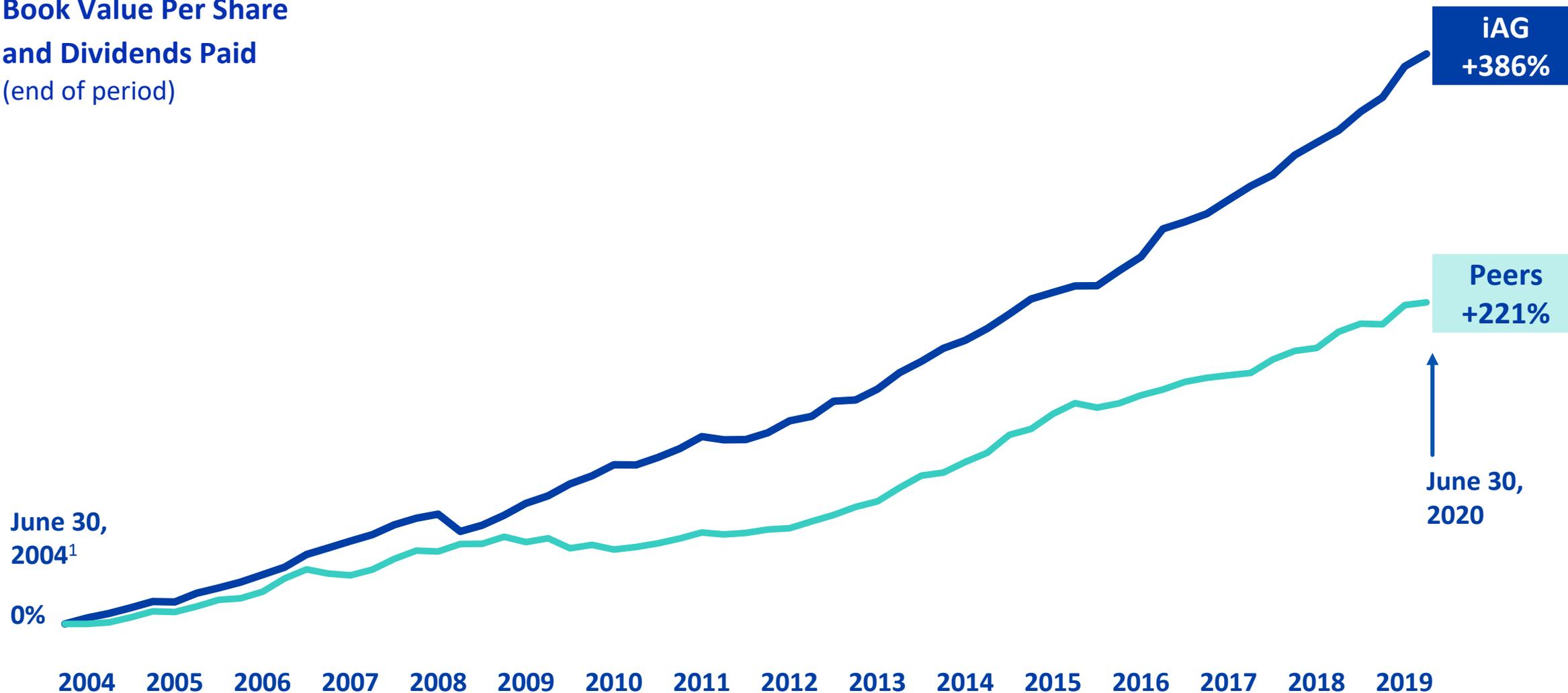
- Artificial intelligence to better understand client needs
- Robotization to improve operational processes
- Predictive analysis to prevent and reduce claims





iA shareholder value creation vs. peers

**Book Value Per Share
and Dividends Paid**
(end of period)



June 30,
2004¹

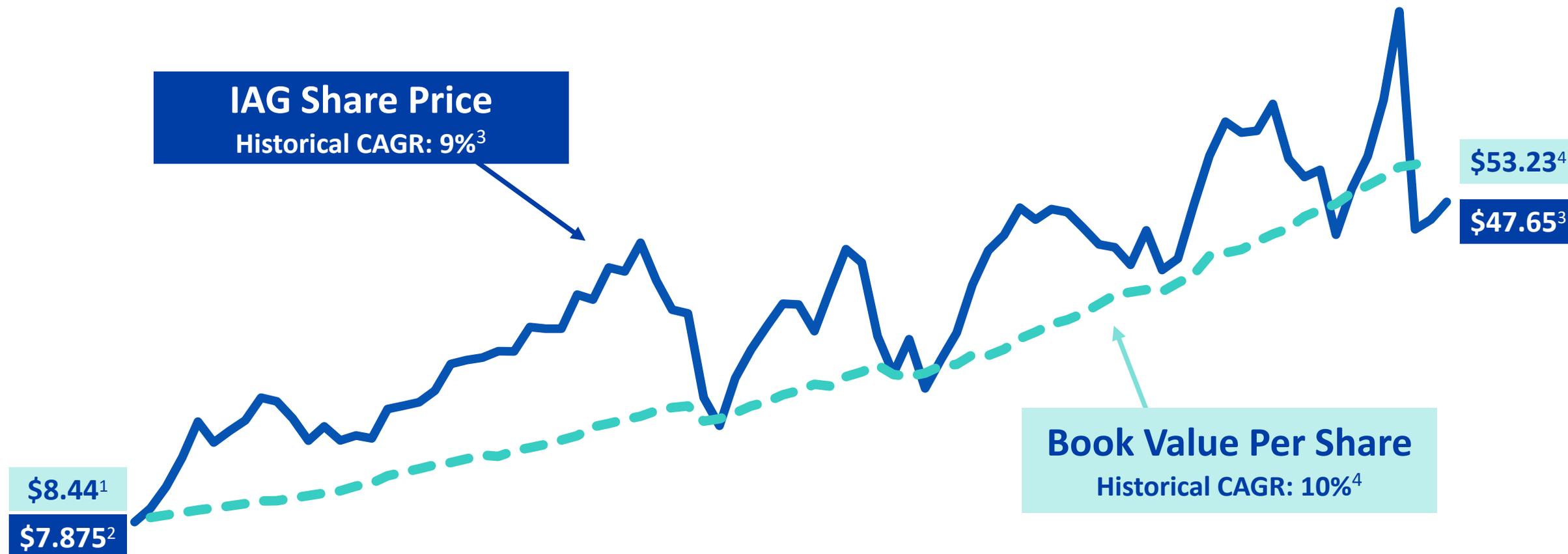
0%

June 30,
2020



Share price and book value per share

P/BV ratio of 0.90 at September 2, 2020



At end of period	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q2/20
Price/BVPS	2.17	2.22	1.72	1.61	1.80	1.74	1.94	2.03	1.15	1.41	1.49	1.00	1.14	1.53	1.31	1.20	1.30	1.37	0.92	1.37	0.85

APPENDICES





Pandemic-related impacts on reported earnings in H2/2020

2020 results could be better than initially assessed, depending on pandemic evolution

		For the remainder of 2020		Comments
		Initial assessment	Current assessment ¹	
NON-CORE	Macroeconomics	--- to ++	-- to +	See disclosed earnings sensitivities Hedging may still be impacted by volatility
	Reserves	N/A	N/A	IRR: No impact expected URR: Probable decrease at year-end (fully offset by identified management actions) Too early to tell for other assumptions, but no major trend so far
CORE for normal deviations & NON-CORE for larger deviations ²	Strain	-	- to neutral	2020: From lower interest rates, should improve in H2 due to management actions 2021: Back to normal due to management actions
	Experience	--- to --	-- to +	Pandemic impacts lower than expected Losses will be non-recurring post-COVID-19
	iA Auto and Home	+	+	Positive experience
CORE ²	Assets (MERs)	-	Neutral	Core earnings reduced from AUM reduction in Q1, mostly offset by Q2 rebound

¹ Assuming that the current general state of the pandemic persists and that there is no significant second wave.

² See core earnings definition at the end of this slide package.

Pandemic-related impacts on sales in H2/2020

Better outlook than initially expected: Sales strategy shows resiliency

	Sales before the pandemic	Sales for the remainder of 2020		Comments
		Initial assessment	Current assessment ¹	
Individual Insurance	Strong	Lower	Slightly lower	Distribution networks fully operate virtually and medical testing is available again
Individual Wealth - Seg funds	Very strong	Close to normal	Normal	Industry leader for digital platform
Individual Wealth - Mutual funds	Very strong	Lower	Lower	Sales are lower but improving
Group Ins. - Employee Plans	Strong	Lower	Close to normal	Clients are adjusting to new reality
Group Ins. - Dealer Services	Good	Much lower	Much lower	Impacted by car sales
Group Ins. - Special Markets Solutions	Good	Lower	Lower	Relies on release of travel restrictions
Group Savings and Retirement	Good	Lower	Normal	Clients are adjusting to new reality
US Operations - Individual Insurance	Very strong	Close to normal	Normal	Sales less affected than expected
US Operations - Dealer Services	Strong	Lower	Lower	Not as affected as in Canada IAS more present in new car dealerships
iA Auto and Home	Strong	Close to normal	Normal	Client retention is unaffected



H1/2020 sales

Solid results for Individual Insurance (CAN and US), fund inflows, Employee Plans and iAAH

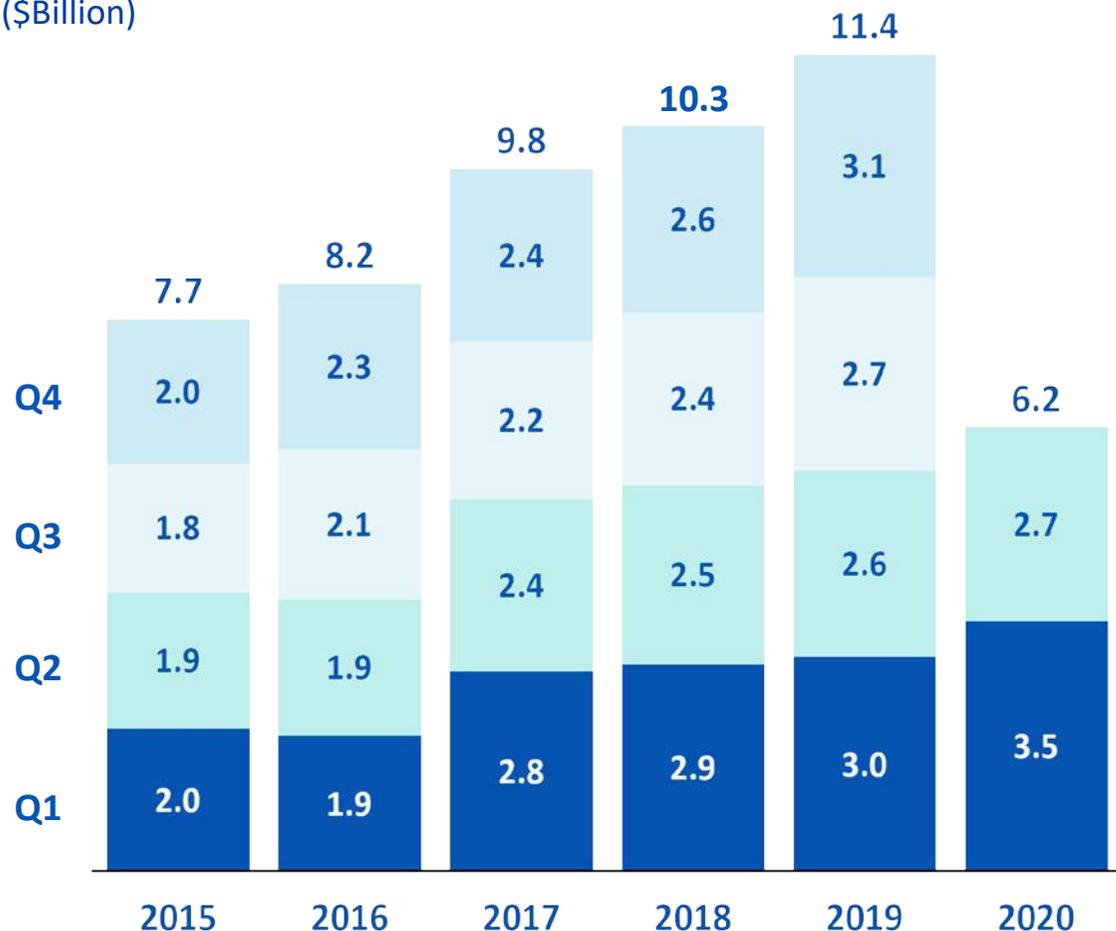
(\$Million, unless otherwise indicated)

	Year-to-date at June 30		
	2020	2019	Variation
▶ Individual Insurance	98.1	89.2	10%
▶ Individual Wealth Management			
General fund - sales	380.6	207.1	84%
Segregated funds - net sales	840.8	251.4	589.4
Mutual funds - net sales	(49.3)	(225.3)	176.0
▶ Group Insurance			
Employee Plans	80.0	30.0	167%
Dealer Services (Creditor, P&C and car loan orig.)	413.6	479.6	(14%)
Special Markets Solutions	120.7	134.7	(10%)
Total	614.3	644.3	(5%)
▶ Group Savings and Retirement	1,023.9	1,033.9	(1%)
▶ US Operations (\$US)			
Individual Insurance	62.3	43.9	42%
Dealer Services - P&C	224.1	224.2	—
▶ iA Auto and Home	198.9	178.6	11%



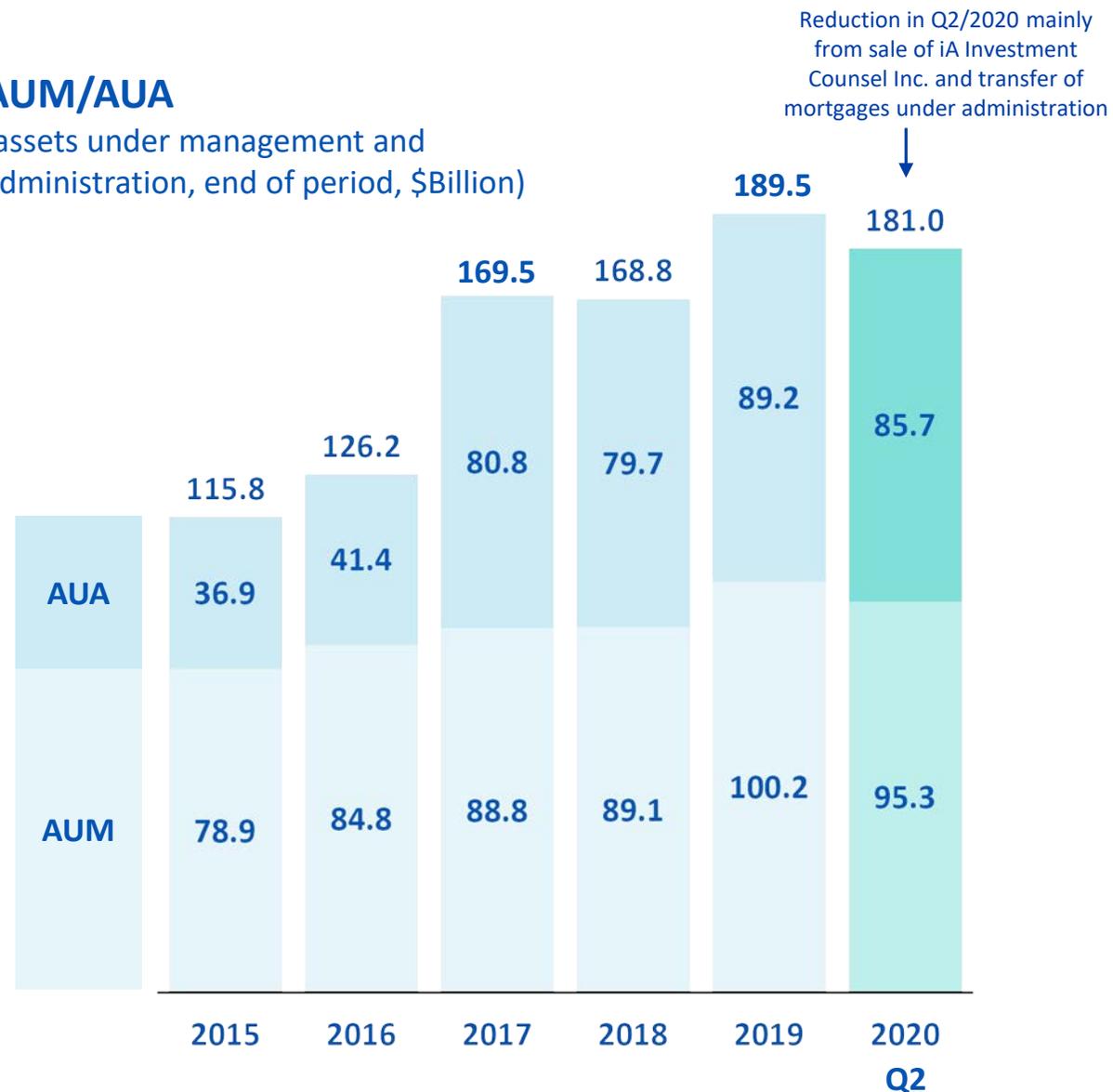
Premiums and deposits & Assets

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



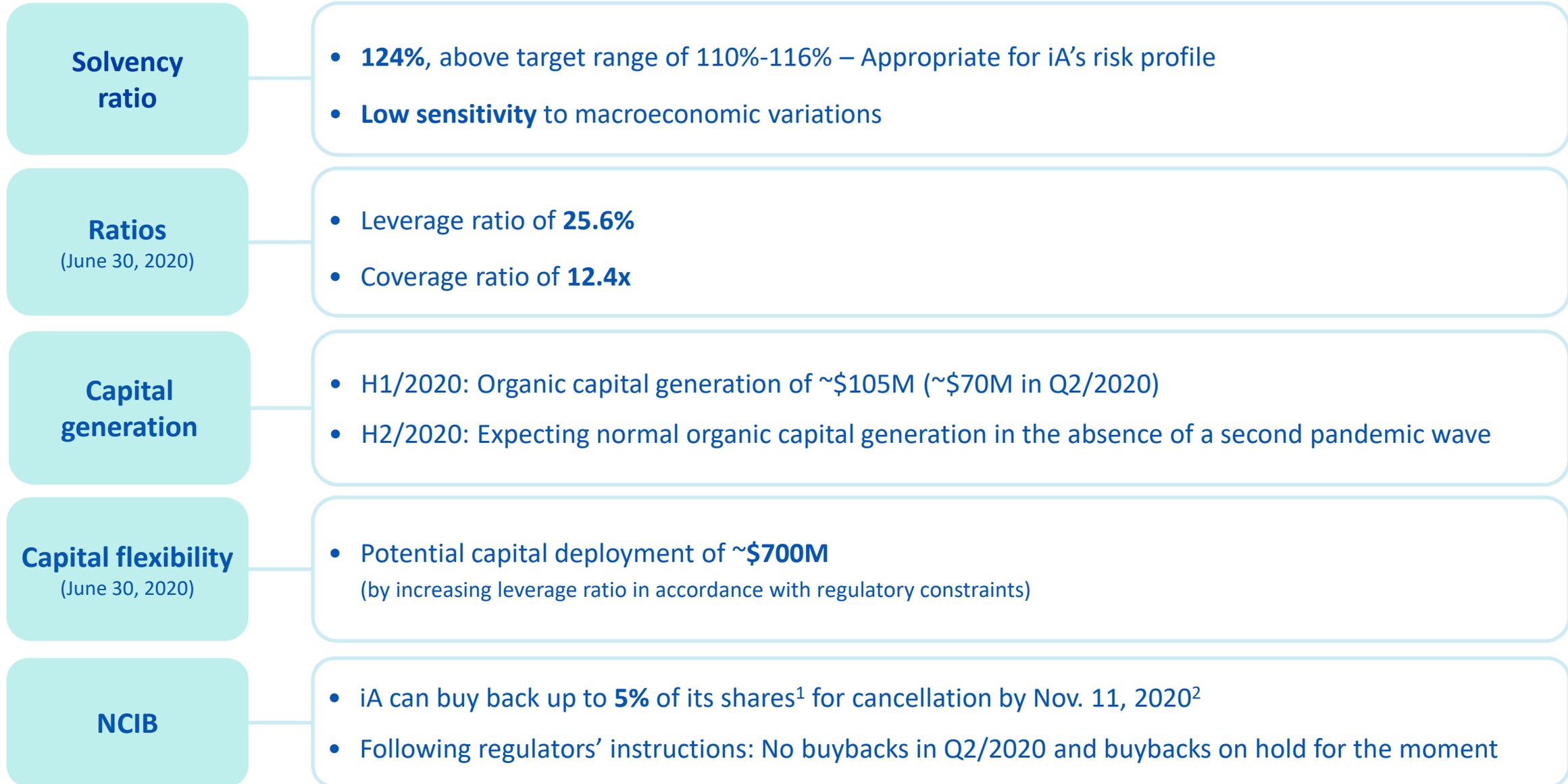
AUM/AUA

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





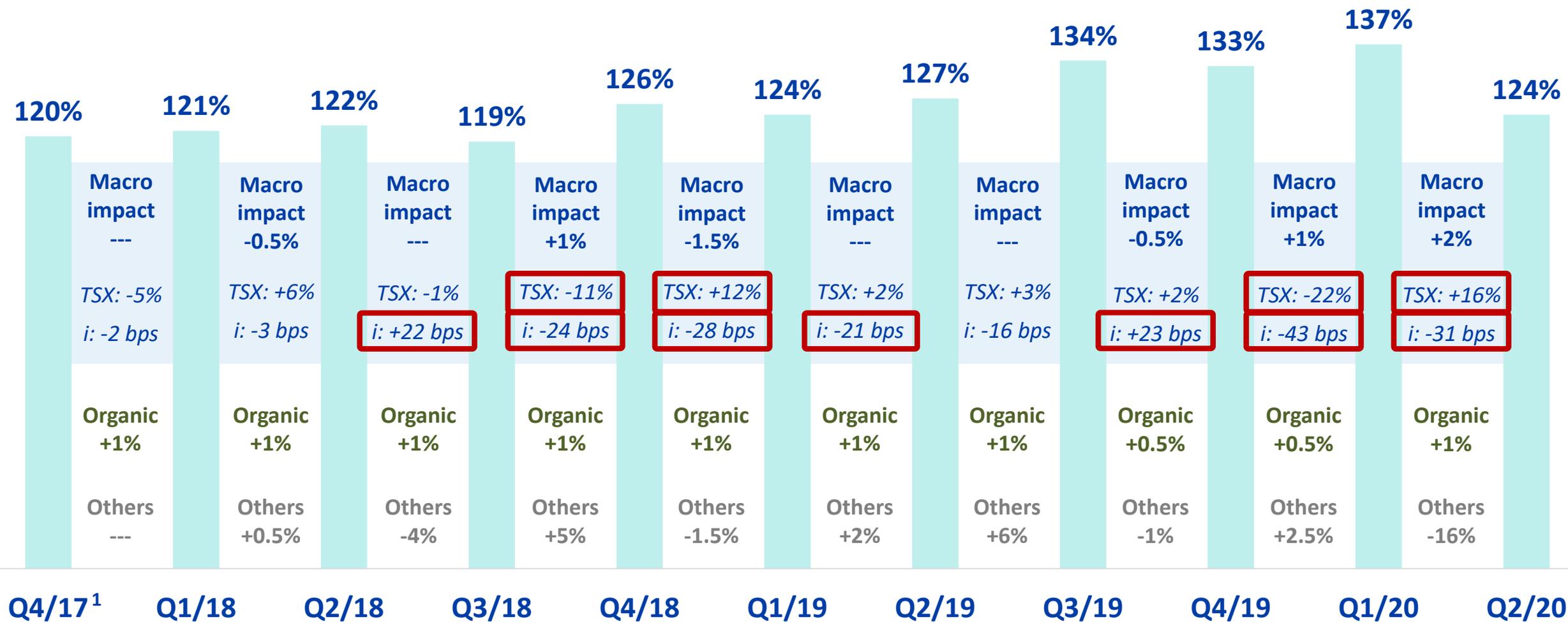
Robust capital position with a flexible balance sheet





Solvency ratio variations since new capital regime inception

Impact from macro variations is minimal despite macro volatility



High macro volatility

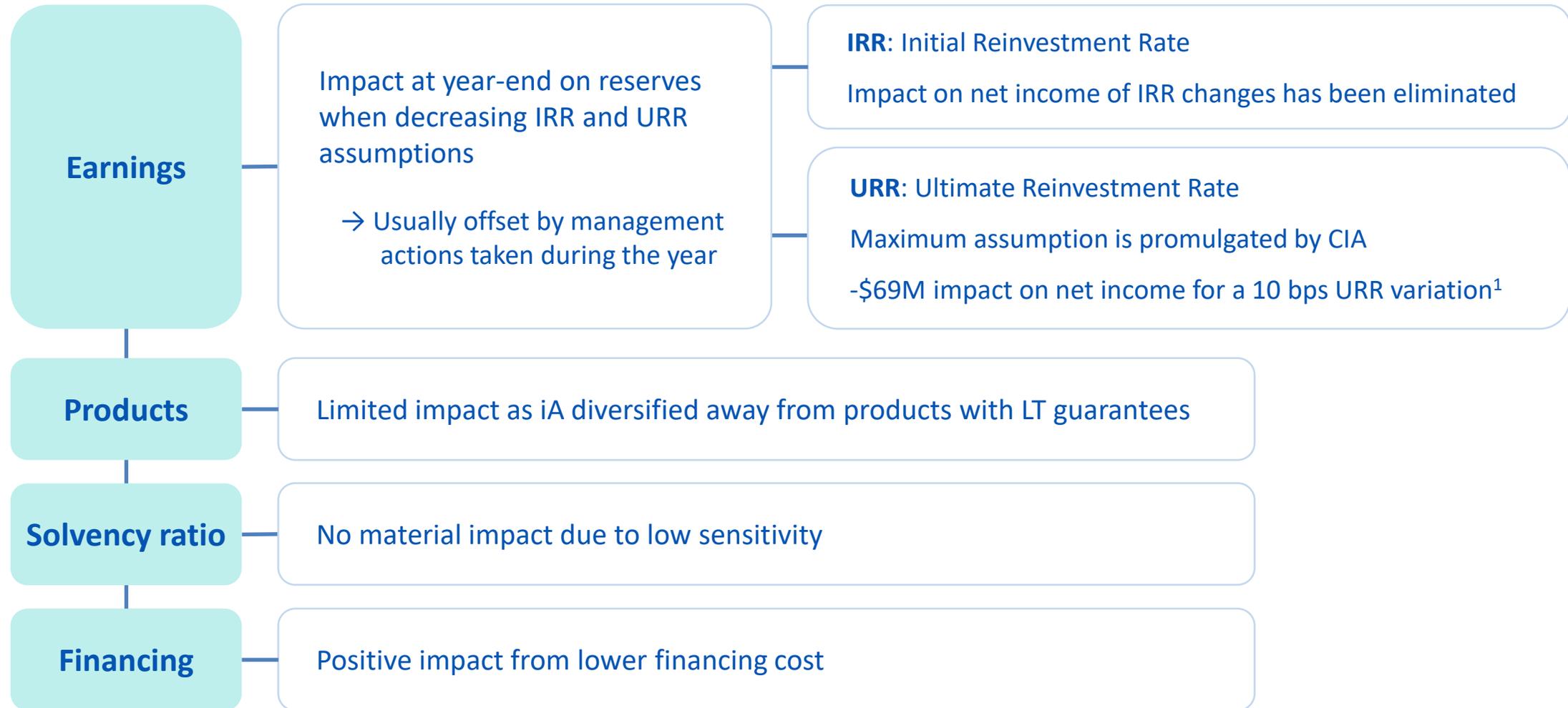
This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.

¹ As at January 1, 2018.



Low interest rate environment

IRR sensitivity eliminated leading to low impact on earnings





Investment portfolio

High-quality, diversified portfolio

Bond portfolio: 69.2% of total portfolio

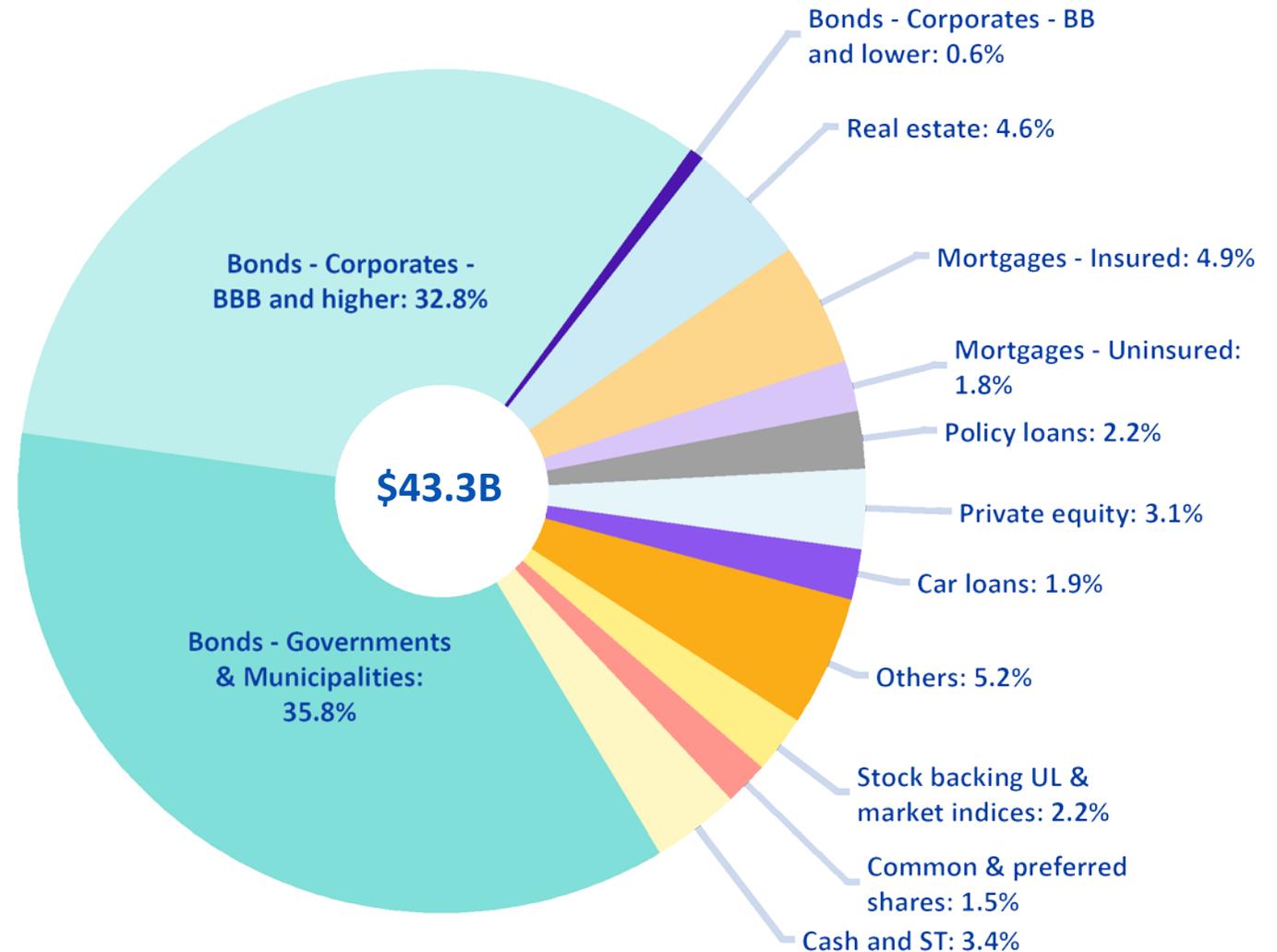
- Only 0.8% of bond portfolio rated BB or lower
- 48.2% of bond portfolio are corporate bonds

Low direct exposure to equity market:

- \$2.9B of stocks in investment portfolio
 - 46% private equity
 - 32% backing UL and market index = No risk for iA
 - 22% common and preferred shares
- Equity exposure in option strategy
 - Strategy to protect against equity downside

Real estate:

- Almost half is occupied by iA or by the government
- 2/3 have long-term leases due for renewal after 2025





Bond portfolio by category

High-quality, conservative portfolio

Bond oil & gas exposure = 2.8% of total portfolio

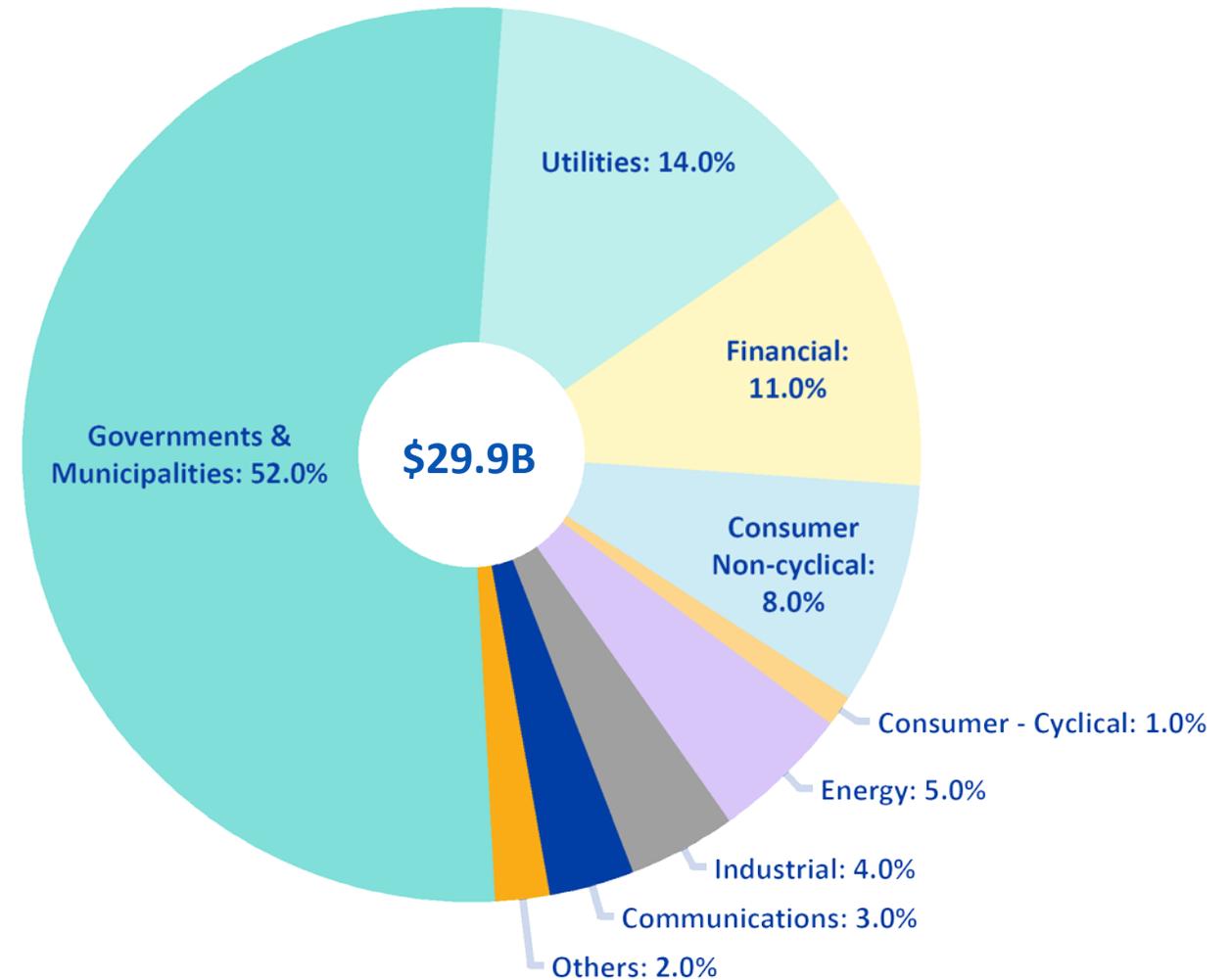
- Direct exposure is 0.8% of total portfolio
- Almost all exposure is in corporate bonds

Bond pandemic-affected sectors¹

- 0.55% Consumer cyclical (retailers, autos and hotels)
- 0.60% Industrial
- 0.05% Materials
- **1.20% of total portfolio**

Total bond portfolio by credit rating:

- 4% AAA
- 48% AA
- 30% A
- 17% BBB
- 1% BB and lower



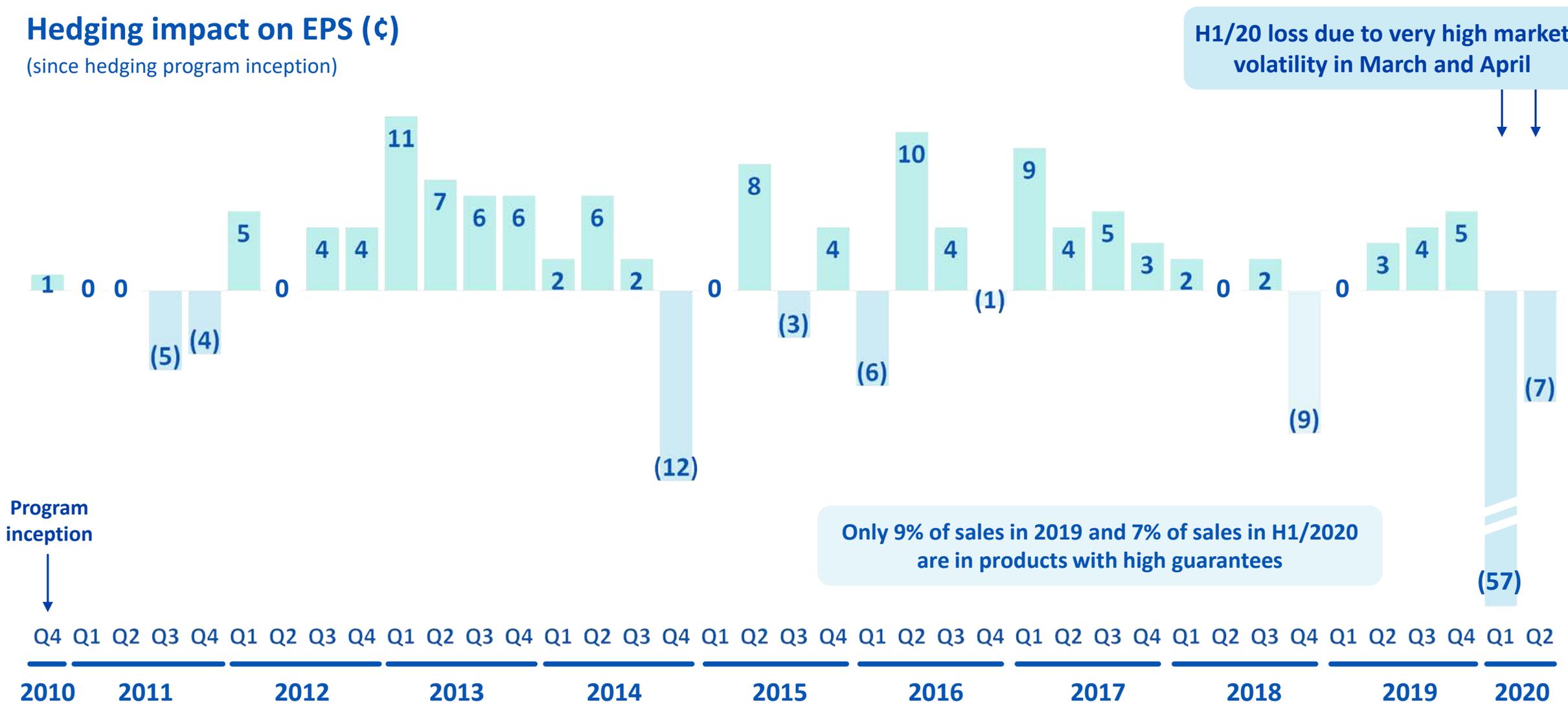


Hedging for seg funds: An effective and robust long-term program

Cumulative gains of 13¢ EPS since program inception

Hedging impact on EPS (¢)

(since hedging program inception)



H1/20 loss due to very high market volatility in March and April

Only 9% of sales in 2019 and 7% of sales in H1/2020 are in products with high guarantees

Program inception
↓



Car loan credit experience

Provision well positioned to navigate through the economic slowdown

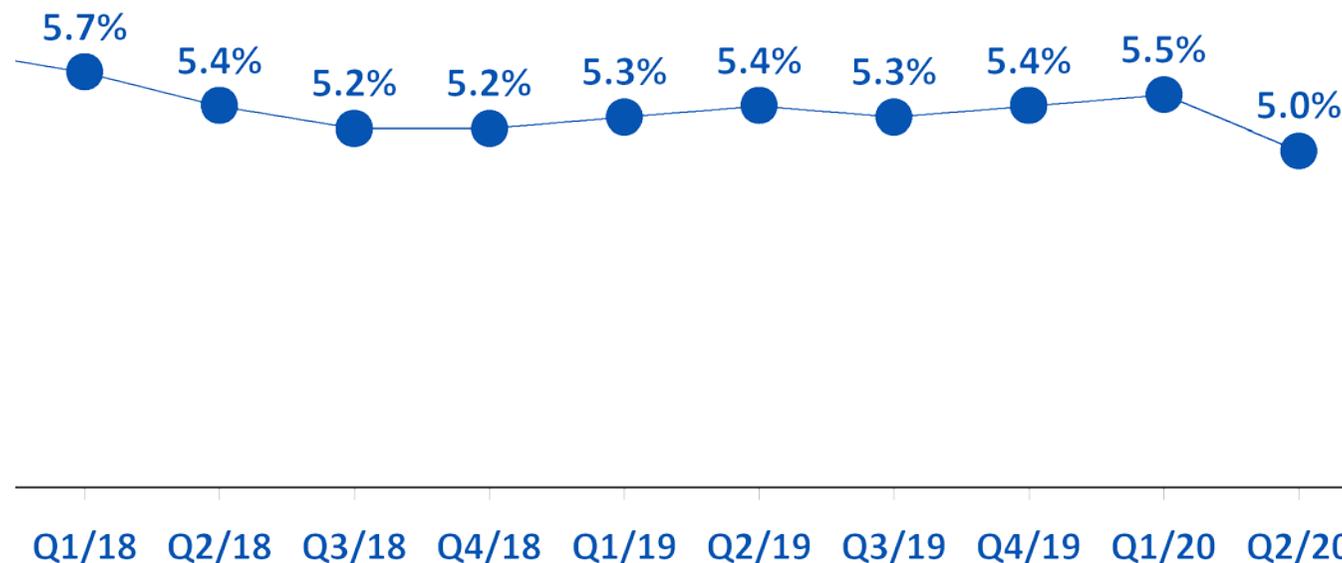
Car loans represent 1.9% of investment portfolio at June 30, 2020

Temporary decrease in Q2/20 due to relief measures to clients and changes in client spending and payment patterns

Losses from pandemic-impacted accounts are expected to flow through starting at the end of 2020 and into early 2021

Average credit loss rate (non-prime)¹

Trailing 12 months



¹ Non-IFRS measure. Represents total credit losses divided by the average finance receivables over the same period.



Credit ratings

iA Financial Corporation Inc.	
Credit rating agency	Issuer rating
S&P	A
DBRS	A (low)

Industrial Alliance Insurance and Financial Services Inc.	
Credit rating agency	Financial strength
S&P	AA-
DBRS	A (high)
A.M. Best	A+ (Superior)



Building for the long term

iA Financial Group is carbon neutral as of 2020

ENVIRONMENTAL

- Continuing projects and initiatives aimed at reducing GHG emissions at the source
- All GHG emissions that cannot be eliminated are calculated and offset
- Majority of our 40+ properties in Canada are BOMA BEST or LEED certified



SOCIAL

- Extensive donation program equivalent to \$850/employee
- Annual Canada-wide philanthropic contest
- COVID-19 relief measures for clients and additional donations
- Promoting a suite of socially responsible mutual funds and portfolio solutions

GOVERNANCE

- Top 10 in *Globe and Mail* 2019 governance ranking (out of 224 companies)
- Supporting diversity and inclusion
- Signatory of United Nations Principles for Responsible Investment (PRI)





iA priorities in the context of the pandemic

Providing support to clients, employees and the community

CLIENTS

Priority to provide various forms of relief to help near 250K clients in these difficult times

Examples:

- Temporary premium discounts totalling ~\$20M
- Temporary deferral on premiums and loan payments for certain products
- Facilitating access to telemedicine for group insurance clients

EMPLOYEES

Priority to protect the health and safety of our employees and continue our activities

Examples:

- Work from home policy prior to government requirements resulting in more than 95% of our employees working from home
- Allocation to employees to improve work-from-home experience (~\$2.5M provided to 6,800+ employees)

COMMUNITY

Priority to fight against COVID-19 and its unprecedented effects on our communities

Examples:

- Donations of more than \$2.5M YTD to different charities such as:
 - Hospital foundations
 - Health research centres
 - Senior isolation programs
 - Homelessness programs
 - Food banks across the country
 - Support to various organizations affected by the crisis



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Next Reporting Dates

Q3/2020 - November 4, 2020
Q4/2020 - February 11, 2021

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

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Non-IFRS financial information

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

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

The analysis of profitability according to the sources of earnings presents sources of income in compliance with the guideline issued by the Office of the Superintendent of Financial Institutions and developed in co-operation with the Canadian Institute of Actuaries. This analysis is intended to be a supplement to the disclosure required by IFRS and to facilitate the understanding of the Company's financial position by both existing and prospective stakeholders to better form a view as to the quality, potential volatility and sustainability of earnings. It provides an analysis of the difference between actual income and the income that would have been reported had all assumptions at the start of the reporting period materialized during the reporting period. It sets out the following measures: expected profit on in-force business (representing the portion of the consolidated net income on business in force at the start of the reporting period that was expected to be realized based on the achievement of best-estimate assumptions); experience gains and losses (representing gains and losses that are due to differences between the actual experience during the reporting period and the best-estimate assumptions at the start of the reporting period); new business strain (representing the point-of-sale impact on net income of writing new business during the period); changes in assumptions, management actions and income on capital (representing the net income earned on the Company's surplus funds).

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

Core earnings per common share is a non-IFRS measure used to better understand the capacity of the Company to generate sustainable earnings.

Management's estimate of core earnings per common share excludes: 1) specific items, including but not limited to year-end assumption changes and unusual income tax gains and losses; 2) gains and losses from macroeconomic variations related to universal life policies, the level of assets backing long-term liabilities, investment funds (MERs) and the dynamic hedging program for segregated fund guarantees; 3) gains and losses in excess of \$0.04 per share, on a quarterly basis, for strain on Individual Insurance sales, for policyholder experience by business segment (Individual Insurance, Individual Wealth Management, Group Insurance, Group Savings and Retirement, US Operations and iA Auto and Home Insurance), for usual income tax gains and losses and for investment income on capital.



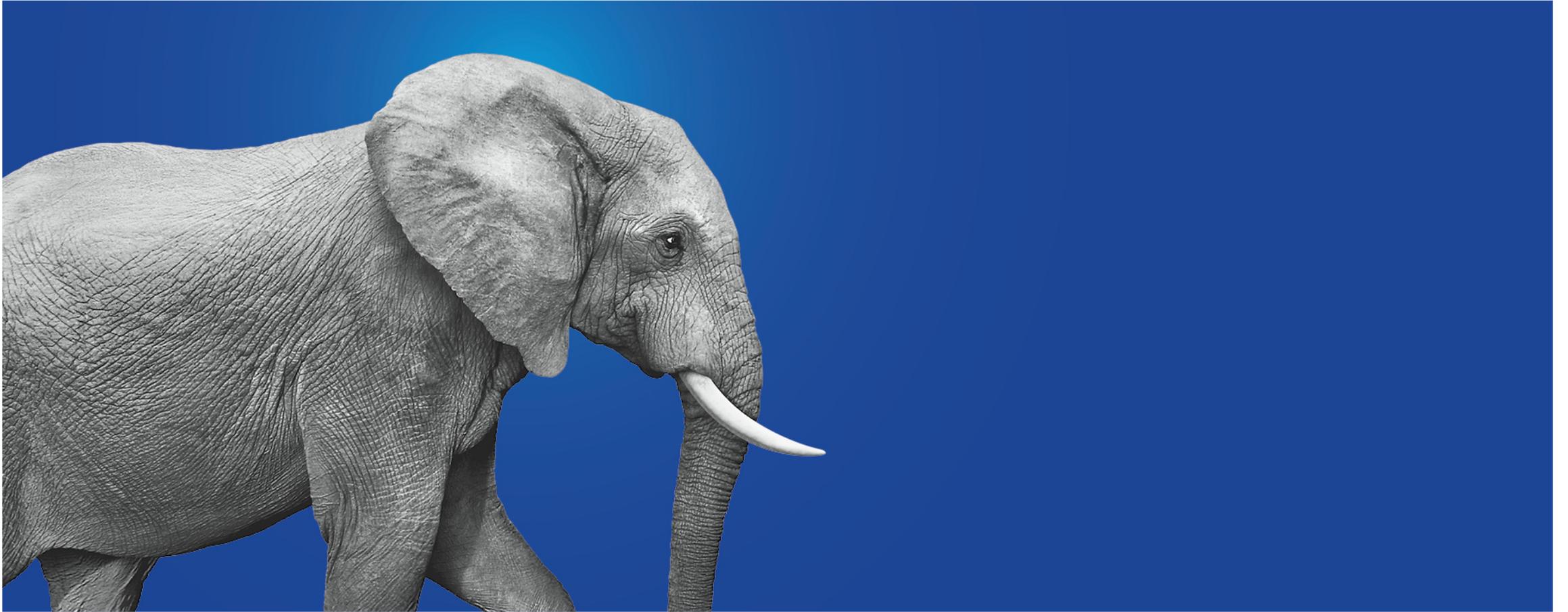
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This presentation may contain statements relating to strategies used by iA Financial Corporation or statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “may,” “could,” “should,” “would,” “suspect,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate,” and “continue” (or the negative thereof), as well as words such as “objective” or “goal” or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this presentation, forward-looking statements include, but are not limited to, information concerning possible or assumed future operating results. These statements are not historical facts; they represent only expectations, estimates and projections regarding future events and are subject to change, particularly in light of the ongoing and evolving COVID-19 pandemic, its effect on the global economy and its uncertain impact on our operations.

Although iA Financial Corporation believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Factors that could cause actual results to differ materially from expectations include, but are not limited to: general business and economic conditions; level of competition and consolidation; changes in laws and regulations, including tax laws; liquidity of iA Financial Corporation, including the availability of financing to meet existing financial commitments on their expected maturity dates when required; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; accuracy of accounting policies and actuarial methods used by iA Financial Corporation; insurance risks such as mortality, morbidity, longevity and policyholder behaviour, including the occurrence of natural or man-made disasters, pandemic diseases (such as the current COVID-19 pandemic) and acts of terrorism.

Additional information about the material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the “Risk Management” section of the Management’s Discussion and Analysis for 2019, the “Management of Risks Associated with Financial Instruments” note to the audited consolidated financial statements for the year ended December 31, 2019, the “Risk Update” section of the Management’s Discussion and Analysis for the period ended March 31, 2020, and elsewhere in iA Financial Corporation’s filings with Canadian Securities Administrators, which are available for review at sedar.com.

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



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