Report to Shareholders

2022 Third Quarter

For the Quarter Ended September 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis for iA Financial Corporation Inc. ("iA Financial Corporation" or the "Company") is dated November 9, 2022. This Management's Discussion and Analysis should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2022 and 2021. It should also be read with the Management's Discussion and Analysis and the audited consolidated financial statements for the year ended December 31, 2021. The Rolling Nine Quarters Financial Information Package may contain additional data that complements the information in this Management's Discussion and Analysis.

TABLE OF CONTENTS

† 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.

HIGHLIGHTS

Profitability	Third quarter			Year-to-date at September 30		
	2022	2021	Variation	2022	2021	Variation
Net income attributed to common shareholders (in millions)	$215	$217	(1%)	$588	$621	(5%)
Weighted average number of common shares (diluted) (in millions)	106	108	(2%)	107	108	(1%)
Earnings per common share (EPS) (diluted)	$2.03	$2.01	1%	$5.48	$5.77	(5%)
Core earnings per common share (EPS)† (diluted)	$2.29	$2.23	3%	$6.45	$6.31	2%

Return on common shareholders' equity (ROE)†	September 30, 2022	June 30, 2022	December 31, 2021	September 30, 2021
Reported ROE (trailing twelve months)	12.2%	12.5%	13.2%	12.8%
Core ROE† (trailing twelve months)	13.8%	14.1%	14.2%	14.0%

The Company ended the third quarter of 2022 with net income to common shareholders of $215 million compared to $217 million in the same quarter last year. Diluted earnings per common share (EPS) of $2.03 in the third quarter of 2022 compares to $2.01 a year earlier.

Return on common shareholders' equity (ROE)† was 12.2% at September 30, 2022 versus 12.8% for the same period last year. ROE† is calculated on a trailing-twelve-month basis.

Diluted core EPS† of $2.29 in the third quarter is a shade below guidance of $2.30 to $2.45 and 3% higher than $2.23 for the same period in 2021. Core ROE† for the last twelve months is 13.8% at September 30, 2022, within guidance of 13% to 15%. This compares to 14.0% a year earlier.

Business growth – In Canada, our solid market position in our three "Foundation"[1] businesses continued to support growth, with Individual Insurance posting strong sales.† Also, Dealer Services in Canada registered good sales† growth so far this year despite ongoing vehicle inventory issues and, notwithstanding the difficult industry environment, the Individual Wealth Management line of business recorded total net fund inflows† of $173 million. Our "Support"[1] business, namely Special Markets and iA Auto and Home, saw good sales† this quarter. Employee Plans division premiums† increased by 11% year over year in the third quarter. In the U.S., the "Expansion"[1] division of Individual Insurance recorded good sales† growth while the Dealer Services division registered a slowdown in sales† mainly due to low retail vehicle sales. Total assets under management and administration† were down 8% from the same period in 2021, amounting to $196.2 billion at September 30, 2022, mainly due to macroeconomic variations. Premiums and deposits† totalled more than $3.3 billion in the third quarter compared to a strong quarter of $4.1 billion a year earlier.

Financial position – The solvency ratio† was 130% at September 30, 2022, compared with 131% a year earlier. This result is above the Company's target range of 110% to 116% and the same as at the end of the previous quarter. This is explained by the contribution of organic capital generation† and the impacts of the reinsurance agreement (mentioned below) being offset by unfavourable macroeconomic variations, a portfolio adjustment in view of the transition to IFRS 17 and the NCIB share redemption. The Company's leverage ratio† at September 30, 2022 was 23.4%.

Capital generation† – The Company organically generated approximately $160 million in additional capital during the third quarter.

Book value – The book value per common share[2] was $62.38 at September 30, 2022, up 2% from the last quarter and 3% over the last twelve months.

Dividend – The Company paid a quarterly dividend of $0.6750 to common shareholders in the third quarter of 2022. The Board of Directors approved a quarterly dividend of $0.6750 per common share payable in the fourth quarter of 2022. This dividend is payable on December 15, 2022 to the shareholders of record at November 18, 2022. In the third quarter of 2022, iA Insurance paid a dividend of $150 million to its sole common shareholder, iA Financial Corporation. For the fourth quarter of 2022, the Board of Directors of iA Insurance approved the declaration of a dividend of $150 million to its sole common shareholder, iA Financial Corporation.

1 At the Investor Event held on March 10, 2021, the Company presented its business mix under three main categories: Foundation, Support and Expansion.
2 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.

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 December 15, 2022 must ensure that the duly completed form is delivered to Computershare no later than 4:00 p.m. on November 11, 2022. 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.

Normal Course Issuer Bid – In the third quarter of 2022, the Company redeemed and cancelled 1,077,000 outstanding common shares for a total value of $72.8 million under the NCIB program. The Company's board of directors has authorized the early termination of the NCIB in effect since December 6, 2021 ("Terminated NCIB") and the establishment of a new NCIB. The Terminated NCIB will expire at the close of markets on November 11, 2022 and the new NCIB will begin on November 14, 2022 and end on November 13, 2023. With the approval of the Toronto Stock Exchange and the Autorité des marchés financiers, the board of directors has also authorized the Company to purchase, in the normal course of its activities, from November 14, 2022 to November 13, 2023, up to 7,872,259 common shares, representing approximately 7.48% of its public float as at November 1, 2022, or 5,265,045 common shares representing 5% of the issued and outstanding common shares after the deduction required by the Toronto Stock Exchange of the 2,607,214 common shares purchased under the Terminated NCIB.

Partnership with Hyundai and Genesis – On August 31, 2022, iA Financial Group announced a partnership with Hyundai Motor Finance and Genesis Finance, making iA the new administrator of the Hyundai and Genesis Extended Protection Programs. The addition of this branded program represents yet another step in the Company's ongoing plan to have more distribution agreements with OEMs. The programs provide for a full suite of branded protection products, which will be administered by the Company. The products will be available at Hyundai and Genesis dealerships and distributors across Canada as of March 1, 2023, with a lease-end protection product which has been available since October 1, 2022.

Reinsurance agreement – In the context of its ongoing risk management initiatives, the Company took advantage of a competitive reinsurance environment to sign a reinsurance treaty in its US Operations' Individual Insurance division. This agreement took effect on July 1, 2022 and generated a gain of $0.39 EPS during the third quarter and increased the solvency ratio by one percentage point.

Adjustment of software, premises and furnishings book values – As part of the Company's ongoing digital transformation, an analysis of software book values was conducted, and certain values have been adjusted downwards. In addition, in the process of adapting our offices to meet our vision of the future of work, coupled with the implications of remote working accelerated by the pandemic, we have revamped our office premises and furnishings. The combination of these two adjustments has adversely impacted third quarter results by $0.25 EPS.

Accounting interpretation of IASB'S decision relating to cloud computing arrangements – The Company has finalized its analysis of the International Accounting Standards Board's (IASB) findings with respect to cloud computing arrangements. The accounting change only impacts the timing of the recognition of the IT expense in net income. As a result, a retroactive application for the first six months of 2022 for software as a service (SaaS) has been recorded and resulted in an adverse impact of $0.09 EPS in the third quarter. Furthermore, the application of this accounting interpretation from July 1, 2022 onwards results in higher expenses of $0.03 in the third quarter and an estimated ~$0.04 in the fourth quarter of this year.

Annual actuarial assumption review – The annual review of actuarial assumptions has begun and will be finalized in the coming weeks. The final results will be reported on February 14, 2023, with the fourth quarter 2022 earnings release. At the moment, the impact of the annual actuarial assumption review on the fourth quarter 2022 net income is expected to be near-neutral.

Philanthropic contest – On September 14, 2022, the sixth edition of the Company's philanthropic contest was launched. A total of $500,000 in donations will be shared by charities whose mission, or a component of their mission, is dedicated to supporting people with disabilities and their communities. The winners will be announced on December 5.

Subsequent to the third quarter:

- **Progressive Aboriginal Relations (PAR) program** – Following the Company's undertaking to obtain Progressive Aboriginal Relations (PAR) certification, on October 25, 2022, a first step was completed and the Company can now be designated as Committed to the PAR program. The Company has until Q4/2025 to complete the program and become PAR certified.

- **Recognition of Alain Bergeron's leadership in responsible investment** – On October 6, Alain Bergeron, Executive Vice-President and Chief Investment Officer, was named one of Clean50's sustainability leaders in Canada. The Clean50 selection committee emphasized the rapid strengthening of sustainable stewardship across all investments. Among other things, the Company has almost doubled the number of SRI funds from 10 to 18, formalized and published a responsible investment policy, increased the level of engagement with companies and supported a sustainable bond issue.

† 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.

Transition to IFRS 17 and IFRS 9 and outlook – The Company's management is already making decisions and taking actions based on the new IFRS 17 and IFRS 9 accounting standards that will come into effect on January 1, 2023.

As the Company transitions to these new standards, it continues to be managed with a long term vision to protect the strength and quality of its balance sheet under IFRS 4. Among other things, the Company has kept additional protections in the reserving process, has provisioned prudently for financial guarantees and has positioned assumptions to limit gains on new business.

Based on the information available as at September 30, 2022, the following expected impacts[3] of IFRS 9 and IFRS 17 are estimated at transition[4]:

- Book value: near-neutral
- Contractual service margin (CSM) level: more than $5 billion
- Solvency ratio: increase of more than 20 percentage points
- Capital available for deployment: very favourable

And the following expected impacts[3] on 2022 results under IFRS 9 and IFRS 17 are estimated on a preliminary basis:

- Book value: near-neutral to slightly negative at September 30, 2022[5]
- Solvency ratio: increase of more than 20 percentage points[5]
- Core ROE: favourable
- Core EPS level: favourable
- Core EPS growth: near-neutral on 2022+ results (i.e. 10%+ annual growth on average)
- Organic capital generation: favourable

Under IFRS 17 and IFRS 9, core earnings will continue to be the best indicator of the Company's ability to generate sustainable earnings, eliminating the short-term volatility that may result from the de-linking between assets and liabilities under the new accounting regime.

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

BUSINESS GROWTH

Business growth is measured by growth in sales,[†] premiums and assets under management and administration.[†] Sales measure the Company's ability to generate new business and 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 both fund entries from new business written and from in-force contracts. Assets under management and administration[†] measure the Company's ability to generate fees, particularly for investment funds and funds under administration. An additional analysis of revenues by line of business is presented in the "Analysis According to the Financial Statements" section of this Management's Discussion and Analysis.

Net Premiums, Premium Equivalents and Deposits[†,6]

	Third quarter			Year-to-date at September 30		
(In millions of dollars)	**2022**	**2021**	**Variation**	**2022**	**2021**	**Variation**
Individual Insurance	465	433	32	1,410	1,297	113
Individual Wealth Management	1,414	2,019	(605)	5,373	6,582	(1,209)
Group Insurance	537	478	59	1,567	1,378	189
Group Savings and Retirement	474	804	(330)	1,781	2,159	(378)
US Operations	271	252	19	850	745	105
General Insurance[7]	107	106	1	311	299	12
Total	3,268	4,092	(824)	11,292	12,460	(1,168)

Premiums and deposits totalled nearly $3.3 billion in the third quarter compared to a strong quarter of $4.1 billion a year earlier. The unfavourable variation was driven by both wealth sectors, where the industry as a whole is facing challenges amid a difficult macroeconomic environment. All other business lines recorded an increase in premiums and deposits in the third quarter compared to the same period last year.

3 Expected estimated combined impact of IFRS 9 and IFRS 17, according to information available as at September 30, 2022. Alto, these items are non-IFRS measures.[†]
4 IFRS 9 and IFRS 17 transition on January 1, 2022.
5 IFRS 9 and IFRS 17 preliminary estimate at September 30, 2022 vs. IFRS 4 result at September 30, 2022.
6 Premiums and deposits include all premiums collected by the Company for its insurance and annuity activities (and posted to the general fund), all amounts collected for segregated funds (which are also considered to be premiums), deposits[†] from the Group Insurance, Group Savings and Retirement and US Operations sectors and mutual fund deposits.
7 Includes iAAH and some minor consolidation adjustments.

† 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.

Assets Under Management and Administration†				
(In millions of dollars)	**September 30, 2022**	**June 30, 2022**	**December 31, 2021**	**September 30, 2021**
Assets under management†				
General fund	49,945	48,868	55,082	54,226
Segregated funds	35,469	35,625	39,577	36,886
Mutual funds	11,410	11,737	13,955	13,192
Other	3,272	3,113	2,862	3,942
Subtotal	100,096	99,343	111,476	108,246
Assets under administration†	96,135	94,236	109,687	106,213
Total	196,231	193,579	221,163	214,459

Assets under management and administration† ended the third quarter at $196.2 billion, down 8% from a year earlier but up 1% during the quarter. Although up slightly quarter over quarter, growth in asset levels in 2022 is tempered by unfavourable financial market conditions and rising interest rates.

Sales Growth by Line of Business†						
	Third quarter			**Year-to-date at September 30**		
(In millions of dollars, unless otherwise indicated)	**2022**	**2021**	**Variation**	**2022**	**2021**	**Variation**
Individual Insurance						
Minimum premiums	87	63	38%	265	182	46%
Excess premiums	6	5	20%	27	17	59%
Total	93	68	37%	292	199	47%
Individual Wealth Management						
Gross sales						
General fund	326	214	52%	795	663	20%
Segregated funds	782	1,145	(32%)	3,206	3,568	(10%)
Mutual funds	306	660	(54%)	1,372	2,351	(42%)
Total	1,414	2,019	(30%)	5,373	6,582	(18%)
Net sales (after redemptions and transfers)						
Segregated funds	344	839	(495)	1,743	2,484	(741)
Mutual funds	(171)	261	(432)	(325)	911	(1,236)
Group Insurance						
Employee Plans	5	19	(74%)	28	120	(77%)
Dealer Services						
Creditor Insurance	64	73	(12%)	170	186	(9%)
P&C Insurance	111	95	17%	297	253	17%
Car loan originations	126	132	(5%)	487	404	21%
Special Markets	77	48	60%	220	139	58%
Group Savings and Retirement	482	810	(40%)	1,802	2,178	(17%)
US Operations ($US)						
Individual Insurance	35	34	3%	106	102	4%
Dealer Services – P&C Insurance[8]	261	295	(12%)	770	813	(5%)
General Insurance						
iAAH (auto and home insurance)	124	118	5%	357	341	5%

[8] Property and casualty insurance.

† 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.

Individual Insurance in Canada – Sales[†] totalled $93 million for the third quarter and were up 37% year over year. This strong growth was driven in part by good performance from all networks and distributors, including strong sales from one large distributor, and by the increase in average premium per policy sold. Our comprehensive and competitive range of products—including the success of our PAR products—and the excellent performance of our digital tools remained strong growth drivers for this line of business. As such, the Company has remained the leader in number of policies issued in Canada according to the latest industry data.

Individual Wealth Management – Guaranteed product (general fund) third quarter sales[†] of $326 million were up 52% year over year as customers tend to turn to cash equivalent products when markets are volatile. Despite challenging market conditions, net fund entries were positive and amounted to $173 million in the third quarter. The Company continued to rank first in gross and net segregated fund sales[†] as at August 2022. Segregated fund gross sales[†] amounted to $782 million for the quarter compared to $1,145 million for the same period last year. Net sales resulted in positive inflows of $344 million for the quarter. Mutual fund gross sales[†] amounted to $306 million, with net outflows of $171 million during the quarter.

Group Insurance – Employee Plans – Third quarter premiums[†] increased by 11% year over year, as retention of in-force business continues to be good. Sales[†] totalled $5 million compared to $19 million a year earlier as quoting activity volume was low during the quarter. Note that sales[†] in this division vary considerably from one quarter to another based on the size of the contracts sold.

Group Insurance – Dealer Services – Total sales[†] amounted to $301 million in the third quarter, in line with last year's level. Sales[†] of P&C products (including extended warranties and replacement insurance) were up 17% from last year, while creditor insurance sales[†] of $64 million compared to $73 million for the same period in 2021. Car loan originations[†] amounted to $126 million compared to $132 million a year earlier.

Group Insurance – Special Markets – Sales[†] of $77 million for the third quarter were up 60% year over year, mainly driven by the strong upturn in travel sales as COVID restrictions were relaxed.

Group Savings and Retirement – Sales[†] for the third quarter totalled $482 million compared to $810 million for the same period last year due to the unfavourable macroeconomic context. Note that sales in this division vary considerably from one quarter to another based on the size of the contracts sold.

US Operations – For the third quarter, Individual Insurance sales[†] totalled US$35 million, up 3% compared to the same period last year. In the Dealer Services division, third quarter sales[†] totalled US$261 million compared to total sales of US$295 million a year ago, a decrease mainly due to low retail sales of new and used cars, which both continued to decline from last year, especially for used cars.

General Insurance (iA Auto and Home) – Direct written premiums amounted to $124 million in the third quarter and are up 5% year over year.

ANALYSIS ACCORDING TO SOURCES OF EARNINGS

This section contains measures that have no IFRS equivalents. See "Non-IFRS and Additional Financial Measures" at the end of this document for more information and an explanation of the adjustments applied in the Company's core earnings[†] calculation.

Core earnings[†]

Core earnings is a non-IFRS measure that represents management's view of the Company's capacity to generate sustainable earnings. Diluted core EPS of $2.29 in the third quarter is 3% higher than last year's result. The table below reconciles the Company's reported and core earnings.[†] Six items were adjusted in the core earnings[†] calculation for the quarter, representing an increase of $0.26 EPS versus reported EPS.

† 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[9]								
	Third quarter				Year-to-date at September 30			
	Earnings	EPS (diluted basis)			Earnings	EPS (diluted basis)		
(in millions of dollars after tax unless otherwise indicated)	2022	2022	2021	Variation	2022	2022	2021	Variation
Reported earnings	215	$2.03	$2.01	1%	588	$5.48	$5.77	(5%)
Core earnings† remove from reported earnings the impacts of the following items:								
Market-related impacts that differ from management's best estimate assumptions	10	$0.09	—		61	$0.57	($0.13)	
Assumption changes and management actions	(41)	($0.39)	—		(41)	($0.39)	—	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	3	$0.03	$0.04		12	$0.11	$0.13	
Amortization of acquisition-related finite life intangible assets	16	$0.14	$0.13		47	$0.43	$0.38	
Non-core pension expense	5	$0.05	$0.05		16	$0.15	$0.16	
Other specified unusual gains and losses	35	$0.34	—		8	$0.09	—	
Core earnings†	243	$2.29	$2.23	3%	691	$6.45	$6.31	2%

Results According to Sources of Earnings† on a Core and Reported Basis

Results according to the sources of earnings present the key variations between the net income and the Company's expectations for the three-month period ended September 30, 2022. This data complements the information presented in the "Analysis According to the Financial Statements" section and provides additional information to better understand the Company's financial results. The following two tables present the results according to sources of earnings on both a core and reported basis.

Results According to Sources of Earnings† – Core Basis						
	Third quarter			Year-to-date at September 30		
(In millions of dollars, unless otherwise indicated)	2022	2021	Variation	2022	2021	Variation
Core operating profit (loss)						
Expected profit on in-force†	260	255		765	718	
Experience gain (loss)	(10)	7		(24)	39	
Impact of new business (strain)	18	(2)		25	(7)	
Changes in assumptions and management actions	—	—		—	—	
Total	268	260		766	750	
Core income on capital†	39	57		130	157	
Core income (loss) before income taxes	307	317	(3%)	896	907	(1%)
Core income taxes†	(61)	(70)		(190)	(210)	
Core net income (loss) attributed to shareholders	246	247		706	697	
Dividends on preferred shares issued by a subsidiary	3	6		15	18	
Core net income (loss) attributed to common shareholders	243	241	1%	691	679	2%

9 The figures do not always add up exactly due to rounding differences.

† 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.

Results According to Sources of Earnings† – Reported Basis

(In millions of dollars, unless otherwise indicated)	Third quarter 2022	Third quarter 2021	Third quarter Variation	Year-to-date at September 30 2022	Year-to-date at September 30 2021	Year-to-date at September 30 Variation
Operating profit (loss)						
Expected profit on in-force†	250	244		733	680	
Experience gain (loss)	(22)	7		(104)	58	
Impact of new business (strain)	18	(2)		25	(7)	
Changes in assumptions and management actions	53	—		53	—	
Total	299	249		707	731	
Income on capital†	(33)	37		12	100	
Income (loss) before income taxes	266	286	(7%)	719	831	(13%)
Income taxes†	(48)	(63)		(117)	(193)	
Net income (loss) attributed to shareholders	218	223		602	638	
Dividends on preferred shares issued by a subsidiary	3	6		14	17	
Net income (loss) attributed to common shareholders	215	217	(1%)	588	621	(5%)

Analysis According to Sources of Earnings† on a Reported Basis

Net income attributed to common shareholders was $215 million for the third quarter of 2022. This result, as analyzed according to sources of earnings, can be explained as follows:

Expected profit on in-force† – The expected profit on in-force† represents the portion of income expected to come from policies and contracts in force at the beginning of the period based on management's best-estimate assumptions when the 2022 budget was prepared. Expected profit for the wealth lines is updated quarterly to reflect changes in the stock markets and net fund entries.

For the third quarter, expected profit on in-force† (EPIF) of $250 million pre-tax was up by 2% or $6 million year over year. The growth in expected profit on in-force is mainly the result of organic growth, along with the impact of net fund entries in recent quarters. Growth level has been dampened by the quarterly EPIF adjustment to reflect changes in the stock markets as at June 30, 2022.

Experience gains (losses) versus expected profit† – Experience gains or losses represent the difference between reported income and the income that would have been reported if all assumptions made at the start of the period had materialized. Experience gains and losses† include market impact, policyholder experience and certain specific items.

In the third quarter of 2022, the Company recorded a net experience loss of $22 million, or $16 million after tax (-$0.14 EPS). The following experience results are worthy of note:

- *Additional protections in reserves for pandemic uncertainty* – In the U.S., additional mortality claims were lower than the provision available for the third quarter and the excess provision was carried forward for potential use in the future. In Canada, additional mortality claims were higher than the provision available for the third quarter, which was therefore used in full. The additional protection in the reserves for adverse policyholder behaviour remains intact as no adverse experience was recorded during the quarter.
- *Individual Insurance* – This business line recorded an after-tax loss of $3 million (-$0.03 EPS) in the third quarter. The market-related variations had a negative impact on universal life insurance policies (-$0.02 EPS) and on the level of assets backing individual insurance reserves (-$0.05 EPS). Policyholder experience generated a loss (-$0.01 EPS) during the quarter as morbidity experience was favourable but mortality experience was unfavourable. Policyholder behaviour generated a gain (+ $0.04 EPS) due to good experience from lapse and exercise of contractual options by customers. Also, favourable miscellaneous items were partially offset by higher expenses (+$0.01 EPS).
- *Individual Wealth Management* – Experience for this business line was unfavourable in the third quarter (after-tax loss of $9 million or -$0.08 EPS). Market-related variations had an unfavourable impact on the result of the segregated fund hedging program (-$0.04 EPS) but a favourable impact on investment fund income (MERs) (+$0.02 EPS). Also, revenues from distribution affiliates were lower than expected due to an unfavourable macroeconomic environment (-$0.03 EPS) and expenses were higher than expected (-$0.03 EPS).
- *Group Insurance* – This business line recorded an after-tax loss of $1 million for the quarter (-$0.01 EPS). Experience in the Employee Plans division was close to plan (-$0.01 EPS), as good long-term disability (LTD) experience was more than offset by

† 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.

higher expenses and unfavourable mortality. In the Dealer Services division, results were on plan as favourable experience for P&C claims and car loans was offset by miscellaneous unfavourable items. Lastly, Special Markets results were also on plan.

- *Group Savings and Retirement* – This business line reported a result in line with expectations as favourable longevity experience was offset by higher expenses.
- *US Operations* – This sector recorded an after-tax loss of $3 million (-$0.02 EPS) for the quarter. The Individual Insurance division recorded a small gain due to favourable miscellaneous items (+$0.01 EPS). In the Dealer Services division, revenues were lower primarily due to the impact of low retail sales of new and used cars (-$0.04 EPS). Also, IAS integration costs were lower than expected (+$0.01 EPS).

Impact of new business (strain)[†] *in Individual Insurance in Canada and the U.S.* – New business for the two business units generated a gain at issue of $18 million pre-tax, or 13% of sales for the quarter. This result is better than expected, generating an $0.11 EPS gain mainly due to a portion of the 2022 interest rate increase being factored into the strain calculation and, to a lesser extent, sales volume being higher than expected.

Income on capital[†] – Net income earned on the Company's surplus funds, which includes income from the iA Auto and Home affiliate (iAAH), generated a loss of $33 million before tax for the third quarter, representing an unfavourable variance of $0.43 EPS versus management expectations. This is mainly explained by losses recorded due to the accounting interpretation relating to cloud computing (-$0.09 EPS) and the adjustment of software, premises and furnishings book values (-$0.25 EPS), both of which are discussed in the Highlights section of this document. Investment income on surplus was higher than expected (+ 0.01 EPS) while financing costs were slightly higher than planned (-$0.01 EPS). At iAAH, results were below expectations (-$0.09 EPS) due to unfavourable experience and, to a lesser extent, due to higher expenses as the digital transformation accelerates. Experience was marked by intense adverse weather conditions and a higher volume of vehicle thefts.

Income taxes[†] – The tax charge was lower than expected (+$0.04 EPS) as income taxes[†] amounted to $48 million in the third quarter, for an effective tax rate of 18.0%. The variance is mainly due to a higher proportion of capital gains than anticipated.

Reinsurance – The reinsurance agreement mentioned in the Highlights section of this document generated a gain of $0.39 EPS.

Number of shares – The redemption of 2.4 million common shares during the first nine months of 2022 under the normal-course issuer bid (NCIB) program had a favourable impact of $0.02 EPS in the third quarter.

ANALYSIS ACCORDING TO THE FINANCIAL STATEMENTS

The following analysis should be read in conjunction with Note 16 "Segmented Information" in the Company's unaudited interim condensed consolidated financial statements.

Consolidated Income Statements

	Third quarter			Year-to-date at September 30		
(In millions of dollars)	**2022**	**2021**	**Variation**	**2022**	**2021**	**Variation**
Revenues						
Net premiums	2,871	3,332	(461)	9,617	9,811	(194)
Investment income	463	(41)	504	(6,952)	(1,861)	(5,091)
Other revenues	514	543	(29)	1,576	1,559	17
Total	3,848	3,834	14	4,241	9,509	(5,268)
Less: policy benefits and expenses	3,586	3,545	41	3,541	8,683	(5,142)
Income before income taxes	262	289	(27)	700	826	(126)
Less: income taxes	48	63	(15)	111	191	(80)
Net income	214	226	(12)	589	635	(46)
Less: net income attributed to participating policyholders	(4)	3	(7)	(13)	(3)	(10)
Net income attributed to shareholders	218	223	(5)	602	638	(36)
Less: dividends on preferred shares issued by a subsidiary	3	6	(3)	14	17	(3)
Net income attributed to common shareholders	215	217	(2)	588	621	(33)

[†] 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.

Revenues

The following table presents the composition of revenues by line of business.

Revenues by Line of Business

	Third quarter						
(In millions of dollars)	**Individual Insurance**	**Individual Wealth Management**	**Group Insurance**	**Group Savings and Retirement**	**US Operations**	**Other**	**Total**
Net premiums	465	1,108	494	474	223	107	2,871
Variation vs. 2021	*32*	*(251)*	*55*	*(330)*	*32*	*1*	*(461)*
Investment income	336	39	45	85	(98)	56	463
Variation vs. 2021	*450*	*41*	*14*	*90*	*(104)*	*13*	*504*
Other revenues	30	425	24	31	92	(88)	514
Variation vs. 2021	*(1)*	*(33)*	*3*	*2*	*(27)*	*27*	*(29)*
Total	831	1,572	563	590	217	75	3,848
Variation vs. 2021	*481*	*(243)*	*72*	*(238)*	*(99)*	*41*	*14*

Net premiums – Net premiums totalled $2,871 million in the third quarter of 2022. The $461 million decrease over the third quarter of 2021 is mainly explained by:

- A variation in premiums in the Individual Wealth Management sector largely due to a decrease in the level of savings.
- A variation in the Group Savings and Retirement sector mainly due to a lower level of sales† for the period.

The decrease in net premiums was mitigated by business growth in the Individual Insurance, Group Insurance and US Operations sectors.

Other factors that can cause premiums to fluctuate from one quarter to another are generally as follows:

- The tendency of clients to concentrate their deposits† in registered retirement savings products during the first 60 days of the year.
- The signing of new agreements with large groups in the group business lines.

Note that net premiums include amounts invested by insureds in segregated funds, but do not include those invested by clients in mutual funds.

Investment income – The $504 million increase in investment income compared to the third quarter of 2021 is largely due to variations in the fair value of derivative financial instruments supporting the insurance contract liabilities, mainly caused by movements in interest rates and exchanges rates.

Note that investment income mostly fluctuates based on variations in the fair value of investments due to changes in interest rates, stock markets and issuer spreads, particularly for bonds, equities and derivatives. Investment income also varies based on interest income, dividends, rental income from real estate and realized profits and losses on the disposition of available-for-sale assets.

From an accounting standpoint, the majority of stocks and bonds are classified as "Designated at fair value through profit or loss" and are used as underlying assets for the provisions for future policy benefits. The variation in the fair value of these assets is therefore reflected in the increase (decrease) in insurance contract liabilities.

Other revenues – Other revenues generally represent fees earned from the management of segregated funds and mutual funds, income from administrative services only (ASO) contracts, and fee income from the Company's brokerage subsidiaries and assets managed for third parties. Other revenues were down $29 million in the third quarter compared to the same period last year, essentially due to a decrease in the level of savings in the Individual Wealth Management sector.

† 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.

Policy Benefits and Expenses

Policy benefits and expenses increased by $41 million in the third quarter compared to the same period last year. This variation is explained by:

- A variation in net benefits and claims on contracts in the Individual Wealth Management and Group Savings and Retirement sectors due to business growth.
- An increase in commissions, general and other expenses in the Individual Insurance and Group Insurance sectors due to business growth.
- An increase in insurance contract liabilities. The variation in this liability during a given period reflects a number of factors, including the variation in the fair value and the return on assets matched to the provisions for future policy benefits, the variation in net policy premiums and benefits, net transfers to segregated funds and variations in the provisions for future policy benefits due to assumption changes.

The increase in policy benefits and expenses was mitigated by:

- A change in net transfers to segregated funds in the Individual Wealth Management and Group Savings and Retirement sectors.
- An increase in reinsurance assets in the Individual Insurance sector, which is generally influenced by the same factors that influence the variation in insurance contract liabilities.

Income Taxes

For the third quarter of 2022, the Company recorded an income tax expense of $48 million versus $63 million in 2021. These amounts are consistent with the variation in income before income taxes and adjustments for current and prior years.

Net Income Attributed to Common Shareholders

Net income attributed to common shareholders totalled $215 million for the third quarter of 2022, compared to $217 million for the same period last year. The variation is primarily explained by the factors mentioned in this section. The following table presents a summary of iA Financial Corporation's financial results for the last nine quarters.

Selected Financial Data

(In millions of dollars, unless otherwise indicated)	2022			2021				2020	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenues	3,848	241	152	5,977	3,834	5,344	331	4,518	4,099
Net income attributed to common shareholders	215	222	151	209	217	231	173	172	217
Earnings per common share (in dollars)									
Basic	2.03 $	2.07 $	1.40 $	1.95 $	2.01 $	2.16 $	1.61 $	1.61 $	2.03 $
Diluted	2.03 $	2.06 $	1.40 $	1.94 $	2.01 $	2.15 $	1.61 $	1.60 $	2.03 $

Related Party Transactions

There are no material related party transactions outside the normal course of business to report for the third quarter of 2022.

Liquidity

To honour its commitments, the Company maintains a sufficient level of liquidity by holding a proportion of marketable high-quality securities and strictly managing cash flows and matching.

Given the volatility of the financial markets, the Company carries out simulations to measure its liquidity needs under various scenarios, some of which can be qualified as extreme. In light of the simulations carried out, and given the quality of its investment portfolio, the Company believes its current level of liquidity is not an issue.

For more information on liquidity risk and how this risk is managed, refer to the "Risk Management" section of the Company's 2021 Annual Report.

The Company also has certain investment commitments as well as a line of credit. Its investment commitments correspond to various contractual commitments related to commercial and residential loan offers, private placements, joint ventures and real estate which are not reflected in the financial statements and may not be fulfilled.

For more information on the Company's commitments, refer to Note 19 of the Company's unaudited interim condensed consolidated 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.

Accounting Policies and Main Accounting Estimates

The Company's third quarter unaudited interim condensed consolidated financial statements were prepared as outlined in Note 1 "General Information" of the financial statements.

The preparation of financial statements requires management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities, net income and additional information. Actual results could differ from management's best estimates. Management has exercised its judgment and made estimates and assumptions as outlined in Note 2 b) of the consolidated financial statements in the Company's 2021 Annual Report.

More information on new accounting policies applied and future changes in accounting policies is presented in Note 2 "Changes in Accounting Policies" of the unaudited interim condensed consolidated financial statements.

INVESTMENTS

Investment Mix

(In millions of dollars, unless otherwise indicated)	September 30, 2022	June 30, 2022	December 31, 2021	September 30, 2021
Book value of investments	39,330	39,000	45,651	44,320
Allocation of investments by asset class				
Bonds	68.6%	68.1%	72.1%	73.0%
Stocks	9.9%	9.8%	8.5%	8.4%
Mortgages and other loans	7.3%	7.5%	6.4%	6.5%
Investment properties	4.6%	4.8%	4.1%	4.2%
Policy loans	2.9%	2.9%	2.3%	2.3%
Cash and short-term investments	3.0%	3.6%	3.4%	3.3%
Other	3.7%	3.3%	3.2%	2.3%
Total	100.0%	100.0%	100.0%	100.0%

The total value of the investment portfolio was $39 billion at September 30, 2022, up 1% from June 30, 2022. This slight increase is explained by the impact of decreasing interest rates on the bond portfolio, which constitutes nearly 70% of the total investment portfolio. The above table shows the main asset classes that make up the Company's investment portfolio.

Quality of Investments

(In millions of dollars, unless otherwise indicated)	September 30, 2022	June 30, 2022	December 31, 2021	September 30, 2021
Gross impaired investments	46	44	23	23
Provisions for impaired investments	8	8	6	6
Net impaired investments	38	36	17	17
Net impaired investments as a % of total investments†	0.10%	0.09%	0.04%	0.04%
Bonds – Proportion rated BB or lower	1.10%	1.12%	0.94%	1.03%
Mortgages – Proportion of securitized and insured loans[10]	25.7%	25.6%	26.0%	26.5%
– Proportion of insured loans	45.1%	45.3%	45.2%	45.9%
– Delinquency rate	—	—	—	—
Investment properties – Occupancy rate	88.6%	91.0%	91.5%	91.6%
Car loans – Average credit loss rate (non-prime)[†,11]	2.6%	2.3%	2.3%	2.4%

The increase in net impaired investments during the quarter is the result of a positive foreign exchange movement impacting the value of an asset that was already impaired. For investment properties, the occupancy rate remained at an excellent level, above that of the Canadian office market. Lastly, the average credit loss rate on car loans, despite a slight uptick, remained at a low level for the quarter. With clients' spending behaviour returning to normal combined with rising interest rates and inflation, the average credit loss rate is expected to increase gradually in the coming quarters.

[10] A marginal portion of the securitized and insured loans may be uninsured at the end of the quarter.

[11] Represents the non-prime credit losses for the last twelve months divided by the average finance receivables† over the same period.

† 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.

Derivative Financial Instruments				
(In millions of dollars, unless otherwise indicated)	**September 30, 2022**	**June 30, 2022**	**December 31, 2021**	**September 30, 2021**
Total notional amount ($B)	34	31	31	26
Company's credit risk				
AA - or higher	100%	100%	100%	100%
A +	—	—	—	—
Positive fair value	970	738	917	485
Negative fair value	1,618	1,746	526	808

The Company uses derivative financial instruments in the normal course of managing the risks associated with fluctuations in interest rates, stock markets, currencies and the fair value of invested assets. These instruments are composed of various types of contracts, including interest rate swaps, market index and exchange rate contracts, forward agreements, futures contracts, and market index and currency options.

Derivative financial instruments are used as part of the Company's hedging program designed to alleviate the sensitivity of segregated fund guarantees to interest rate and stock market fluctuations. They are also used to hedge the Company's foreign exchange and interest rate risks and as part of investment strategies to reduce the Company's risk profile.

The positive fair value represents the amounts payable to the Company by the different counterparties. This amount fluctuates from one period to another according to changes in interest rates, equity markets and exchange rates. Conversely, negative fair value represents the amount payable by the Company to the different counterparties.

For more information, refer to Note 5 and Note 8 of the Company's unaudited interim condensed consolidated financial statements.

FINANCIAL POSITION

Capitalization†				
(In millions of dollars)	**September 30, 2022**	**June 30, 2022**	**December 31, 2021**	**September 30, 2021**
Equity				
Common shares	1,681	1,697	1,706	1,705
Preferred shares and other equity instruments[12]	525	525	525	525
Contributed surplus	17	17	17	17
Retained earnings	5,299	5,223	4,963	4,818
Accumulated other comprehensive income	(422)	(444)	(14)	4
Subtotal	7,100	7,018	7,197	7,069
Debentures	1,499	1,499	1,450	1,450
Participating policyholders' accounts	35	39	48	38
Total	8,634	8,556	8,695	8,557

The Company's capital totalled over $8.6 billion at September 30, 2022, up $78 million from June 30, 2022. The quarterly variation is primarily due to an increase in retained earnings arising from the contribution of net income.

[12] Including preferred shares issued by a subsidiary.

† 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.

Solvency				
(In millions of dollars, unless otherwise indicated)	**September 30, 2022**	**June 30, 2022**	**December 31, 2021**	**September 30, 2021**
Available capital				
Tier 1	2,530	2,632	2,985	3,125
Tier 2	2,202	2,130	1,997	1,838
Surplus allowance and eligible deposits	4,663	4,538	5,261	5,258
Total	9,395	9,300	10,243	10,221
Base solvency buffer	7,220	7,158	7,640	7,815
Solvency ratio†	130%	130%	134%	131%

The Company ended the third quarter of 2022 with a solvency ratio† of 130%. This result is above the Company's target range of 110% to 116% and the same as at the end of the previous quarter. This is explained by the contribution of organic capital generation† and the impacts of the reinsurance agreement (mentioned in the Highlights section of this document) being offset by unfavourable macroeconomic variations, a portfolio adjustment in view of the transition to IFRS 17 and the NCIB share redemption.

During the third quarter, the Company organically generated approximately $160 million in additional capital.

Financial Leverage				
	September 30, 2022	**June 30, 2022**	**December 31, 2021**	**September 30, 2021**
Debt ratio				
Debentures/capital†	17.4%	17.5%	16.7%	16.9%
Debentures + preferred shares issued by a subsidiary/capital†	23.4%	23.7%	22.7%	23.1%
Coverage ratio†	15.0x	14.8x	16.1x	15.0x

The debt ratios decreased slightly during the third quarter due to the increase in the Company's total capital mentioned above, while the coverage ratio† increased during the quarter following a slight decrease in financing costs.

Book Value per Common Share[13] and Market Capitalization				
	September 30, 2022	**June 30, 2022**	**December 31, 2021**	**September 30, 2021**
Book value per common share[13]	$62.38	$60.97	$62.01	$60.82
Number of common shares outstanding	105,410,363	106,468,863	107,557,577	107,630,477
Value per share at close	$70.19	$64.02	$72.38	$71.86
Market capitalization	$7,398,753,379	$6,816,136,609	$7,785,017,423	$7,734,326,077

Book value per common share[13] was $62.38 at September 30, 2022, increasing 2% compared to the $60.97 reported three months earlier, and was up 3% over the last twelve months. The variation for the quarter is mostly attributable to the contribution of retained earnings for the period.

The number of common shares outstanding decreased by 1,058,500 during the quarter. This decrease is mainly due to the Company's redemption and cancellation of 1,077,000 outstanding common shares under the NCIB program, which was partly offset by the exercise of stock options under the stock option plan for senior managers.

The Company's market capitalization was $7.4 billion at September 30, 2022, up 9% during the third quarter, primarily due to the change in the Company's stock value, which more than offset the impact of the decrease in the number of shares outstanding mentioned above.

[13] 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.

Under the Normal Course Issuer Bid (NCIB), the Company can redeem up to 5,382,503 common shares, representing approximately 5% of the outstanding common shares, between December 6, 2021 and December 5, 2022. Since the reinstatement of the program in December 2021, the Company has redeemed and cancelled 2.5 million shares for a total value of $166.9 million.

DECLARATION OF DIVIDEND

The Board of Directors of iA Financial Corporation approved a quarterly dividend of $0.6750 per share on the Company's outstanding common shares, the same as that announced the previous quarter.

The Board of Directors of iA Insurance approved a quarterly dividend of $0.2875 per Non-Cumulative Class A Preferred Share – Series B and $0.3000 per Non-Cumulative Class A Preferred Share – Series I. In the third quarter of 2022, iA Insurance paid a dividend of $150 million to its sole common shareholder, iA Financial Corporation. In the fourth quarter of 2022, the Board of Directors of iA Insurance approved the declaration of a dividend of $150 million to its sole common shareholder, iA Financial Corporation.

Following are the amounts and dates of payment and closing of registers for the iA Financial Corporation common shares and iA Insurance preferred shares.

Declaration of Dividend

	Amount	Payment date	Closing date	
Common share – iA Financial Corporation	$0.6750	December 15, 2022	November 18, 2022	
Class A Preferred Share – Series B – iA Insurance	$0.2875	January 3, 2023	November 25, 2022	Non-cumulative dividend
Class A Preferred Share – Series I – iA Insurance	$0.3000	January 3, 2023	November 25, 2022	Non-cumulative dividend

For the purposes of the *Income Tax Act* (Canada) and any corresponding provincial or territorial tax legislation, all dividends paid by iA Financial Corporation on its common shares and by iA Insurance on its preferred shares are eligible dividends.

Reinvestment of Dividends

Registered shareholders wishing to enrol in the Company's Dividend Reinvestment and Share Purchase Plan (DRIP) so as to be eligible to reinvest the next dividend payable on December 15, 2022 must ensure that the duly completed form is delivered to Computershare no later than 4:00 p.m. on November 11, 2022. Enrolment information is provided on iA Financial Group's website at ia.ca under *About iA,* in the *Investor Relations/Dividends* section. Common shares issued under the Company's DRIP will be purchased on the secondary market and no discount will apply.

† 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.

SENSITIVITY ANALYSIS

Sensitivity Analysis[14]				
	September 30, 2022	June 30, 2022	December 31, 2021	September 30, 2021
S&P/TSX closing value	18,444 points	18,861 points	21,223 points	20,070 points
Solvency ratio†	130%	130%	134%	131%
Impact of a drop in the stock markets (S&P/TSX Index)[15]				
Decrease in index requiring a strengthening of provisions for future policy benefits for stocks matched to long-term liabilities	(5%)	(12%)	(35%)	(27%)
Index trigger threshold	17,500 points	16,600 points	13,800 points	14,700 points
Net income impact for each additional 1% S&P/TSX decrease below this level	($17M)	($17M)	($25M)	($23M)
Decrease in index that reduces the solvency ratio† to 110%	(76%)	(81%)	N/A[16]	(96%)
Index trigger threshold	4,400 points	3,500 points	N/A[16]	800 points
Impact on net income of a sudden 10% drop in the stock markets (over one year)[16]	($38M)	($38M)	($44M)	($40M)
Impact on net income attributed to common shareholders of a hypothetical 10 bps decrease in interest rates				
Drop in the combined metric of IRR and URR	($19M)	($23M)	($43M)	($63M)
Drop in ultimate reinvestment rate (URR)	($48M)	($48M)	($68M)	($64M)
Drop in initial reinvestment rate (IRR)	$29M	$25M	$25M	$1M
Decrease in short-term rates only	Non-material			
Impact on net income attributed to common shareholders of a hypothetical 10 bps increase in interest rates				
Increase in the combined metric of IRR and URR	$19M	$23M	$43M	$63M
Increase in ultimate reinvestment rate (URR)	$48M	$48M	$68M	$64M
Increase in initial reinvestment rate (IRR)	($29M)	($25M)	($25M)	($1M)
Increase in short-term rates only	Non-material			

The analysis of the Company's sensitivity to macroeconomic changes on the solvency ratio (CARLI) was updated at the end of the first quarter of 2022. Refer to the Sensitivity Analysis section of the Management's Discussion and Analysis for the first quarter of 2022, available on sedar.com, for more information.

Caution related to sensitivities

The sensitivities presented above are estimates of the impact on the financial statements of sudden changes in interest rates and equity values. Actual results can differ significantly from these estimates for a variety of reasons such as the interaction between these factors, changes in business mix, changes in actuarial and investment assumptions, changes in investment strategies, actual experience differing from assumptions, the effective tax rate, market factors and limitations of our internal models. Therefore, these sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors based on the assumptions indicated above. Given the nature of these calculations, we cannot provide assurance that the actual impact on net income and the solvency ratio† will be as outlined.

Capital sensitivities to equity market – Equity market variation represents an immediate change in public and private equity investments (excluding infrastructure investments) at quarter-end. These sensitivities include the use of the Company's stock market protection to prevent an impact on net income and the impact of rebalancing equity hedges for the Company's dynamic hedging program. They exclude any subsequent actions on the Company's investment portfolio.

[14] The sensitivity analysis is based on non-IFRS measures.
[15] The S&P/TSX Index is a proxy that can move differently from our equity portfolio, which includes international public and private equities.
[16] Includes impacts of revenues on UL policy funds and MERs collected on investment funds, and excludes impact of the potential exhaustion of the market protection mentioned above in the table.

† 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.

NOTICE AND GENERAL INFORMATION

Internal Control Over Financial Reporting

No changes were made to the Company's internal control over financial reporting during the interim period ended September 30, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Non-IFRS and Additional Financial Measures

iA Financial Corporation and iA Insurance (hereinafter referred to individually in this section as the "Company") 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.

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 Group:

– *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 Group 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.

▪ Core earnings:
  ◦ *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:
    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;

† 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.

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.

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.

- *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 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 this document.

- 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 this document.

- 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.

- Components of the sources of earnings (SOE), on a reported and core basis:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition*: Presents sources of earnings in compliance with the guideline issued by the Office of the Superintendent of Financial Institutions and developed in cooperation with the Canadian Institute of Actuaries using the following components:
    a. Operating profit, which is the sum of the following components of the sources of earnings analysis: expected profit on in-force, experience gains and losses, impact of new business and changes in assumptions and management actions.
    b. Expected profit on in-force, which represents 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.
    c. Experience gains or losses, which represent the difference between reported income and the income that would have been reported if all assumptions made at the start of the period had materialized.
    d. Impact of new business, or strain, which represents the point-of-sale impact on net income of writing new business during the period. The expected profit realized in the years after a policy is issued should cover the strain incurred at the time of issue.
    e. Changes in assumptions and management actions, which is the impact on pre-tax net income resulting from changes in actuarial methods and assumptions or other management actions. Changes in assumptions result from the Company ensuring the adequacy of its provisions given the existing economic and financial environment as well as the Company's own experience in terms of mortality, morbidity, lapse rates, unit costs and other factors.

† 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.

Management actions represent the impact of actions apart from the normal operation of the business, including but not limited to changes in methodology, model refinement and impacts of acquisitions, mergers and divestitures.

f. Income on capital, which represents the income derived from investments in which the Company's capital is invested, minus any expenses incurred to generate that income. The Company also includes financing expenses from debentures, amortization of intangible assets related to acquisitions and the results of the iA Auto and Home (iAAH) subsidiary in this item.

g. Income taxes, which represent the value of amounts payable under the tax laws and include tax payable and deferred income taxes. A life insurer's investment income taxes and premium taxes are not included in these amounts. Income taxes are considered to be an expense for the purpose of calculating the operating profit.

- *Purpose*: Provides additional indicators for evaluating the Company's financial performance and an additional tool to help investors better understand the source of shareholder value creation.
- *Reconciliation*: There is no directly comparable IFRS financial measure for components of the SOE that is disclosed in the financial statements of the Company to which the measure relates.

- Car loan measure – Loan originations:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition*: New car loans disbursed during a period.
  - *Purpose*: Used to assess the Company's ability to generate new business in the car loan business unit.
  - *Reconciliation*: It is a component of the "Operating activities affecting cash: Purchases of investments" IFRS measure disclosed in the Company's financial statements.

- Car loan measure – Finance receivables:
  - *Category under Regulation 52-112*: Non-IFRS financial measures that constitute historical information.
  - *Definition*: Includes car loans, accrued interest, and fees.
  - *Purpose*: Used to assess the Company's total receivable amounts in the car loan business unit.
  - *Reconciliation*: There is no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.

- Car loan measure – Average credit loss rate on car loans:
  - *Category under Regulation 52-112*: Non-IFRS ratio.
  - *Definition*: Represents the total credit losses divided by the average finance receivables over the same period.
  - *Purpose*: Used to assess the Company's average credit performance in the car loan business unit.
  - *Reconciliation*: There is no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.

- 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 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 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.

- 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.

† 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.

- 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.

- Total payout ratio (trailing 12 months):
  - *Category under Regulation 52-112*: Supplementary financial measure.
  - *Definition*: The sum of common dividends paid and common shares repurchased (buybacks) over the last twelve months divided by the net income available to common shareholders over the last twelve months.
  - *Purpose*: Indicates the percentage of the Company's reported revenues shareholders received in the form of dividends over a twelve-month period.

- 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.

- Financial leverage measure – Debentures/Capital:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition*: Calculated by dividing total debentures by the sum of total debentures plus shareholders' equity.
  - *Purpose*: Provides a measure of the Company's financial leverage.

- Financial leverage measure – Debentures + Preferred Shares issued by a subsidiary/Capital:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition*: Calculated by dividing the total debentures plus preferred shares issued by a subsidiary by the sum of total debentures plus shareholders' equity.
  - *Purpose*: Provides a measure of the Company's financial leverage.

- Financial leverage measure – Coverage ratio:
  - *Category under Regulation 52-112*: Non-IFRS ratio.
  - *Definition*: Calculated by dividing earnings for the past twelve months (before interest and taxes) by the sum of interest, preferred shares issued by a subsidiary, and dividends and redemption premiums on preferred shares issued by a subsidiary (if applicable).
  - *Purpose*: Provides a measure of the Company's ability to meet liquidity requirements for obligations when they come due.
  - *Reconciliation*: There is no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.

- Capitalization:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition*: The sum of the Company's equity, participating policyholders' accounts and debentures.
  - *Purpose*: Provides an additional indicator for evaluating the Company's financial performance.
  - *Reconciliation*: This measure is the sum of several IFRS measures.

- 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 in this document for relevant information about such measures.

- Assets under administration (AUA):
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition:* All assets with respect to which the Company acts only as an intermediary between a client and an external fund manager.
  - *Purpose:* Used to assess the Company’s ability to generate fees, particularly for investment funds and funds under administration.
  - *Reconciliation*: There is no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.

- Assets under management (AUM):
  - *Category under Regulation 52-112*: Non-IFRS financial measures that constitute historical information.
  - *Definition*: All assets with respect to which the Company establishes a contract with a client and makes investment decisions for amounts deposited in this contract.
  - *Purpose:* Used to assess the Company’s ability to generate fees, particularly for investment funds and funds under administration.
  - *Reconciliation*: “General fund assets” and “Segregated funds net assets” disclosed in the Company’s financial statements are IFRS measures and components of the AUM calculation. A reconciliation is presented in this document.

- Individual Wealth Management mutual funds deposits, Group Savings and Retirement deposits, US Operations Dealer Services premium equivalents and Group Insurance Employee Plans ASO, Investment contracts and premium equivalents and deposits:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definitions*:
    a. Deposits refer to amounts received from clients under an investment contract. Deposits are not reflected in the Company’s income statements.
    b. Premium equivalents refer to amounts related to service contracts or services where the Company is primarily an administrator but could become an insurer if a specific event were to happen. These amounts are not accounted for in “Net premiums”.
  - *Purpose*: Premiums, premium equivalents and deposits are one of many measures used to assess the Company’s ability to generate income from in-force and new business.

- Individual Insurance minimum and excess premium sales, Individual Wealth Management gross and net mutual fund sales, Group Insurance Employee Plans sales, US Operations Individual Insurance sales, Group Insurance Special Markets sales, Group Insurance Dealer Services P&C sales, Group Savings and Retirement sales of accumulation contracts and insured annuities, US Operations Dealer Services sales and General Insurance sales:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definitions*:
    a. Individual Insurance minimum and excess premium sales are defined as first-year annualized premiums. The net premiums presented in the Consolidated Financial Statements include fund entries on both in-force contracts and new business written during the period and are reduced by premiums ceded to reinsurers.
    b. Individual Wealth Management gross mutual fund sales are defined as deposits and include primary market sales of ETFs.
    c. Individual Wealth Management net mutual fund sales correspond to net fund entries and are defined as Individual Wealth Management gross mutual fund sales less withdrawals and transfers.
    d. Group Insurance Employee Plans sales are defined as first-year annualized premiums, including premium equivalents (Administrative Services Only).
    e. US Operations Individual Insurance sales are defined as first-year annualized premiums.
    f. Group Insurance Special Markets sales are defined as fund entries on both in-force contracts and new business written during the period.
    g. Group Insurance Dealer Services P&C sales are defined as direct written premiums (before reinsurance).
    h. Group Savings and Retirement sales of accumulation contracts and insured annuities include gross premiums (before reinsurance) and premium equivalents, or deposits.
    i. US Operations Dealer Services sales are defined as direct written premiums (before reinsurance) and premium equivalents.
    j. General Insurance sales are defined as direct written premiums.
  - *Purpose*: Used to assess the Company’s ability to generate new business and serve as additional tools to help investors better assess the Company’s growth potential.
  - *Reconciliation*: There is no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.

† 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.

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 current 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 accounting policies and best estimate actuarial and economic assumptions used by the Company such as mortality, morbidity, longevity and policyholder behaviour; different business growth rates per business unit; no unexpected material 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; risks and conditions; and the Company's recent performance and results, as discussed elsewhere in this document.

- Potential impacts of the COVID-19 pandemic – Since March 2020, the COVID-19 pandemic has had major, unprecedented implications for both society and the economy. The overall impact of the COVID-19 pandemic is still uncertain and depends on many factors, such as the progression of the virus, the emergence of new variants, the duration of the pandemic, potential treatments and therapies, the availability of vaccines, the effectiveness of government measures to slow the virus's spread and the impact of those measures on the economy. As a result, we cannot accurately predict the total bearing the pandemic will have, but the impact on iA Financial Group's business and financial results could be material. However, despite the short-term negative impacts of the pandemic on its results, iA Financial Group remains financially solid. In addition, iA Financial Group's business continuity protocol has continued, ensuring that the quality of service clients receive is similar to or better than before the pandemic and enabling employees and advisors to continue to work safely and securely.

- 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, exacerbating the volatility already present since the beginning of the year. 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 2021, the "Management of Risks Associated with Financial Instruments" note to the audited consolidated financial statements for the year ended December 31, 2021, and elsewhere in iA Financial Group's filings with the Canadian Securities Administrators, which are available for review at sedar.com.

† 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.

– 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

All documents related to iA Financial Corporation's and iA Insurance's financial results are available on the iA Financial Group website at ia.ca under *About iA,* in the *Investor Relations/Financial Reports* section. More information about the companies can also be found on the SEDAR website at sedar.com, as well as in the Annual Information Form for iA Financial Corporation and for iA Insurance, which can also be found on the iA Financial Group website or the SEDAR website.

† 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.

Consolidated Income Statements

(unaudited, in millions of Canadian dollars, unless otherwise indicated)	Quarters ended September 30 **2022**	2021	Nine months ended September 30 **2022**	2021
Revenues				
Premiums				
Gross premiums	**$ 3,192**	$ 3,599	**$ 10,474**	$ 10,578
Premiums ceded	**(321)**	(267)	**(857)**	(767)
Net premiums (Note 16)	**2,871**	3,332	**9,617**	9,811
Investment income (Note 4)				
Interest and other investment income	**647**	432	**1,548**	1,113
Change in fair value of investments	**(184)**	(473)	**(8,500)**	(2,974)
	463	(41)	**(6,952)**	(1,861)
Other revenues	**514**	543	**1,576**	1,559
	3,848	3,834	**4,241**	9,509
Policy benefits and expenses				
Gross benefits and claims on contracts	**2,018**	1,604	**5,884**	5,861
Ceded benefits and claims on contracts	**(201)**	(172)	**(601)**	(512)
Net transfer to segregated funds	**191**	1,018	**1,977**	2,274
Increase (decrease) in insurance contract liabilities	**497**	96	**(7,116)**	(1,935)
Increase (decrease) in investment contract liabilities	**3**	1	**(48)**	(6)
Decrease (increase) in reinsurance assets	**(108)**	(39)	**(42)**	(57)
	2,400	2,508	**54**	5,625
Commissions	**567**	540	**1,764**	1,586
General expenses	**554**	441	**1,542**	1,309
Premium and other taxes	**40**	35	**115**	105
Financing charges	**25**	21	**66**	58
	3,586	3,545	**3,541**	8,683
Income before income taxes	**262**	289	**700**	826
Income taxes (Note 15)	**48**	63	**111**	191
Net income	**$ 214**	$ 226	**$ 589**	$ 635
Net income attributed to participating policyholders	**(4)**	3	**(13)**	(3)
Net income attributed to shareholders	**$ 218**	$ 223	**$ 602**	$ 638
Dividends on preferred shares issued by a subsidiary (Note 12)	**3**	6	**14**	17
Net income attributed to common shareholders	**$ 215**	$ 217	**$ 588**	$ 621
Earnings per common share (in dollars) (Note 17)				
Basic	**$ 2.03**	$ 2.01	**$ 5.50**	$ 5.78
Diluted	**2.03**	2.01	**5.48**	5.76
Weighted average number of shares outstanding (in millions of units) (Note 17)				
Basic	**106**	108	**107**	107
Diluted	**106**	108	**107**	108
Dividends per common share (in dollars) (Note 11)	**0.68**	0.49	**1.93**	1.46

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Consolidated Comprehensive Income Statements

	Quarters ended September 30		Nine months ended September 30	
(unaudited, in millions of Canadian dollars)	**2022**	2021	**2022**	2021
Net income	**$ 214**	$ 226	**$ 589**	$ 635
Other comprehensive income, net of income taxes				
Items that may be reclassified subsequently to net income:				
Available for sale financial assets				
Unrealized gains (losses) on available for sale financial assets	**(47)**	(17)	**(472)**	(53)
Reclassification of losses (gains) on available for sale financial assets included in net income	**(8)**	(6)	**(24)**	(20)
	(55)	(23)	**(496)**	(73)
Net investment hedge				
Unrealized gains (losses) on currency translation in foreign operations	**172**	53	**225**	(9)
Hedges of net investment in foreign operations	**(95)**	(33)	**(138)**	4
	77	20	**87**	(5)
Cash flow hedge				
Unrealized gains (losses) on cash flow hedges	**—**	(1)	**1**	(1)
Items that will not be reclassified subsequently to net income:				
Remeasurement of post-employment benefits	**(14)**	29	**74**	183
Total other comprehensive income	**8**	25	**(334)**	104
Comprehensive income	**$ 222**	$ 251	**$ 255**	$ 739
Comprehensive income attributed to participating policyholders	**(4)**	3	**(13)**	(3)
Comprehensive income attributed to shareholders	**$ 226**	$ 248	**$ 268**	$ 742

Income Taxes Included in Other Comprehensive Income

	Quarters ended September 30		Nine months ended September 30	
(unaudited, in millions of Canadian dollars)	**2022**	2021	**2022**	2021
Income tax recovery (expense) related to:				
Items that may be reclassified subsequently to net income:				
Unrealized losses (gains) on available for sale financial assets	**$ 15**	$ 5	**$ 146**	$ 15
Reclassification of gains (losses) on available for sale financial assets included in net income	**3**	3	**9**	8
Hedges of net investment in foreign operations	**15**	6	**22**	—
	33	14	**177**	23
Items that will not be reclassified subsequently to net income:				
Remeasurement of post-employment benefits	**5**	(11)	**(26)**	(66)
Total income tax recovery (expense) included in other comprehensive income	**$ 38**	$ 3	**$ 151**	$ (43)

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Consolidated Statements of Financial Position

	As at September 30 2022	As at December 31 2021
(in millions of Canadian dollars)	(unaudited)	
Assets		
Investments (Note 4)		
Cash and short-term investments	**$ 1,167**	$ 1,546
Bonds	**26,980**	32,893
Stocks	**3,890**	3,906
Mortgages and other loans	**2,878**	2,922
Derivative financial instruments (Note 7)	**970**	917
Policy loans	**1,125**	1,040
Other invested assets	**501**	557
Investment properties	**1,819**	1,870
	39,330	45,651
Other assets	**4,561**	3,850
Reinsurance assets	**2,503**	2,210
Fixed assets	**357**	369
Deferred income tax assets	**90**	27
Intangible assets	**1,776**	1,708
Goodwill	**1,328**	1,267
General fund assets	**49,945**	55,082
Segregated funds net assets (Note 8)	**35,469**	39,577
Total assets	**$ 85,414**	$ 94,659
Liabilities		
Insurance contract liabilities	**$ 29,531**	$ 36,540
Investment contract liabilities	**552**	577
Derivative financial instruments (Note 7)	**1,618**	526
Other liabilities	**9,268**	8,303
Deferred income tax liabilities	**342**	441
Debentures	**1,499**	1,450
General fund liabilities	**42,810**	47,837
Liabilities related to segregated funds net assets (Note 8)	**35,469**	39,577
Total liabilities	**$ 78,279**	$ 87,414
Equity		
Share capital and contributed surplus	**$ 1,698**	$ 1,723
Preferred shares issued by a subsidiary and other equity instruments (Note 12)	**525**	525
Retained earnings and accumulated other comprehensive income	**4,877**	4,949
Participating policyholders' accounts	**35**	48
	7,135	7,245
Total liabilities and equity	**$ 85,414**	$ 94,659

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Consolidated Equity Statements

	As at September 30, 2022						
(unaudited, in millions of Canadian dollars)	Participating policyholders' accounts	Common shares (Note 11)	Preferred shares issued by a subsidiary and other equity instruments (Note 12)	Contributed surplus	Retained earnings	Accumulated other comprehensive income (Note 13)	Total
Balance as at December 31, 2020	$ 41	$ 1,674	$ 525	$ 20	$ 4,170	$ 83	$ 6,513
Net income attributed to shareholders	—	—	—	—	852	—	852
Net income attributed to participating policyholders' accounts	7	—	—	—	—	—	7
Other comprehensive income	—	—	—	—	—	99	99
Comprehensive income for the year	7	—	—	—	852	99	958
Equity transactions							
Transfer of post-employment benefits	—	—	—	—	196	(196)	—
Stock option plan	—	—	—	3	—	—	3
Stock options exercised	—	—	—	(6)	—	—	(6)
Common shares issued	—	34	—	—	—	—	34
Redemption of common shares	—	(2)	—	—	(6)	—	(8)
Dividends on common shares	—	—	—	—	(224)	—	(224)
Dividends on preferred shares issued by a subsidiary	—	—	—	—	(22)	—	(22)
Other	—	—	—	—	(3)	—	(3)
	—	32	—	(3)	(59)	(196)	(226)
Balance as at December 31, 2021	**48**	**1,706**	**525**	**17**	**4,963**	**(14)**	**7,245**
Net income attributed to shareholders	**—**	**—**	**—**	**—**	**602**	**—**	**602**
Net income attributed to participating policyholders' accounts	**(13)**	**—**	**—**	**—**	**—**	**—**	**(13)**
Other comprehensive income	**—**	**—**	**—**	**—**	**—**	**(334)**	**(334)**
Comprehensive income for the period	**(13)**	**—**	**—**	**—**	**602**	**(334)**	**255**
Equity transactions							
Transfer of post-employment benefits	**—**	**—**	**—**	**—**	**74**	**(74)**	**—**
Stock option plan	**—**	**—**	**—**	**2**	**—**	**—**	**2**
Stock options exercised	**—**	**—**	**—**	**(2)**	**—**	**—**	**(2)**
Common shares issued	**—**	**13**	**—**	**—**	**—**	**—**	**13**
Redemption of common shares	**—**	**(38)**	**—**	**—**	**(119)**	**—**	**(157)**
Redemption of preferred shares issued by a subsidiary	**—**	**—**	**(250)**	**—**	**—**	**—**	**(250)**
Issuance of other equity instruments	**—**	**—**	**250**	**—**	**(3)**	**—**	**247**
Dividends on common shares	**—**	**—**	**—**	**—**	**(206)**	**—**	**(206)**
Dividends on preferred shares issued by a subsidiary	**—**	**—**	**—**	**—**	**(14)**	**—**	**(14)**
Other	**—**	**—**	**—**	**—**	**2**	**—**	**2**
	—	**(25)**	**—**	**—**	**(266)**	**(74)**	**(365)**
Balance as at September 30, 2022	**$ 35**	**$ 1,681**	**$ 525**	**$ 17**	**$ 5,299**	**$ (422)**	**$ 7,135**

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

	As at September 30, 2021						
	Participating policyholders' accounts	Common shares	Preferred shares issued by a subsidiary and other equity instruments	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total
(unaudited, in millions of Canadian dollars)		(Note 11)	(Note 12)			(Note 13)	
Balance as at December 31, 2020	$ 41	$ 1,674	$ 525	$ 20	$ 4,170	$ 83	$ 6,513
Net income attributed to shareholders	—	—	—	—	638	—	638
Net income attributed to participating policyholders' accounts	(3)	—	—	—	—	—	(3)
Other comprehensive income	—	—	—	—	—	104	104
Comprehensive income for the period	(3)	—	—	—	638	104	739
Equity transactions							
Transfer of post-employment benefits	—	—	—	—	183	(183)	—
Stock option plan	—	—	—	2	—	—	2
Stock options exercised	—	—	—	(5)	—	—	(5)
Common shares issued	—	31	—	—	—	—	31
Dividends on common shares	—	—	—	—	(156)	—	(156)
Dividends on preferred shares issued by a subsidiary	—	—	—	—	(17)	—	(17)
	—	31	—	(3)	10	(183)	(145)
Balance as at September 30, 2021	$ 38	$ 1,705	$ 525	$ 17	$ 4,818	$ 4	$ 7,107

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Consolidated Cash Flows Statements

(unaudited, in millions of Canadian dollars)	Nine months ended September 30 2022	2021
Cash flows from operating activities		
Income before income taxes	**$ 700**	$ 826
Financing charges	**66**	58
Income taxes paid, net of refunds	**(220)**	(187)
Operating activities not affecting cash:		
Increase (decrease) in insurance contract liabilities	**(7,125)**	(1,889)
Increase (decrease) in investment contract liabilities	**(25)**	(9)
Decrease (increase) in reinsurance assets	**(144)**	(210)
Unrealized losses (gains) on investments	**8,502**	2,974
Provisions for losses	**28**	20
Amortization of premiums and discounts	**6**	23
Other depreciation	**365**	294
Other items not affecting cash	**(130)**	23
Operating activities affecting cash:		
Sales, maturities and repayments on investments	**21,019**	16,264
Purchases of investments	**(22,713)**	(18,844)
Realized losses (gains) on investments	**(35)**	(23)
Other items affecting cash	**(94)**	562
Net cash from (used in) operating activities	**200**	(118)
Cash flows from investing activities		
Sales (purchases) of fixed and intangible assets	**(208)**	(178)
Net cash from (used in) investing activities	**(208)**	(178)
Cash flows from financing activities		
Issuance of common shares	**11**	26
Redemption of common shares (Note 11)	**(157)**	—
Redemption of preferred shares issued by a subsidiary (Note 12)	**(250)**	—
Issuance of other equity instruments (Note 12)	**246**	—
Issuance of debentures (Note 10)	**298**	—
Redemption of debentures (Note 10)	**(250)**	—
Reimbursement of lease liabilities[1]	**(15)**	(16)
Dividends paid on common shares	**(206)**	(156)
Dividends paid on preferred shares issued by a subsidiary	**(14)**	(17)
Interest paid on debentures	**(43)**	(42)
Interest paid on lease liabilities	**(3)**	(3)
Net cash from (used in) financing activities	**(383)**	(208)
Foreign currency gains (losses) on cash	**12**	—
Increase (decrease) in cash and short-term investments	**(379)**	(504)
Cash and short-term investments at beginning	**1,546**	1,949
Cash and short-term investments at end	**$ 1,167**	$ 1,445
Supplementary information:		
Cash	**$ 658**	$ 1,260
Short-term investments	**509**	185
Total cash and short-term investments	**$ 1,167**	$ 1,445

[1] For the nine months ended September 30, 2022, lease liabilities, presented in *Other liabilities* in the Consolidated Statements of Financial Position, include an amount of $10 ($3 for the nine months ended September 30, 2021) of non-affecting cash items, mostly attributable to new liabilities.

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Notes to Interim Condensed Consolidated Financial Statements

Nine months ended September 30, 2022 and 2021 (unaudited) (in millions of Canadian dollars, unless otherwise indicated)

1 › General Information

iA Financial Corporation Inc. (iA Financial Corporation) is a holding company listed on the Toronto Stock Exchange and incorporated under the *Business Corporations Act* (Quebec). iA Financial Corporation and its subsidiaries (the "Company") offer a wide range of life and health insurance products, savings and retirement plans, mutual funds, securities, mortgages, auto and home insurance, creditor insurance, replacement insurance, replacement warranties, extended warranties and other ancillary products for dealer services and other financial products and services. The Company's products and services are offered on both an individual and group basis and extend throughout Canada and the United States.

The Company's Interim Condensed Consolidated Financial Statements (the "Financial Statements") are prepared on the basis of International Financial Reporting Standards (IFRS) in accordance with IAS 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB). These Financial Statements do not contain all the information required in a complete annual financial statement and should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2021, which are included in the 2021 Annual Report. The significant accounting policies used to prepare these Financial Statements are consistent with those found in the 2021 Annual Report, except for items mentioned in Note 2.

Publication of these Financial Statements was authorized for issue by the Company's Board of Directors on November 9, 2022.

2 › Changes in Accounting Policies

New Accounting Policies Applied

These standards or amendments apply to financial statements beginning on or after January 1, 2022.

Standards or amendments	Description of the standards or amendments and impacts on financial statements of the Company
IFRS 4 *Insurance Contracts*	*Description:* On September 12, 2016, the IASB published an amendment to IFRS 4 *Insurance Contracts*. This amendment, *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*, provides two options to entities applying IFRS 4: • the deferral approach is an optional temporary exemption from applying IFRS 9 until January 1, 2021 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; • the overlay approach permits entities to adopt IFRS 9 but adjust some of the impacts arising from designated financial assets, those being assets related to the insurance contract liabilities. On June 25, 2020, the IASB published an amendment to IFRS 4 *Insurance Contracts* to extend the deferral approach until January 1, 2023. *Status:* The Company met all criteria and chose the deferral approach, as described below in the section "Information on the Deferral of the Application of IFRS 9 *Financial Instruments*". The Company will apply IFRS 9 only to financial statements beginning on or after January 1, 2023.
IAS 16 *Property, Plant and Equipment*	*Description:* On May 14, 2020, the IASB published an amendment to IAS 16 *Property, Plant and Equipment*. The amendment clarifies the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and equipment into use. The provisions of this amendment apply retrospectively. *Impact:* No impact on the Company's financial statements.
IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*	*Description:* On May 14, 2020, the IASB published an amendment to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The amendment clarifies that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling the contract. The provisions of this amendment apply on a modified retrospective basis. *Impact:* No impact on the Company's financial statements.
IFRS 3 *Business Combinations*	*Description:* On May 14, 2020, the IASB published an amendment to IFRS 3 *Business Combinations*. The amendment updates the reference to the *Conceptual Framework* and adds an exception to its requirement for an entity to refer to the *Conceptual Framework* to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The provisions of this amendment apply prospectively. *Impact:* No impact on the Company's financial statements.
Annual Improvements to IFRSs 2018-2020 Cycle	*Description:* On May 14, 2020, the IASB published the Annual Improvements to IFRSs 2018-2020 Cycle. The Annual Improvements clarify specific situations: • IFRS 1 *First-time Adoption of International Financial Reporting Standards* related to the fact that a subsidiary that becomes a first-time adopter later than its parent is allowed to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs; • IAS 41 *Agriculture* related to the fact that an entity no longer excludes taxation cash flows when measuring the fair value of a biological asset using a present value technique to ensure consistency with the requirements in IFRS 13 *Fair Value Measurement*. The provisions of IFRS 1 and IAS 41 apply prospectively. *Impact:* No impact on the Company's financial statements.

Future Changes in Accounting Policies

Standards or amendments are presented on the basis of their publication date unless a more relevant approach allows for better information.

Standards or amendments	Description of the standards or amendments
IFRS 17 *Insurance Contracts*	*Description:* On May 18, 2017, the IASB published the standard IFRS 17 *Insurance Contracts* which replaces the provisions of the standard IFRS 4 *Insurance Contracts*. Amendments to IFRS 17 *Insurance Contracts* were also published in June 2020 and December 2021 with the objective to help companies in implementing the standard, thus allowing the application date to be postponed to January 1, 2023 and the usefulness of the comparative information to be improved at the initial, concurrent application of IFRS 9 *Financial Instruments*. The standard IFRS 17: • has an objective to ensure that an entity provides relevant information that faithfully represents those contracts and gives a basis for users of financial statements to assess the effect that insurance contracts have on the financial position, income statement and cash flows statement; • establishes the principles for recognition, measurement, presentation and disclosure; • defines a general model and a variable fee approach applicable to all insurance contracts and reinsurance contracts to measure the insurance contract liabilities; • defines a specific model for contracts of one year or less. The provisions of the new standard IFRS 17 will apply retrospectively to each group of insurance contracts and, if and only if impracticable, an entity shall apply the modified retrospective or fair value approach to financial statements beginning on or after January 1, 2023. The adoption of IFRS 17 will impact how the Company accounts for its insurance contracts, the timing of revenues recognition and the presentation of its financial performance in the Income Statement. Premiums and policy benefits and claims on contracts will no longer be presented in the Income Statement. New items will be presented such as *Insurance revenue*, *Insurance services expenses* and *Finance income (expenses) from insurance contracts*. The insurance revenue will reflect the services rendered during the period. The current presentation of the Statement of Financial Position, under which *Outstanding premiums*, *Due from reinsurers* and *Deferred sales commissions* are included in *Other assets*, and *Unearned premiums*, *Due to reinsurers* and *Other insurance contract liabilities* are presented in *Other liabilities*, will be modified. These items will henceforth be included, for each portfolio, as *Insurance contract assets*, *Insurance contract liabilities*, *Reinsurance assets* or *Reinsurance liabilities*. IFRS 17 introduces three approaches that measure insurance contracts: the premium allocation approach, the variable fee approach and the general model approach. The general model approach, which will be mostly used by the Company, measures insurance contracts based on the Company's estimates of: • fulfilment cash flows which comprise estimates of expected future cash flows, an adjustment to reflect the time value of money and the associated financial risks (discount rate), plus a risk adjustment for non-financial risk; • the contractual service margin (CSM) which represents the unearned profit the Company will recognize as it provides services in the future. The discount rate used to adjust the fulfilment cash flows must be consistent with the readily available quoted price in active markets and reflect the characteristics of the cash flows and liquidity of the insurance contracts. This valuation method is different from the Canadian Asset Liability Method (CALM) used under IFRS 4 *Insurance Contracts*, which relied on the invested assets held by the Company and on its investment strategy. The CSM is measured at the initial recognition of the insurance contracts and is then released in the Income Statement as the services are rendered by the Company. If a group of contracts is or becomes onerous, an entity will recognize the loss immediately. IFRS 17 also requires the Company to separately disclose amounts resulting from groups of contracts that are expected to be onerous from those that are expected to be non-onerous, based on their respective portfolios. The fulfilment cash flows will be measured at each reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Following its analysis, on the transition date, the Company will apply two of the three transition approaches available under IFRS 17: the full retrospective approach and the fair value approach. For a majority of groups of contracts, the fair value approach will be applied considering the fact that the full retrospective approach is impracticable, since reasonable and supportable information to apply this approach is not available without undue cost or effort. *Status:* The Company continues its assessment of the impact on measurement, presentation and disclosure of insurance contracts that this standard will have on its financial statements. Based on its preliminary assessment, the Company anticipates that the application of IFRS 17 in conjunction with the application of IFRS 9 will have a limited effect on its equity at transition. The Company is also monitoring all other potential impacts through its governance and the structure put in place to implement IFRS 17.

IFRS 9 *Financial Instruments*	The Company adopted the amendment to IFRS 4 *Insurance Contracts* described in the section "New Accounting Policies Applied". Consequently, even if the provisions of IFRS 9 applied to financial statements beginning on or after January 1, 2018, the Company will apply these provisions simultaneously to the application of the standard IFRS 17. *Description:* On July 24, 2014, the IASB published the standard IFRS 9 *Financial Instruments* which replaces the provisions of the standard IAS 39 *Financial Instruments: Recognition and Measurement*. Amendments to IFRS 9 *Financial Instruments* were also published in October 2017 and August 2020 along with an annual improvement to IFRSs in May 2020 to provide clarifications on specific topics. The standard IFRS 9: • requires financial assets to be measured at amortized cost or at fair value on the basis of the entity's business model for managing assets; • changes the accounting for financial liabilities measured using the fair value option; • proposes a new accounting model related to the recognition of expected credit losses, requiring the entity to recognize expected credit losses on financial assets using current estimates of expected shortfalls in cash flows on those instruments as at the reporting date; • modifies the hedge accounting model, which aims to present in the financial statements the effect of risk management activities. The provisions of the new standard IFRS 9 will apply retrospectively. However, in accordance with the amendment to IFRS 17 published in December 2021, entities applying IFRS 17 and IFRS 9 simultaneously for the first time will be able to apply the classification overlay to designated financial assets by presenting comparative information as if the classification and measurement requirements of IFRS 9 had been applied. Entities are not required to apply the impairment requirements of IFRS 9 for the comparative period. *Status:* The Company is currently evaluating the impact of this standard on its financial statements, as mentioned in the *Status* of the "IFRS 17 *Insurance Contracts*" section above.
IAS 1 *Presentation of Financial Statements*	*Description:* On February 12, 2021, the IASB published an amendment to IAS 1 *Presentation of Financial Statements*. The amendment *Disclosure of Accounting Policies* requires entities to disclose their material accounting policy information rather than their significant accounting policies. The provisions of this amendment will apply prospectively to financial statements beginning on or after January 1, 2023. Early adoption is permitted. *Status:* The Company has completed the analysis of this amendment and does not expect any significant impact on its financial statements. *Description:* On January 23, 2020, the IASB published an amendment to IAS 1 *Presentation of Financial Statements*. The amendment *Classification of Liabilities as Current or Non-current* only affects the presentation of liabilities in the statement of financial position, and not the amount or timing of recognition of any asset, liability, income or expense, or the information that entities disclose about those items. The provisions of this amendment were initially to be applied retrospectively to financial statements beginning on or after January 1, 2022, but on July 15, 2020, the IASB decided to postpone the effective date to financial statements beginning on or after January 1, 2023. On October 31, 2022, the IASB published a new amendment, *Non-current Liabilities with Covenants*, which specifies conditions affecting the classification of a liability when an entity must comply with covenants within 12 months after the reporting period and clarifies the disclosure requirements in the Notes. In addition, the latest amendment further postpones the effective date of the previous amendments to financial statements beginning on or after January 1, 2024, with retrospective application. Early adoption is permitted. *Status:* The Company is currently evaluating the impact of these amendments on its financial statements.
IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*	*Description:* On February 12, 2021, the IASB published an amendment to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendment *Definition of Accounting Estimates* introduces the definition of accounting estimates and clarifies the distinction between a change in accounting estimate and a change in accounting policy. The provisions of this amendment will apply prospectively to financial statements beginning on or after January 1, 2023. Early adoption is permitted. *Status:* The Company has completed the analysis of this amendment and does not expect any significant impact on its financial statements.
IAS 12 *Income Taxes*	*Description:* On May 7, 2021, the IASB published an amendment to IAS 12 *Income Taxes*. The amendment *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* clarifies the accounting for deferred tax on transactions that give rise to equal taxable and deductible temporary differences on initial recognition, such as with leases and decommissioning obligations. The provisions of this amendment will apply on a modified retrospective basis to financial statements beginning on or after January 1, 2023. Early adoption is permitted. *Status:* The Company has completed the analysis of this amendment and does not expect any significant impact on its financial statements.
IFRS 16 *Leases*	*Description:* On September 22, 2022, the IASB published an amendment to IFRS 16 *Leases*. The amendment *Lease Liability in a Sale and Leaseback* adds requirements for the subsequent measurement of a lease liability by a seller-lessee in a sale and leaseback transaction accounted for as a sale, with the aim to prevent the recognition of a gain or loss relating to the right of use retained. The provisions of this amendment will apply retrospectively to financial statements beginning on or after January 1, 2024. Early adoption is permitted. *Status:* The Company is currently evaluating the impact of this amendment on its financial statements.

Information on the Deferral of the Application of IFRS 9 *Financial Instruments*

The Company applies IFRS 4 *Insurance Contracts* in its operations. This standard was amended in 2016 to allow entities that apply IFRS 4 to defer the application of IFRS 9 *Financial Instruments* if total liabilities for insurance activities represent more than 90% of the entity's total liabilities. This calculation is made as of the closing date preceding April 1, 2016, the calculation date identified in the standard.

For this calculation, the Company primarily considered insurance contract liabilities, investment contract liabilities, liabilities related to segregated funds net assets and debentures as at December 31, 2015. Liabilities related to its insurance activities were at that time greater than 90% of total liabilities.

The Company has decided to defer the application of IFRS 9 until IFRS 17 *Insurance Contracts* is adopted. IFRS 17 includes the measurement principles of these policies. If the Company had applied IFRS 9, this would not have had a significant impact on the classification of financial assets designated at fair value through profit or loss in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* given the very close relationship between invested assets and insurance contract liabilities. For financial assets classified as loans and receivables, held to maturity or available for sale as at September 30, 2022, an amount of $664 ($906 as at December 31, 2021) would not have met the solely payments of principal and interest test in accordance with IFRS 9. In addition, for mortgages, the Company could not have used the low credit risk exemption in the calculation of expected credit losses.

3 › Acquisition of Businesses

On November 2, 2021, the Company announced that it acquired, through one of its subsidiaries, 70% of the shares of two Canadian companies specializing in insurance technology: Surexdirect.com Ltd and Surexdirect.com (Ontario) Ltd (collectively "Surex"). As at September 30, 2022, the purchase price allocation was completed for this acquisition and the adjustments made in the final allocation did not have a significant impact on the Company's financial statements.

4 › Invested Assets and Investment Income

a) Carrying Value and Fair Value

	As at September 30, 2022						
(in millions of dollars)	**At fair value through profit or loss**	**Available for sale**	**Held to maturity**	**Loans and receivables**	**Other**	**Total**	**Fair value**
Cash and short-term investments	**$ 341**	**$ —**	**$ —**	**$ 826**	**$ —**	**$ 1,167**	**$ 1,167**
Bonds							
Governments	**6,941**	**2,254**	**123**	**101**	**—**	**9,419**	
Municipalities	**777**	**210**	**—**	**38**	**—**	**1,025**	
Corporate and other	**11,166**	**2,197**	**—**	**3,173**	**—**	**16,536**	
	18,884	**4,661**	**123**	**3,312**	**—**	**26,980**	**26,526**
Stocks							
Common	**2,250**	**49**	**—**	**—**	**—**	**2,299**	
Preferred	**225**	**331**	**—**	**—**	**—**	**556**	
Stock indexes	**172**	**117**	**—**	**—**	**—**	**289**	
Investment fund units	**740**	**6**	**—**	**—**	**—**	**746**	
	3,387	**503**	**—**	**—**	**—**	**3,890**	**3,890**
Mortgages and other loans							
Insured mortgages							
Multi-residential	**—**	**—**	**—**	**1,192**	**—**	**1,192**	
Non-residential	**—**	**—**	**—**	**3**	**—**	**3**	
	—	**—**	**—**	**1,195**	**—**	**1,195**	
Conventional mortgages							
Multi-residential	**54**	**—**	**—**	**181**	**—**	**235**	
Non-residential	**26**	**—**	**—**	**231**	**—**	**257**	
	80	**—**	**—**	**412**	**—**	**492**	
Other loans	**—**	**—**	**—**	**1,191**	**—**	**1,191**	
	80	**—**	**—**	**2,798**	**—**	**2,878**	**2,829**
Derivative financial instruments	**970**	**—**	**—**	**—**	**—**	**970**	**970**
Policy loans	**—**	**—**	**—**	**1,125**	**—**	**1,125**	**1,125**
Other invested assets	**—**	**74**	**—**	**2**	**425**	**501**	**501**
Investment properties	**—**	**—**	**—**	**—**	**1,819**	**1,819**	**1,851**
Total investments	**$ 23,662**	**$ 5,238**	**$ 123**	**$ 8,063**	**$ 2,244**	**$ 39,330**	**$ 38,859**

	As at December 31, 2021						
(in millions of dollars)	At fair value through profit or loss	Available for sale	Held to maturity	Loans and receivables	Other	Total	Fair value
Cash and short-term investments	$ 216	$ —	$ —	$ 1,330	$ —	$ 1,546	$ 1,546
Bonds							
Governments	10,763	2,105	255	106	—	13,229	
Municipalities	1,129	240	—	39	—	1,408	
Corporate and other	13,037	2,450	—	2,769	—	18,256	
	24,929	4,795	255	2,914	—	32,893	33,157
Stocks							
Common	2,118	54	—	—	—	2,172	
Preferred	236	479	—	—	—	715	
Stock indexes	169	10	—	—	—	179	
Investment fund units	834	6	—	—	—	840	
	3,357	549	—	—	—	3,906	3,906
Mortgages and other loans							
Insured mortgages							
Multi-residential	—	—	—	1,326	—	1,326	
Non-residential	—	—	—	3	—	3	
	—	—	—	1,329	—	1,329	
Conventional mortgages							
Multi-residential	51	—	—	184	—	235	
Non-residential	38	—	—	264	—	302	
	89	—	—	448	—	537	
Other loans	—	—	—	1,056	—	1,056	
	89	—	—	2,833	—	2,922	2,991
Derivative financial instruments	917	—	—	—	—	917	917
Policy loans	—	—	—	1,040	—	1,040	1,040
Other invested assets	—	92	—	6	459	557	557
Investment properties	—	—	—	—	1,870	1,870	1,901
Total investments	$ 29,508	$ 5,436	$ 255	$ 8,123	$ 2,329	$ 45,651	$ 46,015

The majority of bonds and stocks, designated at fair value through profit or loss, are assets used by the Company to match insurance contract liabilities and investment contract liabilities. The change in the fair value of financial assets designated at fair value through profit or loss is therefore reflected in insurance contract liabilities and investment contract liabilities.

The *At fair value through profit or loss* category includes securities held for trading, mainly derivative financial instruments and short-term investments, as well as securities designated at fair value through profit or loss.

Other invested assets are made up of bonds and investment units which represent restricted investments, notes receivable and investments in associates and joint ventures. Bonds and fund units are classified as available for sale. Notes receivable are classified as loans and receivables. Investments in associates and joint ventures, accounted for using the equity method, are presented in the *Other* column.

The fair value of investment properties includes the carrying value of investment properties accounted for at fair value and the fair value of linearization of rents accounted for in *Other Assets*.

b) Investments in Associates and Joint Ventures

The Company holds interests ranging from 25% to 50% as at September 30, 2022 and as at December 31, 2021. The carrying value of these investments as at September 30, 2022 is $425 ($459 as at December 31, 2021). The share of net income and comprehensive income for the nine months ended September 30, 2022 amounts to $27 ($13 for the nine months ended September 30, 2021).

c) Investment Income

	Quarters ended September 30		Nine months ended September 30	
(in millions of dollars)	**2022**	2021	**2022**	2021
Interest and other investment income				
Interest	**$ 392**	$ 299	**$ 973**	$ 801
Dividends	**98**	75	**257**	149
Derivative financial instruments	**3**	3	**(2)**	9
Rental income	**47**	43	**136**	138
Gains (losses) realized	**13**	8	**35**	23
Variation in provisions for losses	**(10)**	(8)	**(28)**	(20)
Other	**104**	12	**177**	13
	647	432	**1,548**	1,113
Change in fair value of investments				
Cash and short-term investments	**2**	—	**2**	—
Bonds	**(324)**	(287)	**(6,251)**	(2,170)
Stocks	**(91)**	52	**(467)**	257
Mortgages and other loans	**2**	2	**—**	(1)
Derivative financial instruments	**360**	(257)	**(1,648)**	(1,047)
Investment properties	**(58)**	—	**(72)**	(13)
Other	**(75)**	17	**(64)**	—
	(184)	(473)	**(8,500)**	(2,974)
Total investment income	**$ 463**	$ (41)	**$ (6,952)**	$ (1,861)

5 › Fair Value of Financial Instruments and Investment Properties

a) Methods and Assumptions Used to Estimate Fair Values

Fair value is the consideration that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management exercises its judgment to determine the data that will be used to measure the fair value of financial assets and liabilities, particularly for financial instruments classified as Level 3. Fair value of various categories of financial instruments and investment properties is determined as described below.

Financial Assets

Short-Term Investments – Carrying value of these investments represents the fair value due to their short-term maturity.

Bonds – Bonds are valued based on quoted price, observed on active markets for identical or similar assets. If prices are not available on active markets, fair value is estimated using current valuation methods, including a model based on discounting expected cash flows or other similar techniques. These methods take into account current data observable on the market for financial instruments that have similar risk profiles and comparable terms. The significant data used in these models include, but are not limited to, rate curves, credit risk, issuer spread, volatility and liquidity valuation, and other reference data published by the market. Management makes its best estimates when such data are not available.

Stocks – Stocks are valued based on quote price, observed on active markets. If the price is not available on the active markets, fair value is determined using equity valuation models, which analyze the fair value of the net asset, and other techniques that rely on comparisons with reference data, such as market indices. Investment fund units are evaluated at the net asset value published by the fund manager.

Mortgages and Other Loans – The fair value of mortgages and other loans is estimated by discounting the cash flows with the interest rates currently prevailing on the market for loans with substantially the same credit risk and terms.

Derivative Financial Instruments – Fair value of derivative financial instruments is determined according to the type of derivative financial instrument. Fair value of derivative financial instruments such as futures contracts and options traded on the stock exchanges is determined in accordance with quoted prices on active markets. Derivative financial instruments that are traded over the counter are valued using valuation models such as actualized cash flow analysis and other valuation models used on the market. These valuations are based on observable data on the market, including interest rates, foreign exchange rates, financial indices, rate differentials, credit risk and volatility.

Among derivative financial instruments, certain other derivative contracts are subject to trading restrictions. In such situations, an illiquidity premium based on data that are not observable on the market is used to ascertain the fair value of these derivative financial instruments. While these data are not observable, they are based on assumptions deemed appropriate given the circumstances. Once the restricted trading period ends, the instruments are valued using standard valuation models based on data observable on the market, as described previously. The Company's use of non-observable data is limited to the trading restrictions period, and their effect on the fair value of derivative financial instruments does not represent a significant amount.

Policy Loans – Policy loans are carried at amortized cost. They are guaranteed and may be reimbursed at any time. Their fair value approximates their carrying value due to their nature.

Other Invested Assets – The fair value of other invested assets is determined according to the type of invested assets. Fair value of notes receivable and investments in associates and joint ventures is approximately the same as the carrying value due to the nature of these elements. Bonds which are restricted investments are valued based on quoted price, observed on active markets for identical or similar assets. If prices are not available on active markets, fair value is estimated using current valuation methods, including a model based on discounting expected cash flows or other similar techniques. These methods take into account current data observable on the market for financial instruments that have similar risk profiles and comparable terms. The significant data used in these models include, but are not limited to, rate curves, credit risk, issuer spread, volatility and liquidity valuation, and other reference data published by the market. Management makes its best estimates when such data are not available. Investment fund units which are restricted investments are evaluated at the net asset value published by the fund manager.

Other Assets – The fair value of the other financial assets is approximately the same as the carrying value due to their short-term nature.

Investment Properties

The fair value of investment properties is determined using various recognized methods and standards of assessment in the real estate sector. Among these methods, the income approach is the most commonly used, as it is based on an investor's behaviour in relation to income expected to be generated by an investment property. Under this approach, discounting of the cash flows generated by an investment property is preferred as it measures the relationship between the market value and the reasonably discounted incomes over an investment horizon. Expected cash flows include contractual and projected income as well as the investment property's operating expenses. These cash flows reflect the interest, rental and occupancy rates established based on market studies, rental income expected from leases in effect and estimates of future cash inflows, including revenues projected for future leases, and estimates of future cash inflows made according to the current market circumstances. Future lease rates are estimated based on the location, current type and quality of the building, and market data and projections as of the date of the valuation. Fair values are usually compared to market information, including recent transactions for similar assets to verify their reasonableness. Highest and best use is one of the possible valuation methods. Highest and best use of a site is an integral part of the process to establish the fair value of an investment property. This use is the one that, at the time of the appraisal, provides the highest fair value for the investment property. As a result, this use is determined by considering possible physical use that is legally admissible, financially feasible and achievable in the short term based on demand, and must be tied to the likelihood of being achieved rather than to the simple possibility. Assessments are carried out by external independent appraisers on an annual basis or by qualified Company personnel quarterly.

Financial Liabilities

Derivative Financial Instruments – The fair value of derivative financial instruments recorded as financial liabilities is presented in Note 7 "Derivative Financial Instruments" and is equal to the carrying amounts reported in the negative fair value column. The fair value is determined according to the method and assumptions previously described in the "Financial Assets" section.

Other Liabilities – The fair value of other liabilities, except short-selling securities, securitization liabilities and mortgage debt, is approximately the same as the carrying value due to their short-term nature.

Short-selling securities, classified as held for trading, are measured using the observed market prices in active markets for identical or similar financial instruments. If quoted prices in active markets are not available, fair value is estimated using standard methods of assessment, such as a model based on discounted future cash flows or similar techniques. These methods take into account the current observable market data for financial instruments with a similar risk profile and comparable terms. The significant data used in these models include, but are not limited to, yield curves, credit risks, issuer spreads, volatility and liquidity valuation and other reference data published by the markets.

The fair value of securitization liabilities and mortgage debt is estimated by discounting cash flows with the interest rates currently prevailing on the market for new debts with substantially the same terms.

As at December 31, 2021, a mortgage debt with a fair value of $71 was secured by an investment property with a carrying value of $169 and bore interest of 3.143%. This mortgage debt, which matured on May 1, 2022, was repaid in full on that date. The interest expense on the mortgage debt is less than $1 ($2 for the nine months ended September 30, 2021).

Debentures – The fair value of debentures classified as financial liabilities at amortized cost is estimated using a valuation model that takes into account instruments on the market that have substantially the same conditions. This fair value can fluctuate due to interest rates and credit risks associated with these instruments.

b) Hierarchy of the Fair Value

Disclosures regarding financial instruments and investment properties must be presented as a hierarchy that categorizes the inputs to valuation models used to measure the fair value of financial assets and financial liabilities. The hierarchy gives the highest priority to readily available unadjusted quoted prices in active markets for identical assets or liabilities and lowest priority to unobserved inputs. The three levels of the hierarchy are described below:

Level 1 – Valuation based on quoted prices in active markets (unadjusted) for identical assets or liabilities. Stocks traded on the market, among other things, are classified in Level 1.

Level 2 – Valuation model based on inputs other than quoted prices included in Level 1 that are observable on the market for the asset or liability, either directly or indirectly. Most bonds, short-term investments and certain derivative financial instruments are classified in Level 2.

Level 3 – Valuation model based on valuation techniques that use largely unobservable market parameters and that reflect management's best estimates. Most private placements are classified in Level 3.

If a financial instrument classified as Level 1 subsequently ceases to be actively traded, it is reclassified into Level 2. If the measurement of its fair value requires the use of significant unobservable inputs, it is directly reclassified into Level 3.

Assets

	As at September 30, 2022			
(in millions of dollars)	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Cash and short-term investments				
Held for trading	$ —	$ 341	$ —	$ 341
Bonds				
Designated at fair value through profit or loss				
Governments	622	6,319	—	6,941
Municipalities	—	777	—	777
Corporate and other	—	11,035	131	11,166
	622	18,131	131	18,884
Available for sale				
Governments	192	2,062	—	2,254
Municipalities	—	210	—	210
Corporate and other	—	2,196	1	2,197
	192	4,468	1	4,661
	814	22,599	132	23,545
Stocks				
Designated at fair value through profit or loss	1,298	97	1,992	3,387
Available for sale	134	330	39	503
	1,432	427	2,031	3,890
Mortgages and other loans				
Designated at fair value through profit or loss	—	80	—	80
Derivative financial instruments				
Held for trading	67	903	—	970
Other invested assets				
Available for sale	15	59	—	74
Investment properties	—	—	1,819	1,819
General fund investments recognized at fair value	2,328	24,409	3,982	30,719
Segregated funds financial instruments and investment properties	27,099	7,342	724	35,165
Total financial assets at fair value	$ 29,427	$ 31,751	$ 4,706	$ 65,884

(in millions of dollars)	As at December 31, 2021 Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Cash and short-term investments				
Held for trading	$ —	$ 216	$ —	$ 216
Bonds				
Designated at fair value through profit or loss				
Governments	348	10,415	—	10,763
Municipalities	—	1,129	—	1,129
Corporate and other	—	12,879	158	13,037
	348	24,423	158	24,929
Available for sale				
Governments	182	1,923	—	2,105
Municipalities	—	240	—	240
Corporate and other	—	2,450	—	2,450
	182	4,613	—	4,795
	530	29,036	158	29,724
Stocks				
Designated at fair value through profit or loss	1,499	70	1,788	3,357
Available for sale	28	479	42	549
	1,527	549	1,830	3,906
Mortgages and other loans				
Designated at fair value through profit or loss	—	89	—	89
Derivative financial instruments				
Held for trading	196	718	3	917
Other invested assets				
Available for sale	22	70	—	92
Investment properties	—	—	1,870	1,870
General fund investments recognized at fair value	2,275	30,678	3,861	36,814
Segregated funds financial instruments and investment properties	30,710	8,054	508	39,272
Total financial assets at fair value	$ 32,985	$ 38,732	$ 4,369	$ 76,086

There were no transfers from Level 1 to Level 2 during the nine months ended September 30, 2022 (none for the year ended December 31, 2021).

There were no transfers from Level 2 to Level 1 during the nine months ended September 30, 2022 (none for the year ended December 31, 2021).

Transfers from Level 1 to Level 3 during the nine months ended September 30, 2022 amount to $2 (none for the year ended December 31, 2021). These transfers are from segregated funds financial instruments. The fair value of these instruments is measured at the quoted market price obtained through brokers. However, the price of these financial instruments has remained unchanged for more than 30 days which, according to the Company's internal policy, results in a transfer.

Transfers from Level 2 to Level 3 during the nine months ended September 30, 2022 amount to $23 ($28 for the year ended December 31, 2021). The transfers for the period ended September 30, 2022 amount to $15 from segregated funds financial instruments (none for the year ended December 31, 2021) and $8 from bonds designated at fair value through profit or loss ($28 for the year ended December 31, 2021). The fair value of segregated funds financial instruments and bonds is measured at the quoted market price obtained through brokers. However, their price has remained unchanged for more than 30 days which, according to the Company's internal policy, results in a transfer. For some bonds at December 31, 2021, the fair value was measured using unobservable inputs.

Transfers from Level 3 to Level 2 during the nine months ended September 30, 2022 amount to $8 ($2 for the year ended December 31, 2021). These transfers are from bonds designated at fair value through profit or loss. The fair value of these bonds is measured at the quoted market price obtained through brokers who estimate the fair value of these financial instruments. As at September 30, 2022 and as at December 31, 2021, the value of these bonds is based on a price obtained less than 30 days prior.

There were no transfers from Level 3 to Level 1 during the nine months ended September 30, 2022 (none for the year ended December 31, 2021).

The Company presents transfers between hierarchy levels at the quarter-end fair value for the quarter during which the transfer occurred.

The Company uses unobservable inputs in the valuation of bonds and stocks classified into Level 3. Regarding bonds, unobservable inputs mainly correspond to credit and liquidity risk premiums ranging from 1.34% to 3.28% as at September 30, 2022 (1.06% to 2.72% as at December 31, 2021). Stocks classified into Level 3 are mainly valued from information available in the financial statements of companies using models based on discounting expected cash flows as well as the use of multiples.

The main unobservable inputs used in the valuation of the investment properties as at September 30, 2022 are the discount rate, which is between 5.00% and 8.25% (5.25% and 8.00% as at December 31, 2021) and the terminal capitalization rate, which is between 4.25% and 7.25% (4.25% and 7.00% as at December 31, 2021). The discount rate is based on market activity by type of building and by location and reflects the expected rate of return to be realized on investments over the next 10 years. The terminal capitalization rate is based on market activity by type of building and by location and reflects the expected rate of return to be realized on investments over the remaining life after the 10-year period. If all other factors remain constant, a decrease (increase) in the discount rate and terminal capitalization rate will lead to an increase (decrease) in fair value of investment properties.

Considering the unobservable nature of the main data used to measure bonds, stocks and investment properties classified in Level 3, the Company does not assess whether the application of other assumptions would have an impact on fair value because the investment properties as well as the bonds and stocks classified as designated at fair value through profit or loss support the insurance contract liabilities. Consequently, changes in the fair value of these assets are offset by changes in the corresponding insurance contract liabilities under the CALM. Even if the Company were to use possible alternative assumptions affecting fair value, this would not have a significant impact on the Financial Statements.

The following table presents assets recognized at fair value evaluated according to Level 3 parameters:

	Nine months ended September 30, 2022							
(in millions of dollars)	Balance as at December 31, 2021	Realized and unrealized gains (losses) included in net income	Realized and unrealized gains (losses) included in other comprehensive income	Purchases	Sales and settlements	Transfers into (out of) Level 3	Balance as at September 30, 2022	Total unrealized gains (losses) included in net income on investments still held
Bonds								
Designated at fair value through profit or loss	**$ 158**	**$ (25)**	**$ —**	**$ —**	**$ (2)**	**$ —**	**$ 131**	**$ (25)**
Available for sale	**—**	**—**	**—**	**1**	**—**	**—**	**1**	**—**
Stocks								
Designated at fair value through profit or loss	**1,788**	**62**	**—**	**226**	**(84)**	**—**	**1,992**	**64**
Available for sale	**42**	**—**	**—**	**—**	**(3)**	**—**	**39**	**—**
Derivative financial instruments								
Held for trading	**3**	**(3)**	**—**	**—**	**—**	**—**	**—**	**(3)**
Investment properties	**1,870**	**(72)**	**—**	**25**	**(4)**	**—**	**1,819**	**(72)**
General fund investments recognized at fair value	**3,861**	**(38)**	**—**	**252**	**(93)**	**—**	**3,982**	**(36)**
Segregated funds financial instruments and investment properties	**508**	**21**	**—**	**196**	**(18)**	**17**	**724**	**19**
Total	**$ 4,369**	**$ (17)**	**$ —**	**$ 448**	**$ (111)**	**$ 17**	**$ 4,706**	**$ (17)**

(in millions of dollars)	Balance as at December 31, 2020	Realized and unrealized gains (losses) included in net income	Realized and unrealized gains (losses) included in other comprehensive income	Purchases	Sales and settlements	Transfers into (out of) Level 3	Balance as at December 31, 2021	Total unrealized gains (losses) included in net income on investments still held
	Year ended December 31, 2021							
Bonds								
Designated at fair value through profit or loss	$ 140	$ (8)	$ —	$ 3	$ (3)	$ 26	$ 158	$ (9)
Stocks								
Designated at fair value through profit or loss	1,444	204	—	365	(225)	—	1,788	189
Available for sale	43	—	(1)	5	(5)	—	42	—
Derivative financial instruments								
Held for trading	3	1	—	—	(1)	—	3	2
Investment properties	1,916	(24)	—	22	(44)	—	1,870	(24)
General fund investments recognized at fair value	3,546	173	(1)	395	(278)	26	3,861	158
Segregated funds financial instruments and investment properties	264	32	—	228	(16)	—	508	31
Total	$ 3,810	$ 205	$ (1)	$ 623	$ (294)	$ 26	$ 4,369	$ 189

For the nine months ended September 30, 2022, an amount of $13 ($18 for the year ended December 31, 2021) presented in *Purchases* for investment properties corresponds to capitalizations to *Investment properties* and an amount of $12 ($4 for the year ended December 31, 2021) corresponds to the transfer of fixed assets to *Investment properties*. Also, *Sales and settlements* for investment properties do not include any transfers to fixed assets (none for the year ended December 31, 2021).

Realized and unrealized gains (losses) included in net income and *Total unrealized gains (losses) included in net income on investments still held* are presented in the *Investment income* in the Income Statement, except the value of segregated funds assets, which is not presented in the Income Statement, but is included in the change in segregated funds net assets in Note 8 "Segregated Funds Net Assets". *Realized and unrealized gains (losses) included in other comprehensive income* are presented in Note 13 "Accumulated Other Comprehensive Income" in *Unrealized gains (losses).*

Fair Value Disclosed in the Notes

The Company classifies certain financial instruments as held to maturity or as loans and receivables. These financial instruments are measured at amortized cost and fair value is disclosed in the notes. The following table shows the hierarchy level of such fair values:

(in millions of dollars)	Level 1	Level 2	Level 3	Total
	As at September 30, 2022			
Classified as held to maturity				
Bonds				
Governments	**$ —**	**$ 119**	**$ —**	**$ 119**
Total of assets classified as held to maturity	**—**	**119**	**—**	**119**
Classified as loans and receivables				
Bonds				
Governments	**—**	**5**	**100**	**105**
Municipalities	**—**	**40**	**—**	**40**
Corporate and other	**—**	**200**	**2,517**	**2,717**
	—	**245**	**2,617**	**2,862**
Mortgages and other loans	**—**	**2,749**	**—**	**2,749**
Total of assets classified as loans and receivables	**—**	**2,994**	**2,617**	**5,611**
Total of assets whose fair value is disclosed in the notes	**$ —**	**$ 3,113**	**$ 2,617**	**$ 5,730**

	As at December 31, 2021			
(in millions of dollars)	Level 1	Level 2	Level 3	Total
Classified as held to maturity				
Bonds				
Governments	$ —	$ 255	$ —	$ 255
Total of assets classified as held to maturity	—	255	—	255
Classified as loans and receivables				
Bonds				
Governments	—	7	130	137
Municipalities	—	50	—	50
Corporate and other	—	198	2,793	2,991
	—	255	2,923	3,178
Mortgages and other loans	—	2,902	—	2,902
Total of assets classified as loans and receivables	—	3,157	2,923	6,080
Total of assets whose fair value is disclosed in the notes	$ —	$ 3,412	$ 2,923	$ 6,335

Financial Liabilities

The following table presents financial liabilities measured at fair value on a recurring basis and those whose fair value is disclosed in a note by hierarchy level:

	As at September 30, 2022			
(in millions of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Other liabilities				
Held for trading	**$ 287**	**$ 244**	**$ —**	**$ 531**
Derivative financial instruments				
Held for trading	**7**	**1,606**	**5**	**1,618**
Total of liabilities classified as held for trading	**294**	**1,850**	**5**	**2,149**
Classified at amortized cost				
Other liabilities				
Securitization liabilities	**—**	**615**	**—**	**615**
Debentures	**—**	**1,407**	**—**	**1,407**
Total of liabilities classified at amortized cost	**$ —**	**$ 2,022**	**$ —**	**$ 2,022**

	As at December 31, 2021			
(in millions of dollars)	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Other liabilities				
Held for trading	$ 94	$ 168	$ —	$ 262
Derivative financial instruments				
Held for trading	79	418	29	526
Total of liabilities classified as held for trading	173	586	29	788
Classified at amortized cost				
Other liabilities				
Securitization liabilities	—	780	—	780
Mortgage debt	—	71	—	71
Debentures	—	1,484	—	1,484
Total of liabilities classified at amortized cost	$ —	$ 2,335	$ —	$ 2,335

6 › Management of Risks Associated with Financial Instruments

a) Impairment of Financial Assets Classified as Available for Sale

During the nine months ended September 30, 2022 and the year ended December 31, 2021, the Company did not reclassify any unrealized losses on stocks classified as available for sale from *Other comprehensive income* to *Investment income* in the Income Statement.

Since the financial assets designated at fair value through profit or loss are matched, variations of fair value, other than those related to credit risk, are directly reflected in the *Increase (decrease) in insurance contract liabilities*, which prevents a disparity of the treatment in the net income. Only variations in the fair value related to credit events regarding cash flows would have an impact on the Company's net income.

The unrealized gains and losses on financial assets classified as available for sale and included in the *Accumulated other comprehensive income* are the following:

	As at September 30, 2022			As at December 31, 2021		
(in millions of dollars)	**Fair value**	**Unrealized losses**	**Unrealized gains**	Fair value	Unrealized losses	Unrealized gains
Bonds						
Governments	**$ 2,254**	**$ (206)**	**$ 9**	$ 2,105	$ (19)	$ 55
Municipalities	**210**	**(21)**	**—**	240	(2)	3
Corporate and other	**2,197**	**(294)**	**2**	2,450	(24)	31
	4,661	**(521)**	**11**	4,795	(45)	89
Stocks	**503**	**(76)**	**7**	549	(2)	29
Other invested assets	**74**	**(9)**	**—**	92	(1)	1
Total	**$ 5,238**	**$ (606)**	**$ 18**	$ 5,436	$ (48)	$ 119

b) Credit Risk

Credit risk corresponds to the possibility that the Company will sustain a financial loss if a counterparty or a debtor does not meet its commitments.

b) i) Credit Quality Indicators

Bonds by Investment Grade

(in millions of dollars)	**As at September 30, 2022**	As at December 31, 2021
AAA	**$ 1,793**	$ 1,623
AA	**9,556**	13,588
A	**9,955**	11,073
BBB	**5,379**	6,300
BB and lower	**297**	309
Total	**$ 26,980**	$ 32,893

The Company prepares an assessment of the quality of the investment if the evaluation is not available from a credit rating agency. Bonds that have been internally evaluated represent an amount of $2,172 as at September 30, 2022 ($2,133 as at December 31, 2021).

Mortgages and Other Loans

(in millions of dollars)	**As at September 30, 2022**	As at December 31, 2021
Insured mortgages	**$ 1,195**	$ 1,329
Conventional mortgages	**492**	537
Other loans	**1,191**	1,056
Total	**$ 2,878**	$ 2,922

The credit quality of mortgages and other loans is assessed internally, on a regular basis, when the review of the portfolio is made.

b) ii) Past Due or Impaired Financial Assets

Past Due Bonds, Mortgages and Other Loans

Bonds, mortgages and other loans are considered in arrears when the counterparty has not made a payment at a contractual date. Any loan on which contractual payments are in arrears for 90 days or more in the case of mortgages and 120 days or more in the case of other loans and which is not subject to a measure deployed by the Company to support its clients or in foreclosure is assumed to be impaired. Any loan in default which is not insured and fully guaranteed is generally impaired.

(in millions of dollars)	As at September 30, 2022 Bonds classified as held to maturity	Bonds classified as loans and receivables	Mortgages classified as loans and receivables	Other loans	Total
Gross values					
Not past due and not impaired	**$ 123**	**$ 3,274**	**$ 1,607**	**$ 1,163**	**$ 6,167**
Past due and not impaired					
30 – 89 days in arrears	**—**	**—**	**—**	**49**	**49**
90 – 119 days in arrears	**—**	**—**	**—**	**6**	**6**
120 days or more in arrears	**—**	**—**	**—**	**3**	**3**
Impaired	**—**	**46**	**—**	**—**	**46**
Total of gross values	**$ 123**	**$ 3,320**	**$ 1,607**	**$ 1,221**	**$ 6,271**
Specific provisions for losses	**—**	**8**	**—**	**—**	**8**
	123	**3,312**	**1,607**	**1,221**	**6,263**
Collective provisions for losses	**—**	**—**	**—**	**30**	**30**
Total of net values	**$ 123**	**$ 3,312**	**$ 1,607**	**$ 1,191**	**$ 6,233**

(in millions of dollars)	As at December 31, 2021 Bonds classified as held to maturity	Bonds classified as loans and receivables	Mortgages classified as loans and receivables	Other loans	Total
Gross values					
Not past due and not impaired	$ 255	$ 2,897	$ 1,777	$ 1,040	$ 5,969
Past due and not impaired					
30 – 89 days in arrears	—	—	—	37	37
90 – 119 days in arrears	—	—	—	5	5
120 days or more in arrears	—	—	—	2	2
Impaired	—	23	—	—	23
Total of gross values	$ 255	$ 2,920	$ 1,777	$ 1,084	$ 6,036
Specific provisions for losses	—	6	—	—	6
	255	2,914	1,777	1,084	6,030
Collective provisions for losses	—	—	—	28	28
Total of net values	$ 255	$ 2,914	$ 1,777	$ 1,056	$ 6,002

Foreclosed Properties

During the nine months ended September 30, 2022, the Company did not take possession of any properties it held as collateral on mortgages (none for the year ended December 31, 2021). Foreclosed properties that the Company still held at the end of the period are presented as real estate held for resale in *Other Assets.*

Specific Provisions for Losses

(in millions of dollars)	**As at September 30, 2022** **Bonds classified as loans and receivables**	As at December 31, 2021 Bonds classified as loans and receivables
Balance at beginning	**$ 6**	$ 14
Variation in specific provisions for losses	**2**	(8)
Balance at end	**$ 8**	$ 6

During the nine months ended September 30, 2022, the specific provisions for losses did not vary for bonds classified as held to maturity, mortgages classified as loans and receivables and other loans (nor for the year ended December 31, 2021).

c) Interest Rate Benchmark Reform

On May 16, 2022, the Autorité des marchés financiers (AMF) approved the decision by the administrator of the Canadian Dollar Offered Rate (CDOR), Refinitiv Benchmark Services Limited (RBSL), to end the publication of the rate as of June 28, 2024. The Canadian Alternative Reference Rate Working Group (CARR), which brings together representatives from companies in the financial sector and from public institutions, proposed to replace the CDOR with the Canadian Overnight Repo Rate Average (CORRA), also administered by RBSL. At this time, no decision has been published for an alternative benchmark rate to be used in place of the CDOR.

The Company is assessing the effects of abandoning the CDOR on the risks that it is exposed to and the valuation of the financial instruments impacted by the reform. As at September 30, 2022, derivative financial instruments with a notional amount of $9,466 and financial liabilities with a carrying value of $1,495 are affected by the CDOR reform and will be transitioned to an alternative reference rate.

7 › Derivative Financial Instruments

The Company is an end user of derivative financial instruments in the normal course of managing exposure to fluctuations in interest rates, currency exchange rates and fair values of invested assets. Derivative financial instruments are financial contracts whose value is derived from underlying interest rates, exchange rates, other financial instruments or indexes.

The notional amount represents the amount to which a rate or price is applied to determine the cash flows to be exchanged periodically and does not represent direct credit exposure. Maximum credit risk is the estimated cost of replacing derivative financial instruments that have a positive value should the counterparty default. The maximum credit risk of derivative financial instruments as at September 30, 2022 is $922 ($914 as at December 31, 2021). The Company's exposure at the end of each reporting period is limited to the risk that a counterparty does not honour the terms of a derivative financial instrument.

	As at September 30, 2022					
	Notional amount				Fair value	
(in millions of dollars)	Less than 1 year	1 to 5 years	Over 5 years	Total	Positive	Negative
Equity contracts						
Swap contracts	**$ 919**	**$ 17**	**$ 80**	**$ 1,016**	**$ 5**	**$ (59)**
Futures contracts	**484**	**—**	**—**	**484**	**47**	**—**
Options	**1,420**	**—**	**—**	**1,420**	**25**	**(8)**
Currency contracts						
Swap contracts	**133**	**219**	**5,294**	**5,646**	**220**	**(209)**
Forward contracts	**4,907**	**407**	**—**	**5,314**	**62**	**(169)**
Options	**158**	**25**	**—**	**183**	**6**	**(6)**
Interest rate contracts						
Swap contracts	**493**	**4,101**	**6,650**	**11,244**	**579**	**(689)**
Futures contracts	**55**	**—**	**—**	**55**	**—**	**(1)**
Forward contracts	**7,082**	**1,007**	**—**	**8,089**	**25**	**(472)**
Options	**5**	**—**	**—**	**5**	**—**	**—**
Credit risk contracts						
Swap contracts	**—**	**2**	**—**	**2**	**—**	**—**
Other derivative contracts	**1**	**3**	**77**	**81**	**1**	**(5)**
Total	**$ 15,657**	**$ 5,781**	**$ 12,101**	**$ 33,539**	**$ 970**	**$ (1,618)**

	As at December 31, 2021					
	Notional amount				Fair value	
(in millions of dollars)	Less than 1 year	1 to 5 years	Over 5 years	Total	Positive	Negative
Equity contracts						
Swap contracts	$ 914	$ 243	$ 95	$ 1,252	$ 21	$ (3)
Futures contracts	474	—	—	474	—	(8)
Options	4,756	—	—	4,756	231	(99)
Currency contracts						
Swap contracts	64	358	4,531	4,953	106	(209)
Forward contracts	3,254	1,199	—	4,453	35	(38)
Options	38	—	—	38	—	—
Interest rate contracts						
Swap contracts	1,430	4,079	5,044	10,553	309	(107)
Forward contracts	2,449	1,407	—	3,856	212	(33)
Other derivative contracts	3	5	244	252	3	(29)
Total	$ 13,382	$ 7,291	$ 9,914	$ 30,587	$ 917	$ (526)

	As at September 30, 2022		
	Notional amount	**Fair value**	
(in millions of dollars)		**Positive**	**Negative**
Derivative financial instruments not designated as hedge accounting	**$ 30,846**	**$ 958**	**$ (1,548)**
Net investment hedge	**1,973**	**—**	**(55)**
Fair value hedges			
Interest risk	**586**	**10**	**(10)**
Currency risk	**23**	**—**	**(1)**
Cash flow hedges			
Currency risk	**111**	**2**	**(4)**
Total of derivative financial instruments	**$ 33,539**	**$ 970**	**$ (1,618)**

	As at December 31, 2021		
	Notional amount	Fair value	
(in millions of dollars)		Positive	Negative
Derivative financial instruments not designated as hedge accounting	$ 28,018	$ 903	$ (509)
Net investment hedge	1,715	5	(15)
Fair value hedges			
Interest risk	712	5	(1)
Currency risk	27	1	(1)
Cash flow hedges			
Currency risk	115	3	—
Total of derivative financial instruments	$ 30,587	$ 917	$ (526)

Embedded Derivative Financial Instruments

The Company owns perpetual preferred shares with call options that give the issuer the right to redeem the shares at a predetermined price. Accounting standards require that the value of the call options be measured separately from the preferred shares. The value of the call options for embedded derivative financial instruments is determined using a valuation that relies predominantly on the volatility, quoted price on markets and characteristics of the underlying preferred shares. Embedded derivative financial instruments are presented as *Other derivative contracts*.

Net Investment Hedge

Forward contracts, designated as hedges of net investments in foreign operations with a functional currency other than the functional currency of the Company, have maturities of less than 1 year as at September 30, 2022 (less than 1 year to 3 years as at December 31, 2021). The effective portion of changes in fair value is recorded in *Other comprehensive income*, as is the foreign currency translation of the net investment in a foreign operation. For the nine months ended September 30, 2022 and 2021, the Company did not recognize any ineffectiveness.

Fair Value Hedges

Interest rate risk hedging

The Company entered into a hedging relationship in order to reduce its exposure to interest rate risk related to financial assets classified as available for sale. The Company entered into interest rate swap contracts with maturities ranging from 1 year to 7 years as at September 30, 2022 (from less than 1 year to 13 years as at December 31, 2021).

The Company entered into a hedging relationship in order to reduce its exposure to interest rate risk on financial liabilities classified as financial liabilities at amortized cost. The Company entered into interest rate swap contracts with maturities of less than 1 year to 6 years as at September 30, 2022 (less than 1 year to 7 years as at December 31, 2021).

For the nine months ended September 30, 2022, the Company has recognized a loss of $13 on the hedging instruments (gain of $17 for the nine months ended September 30, 2021) and a gain of $11 on the hedged items (loss of $20 for the nine months ended September 30, 2021). For the nine months ended September 30, 2022, the Company has recognized an ineffectiveness of $2 ($3 for the nine months ended September 30, 2021).

Currency rate risk hedging

The Company entered into a fair value hedge to manage its exposure to changes in currency rate risk related to financial assets classified as available for sale. The Company entered into forward contracts with maturities of less than 1 year as at September 30, 2022 (less than 1 year as at December 31, 2021). For the nine months ended September 30, 2022 and 2021, the Company did not recognize any ineffectiveness.

Cash Flow Hedges

The Company entered into a cash flow hedging relationship in order to manage its exposure to changes in currency rate risk on financial assets denominated in foreign currency. The Company entered into swap contracts that have maturities from 2 years to 7 years as at September 30, 2022 (from less than 1 year to 8 years as at December 31, 2021). For the nine months ended September 30, 2022 and 2021, the Company did not recognize any ineffectiveness.

8 › Segregated Funds Net Assets

(in millions of dollars)	**As at September 30, 2022**	As at December 31, 2021
Assets		
Cash and short-term investments	**$ 1,401**	$ 1,448
Bonds	**6,266**	6,794
Stocks and investment funds	**27,709**	31,235
Mortgages	**55**	42
Investment properties	**14**	15
Derivative financial instruments	**—**	12
Other assets	**693**	450
	36,138	39,996
Liabilities		
Accounts payable and accrued expenses	**660**	419
Derivative financial instruments	**9**	—
	669	419
Net assets	**$ 35,469**	$ 39,577

The following table presents the change in segregated funds net assets:

	Quarters ended September 30		Nine months ended September 30	
(in millions of dollars)	**2022**	2021	**2022**	2021
Balance at beginning	**$ 35,625**	$ 35,837	**$ 39,577**	$ 32,804
Add:				
Amounts received from policyholders	**1,324**	1,924	**5,302**	5,988
Interest, dividends and other investment income	**164**	244	**631**	456
Change in fair value of investments	**(331)**	34	**(6,164)**	1,963
	36,782	38,039	**39,346**	41,211
Less:				
Amounts withdrawn by policyholders	**1,137**	978	**3,347**	3,840
Operating expenses	**176**	175	**530**	485
	1,313	1,153	**3,877**	4,325
Balance at end	**$ 35,469**	$ 36,886	**$ 35,469**	$ 36,886

9 › Gains and Losses on New Reinsurance Treaties

During the three months ended September 30, 2022, the Company concluded new reinsurance agreements (none during the nine months ended September 30, 2021) for which it has recognized a gain of $52 in the Income Statement.

10 › Debentures

On February 23, 2022, iA Insurance redeemed all of its $250 subordinated debentures maturing February 23, 2027, bearing interest of 2.64% payable semi-annually until February 23, 2022. The subordinated debentures were redeemed at nominal value plus accrued and unpaid interest, for a total disbursement of $253.

On February 25, 2022, the Company issued subordinated debentures in the amount of $300 due February 25, 2032, bearing interest of 3.187%, payable semi-annually from August 25, 2022 to February 25, 2027, and variable interest equal to the 3-month CDOR, increased by 0.91%, payable quarterly, starting May 25, 2027 and ending on February 25, 2032. These subordinated debentures are redeemable by the Company, in whole or in part, from February 25, 2027, subject to prior approval by the AMF. The carrying amount of these debentures includes transaction costs and an issuance discount for a total of $2.

11 › Share Capital

The share capital issued by the Company is as follows:

	As at September 30, 2022		As at December 31, 2021	
(in millions of dollars, unless otherwise indicated)	**Number of shares (in thousands)**	**Amount**	Number of shares (in thousands)	Amount
Common shares				
Balance at beginning	**107,557**	**$ 1,706**	107,064	$ 1,674
Shares issued on exercise of stock options	**219**	**13**	606	34
Shares redeemed	**(2,366)**	**(38)**	(113)	(2)
Balance at end	**105,410**	**$ 1,681**	107,557	$ 1,706

Stock Option Plan

As at September 30, 2022, the number of outstanding stock options (in thousands) was 1,644 (1,669 as at December 31, 2021). For the nine months ended September 30, 2022, the Company granted (in thousands) 195 stock options exercisable at $83.35 (310 stock options exercisable at $58.55 for the year ended December 31, 2021).

Normal Course Issuer Bid Redemption

With the approval of the Toronto Stock Exchange, the Board of Directors has authorized the Company to purchase, in the normal course of its activities, from December 6, 2021 to December 5, 2022, up to 5,382,503 common shares, representing approximately 5% of its 107,650,077 common shares issued and outstanding as at November 23, 2021. For the nine months ended September 30, 2022, a total of 2,366,514 common shares were purchased and cancelled for a net cash amount of $157, of which $38 was recorded against share capital and $119 against retained earnings. As at September 30, 2021, no normal course issuer bid redemption was in effect.

Dividends

	Quarters ended September 30				Nine months ended September 30			
	2022		2021		**2022**		2021	
(in millions of dollars, unless otherwise indicated)	**Total**	**Per share (in dollars)**	Total	Per share (in dollars)	**Total**	**Per share (in dollars)**	Total	Per share (in dollars)
Common shares	**$ 72**	**$ 0.68**	$ 52	**$ 0.49**	**$ 206**	**$ 1.93**	$ 156	$ 1.46

Dividends Declared and Not Recognized on Common Shares
A dividend of 0.675 dollars per share was approved by the Board of Directors of the Company on November 9, 2022. This dividend was not recorded as a liability in these Financial Statements. This dividend will be paid on December 15, 2022 to the shareholders of record as of November 18, 2022, date on which it will be recognized in the equity of the Company.

Dividend Reinvestment and Share Purchase Plan
The Company offers a Dividend Reinvestment and Share Purchase Plan to its common shareholders. Dividends on common shares are deducted from equity in the period in which they were authorized. The common shares issued under the plan will be purchased on the secondary market.

12 › Preferred Shares Issued by a Subsidiary and Other Equity Instruments

The other equity instruments issued are as follows:

Limited Recourse Capital Notes Series 2022-1 Subordinated Debentures (Series 2022-1 Notes) maturing June 30, 2082, bearing interest of 6.611%, payable semi-annually from December 31, 2022 to June 30, 2027. On June 30, 2027 and every 5 years thereafter until June 30, 2077, the interest rate will be reset at an interest rate equal to the 5-year Government of Canada yield plus 4.00%. These Series 2022-1 Notes are redeemable by the Company on June 30, 2027 and thereafter from May 31 to June 30 every 5 years, in whole or in part, subject to approval by the AMF.

Class A – Series A non-cumulative 5-year rate reset preferred shares held by the Limited Recourse Trust issued in connection with the issuance of the Series 2022-1 Notes. The Series A preferred shares are eliminated on the Company's Consolidated Statements of Financial Position while being held within the Limited Recourse Trust. In case of non-payment of interest or principal of the Series 2022-1 Notes when due, the recourse of each noteholder will be limited to that holder's proportionate share of the Limited Recourse Trust's assets, which will consist of Series A preferred shares except in limited circumstances. The holders of the Series A preferred shares will be entitled to receive fixed-rate semi-annual non-cumulative preferential cash dividends, as and when declared by the Board of Directors.

Preferred shares issued by iA Insurance, a subsidiary of the Company, and other equity instruments are as follows:

	As at September 30, 2022		As at December 31, 2021	
(in millions of dollars, unless otherwise indicated)	**Number of shares (in thousands)**	**Amount**	Number of shares (in thousands)	Amount
Preferred shares, Class A, issued by iA Insurance				
Balance at beginning	**21,000**	**$ 525**	21,000	$ 525
Shares redeemed – Series G	**(10,000)**	**(250)**	—	—
Balance at end	**11,000**	**275**	21,000	525
Other equity instruments				
Balance at beginning	**—**	**—**	—	—
Subordinated debentures issued – Series 2022-1	**250**	**250**	—	—
Balance at end	**250**	**250**	—	—
Total preferred shares issued by iA Insurance and other equity instruments	**11,250**	**$ 525**	21,000	$ 525

Preferred Shares Issued by iA Insurance
Redemption
On June 30, 2022, iA Insurance redeemed all of the 10,000,000 Class A – Series G preferred shares at a price of 25 dollars per share for a cash amount of $250.

Other Equity Instruments
Issuance
On June 1, 2022, the Company issued Limited Recourse Capital Notes Series 2022-1 Subordinated Debentures, bearing interest at 6.611% and maturing in 2082, for a net cash amount of $247. Transaction costs for a total of $4 ($3 after tax) were recognized in the Equity Statement in *Retained earnings.*

At the same time, the Company issued 250,000 Series A non-cumulative 5-year rate reset preferred shares to be held by the Limited Recourse Trust, which has been newly formed by the Company.

Dividends

	Quarters ended September 30				Nine months ended September 30			
	2022		2021		**2022**		2021	
(in millions of dollars, unless otherwise indicated)	**Total**	**Per share (in dollars)**	Total	Per share (in dollars)	**Total**	**Per share (in dollars)**	Total	Per share (in dollars)
Preferred shares, issued by iA Insurance								
Class A – Series B	**$ 1**	**$ 0.29**	$ 1	$ 0.29	**$ 4**	**$ 0.86**	$ 4	$ 0.86
Class A – Series G	**—**	**—**	3	0.24	**4**	**0.47**	7	0.71
Class A – Series I	**2**	**0.30**	2	0.30	**6**	**0.90**	6	0.90
Total	**$ 3**		$ 6		**$ 14**		**$ 17**	

13 › Accumulated Other Comprehensive Income

(in millions of dollars)	Bonds	Stocks	Other invested assets	Currency translation	Hedging	Total
Balance as at December 31, 2021	**$ 30**	**$ 21**	**$ (2)**	**$ (47)**	**$ (16)**	**$ (14)**
Unrealized gains (losses)	**(514)**	**(95)**	**(9)**	**—**	**—**	**(618)**
Income taxes on unrealized gains (losses)	**118**	**26**	**2**	**—**	**—**	**146**
Other	**—**	**—**	**—**	**225**	**(159)**	**66**
Income taxes on other	**—**	**—**	**—**	**—**	**22**	**22**
	(396)	**(69)**	**(7)**	**225**	**(137)**	**(384)**
Realized losses (gains)	**(33)**	**(1)**	**1**	**—**	**—**	**(33)**
Income taxes on realized losses (gains)	**9**	**—**	**—**	**—**	**—**	**9**
	(24)	**(1)**	**1**	**—**	**—**	**(24)**
Balance as at September 30, 2022	**(390)**	**(49)**	**(8)**	**178**	**(153)**	**(422)**
Balance as at December 31, 2020	136	6	—	(30)	(29)	83
Unrealized gains (losses)	(105)	21	(3)	—	—	(87)
Income taxes on unrealized gains (losses)	24	(5)	1	—	—	20
Other	—	—	—	(17)	15	(2)
Income taxes on other	—	—	—	—	(2)	(2)
	(81)	16	(2)	(17)	13	(71)
Realized losses (gains)	(34)	(1)	—	—	—	(35)
Income taxes on realized losses (gains)	9	—	—	—	—	9
	(25)	(1)	—	—	—	(26)
Balance as at December 31, 2021	30	21	(2)	(47)	(16)	(14)
Balance as at December 31, 2020	136	6	—	(30)	(29)	83
Unrealized gains (losses)	(94)	28	(2)	—	—	(68)
Income taxes on unrealized gains (losses)	22	(7)	—	—	—	15
Other	—	—	—	(9)	3	(6)
	(72)	21	(2)	(9)	3	(59)
Realized losses (gains)	(29)	1	—	—	—	(28)
Income taxes on realized losses (gains)	8	—	—	—	—	8
	(21)	1	—	—	—	(20)
Balance as at September 30, 2021	$ 43	$ 28	$ (2)	$ (39)	$ (26)	$ 4

14 › Capital Management

Regulatory Requirements and Solvency Ratio

The Company is committed to respecting certain requirements of the guideline on capital adequacy requirements for life insurers (CARLI).

According to CARLI, many items are included in the solvency ratio:

The available capital represents the total Tier 1 and Tier 2 capital, less other deductions prescribed by the AMF.

Tier 1 capital contains more permanent equity items and is primarily composed of equity attributable to common shareholders and to preferred shares. Goodwill and other intangible assets are deducted from this category.

Tier 2 capital is primarily composed of subordinated debentures.

The surplus allowance is the value of specific provisions for adverse deviations included in insurance contract liabilities.

The eligible deposits are amounts related to unregistered reinsurance agreements, which are deposited in guarantee instruments.

The base solvency buffer is determined according to five risk categories, namely credit risk, market risk, insurance risk, segregated funds guarantee risk and operational risk. These risk components are calculated using various methods and consider the risks associated to asset and liability elements that are on and off the Statement of Financial Position. The base solvency buffer represents the sum of risk components minus some credits (for example, between-risk diversification and adjustable products) multiplied by a scalar of 1.05.

The CARLI total ratio is calculated by dividing the sum of the available capital, the surplus allowance and the eligible deposits by the base solvency buffer.

According to the AMF guideline, the Company must set a target level of available capital that exceeds the minimum requirements. The guideline also stipulates that most of the available capital must be Tier 1, which absorbs the losses related to current operations.

The Company manages its capital on a consolidated basis. As at September 30, 2022, the Company maintains a ratio that satisfies the regulatory requirements.

(in millions of dollars, unless otherwise indicated)	**September 30, 2022**
Available capital	
Tier 1 capital	**$ 2,530**
Tier 2 capital	**2,202**
Surplus allowance and eligible deposits	**4,663**
Total	**$ 9,395**
Base solvency buffer	**$ 7,220**
Total ratio	**130%**

As at December 31, 2021, the solvency ratio was 134% and the Company maintained a ratio that satisfied the regulatory requirements.

15 › Income Taxes

The effective income tax rate differs from the Canadian statutory tax rate due to the following items:

	Quarters ended September 30				Nine months ended September 30			
(in millions of dollars, unless otherwise indicated)	**2022**		2021		**2022**		2021	
Income before income taxes	**$ 262**		$ 289		**$ 700**		$ 826	
Income tax expense at Canadian statutory tax rate	**69**	**26%**	76	26%	**185**	**26%**	218	26%
Increase (decrease) in income taxes due to:								
Differences in tax rates on income not subject to tax in Canada	**(5)**	**(2)%**	(1)	—%	**(9)**	**(1)%**	(4)	—%
Tax-exempt investment income	**(20)**	**(8)%**	(13)	(4)%	**(39)**	**(6)%**	(36)	(4)%
Non-deductible (non-taxable) portion of the change in fair value of investment properties	**2**	**1%**	—	—%	**1**	**—%**	1	—%
Adjustments of previous years	**3**	**1%**	3	1%	**(28)**	**(4)%**	10	1%
Variation in tax rates	**—**	**—%**	—	—%	**—**	**—%**	1	—%
Other	**(1)**	**—%**	(2)	(1)%	**1**	**1%**	1	—%
Income tax expense (recovery) and effective income tax rate	**$ 48**	**18%**	$ 63	22%	**$ 111**	**16%**	$ 191	23%

16 › Segmented Information

The Company operates and manages its activities according to five main reportable operating segments, which reflect its company structure for decision making. Management makes judgments in the aggregation of business units into the Company's operating segments. Its products and services are offered to retail customers, businesses and groups. The Company primarily operates in Canada and the United States. The main products and services offered by each segment are the following:

Individual Insurance – Life, health, disability and mortgage insurance products.

Individual Wealth Management – Individual products and services for savings plans, retirement funds and segregated funds, in addition to securities brokerage, trust operations and mutual funds.

Group Insurance – Life, health, accidental death and dismemberment, dental care and short and long-term disability insurance products for employee plans; creditor insurance, replacement insurance, replacement warranties, extended warranties and other ancillary products for dealer services; and specialized products for special markets.

Group Savings and Retirement – Group products and services for savings plans, retirement funds and segregated funds.

US Operations – Miscellaneous insurance products sold in the United States such as life insurance products and extended warranties relating to dealer services.

Other – Auto and home insurance products, services supporting the activities that have no link with key segments such as asset management and financing, Company capital and some adjustments related to consolidation.

The Company makes judgments and uses assumptions and methodologies to allocate general expenses that are not directly attributable to a business segment. The allocation of other activities is mainly performed according to a formula based on equity and is uniformly applied to each operating segment.

The other assets and other liabilities, except mainly for derivative financial instruments, are classified in their entirety in the *Other* column since they are used for the operational support of the Company's activities.

Segmented Income Statements

	Quarter ended September 30, 2022						
	Individual		Group				
(in millions of dollars)	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	Total
Revenues							
Net premiums	$ 465	$ 1,108	$ 494	$ 474	$ 223	$ 107	$ 2,871
Investment income	336	39	45	85	(98)	56	463
Other revenues	30	425	24	31	92	(88)	514
	831	1,572	563	590	217	75	3,848
Operating expenses							
Gross benefits and claims on contracts	229	620	331	611	209	18	2,018
Ceded benefits and claims on contracts	(75)	—	(14)	(7)	(148)	43	(201)
Net transfer to segregated funds	—	347	—	(156)	—	—	191
Increase (decrease) in insurance contract liabilities	360	170	17	99	(146)	(3)	497
Increase (decrease) in investment contract liabilities	—	—	3	—	—	—	3
Decrease (increase) in reinsurance assets	(89)	—	1	2	(25)	3	(108)
Commissions, general and other expenses	297	381	184	35	232	32	1,161
Financing charges	2	—	9	—	1	13	25
	724	1,518	531	584	123	106	3,586
Income before income taxes and allocation of other activities	107	54	32	6	94	(31)	262
Allocation of other activities	6	(9)	(22)	(1)	(5)	31	—
Income before income taxes	113	45	10	5	89	—	262
Income taxes	20	9	1	—	18	—	48
Net income	93	36	9	5	71	—	214
Net income attributed to participating policyholders	(4)	—	—	—	—	—	(4)
Net income attributed to shareholders	$ 97	$ 36	$ 9	$ 5	$ 71	$ —	$ 218

	Quarter ended September 30, 2021						
	Individual		Group				
(in millions of dollars)	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	Total
Revenues							
Net premiums	$ 433	$ 1,359	$ 439	$ 804	$ 191	$ 106	$ 3,332
Investment income	(114)	(2)	31	(5)	6	43	(41)
Other revenues	31	458	21	29	119	(115)	543
	350	1,815	491	828	316	34	3,834
Operating expenses							
Gross benefits and claims on contracts	219	553	295	361	161	15	1,604
Ceded benefits and claims on contracts	(77)	—	(14)	(6)	(103)	28	(172)
Net transfer to segregated funds	—	842	—	176	—	—	1,018
Increase (decrease) in insurance contract liabilities	(108)	(66)	15	258	(3)	—	96
Increase (decrease) in investment contract liabilities	—	—	1	—	—	—	1
Decrease (increase) in reinsurance assets	(46)	—	(1)	1	7	—	(39)
Commissions, general and other expenses	251	404	154	33	228	(54)	1,016
Financing charges	4	1	8	—	—	8	21
	243	1,734	458	823	290	(3)	3,545
Income before income taxes and allocation of other activities	107	81	33	5	26	37	289
Allocation of other activities	30	8	2	3	(6)	(37)	—
Income before income taxes	137	89	35	8	20	—	289
Income taxes	23	26	9	2	3	—	63
Net income	114	63	26	6	17	—	226
Net income attributed to participating policyholders	3	—	—	—	—	—	3
Net income attributed to shareholders	$ 111	$ 63	$ 26	$ 6	$ 17	$ —	$ 223

	Nine months ended September 30, 2022						
	Individual		Group				
(in millions of dollars)	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	Total
Revenues							
Net premiums	$ 1,410	$ 4,001	$ 1,432	$ 1,781	$ 682	$ 311	$ 9,617
Investment income	(6,167)	(62)	(16)	(464)	(388)	145	(6,952)
Other revenues	91	1,319	68	88	275	(265)	1,576
	(4,666)	5,258	1,484	1,405	569	191	4,241
Operating expenses							
Gross benefits and claims on contracts	749	2,023	1,005	1,476	580	51	5,884
Ceded benefits and claims on contracts	(258)	—	(47)	(20)	(394)	118	(601)
Net transfer to segregated funds	—	1,750	—	227	—	—	1,977
Increase (decrease) in insurance contract liabilities	(6,172)	110	(75)	(416)	(558)	(5)	(7,116)
Increase (decrease) in investment contract liabilities	—	—	(48)	—	—	—	(48)
Decrease (increase) in reinsurance assets	(157)	—	2	6	102	5	(42)
Commissions, general and other expenses	910	1,203	525	114	682	(13)	3,421
Financing charges	5	1	26	—	1	33	66
	(4,923)	5,087	1,388	1,387	413	189	3,541
Income before income taxes and allocation of other activities	257	171	96	18	156	2	700
Allocation of other activities	42	(9)	(19)	4	(16)	(2)	—
Income before income taxes	299	162	77	22	140	—	700
Income taxes	32	26	20	9	24	—	111
Net income	267	136	57	13	116	—	589
Net income attributed to participating policyholders	(13)	—	—	—	—	—	(13)
Net income attributed to shareholders	$ 280	$ 136	$ 57	$ 13	$ 116	$ —	$ 602

	Nine months ended September 30, 2021						
	Individual		Group				
(in millions of dollars)	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	Total
Revenues							
Net premiums	$ 1,297	$ 4,231	$ 1,267	$ 2,132	$ 585	$ 299	$ 9,811
Investment income	(1,757)	(157)	69	(102)	(33)	119	(1,861)
Other revenues	93	1,306	57	86	245	(228)	1,559
	(367)	5,380	1,393	2,116	797	190	9,509
Operating expenses							
Gross benefits and claims on contracts	669	1,774	897	2,016	466	39	5,861
Ceded benefits and claims on contracts	(236)	—	(38)	(18)	(302)	82	(512)
Net transfer to segregated funds	—	2,489	—	(215)	—	—	2,274
Increase (decrease) in insurance contract liabilities	(1,732)	(292)	(19)	209	(102)	1	(1,935)
Increase (decrease) in investment contract liabilities	—	—	(6)	—	—	—	(6)
Decrease (increase) in reinsurance assets	(119)	—	—	4	59	(1)	(57)
Commissions, general and other expenses	737	1,184	445	100	583	(49)	3,000
Financing charges	7	2	25	—	1	23	58
	(674)	5,157	1,304	2,096	705	95	8,683
Income before income taxes and allocation of other activities	307	223	89	20	92	95	826
Allocation of other activities	78	19	4	8	(14)	(95)	—
Income before income taxes	385	242	93	28	78	—	826
Income taxes	77	66	27	7	14	—	191
Net income	308	176	66	21	64	—	635
Net income attributed to participating policyholders	(3)	—	—	—	—	—	(3)
Net income attributed to shareholders	$ 311	$ 176	$ 66	$ 21	$ 64	$ —	$ 638

Segmented Premiums

	Quarter ended September 30, 2022						
	Individual		**Group**				
(in millions of dollars)	**Insurance**	**Wealth Management**	**Insurance**	**Savings and Retirement**	**US Operations**	**Other**	**Total**
Gross premiums							
Invested in general fund	**$ 584**	**$ 326**	**$ 526**	**$ 126**	**$ 476**	**$ 17**	**$ 2,055**
Invested in segregated funds	**—**	**782**	**—**	**355**	**—**	**—**	**1,137**
	584	**1,108**	**526**	**481**	**476**	**17**	**3,192**
Premiums ceded							
Invested in general fund	**(119)**	**—**	**(32)**	**(7)**	**(253)**	**90**	**(321)**
Net premiums	**$ 465**	**$ 1,108**	**$ 494**	**$ 474**	**$ 223**	**$ 107**	**$ 2,871**

Quarter ended September 30, 2021							
	Individual		Group				
(in millions of dollars)	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	Total
Gross premiums							
Invested in general fund	$ 547	$ 213	$ 469	$ 332	$ 388	$ 26	$ 1,975
Invested in segregated funds	—	1,146	—	478	—	—	1,624
	547	1,359	469	810	388	26	3,599
Premiums ceded							
Invested in general fund	(114)	—	(30)	(6)	(197)	80	(267)
Net premiums	$ 433	$ 1,359	$ 439	$ 804	$ 191	$ 106	$ 3,332

Nine months ended September 30, 2022							
	Individual		**Group**				
(in millions of dollars)	**Insurance**	**Wealth Management**	**Insurance**	**Savings and Retirement**	**US Operations**	**Other**	**Total**
Gross premiums							
Invested in general fund	**$ 1,749**	**$ 795**	**$ 1,527**	**$ 395**	**$ 1,352**	**$ 44**	**$ 5,862**
Invested in segregated funds	**—**	**3,206**	**—**	**1,406**	**—**	**—**	**4,612**
	1,749	**4,001**	**1,527**	**1,801**	**1,352**	**44**	**10,474**
Premiums ceded							
Invested in general fund	**(339)**	**—**	**(95)**	**(20)**	**(670)**	**267**	**(857)**
Net premiums	**$ 1,410**	**$ 4,001**	**$ 1,432**	**$ 1,781**	**$ 682**	**$ 311**	**$ 9,617**

Nine months ended September 30, 2021							
	Individual		Group				
(in millions of dollars)	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	Total
Gross premiums							
Invested in general fund	$ 1,618	$ 662	$ 1,352	$ 583	$ 1,124	$ 102	$ 5,441
Invested in segregated funds	—	3,569	—	1,568	—	—	5,137
	1,618	4,231	1,352	2,151	1,124	102	10,578
Premiums ceded							
Invested in general fund	(321)	—	(85)	(19)	(539)	197	(767)
Net premiums	$ 1,297	$ 4,231	$ 1,267	$ 2,132	$ 585	$ 299	$ 9,811

Segmented Assets and Liabilities

	As at September 30, 2022						
	Individual		Group				
(in millions of dollars)	**Insurance**	**Wealth Management**	**Insurance**	**Savings and Retirement**	**US Operations**	**Other**	**Total**
Assets							
Invested assets	**$ 20,546**	**$ 2,518**	**$ 1,966**	**$ 4,818**	**$ 1,174**	**$ 8,308**	**$ 39,330**
Segregated funds net assets	**—**	**22,406**	**—**	**13,063**	**—**	**—**	**35,469**
Reinsurance assets	**303**	**—**	**169**	**110**	**2,300**	**(379)**	**2,503**
Other	**94**	**1,291**	**—**	**—**	**103**	**6,624**	**8,112**
Total assets	**$ 20,943**	**$ 26,215**	**$ 2,135**	**$ 17,991**	**$ 3,577**	**$ 14,553**	**$ 85,414**
Liabilities							
Insurance contract liabilities and investment contract liabilities	**$ 19,559**	**$ 2,046**	**$ 2,173**	**$ 4,983**	**$ 1,444**	**$ (122)**	**$ 30,083**
Liabilities related to segregated funds net assets	**—**	**22,406**	**—**	**13,063**	**—**	**—**	**35,469**
Other	**1,342**	**214**	**4**	**15**	**—**	**11,152**	**12,727**
Total liabilities	**$ 20,901**	**$ 24,666**	**$ 2,177**	**$ 18,061**	**$ 1,444**	**$ 11,030**	**$ 78,279**

	As at December 31, 2021						
	Individual		Group				
(in millions of dollars)	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	Total
Assets							
Invested assets	$ 25,761	$ 1,859	$ 2,082	$ 5,214	$ 1,473	$ 9,262	$ 45,651
Segregated funds net assets	—	24,722	—	14,855	—	—	39,577
Reinsurance assets	144	—	171	116	2,049	(270)	2,210
Other	100	1,201	—	—	108	5,812	7,221
Total assets	$ 26,005	$ 27,782	$ 2,253	$ 20,185	$ 3,630	$ 14,804	$ 94,659
Liabilities							
Insurance contract liabilities and investment contract liabilities	$ 25,761	$ 1,924	$ 2,268	$ 5,392	$ 1,878	$ (106)	$ 37,117
Liabilities related to segregated funds net assets	—	24,722	—	14,855	—	—	39,577
Other	398	44	3	33	—	10,242	10,720
Total liabilities	$ 26,159	$ 26,690	$ 2,271	$ 20,280	$ 1,878	$ 10,136	$ 87,414

17 › Earnings Per Common Share

Basic Earnings Per Share

Basic earnings per share are calculated by dividing the net income attributed to common shareholders by the weighted average number of outstanding common shares during the period.

	Quarters ended September 30		Nine months ended September 30	
(in millions of dollars, unless otherwise indicated)	**2022**	2021	**2022**	2021
Net income attributed to common shareholders	**$ 215**	$ 217	**$ 588**	$ 621
Weighted average number of outstanding shares (in millions of units)	**106**	108	**107**	107
Basic earnings per share (in dollars)	**$ 2.03**	$ 2.01	**$ 5.50**	$ 5.78

Diluted Earnings Per Share

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to take into account the conversion of all potentially dilutive common shares.

The dilutive effect of stock options considers the number of shares presumed issued without consideration, calculated as the difference between the number of shares deemed to have been issued (by assuming the outstanding stock option grants are exercised) and the number of shares that would have been issued at the average market price for the year (the number of shares that would have been issued using the issuance proceeds, using the average market price of the Company's common shares for the period). For the quarter and for the nine months ended September 30, 2022, an average of 92,672 and 78,717 antidilutive stock options respectively (29,273 options for the quarter and 41,573 options for the nine months ended September 30, 2021) were excluded from the calculation.

	Quarters ended September 30		**Nine months ended September 30**	
(in millions of dollars, unless otherwise indicated)	**2022**	2021	**2022**	2021
Net income attributed to common shareholders	**$ 215**	$ 217	**$ 588**	$ 621
Weighted average number of outstanding shares (in millions of units)	**106**	108	**107**	107
Add: dilutive effect of stock options granted and outstanding (in millions of units)	**—**	—	**—**	1
Weighted average number of outstanding shares on a diluted basis (in millions of units)	**106**	108	**107**	108
Diluted earnings per share (in dollars)	**$ 2.03**	$ 2.01	**$ 5.48**	$ 5.76

There was no transaction on common shares that could affect these calculations after the closing date and before the date of authorization for issue of these Financial Statements.

18 › Post-Employment Benefits

The Company maintains a funded defined benefit plan and a number of unfunded plans that provide pension benefits and defined contribution plans.

The Company also provides other post-retirement benefits. These include additional health care benefits, life insurance and dental benefits. The Company also provides post-employment benefits such as salary continuation for short-term disabilities.

Amounts Recognized in Net Income and Other Comprehensive Income

	Quarters ended September 30			
	2022		2021	
(in millions of dollars)	**Pension plans**	**Other plans**	Pension plans	Other plans
Current service cost	**$ 18**	**$ 1**	$ 17	$ 1
Net interest	**—**	**—**	2	—
Components of the cost of defined benefits recognized in the net income	**18**	**1**	19	1
Remeasurement of net liabilities (assets) as defined benefits[1]				
Rate of return on assets (excluding amounts included in the net interest above)	**(3)**	**—**	12	—
Actuarial losses (gains) on financial assumption changes	**25**	**(3)**	(48)	(4)
Losses (gains) on components of the cost of defined benefits recognized in other comprehensive income	**22**	**(3)**	(36)	(4)
Total of defined benefit cost components	**$ 40**	**$ (2)**	$ (17)	$ (3)

[1] Changes in financial assumptions and assumptions on rate of return on assets, which represent market-based assumptions, are reviewed on a quarterly basis. All other assumptions are reviewed on an annual basis.

	Nine months ended September 30			
	2022		2021	
(in millions of dollars)	**Pension plans**	**Other plans**	Pension plans	Other plans
Current service cost	**$ 47**	**$ 2**	$ 51	$ 2
Net interest	**2**	**1**	7	1
Administrative expense	**1**	**—**	1	—
Components of the cost of defined benefits recognized in the net income	**50**	**3**	59	3
Remeasurement of net liabilities (assets) as defined benefits[1]				
Rate of return on assets (excluding amounts included in the net interest above)	**339**	**—**	39	—
Actuarial losses (gains) on financial assumption changes	**(428)**	**(11)**	(281)	(7)
Losses (gains) on components of the cost of defined benefits recognized in other comprehensive income	**(89)**	**(11)**	(242)	(7)
Total of defined benefit cost components	**$ (39)**	**$ (8)**	$ (183)	$ (4)

[1] Changes in financial assumptions and assumptions on rate of return on assets, which represent market-based assumptions, are reviewed on a quarterly basis. All other assumptions are reviewed on an annual basis.

Items that will not be reclassified subsequently to net income

	Quarters ended September 30			
	2022		2021	
(in millions of dollars)	**Pension plans**	**Other plans**	Pension plans	Other plans
Losses (gains) on components of the cost of defined benefits recognized in other comprehensive income				
Remeasurement of post-employment benefits	**$ 22**	**$ (3)**	$ (36)	$ (4)
Income taxes on remeasurement of post-employment benefits	**(6)**	**1**	10	1
Total of other comprehensive income	**$ 16**	**$ (2)**	$ (26)	$ (3)

	Nine months ended September 30			
	2022		2021	
(in millions of dollars)	**Pension plans**	**Other plans**	Pension plans	Other plans
Losses (gains) on components of the cost of defined benefits recognized in other comprehensive income				
Remeasurement of post-employment benefits	**$ (89)**	**$ (11)**	$ (242)	$ (7)
Income taxes on remeasurement of post-employment benefits	**23**	**3**	64	2
Total of other comprehensive income	**$ (66)**	**$ (8)**	$ (178)	$ (5)

19 › Commitments

Investment Commitments

In the normal course of the Company's business, various outstanding contractual commitments related to offers for commercial loans, private placements, joint ventures and real estate are not reflected in the financial statements and may not be fulfilled. There were $557 ($599 as at December 31, 2021) of outstanding commitments as at September 30, 2022, of which the estimated disbursements will be $24 ($22 as at December 31, 2021) in 30 days, $173 ($166 as at December 31, 2021) in 31 to 365 days and $360 ($411 as at December 31, 2021) in more than one year.

Letters of Credit

In the normal course of operations, banks issue letters of credit on behalf of the Company. As at September 30, 2022, the balance of these letters is $2 ($2 as at December 31, 2021).

Lines of Credit

As at September 30, 2022, the Company had operating lines of credit totalling $57 ($57 as at December 31, 2021). As at September 30, 2022 and 2021, no lines of credit were used. The purpose of these lines of credit is to facilitate financing of the Company's operations and meet its temporary working capital requirements.

20 › Event After the Reporting Period

Subject to the approval of the Toronto Stock Exchange and the AMF, the Board of Directors has authorized, on November 9, 2022, the early termination by the Company at the close of markets on November 11, 2022 of the normal course issuer bid in effect since December 6, 2021. The Board of Directors has also authorized the establishment of a new normal course issuer bid under which the Company may purchase, between November 14, 2022 and November 13, 2023, up to 5,265,045 of its common shares, representing approximately 5% of its 105,300,913 common shares issued and outstanding as at November 1, 2022.

Conference Call
Management held a conference call to present its results on Wednesday, November 9, at 2:00 p.m. (ET). You can listen to a replay of the conference call for a 90-day period on the Company's website at ia.ca, under *About iA,* in the *Investor Relations/Financial Reports* section.

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 one of Canada's largest public companies and is listed on the Toronto Stock Exchange under the ticker symbols IAG (common shares) and IAF (preferred shares).

Shareholder Information
There are three ways to reach us, depending on the type of information you want to obtain:

For questions regarding your shares and the Dividend Reinvestment and Share Purchase Plan:
Computershare Investor Services Inc.
Telephone: 514 982-7555
1 877 684-5000 (toll free)
Email: ia@computershare.com

To obtain financial information about Industrial Alliance, contact the Investor Relations Department:
Investor Relations Department
Industrial Alliance Insurance and Financial Services Inc.
Telephone: 418 684-5000, extension 105862
1 800 463-6236, extension 105862 (toll free)
Fax: 418 684-5192
Email: investors@ia.ca
Website: www.ia.ca

For questions regarding Industrial Alliance products and services, contact your agent. If you don't have an agent, contact Industrial Alliance at:
Industrial Alliance Insurance and Financial Services Inc.
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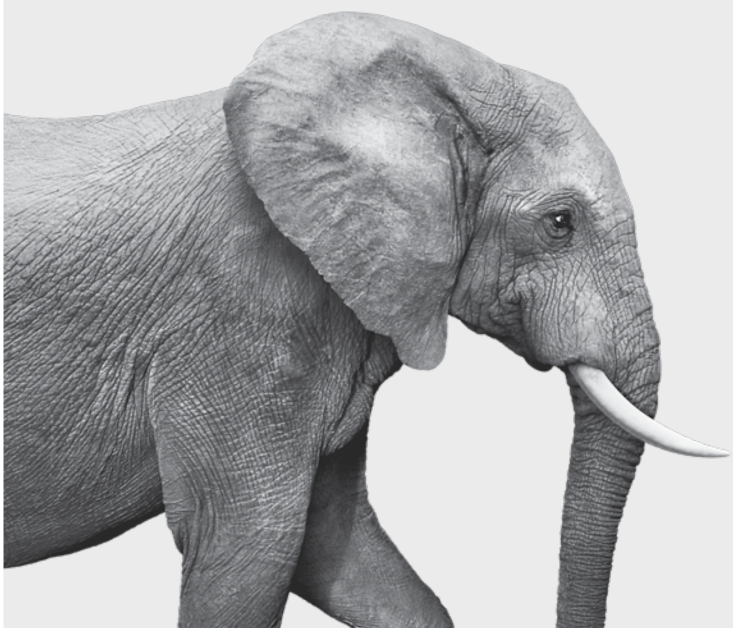

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