

Quebec City, August 6, 2024

iA Financial Group Reports Second Quarter Results

Core ROE target met through capital deployment and strong profitability supported by solid business growth

The results presented below are for iA Financial Corporation Inc. (“iA Financial Corporation” or the “Company”), the holding company that owns 100% of the common shares of Industrial Alliance Insurance and Financial Services Inc. (“iA Insurance”). The results for iA Insurance are presented in a separate section on page 8 of this document.

SECOND QUARTER HIGHLIGHTS – iA Financial Corporation

- Core EPS[†] of \$2.75, up 15% YoY, and trailing-12-month core ROE[†] of 15.0%, meeting the medium-term target of 15%+
- Strong sales momentum, reflected by solid 15% YoY increase in premiums and deposits and 12% YoY increase in assets (AUM and AUA)[†]
- Robust solvency ratio[†] of 141%, supported by strong organic capital generation of \$175M in Q2
- High level of capital deployment, including through acquisitions and \$287M in share buybacks, leading to ROE expansion
- Book value per common share reaching \$69.92 at June 30, 2024, up 9% over 12 months (excluding share buyback impact)

For the second quarter ended June 30, 2024, iA Financial Corporation (TSX: IAG) recorded core diluted earnings per common share (EPS)[†] of \$2.75, which is 15% higher than the same period in 2023. Core return on common shareholders’ equity (ROE)[†] for the trailing twelve months was 15.0%, meeting the Company’s medium-term target of 15%+. On a reported basis, which includes the impact of volatile items (primarily short-term macroeconomic variations), second quarter net income attributed to common shareholders was \$206 million, diluted EPS was \$2.12 and ROE[†] for the trailing twelve months was 11.1%. The solvency ratio[†] of 141% at June 30, 2024 is well above the Company’s operating target of 120%.

“Second quarter results were solid in every respect. Core EPS of \$2.75 is at a record level, and business growth was strong across all sectors, contributing to a 15% increase in premiums and deposits. Particularly noteworthy were sales of individual insurance and segregated funds in Canada, as well as record sales in U.S. insurance,” commented Denis Ricard, President and CEO of iA Financial Group. “Along with strong organic growth, we recently completed acquisitions in two high-growth sectors: our U.S. insurance operations and our wealth management distribution business in Canada, reflecting our disciplined execution of our strategy.”

“Profitability was strong in the second quarter with a 15% increase in core EPS. In addition to continued sales momentum, this performance was notably driven by favourable insurance experience for a third consecutive quarter,” added Éric Jobin, Executive Vice-President, CFO and Chief Actuary. “This good profitability, combined with our capital deployment initiatives, has driven an increase in core ROE, which has already met our medium-term target of 15%+ with an annualized core ROE of 15.9%. Organic capital generation was strong, reaching \$175 million in the second quarter, supporting our solid capital position and the continuity of our capital deployment initiatives.”

Earnings Highlights	Second quarter			Year-to-date at June 30		
	2024	2023	Variation	2024	2023	Variation
Net income attributed to shareholders (in millions)	\$214	\$204	5%	\$448	\$477	(6%)
Less: dividends on preferred shares issued by a subsidiary (in millions)	(\$8)	(\$8)		(\$9)	(\$11)	
Net income attributed to common shareholders (in millions)	\$206	\$196	5%	\$439	\$466	(6%)
Weighted average number of common shares (in millions, diluted)	97.1	103.5	(6%)	98.3	104.0	(5%)
Earnings per common share (diluted)	\$2.12	\$1.89	12%	\$4.47	\$4.48	—
Core earnings [†]	267	247	8%	510	464	10%
Core earnings per common share (diluted) [†]	\$2.75	\$2.39	15%	\$5.19	\$4.47	16%

Other Financial Highlights	June 30, 2024	March 31, 2024	December 31, 2023	June 30, 2023
Return on common shareholders’ equity [†]	11.1%	10.9%	11.6%	9.7%
Core return on common shareholders’ equity [†]	15.0%	14.6%	14.4%	14.5%
Solvency ratio [†]	141%	142%	145%	154%
Book value per share ¹	\$69.92	\$68.93	\$66.90	\$65.39
Assets under management and administration [†] (in billions)	\$235.4	\$229.3	\$218.9	\$210.2

¹ 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.

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

Unless otherwise indicated, the results presented in this document are in Canadian dollars and are compared with those from the corresponding period last year.

This news release presents non-IFRS measures used by the Company when evaluating its results and measuring its performance. These non-IFRS measures are not standardized financial measures and are not included in the financial statements. Some of these measures have no IFRS equivalents. For relevant information about non-IFRS measures used in this document, including information about the Company's core earnings,[†] see the "Non-IFRS and Additional Financial Measures" section in the Management's Discussion and Analysis for the period ended June 30, 2024, which is hereby incorporated by reference, and is available for review at sedarplus.ca or on iA Financial Group's website at ia.ca.

ANALYSIS OF EARNINGS

Reported and core earnings

The Company recorded core earnings[†] of \$267 million in the second quarter of 2024, which compares to \$247 million for the second quarter of 2023. Core diluted earnings per common share (EPS)[†] of \$2.75 in the second quarter is 15% higher than the same period last year. Core return on common shareholders' equity (ROE)[†] for the trailing twelve months was 15.0% at June 30, 2024, meeting the Company's medium-term target of 15%+.

On a reported basis, which includes the impact of volatile items (primarily short-term macroeconomic variations), quarterly net income attributed to common shareholders was \$206 million and compares with \$196 million in the second quarter of 2023. EPS of \$2.12 was 12% higher than the same period last year and ROE for the trailing twelve months was 11.1% at June 30, 2024.

An analysis of these results is presented in the following sections.

Earnings						
(In millions of dollars, unless otherwise indicated)	Second quarter			Year-to-date at June 30		
	2024	2023	Variation	2024	2023	Variation
Net income to common shareholders	206	196	5%	439	466	(6%)
Earnings per common share (EPS) (diluted)	\$2.12	\$1.89	12%	\$4.47	\$4.48	—
Core earnings	267	247	8%	510	464	10%
Core EPS (diluted)	\$2.75	\$2.39	15%	\$5.19	\$4.47	16%

Return on common shareholders' equity (ROE) [†]	June 30, 2024	March 31, 2024	December 31, 2023	June 30, 2023
Reported ROE (trailing twelve months)	11.1%	10.9%	11.6%	9.7%
Core ROE [†] (trailing twelve months)	15.0%	14.6%	14.4%	14.5%

Reported earnings and core earnings reconciliation

The following table presents net income to common shareholders and the adjustments, divided into six categories, that account for the difference between reported and core earnings.

Core earnings of \$267 million in the second quarter are derived from net income to common shareholders of \$206 million and a total adjustment of \$61 million from:

- the unfavourable market-related impacts that differ from management's best estimate assumptions and that total \$27 million, as the impact of favourable equity variations was more than offset by investment property value adjustments and, to a lesser extent, unfavourable interest rate and credit spread variations;
- a total of \$12 million for expenses related to the Vericity acquisition (\$6 million), the charge for the Surex minority shareholders' sell option (\$2 million) and restructuring costs (\$4 million);
- the expenses associated with acquisition-related intangible assets of \$17 million;
- the impact of non-core pension expense of \$4 million; and
- the unfavourable impact of a minor assumption change in the Investment segment (\$1 million).

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

Reported earnings and core earnings reconciliation						
(In millions of dollars, unless otherwise indicated)	Second quarter			Year-to-date at June 30		
	2024	2023	Variation	2024	2023	Variation
Net income to common shareholders	206	196	5%	439	466	(6%)
Core earnings adjustments (post tax)						
Market-related impacts	27	72		18	2	
Assumption changes and management actions	1	(43)		(4)	(43)	
Charges or proceeds related to acquisition, disposition or restructuring of a business, including acquisition, integration and restructuring costs	12	2		15	3	
Amortization of acquisition-related finite life intangible assets	17	16		34	32	
Non-core pension expense	4	4		8	4	
Other specified unusual gains and losses	—	—		—	—	
Total	61	51		71	(2)	
Core earnings	267	247	8%	510	464	10%

Core earnings by business segment

The second quarter core earnings result of \$267 million is described in the following paragraphs by business segment.

Core earnings by business segment						Year-to-date at June 30		
(In millions of dollars, unless otherwise indicated)	Q2/2024	Q1/2024	Variation	Q2/2023	Variation	2024	2023	Variation
Insurance, Canada	106	92	15%	91	16%	198	165	20%
Wealth Management	98	95	3%	76	29%	193	141	37%
US Operations	22	19	16%	26	(15%)	41	43	(5%)
Investment	91	86	6%	106	(14%)	177	214	(17%)
Corporate	(50)	(49)	2%	(52)	(4%)	(99)	(99)	—
Total	267	243	10%	247	8%	510	464	10%

Insurance, Canada – This operating business segment includes all Canadian insurance activities offering a wide range of life, health, auto and home insurance coverage, as well as vehicle warranties, to individuals and groups. Second quarter core earnings for this business segment were \$106 million, which is 16% higher than the same period in 2023. Expected insurance earnings were 5% higher than a year ago and the impact of new insurance business was \$5 million lower. Core insurance experience gains of \$11 million were recorded during the quarter as a result of: 1) continuing favourable mortality experience in individual and group insurance; 2) a solid result again at iA Auto and Home due to lower auto and home protection claims and the favourable impact of premium increases implemented in 2023; and 3) all other main experience results being near expectations. Core non-insurance activities of \$12 million were higher than \$9 million in the same period of 2023, mainly due to a higher result from Dealer Services.

Wealth Management – This operating business segment includes all the Company's wealth management activities offering a wide range of savings and retirement solutions to individuals and groups. In this business segment, core earnings of \$98 million for the second quarter were much higher than \$76 million a year earlier. This solid performance is the result of a 25% year-over-year increase in the core insurance service result for segregated funds and a 29% increase in core non-insurance activities. Also, good financial market performance continues to have a positive impact on the segment's profitability. The higher segregated funds result is due to the increase in the CSM recognized for services provided, strong net sales over the last 12 months and insurance experience that was as expected. As for non-insurance activities, a solid performance once again was recorded from the distribution affiliates, arising mainly from higher net commissions and better margins.

US Operations – This operating business segment includes all the Company's U.S. activities offering individuals a range of life insurance and vehicle warranty products. Second quarter core earnings for this business segment were \$22 million, which compares to \$26 million for the same period in 2023 and \$19 million the previous quarter. The impact of new insurance business was higher than a year ago as a result of higher sales and more onerous contracts. Insurance experience losses were recorded this quarter due to unfavourable insurance lapses and higher claims than expected in Dealer Services. Core non-insurance activities of \$22 million in the second quarter compares with \$23 million in the second quarter of 2023 and with \$17 million in the first quarter. Lastly, core other expenses were lower than the previous quarter and also lower than the same period in 2023.

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

Investment – This accounting segment includes the Company’s investment and financing activities, except for the investment activities of the wealth distribution affiliates. In this business segment, core earnings of \$91 million for the second quarter compare to \$86 million the previous quarter and \$106 million a year earlier. Expected investment earnings of \$113 million were higher than the previous quarter, mainly as a result of interest rate increases during the first quarter of 2024. Recall that expected investment earnings for a given quarter are dependent on the yield curve at the beginning of the quarter. Credit experience was unfavourable during the quarter due to an increased provision for credit loss at iA Auto Finance and, to a lesser extent, more downgrades than upgrades in the fixed income portfolio. Finally, core other expenses of \$14 million for the segment were at the same level as the previous quarter.

Corporate – This accounting segment reports all expenses that are not allocated to other segments, such as expenses for certain corporate functions. These expenses include, among other things, investments in the digital transformation, M&A prospecting activities, digital data and security projects, and regulatory compliance projects. During the second quarter of 2024, this segment recorded after-tax expenses of \$50 million, which compares with \$52 million in the second quarter of 2023. This quarter’s result is derived from core other expenses before taxes of \$64 million, which is in line with the 2024 quarterly expectation of \$65 million plus or minus \$5 million and compares with \$66 million the previous quarter. The favorable outcome for corporate expenses since the beginning of 2024 is the result of a strong emphasis on operational efficiency, a cost-conscious execution and a disciplined approach to project and workforce management.

CSM (contractual service margin) – During the second quarter, the CSM increased organically by \$108 million due to the positive impact of new insurance business of \$167 million, the organic financial growth of \$76 million and an insurance experience gain of \$35 million. These favourable items were partly offset by the CSM recognized in earnings of \$170 million, which was 11% higher than a year ago. Non-organic items led to an increase of \$204 million during the second quarter, mainly due to the positive impacts of macroeconomic variations and the Vericity acquisition. As a result, the total CSM increased by \$312 million during the quarter to stand at \$6,471 million at June 30, 2024, an increase of 13% over the last twelve months.

An analysis of results according to the financial statements and additional analysis are presented in the Management’s Discussion and Analysis as at June 30, 2024. They supplement the information presented above by providing additional indicators for assessing financial performance.

Business growth – Sales[†] momentum continued to be strong in both Canada and the U.S. in the second quarter, with virtually all business units recording good sales growth. In particular, solid sales were posted by Individual Insurance Canada, segregated fund inflows were strong and individual insurance sales reached record levels in the U.S. In this context, premiums[†] and deposits were propelled to nearly \$4.9 billion, up 15% compared to the same period last year, and total assets under management and administration[†] increased by 12% over twelve months, amounting to \$235.4 billion.

INSURANCE, CANADA

- In *Individual Insurance*, second quarter sales[†] totalled \$98 million, 10% higher than the same period last year. This solid result reflects the strength of all our distribution networks, the excellent performance of our digital tools as well as our comprehensive and distinctive range of products. Sales were particularly strong for participating insurance and living benefit products, and the Company maintained the leading position in the Canadian market for the number of policies issued.²
- In *Group Insurance*, second quarter sales[†] of \$25 million in Employee Plans were significantly higher than the \$13 million recorded during the same quarter last year, reflecting our success in generating sales amid a high volume of quotes. Premiums³ increased by 8% year over year, benefiting from sales and good retention of in-force business. Special Markets sales[†] were up 16% year over year, reaching \$100 million, driven particularly by strong sales growth in travel insurance products.
- For *Dealer Services*, total sales[†] ended the second quarter at \$194 million, 2% higher than the same period in 2023. Sales were tempered by the macroeconomic environment that continued to impact vehicle affordability and by the temporary outage at CDK Global, a dealership software provider, which occurred from June 19 to July 4.
- At *iA Auto and Home*, direct written premiums[†] reached \$188 million in the second quarter. The solid 15% increase compared to the same period last year is supported by good retention of in-force business, strong new sales and the impact of premium increases implemented in 2023.

² According to the latest Canadian data published by LIMRA.

³ Net premiums, premium equivalents and deposits.

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

WEALTH MANAGEMENT

- In *Individual Wealth Management*, gross sales[†] of segregated funds amounted to nearly \$1.3 billion for the second quarter, an increase of 53% year over year, and net sales[†] were strong at \$608 million. The Company continued to rank first in gross and net segregated fund sales.⁴ This robust performance was driven by the strength of our distribution networks. Also favourable was the performance of financial markets, which continued to increase client optimism towards asset classes with higher return potential compared to guaranteed investments. Despite continuing industry-wide challenges, mutual fund gross sales[†] totalled \$468 million for the quarter, up 26% year over year, while net outflows were \$194 million. Insured annuities and other savings products generated elevated sales[†] of \$541 million in the second quarter, a good performance that compares to a very strong quarter a year earlier.
- *Group Savings and Retirement* sales[†] for the second quarter totalled \$858 million and were up 6% year over year. This good result was mainly driven by strong sales of accumulation products.

US OPERATIONS

- In *Individual Insurance*, record sales[†] of US\$49 million in the second quarter were up 14% from a year earlier, driven by the good results in all markets, in particular the final expense and government/worksite markets. This solid result, along with the Company's recent acquisition of Vericity and the announced acquisition of two existing insurance blocks of business from Prosperity Life Group, confirms our strong growth potential in the U.S. life insurance market.
- In *Dealer Services*, second quarter sales[†] of US\$279 million were up 13% over the same period last year, a good result as dealers' emphasis on supplementary products sold with vehicles (F&I products) continued amid rising vehicle inventories and declining profit margins from vehicle sales. Sales growth was tempered by ongoing reduced consumer affordability, and by the temporary outage at CDK Global, a dealership software provider, which occurred from June 19 to July 4.

ASSETS UNDER MANAGEMENT AND ADMINISTRATION

Assets under management and administration[†] ended the second quarter at \$235.4 billion, up 12% over the last 12 months and up 3% during the quarter, mainly driven by favourable market conditions and very strong net fund inflows, in particular from segregated funds.

NET PREMIUMS, PREMIUM EQUIVALENTS AND DEPOSITS

Net premiums, premium equivalents and deposits[†] totalled nearly \$4.9 billion in the second quarter, recording a solid increase of 15% over the same period last year. All business units contributed to this strong performance, in particular Individual Wealth Management.

FINANCIAL POSITION

The Company's solvency ratio[†] was 141% at June 30, 2024, compared with 142% at the end of the previous quarter and 154% a year earlier. This result is well above the Company's operating target of 120%. The one percentage point decrease during the second quarter is the result of various factors. These include the favourable impact of the \$350 million LRCN issuance outlined below in this section, as well as the strong organic capital generation.[†] These impacts were more than offset by the high level of capital deployment through share buybacks (NCIB), the acquisition of Vericity completed on June 28, 2024 and, to a lesser extent, IT investments. Subsequent to the second quarter, the Company announced the acquisition of two blocks of business from Prosperity Life Group on July 15, 2024, and on July 29, 2024, Industrial Alliance Insurance and Financial Services Inc. ("iA Insurance") completed the redemption of its Non-Cumulative Class A Preferred Shares Series B. These actions should reduce the Company's solvency ratio by one percentage point each. Therefore, on a pro-forma basis at June 30, 2024, the solvency ratio was 139%. The Company's financial leverage ratio[†] at June 30, 2024 was 16.4%.⁵

Organic capital generation and capital available for deployment[†] – The Company organically generated \$175 million in additional capital during the second quarter. After six months, \$305 million has been generated and this result is in line with projections to exceed the minimum annual target of \$600 million in 2024. At June 30, 2024, the capital available for deployment was assessed at \$1.1 billion.

Book value – In a context where the Company has deployed a high level of capital, the book value per common share⁶ was \$69.92 at June 30, 2024, up 1% during the quarter and 7% year over year. Excluding the impact of the NCIB, the increase over the last twelve months exceeds 9%.

⁴ Source: Investor Economics, May 2024.

⁵ Calculated by dividing the sum of debentures, preferred shares issued by a subsidiary and other equity instruments by the sum of capital structure and post-tax CSM.

⁶ 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.

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

Normal Course Issuer Bid – In the second quarter of 2024, the Company redeemed and cancelled 3,326,112 outstanding common shares for a total value of \$287 million under the NCIB program. Also, the Company increased the maximum number of shares that can be repurchased under its share buyback program from 5% to 8%. A total of 5,625,104 shares, or approximately 5.6% of the issued and outstanding common shares as at October 31, 2023, were redeemed under the current program between November 14, 2023 and June 30, 2024.

Dividend – The Company paid a quarterly dividend of \$0.8200 to common shareholders in the second quarter of 2024. The Board of Directors approved a quarterly dividend of \$0.8200 per share for the third quarter of 2024. This dividend is payable on September 16, 2024 to the shareholders of record at August 23, 2024.

Dividend Reinvestment and Share Purchase Plan – Registered shareholders wishing to enrol in iA Financial Corporation’s Dividend Reinvestment and Share Purchase Plan (DRIP) so as to be eligible to reinvest the next dividend payable on September 16, 2024 must ensure that the duly completed form is delivered to Computershare no later than 4:00 p.m. on August 16, 2024. Enrolment information is provided on iA Financial Group’s website at <http://ia.ca/investorrelations>, under the *Dividends* section. Common shares issued under iA Financial Corporation’s DRIP will be purchased on the secondary market and no discount will be applicable.

Acquisition of Vericity Inc. – On June 28, 2024, iA Financial Corporation Inc. completed the acquisition of Vericity, Inc. Vericity is composed of two entities servicing the middle-market life insurance space: Fidelity Life, an insurance carrier, and eFinancial, a direct-to-consumer digital agency. Together, the two entities leverage synergies and deliver innovative, proprietary technology powered by artificial intelligence and rich data analytics and diversify iA’s already strong distribution capabilities by providing access to a digital platform and direct access to consumers.

Acquisition of assets of Laurentian Bank Securities’ retail full-service investment broker division – On April 4, 2024, iA Financial Group’s subsidiary, iA Private Wealth (iAPW), agreed to acquire the retail full-service investment broker division of Laurentian Bank Securities Inc., which represents over \$2 billion in assets. The transaction closed effective August 2, 2024, and has no material impact on the Company’s solvency ratio.

Global Minimum Tax Act (Pillar II) – As announced in the 2023 federal budget, Bill C-69 came into effect on June 20, 2024 and enacts the Global Minimum Tax Act, which aims to ensure that large multinational corporations pay an effective tax rate of at least 15% on their profits per jurisdiction in which they do business. The recurring impact of this new regulation is expected to be immaterial.

Capital issuance – On June 25, 2024, iA Financial Corporation Inc. completed the offering of a \$350 million aggregate principal amount of 6.921% Limited Recourse Capital Notes Series 2024-1 (Subordinated Indebtedness) due September 30, 2084. Among other things, this issuance was made in replacement of the Non-Cumulative Class A Preferred Shares Series B mentioned below in the “Subsequent to the second quarter” section.

Launch of Symbiosis program – On June 17, 2024, iA Financial Group launched Symbiosis, an enhanced solution that allows plan sponsors to combine their group insurance and group retirement savings plans and benefit from a complete, streamlined experience.

Annual Shareholder Meeting – The Annual Shareholder Meeting of iA Financial Corporation was held on May 9, 2024. All fifteen directors nominated for election were elected by the shareholders.

Changes to the Executive Committee – On May 9, 2024, iA Financial Group announced changes to its Executive Committee. Please refer to the May 9, 2024 news release for more information.

iA Financial Group named one of Canada’s 50 Best Corporate Citizens – On June 26, 2024, iA Financial Group was named one of Canada’s 50 Best Corporate Citizens by Corporate Knights, standing out for its initiatives in the fight against climate change and for its sound and solid corporate governance.

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

Subsequent to the second quarter:

- **Strategic partnership with Clutch** – On July 5, 2024, iA Financial Group announced a strategic investment in Toronto-based business Clutch Technologies Inc., which is one of Canada’s largest retailers in online sales of pre-owned vehicles. This investment enables the Company’s Dealer Services business unit in Canada to add online sales as a new product distribution channel to its current extensive network.
- **Acquisition of two blocks of business from Prosperity Life Group** – On July 15, 2024, iA Financial Group announced the acquisition of two blocks of business from Prosperity Life Group, amounting to over 115,000 policies and US\$100 million in annual premiums. The transaction will further increase iA’s growth momentum and expand its presence in the United States. It is expected to close in the third quarter and to be accretive from the first year, on both a core and reported basis. The impact on the Company’s solvency ratio will be around a one percentage point decrease.
- **Preferred share redemption** – On July 29, 2024, iA Insurance completed the redemption of its 5,000,000 outstanding Non-Cumulative Class A Preferred Shares Series B. The redemption price per share was \$25.00 plus an amount of \$0.090625 equal to the cash dividend in respect of the third quarter, pro rated to the redemption date, for a total of \$25.090625. Following the redemption, iA Insurance will file an application for an order under the securities legislation that iA Insurance will cease to be a reporting issuer. Once the order is granted, iA Insurance will no longer be subject to continuous disclosure requirements under securities legislation, including the requirement to file its financial statements.

OUTLOOK

Medium-term guidance for iA Financial Corporation

- Core earnings per common share: target of 10%+ annual average growth
- Core return on common shareholders’ equity (ROE): target of 15%+
- Solvency ratio operating target: target of 120%
- Organic capital generation: target of \$600+ million in 2024
- Dividend payout ratio based on core earnings: target range of 25% to 35%

The Company’s outlook, including the market guidance provided, constitutes forward-looking information within the meaning of securities laws. Although the Company believes that its outlook is reasonable, such statements involve risks and uncertainties and undue reliance should not be placed on such statements. Factors that could cause actual results to differ materially from expectations include, but are not limited to: insurance, market, credit, liquidity, strategic, operational and regulatory risks. In addition, certain material factors or assumptions are applied in preparing the Company’s outlook, including but 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. The Company’s outlook serves to provide shareholders, market analysts, investors, and other stakeholders with a basis for adjusting their expectations with regard to the Company’s performance throughout the year and may not be appropriate for other purposes. Additional information about risk factors and assumptions applied may be found in the “Forward-looking Statements” section of this document.

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

SECOND QUARTER HIGHLIGHTS – iA Insurance

Profitability – In the second quarter of 2024, iA Insurance recorded net income attributed to its sole common shareholder, iA Financial Corporation, of \$233 million, compared to \$227 million in the second quarter of 2023. An analysis of results according to the financial statements and additional analysis are presented in the Management’s Discussion and Analysis as at June 30, 2024.

Financial position – The solvency ratio of iA Insurance was 133% at June 30, 2024, compared with 138% at the end of the previous quarter and 146% a year earlier. The decrease of five percentage points in the second quarter is mainly due to a dividend payment to iA Financial Corporation, the Company’s sole common shareholder, the acquisition of Vericity Inc. and, to a lesser extent, the unfavourable impacts of macroeconomic variations. These items were partly offset by the positive contribution of organic capital generation.

Dividend – In the second quarter of 2024, iA Insurance paid a dividend of \$300 million to its sole common shareholder, iA Financial Corporation. For the third quarter of 2024, no dividend was approved by the Board of Directors of iA Insurance to iA Financial Corporation. As a result, no dividend should be paid by iA Insurance to iA Financial Corporation during the third quarter of 2024.

iA Insurance						
Earnings Highlights	Second quarter			Year-to-date at June 30		
	2024	2023	Variation	2024	2023	Variation
(In millions of dollars, unless otherwise indicated)						
Net income attributed to shareholders	235	229	3%	496	505	(2%)
Less: dividends on preferred shares	(2)	(2)		(3)	(5)	
Net income attributed to common shareholder	233	227	3%	493	500	(1%)

Other Financial Highlights				
(In millions of dollars, unless otherwise indicated)	June 30, 2024	March 31, 2024	December 31, 2023	June 30, 2023
Total capital [†]	6,311	6,362	6,190	6,500
Solvency ratio [†]	133%	138%	139%	146%

Acquisition of assets of Laurentian Bank Securities’ retail full-service investment broker division – On April 4, 2024, the Company’s subsidiary, iA Private Wealth (iAPW), agreed to acquire the retail full-service investment broker division of Laurentian Bank Securities Inc., which represents over \$2 billion in assets. The transaction closed effective August 2, 2024, and has no material impact on the Company’s solvency ratio.

Annual Shareholder Meeting – The Annual Shareholder Meeting of iA Insurance was held on May 9, 2024. All thirteen directors nominated for election were elected. Five were elected by the participating policyholders and eight were elected by iA Financial Corporation Inc.

Changes to the Executive Committee – On May 9, 2024, iA Financial Group announced changes to its Executive Committee. Please refer to the May 9, 2024 news release for more information.

Subsequent to the second quarter:

- **Preferred share redemption** – On July 29, 2024, iA Insurance completed the redemption of its 5,000,000 outstanding Non-Cumulative Class A Preferred Shares Series B. The redemption price per share was \$25.00 plus an amount of \$0.090625 equal to the cash dividend in respect of the third quarter, pro rated to the redemption date, for a total of \$25.090625 per Series B Preferred Share. iA Insurance will subsequently file an application for an order under the securities legislation that iA Insurance will cease to be a reporting issuer. Once the order is granted, iA Insurance will no longer be subject to continuous disclosure requirements under securities legislation, including the requirement to file its financial statements.

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

GENERAL INFORMATION

Non-IFRS and Additional Financial Measures

iA Financial Corporation and iA Insurance report their financial results and statements in accordance with International Financial Reporting Standards (“IFRS”). They also publish 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 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. This document presents non-IFRS measures used by the Company when evaluating its results and measuring its performance.

For relevant information about non-IFRS measures used in this document, see the “Non-IFRS and Additional Financial Measures” section in the Management’s Discussion and Analysis for the period ended June 30, 2024, which is hereby incorporated by reference and is available for review at [sedarplus.ca](https://www.sedarplus.ca) or on iA Financial Group’s website at [ia.ca](https://www.ia.ca).

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: 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; the occurrence of natural or man-made disasters, international conflicts, pandemic diseases (such as the COVID-19 pandemic) and acts of terrorism; iA Financial Group liquidity risk, including the availability of funding to meet financial liabilities as they come due; 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; 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 satisfy stakeholder expectations on environmental, social and governance issues; and downgrades in the financial strength or credit ratings of iA Financial Corporation or its subsidiaries.
- 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 Company’s Management’s Discussion and Analysis for 2023 that could influence the Company’s performance or results.

Economic and financial uncertainty in a context of geopolitical tensions – Unfavourable economic conditions and financial instability are causing some concern, with persistent inflation, further deterioration in the credit market due to a high-rate environment, rising defaults and declining realizable value, and higher unemployment. The war in Ukraine, the Israel-Hamas conflict spreading to other regions, and the strategic competition between the United States and China are also causing instability in global markets. In addition, 2024 is a record year for elections in 50 countries, including the United States. These events, among others, could lead to reduced consumer and investor confidence, significant financial volatility and more limited growth opportunities, potentially affecting 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 2023, the “Management of Risks Associated with Financial Instruments” note to the audited consolidated financial statements for the year ended December 31, 2023 and elsewhere in iA Financial Group’s filings with the Canadian Securities Administrators, which are available for review at 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.

Documents Related to the Financial Results

For a detailed discussion of iA Financial Corporation’s and iA Insurance’s second quarter results, investors are invited to consult the Management’s Discussion and Analysis for the quarter ended June 30, 2024, the related financial statements and accompanying notes and the Financial Information Package for each company, all of which are available on the iA Financial Group website at ia.ca under *About iA*, in the *Investor Relations/Financial Reports* section and on SEDAR+ at sedarplus.ca.

Conference Call

Management will hold a conference call to present iA Financial Group’s second quarter results on Wednesday, August 7, 2024 at 11:00 a.m. (ET). To listen to the conference call, choose one of the options below:

- **Live Webcast:** Click [here \(https://app.webinar.net/aNRLPpEn9YE\)](https://app.webinar.net/aNRLPpEn9YE) or go to the iA Financial Group website, at ia.ca under *About iA*, in the *Investor Relations* section under the *Events and Presentations* tab.
- **By phone:** Click [here \(https://empportal.ink/3wZppU8\)](https://empportal.ink/3wZppU8) and enter your phone number to receive a phone call that will instantly connect you to the conference call. You can also dial 416-764-8651 or 1-888-390-0620 (toll-free in North America) fifteen minutes before the conference call is scheduled to take place and an operator will connect you.

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 symbol IAG (common shares).

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