

# First Quarter 2020 Conference Call

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May 7, 2020



**Responsible  
Choices**





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# In a nutshell



## PRIORITIES

Focus on health and safety of employees and advisors  
Provide support to clients and communities



## AGILITY

Fully operational very quickly, a real success story  
High-performance distance selling tools for advisors



## EARNINGS

Q1: Reported earnings affected by pandemic and macro  
2020: Guidance withdrawn due to pandemic uncertainty



## SALES

2020 sales were very strong before the pandemic  
Strategy remains intact despite temporary slowdown



## BALANCE SHEET

Strong and conservative on asset and liability sides  
Above-target solvency ratio and adequate liquidity



## OPPORTUNITY

Occasions occur during and after a crisis  
Focused on being ready and acting wisely



# Q1/2020 highlights – Reported EPS impacted by pandemic

## Core EPS up 10% YoY – Strong business growth – Stable capital position



### Profit

- Reported EPS of \$0.36 and trailing-12-month ROE of 10.7%
- Core EPS of \$1.41, up 10% YoY and compares to guidance of \$1.40-\$1.55 (see slide 10)
- \$1.12 negative impact from pandemic and macroeconomic variations during Q1 (see slide 8)
- Main items: Macro variations (-80¢ EPS), PPI goodwill impairment (-22¢ EPS) and iAAH (+11¢ EPS)



### Growth

- Premiums and deposits of \$3.5 billion (+19% YoY) and AUM/AUA of \$175.7 billion (-3% YoY)
- Canada: Strong sales results for most businesses, especially for seg funds, Employee Plans and iAAH
  - Individual Insurance: Very good quarter with sales up 10% YoY
  - Mutual funds: Gross sales up 27% YoY and net sales were positive before pandemic
- US: Momentum continues in both divisions in Q1, especially for Individual Insurance (+53% YoY)



### Capital

- Solvency ratio of 137%<sup>1</sup>, above 110%-116% target
- Leverage ratio of 25.9%
- Book value per share of \$52.29: +7% YoY and +1% QoQ
- Dividend payable in Q2/2020 of \$0.485/common share (stable)

<sup>1</sup> As at March 31, 2020, before IAS acquisition and sale of iA Investment Counsel (see slide 14).

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



# Q1/2020 sales – Strong results for most business units

## Mutual funds net sales were positive before the pandemic in March

(\$Million, unless otherwise indicated)

	First quarter		
	2020	2019	Variation
▶ <b>Individual Insurance</b>	45.2	41.2	10%
▶ <b>Individual Wealth Management</b>			
General fund - sales	205.7	109.2	88%
Segregated funds - net sales	423.8	145.2	278.6
Mutual funds - net sales	(99.2)	(88.5)	(10.7)
▶ <b>Group Insurance</b>			
Employee Plans	57.1	25.9	120%
Dealer Services (Creditor, P&C and car loan orig.)	224.1	209.5	7%
Special Markets Solutions	75.8	73.6	3%
Total	357.0	309.0	16%
▶ <b>Group Savings and Retirement</b>	658.9	675.5	(2%)
▶ <b>US Operations (\$US)</b>			
Individual Insurance	29.4	19.2	53%
Dealer Services - P&C	117.2	109.7	7%
▶ <b>iA Auto and Home</b>	73.9	66.2	12%



# Pandemic-related impacts on sales in coming quarters

## Proven strategy unaffected – Positioning the Company for opportunities

	Sales before the pandemic	Sales for the remainder of 2020	Comments
Individual Insurance	Strong	Lower	Distribution networks fully operate virtually
Individual Wealth - Seg funds	Very strong	Close to normal	Industry leader for digital platform
Individual Wealth - Mutual funds	Very strong	Lower	Focus on supporting affiliates with virtual sales
Group Insurance - Employee Plans	Strong	Lower	Relies on return to normal activities
Group Insurance - Dealer Services	Good	Much lower	Impacted by car sales and dealerships reopening
Group Insurance - Special Markets Solutions	Good	Lower	Relies on release of travel restrictions
Group Savings and Retirement	Good	Lower	Return to normal when the market stabilizes
US Operations - Individual Insurance	Very strong	Close to normal	Sales less affected than expected
US Operations - Dealer Services	Strong	Lower	Not as affected as in Canada
iA Auto and Home	Strong	Close to normal	Client retention is unaffected



# Q1/2020 results vs. guidance

## Core EPS and core ROE within guidance

	2020 guidance <sup>1</sup>	Q1/2020 results
<b>EPS</b>	Q1: \$1.40 to \$1.55	<b>Reported: \$0.36</b> <b>Core<sup>2</sup>: \$1.41</b>
<b>ROE</b> (trailing twelve months)	11.5% to 13.0%	<b>Reported: 10.7%</b> <b>Core<sup>2</sup>: 12.7%</b>
<b>Strain</b>	Quarterly range from -5% to 10% 3% annual target	<b>12%</b>
<b>Effective tax rate</b>	20% to 22%	<b>(3.7%)</b>
<b>Solvency ratio</b>	110% to 116%	<b>137%</b>
<b>Payout ratio</b>	25% to 35% (mid-range)	<b>131%</b>

<sup>1</sup> 2020 guidance withdrawn due to pandemic uncertainty. <sup>2</sup> See "Reported EPS and Core EPS Reconciliation" in this slide package.

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



# Q1 items of note

## Pandemic impacted Q1 earnings by \$1.12 EPS

Impact on EPS (cents)		PANDEMIC-RELATED			NON-PANDEMIC-RELATED			TOTAL
		Core	Non-core	Subtotal	Core	Non-core	Subtotal	
Policyholder experience <sup>1</sup>	(see slide 9)	1	(5)	(4)	(4)	2	(2)	(6)
Macroeconomic-related	(see slide 24)	0	(80)	(80)	0	0	0	(80)
Strain on sales	(see slide 25)	(3)	0	(3)	0	0	0	(3)
Income on capital <sup>2</sup>	(see slide 26)	(3)	0	(3)	0	0	0	(3)
Taxes	(see slide 27)	0	0	0	4	0	4	4
Specific item - PPI goodwill		0	(22)	(22)	0	0	0	(22)
<b>TOTAL</b>		<b>(5)</b>	<b>(107)</b>	<b>(112)</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>(110)</b>

<sup>1</sup> For all five lines of business and iA Auto and Home affiliate; excluding macroeconomic-related items. <sup>2</sup> Excluding iA Auto and Home affiliate. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.





# Policyholder experience (excluding market impact)

Strong result at iAAH: +10¢ non-pandemic-related and +1¢ pandemic-related

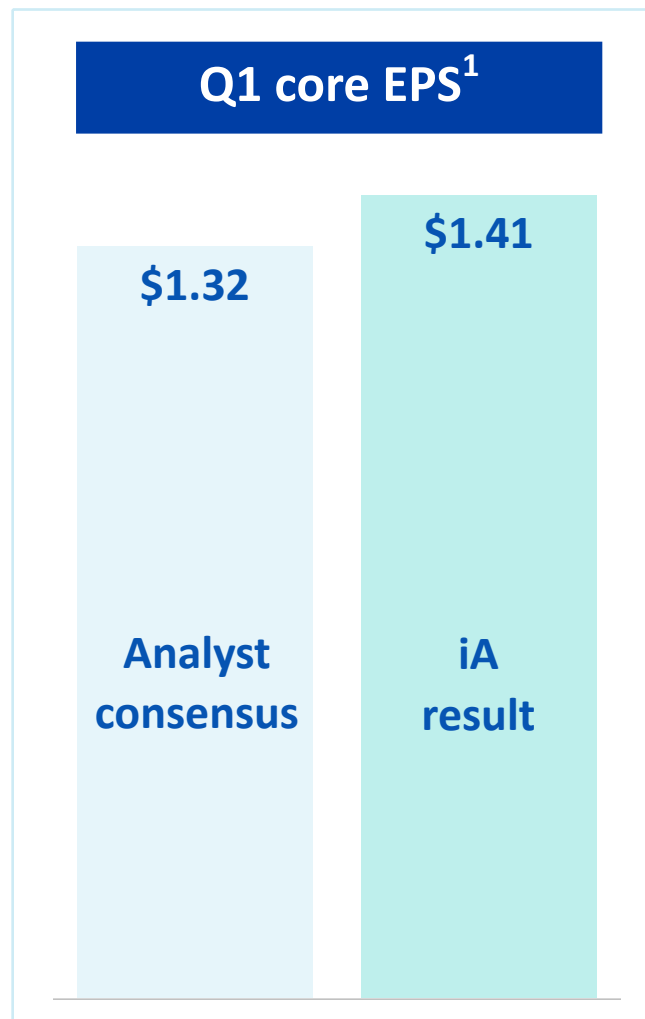
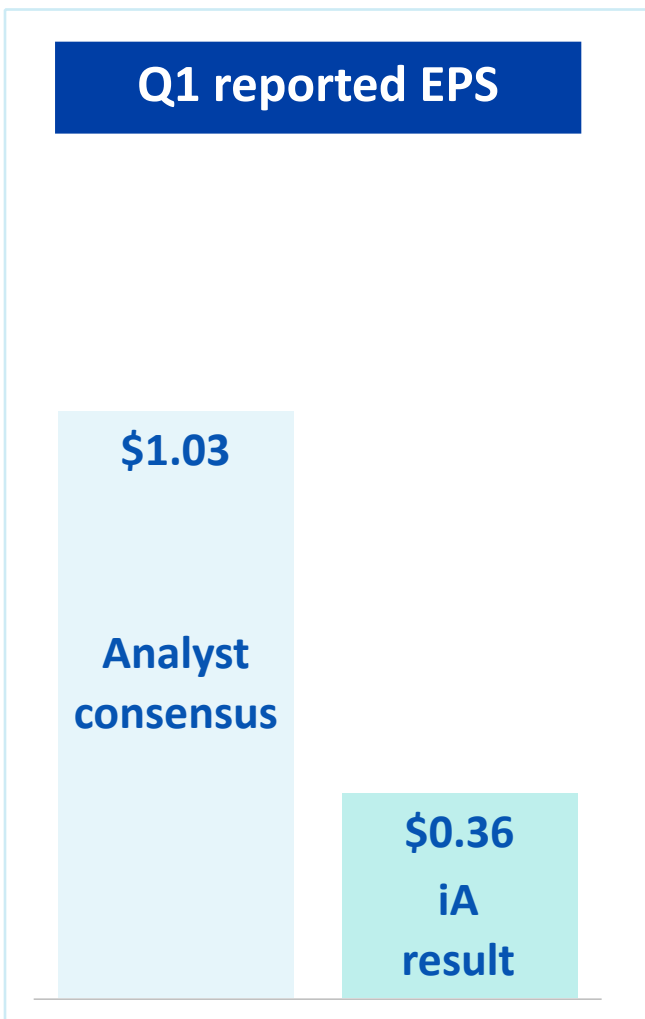
EPS impact in cents	2020	2019				2018				2019 <sup>1</sup> annual	2018 annual
	Q1	Q4 <sup>1</sup>	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Individual Insurance	(8) <sup>2</sup>	3	4 <sup>2</sup>	6	(6)	(8)	2	10	4	7 <sup>2</sup>	8
Individual Wealth Management	0	(6)	0	(3)	(1)	0 <sup>3</sup>	3	(1)	2	(10)	4 <sup>3</sup>
Group Insurance	(10)	(5)	(7)	1	0	4	1	5	5	(11)	15
Group Savings and Retirement	2	1	3	2	2	(2)	0	1	1	8	0
US Operations	(1)	4	(2)	1	1	(1)	1	5	(1)	4	4
iA Auto and Home (in income on capital)	11	1	5	1	2	1	0	2	0	9	3
<b>Total</b>	<b>(6)</b>	<b>(2)</b>	<b>3</b>	<b>8</b>	<b>(2)</b>	<b>(6)</b>	<b>7</b>	<b>22</b>	<b>11</b>	<b>7</b>	<b>34</b>

<sup>1</sup> Excluding litigation provision and software writedowns (Q4/2019). <sup>2</sup> Excluding PPI purchase price and/or goodwill adjustments (Q3/19 and Q1/20). <sup>3</sup> Excluding HollisWealth acquisition price final adjustment (Q4/18). This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.



# Management's view on EPS

Core EPS<sup>1</sup> of \$1.41, up 10% YoY and within \$1.40-\$1.55 guidance



Q1 reported EPS	\$0.36
<i>Adjusted for:</i>	
<i>Specific item:</i>	
PPI goodwill impairment	+\$0.22
Market-related gains and losses	+\$0.80
Policyholder experience gains and losses in excess of \$0.04 EPS	+\$0.10
iA Auto and Home experience gains and losses in excess of \$0.04 EPS	-\$0.07
<b>Q1 core EPS<sup>1</sup></b>	<b>\$1.41</b>
Q1/2019 core EPS <sup>1</sup>	\$1.28
<b>YoY growth</b>	<b>10%</b>





# Hedging program – Risks

An effective and robust long-term program

## Volatility risk<sup>1</sup>

Volatility <sup>2</sup>	Historical probability <sup>3</sup>	Impact on earnings
0% to 17%	75%	Small gains
17% to 45%	22%	From 0 to \$7M/month loss
above 45%	3%	Loss increasing non-linearly e.g.: 85% volatility = \$29M/month loss

- March was the most volatile month in the history of the S&P/TSX.
- Equity market volatility<sup>2</sup> was:  
  - >80% in March
  - <35% in April

## All other risks

For basis risk<sup>4</sup>, macroeconomic variations and policyholder behaviour:  
**cumulative expected impact on earnings is nil**, with quarterly fluctuations

**April hedging result < \$2M**  
as volatility was offset by a positive from other risks.

<sup>1</sup> Volatility risk emerges from the difference between realized volatility and long-term volatility assumption.    <sup>2</sup> Volatility of the equity of the seg funds at iA.

<sup>3</sup> Based on S&P 500 monthly realized volatility (historical distribution) since 1928.

<sup>4</sup> Basis risk emerges from the return difference over time between the funds held by clients and the hedging instruments in iA's hedging program.

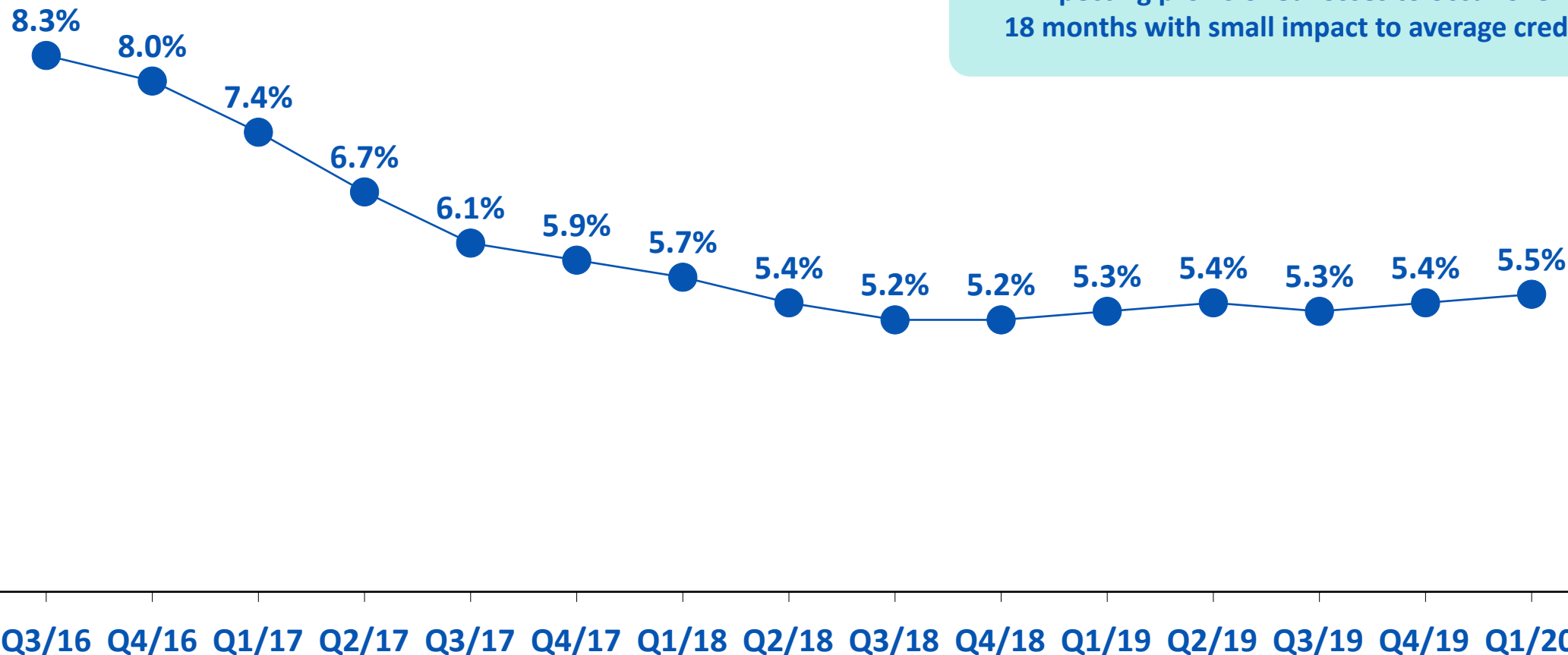


# Car loan credit experience

7¢ EPS (\$10.3M) increased provision for future credit losses due to economy slowdown

## Average credit loss rate (non-prime)<sup>1</sup>

Trailing 12 months since acquisition of CTL in Q3/15



Expecting provisioned losses to occur over the next 18 months with small impact to average credit loss rate

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

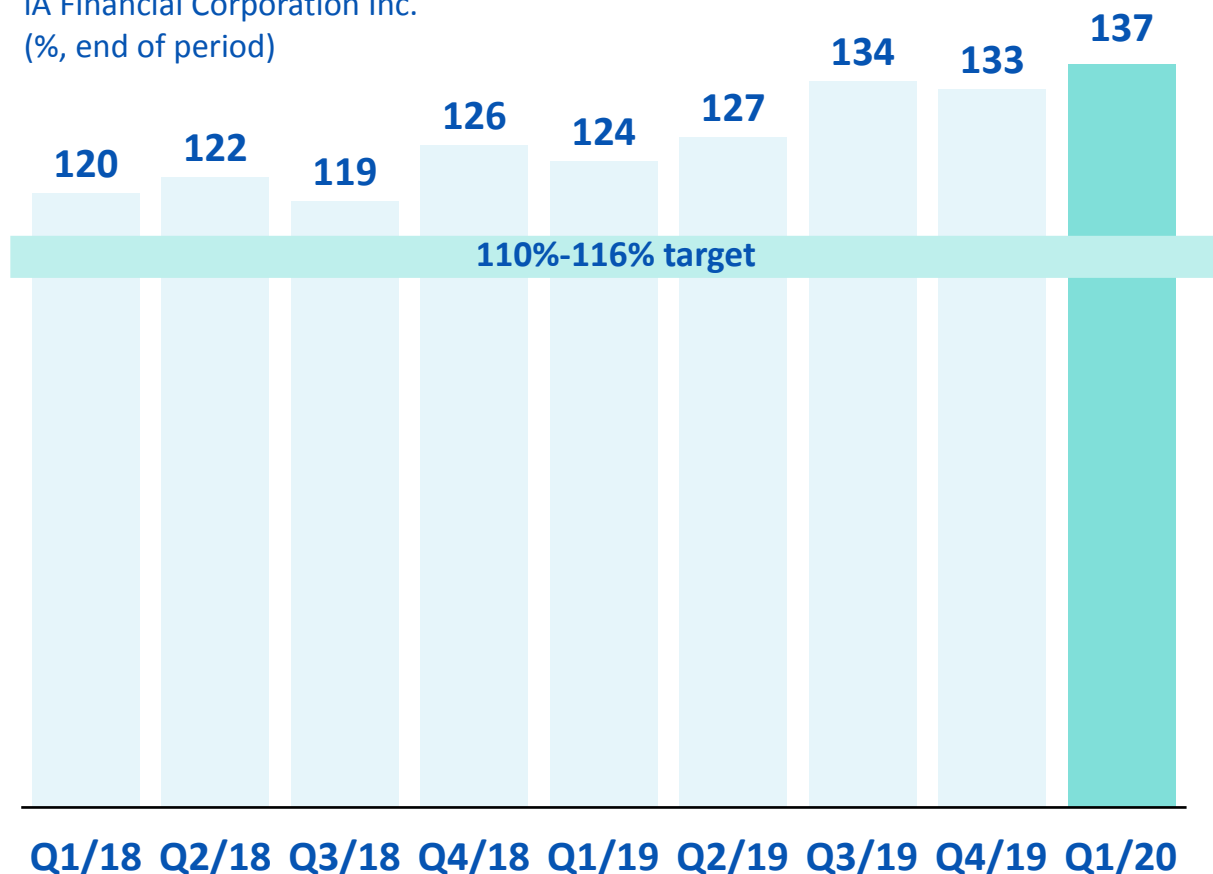


# Capital position

110% to 116% solvency ratio target, appropriate to iA's risk profile

## Solvency ratio

iA Financial Corporation Inc.  
(%, end of period)



## Key changes during the quarter

- ▶ +6.0% \$400M subordinated debt issuance
- ▶ +0.5% Organic capital generation
- ▶ (2.0%) Canadian acquisitions in January
- ▶ (1.0%) Hedging program losses
- ▶ (0.5%) Deployment of capital into higher-yielding assets
- ▶ +3.0% Macroeconomic - Rates and Markets
- ▶ (2.0%) Macroeconomic - Credit spreads

### Notes:

- Acquisition of American company IAS Parent Holdings, Inc., expected to close in coming weeks, should reduce solvency ratio by 17 percentage points
- Sale of iA Investment Counsel, expected to close in coming months, should increase solvency ratio by 1 percentage point



# Solvency ratio sensitivity

## Sensitivity continues to be low

### Capital generation

- **Q1/2020:** Organic capital generation of \$35M
- **Q2-Q3-Q4/2020:** Expecting the pandemic to have an impact on organic capital generation

▶ Equity market variation <sup>1</sup>		(30%)	(20%)	(10%)	+10%	+20%	+30%
▶ Impact on solvency ratio (in percentage points)	March 31, 2020	(2%)	(1%)	+1%	(2%)	(2%)	0%
▶ Interest rate variation <sup>2</sup>		(50 bps)	(25 bps)		+25 bps		+50 bps
▶ Impact on solvency ratio (in percentage points)	March 31, 2020	+2%	+1%		(1%)		(2%)
▶ Corporate credit spread variation <sup>3</sup>		(50 bps)	(25 bps)		+25 bps		+50 bps
▶ Impact on solvency ratio (in percentage points)	March 31, 2020	0%	0%		0%		0%

<sup>1</sup> Equity market variation represents an immediate change in public and private equity investments (excluding infrastructure investments), at quarter-end, and considers release of excess protections in reserve.

<sup>2</sup> Interest rate variation represents an immediate parallel change in interest rates across the entire yield curve, at quarter-end.

<sup>3</sup> Corporate credit spread variation represents an immediate parallel change in credit spreads across the entire yield curve, at quarter-end.

Note: Actual results can differ significantly from the estimates presented in this slide for a variety of reasons. See the Management's Discussion and Analysis document for more details.

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# Flexible balance sheet

## Ratios

(March 31, 2020)

- Leverage ratio of **25.9%**
- Coverage ratio of **13.3x**

## Capital flexibility

(March 31, 2020)

- Potential capital deployment of ~**\$500M** pro forma following IAS acquisition to be closed in coming weeks and sale of iA Investment Counsel to be closed in coming months (by increasing leverage ratio in accordance with regulatory constraints)

## NCIB

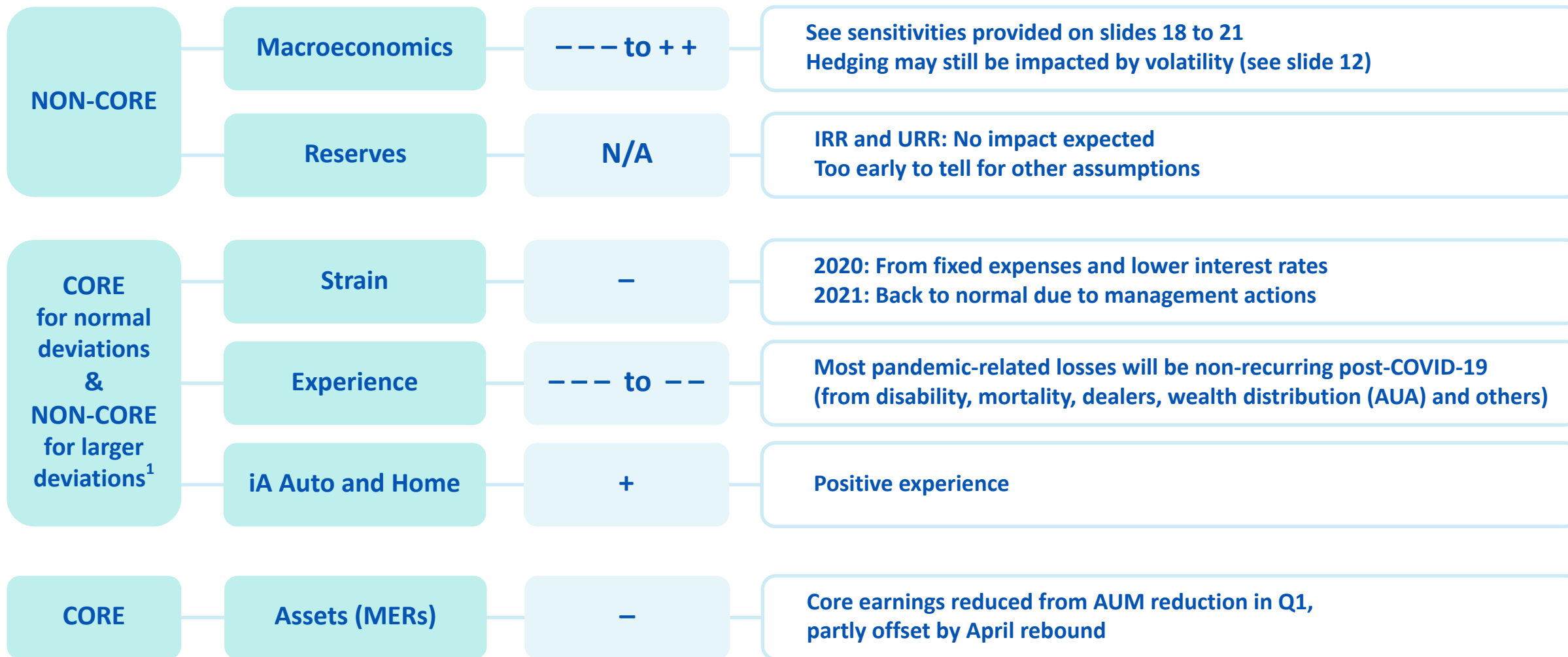
- iA can buy back up to **5%** of its shares<sup>1</sup> for cancellation by Nov. 11, 2020<sup>2</sup>
- Following regulators' instructions: Buybacks on hold for the moment





# Pandemic-related impacts on reported earnings in 2020

No permanent damage to businesses expected post-COVID-19



<sup>1</sup> See core earnings definition on slide 41.



# Equity market sensitivity

(End of period)	Q1/2020	Q4/2019	Q1/2019
<b>S&amp;P/TSX closing value</b>	<b>13,379 pts</b>	17,063 pts	16,102 pts
<b>iA Financial Corporation solvency ratio</b>	<b>137%</b>	133%	124%

## Sensitivities

<b>Stocks matching long-term liabilities</b>	S&P/TSX <sup>1</sup> level at which provisions for future policy benefits would have to be strengthened Variation	<b>11,700 pts</b> <b>(13%)</b>	13,000 pts (24%)	11,900 pts (26%)
	Net income <sup>2</sup> impact due to provision strengthening for each 1% S&P/TSX <sup>1</sup> additional decrease below this level	<b>(\$17.9M)</b>	N/A	N/A
<b>Solvency ratio</b>	S&P/TSX <sup>1</sup> level at which the solvency ratio decreases to 110% Variation	<b>1,800 pts</b> <b>(87%)</b>	1,500 pts (91%)	4,400 pts (73%)
<b>Net income<sup>2</sup></b>	Full-year impact of a sudden 10% decrease in equity markets	<b>(\$26M)</b>	(\$31M)	(\$32M)

<sup>1</sup> S&P/TSX is a proxy that can move differently from our equity portfolio, which includes international public equity and private equity.

<sup>2</sup> Net income attributed to common shareholders.

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# Interest rate sensitivity

(End of period)		Q1/2020	Q4/2019	Q1/2019
<b>IRR</b>	<ul style="list-style-type: none"> <li>▶ IRR = Initial Reinvestment Rate</li> <li>▶ Key element is long-term Canadian rate at year-end</li> </ul>			
	▶ <b>Impact on net income<sup>1</sup> of a 10 bps decrease in IRR</b>	\$0M	\$2M	(\$13M)
<b>URR</b>	<ul style="list-style-type: none"> <li>▶ URR = Ultimate Reinvestment Rate</li> <li>▶ Maximum assumption is promulgated by CIA and reviewed periodically</li> </ul>			
	▶ <b>Impact on net income<sup>1</sup> of a 10 bps decrease in URR</b>	(\$66M)	(\$61M)	(\$68M)

<sup>1</sup> Net income attributed to common shareholders.

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# S&P/TSX thresholds for Q2/2020 gain or loss

Earnings driver	TSX threshold for gain or loss	Threshold compared with:	Potential impact on Q2/2020 net income attributed to common shareholders of a $\pm 10\%$ variation vs. threshold
Revenues on UL policy funds	13,563 <sup>1</sup>	Actual TSX value at the end of Q2/2020	$\pm \$7.9M$
MERs collected on investment funds	13,471 <sup>2</sup>	Actual average value <sup>3</sup> of TSX during Q2/2020	$\pm \$4.5M$

<sup>1</sup> Expected closing value of TSX at the end of Q2/2020. <sup>2</sup> Expected average value of TSX during Q2/2020. <sup>3</sup> Average of all trading day closing values. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.



# Stress testing on capital and liquidity

Good positioning even under severe scenarios

## Solvency ratio

**Q1 solvency ratio pro forma post-acquisitions is 121%**

**Under a comprehensive scenario shocking income, sales and assumptions:**

**TSX could decrease to 9,000 points and ratio would still be above 110-116%**

## Liquidity

**Liquidity stress tested under many scenarios including some pretty extreme**

**Under all tested scenarios:**

**Able to meet all requirements, cashflow needs and client relief measures provided**



# Investment portfolio

## High-quality and diversified portfolio

### Bond portfolio: 66.7% of total portfolio

- Only 0.5% of total portfolio rated BB or lower
- 48.5% of total bonds are corporate bonds

### Oil & Gas and other sectors:

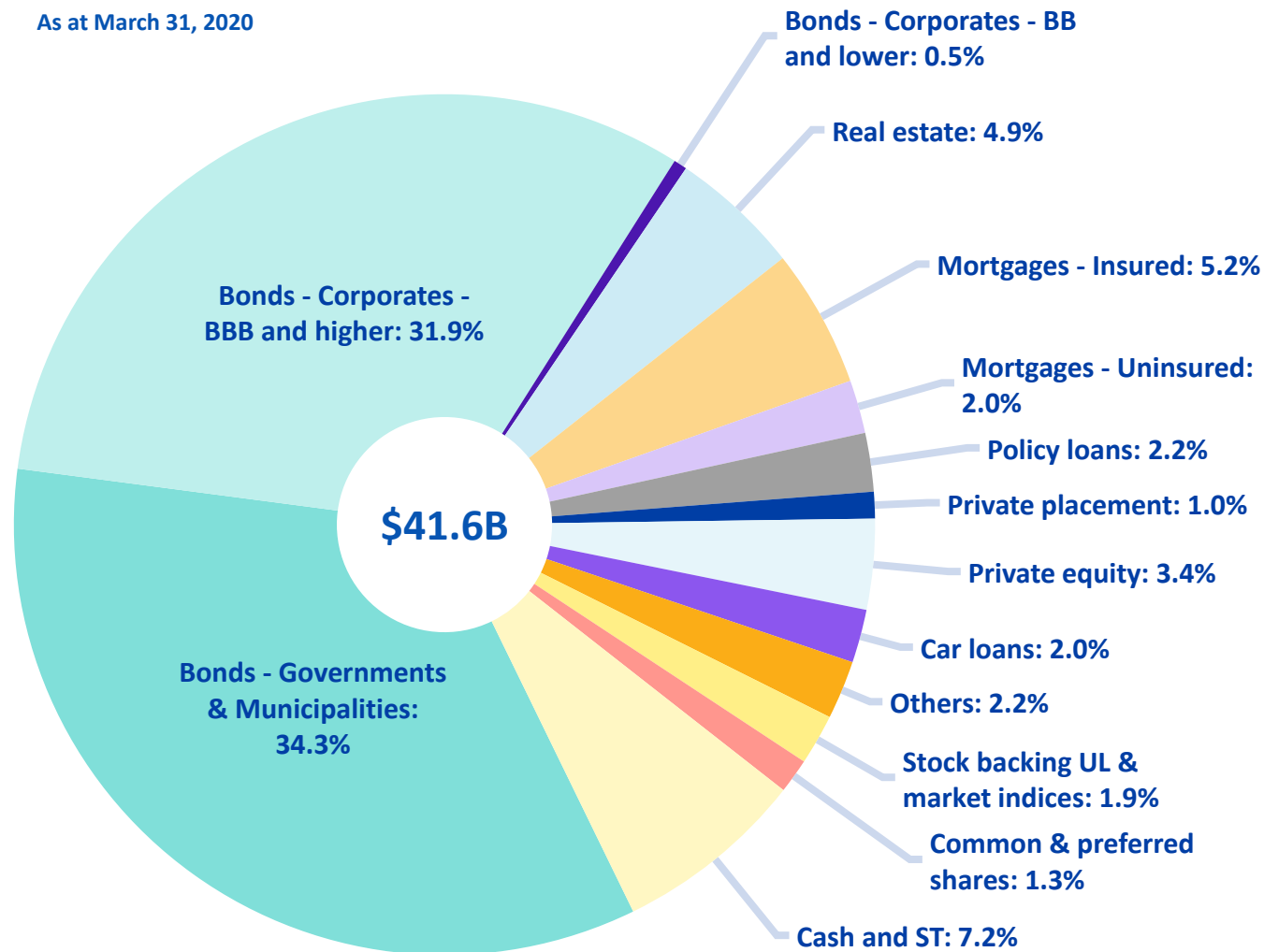
- Only 0.8% direct exposure to oil and gas
- Only 1.3% pandemic-related (retailers, automobiles, travel, mines and metals)

### Car loans: 2.0% of total portfolio

### Low direct exposure to equity market:

- \$2.8B of stocks in investment portfolio
  - 51% private equity
  - 29% backing UL and market index = No risk for iA
  - 20% common and preferred shares
- Equity exposure in option strategy
  - Strategy to protect against equity downside
  - Very good performance versus the market

As at March 31, 2020





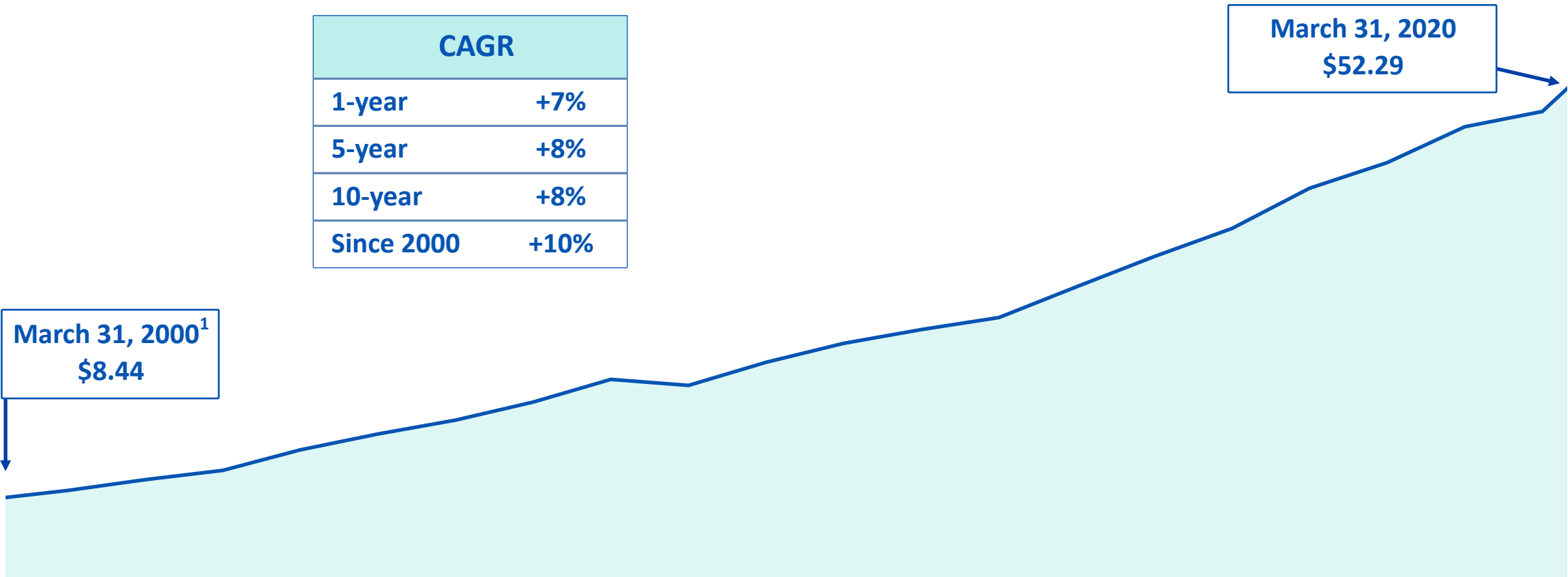
# Book value per share

P/BV ratio of 0.85 at March 31, 2020

CAGR	
1-year	+7%
5-year	+8%
10-year	+8%
Since 2000	+10%

March 31, 2000<sup>1</sup>  
\$8.44

March 31, 2020  
\$52.29



2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2.17	2.22	1.72	1.61	1.80	1.74	1.94	2.03	1.15	1.41	1.49	1.00	1.14	1.53	1.31	1.20	1.30	1.37	0.92	1.37
P/BV (share price / book value per share, at year-end)																			

<sup>1</sup> First disclosed book value as a public company.



# Macro-related impact on earnings

**-80¢ EPS impact in Q1, all pandemic-related**

Approximate after-tax impact of macroeconomic variations, in millions of dollars, as compared to the expected net earnings that the Company would have earned under normal macroeconomic conditions.	2020	2019				2018			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Increase (decrease) in income on UL policies	<b>(22.8)</b>	5.3	1.2	(0.3)	12.7	(17.3)	1.7	5.0	(5.6)
Macroeconomic impact on level of assets backing LT liabilities	<b>0.0</b>	3.1	2.0	0.5	0.1	N/A	N/A	N/A	N/A
Higher (lower) than expected management fees <sup>1</sup>	<b>(2.1)</b>	0.7	0.0	0.4	3.6	(2.9)	0.2	0.3	(1.0)
Impact of dynamic hedging	<b>(60.7)</b>	5.1	4.2	3.5	(0.4)	(9.7)	2.5	(0.1)	2.1
<b>Total</b>	<b>(85.6)</b>	<b>14.2</b>	<b>7.4</b>	<b>4.1</b>	<b>16.0</b>	<b>(29.9)</b>	<b>4.4</b>	<b>5.2</b>	<b>(4.5)</b>

<sup>1</sup> Expected profit on in-force for the wealth management businesses is updated on a quarterly basis to reflect market variation and net sales. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.





# Strain on new business

Factoring in Q1 drop in rates in new business calculation (-3¢ EPS)

Reported strain includes Individual Insurance in Canada and the US

	2020	2019				2018			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales (\$M)	84.6	90.0	81.3	81.1	66.6	75.5	76.9	75.1	68.5
Strain (\$M)	(10.4)	0.8	(1.7)	(1.4)	(6.2)	(3.1)	(7.1)	(6.6)	(9.9)
Strain (%)	12%	(1%)	2%	2%	9%	4%	9%	9%	14%
Annual strain (%)	---	3%				9%			

Without the adjustment, strain would have been within guidance.



# Income on capital

Lower income (-2¢), higher financing (-1¢) and very low claims at iA Auto and Home (+11¢)

(\$Million, pre-tax)	Quarterly Run Rate		2020	2019				2018			
	2020 pre-IAS	2020 post-IAS	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Investment income</b>	44.5	38.5	41.1	35.8	38.8	42.0	41.6	59.3	38.6	34.9	40.4
<b>Financing<sup>1</sup> and intangibles</b>	(19.0)	(28.5)	(19.9)	(17.4)	(14.8)	(14.8)	(15.8)	(13.0)	(16.9)	(17.6)	(16.3)
<b>Subtotal</b>	25.5	10.0	21.2	18.4	24.0	27.2	25.8	46.3	21.7	17.3	24.1
<b>iA Auto and Home</b>	4.5 excluding seasonality		13.1	8.6	16.1	5.2	(3.2)	8.3	8.8	5.7	(6.2)
<b>Total</b>	30.0	14.5	34.3	27.0	40.1	32.4	22.6	54.6	30.5	23.0	17.9



# Effective tax rate (ETR) of -3.7% vs. target of 20%-22%

Tax recovery due to high experience losses and from CIF (+4¢ EPS)

(\$Million, unless otherwise indicated)	2020	2019				2018			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Operating income</b>	<b>8.8</b>	184.7	201.1	208.7	184.6	137.1	189.1	201.5	159.9
<b>Income on capital</b>	<b>34.3</b>	27.0	40.1	32.4	22.6	54.6	30.5	23.0	17.9
<b>Pre-tax income</b>	<b>43.1</b>	211.7	241.2	241.1	207.2	191.7	219.6	224.5	177.8
<b>Income taxes</b>	<b>(1.6)</b>	35.2	52.1	54.0	50.4	36.7	49.1	59.3	34.8
<b>ETR</b>	<b>(3.7%)</b>	16.6%	21.6%	22.4%	24.3%	19.1%	22.4%	26.4%	19.6%



# Reported EPS and core EPS<sup>1</sup> reconciliation

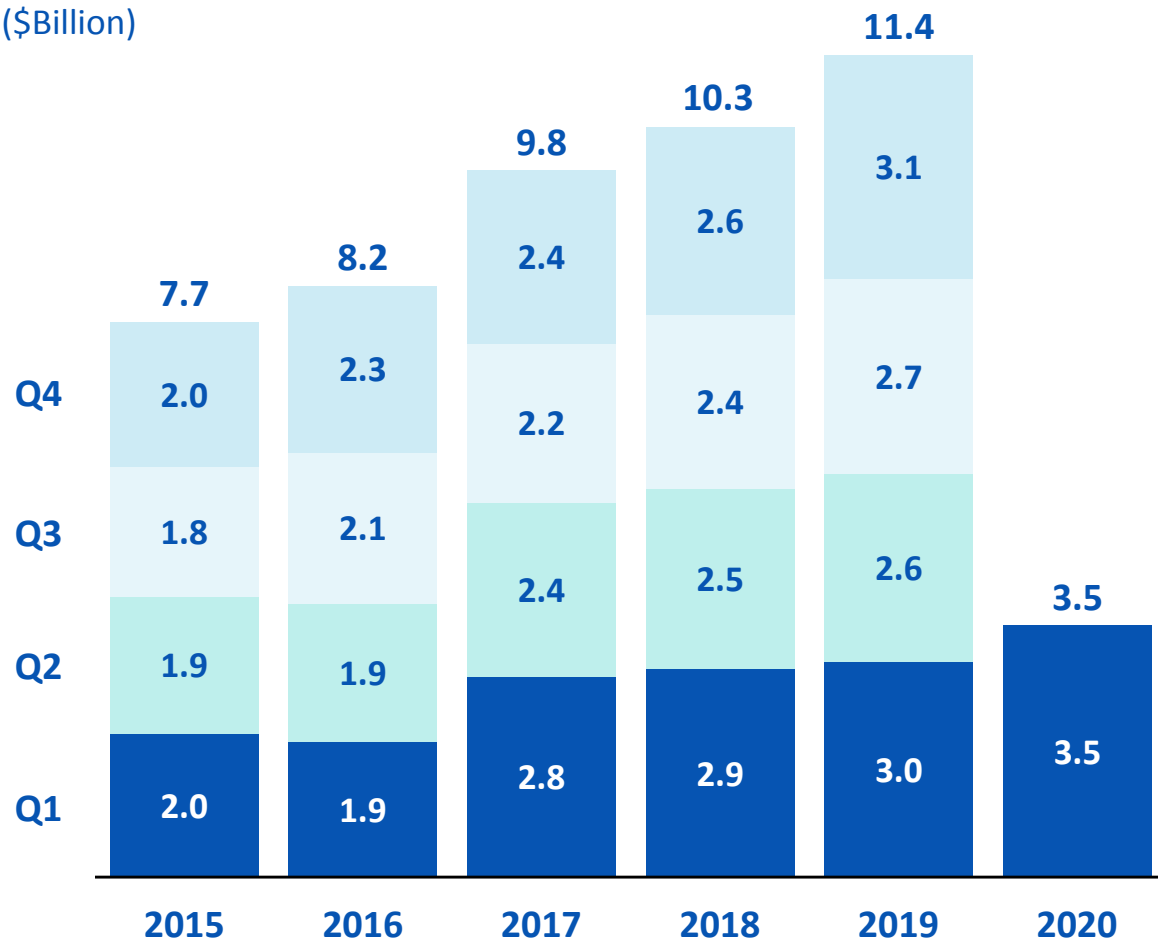
(On a diluted basis)	First quarter		
	2020	2019	Variation
<b>EPS</b>	<b>\$0.36</b>	<b>\$1.40</b>	<b>(74%)</b>
<b>Adjusted for:</b>			
Specific item:			
PPI goodwill impairment	\$0.22	—	
Market-related gains and losses	\$0.80	(\$0.15)	
Policyholder experience gains and losses in excess of \$0.04 EPS	\$0.10	\$0.02	
iA Auto and Home experience gains and losses in excess of \$0.04 EPS	(\$0.07)	—	
Usual income tax gains and losses in excess of \$0.04 EPS	—	\$0.01	
<b>Core EPS<sup>1</sup></b>	<b>\$1.41</b>	<b>\$1.28</b>	<b>10%</b>

<sup>1</sup> Diluted core earnings per common share (core EPS) is a non-IFRS measure and represents management's view of the Company's capacity to generate sustainable earnings. The Company believes that this measure provides additional information to better understand the Company's financial results and assess its growth and earnings potential, and that it facilitates comparison of the quarterly and full-year results of the Company's ongoing operations. Since non-IFRS financial measures do not have standardized definitions and meaning, they may differ from the non-IFRS financial measures used by other institutions and should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. See "Non-IFRS Financial Information" at the end of this document for further information.



# Premiums and deposits

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



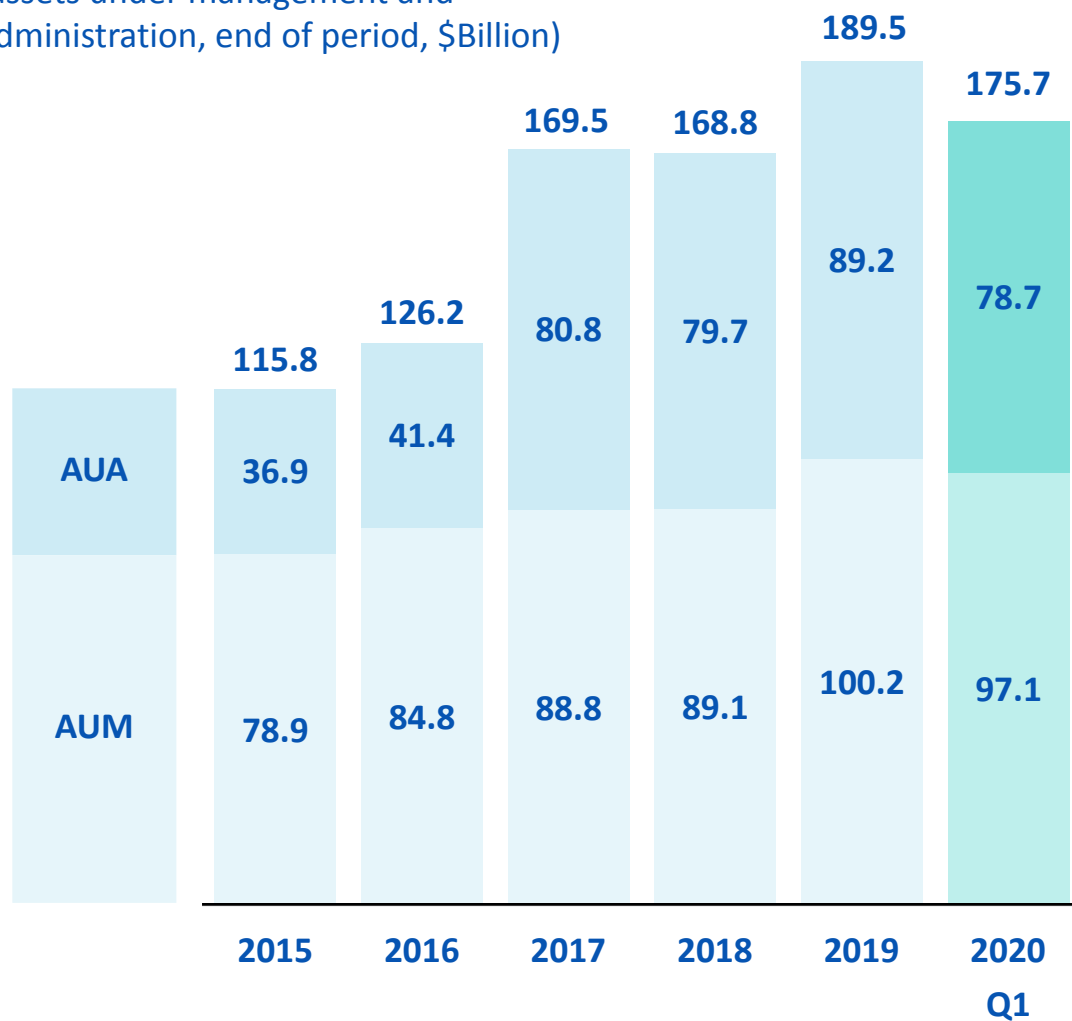
	Q1/2020	\$Million	YoY
Individual Insurance		397.5	3%
Individual Wealth Management		1,771.0	40%
Group Insurance		461.3	6%
Group Savings and Retirement		652.0	(3%)
US Operations		178.9	18%
General Insurance		84.5	13%
<b>TOTAL</b>		<b>3,545.2</b>	<b>19%</b>



# Asset growth

## AUM/AUA

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



Assets under management and administration			
(\$Billion, unless otherwise indicated)	March 31 2020	QoQ	YoY
<b>Assets under management</b>			
General fund	47.8	6%	12%
Segregated funds	25.5	(9%)	(1%)
Mutual funds	9.9	(15%)	(14%)
Other	13.9	(10%)	(9%)
<b>Subtotal</b>	<b>97.1</b>	<b>(3%)</b>	<b>2%</b>
<b>Assets under administration</b>	<b>78.7</b>	<b>(12%)</b>	<b>(9%)</b>
<b>Total</b>	<b>175.7</b>	<b>(7%)</b>	<b>(3%)</b>



# Individual Insurance (Canada)

(\$Million, unless otherwise indicated)	First quarter		
	2020	2019	Variation
<b>Sales<sup>1</sup></b>			
Minimum premiums <sup>2</sup>	43.3	39.0	11%
Excess premiums <sup>3</sup>	1.9	2.2	(14%)
Total	45.2	41.2	10%
<b>Premiums</b>	397.5	387.8	3%
<b>Number of policies (life insurance only)</b>	28,929	27,713	4%

<sup>1</sup> First-year annualized premiums. <sup>2</sup> Insurance component. <sup>3</sup> Savings component.

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



# Individual Wealth Management

(\$Million, unless otherwise indicated)	First quarter		
	2020	2019	Variation
<b>Sales<sup>1</sup></b>			
General fund	205.7	109.2	88%
Segregated funds	872.3	610.9	43%
Mutual funds	693.0	546.3	27%
<b>Total</b>	<b>1,771.0</b>	<b>1,266.4</b>	<b>40%</b>
<b>Net sales</b>			
Segregated funds	423.8	145.2	278.6
Mutual funds	(99.2)	(88.5)	(10.7)
<b>Total</b>	<b>324.6</b>	<b>56.7</b>	<b>267.9</b>

(\$Million, unless otherwise indicated)	March 31	Q1	1-year
	2020	variation	variation
<b>Assets under management</b>			
General fund	1,915.1	6%	19%
Segregated funds	14,893.9	(9%)	(2%)
Mutual funds	9,908.7	(15%)	(14%)
Other	3,825.7	(15%)	(15%)
<b>Total</b>	<b>30,543.4</b>	<b>(11%)</b>	<b>(7%)</b>
<b>Assets under administration</b>	<b>77,639.2</b>	<b>(12%)</b>	<b>(9%)</b>
<b>Total AUM/AUA</b>	<b>108,182.6</b>	<b>(12%)</b>	<b>(8%)</b>

<sup>1</sup> Defined as net premiums for general and segregated funds and deposits for mutual funds.

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





# Group Insurance

(\$Million, unless otherwise indicated)	First quarter		
	2020	2019	Variation
<b>Sales<sup>1</sup></b>			
Employee Plans	57.1	25.9	120%
Dealer Services - Creditor Insurance <sup>2</sup>	58.9	64.8	(9%)
P&C Insurance	62.0	52.6	18%
Car loan originations	103.2	92.1	12%
Total	224.1	209.5	7%
Special Markets Solutions	75.8	73.6	3%
<b>Total Group Insurance</b>	<b>357.0</b>	<b>309.0</b>	<b>16%</b>
<b>Premiums and equivalents</b>			
Premiums	423.9	396.7	7%
Service contracts (ASO)	16.9	18.3	(8%)
Investment contracts	20.5	22.1	(7%)
<b>Total</b>	<b>461.3</b>	<b>437.1</b>	<b>6%</b>
<b>Car loans (non-prime) - Fin. receivables</b>	<b>762.5</b>	<b>572.7</b>	<b>33%</b>

<sup>1</sup> Employee Plans: first-year annualized premiums (including premium equivalents), Dealer Services (Creditor): gross premiums (before reinsurance and cancellations), Dealer Services (P&C): direct written premiums, Special Markets Solutions: premiums before reinsurance. <sup>2</sup> Includes all creditor insurance business sold by the Company.

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



# Group Savings and Retirement

(\$Million, unless otherwise indicated)

	First quarter		
	2020	2019	Variation
<b>Sales<sup>1</sup></b>			
Accumulation products	633.8	348.3	82%
Insured annuities	6.1	318.0	(98%)
Deposits <sup>2</sup>	19.0	9.2	107%
<b>Total</b>	<b>658.9</b>	<b>675.5</b>	<b>(2%)</b>
<b>Premiums</b>	<b>652.0</b>	<b>669.5</b>	<b>(3%)</b>

Funds under management	March 31, 2020	Q1 variation	1-year variation
Accumulation products	11,189.5	(11%)	(5%)
Insured annuities	3,817.1	(3%)	4%
<b>Total</b>	<b>15,006.6</b>	<b>(9%)</b>	<b>(3%)</b>

<sup>1</sup> Sales are defined as gross premiums (before reinsurance) and deposits. <sup>2</sup> Deposits include GICs held in trust and institutional management contracts. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.



# US Operations

(\$Million, unless otherwise indicated)

	First quarter		
	2020	2019	Variation
<b>Sales (\$US)<sup>1</sup></b>			
Individual Insurance	29.4	19.2	53%
Dealer Services (P&C)	117.2	109.7	7%
<b>Premiums and equivalents (\$CAN)</b>	<b>178.9</b>	<b>151.2</b>	<b>18%</b>

<sup>1</sup>Sales are defined as first-year annualized premiums for Individual Insurance and as direct written premiums (before reinsurance) and premium equivalents for Dealer Services (P&C). This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.



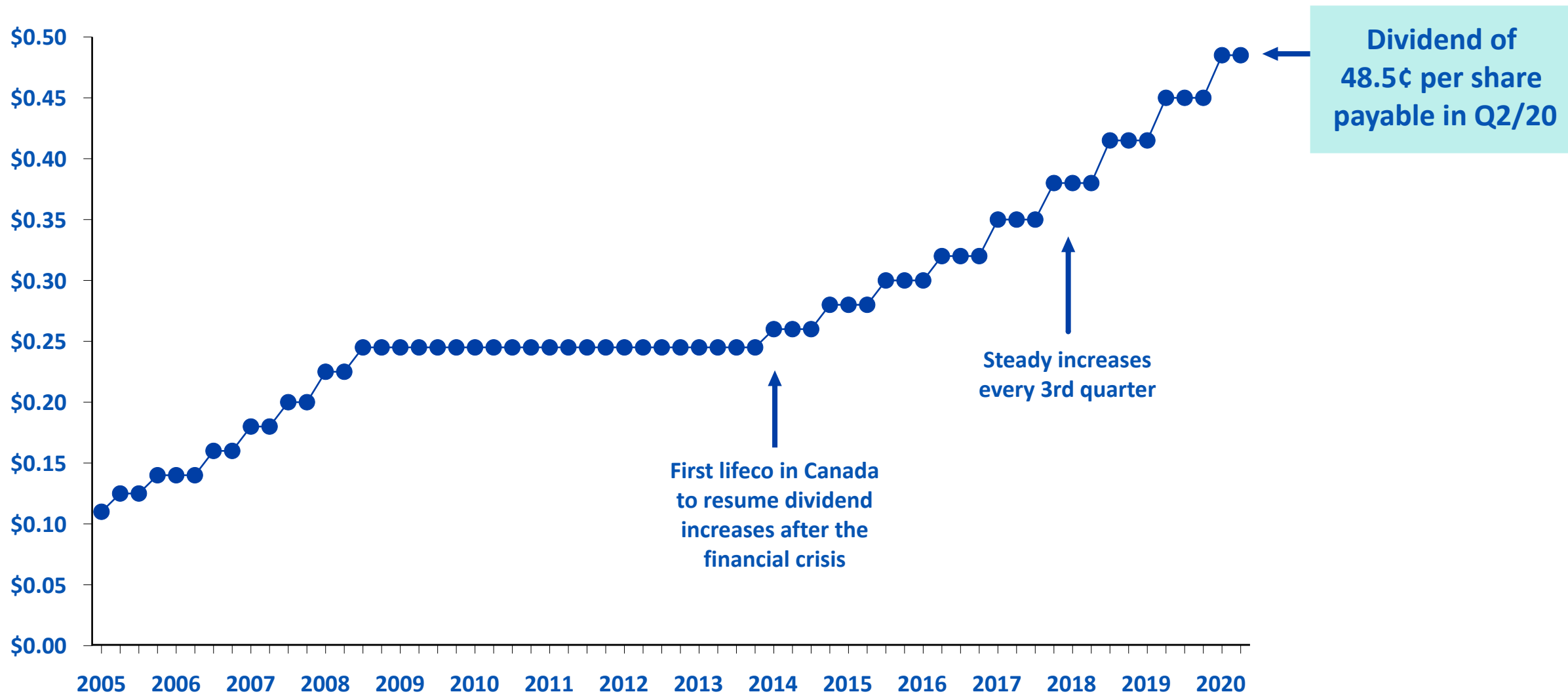
# Quality of investment portfolio

	March 31 2020	December 31 2019	March 31 2019
<b>IMPAIRED INVESTMENTS AND PROVISIONS</b>			
Gross impaired investments	\$5.5M	\$21.4M	\$24.2M
Provisions for impaired investments	\$2.8M	\$10.5M	\$8.6M
Net impaired investments	\$2.7M	\$10.9M	\$15.6M
Net impaired investments as a % of investment portfolio	0.01%	0.03%	0.04%
Provisions as a % of gross impaired investments	50.9%	49.1%	35.5%
<b>BONDS – Proportion rated BB or lower</b>	<b>0.75%</b>	0.87%	0.92%
<b>MORTGAGES – Delinquency rate</b>	<b>0.06%</b>	0.08%	0.10%
<b>REAL ESTATE – Occupancy rate on investment properties</b>	<b>95.0%</b>	94.0%	96.0%
<b>CAR LOANS – Average credit loss rate (non-prime)<sup>1</sup></b>	<b>5.5%</b>	5.4%	5.3%

<sup>1</sup> Non-IFRS measure. Quarterly average credit loss on a trailing 12 month basis. Represents total credit losses divided by the average finance receivables over the same period. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.



# Dividend to common shareholders





<b>iA Financial Corporation Inc.</b>	
<b>Credit rating agency</b>	<b>Issuer rating</b>
<b>S&amp;P</b>	<b>A</b>
<b>DBRS</b>	<b>A (low)</b>

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



# Building for the long term

## iA Financial Group becomes carbon neutral in 2020

### ENVIRONMENTAL

- Continuing projects and initiatives aimed at reducing GHG emissions at the source
- All GHG emissions that cannot be eliminated are calculated and offset
- Signatory of United Nations Principles for Responsible Investment (PRI)



### SOCIAL

- Extensive donation program equivalent to \$850/employee
- Annual Canada-wide philanthropic contest
- COVID-19 relief measures for clients and additional donations

### GOVERNANCE

- Top 10 in *Globe and Mail* 2019 governance ranking (out of 224 companies)
- Solid diversity and inclusion program





## Contact

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## Next Reporting Dates

Q2/2020 - July 30, 2020  
Q3/2020 - November 4, 2020  
Q4/2020 - February 11, 2021

For information on our earnings releases, conference calls and related disclosure documents, consult the Investor Relations section of our website at [ia.ca](http://ia.ca).

## No offer or solicitation to purchase

This presentation does not, and is not intended to, constitute or form part of, and should not be construed as, an offer or invitation for the sale or purchase of, or a solicitation of an offer to purchase, subscribe for or otherwise acquire, any securities, businesses and/or assets of any entity, nor shall it or any part of it be relied upon in connection with or act as any inducement to enter into any contract or commitment or investment decision whatsoever.





# Non-IFRS financial information

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

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

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

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

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

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



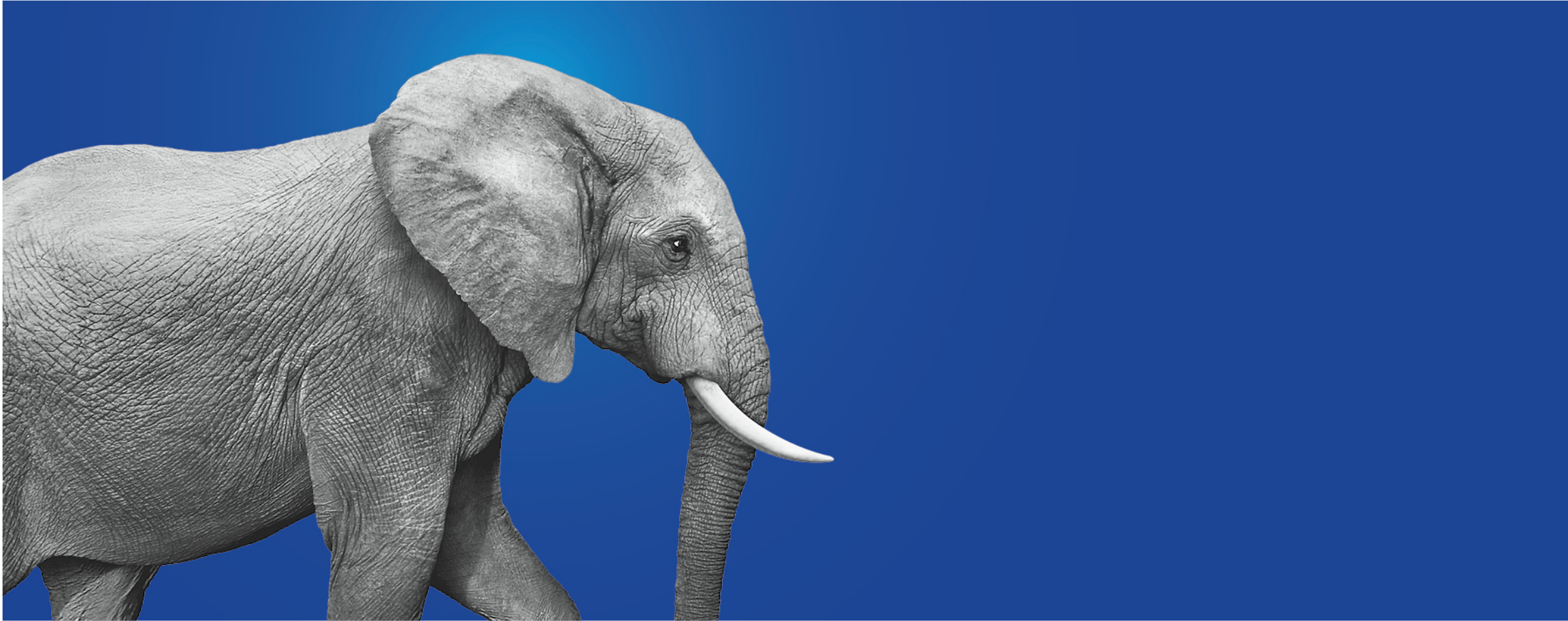
# Forward-looking statements

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

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

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

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



**INVESTED IN YOU.**

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