

Quebec City, February 14, 2023

iA Financial Group Reports Fourth Quarter Results

Robust capital position and good profitability with core EPS and core ROE well within guidance for the quarter and the year

The results presented below are for iA Financial Corporation Inc. (“iA Financial Corporation” or the “Company”), the holding company that owns 100% of the common shares of Industrial Alliance Insurance and Financial Services Inc. (“iA Insurance”). The results for iA Insurance are presented in a separate section on page 7 of this document.

This news release presents non-IFRS measures used by the Company when evaluating its results and measuring its performance. These non-IFRS measures are not standardized financial measures and are not included in the financial statements. For relevant information about non-IFRS measures used in this document, see the “Non-IFRS and Additional Financial Measures” section in the Management’s Discussion and Analysis for the period ending December 31, 2022, which is hereby incorporated by reference, and is available for review at [sedar.com](https://www.sedar.com) or on iA Financial Group’s website at ia.ca.

FOURTH QUARTER HIGHLIGHTS – iA Financial Corporation

- Reported EPS of \$2.17 (+12% YoY), and core EPS[†] of \$2.40 (+19% YoY), within guidance of \$2.35 to \$2.50
- Reported ROE^{1,†} of 12.3%, and core ROE^{1,†} of 14.2%, in the top half of guidance (13% to 15%)
- Strong sales results in most business units, in particular for individual insurance and group insurance and group savings and retirement
- Robust solvency ratio[†] of 126% at December 31, 2022 and strong organic capital generation[†] of \$130 million
- Sustained shareholder value with near-neutral impact on book value from IFRS 9 and IFRS 17 transition: +\$10M at Jan. 1, 2022²
- Superior employee experience recognized by Glassdoor and Forbes

For the fourth quarter ended December 31, 2022, iA Financial Corporation (TSX: IAG) reports net income attributed to common shareholders of \$229 million, diluted earnings per common share (EPS) of \$2.17 and return on common shareholders’ equity (ROE) for the trailing twelve months of 12.3%. Core EPS[†] of \$2.40 is within guidance and 19% higher than the corresponding quarter of 2021, and core ROE[†] of 14.2% for the trailing twelve months is in the top half of guidance. The solvency ratio remains robust at 126% at December 31, 2022.

“We concluded the year on a very positive note, with fourth quarter core EPS[†] and core ROE[†] well within our guidance and strong sales in several business segments. This very good performance is largely attributable to our people, hence the importance of having a best-in-class employee experience strategy to attract talent,” commented Denis Ricard, President and CEO of iA Financial Group. “Moreover, with our solid financial situation, nearly half a billion dollars of deployable capital was returned to our shareholders in 2022 through dividends and share buybacks. Under IFRS 9 and 17, more excess capital will be available to support our growth, improve ROE and return value to our shareholders.”

“Good policyholder experience and higher long-term interest rates supported the 19% year-over-year growth in core EPS. Together with core EPS, all of our key financial metrics are in line with or above the guidance given to the markets at the beginning of 2022,” added Jacques Potvin, Executive Vice-President, CFO and Chief Actuary. “As expected, the net impact of our annual assumption review was near-neutral on results. Also, considering the near-neutral impact on book value and the significantly higher deployable capital, the transition to the new IFRS 9/17 accounting regime is favourable to iA and bodes well looking forward.”

Earnings Highlights	Fourth quarter			Year-to-date at December 31		
	2022	2021	Variation	2022	2021	Variation
Net income attributed to shareholders (in millions)	\$240	\$214	12%	\$842	\$852	(1%)
Less: dividends on preferred shares issued by a subsidiary (in millions)	\$11	\$5	120%	\$25	\$22	14%
Net income attributed to common shareholders (in millions)	\$229	\$209	10%	\$817	\$830	(2%)
Weighted average number of common shares (in millions, diluted)	105.6	108.0	(2%)	106.8	107.8	(1%)
Earnings per common share (diluted)	\$2.17	\$1.94	12%	\$7.65	\$7.70	(1%)
Core earnings per common share (diluted) [†]	\$2.40	\$2.01	19%	\$8.85	\$8.31	6%

Other Financial Highlights	December 31, 2022	30 September 2022	December 31, 2021
Return on common shareholders’ equity ^{1,†}	12.3%	12.2%	13.2%
Core return on common shareholders’ equity ^{1,†}	14.2%	13.8%	14.2%
Solvency ratio [†]	126%	130%	134%
Book value per share ³	\$63.06	\$62.38	\$62.01
Assets under management and administration [†] (in billions)	\$200.4	\$194.1	\$221.2

¹ On a trailing twelve month basis.

² The finalization of the Consolidated Statements of Financial Position at the January 1, 2022 transition date is in progress.

³ 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 at the end of this document for relevant information about such measures.

The results of iA Financial Corporation for the fourth quarter of 2022 are presented on a consolidated basis with those of its subsidiaries, including iA Insurance. Unless otherwise indicated, the results presented in this document are compared with those from the corresponding period last year.

Profitability – For the fourth quarter ended December 31, 2022, iA Financial Corporation reports diluted earnings per common share (EPS) of \$2.17, an increase of 12% compared to \$1.94 for the same quarter of 2021. Diluted core EPS[†] of \$2.40 for the fourth quarter of 2022 is 19% higher than previous year’s result (\$2.01).

The table below reconciles the Company’s reported and core earnings.[†] Core earnings is a non-IFRS measure that represents management’s view of the Company’s capacity to generate sustainable earnings. Five items were adjusted in the core earnings[†] calculation for the quarter, representing an increase of \$0.23 EPS versus reported EPS.

Reported Earnings and Core Earnings [†] Reconciliation ⁴								
(in millions of dollars after tax unless otherwise indicated)	Fourth quarter				Year-to-date at December 31			
	Earnings	EPS (diluted basis)			Earnings	EPS (diluted basis)		
	2022	2022	2021	Variation	2022	2022	2021	Variation
Reported earnings	229	\$2.17	\$1.94	12%	817	\$7.65	\$7.70	(1%)
Core earnings[†] remove from reported earnings the impacts of the following items:								
Market-related impacts that differ from management’s best estimate assumptions	(6)	(\$0.06)	(\$0.08)		55	\$0.51	(\$0.21)	
Assumption changes and management actions	3	\$0.03	(\$0.02)		(38)	(\$0.36)	(\$0.02)	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	6	\$0.05	(\$0.03)		18	\$0.16	\$0.10	
Amortization of acquisition-related finite life intangible assets	17	\$0.16	\$0.14		64	\$0.59	\$0.52	
Non-core pension expense	5	\$0.05	\$0.06		21	\$0.20	\$0.22	
Other specified unusual gains and losses	—	—	—		8	\$0.09	—	
Core earnings[†]	254	\$2.40	\$2.01	19%	945	\$8.85	\$8.31	6%

The following items presented in the “Sources of Earnings”[†] section of the Company’s Financial Information Package explain the differences between management’s expectations and reported earnings for the three-month period ended December 31, 2022. This information contains non-IFRS measures. All figures are after tax unless otherwise indicated.

The Company reported net income attributed to common shareholders of \$229 million for the fourth quarter of 2022. This result, as analyzed according to sources of earnings, can be explained as follows:

Expected profit on in-force[†] – At \$249 million pre-tax, expected profit on in-force (EPIF) for the fourth quarter of 2022 was up 1% or \$2 million year over year. EPIF growth was strong in the US Operations sector (+19%) and good in both individual and group insurance sectors (+10% each). Growth has been dampened by the quarterly EPIF adjustment in the wealth sectors to reflect changes in the stock markets as at September 30, 2022 and also by a \$0.04 EPS impact of the accounting interpretation relating to cloud computing, as discussed with third quarter results.

Experience gains (losses)[†] versus expected profit – For the fourth quarter of 2022, the Company recorded a net experience gain of \$0.14 EPS (\$14 million) versus management expectations. The following experience results are worthy of note:

- **Additional protections in reserves for pandemic uncertainty:** In Canada, mortality experience was favourable and therefore the additional mortality provision available for the fourth quarter was not used. In the U.S., additional mortality claims were lower than the provision available for the fourth quarter and as a result, this provision was partially used. A portion of the additional protection for adverse policyholder behaviour to cover potential adverse lapse experience for a specific group of policies was also used during the quarter. Note that the direct and indirect impacts of the COVID-19 pandemic will now be part of the normal reserving process. As a result, the remaining additional pandemic provisions have been integrated with the basic provisions as part of the year-end assumption changes.

⁴ 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 at the end of this document for relevant information about such measures.

- *Individual Insurance* recorded a gain of \$0.11 EPS (\$11 million) in the fourth quarter. The impact of market-related variations was positive on Universal Life insurance policies (+\$0.07 EPS) but negative on the level of assets backing individual insurance reserves (-\$0.05 EPS). Policyholder experience and behaviour were positive, with gains from morbidity and mortality (+ 0.05 EPS) as well as lapse (+ \$0.02 EPS). Also, the favourable impact of investment portfolio adjustments in the context of the IFRS 9/17 transition was partly offset by higher expenses (+\$0.02 EPS).
- *Individual Wealth Management* reported a result in line with expectations in the fourth quarter. Market-related variations had a favourable impact (+\$0.04 EPS) on investment fund income (MERs) and on the result of the segregated fund hedging program. However, these gains were offset by expenses being higher than expected and other miscellaneous unfavourable items (-\$0.04 EPS).
- *Group Insurance* recorded a gain of \$0.04 EPS (\$5 million) for the quarter. Experience in the Employee Plans division was in line with expectations, as good disability experience was offset by higher expenses. In the Dealer Services division, results were better than expected as favourable experience for P&C claims (+\$0.06 EPS) was partly offset by miscellaneous unfavourable items (-\$0.02 EPS) and slightly lower results at iA Auto Finance (-\$0.01 EPS) as fourth quarter credit results were close to post-pandemic expected experience. Lastly, Special Markets results were above expectations due to favourable claims experience (+ \$0.01 EPS).
- *Group Savings and Retirement* reported a result above expectations with a gain of \$0.06 EPS (\$6 million) due to favourable longevity experience (+\$0.03 EPS) and the positive impact of automating the annuitant survival confirmation process, which was used to confirm deaths that occurred in 2022 (+\$0.03 EPS).
- *US Operations* recorded a loss of \$0.07 EPS (\$8 million) during the fourth quarter compared to the expected profit (EPIF), for which a 19% year-over-year increase was expected. In the Dealer Services division, the result was below expectations primarily due to lower than expected sales as a result of continued low car inventories and higher financing costs for clients (-\$0.05 EPS). Also, expenses and other small items impacted results (-\$0.02 EPS) and IAS integration costs were on plan for the year but higher than expected in the fourth quarter (-\$0.02 EPS). The Individual Insurance division recorded a gain due to the impact of interest rate variations and other favourable miscellaneous items (+\$0.02 EPS).

Impact of new business (strain)[†] in Individual Insurance in Canada and the U.S. – New business for the two business lines generated a gain at issue of \$23 million pre-tax, or 16% of sales for the quarter. This result is better than expected, generating an \$0.11 EPS gain due to a portion of the 2022 interest rate increase being factored into the strain calculation and, to a lesser extent, the impact of sales.

Year-end assumption review – Changes in the actuarial assumptions used to calculate net insurance contract liabilities (for non-participating business) had a net negative impact of \$0.03 EPS.

- For mortality, morbidity and policyholder behaviour, the reserves were strengthened, primarily due to the annual update of experience studies, the application of a new mortality table from the Canadian Institute of Actuaries (CIA) and a downward adjustment in the level of excess premiums projected in UL policies.
- For economic assumptions, reserves were released, primarily due to the annual update of return assumptions, the release of the impact of interest rate increases on financial guarantee provisions and the release of some macroeconomic protections in the context of the IFRS 9/17 transition.
- For expenses and other items, the reserves were strengthened, mainly due to the annual update of expense studies.

More details on the year-end assumption review are provided in the 2022 Management's Discussion and Analysis.

Income on capital[†] – Net income earned on the Company's surplus funds, which includes income from the iA Auto and Home affiliate (iAAH), was \$10 million before tax for the fourth quarter, representing an unfavourable variance of \$0.12 EPS versus management expectations. This is mainly explained by iAAH results (-\$0.12 EPS) due to unfavourable experience, namely an adverse wind event in December and a higher volume of vehicle thefts, and, to a lesser extent, due to higher expenses as the digital transformation accelerates. Also, Surex integration fees were lower than expected (+\$0.01 EPS). Lastly, investment income on surplus was near expectations while financing costs were slightly higher than planned (-\$0.01 EPS).

Income taxes[†] – The effective tax rate for the quarter was 19.5%, below the 21% to 23% guidance range. As a result, the tax charge was lower than expected (\$0.07 EPS gain). The favourable variance is mainly explained by a higher proportion of capital gains, non-taxable income and dividends than anticipated, which more than offset the 1.5% tax increase announced with the 2022 federal budget.

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

Number of shares – The redemption of 3.1 million common shares in 2022 under the Normal Course Issuer Bid (NCIB) program had a favourable impact of \$0.03 EPS in the fourth quarter.

Business growth – The Company ended the year with good business growth performance. In Canada, the Company continues to strengthen its market-leading position in all three “Foundation”⁵ businesses of Individual Insurance, Individual Wealth Management and Dealer Services. In addition to their “Support”⁵ of branding and synergies with other businesses, Special Markets and Group Savings and Retirement had strong sales growth, while iA Auto and Home recorded good sales[†] growth. Lastly, in the U.S., the Individual Insurance division recorded solid sales[†] growth, while the Dealer Services division registered a slowdown mainly due to continued impacts from low inventory issues and higher financing costs for clients.

- **Individual Insurance** – Sales[†] for the fourth quarter totalled \$95 million, up 9% compared to a particularly strong quarter the previous year. For the full year, sales were up significantly (+35%) over 2021. These very strong results are mainly attributable to the good performance of all distribution networks, and to a lesser degree, the increase in average premium per policy sold. The sector’s comprehensive and competitive range of products, including the success of the PAR products, as well as the excellent performance of the business line’s digital tools continued to be strong growth drivers for this line of business. Based on the latest industry data, the Company continues to rank first in terms of the number of individual insurance policies sold in Canada.⁶
- **Individual Wealth Management** – Guaranteed product (general fund) sales[†] totalled \$408 million during the quarter and were up 79% from a year earlier as customers favour cash equivalent products in the current volatile markets. Segregated fund gross sales[†] ended the fourth quarter at \$702 million compared to \$1,250 million for the same period a year earlier. Net sales were positive, with inflows of \$172 million for the period. For 2022, the Company ranks first in gross and net segregated fund sales.^{†,7} Mutual fund gross sales[†] totalled \$350 million, with net outflows of \$290 million during the fourth quarter.
- The **Group Insurance** business line is made up of three divisions. In the Dealer Services division, total sales[†] amounted to \$296 million in the fourth quarter, up 11% from the same period in 2021. The division’s sales[†] were driven by P&C products (including extended warranties and replacement insurance), up 22% year over year, and car loan originations, up 14% year over year. In the Employee Plans division, fourth quarter sales[†] totalled \$18 million, up 20% from a year earlier, and premiums[†] were up 11% year over year due to good sales and good retention of in-force business. Lastly, Special Markets sales[†] of \$102 million in the fourth quarter were up 34% over the same period in 2021, mainly driven by strong sales of travel insurance as travel volumes return to a more normal level.
- **Group Savings and Retirement** – Sales[†] for the fourth quarter totalled \$1,025 million, up 65% compared to the same period in 2021. This very strong result was driven by the signing of several new large groups during the quarter.
- **US Operations** – For the fourth quarter, Individual Insurance sales[†] totalled US\$37 million, up 12% compared to the same period in 2021. In the Dealer Services division, fourth quarter sales[†] totalled US\$241 million compared to sales of US\$255 million a year ago, a decrease mainly related to persisting inventory constraints and higher financing costs for clients.
- **General Insurance (iA Auto and Home)** – Direct written premiums in the fourth quarter totalled \$100 million and are up 10% compared to the same period in 2021.
- **Assets under management and administration**[†] ended the fourth quarter at \$200.4 billion, increasing by 3% during the quarter, while being 9% lower than a year earlier as asset growth in 2022 was tempered by challenging financial market conditions and rising interest rates.
- **Premiums and deposits** totalled nearly \$3.9 billion in the fourth quarter compared to a strong quarter of \$4.2 billion a year earlier. All business lines except one recorded an increase in premiums and deposits in the fourth quarter compared to the same period in 2021. The unfavourable variation is due to the Individual Wealth Management sector, where the industry as a whole is facing challenges amid a difficult macroeconomic environment.

Financial position – The solvency ratio[†] was 126% at December 31, 2022, which is above the Company’s target range of 110% to 116% and compares with 130% three months earlier and 134% a year earlier. The variation during the quarter is explained by the contribution of organic capital generation[†] being more than offset by unfavourable macroeconomic variations, the NCIB share redemption, and management actions and portfolio adjustments in view of the transition to IFRS 9 and IFRS 17. Note that most of the negative impacts of the portfolio adjustments in preparation for the transition to the new accounting regime will be reversed under IFRS 9 and 17. The Company’s leverage ratio[†] at December 31, 2022 was 23.4%.

⁵ At the Investor Event held on March 10, 2021, the Company presented its business mix under three main categories: Foundation, Support and Expansion.

⁶ Source: LIMRA first nine months of 2022.

⁷ Source: Investor Economics, January 2023.

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

Capital generation[†] – The Company organically generated approximately \$130 million in additional capital during the fourth quarter. The total amount for 2022 is approximately \$550 million, which exceeds the top of the guidance range.

Book value⁸ – The book value per common share was \$63.06 at December 31, 2022, up 1% from the previous quarter and 2% year over year. The growth of this metric in 2022 was tempered by unrealized losses in other comprehensive income. Without this factor, book value growth would have been over 9% in 2022.

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 for the fourth quarter of 2022, the same as in the third quarter, on the outstanding common shares of iA Financial Corporation. This dividend is payable on March 15, 2023 to the shareholders of record at February 24, 2023. In the fourth quarter of 2022, iA Insurance paid a dividend of \$150 million to its sole common shareholder, iA Financial Corporation.

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 March 15, 2023 must ensure that the duly completed form is delivered to Computershare no later than 4:00 p.m. on February 16, 2023. 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 fourth quarter of 2022, the Company redeemed and cancelled 742,888 outstanding common shares for a total value of \$55.8 million under a Normal Course Issuer Bid (NCIB) program. The early termination of the Company's NCIB in effect since December 6, 2021 was announced in the fourth quarter, along with the establishment of the new NCIB. The terminated NCIB expired at the close of markets on November 11, 2022 and the new NCIB began on November 14, 2022. Through this new NCIB, the Company can redeem, in the normal course of its activities, from November 14, 2022 to November 13, 2023, up to 5,265,045 common shares representing 5% of the issued and outstanding common shares.

2022 federal budget tax measure – The legislative bill regarding the permanent tax increase of 1.5% on taxable income for banks and life insurers announced in the 2022 Federal Budget has been sanctioned by Parliament and is therefore reflected in the financial statements as at December 31, 2022. The rate increase applies retroactively to April 7, 2022 (the date the increase was announced in the budget).

Launch of U.S. Registered Investment Advisor (RIA) firm – On November 17, 2022, iA Private Wealth (USA) Inc., a subsidiary of the Company and sister company to iA Private Wealth Inc., announced the recent launch of operations as a Canadian-based U.S. Registered Investment Advisor (RIA) firm. Investment advisors registered with the RIA will be dual licensed in both Canada and the U.S. and provide all client service from their Canadian offices.

Executive Committee – On November 16, 2022, iA Financial Group announced changes to the composition of the Company's Executive Committee. Éric Jobin, previously Executive Vice-President, Group Benefits and Retirement Solutions, became Executive Vice-President, Operational Efficiency. Sean O'Brien, Executive Vice-President, Wealth Management, took on the role of Executive Vice-President, Group Benefits and Retirement Solutions, along with Special Markets. These changes took effect on January 1, 2023. Also, Michael L. Stickney, Executive Vice-President and Chief Growth Officer, took on the leadership of Dealer Services Canada.

Subsequent to the fourth quarter:

- **Executive Committee** – On January 24, 2023, the Company announced that Stephan Bourbonnais was appointed to the position of Executive Vice-President, Wealth Management. Mr. Bourbonnais has served as President of iA Private Wealth since 2021 and has over 25 years of experience in wealth management.
- **iA named top employer by Glassdoor and Forbes** – On January 11, 2023, Glassdoor released its ranking of the Top 25 Employers in Canada in 2023, placing iA in 5th place. The list includes employers with more than 1,000 employees in a variety of industries. Awards are based on the input of employees who voluntarily provide anonymous feedback on Glassdoor by completing a company review. In addition to this distinction, on January 25, 2023, iA was recognized by Forbes as one of Canada's Best Employers, ranking 75th out of 2900 companies assessed.
- **Mental health and wellness award** – On January 26, 2023, Groupe entreprises en santé, an organization dedicated to supporting workplaces in the implementation of health and wellness best practices, awarded iA first place in the Mental Health and Wellness – Large Companies category.

⁸ 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 at the end of this document for relevant information about such measures.

OUTLOOK AND 2023 GUIDANCE, INCLUDING TRANSITION TO IFRS 9 AND 17

The new IFRS 17 and IFRS 9 accounting standards came into effect on January 1, 2023, with a retroactive transition date of January 1, 2022. The Company's management began making decisions and taking actions based on the new standards even before their application, while continuing to manage with a long-term vision to protect the strength and quality of its balance sheet.

The impact of the IFRS 9 and IFRS 17 transition at January 1, 2022 on the Company's book value¹¹ is near-neutral, with an increase of \$10 million.⁹ Also at IFRS 9 and IFRS 17 transition at January 1, 2022, the level of the contractual service margin (CSM) is \$5.5 billion,⁹ and the solvency ratio is more than 20 percentage points higher than under IFRS 4.⁹ This will have a very favourable impact on the level of capital available for deployment.

In addition, based on estimates from the information available as at December 31, 2022, here is some additional information regarding the impacts¹⁰ of the new accounting standards and the regime change on 2022 results. This information is provided on a preliminary basis and further indicates a favourable transition for the Company:

- Book value: near-neutral impact at December 31, 2022,¹¹
- Solvency ratio: increase of more than 20 percentage points at December 31, 2022;
- 2022 Core ROE: favourable impact;
- 2022 Core EPS level: favourable impact;
- Core EPS growth: Maintaining medium-term target of 10%+ annual growth on average. Note that in 2023, the favourable impacts of the new accounting standards for the Company and the current context of favourable impacts from higher interest rates, which are partially offset by continued investments in digital transformation, support an additional one-time mid-single-digit growth in 2023 core EPS over 2022 IFRS 4 core EPS; and
- Organic capital generation: favourable impact.

2023 market guidance for iA Financial Corporation with the Company's sensitivities under IFRS 9 and IFRS 17 will be disclosed at the Investor Session on March 28, 2023.

Here is some additional information for 2023:

- Under IFRS 17 and IFRS 9, core earnings will continue to be an important indicator of the Company's ability to generate earnings, eliminating the short-term volatility that may result from the de-linking between assets and liabilities under the new accounting regime. Estimated non-core items[†] in 2023 would include: charges or proceeds related to acquisition or disposition of a business of about \$0.05 EPS, amortization of intangible assets of about \$0.63 EPS and non-core pension expense of about \$0.09 EPS;
- The effective tax rate is expected to be around 22% in 2023; and
- The dividend payout ratio[†] target range for 2023 is 25% to 35% of core earnings.

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

⁹ The finalization of the Consolidated Statements of Financial Position at the January 1, 2022 transition date is in progress.

¹⁰ Estimated combined impact of IFRS 9 and IFRS 17 vs. the IFRS 4 result at December 31, 2022, according to information available as at December 31, 2022. These items are non-IFRS measures.[†]

¹¹ 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 at the end of this document for relevant information about such measures.

FOURTH QUARTER HIGHLIGHTS – iA Insurance

Profitability – In the fourth quarter of 2022, iA Insurance recorded net income attributed to its sole common shareholder, iA Financial Corporation, of \$245 million, compared to \$202 million a year earlier.

Financial position – The solvency ratio[†] for iA Insurance was 118% at December 31, 2022, down from 127% a year earlier and six percentage points below the previous quarter. The decrease during the fourth quarter is mainly due to the contribution of organic capital generation[†] being more than offset by unfavourable macroeconomic variations, the dividend payment to the Company’s sole common shareholder, and management actions and portfolio adjustments in view of the transition to IFRS 9 and IFRS 17. Note that most of the negative impacts of the portfolio adjustments in preparation for the transition to the new accounting regime will be reversed under IFRS 9 and 17.

Dividend – In the fourth quarter of 2022, iA Insurance paid a dividend of \$150 million to its sole common shareholder, iA Financial Corporation. For the first quarter of 2023, the Board of Directors of iA Insurance determined that there will be no dividend to its sole common shareholder, iA Financial Corporation. As a result, no dividend should be paid by iA Insurance to iA Financial Corporation during the first quarter of 2023.

iA Insurance						
Earnings Highlights	Fourth quarter			Year-to-date at December 31		
(In millions of dollars, unless otherwise indicated)	2022	2021	Variation	2022	2021	Variation
Net income attributed to shareholders	249	207	20%	887	843	5%
Less: dividends on preferred shares	4	5	(20%)	18	22	(18%)
Net income attributed to common shareholder	245	202	21%	869	821	6%

Other Financial Highlights			
(In millions of dollars, unless otherwise indicated)	December 31, 2022	30 September 2022	December 31, 2021
Total capital [†]	6,354	6,353	6,584
Solvency ratio [†]	118%	124%	127%

GENERAL INFORMATION

Non-IFRS and Additional Financial Measures

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

For relevant information about non-IFRS measures used in this document, see the “Non-IFRS and Additional Financial Measures” section in the Management’s Discussion and Analysis for the period ending December 31, 2022, which is hereby incorporated by reference and is available for review at [sedar.com](https://www.sedar.com) or on iA Financial Group’s website at [ia.ca](https://www.ia.ca).

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

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

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

Documents Related to the Financial Results

For a detailed discussion of iA Financial Corporation's and iA Insurance's fourth quarter results, investors are invited to consult the Management's Discussion and Analysis for the quarter ended December 31, 2022, the related financial statements and accompanying notes and the Supplemental Information Package for each company, all of which are available on the iA Financial Group website at ia.ca under *About iA*, in the *Investor Relations/Financial Reports* section and on SEDAR at sedar.com.

Conference Call

Management will hold a conference call to present iA Financial Group's fourth quarter results on Wednesday, February 15, 2023 at 11:00 a.m. (ET). The dial-in number is 416-981-9025 or 1-800-926-6194 (toll-free within North America). A replay of the conference call will be available for a one-week period, starting at 1:30 p.m. on Wednesday, February 15, 2023. To access the conference call replay, dial 1-800-558-5253 (toll-free) and enter access code 22024177. A webcast of the conference call (listen-only mode) will also be available on the iA Financial Group website at ia.ca.

About iA Financial Group

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

Investor Relations

Marie-Annick Bonneau
Office: 418-684-5000, ext. 104287
Email: marie-annick.bonneau@ia.ca

Media Relations

Pierre Picard
Office: 418-684-5000, ext. 101660
Email: pierre.picard@ia.ca

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

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

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

Consolidated Income Statements

(in millions of Canadian dollars, unless otherwise indicated)	Quarters ended December 31		Twelve months ended December 31	
	2022	2021	2022	2021
Revenues				
Premiums				
Gross premiums	\$ 3,805	\$ 3,621	\$ 14,279	\$ 14,199
Premiums ceded	(313)	(268)	(1,170)	(1,035)
Net premiums	3,492	3,353	13,109	13,164
Investment income				
Interest and other investment income	598	511	2,146	1,624
Change in fair value of investments	(246)	1,556	(8,746)	(1,418)
	352	2,067	(6,600)	206
Other revenues	510	557	2,086	2,116
	4,354	5,977	8,595	15,486
Policy benefits and expenses				
Gross benefits and claims on contracts	1,941	1,870	7,825	7,731
Ceded benefits and claims on contracts	(233)	(228)	(834)	(740)
Net transfer to segregated funds	392	1,004	2,369	3,278
Increase (decrease) in insurance contract liabilities	897	1,890	(6,219)	(45)
Increase (decrease) in investment contract liabilities	4	5	(44)	(1)
Decrease (increase) in reinsurance assets	(81)	(19)	(123)	(76)
	2,920	4,522	2,974	10,147
Commissions	588	594	2,352	2,180
General expenses	520	514	2,062	1,823
Premium and other taxes	39	36	154	141
Financing charges	31	19	97	77
	4,098	5,685	7,639	14,368
Income before income taxes				
	256	292	956	1,118
Income taxes	45	68	156	259
Net income	\$ 211	\$ 224	\$ 800	\$ 859
Net income attributed to participating policyholders	(29)	10	(42)	7
Net income attributed to shareholders	\$ 240	\$ 214	\$ 842	\$ 852
Dividends on preferred shares issued by a subsidiary and distributions on other equity instruments	11	5	25	22
Net income attributed to common shareholders	\$ 229	\$ 209	\$ 817	\$ 830
Earnings per common share (in dollars)				
Basic	\$ 2.18	\$ 1.95	\$ 7.68	\$ 7.73
Diluted	2.17	1.94	7.65	7.70
Weighted average number of shares outstanding (in millions of units)				
Basic	105	108	106	107
Diluted	106	108	107	108
Dividends per common share (in dollars)	0.68	0.63	2.60	2.08

Consolidated Statements of Financial Position

As at December 31 (in millions of Canadian dollars)	2022	2021
Assets		
Investments		
Cash and short-term investments	\$ 1,358	\$ 1,546
Bonds	27,287	32,893
Stocks	4,033	3,906
Mortgages and other loans	2,831	2,922
Derivative financial instruments	990	917
Policy loans	1,119	1,040
Other invested assets	563	557
Investment properties	1,804	1,870
	39,985	45,651
Other assets	3,950	3,850
Reinsurance assets	2,570	2,210
Fixed assets	337	369
Deferred income tax assets	147	27
Intangible assets	1,784	1,708
Goodwill	1,318	1,267
General fund assets	50,091	55,082
Segregated funds net assets	37,334	39,577
Total assets	\$ 87,425	\$ 94,659
Liabilities		
Insurance contract liabilities	\$ 30,423	\$ 36,540
Investment contract liabilities	547	577
Derivative financial instruments	1,470	526
Other liabilities	8,638	8,303
Deferred income tax liabilities	373	441
Debentures	1,500	1,450
General fund liabilities	42,951	47,837
Liabilities related to segregated funds net assets	37,334	39,577
Total liabilities	\$ 80,285	\$ 87,414
Equity		
Share capital and contributed surplus	\$ 1,692	\$ 1,723
Preferred shares issued by a subsidiary and other equity instruments	525	525
Retained earnings and accumulated other comprehensive income	4,917	4,949
Participating policyholders' accounts	6	48
	7,140	7,245
Total liabilities and equity	\$ 87,425	\$ 94,659

Segmented Income Statements

(in millions of dollars)	Quarter ended December 31, 2022						
	Individual		Group				Total
	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	
Revenues							
Net premiums	\$ 472	\$ 1,110	\$ 521	\$ 1,019	\$ 263	\$ 107	\$ 3,492
Investment income	160	10	41	63	25	53	352
Other revenues	30	427	24	28	89	(88)	510
	662	1,547	586	1,110	377	72	4,354
Operating expenses							
Gross benefits and claims on contracts	255	675	344	417	227	23	1,941
Ceded benefits and claims on contracts	(89)	—	(17)	(7)	(165)	45	(233)
Net transfer to segregated funds	—	171	—	221	—	—	392
Increase (decrease) in insurance contract liabilities	363	245	2	297	(100)	90	897
Increase (decrease) in investment contract liabilities	—	—	4	—	—	—	4
Decrease (increase) in reinsurance assets	(157)	—	6	47	113	(90)	(81)
Commissions, general and other expenses	304	388	189	36	249	(19)	1,147
Financing charges	5	—	11	—	1	14	31
	681	1,479	539	1,011	325	63	4,098
Income before income taxes and allocation of other activities	(19)	68	47	99	52	9	256
Allocation of other activities	16	(6)	1	2	(4)	(9)	—
Income before income taxes	(3)	62	48	101	48	—	256
Income taxes	(15)	12	10	25	13	—	45
Net income	12	50	38	76	35	—	211
Net income attributed to participating policyholders	(29)	—	—	—	—	—	(29)
Net income attributed to shareholders	\$ 41	\$ 50	\$ 38	\$ 76	\$ 35	\$ —	\$ 240

Quarter ended December 31, 2021

(in millions of dollars)	Individual		Group				Total
	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	
Revenues							
Net premiums	\$ 461	\$ 1,478	\$ 461	\$ 614	\$ 243	\$ 96	\$ 3,353
Investment income	1,813	8	45	131	17	53	2,067
Other revenues	49	474	20	32	106	(124)	557
	2,323	1,960	526	777	366	25	5,977
Operating expenses							
Gross benefits and claims on contracts	282	658	308	435	165	22	1,870
Ceded benefits and claims on contracts	(133)	—	(12)	(6)	(104)	27	(228)
Net transfer to segregated funds	—	823	—	181	—	—	1,004
Increase (decrease) in insurance contract liabilities	1,755	(27)	21	147	(11)	5	1,890
Increase (decrease) in investment contract liabilities	—	—	5	—	—	—	5
Decrease (increase) in reinsurance assets	(57)	—	3	10	30	(5)	(19)
Commissions, general and other expenses	303	434	177	40	249	(59)	1,144
Financing charges	2	—	8	—	1	8	19
	2,152	1,888	510	807	330	(2)	5,685
Income before income taxes and allocation of other activities	171	72	16	(30)	36	27	292
Allocation of other activities	27	2	1	2	(5)	(27)	—
Income before income taxes	198	74	17	(28)	31	—	292
Income taxes	45	20	4	(7)	6	—	68
Net income	153	54	13	(21)	25	—	224
Net income attributed to participating policyholders	10	—	—	—	—	—	10
Net income attributed to shareholders	\$ 143	\$ 54	\$ 13	\$ (21)	\$ 25	\$ —	\$ 214

Twelve months ended December 31, 2022

(in millions of dollars)	Individual		Group				Other	Total
	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations			
Revenues								
Net premiums	\$ 1,882	\$ 5,111	\$ 1,953	\$ 2,800	\$ 945	\$ 418	\$ 13,109	
Investment income	(6,007)	(52)	25	(401)	(363)	198	(6,600)	
Other revenues	121	1,746	92	116	364	(353)	2,086	
	(4,004)	6,805	2,070	2,515	946	263	8,595	
Operating expenses								
Gross benefits and claims on contracts	1,004	2,698	1,349	1,893	807	74	7,825	
Ceded benefits and claims on contracts	(347)	—	(64)	(27)	(559)	163	(834)	
Net transfer to segregated funds	—	1,921	—	448	—	—	2,369	
Increase (decrease) in insurance contract liabilities	(5,809)	355	(73)	(119)	(658)	85	(6,219)	
Increase (decrease) in investment contract liabilities	—	—	(44)	—	—	—	(44)	
Decrease (increase) in reinsurance assets	(314)	—	8	53	215	(85)	(123)	
Commissions, general and other expenses	1,214	1,591	714	150	931	(32)	4,568	
Financing charges	10	1	37	—	2	47	97	
	(4,242)	6,566	1,927	2,398	738	252	7,639	
Income before income taxes and allocation of other activities	238	239	143	117	208	11	956	
Allocation of other activities	58	(15)	(18)	6	(20)	(11)	—	
Income before income taxes	296	224	125	123	188	—	956	
Income taxes	17	38	30	34	37	—	156	
Net income	279	186	95	89	151	—	800	
Net income attributed to participating policyholders	(42)	—	—	—	—	—	(42)	
Net income attributed to shareholders	\$ 321	\$ 186	\$ 95	\$ 89	\$ 151	\$ —	\$ 842	

Twelve months ended December 31, 2021

(in millions of dollars)	Individual		Group				Total
	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	
Revenues							
Net premiums	\$ 1,758	\$ 5,709	\$ 1,728	\$ 2,746	\$ 828	\$ 395	\$ 13,164
Investment income	56	(149)	114	29	(16)	172	206
Other revenues	142	1,780	77	118	351	(352)	2,116
	1,956	7,340	1,919	2,893	1,163	215	15,486
Operating expenses							
Gross benefits and claims on contracts	951	2,432	1,205	2,451	631	61	7,731
Ceded benefits and claims on contracts	(369)	—	(50)	(24)	(406)	109	(740)
Net transfer to segregated funds	—	3,312	—	(34)	—	—	3,278
Increase (decrease) in insurance contract liabilities	23	(319)	2	356	(113)	6	(45)
Increase (decrease) in investment contract liabilities	—	—	(1)	—	—	—	(1)
Decrease (increase) in reinsurance assets	(176)	—	3	14	89	(6)	(76)
Commissions, general and other expenses	1,040	1,618	622	140	832	(108)	4,144
Financing charges	9	2	33	—	2	31	77
	1,478	7,045	1,814	2,903	1,035	93	14,368
Income before income taxes and allocation of other activities	478	295	105	(10)	128	122	1,118
Allocation of other activities	105	21	5	10	(19)	(122)	—
Income before income taxes	583	316	110	—	109	—	1,118
Income taxes	122	86	31	—	20	—	259
Net income	461	230	79	—	89	—	859
Net income attributed to participating policyholders	7	—	—	—	—	—	7
Net income attributed to shareholders	\$ 454	\$ 230	\$ 79	\$ —	\$ 89	\$ —	\$ 852

Segmented Assets and Liabilities

	As at December 31, 2022						
	Individual		Group				
(in millions of dollars)	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	Total
Assets							
Invested assets	\$ 20,249	\$ 2,644	\$ 1,997	\$ 5,478	\$ 1,245	\$ 8,372	\$ 39,985
Segregated funds net assets	—	23,451	—	13,883	—	—	37,334
Reinsurance assets	462	—	163	63	2,159	(277)	2,570
Other	86	1,109	—	—	78	6,263	7,536
Total assets	\$ 20,797	\$ 27,204	\$ 2,160	\$ 19,424	\$ 3,482	\$ 14,358	\$ 87,425
Liabilities							
Insurance contract liabilities and investment contract liabilities	\$ 19,928	\$ 2,286	\$ 2,169	\$ 5,285	\$ 1,327	\$ (25)	\$ 30,970
Liabilities related to segregated funds net assets	—	23,451	—	13,883	—	—	37,334
Other	1,236	206	3	10	—	10,526	11,981
Total liabilities	\$ 21,164	\$ 25,943	\$ 2,172	\$ 19,178	\$ 1,327	\$ 10,501	\$ 80,285
	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