

iA Financial Group presents favourable impacts of IFRS 17 transition at its Investor Session **Very robust solvency ratio[†] of 154% and increased core ROE[†] target of 15%+**

Quebec City, March 28, 2023 – iA Financial Group (iA Financial Corporation Inc., the “Company” or “iA”) (TSX: IAG) will hold a virtual Investor Session today, Tuesday, March 28, 2023, from 9:00 a.m. to 11:00 a.m. (ET). During this public event, under the theme “Building on an even stronger capital position under IFRS 17,” an update will be given on the Company’s IFRS 9 and 17¹ impacts, on new opportunities created by the accounting changes and on medium-term financial objectives.

“The transition to the new accounting regime is very favourable for iA, thanks to our long-term vision and strong risk management,” commented Denis Ricard, President and Chief Executive Officer of iA Financial Group. “iA’s financial strength is now fully reflected with a solvency ratio of 154%², which translates to nearly \$2 billion² in capital available for deployment[†]. The Company is well positioned to continue its profitable growth, to seize opportunities with the discipline and prudence that have always been part of our DNA and to create value for our shareholders.”

The main objective of the virtual Investor Session is to provide information on how to assess iA's financial performance under the new accounting regime. Members of the executive team will be discussing the following subjects:

- **President and CEO Denis Ricard** will discuss capital deployment and acquisition priorities, as well as guidance and outlook.
- **Executive Vice-President and Chief Investment Officer Alain Bergeron** will provide an update on the investment strategy, including our total portfolio management approach.
- **Executive Vice-President, Chief Financial Officer and Chief Actuary Jacques Potvin** will be talking about IFRS 17 impacts and strategic positioning as well as disclosure under IFRS 17 and 2023 expected core earnings.

More specifically, key takeaways to be discussed include:

- iA’s unchanged business model as the Company continues to be managed with a prudent approach, a long-term vision and a focus on capital;
- A better recognition of iA’s financial strength under the new regime with a solvency ratio of 154%² as at December 31, 2022. In addition to being 28 percentage points² higher than under IFRS 4³, the ratio has low sensitivities for macroeconomic variations;
- The availability of close to \$2 billion² in capital for deployment providing a solid base for strong growth and ROE expansion; and
- The new accounting regime facilitating global management of our investment portfolio, which provides an opportunity for better optimisation of the investment strategy, with favourable impacts on earnings and on capital.

¹ Adopted IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments (“IFRS 17” and “IFRS 9”, respectively, and “IFRS 9 and 17”, collectively).

² The finalization of the Consolidated Financial Statements for the year ended December 31, 2022 under IFRS 17 and IFRS 9 is in progress. Consequently, these figures are estimated and not audited and may be subject to change.

³ IFRS 4 Insurance Contracts.

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

Additional information will be provided regarding the impacts of IFRS 9 and 17 on 2022 results on a preliminary basis², further indicating a favourable transition for the Company, including:

- The impact of the IFRS 9 and 17 transition at January 1, 2022 is neutral on the Company's book value⁴ at December 31, 2022 as it is about \$6.6 billion⁵ under both regimes.
- The contractual service margin (CSM) is established at \$5.5 billion on January 1, 2022.
- The solvency ratio at December 31, 2022 increases by more than 28 percentage points to reach 154%⁵ under the new accounting regime.
- The capital available for deployment at December 31, 2022 is \$1.8 billion⁵.

The Company's 2022 results are in the process of being restated for the adoption of IFRS 17 *Insurance Contracts* and the related IFRS 9 *Financial Instruments* overlay ("the new standards"). The impact of the transition is favourable on 2022 core earnings[†] metrics as core ROE is estimated at 14.5%, core EPS[†] is estimated at \$9.04 and reported EPS is estimated at \$2.90⁵. Note that the restated 2022 results may not be fully representative of the Company's future market risk profile and future reported and core earnings profile, as the transition of the Company's invested asset portfolio for asset-liability matching purposes under the new standards was not fully completed until 2023.

Lastly, entering 2023 with a new accounting regime, iA Financial Group has decided to adopt a medium-term guidance approach, which is better aligned with the long-term vision of how the Company manages the business. When appropriate, short-term guidance could be provided. As of 2023, the guidance is⁶:

- Core earnings per common share average annual growth target of 10%+;
- Core return on common shareholders' equity (ROE) target of 15%+, an increase from a target range of 13% to 15% in 2022. This target should continue to increase as the Company deploys its capital;
- Solvency ratio operating target is set at 120%;
- Organic capital generation[†] target for 2023 is \$600+ million; and
- Dividend payout ratio[†] target range is 25% to 35% of core earnings.

The Company's main sensitivities to macroeconomic variations under IFRS 9 and 17 will be disclosed during the virtual Investor Session.

Presentation material and a video webcast ([link here](#)) will be available through the Company's website at [ia.ca](#), under *About iA / Investor Relations / Events and Presentations / 2023 Investor Event*. Note that the question and answer period following the presentation will be reserved for financial analysts. A transcript and an archived version of the webcast will be posted on the Company's website a week after the presentation.

Non-IFRS and Additional Financial Measures

iA Financial Corporation ("iA Financial Corporation" or the "Company") report its financial results and statements in accordance with International Financial Reporting Standards ("IFRS"). The Company also publishes certain financial measures or ratios that are not based on IFRS ("non-IFRS"). A financial measure is considered a non-IFRS measure for Canadian securities law purposes if it is presented other than in accordance with the generally accepted accounting principles ("GAAP") used for the Company's audited financial statements. The Company uses non-IFRS measures when evaluating its results and measuring its performance. The Company believes that non-IFRS measures provide additional information to better understand its financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full year results of the Company's ongoing operations. Since non-IFRS measures do not have standardized definitions and

⁴ Book value per common share is a financial measure calculated by dividing the common shareholders' equity by the number of common shares outstanding at the end of the period; all components of this measure are IFRS measures.

⁵ The finalization of the Consolidated Financial Statements for the year ended on December 31, 2022 under IFRS 17 and IFRS 9 is in progress. Consequently, these figures are estimated and not audited and may be subject to change.

⁶ This document contains forward-looking statements within the meaning of securities laws. See the "Forward-looking Statements" section at the end of this document for more information.

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

meaning, they may differ from the non-IFRS financial measures used by other institutions and should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. The Company strongly encourages investors to review its financial statements and other publicly filed reports in their entirety and not to rely on any single financial measure. These non-IFRS measures are often accompanied by and reconciled with IFRS financial measures. For certain non-IFRS measures, there are no directly comparable amounts under IFRS.

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

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

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

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

- Return on common shareholders’ equity (ROE):
 - *Category under Regulation 52-112:* Supplementary financial measure.
 - *Definition:* A ratio, expressed as a percentage, obtained by dividing the consolidated net income available to common shareholders by the average common shareholders’ equity for the period.
 - *Purpose:* Provides a general measure of the Company’s efficiency in using equity.
- Solvency Ratio:
 - *Category under Regulation 52-112:* In accordance with the Capital Adequacy Requirements Guideline – Insurance of Persons (CARLI) revised in January 2021 by the Autorité des marchés financiers (“AMF”), this financial measure is exempt from certain requirements of Regulation 52-112.
 - *Definition:* Calculated by dividing the sum of the available capital, the surplus allowance and the eligible deposits by the base solvency buffer.
 - *Purpose:* Provides a measure of the Company’s solvency and allows the regulatory authorities to determine if an insurance company is sufficiently capitalized in relation to the minimum set by the Company’s regulator.

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

- Potential capital deployment:
 - *Category under Regulation 52-112:* Supplementary financial measure.
 - *Definition:* Amount of capital the Company can deploy for a transaction, taking into account all limits and constraints of the regulatory capital guideline and the Company's targets, assuming the transaction parameters to be the worst-case scenario.
 - *Purpose:* Provides a measure of the Company's capacity to deploy capital for transactions.
- Core earnings (under IFRS 4):
 - *Category under Regulation 52-112:* Non-IFRS financial measures that constitute historical information.
 - *Definition:* Removes from reported earnings (loss) the impacts of the following items that create volatility in the Company's results under IFRS, or that are not representative of its underlying operating performance – each of these items is classified as a Supplementary financial measure and has no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates, nor are reconciliations available:
 - a. market-related impacts that differ from management's best estimate assumptions, which include impacts of returns on equity markets and changes in interest rates related to (i) management fees collected on assets under management or administration (MERs), (ii) universal life policies, (iii) the level of assets backing long-term liabilities, and (iv) the dynamic hedging program for segregated fund guarantees;
 - b. assumption changes and management actions;
 - c. charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs;
 - d. amortization of acquisition-related finite life intangible assets;
 - e. non-core pension expense, that represents the difference between the asset return (interest income on plan assets) calculated using the expected return on plan assets and the IFRS prescribed pension plan discount rate; and
 - f. specified items which management believes are not representative of the performance of the Company, including (i) material legal settlements and provisions, (ii) unusual income tax gains and losses, (iii) material impairment charges related to goodwill and intangible assets, and (iv) other specified unusual gains and losses.
 - *Purpose:* The core earnings definition provides a supplementary measure to understand the underlying operating business performance compared to IFRS net earnings. Also, core earnings helps in explaining results from period to period by excluding items that are simply non-representative of the business performance from period to period. In addition, core earnings, along with net income attributed to common shareholders, is used as a basis for management planning and strategic priority setting. Therefore, this measure is useful in understanding how management views the underlying operating business performance of the Company and also helps in better understanding the long-term earnings capacity and valuation of the business.
 - *Reconciliation:* "Net income attributed to common shareholders" is the most directly comparable IFRS measure disclosed in the financial statements of the Company to which the measure relates, and a reconciliation with this measure is presented in the Management's Discussion and Analysis for 2022.

Note: This core earnings definition is applicable as of January 1, 2021. However, the core results for prior periods that are presented for comparison purposes have also been calculated according to this definition. The changes to the definition of core earnings at the beginning of 2021 are consistent with the ongoing evolution of the business and help to better reflect and assess the underlying operating business performance, while maintaining consistency with the general concept of the metric and continuity with the previous definition.

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

- Core earnings (under IFRS 17):
 - *Category under Regulation 52-112:* Non-IFRS financial measures that constitute historical information.
 - *Definition:* Removes from reported earnings (loss) the impacts of the following items that create volatility in the Company's results under IFRS, or that are not representative of its underlying operating performance – each of these items is classified as a Supplementary financial measure and has no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates, nor are reconciliations available:
 - a. market-related impacts that differ from management's expectations, which include the impacts of equity and real estate markets, interest rates and exchanges rate variations on the net investment result (including impacts on investment income and on finance expenses from insurance and reinsurance contracts) and on the insurance service result (i.e., on losses and reversal of losses on onerous contracts accounted for using the variable fee approach measurement model). Management's expectations include:
 - (i) an expected long-term annual return (between 8% and 9% on average) on non-pass-through non-fixed income asset investments (public/private equity, real estate and infrastructure),
 - (ii) that interest rates (including credit spreads) that are observable on the markets at the beginning of the quarter are expected to remain unchanged during the quarter and that liability discount rates for the non-observable period will change as implied in the discount rates curve at the beginning of the quarter, and
 - (iii) that exchange rates at the beginning of the quarter are expected to remain unchanged during the quarter;
 - b. assumption changes and management actions;
 - c. charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs;
 - d. amortization of acquisition-related finite life intangible assets;
 - e. non-core pension expense, that represents the difference between the asset return (interest income on plan assets) calculated using the expected return on plan assets and the IFRS prescribed pension plan discount rate; and
 - f. specified items which management believes are not representative of the performance of the Company, including (i) material legal settlements and provisions, (ii) unusual income tax gains and losses, (iii) material impairment charges related to goodwill and intangible assets, and (iv) other specified unusual gains and losses.
 - *Purpose:* The core earnings definition provides a supplementary measure to understand the underlying operating business performance compared to IFRS net earnings. Also, core earnings helps in explaining results from period to period by excluding items that are simply non-representative of the business performance from period to period. In addition, core earnings, along with net income attributed to common shareholders, is used as a basis for management planning and strategic priority setting. Therefore, this measure is useful in understanding how management views the underlying operating business performance of the Company and also helps in better understanding the long-term earnings capacity and valuation of the business.
 - *Reconciliation:* "Net income attributed to common shareholders" is the most directly comparable IFRS measure disclosed in the financial statements of the Company to which the measure relates, and a reconciliation with this measure is presented in the Management's Discussion and Analysis for 2022.

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

- Core earnings per common share (core EPS):
 - *Category under Regulation 52-112:* Non-IFRS ratio.
 - *Definition:* Obtained by dividing the core earnings by the diluted weighted average number of common shares.
 - *Purpose:* Used to better understand the Company's capacity to generate sustainable earnings and is an additional indicator for evaluating the Company's financial performance.
 - *Reconciliation:* "Earnings per common share (EPS)" is the most directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates, and a reconciliation with this measure is presented in the Management's Discussion and Analysis for 2022, which is available at sedar.com.
- Core return on common shareholders' equity (core ROE):
 - *Category under Regulation 52-112:* Non-IFRS ratio.
 - *Definition:* A ratio, expressed as a percentage, obtained by dividing the consolidated core earnings by the average common shareholders' equity for the period.
 - *Purpose:* Provides a general measure of the Company's efficiency in using equity, based on core earnings, and an additional indicator for evaluating the Company's financial performance.
 - *Reconciliation:* There is no directly comparable IFRS financial measure that is disclosed in the financial statements of the Company to which the measure relates.
- Sensitivity measures:
 - *Category under Regulation 52-112:* Supplementary financial measures.
 - *Definition:* The impact of macroeconomic variations, such as interest rate and equity market variations, on other Company metrics, such as net income or the solvency ratio.
 - *Purpose:* Used to assess the Company's risk exposure to macroeconomic variations.
- Organic capital generation:
 - *Category under Regulation 52-112:* Supplementary financial measure.
 - *Definition:* Excess capital generated in the normal course of business, excluding the impact of the macroeconomic environment, where excess capital is the amount of capital over and above the target ratio, calculated under the CARLI guideline.
 - *Purpose:* Provides a measure of the Company's capacity to generate excess capital in the normal course of business.
- Dividend payout ratio:
 - *Category under Regulation 52-112:* Supplementary financial measure.
 - *Definition:* The percentage of net income attributed to common shareholders, on a reported basis, that is distributed to common shareholders in the form of dividends during the period.
 - *Purpose:* Indicates the percentage of the Company's reported revenues common shareholders received in the form of dividends.
 - *Reconciliation:* The dividend payout ratio is the ratio of the dividend per common share paid during the period (an IFRS measure) divided by the reported earnings per common share for the period.
- Core dividend payout ratio:
 - *Category under Regulation 52-112:* Non-IFRS ratio.
 - *Definition:* The percentage of net income attributed to common shareholders, on a core earnings basis, that is distributed to common shareholders in the form of dividends during the period.
 - *Purpose:* Indicates the percentage of the Company's core revenues common shareholders received in the form of dividends.
 - *Reconciliation:* The core dividend payout ratio is the ratio of the dividend per common share paid during the period (an IFRS measure) divided by the core earnings per common share for the period.

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Forward-looking Statements

- This document may contain statements relating to strategies used by iA Financial Group or statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “may”, “will”, “could”, “should”, “would”, “suspect”, “expect”, “anticipate”, “intend”, “plan”, “believe”, “estimate”, and “continue” (or the negative thereof), as well as words such as “objective”, “goal”, “guidance”, “outlook” and “forecast”, or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this document, forward-looking statements include, but are not limited to, information concerning possible or assumed future operating results. These statements are not historical facts; they represent only expectations, estimates and projections regarding future events and are subject to change.
- Although iA Financial Group believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. In addition, certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements.
 - Material factors and risks that could cause actual results to differ materially from expectations include, but are not limited to: insurance, market, credit, liquidity, strategic and operational risks, such as: general business and economic conditions; level of inflation; level of competition and consolidation; changes in laws and regulations, including tax laws and changes made to capital and liquidity guidelines; actions by regulatory authorities that may affect the business or operations of iA Financial Group or its business partners; risks associated with the regional or global political and social environment; risks related to climate change including the transition to a low-carbon economy and iA Financial Group’s ability to satisfy stakeholder expectations on environmental, social and governance issues; data and cyber risks; risks related to human resources; hedging strategy risks; liquidity of iA Financial Group, including the availability of financing to meet existing financial commitments on their expected maturity dates when required; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; the occurrence of natural or man-made disasters, international conflicts, pandemic diseases (such as the COVID-19 pandemic) and acts of terrorism.
 - Material factors and assumptions used in the preparation of financial outlooks include, but are not limited to: accuracy of estimates, assumptions and judgments under applicable accounting policies, and no material change in accounting standards and policies applicable to the Company; no material variation in interest rates; no significant changes to the Company’s effective tax rate; no material changes in the level of the Company’s regulatory capital requirements; availability of options for deployment of excess capital; credit experience, mortality, morbidity, longevity and policyholder behaviour being in line with actuarial experience studies; investment returns being in line with the Company’s expectations and consistent with historical trends; different business growth rates per business unit; no unexpected changes in the economic, competitive, insurance, legal or regulatory environment or actions by regulatory authorities that could have a material impact on the business or operations of iA Financial Group or its business partners; no unexpected change in the number of shares outstanding; and the non-materialization of risks or other factors mentioned or discussed elsewhere in this document or found in the “Risk Management” section of the Management’s Discussion and Analysis for 2022 that could influence the Company’s performance or results.

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

- Potential impact of geopolitical conflicts – Since February 2022, Russia’s military invasion of Ukraine and the related sanctions and economic fallout have had several impacts on global financial markets. The outlook for financial markets over the short and medium term remains highly uncertain and vulnerable, in part due to continued geopolitical tensions. The Company continues to monitor potential impacts of the conflict. These impacts could negatively affect the Company’s financial outlook, results and operations.
- Additional information about the material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the “Risk Management” section of the Management’s Discussion and Analysis for 2022, the “Management of Risks Associated with Financial Instruments” note to the audited consolidated financial statements for the year ended December 31, 2022, and elsewhere in iA Financial Group’s filings with the Canadian Securities Administrators, which are available for review at [sedar.com](https://www.sedar.com).
- The forward-looking statements in this document reflect iA Financial Group’s expectations as of the date of this document. iA Financial Group does not undertake to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

About iA Financial Group

iA Financial Group is one of the largest insurance and wealth management groups in Canada, with operations in the United States. Founded in 1892, it is an important Canadian public company and is listed on the Toronto Stock Exchange under the ticker symbols IAG (common shares) and IAF (preferred shares).

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To receive iA Financial Group news releases by email, you can sign up for our newsletter on our website at ia.ca.

iA Financial Group is a business name and trademark of iA Financial Corporation Inc. and Industrial Alliance Insurance and Financial Services Inc.

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