

# Ready for more Higher financial targets

2025 INVESTOR EVENT



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Executive Vice-President  
Chief Financial Officer and Chief Actuary



# Key takeaways

Disciplined execution  
*with a prudent and  
capital-efficient approach*

Ready for higher  
financial targets<sup>1</sup>  
*with a clear path to success*

**10%+**  
Core EPS<sup>††</sup> growth  
medium-term  
annual average

**\$650M+**  
Organic  
capital generation<sup>2</sup>  
(2025)

**17%+**  
Core ROE<sup>††</sup>  
(2027)

**25% to 35%**  
Core dividend  
payout ratio<sup>††</sup>

# Sound risk management and prudent approach

Constantly improving while adapting to the environment

2022

2023

2024

2025+

## Last decade

- Risk reduction
- Prudent actuarial assumptions
- Evolution of product mix
  - high ROE<sup>1</sup>
  - low guarantee
- Pricing discipline

## IFRS 9/17 transition

- No impact on equity, book value or ROE, from:
  - Prudent approach
  - Sound risk management
- Robust capital position
- 100% FVPL<sup>2</sup>
- Total Portfolio Management

## Post IFRS 9/17 transition

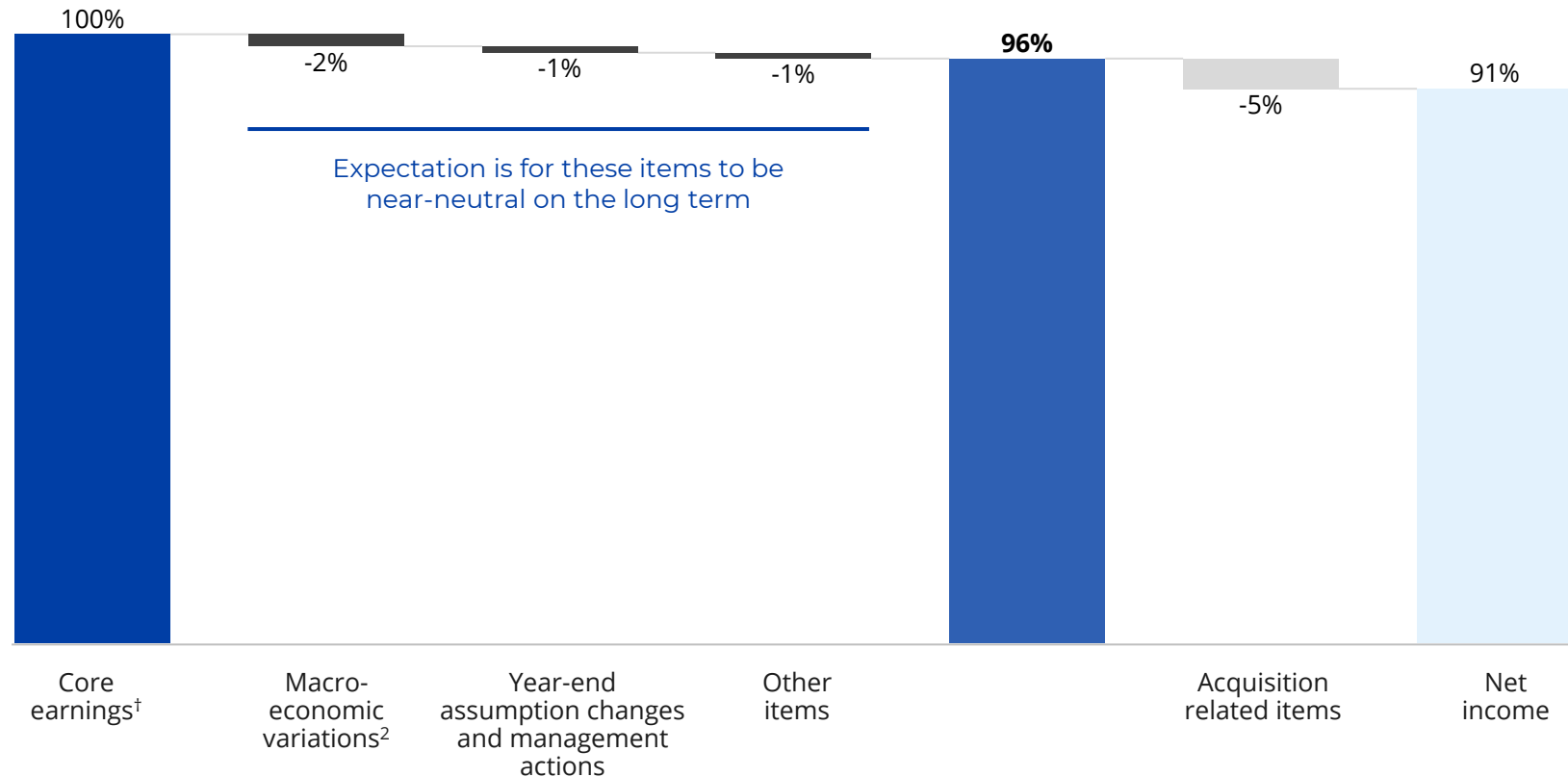
- Model refinements
- ALM<sup>3</sup> optimization
- Organic capital generation
- Earnings sensitivity reduction
  - 65% interest rate sensitivity reduction to the parallel shift of the curve

## Going forward

- Continue to focus on:
- Risk management
  - Reducing earnings volatility
  - Prudent approach
  - Increasing earnings predictability

# High quality earnings

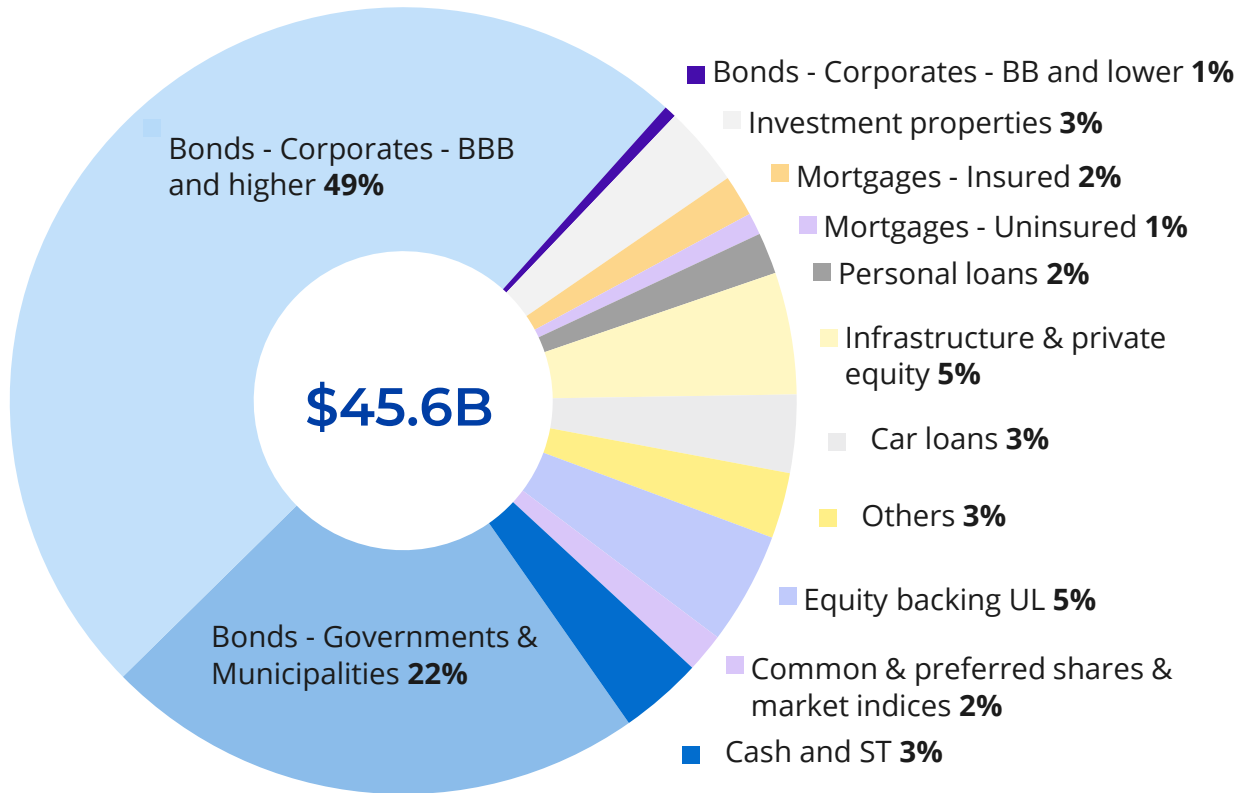
## Last 10 years core earnings<sup>†</sup> reconciliation to net income<sup>1</sup>



Core earnings<sup>†</sup> aims to measure the operating performance and earnings potential of the business over the medium and long term.

# Resilient investment portfolio

Composed of high quality assets and diversified exposures



Elevating portfolio ROE with Total Portfolio Management (TPM)

### Pre-2022: Asset allocation with global considerations

- Primary focus on maximizing efficient frontier by operating segments
- Secondary focus on inter-segment opportunities to augment the frontier

### Since 2022: TPM approach

- Primary focus on maximizing the total portfolio efficient frontier
- Combined analysis of overall assets, liabilities, risk appetite, regulatory capital and constraints
- Secondary focus on individual operating segments
- Multi-year effort that leverages sophisticated, proprietary portfolio construction engines

# Operational efficiency mindset



# Robust capital position

Strong foundation  
for growth

## High solvency ratio

- 133%<sup>1,2</sup>
- Much higher than regulatory minimum ratio
- Low sensitivity to macroeconomic variations
- Fuelled by ongoing organic capital generation

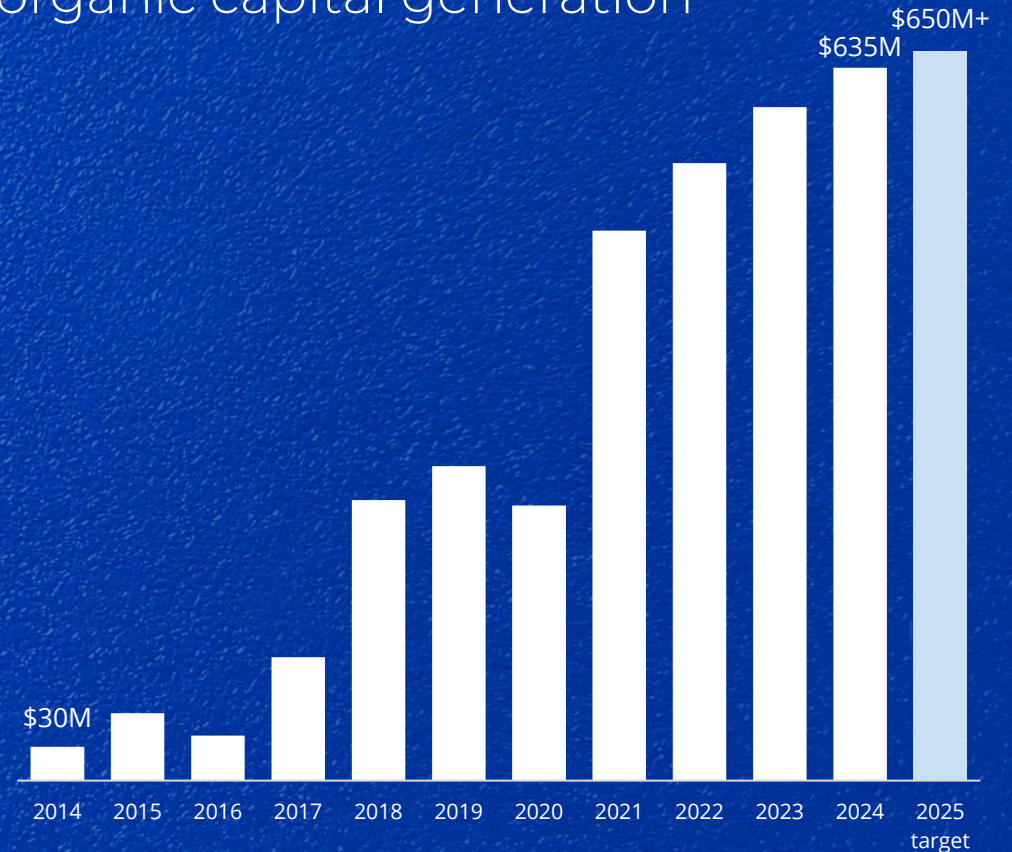
## Flexible balance sheet

- 15.0%<sup>3</sup> financial leverage ratio<sup>††</sup>
- Financial optimization potential

## High capital to deploy

- \$1.4B<sup>4</sup> of capital available for deployment<sup>5</sup>
- Capital deployment driving additional ROE expansion

Strong and ongoing  
organic capital generation





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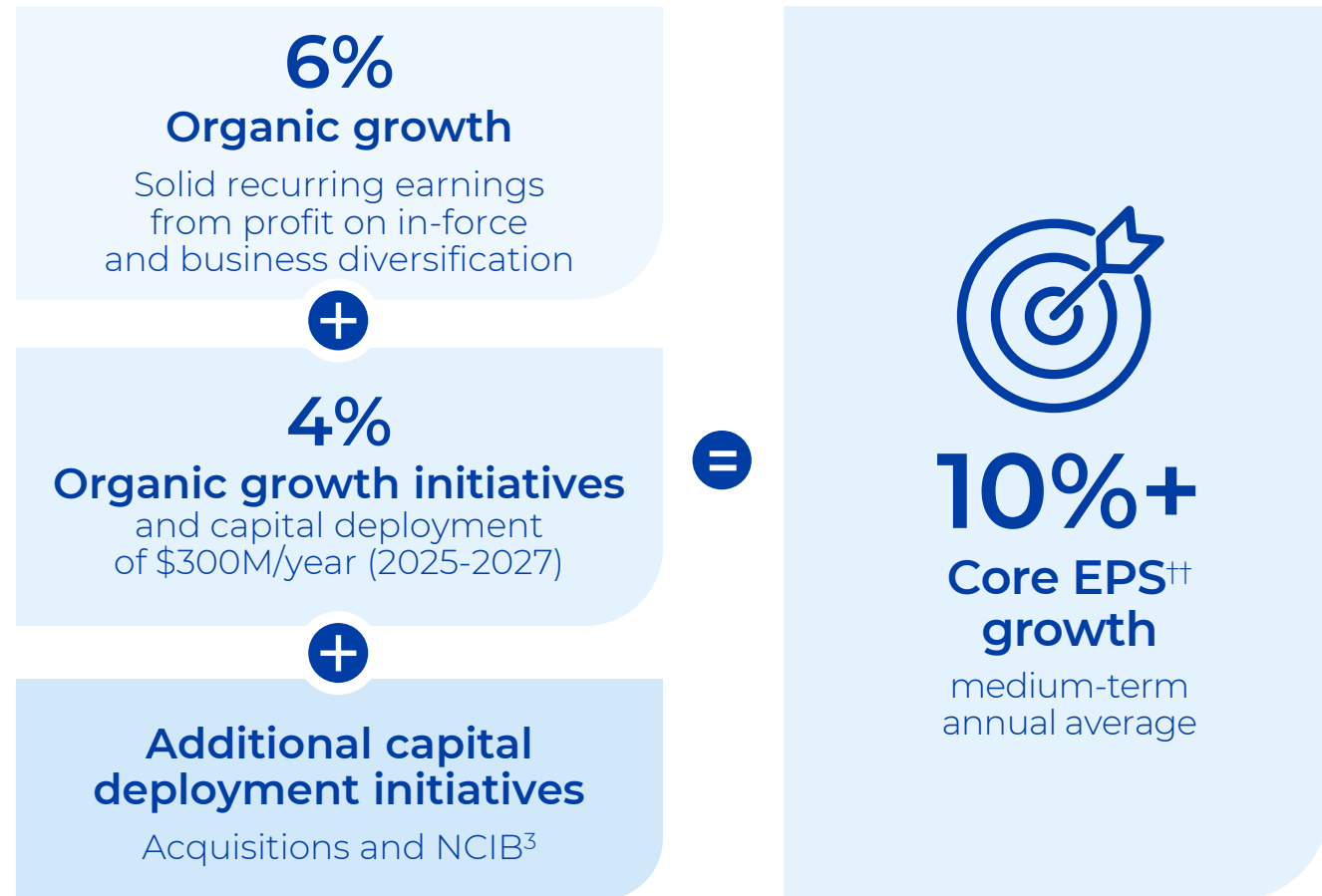
**25% to 35%**  
Core dividend payout ratio<sup>††</sup>

## Organic growth initiatives

- Distribution: Increase sales<sup>1</sup> by broadening distribution reach
- Insurance, Canada & Wealth Management: Strong sales momentum and asset growth supported by ongoing digital evolution
- US Operations: Rapid growth and enhanced profitability
- Leverage synergies for increased efficiency and growth
- Invest in digital evolution
- Grow revenues faster than expenses

# EPS growth momentum

A clear path to reach core EPS<sup>††</sup> target<sup>2</sup>



# Sound capital allocation

Fostering sustainable growth



## Organic growth

- Capital required for profitable new business



## Disciplined acquisitions



## Dividend to shareholder



## Normal course issuer bid (NCIB)

## Capital required for profitable new business

- Vast majority of 2024 sales were products with low guarantees

### Individual insurance:

84% low guarantee was 56% in 2016 and 72% in 2020

### Segregated funds:

98% low guarantee was 76% in 2016 and 94% in 2020

### Other business:

Almost all low guarantee

- Under IFRS 17, CSM and RA reduce the impact on capital of products offering high guarantees

# Business fundamentals support new target

	2024 core ROE <sup>††</sup>	New business <sup>3</sup>
Canada <sup>1</sup>	≈18%	20%+
US <sup>1</sup>	≈8%	17%+
<b>Canada + US<sup>1</sup></b>	<b>≈17%</b>	
Excess capital <sup>2</sup>	≈3.5%	
<b>2024 core ROE<sup>††</sup></b>	<b>15.9%</b>	

Core ROE<sup>††</sup>  17%+

## Current operations

Opportunity to expand ROE in Canada and even more so in the U.S.

## Total operations

Already generating a ≈17% core ROE<sup>††</sup>

## New business

Driving ROE upward organically in all business units

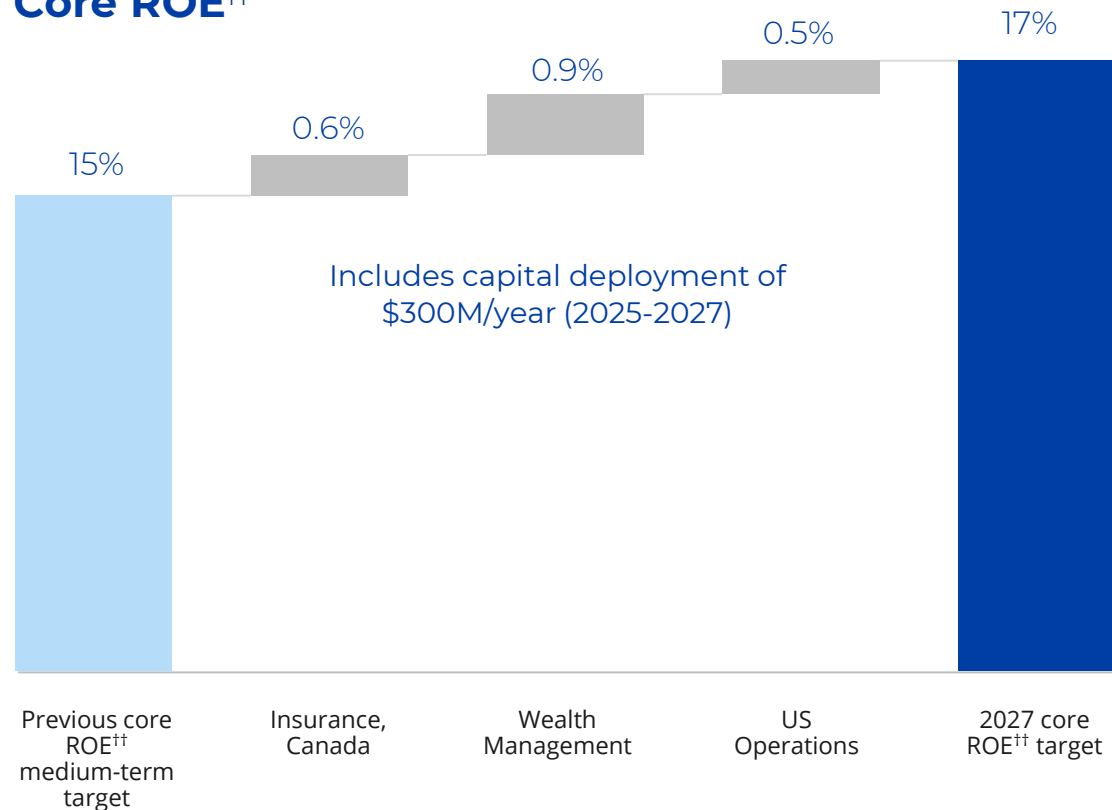
## Additional capital deployment

Expected to lead to higher consolidated ROE

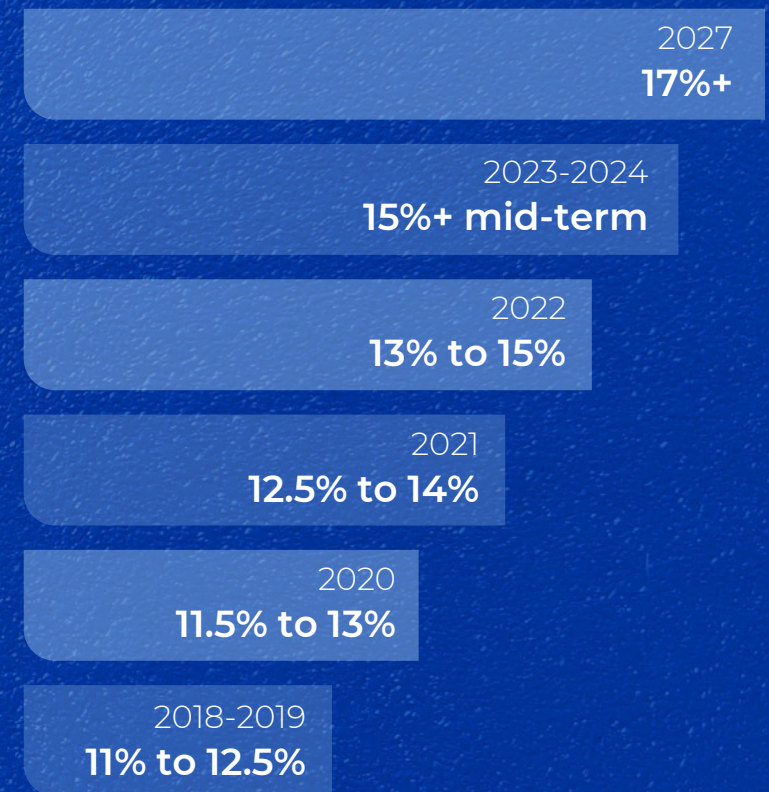
# ROE expansion momentum

A clear path to reach new core ROE<sup>††</sup> target

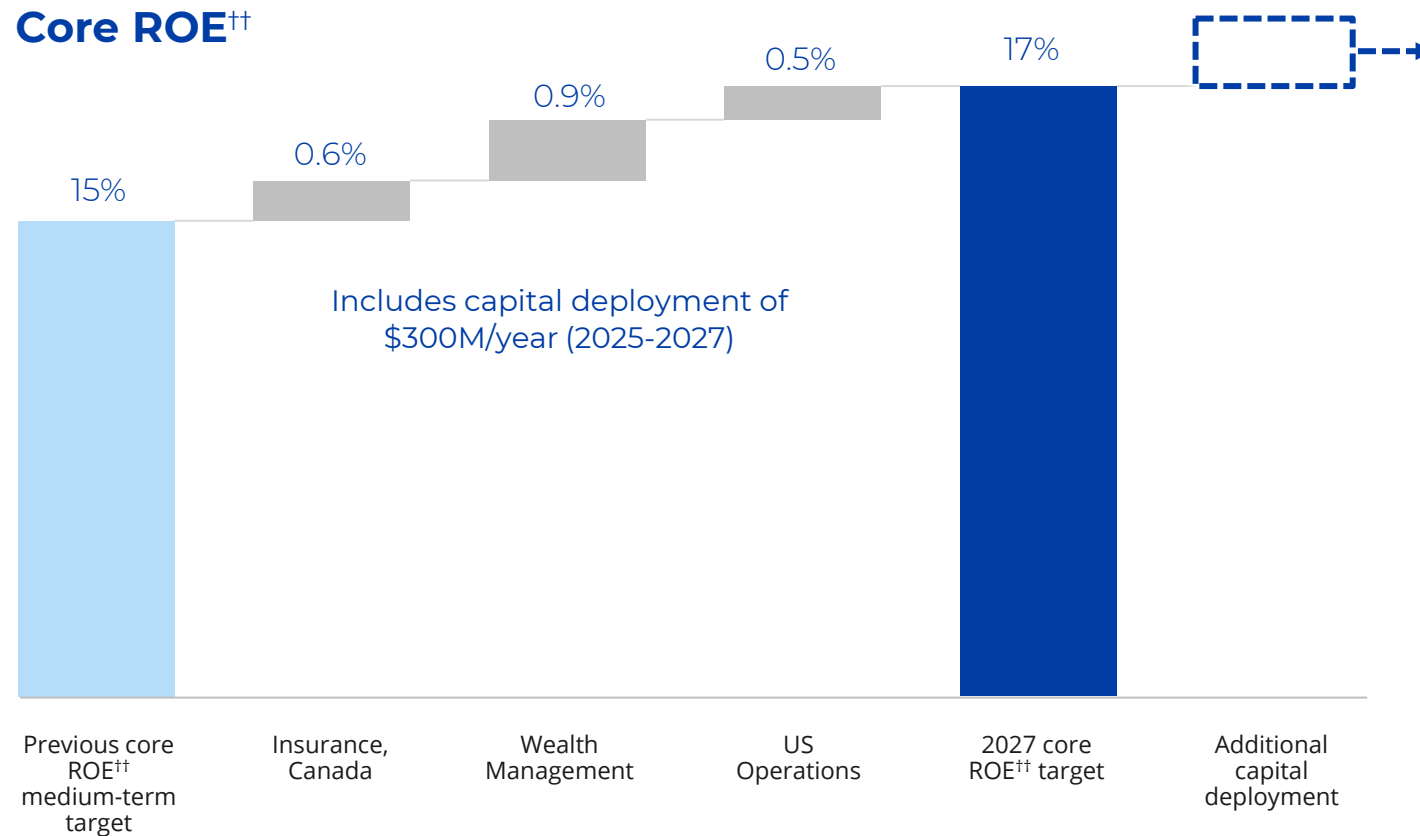
## Core ROE<sup>††</sup>



Consistently increasing core ROE<sup>††</sup> target



# Additional ≈\$2.5B of capital available for deployment could further expand ROE



## EXAMPLE<sup>1</sup>

**\$1B**

additional capital deployment

50% NCIB / 50% acquisition

Marginal contribution to ROE: 17%+

Solvency ratio ↓

Financial leverage ratio<sup>††</sup> ↑

**Core ROE<sup>††</sup> +1**  
percentage point

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# Appendix

2025 INVESTOR EVENT





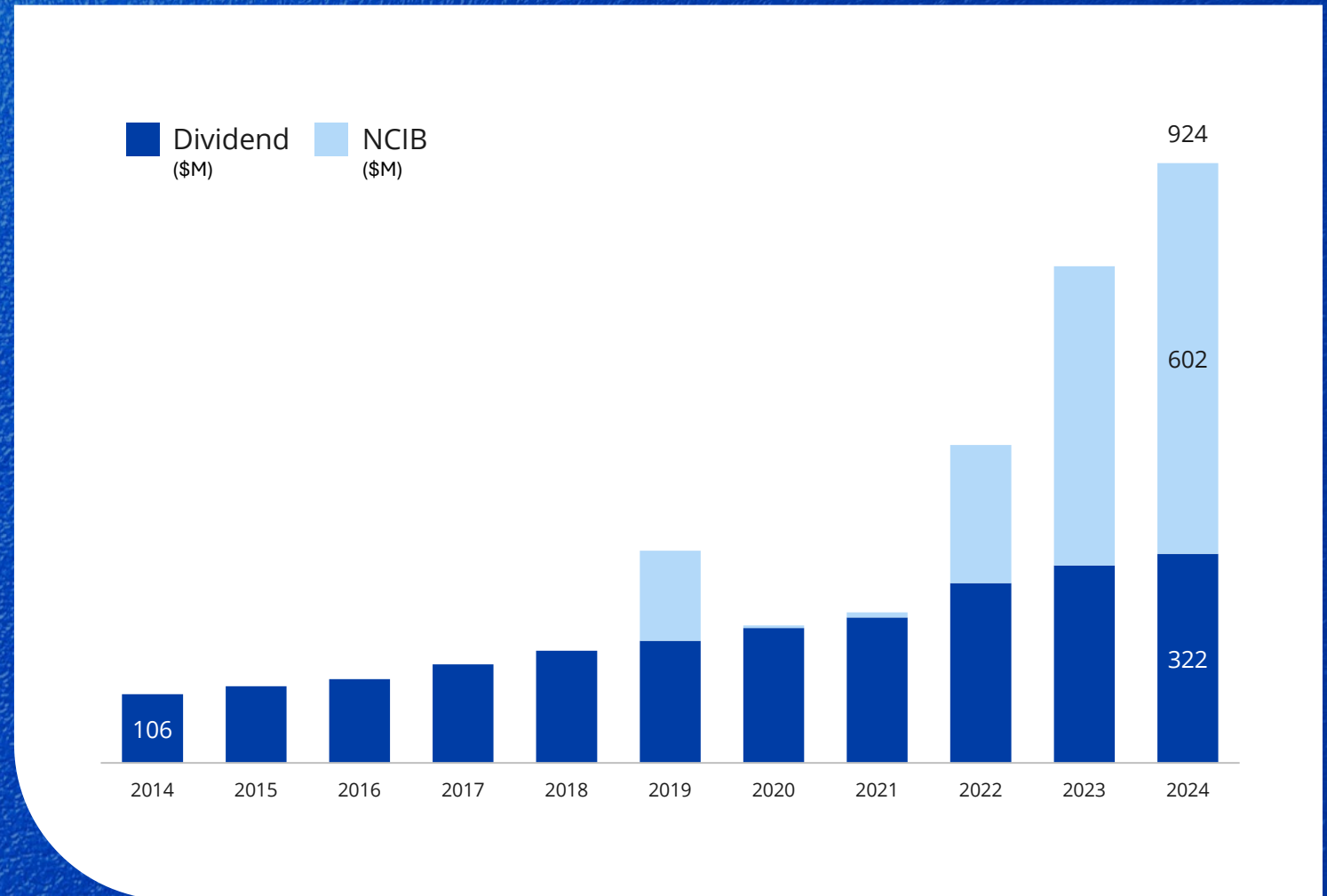
# Returning value to shareholders

## 10-year CAGR

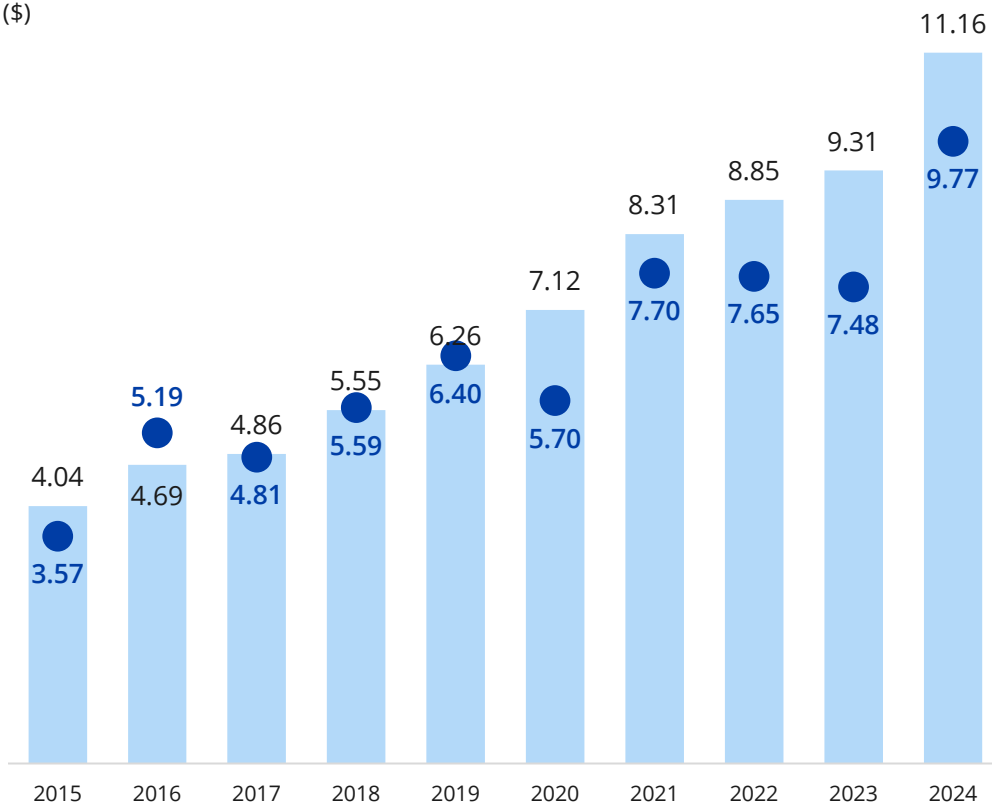
- Dividend: 11.5%
- Return to shareholders (NCIB + Dividend): 23%

## In the last 10 years

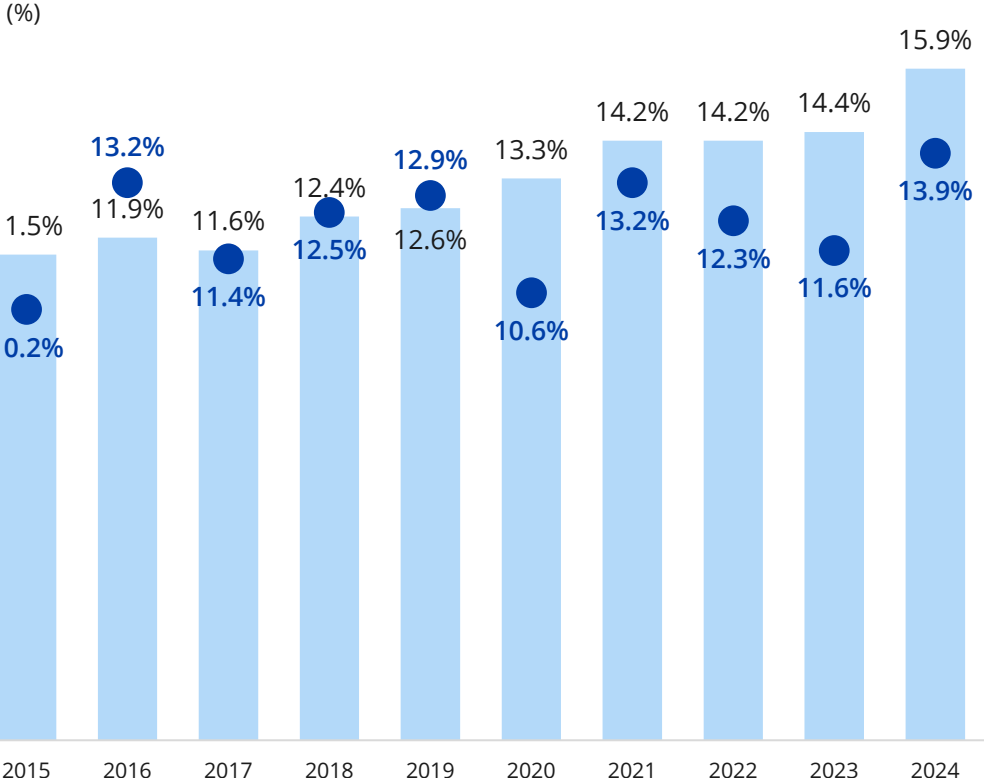
- Actively increasing share buyback program
- \$3.4B returned to shareholders in the last 10 years



### EPS



### Return on equity (ROE)



■ Core++ ● Reported

# Footnotes

## For all slides

In this presentation, items marked with the † symbol are non-IFRS financial measures and items marked with the †† symbol are non-IFRS ratios. Refer to the “Non-IFRS and Additional Financial Measures” section in this document and in the 2024 annual Management’s Discussion and Analysis for more information.

## Slide 3

- (1) Within the meaning of applicable securities laws, such market guidance constitutes “financial outlook” and “forward-looking information”. The purpose of this financial guidance is to provide a description of management’s expectations regarding iA Financial Group’s annual and medium-term financial performance and may not be appropriate for other purposes. Actual results could vary materially as a result of numerous factors, including the risk factors referenced herein. Certain material assumptions relating to market guidance provided herein and other related financial and operating targets are described in this presentation and other presentation material made available concurrently herewith. See “Forward-Looking Statements” for more information.
- (2) Organic capital generation represents a supplementary financial measure. Refer to the “Non-IFRS and Additional Financial Measures” section of this document and the 2024 annual Management’s Discussion and Analysis for more information.

## Slide 4

- (1) ROE means Return on common shareholder’s equity and is equal to the consolidated net income attributed to common shareholders divided by the average common shareholders’ equity for the period. ROE represents a supplementary financial measure. Refer to the “Non-IFRS and Additional Financial Measures” section of this document and the 2024 annual Management’s Discussion and Analysis for more information.
- (2) FVPL: Fair value through profit or loss
- (3) ALM: Asset Liability Management

## Slide 5

- (1) The results encompass the period from 2015 to 2024, with figures for 2023-2024 being presented based on IFRS 9/17, and those for 2015-2022 being reported based on IFRS 4.
- (2) Including the impact of non-core pension expenses.

## Slide 7

- (1) Corporate expenses are non-attributable expenses that are not allocated to other segments, such as expenses for certain corporate functions, and therefore represent only part of the Company’s total general operating and administrative expenses. Refer to the “Non-IFRS and Additional Financial Measures” section of this document and of the 2024 annual MD&A.
- (2) Pre-tax Corporate core other expenses were \$261 million in 2023 and \$254 million in 2024, excluding the \$18M charge for higher variable compensation.

# Footnotes (continued)

## Slide 8

This slide contains financial outlook. Refer to the "Forward-looking statements" section in appendix for more details.

- (1) The solvency ratio is calculated in accordance with the Capital Adequacy Requirements Guideline - Life and Health Insurance (CARLI) mandated by the Autorité des marchés financiers du Québec (AMF). This financial measure is exempt from certain requirements of Regulation 52-112 respecting Non-GAAP and other Financial Measures Disclosure according to the AMF blanket order No 2021-PDG-0065. Refer to the "Non-IFRS and Additional Financial Measures" section of this document and the 2024 annual Management's Discussion and Analysis for more information.
- (2) Pro forma as at December 31, 2024. The solvency ratio was 139% as at December 31, 2024, without taking into account the impact of the AMF-revised CARLI Guideline on January 1, 2025, the acquisition of Global Warranty on February 4, 2025, and the redemption of \$400 million of subordinated debentures on February 21, 2025.
- (3) Pro forma financial leverage ratio<sup>††</sup> as at December 31, 2024, taking into account the redemption of \$400 million subordinated debentures planned on February 21, 2025.
- (4) As at December 31, 2024 the capital available for deployment was \$0.7B, or \$1.4B on a pro forma basis, factoring in the impact of the AMF-revised CARLI Guideline on January 1, 2025 and the acquisition of Global Warranty on February 4, 2025.
- (5) Capital available for deployment represents a supplementary financial measure. Refer to the "Non-IFRS and Additional Financial Measures" section of this document and the 2024 annual Management's Discussion and Analysis for more information.

## Slide 9

- (1) Within the meaning of applicable securities laws, such market guidance constitutes "financial outlook" and "forward-looking information". The purpose of this financial guidance is to provide a description of management's expectations regarding iA Financial Group's annual and medium-term financial performance and may not be appropriate for other purposes. Actual results could vary materially as a result of numerous factors, including the risk factors referenced herein. Certain material assumptions relating to market guidance provided herein and other related financial and operating targets are described in this presentation and other presentation material made available concurrently herewith. See "Forward-Looking Statements" for more information.

## Slide 10

- (1) Sales represents a supplementary financial measure. Refer to the "Non-IFRS and Additional Financial Measures" section of this document and the 2024 annual Management's Discussion and Analysis for more information.
- (2) See "Forward-Looking Statements". Market guidance has been made available by iA Financial Group on the date of this presentation. The purpose of this financial guidance is to provide a description of management's expectations regarding iA Financial Group's annual and medium-term financial performance and may not be appropriate for other purposes. Actual results could vary materially as a result of numerous factors, including the risk factors referenced herein. Certain material assumptions relating to market guidance and other related financial and operating targets are described in this presentation and presentation material made available concurrently herewith.
- (3) Market guidance assumes no incremental impact from acquisitions, or from share repurchases in excess of 50% of target organic capital generated.

# Footnotes (continued)

## **Slide 12**

This slide contains financial outlook. Refer to the "Forward-looking statements" slide in appendix for more details.

- (1) Excluding excess capital.
- (2) Excess capital that raises the total ratio above the 120% target.
- (3) Management estimate of return profile for sales comprising new business relative to in force business.

## **Slide 14**

- (1) Illustrative based on profile of past transactions and NCIB.

## **Slide 15**

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# Non-IFRS and Additional Financial Measures

iA Financial Corporation (hereinafter referred to as the “Company”) reports its financial results and statements in accordance with IFRS® Accounting Standards (referred to as “IFRS” in this document). The Company also publishes certain financial measures or ratios that are not presented in accordance with IFRS. The Company uses non-IFRS and other financial measures when evaluating its results and measuring its performance. The Company believes that such measures provide additional information to better understand its financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full year results of the Company’s ongoing operations. Since such non-IFRS and other financial measures do not have standardized definitions and meaning, they may differ from similar measures used by other institutions and should not be viewed as an alternative to measures of financial performance, financial position or cash flow 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** include core earnings (losses).

**Non-IFRS ratios** include core earnings per common share (core EPS); core return on common shareholders’ equity (core ROE); dividend payout ratio, core; and financial leverage ratio.

**Supplementary financial measures** include return on common shareholder’s equity (ROE); Assets under Administration; Assets under Management; capital available for deployment; organic capital generation; Net premiums; Premium equivalents and deposits and sales.

For relevant information about non-IFRS and other financial measures, including a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measure used in this document, see the “Non-IFRS and Additional Financial Measures” section in the Management’s Discussion and Analysis (MD&A) for the period ending December 31, 2024, which is hereby incorporated by reference and is available for review on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca) or on iA Financial Group’s website at [ia.ca](https://www.ia.ca). See also slide 19 for the definition of core earnings expected to be used in the current fiscal year.

**In this presentation, items marked with the † symbol are non-IFRS financial measures and items marked with the †† symbol are non-IFRS ratios.**

# Forward-looking statements

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

Although iA Financial Group believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. In addition, certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. The dividend and distribution policy is subject to change and dividends and distributions are declared or made at the discretion of the Board of Directors.

- Material factors and risks 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 and ability to adapt products and services to market or customer changes; information technology, data protection, governance and management, including privacy breach, and information security risks, including cyber risks; level of inflation; performance and volatility of equity markets; interest rate fluctuations; hedging strategy risks; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; unexpected changes in pricing or reserving assumptions; iA Financial Group liquidity risk, including the availability of funding to meet financial liabilities at expected maturity dates; mismanagement or dependence on third-party relationships in a supply chain context; ability to attract, develop and retain key employees; risk of inappropriate design, implementation or use of complex models; fraud risk; changes in laws and regulations, including tax laws; contractual and legal disputes; actions by regulatory authorities that may affect the business or operations of iA Financial Group or its business partners; changes made to capital and liquidity guidelines; risks associated with the regional or global political and social environment; geopolitical and trade uncertainty; climate-related risks including extreme weather events or longer-term climate changes and the transition to a low-carbon economy; iA Financial Group’s ability to meet stakeholder expectations on environmental, social and governance matters; the occurrence of natural or man-made disasters, international conflicts, pandemic diseases (such as the COVID-19 pandemic) and acts of terrorism; and downgrades in the financial strength or credit ratings of iA Financial Group or its subsidiaries.
- Material factors and assumptions used in the preparation of financial outlook include, but are not limited to: accuracy of estimates, assumptions and judgments under applicable accounting policies, and no material change in accounting standards and policies applicable to the Company; no material variation in interest rates; no significant changes to the Company’s effective tax rate; no material changes in the level of the Company’s regulatory capital requirements; availability of options for deployment of excess capital; credit experience, mortality, morbidity, longevity and policyholder behaviour being in line with actuarial experience studies; investment returns being in line with the Company’s expectations and consistent with historical trends; different business growth rates per business unit; no unexpected changes in the economic, competitive, insurance, legal or regulatory environment or actions by regulatory authorities that could have a material impact on the business or operations of iA Financial Group or its business partners; no unexpected change in the number of shares outstanding; and the non-materialization of risks or other factors mentioned or discussed elsewhere in this document or found in the “Risk Management” section of the Company’s Management’s Discussion and Analysis for 2024 that could influence the Company’s performance or results.

Economic and financial instability, driven by geopolitical tensions such as the Ukraine war, Middle East conflicts and other global conflicts, as well as tensions related to China, could cause global market volatility. In addition, trade barriers, such as potential and actual tariffs by the U.S., could shift global growth and trade patterns and have a ripple effect on supply chains, potentially further disrupting markets. These events, among others, could lead to reduced consumer and investor confidence, significant financial volatility, or limited growth opportunities. Political instability in Canada and potential early elections add to the uncertainty.

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 2024, the “Management of Financial Risks Associated with Financial Instruments and Insurance Contracts” note to the audited consolidated financial statements for the year ended December 31, 2024 and elsewhere in iA Financial Group’s filings with the Canadian Securities Administrators, which are available for review at [sedarplus.ca](http://sedarplus.ca).

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

FEBRUARY 24, 2025

