

## Denis Ricard

Thank you, Caroline. Good morning, everyone. Okay. Well, I'm introducing myself, Denis Ricard, president and CEO of iA Financial Group. I've worked for iA for the last, forty years, and I've had the privilege in my career,

I've worked all my career there, I've had the privilege to have different roles. And in fact, I had to go back to my LinkedIn profile to count the number of roles that I had at iA. And, because, you know, every four to five years, I would raise my hand and say, okay, what's next? Because I want to learn more. I want to have a stretching mandate. This is part of our DNA at iA, by the way, so that you promote mobility within the organization. And so I had different roles. I am an actuary by background, but I've worked in marketing, IT, I've led businesses like the dealer business in Canada, the insurance, individual insurance and savings in Canada. And I've been the CEO since September 2018. And by the way, some of you, I mean, I started to know a lot amongst you here in, from 2004 to 2010, when I was the CFO of the company. You might recall that period, 2008. It was a challenging period, as you remember.

And so, that was a great, great learning of experience for me, at the time. And, so, by the way, the other thing that I checked in my LinkedIn was, and I didn't realize that is that the job or the role that I had the longest tenure at iA is this one. So every day, I'm kind of setting a record for myself. But by the way, be reassured, I'm not raising my hand what's next. Okay? So, today, I'm very thrilled to be with you. Real good. Because today, the theme is "the iA way." It's ready for more. And you're going to hear it through all the presentation. You're going to hear all the head of sectors talking about our growth story today. We have a great, great story. Now as most of you know, we have outperformed the market over the last twenty-five years since we demutualized.

And people are asking me sometimes, how did you do it? My simple answer is we do things differently. We're unique. This is the common thread of this day, the iA way, the way that we are different. Each of the presenter is going to talk about how different we are versus the market.

The other thing that you're going to hear about today is about our US business. We're going to spend a bit more time than in a normal, let's say, investor day, talking about the US business. Because I'm sure you want to know more about the US business. You want to hear the passion of our leaders on the US business. We have a great growth plan about the US business.

It's an area of growth for us going forward, and it's going to fuel the ROE expansion. This is very important. You're going to hear our leaders in the US talking about their growth plan and how it's going to fuel the ROE expansion. And by this time, you already know that we've increased our ROE target from 15% plus to 17% plus by 2027.

So let's talk about my presentation. I have two parts. The first part is about our performance. I'm going to show you facts, not alternative facts. I'm going to show you actual facts. And the second part of my presentation is about the iA way, our recipe of

success. So today, you're going to have some good idea of how we have performed and why we have performed so much in the past. So those are the two parts of my presentation. And at the end, I'll talk about the new guidance. We have a new guidance. We have some changes, so I'll talk about that. And how confident we are in delivering on our new guidance.

So, let me start by talking about, our, let's say, foundation. Let's talk about our purpose. Why does iA exist first? The purpose. It's for our clients to feel confident, to be confident, and secure about their future. And it's really what drives our employees on a daily basis. What makes them go the extra mile?

And it's being that it's been lived through our values. We have four values. The first one is about client centricity, offering solutions to our clients with partnership with our distributors, obviously, because we value the advice. Second is about teamwork. More and more, there are transversal initiatives in the organization because the more and more technologies taking place, we have multidisciplinary teams. So teamwork is essential for the success of the company. So it is a value at iA. The third one is learning agility. We want people that are curious. We want people that want to learn, want people to be agile.

We want people that, challenge the status quo. So that's what we call the learning organization. It's part of the DNA of iA. Being mobile also, as you'll see from all the leaders in this organization. And then, finally, to provide the best value for our clients, best value for our shareholders, we have to execute perfectly our strategy. So operational efficiency. You're going to hear about that today as well. Very important for us. So that's the foundation of iA.

Now let's talk about performance, and please pay attention to that slide. The way to look at it is really the shareholder return over a twenty-five-year period since we demutualized. So the way to look at it is if you had invested a hundred dollars in 2002, how much would it be worth today providing that dividends are being reinvested in the same vehicle? Well, if you invested in TSX, your hundred dollars would be worth \$278. Not bad, but not great, providing that you invested in equity. Right?

Well, if you had invested in lifecos, like, let's say, our peers, you know, three of them, let's say that you've invested into 3 or hundred dollars, you would get a good return. 10.9% average return year after year. That's good. That's very good. Now if you had invested a hundred dollars at iA, you would have got \$3,000. That's an annual return of almost 15% in average. That's a stellar performance. It's not only good. It's not only excellent. It's stellar performance. That's how we have performed. And that's why I'm going to talk about the iA model, the iA way today, the recipe for success. This is really the external view of iA. This is what the market thinks of iA.

Now let's look at another metric, how we did outperform as well on the book value. Book value growth is basically the, you know, the accumulation of profit over time, and I included a dividend here. And I compare iA's performance with our peers. And why do I look at such a long period? We are in a long-term business. So we have to look at it on

a long-term basis. When we look at profitability, core, reported, there's always some noise. But when you look at book value growth, it's all inclusive. And if you look at iA versus our peers, we've definitely outperformed our peers during that period. And even at the transition to IFRS 17, let's not forget that iA did not, we did not decrease the book value at the transition.

And what does that mean? It means that we did not have to reverse some of the profits that were accounted for. So when I say, and when we say that we are confident that we will increase the ROE to 17% by another 2%, I mean, it all comes from improvement in our operations.

Now what about growth of the business? So whether you look at it on the premium and deposits basis on the left side, or if you look at it on the assets' growth on the right side, you can see that's pretty much, like, 10% average growth over that period, again stellar performance. Now let's look at core EPS versus our target. So we've had targets for EPS growth over the last ten years. Ten percent plus. We've delivered on the plus, basically. Whether you look at it on a ten-year basis, five-year basis, we've delivered average 12% in EPS growth.

And when you look at the core ROE, again, versus our guidance year after year, we have delivered on our promises. We've increased the ROE year after year. Thanks to the choices we made in terms of business mix, product mix, technological development, you know, investments, acquisition. We've delivered on our ROE expansion, and now we are prepared to move it even further up to 17%. So we have definitely delivered on our promises.

And we are in a great spot because now we have \$1.4 billion of capital to deploy. We are generating from our operation \$650 million a year, from our operation. That's capital to be deployed. We are at a great spot to grow going forward. And this is going to fuel, it is going to fuel, and it is fueling the ROE expansion of iA going forward.

Now I've just spoken about the great performance that we had and then the great spot that we're in right now. What about the future? Well, I talked about the why we exist, the purpose. Now let's talk about what we want to be. What we want to be is the leading financial institution that best combines the human and the digital experience. I mean, historically, we've been great on the human touch. We value the advice of our distributors, and we partner with them. And it's been quite successful. Right? You've seen that. Today, we are enhancing it with technology. We've started that already. Since 2018, we've invested consistently and significantly in technology, and we are reaping the benefit. We have seen it live during the pandemic. It was very clear during the pandemic, and we'll continue doing that.

And how we're going to do that? How will we become that, you know, financial institutions that, is a leader in both human and digital? That's the iA way. This has been our success so far, and we are consistently, continuously improving on our business model.

So there are I mean, there are five elements here, and I'm going to quote an article from Michael Porter that he wrote thirty years ago. You might have read that article, what is strategy? And just a sentence here. The essence of strategy is choosing a unique and valuable position rooted in system of activities that are much more difficult to match. Our system of activities are centered around the five elements here.

They make us unique. And it is this is important. It is the combination of those five elements that are important. Each of these elements reinforcing the other elements. And today, in the presentation, you're going to hear the management team describe how the iA way applies into their business.

But I go through each of them just at a high level. First one is about the target markets. Where do we want to play? That's the where. And we want to play in markets where we are or can be a leader. We obviously want to take advantage of the strength that we have, the synergies in between business, and it starts with the businesses. You might have seen that that triangle in the past. It's a bit different. I mean, we've changed a bit the format here. At the basis of it all the foundation businesses.

The businesses where we are leaders, definitely. You're going to see it. And where it's a bulk of the profit of the company, by the way, or are those financial businesses. Individual insurance and wealth management in Canada, the dealer business in Canada. And on the left side, all of what we call the synergies business. Businesses that, you know, have some synergies with the foundation business that strengthen the foundation businesses.

And on the right side, we have the US business where there is an, you know, a significant area for growth for iA going forward. None of our competitors have such a well-diversified business mix. And it has made us resilient through the economic cycle in the past. Each of these businesses is poised for growth as you're going to see it today by the presenter.

And on top of that so this is a choice, you know, which business do we want to play? And then within those businesses, we try to position ourselves such that we avoid, as much as possible, direct competition against the big, you know, the other major players in the industry. That's what we try to do. For example, in the individual insurance and wealth business, we try to focus on the mass mid market. Renée will talk about that.

On the wealth management side, distribution, we're targeting the independent. Stefan will talk about that. On the US life, Joe will talk about the final expense business, a niche business where we are a leader in the US. On the group side, we're targeting the mid-size employer, a place where we can have profitable growth. And in all these businesses, we're also trying to take advantage of some trends, like demographic trends. Immigration is one of them. If you go to any sales meeting, these days in our networks in Canada, I'm telling you is the United Nations. Okay? I go there all the time, and it's really the United Nations. And in the US, we are, and Joe will talk about it, we are focusing on the Spanish market as well. That is a growing market.

So the target market is the first element of the equation of success of iA. And where does that leave us? It leaves us in a leadership position in Canada. But not going to spend too much time there because my colleagues will talk about it.

And in the US, we are on a great spot. Great spot because we see a significant growth opportunities in a market that is more fragmented than in the US. And we are leveraging, and you're going to hear that. Like, Joe is going to talk about how we leverage the great success that American Amicable had, leveraging iA's success. When we talk about synergies, that's what we're talking about.

And we already have some leadership position in the markets we are in the US, but there is still a lot of space to go. In fact, it's that's interesting because with the acquisition of Vericity, in the US now, we issue more policies per year than in Canada where we are number one. And in the dealer space, our sales are twice the level of in Canada, where we are number one. So we are in a great spot. So, that's number one.

Second, about distribution. Distribution. Three things to say here. First one is, why is distribution so important for us? Our products are being sold. You don't wake up in the morning saying, I'm going to buy a life insurance policy. So people do not know their needs. You need someone to make them understand that if something happens in their life in terms of protection, in the case of death, disability, whatever, that, you know, there's a need for protection. So that's why the advice is so important. That's why distribution is so important. That's why broadening the scope of distribution is a factor of success for us. That's the first reason. That's the first thing. And we have strong conviction about distribution. Strong conviction.

Distribution is a long-term business. Building relationship with distributors takes time, it takes time. And when you build those relationships, it lasts for a long time if you do a good job on the other elements, obviously. They all reinforce each other. Right?

And the last thing I will say about distribution is that during economic cycles that are more difficult, it provides more resilience, because human being needs to make a living. Right? So if they have to work a bit harder to get their revenue, to get their sales, they're going to work a bit harder. So it provides some kind of resilience for our business model.

So just give you some examples in the individual insurance and wealth management space where I said that our target market is the I mean, mass market, mid market. The idea is to broaden the scope. We have from the most dedicated, to the most independent type of distribution, we have built relationship over decades with those distributors. On the wealth management side, I said that our target market or the independent distribution well, guess what? We are recruiting big time those entrepreneurs that want to be in that model.

Canadian dealer. A few years ago, we broadened the scope of our distribution, and now we are doing business with the OEMs. Not only the dealers, but the OEMs. We have deals with them. So we're very much present also in the ethnic communities, as I mentioned. So you can see that being in the target markets and partnering with

distributors in those target markets, you know, this brings some synergies and it strengthens each other of the two points.

The third one is about products. Three things to say there. Because we are so close to distribution, we know I mean, we know the needs of our clients through our distributors. We are in a great position to know their needs because we're close to distribution. Again, one aspect of the iA way reinforces the other.

We also offer the full range of products in the markets that we're in. We try to offer more than one product to our client, and technology is enabler today for that. You're going to hear about that today. And the last thing I will say about products is the way we manage risk. There's, in this company, financial acumen that is very, very strong, and I've seen it through my career. We have done, like, product designs that sometimes are different from others that meet the client's needs, but that manages the risks much better, much more appropriately.

Now the, the fourth one is technology. Today, I mean, we have to talk about technology. And it's really consistent with our ambition, when I talked about human touch and technology being digital. And, you're going to hear about it today. I mean, all presenters are going to talk about technology, including AI. And we have invested significantly in technology since 2018.

And not only have we invested in our platform for advisers, for the clients, for employees as well, but we're also testing some business models. We've invested in Surex. We've invested in Vericity. Those companies have a special T in IT, in technology, special technology, digital marketing that we want to take advantage of. So that's part of this whole idea about reinforcing each of the elements here. It's a different distribution channel. And lastly, scalability. And scalability is about having the right system processes to be able to scale the business.

And the best example will be shown today by, by Joe in a US business with the Prosperity acquisition. A great job of conversion very quick under budget. Same thing can apply to the wealth management side where we are recruiting big time, advisers and, you know, and one of the reasons is the technology there. I mean, they have the all the tools that they need, and we can offer them what they need to self serve the clients. So, I'm just giving you, at high level, obviously, the devils are in the details, but at high level, I gave you the recipe of success of iA.

And the one thing that I want you to remember is that each of these components reinforces the others. In everything that we're doing, we're looking at this wheel and okay: Does that reinforce the whole iA way? So we are well positioned, going forward. And that takes decades to create. If you want to copy that, I it might sound simple here, but it's the day-to-day execution that makes the difference. And the performance that you've seen before is a testimony that this is working. This is working.

And so let me talk about now we because we are in a great spot in terms of capital deployment. It's a top priority. And the good news is that when you look, when you're

going to hear about all the presenters today, we have the means for our ambition with the capital that I mentioned before. So I keep saying to my leaders in the different businesses, there's no constraint of capital. You can grow the business organically as you want in the current context, obviously, with profitable sales. I mean, they know that. And we do that. And we invest in technology to improve our processes as well. So organic growth is really the priority in terms of growth, and we've delivered on that. And you're going to hear the great growth plan of my leaders.

Second is about acquisition. I'll talk about it in the next slide. And then we obviously increase dividends as we go as profitability increases and buying back shares, opportunistically, like we did recently. So all of these elements will fuel the ROE expansion going forward.

And in terms of acquisition, it has to fit the iA way. It has to fit the wheel that I talked about. Strategically, it has to fit. It has to be accretive, obviously, on ROE, EPS. In the businesses that we are right now. In the business we are in now. We have been very successful in doing acquisition since 2000. We've done 70 of them. We have a track record that is great. We build businesses by acquisition. Just think about the wealth management business. We are saying that we you would grow organically, but we've bought a lot of organization, and we've integrated them.

Dealer services, the same thing. So the 10% or the 12%, I should say, EPS growth core EPS growth that I've shown before has been fueled by the result of acquisition as well. So we've been there, done that. Right? We've been there, done that. We know how to do this.

And, I think also you know that in our organization, usually, when we go into certain businesses, we do it prudently. We start smaller and then go bigger. So that's what we did in all the businesses. We did wealth management, dealer services, including in the US. So the one thing to remember about acquisition, it has to reinforce one of the five elements of the iA way.

So let me talk about the key financial targets. Two of them are unchanged. The 10% average at annual average EPS growth, 10% plus, plus is important, is unchanged. The dividend payout ratio unchanged. We are increasing the organic, generation of capital from \$600M to \$650M this year, and we are increasing the ROE, from 15% plus to 17% plus by 2027. And, interestingly, Éric will go into more details, but it is important to understand because one of the questions you guys might ask me: Is this conservative or are you aggressive?

Let me say this. To achieve the 17% by improving the US business because we've had some issues recently on the US business on the dealer side, I mean, with the pandemic and all the other macroeconomic factors, but now it's improving. So by improving the US business and by continuing improving the Canadian business as we know in the iA way, we will achieve the 17%. In fact, we are very close to that right now. So we will achieve

the 17%. Forget about the plus for the moment. Just by improving in the US and improving the Canadian business as we know how to do.

To get the plus, plus, plus, it's really about deployment of capital. So for us, it's a top priority because we know, and we've done that in the past, that to get the plus on the 17%, we have to deploy capital properly in a disciplined way. We're not going to do stupid things. It's not in our DNA. But it's part of our strategy. It's part of our disciplined deployment of capital. We've been there. We've done that.

So that pretty much conclude my part. I come back at the end, and you're going to see along all the presentations, you're going to hear about the iA way. Each of these presenters will talk about the iA way. So you're going to hear about, first of all, my CFO will talk about the financial stuff. I don't know if you believe that we are conservative or not in our 17%, but maybe we'll have more from our CFO. And then we'll see the Canadian businesses.

We'll have some presenter, Pierre, Renée, and Stephan talking about the Canadian business. And I as I said, we're going to spend a bit more time on the US. So we've got the full crowd of our US Leaders here, Sean, Joe, Melissa, and John, that will talk about the US business after. Very strong individuals, a lot of competencies, a lot of experience.

And in this crowd here, I mean, we have to do some choices. Right? I mean, all my executives, they all wanted to be here, okay, and talk about their plan, and they're all very enthusiastic about their plan. But we had to make some choices. We could not have everyone here. So you'll have a chance at lunchtime or during the break to talk with my other executive that are present here. This time, it's not their turn, but maybe next time it's going to be their turn. Anyway, we try to focus on the US business today and also, obviously, on some of the cases in business where we are leader.

So with that said, I think I will leave it to, to Éric at this point. Over to you, Éric.