

Quebec City, May 10, 2023

iA Financial Group Reports First Quarter Results

Stronger capital position and enhanced earning power lead to a significant 13% dividend increase

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 ended March 31, 2023, which is hereby incorporated by reference, and is available for review at sedar.com or on iA Financial Group’s website at ia.ca.

FIRST QUARTER HIGHLIGHTS – iA Financial Corporation

- Core EPS[†] of \$2.08, up 16% compared to Q1 2022 IFRS 4 result
- Record quarterly net income to common shareholders of \$270M (reported EPS of \$2.58)
- Significant 13% dividend increase to reflect higher earning power under the new accounting standards
- Robust solvency ratio[†] of 149% at March 31, 2023 and \$1.8B of capital available for deployment
- Book value per common share¹ of \$64.69, a strong increase of 3% quarter over quarter
- Strong sales for individual insurance in Canada and the U.S., and for Dealer Services Canada and Group business units

For the first quarter ended March 31, 2023, iA Financial Corporation (TSX: IAG) reports record quarterly net income attributed to common shareholders of \$270 million, diluted earnings per common share (EPS) of \$2.58 and return on common shareholders’ equity (ROE) for the trailing twelve months of 9.0%.² Core EPS[†] was \$2.08, 16% higher than the 2022 first quarter result under IFRS 4, and core ROE[†] for the trailing twelve months was 14.6%.² The solvency ratio of 149% at March 31, 2023 is 23 percentage points higher than at the end of the previous quarter as the Company’s financial strength is better reflected under the new accounting standards.

“2023 started with strong sales for individual insurance in Canada and the U.S., Dealer Services Canada and the Group business units, as well as with good profitability,” commented Denis Ricard, President and CEO of iA Financial Group. “Moreover, with \$1.8 billion of deployable capital, our business model is enhanced with much more capital to support our growth strategy. As we continue to invest in our digital transformation and our employee experience, two key enablers for sustainable growth, we are also in a favourable position to return value to our shareholders through a significant 13% increase in the dividend, in line with our increased core EPS growth target for 2023.”

“Our long-term vision and prudent approach have resulted in a smooth transition to the new accounting standards and good performance in the first quarter,” added Jacques Potvin, Executive Vice-President, CFO and Chief Actuary. “Core earnings per share are 16% higher than the previous year’s IFRS 4 result, and net income of \$270 million is a quarterly record achieved from a solid insurance service result and a strong net investment result. In addition, our solvency ratio, supported by ongoing organic capital generation, is well above target, and book value continued to grow strongly, with a 3% increase in the first quarter.”

Earnings Highlights	First quarter		
	2023	2022 ³	Variation ³
Net income attributed to shareholders (in millions)	\$273	(\$19)	N/A
Less: dividends on preferred shares issued by a subsidiary (in millions)	(\$3)	(\$6)	N/A
Net income attributed to common shareholders (in millions)	\$270	(\$25)	N/A
Weighted average number of common shares (in millions, diluted)	104.5	108.1	(3%)
Earnings per common share (diluted)	\$2.58	(\$0.23)	N/A
Core earnings per common share (diluted) [†]	\$2.08	\$1.94	7%

Other Financial Highlights	March 31, 2023	December 31, 2022 ³	March 31, 2022 ³
Return on common shareholders’ equity [†]	9.0% ²	4.7%	N/A
Core return on common shareholders’ equity [†]	14.6% ²	14.5%	N/A
Solvency ratio [†]	149%	126% ⁴	132% ⁴
Book value per share ¹	\$64.69	\$63.00	\$61.80
Assets under management and administration [†] (in billions)	\$207.8	\$198.1	\$210.4

¹ Book value per common share is a financial measure calculated by dividing the common shareholders’ equity by the number of common shares outstanding at the end of the period; all components of this measure are IFRS measures.

² The calculation of this value includes results for the last 9 months of 2022, which must be considered with caution (see the *Note regarding 2022 restated results* on page 2).

³ Caution should be used when comparing 2023 results with 2022 restated results under IFRS 17 and IFRS 9 (see the *Note regarding 2022 restated results* on page 2).

⁴ Ratio calculated under the IFRS 4 accounting standard and with the capital standard applicable in 2022.

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

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

TRANSITION TO THE NEW IFRS 17 AND IFRS 9 ACCOUNTING STANDARDS

Impacts at transition – The first quarter of 2023 marks the initial disclosure under the new accounting standards. While iA Financial Corporation's business model remains unchanged, the way results are analyzed has changed. The transition has had positive impacts on several key metrics, including core EPS and core ROE, and the Company's book value was essentially maintained. Additionally, the Company's financial strength is better recognized under the new accounting standards and this has resulted in a significant increase in our solvency ratio and capital available for deployment. At transition on January 1, 2022, the application of the new accounting standards had a limited effect on the Company's equity, resulting in a \$10 million increase in shareholders' equity as described in Note 4 "Impact of IFRS 17 and IFRS 9 Adoption" of the Company's first quarter unaudited interim condensed consolidated financial statements.

Note regarding 2022 restated results – The Company's 2022 annual results have been restated for the adoption of IFRS 17 *Insurance Contracts* and the related IFRS 9 *Financial Instruments* overlay ("the new accounting standards"). Figures for 2022 are not audited and could change. Additionally, the restated 2022 results are not fully representative of the Company's future market risk profile and future reported and core earnings profile, as the transition of the Company's invested asset portfolio for asset/liability matching purposes under the new accounting standards was not fully completed until 2023. Accordingly, analysis based on 2022 comparative results may not be indicative of future trends and should be interpreted within this context. For additional information about risk management under the new accounting standards, refer to the "Risk Management" section of the Management's Discussion and Analysis for the year 2022 as well as the "Risk Management – Update" section of the Management's Discussion and Analysis as at March 31, 2023.

Unless otherwise indicated, all figures in this document have been calculated under the new accounting standards.

Virtual Investor Session – iA Financial Group held a virtual Investor Session on March 28, 2023. During this public event, under the theme "Building on an even stronger capital position under IFRS 17," an update was given on the Company's IFRS 9 and 17 impacts, new opportunities created by the accounting changes and medium-term financial objectives. Presentation materials and a video webcast are available through the Company's website at ia.ca, under About iA / Investor Relations / Events and Presentations / 2023 Investor Event.

ANALYSIS OF EARNINGS

This section contains measures that have no IFRS equivalents. See "Non-IFRS Financial Information" in the Management's Discussion and Analysis as at March 31, 2023 for more information and an explanation of the adjustments applied in the Company's core earnings[†] calculation.

Reported and core earnings

First quarter reported earnings, or net income to common shareholders, amounted to \$270 million, a quarterly high for the Company, while core earnings amounted to \$217 million. Core earnings is a non-IFRS measure that represents management's view of the Company's ongoing capacity to generate earnings. Core earnings per common share was \$2.08 for the first quarter, 7%⁵ higher than 2022 first quarter restated results under IFRS 9 and IFRS 17, and 16% higher than 2022 first quarter results under IFRS 4. This result is in line with the Company's core EPS growth target for 2023. An analysis of these results is presented in the following sections.

Earnings			
(In millions of dollars, unless otherwise indicated)	First quarter		
	2023	2022	Variation
Net income to common shareholders	270	(25)	N/A
Earnings per common share (EPS) (diluted)	\$2.58	(\$0.23)	N/A
Core earnings	217	210	3%
Core EPS (diluted)	\$2.08	\$1.94	7%

⁵ 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.

Return on common shareholders' equity (ROE) [†]	March 31, 2023 ⁶	December 31, 2022 ⁷	March 31, 2022 ⁷
Reported ROE (trailing twelve months)	9.0%	4.7%	N/A
Core ROE [†] (trailing twelve months)	14.6%	14.5%	N/A

Reported earnings and core earnings reconciliation

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

Core earnings for the first quarter are \$53 million lower than net income to common shareholders. The main adjustment for the first quarter relates to the impact of market variations. Favourable market variations that are excluded from core results include the impact of interest rate and credit spread variations (\$54 million), mainly resulting from the good performance of the fixed income portfolio in a quarter of volatile interest rates, and the impact of equity and investment property market variations (\$16 million). Other adjustments include the amortization of acquisition-related intangible assets (\$16 million) and a charge for the Surex minor shareholders' sell option (\$1 million).

Reported earnings and core earnings reconciliation			
(In millions of dollars, unless otherwise indicated)	First quarter		
	2023	2022 ⁷	Variation
Net income to common shareholders	270	(25)	N/A
Core earnings adjustments (post tax)			
Market-related impacts	(70)	211	
Assumption changes and management actions	0	0	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	1	4	
Amortization of acquisition-related finite life intangible assets	16	15	
Non-core pension expense	0	5	
Other specified unusual gains and losses	0	0	
Total	(53)	235	
Core earnings	217	210	3%

Core earnings by business segment

The increase in first quarter core earnings compared to the same period of 2022 is attributable to the Insurance, Canada business segment and the Wealth Management and Investment business segments, as described in the following paragraphs.

Core earnings by business segment			
(In millions of dollars, unless otherwise indicated)	First quarter		
	2023	2022 ⁷	Variation
Insurance, Canada	74	63	17%
Wealth Management	65	59	10%
US Operations	17	36	(53%)
Investment	108	84	29%
Corporate	(47)	(32)	47%
Total	217	210	3%

Insurance, Canada – This operating business segment includes all Canadian insurance activities offering a wide range of life, health, auto and home insurance coverage, as well as vehicle warranties, to individuals and groups. First quarter core earnings for this business segment were \$74 million, which is 17% higher than the same period in 2022.⁷ The strong earnings growth is mainly the result of growth in expected insurance earnings from the CSM recognized for services provided (see the CSM section on the next page) and the risk adjustment release due to strong business growth in the last 12 months. Insurance experience was favourable for disability, and iA Auto and Home recorded lower claims than expected. These gains were more than offset by higher mortality claims, contributing to a \$6 million net insurance experience loss for the sector. Note that this mortality loss triggered a corresponding reserve-related gain in the CSM.

⁶ The calculation of this value includes results for the last 9 months of 2022, which must be considered with caution (see the *Note regarding 2022 restated results* on page 2).

⁷ Caution should be used when comparing 2023 results with 2022 restated results under IFRS 17 and IFRS 9 (see the *Note regarding 2022 restated results* on page 2).

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

Wealth Management – This operating business segment includes all the Company’s wealth management activities offering a wide range of savings and retirement solutions to individuals and groups. In this business segment, core earnings of \$65 million for the first quarter were 10% higher than a year earlier.⁸ This performance is essentially due to good results from the distribution affiliates, arising mainly from better margins amid the higher interest rate environment, higher results from Group Savings, and good growth in expected insurance earnings for segregated funds. These are very good results given that equity market levels are lower than a year ago and a \$4 million loss was recorded due to higher expenses and other various small items. For the most part, the loss due to expenses is expected to reverse in the coming quarters.

US Operations – This operating business segment includes all the Company’s U.S. activities offering individuals a range of life insurance and vehicle warranty products. First quarter core earnings for this business segment were \$17 million, which compares to \$36 million for the same period in 2022.⁸ Results in the Individual Insurance divisions were good. The result for non-insurance activities was lower due to an unfavourable business mix and lower sales in the US Dealers segment, a consequence of reduced affordability and persistent inventory issues. Also, this segment’s results were impacted by higher expenses, mainly attributable to digital investments to improve efficiency and client experience, as well as employee experience enhancement initiatives.

Investment – This accounting business segment includes the Company’s investment and financing activities, except for the investment activities of wealth distribution affiliates. In this business segment, core earnings of \$108 million for the first quarter were 29% higher than a year earlier.⁸ This performance was achieved in spite of lower equity markets compared to a year ago, and is essentially the result of the investment portfolio optimization and the higher interest rate environment.

Corporate – This accounting business segment reports all expenses that are not allocated to other segments, such as expenses for certain corporate functions. First quarter core earnings for this business segment correspond to a loss of \$47 million, compared to a loss of \$32 million a year earlier.⁸ The increase is mainly the result of the accelerated digital transformation, the enhanced employee experience to support talent retention, and regulatory compliance projects, primarily with regard to IFRS 17 and Quebec’s Law 25 on privacy.

CSM (contractual service margin)

The contractual service margin, or CSM, is an IFRS 17 metric that gives an indication of future profits and that is factored as available capital in the calculation of the solvency ratio. However, this metric is not comprehensive as it does not consider required capital, as well as non-insurance and PAA (Premium Allocation Approach) insurance businesses. Organic CSM growth is a component of organic capital generation, a more comprehensive metric. In the first quarter of 2023, the CSM increased by \$182 million to reach nearly \$5.8 billion at March 31, 2023. The organic CSM movement[†] represents the ongoing CSM value creation calculated before the impact of items that add undue volatility to the total CSM, such as macroeconomic variations. In the first quarter, the CSM increased organically by \$74 million. This result was mainly supported by the impact of new insurance business of \$168 million in the first quarter.

An analysis of results according to the financial statements, an analysis of results according to the drivers of earnings and an analysis of CSM movement are presented in the Management’s Discussion and Analysis as at March 31, 2023. They supplement the information presented above by providing additional indicators for assessing financial performance.

Business growth – In the Insurance, Canada business segment, first quarter sales were particularly strong for Employee Plans and Special Markets, as well as Dealer Services. iA Auto and Home also recorded good sales. In Individual Insurance, the Company posted solid sales, while continuing to lead the Canadian market in number of policies sold.⁹ For the Wealth Management sector, the Company recorded total net inflows of \$280 million in Individual Wealth Management, continuing to rank number one in gross and net segregated fund sales.^{9,†} Group Savings and Retirement also had strong sales[†] of \$787 million. In the US Operations segment, the Individual Insurance division recorded strong sales growth from overall good performance in all of our niche target markets, while the Dealer Services division showed slower growth largely from reduced affordability resulting from higher consumer financing costs and continued inventory constraints. Premiums[†] and deposits reached a record high of nearly \$4.5 billion in the first quarter and total assets under management and administration[†] increased by 5%, amounting to \$207.8 billion at March 31, 2023.

INSURANCE, CANADA

- In *Individual Insurance*, first quarter sales[†] totalled \$89 million, which compares to a particularly strong quarter of \$101 million a year earlier. This year’s result is 53% higher than the total sales achieved in the first quarter of 2021. This solid level of sales is attributable in part to our comprehensive and competitive range of products, the strength of our distribution networks, as well as the excellent performance of our digital tools. Sales were notably strong for participating, term and living benefit products. The Company continues to lead the Canadian market in terms of the number of policies issued, according to the latest industry data.

⁸ Caution should be used when comparing 2023 results with 2022 restated results under IFRS 17 and IFRS 9 (see the *Note regarding 2022 restated results* on page 2).

⁹ According to the latest industry data.

[†] 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.

- *Group Insurance* is made up of two business units: Employee Plans and Special Markets. Employee Plans sales[†] totalled \$21 million and were up 91% compared to the same period last year. These strong sales results combined with a high retention rate resulted in a 10% growth in premiums. Note that sales[†] in this division vary considerably from one quarter to another based on the size of the contracts sold. Special Markets first quarter sales[†] reached \$91 million and were up 23% year over year. This growth was mainly driven by accidental death and dismemberment and critical illness product sales.
- In the *Dealer Services* division, total sales[†] amounted to \$143 million, up 19% over the same period last year. Sales[†] of P&C products (including extended warranties and replacement insurance) were up 31% from the same period in 2022, while creditor insurance sales[†] of \$42 million compare to \$43 million a year ago.
- At *iA Auto and Home*, good business growth continued, with direct written premiums[†] increasing 11% year over year to \$98 million in the first quarter.

WEALTH MANAGEMENT

- In *Individual Wealth Management*, segregated fund gross sales[†] amounted to \$1,032 million in the first quarter compared to \$1,500 million for the same period last year, and net sales resulted in inflows of \$368 million for the quarter. The Company continued to rank first in gross and net segregated fund sales[†] for the first three months of 2023 (according to the latest industry data). Mutual fund gross sales[†] totalled \$479 million and net sales resulted in outflows of \$88 million during the quarter. Total net fund entries amounted to \$280 million in the first quarter. These results are very good in the context of volatile market conditions. Insured annuities and other savings product sales[†] in the first quarter reached an all-time high of \$716 million and were triple last year's results as customers tend to turn to cash equivalent products in periods of uncertain markets.
- In *Group Savings and Retirement*, sales[†] for the first quarter totalled \$787 million and were up 26% compared to the same period last year. Sales were driven by insured annuities thanks to a large transaction recorded during the quarter. Note that sales in this division vary considerably from one quarter to another based on the size of the contracts sold.

US OPERATIONS

- *Individual Insurance* sales[†] in the first quarter totalled US\$42 million, up 27% from a year earlier. This strong growth was driven by overall good performance in all of our niche target markets.
- *Dealer Services* sales[†] for the first quarter amounted to US\$230 million compared to US\$243 million a year earlier, a decrease largely attributable to reduced affordability resulting from higher financing costs for consumers and persisting inventory constraints, although the latter has begun to show signs of improvement.

Assets under management and administration[†] ended the first quarter at \$207.8 billion, down 1% from the previous year but up 5% during the quarter. Favourable equity market conditions mostly explained the increase in assets under management and administration during the first three months of 2023. General fund assets increased by 4% during the same period as a result of increased bond values from lower interest rates.

Premiums and deposits[†] reached a record high of nearly \$4.5 billion in the first quarter, an increase compared to a strong quarter a year earlier. Several business units contributed to this performance, in particular Group Savings and Retirement, Group Insurance, Dealer Services in Canada and Individual Insurance in the U.S.

Financial position – At March 31, 2023, the solvency ratio[†] was 149%, compared with 126%¹⁰ at the end of the previous quarter and 132%¹⁰ a year earlier. This result is well above the Company's operating target of 120%. The twenty-three percentage point increase in the first quarter is explained by the impact of the transition to IFRS 17 and IFRS 9 and, to a lesser extent, to the contribution of organic capital generation. These favourable items were partly offset by the \$150 million preferred share redemption, the \$111 million in share buybacks (NCIB), unfavourable macroeconomic variations and the impacts of adjustments to the investment portfolio. Part of these impacts are expected to reverse in the second quarter. The Company's financial leverage ratio including post-tax CSM[†] at March 31, 2023 was 14.7%.

Organic capital generation[†] – The Company organically generated \$125 million in additional capital during the first quarter. As disclosed at the Investor Session held on March 28, 2023, the Company's organic capital generation target for 2023 is \$600+ million.

Preferred share redemption – On March 31, 2023, Industrial Alliance Insurance and Financial Services Inc. ("iA Insurance") completed the redemption of all its issued and outstanding Non-Cumulative 5-Year Rate Reset Class A Preferred Shares Series I for a total redemption price of \$150 million (less any taxes required to be withheld or deducted).

¹⁰ Ratio calculated under the IFRS 4 accounting standard and with the capital standard applicable in 2022.

[†] 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.

Book value – The book value per common share¹¹ was \$64.69 at March 31, 2023, up 5% over twelve months and up 3% from the previous quarter.

Dividend – The Company paid a quarterly dividend of \$0.6750 to common shareholders in the first quarter of 2023. The Board of Directors approved a quarterly dividend of \$0.7650 per share for the second quarter of 2023, an increase of 13% or \$0.09 from the previous dividend paid, on the outstanding common shares of iA Financial Corporation. This dividend is payable on June 15, 2023 to the shareholders of record at May 26, 2023.

Normal Course Issuer Bid – In the first quarter of 2023, the Company redeemed and cancelled 1,344,066 outstanding common shares. Under the NCIB regime, the Company can redeem up to 5,265,045 common shares, representing approximately 5% of the outstanding common shares, between November 14, 2022 and November 13, 2023. A total of 1,900,954 shares were redeemed between November 14, 2022 and March 31, 2023.

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 June 15, 2023 must ensure that the duly completed form is delivered to Computershare no later than 4:00 p.m. on May 18, 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.

2022 Sustainability Report – On March 29, 2023, iA Financial Group released its 2022 Sustainability Report, which outlines, among other things, the Company's environmental, social and governance initiatives and achievements for 2022 and projects and objectives for the years to come. Highlights of the 87-page report include:

- Disclosure of greenhouse gas emissions from the Company's General Funds and carbon offsets for Scope 1 and 2;
- Details regarding the issue of the Company's first sustainability bond totalling \$300 million;
- Commitment to obtain the Progressive Aboriginal Relations ("PAR") certification of the Canadian Council for Aboriginal Business;
- Information about the creation of a centre of expertise to further develop the Company's equity, diversity and inclusion program; and
- Contributions totalling \$8.5 million to various aid organizations in Canada and the United States.

Awards and distinctions – On February 13, 2023, Denis Ricard was honoured for the second year in a row as the overall winner in the "Life and Health Insurers" category in the Top of Quebec's Financial Industry Leaders awards organized annually by the newspaper *Finance et Investissement*. In addition to this award granted to the Company's CEO, iA Financial Group was named as a finalist in the Training and Workforce Development (Large Company) category of the prestigious business competition *Les Mercuriades*. This honour is due in large part to our flexible Work From Anywhere approach. This was the Company's first year in the competition, and the winners will be revealed on May 23, 2023.

Credit ratings – During the first quarter, the S&P Global and DBRS Morningstar agencies confirmed, with a stable outlook, all ratings of iA Financial Corporation and its related entities, including iA Insurance.

Board of Directors – The Company's annual meeting will be held virtually on Wednesday, May 10, 2023. At the meeting, fourteen directors will be proposed for re-election by shareholders. All of the fourteen nominees currently serve on our board and were elected at our 2022 meeting.

Subsequent to the first quarter of 2023:

- **Progressive Aboriginal Relations (PAR) program** – On April 17, 2023, iA Financial Group announced its commitment to obtain certification from the Canadian Council for Aboriginal Business' Progressive Aboriginal Relations (PAR) program. The Company has until the fourth quarter of 2025 to complete the program and become PAR certified.
- **Executive Committee** – On May 10, 2023, the Company announced changes to its Executive Committee. Please refer to the May 10, 2023 news release for more information.

Outlook

Medium-term guidance for iA Financial Corporation, as disclosed on March 28, 2023

- Core earnings per common share: target of 10%+ annual average growth
- Core return on common shareholders' equity (ROE): target of 15%+
- Solvency ratio operating target: target of 120%
- Organic capital generation: target of \$600+ million in 2023
- Dividend payout ratio based on core earnings: target range of 25% to 35%

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 in this document for relevant information about such measures.

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 estimates, assumptions and judgments under applicable accounting policies, and no material change in accounting standards and policies applicable to the Company; no material variation in interest rates; no significant changes to the Company's effective tax rate; no material changes in the level of the Company's regulatory capital requirements; availability of options for deployment of excess capital; credit experience, mortality, morbidity, longevity and policyholder behaviour being in line with actuarial experience studies; investment returns being in line with the Company's expectations and consistent with historical trends; different business growth rates per business unit; no unexpected changes in the economic, competitive, insurance, legal or regulatory environment or actions by regulatory authorities that could have a material impact on the business or operations of iA Financial Group or its business partners; no unexpected change in the number of shares outstanding; and the non-materialization of risks or other factors mentioned or discussed elsewhere in this document. The Company's outlook serves to provide shareholders, market analysts, investors, and other stakeholders with a basis for adjusting their expectations with regard to the Company's performance throughout the year and may not be appropriate for other purposes. Additional information about risk factors and assumptions applied may be found in the "Forward-looking Statements" section of this document.

FIRST QUARTER HIGHLIGHTS – iA Insurance

Profitability – In the first quarter of 2023, iA Insurance recorded net income attributed to its sole common shareholder, iA Financial Corporation, of \$273 million compared to \$35 million a year earlier.¹²

Financial position – The solvency ratio of iA Insurance was 145% at March 31, 2023, compared with 118% at the end of the previous quarter and 123% a year earlier. The twenty-seven percentage point increase in the first quarter is explained by the better recognition of the Company's financial strength under IFRS 17 and IFRS 9 and the contribution of organic capital generation. These favourable items were partly offset by the \$150 million preferred share redemption, unfavourable macroeconomic variations and the impacts of adjustments to the investment portfolio. Part of these impacts are expected to reverse in the second quarter.

Preferred share redemption – On March 31, 2023, iA Insurance completed the redemption of all its issued and outstanding Non-Cumulative 5-Year Rate Reset Class A Preferred Shares Series I for a total redemption price of \$150 million (less any taxes required to be withheld or deducted).

Dividend – iA Insurance paid no dividend in the first quarter of 2023. For the second quarter of 2023, the Board of Directors of iA Insurance approved the declaration of a dividend of \$200 million to its sole common shareholder, iA Financial Corporation.

Credit ratings – During the first quarter, the S&P Global and DBRS Morningstar agencies confirmed, with a stable outlook, all ratings of iA Financial Corporation and its related entities, including iA Insurance.

Board of Directors – The Company's annual meeting will be held virtually on Wednesday, May 10, 2023. At the meeting, thirteen directors will be proposed for re-election by shareholders. All of the thirteen nominees currently serve on our board and were elected at our 2022 meeting.

iA Insurance			
Earnings Highlights (In millions of dollars, unless otherwise indicated)	First quarter		
	2023	2022 ¹²	Variation ¹²
Net income attributed to shareholders	276	41	573%
Less: dividends on preferred shares	(3)	(6)	—
Net income attributed to common shareholder	273	35	680%

Other Financial Highlights			
(In millions of dollars, unless otherwise indicated)	March 31, 2023	December 31, 2022	March 31, 2022
Total capital [†]	6,484	6,354	6,397
Solvency ratio [†]	145%	118% ¹³	123% ¹³

¹² Caution should be used when comparing 2023 results with 2022 restated results under IFRS 17 and IFRS 9 (see the *Note regarding 2022 restated results* on page 2).

¹³ Ratio calculated under the IFRS 4 accounting standard and with the capital standard applicable in 2022.

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

GENERAL INFORMATION

Non-IFRS and Additional Financial Measures

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

For relevant information about non-IFRS measures used in this document, see the “Non-IFRS and Additional Financial Measures” section in the Management’s Discussion and Analysis for the period ending March 31, 2023, 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).

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, operational and regulatory risks, such as: general business and economic conditions; level of inflation; level of competition and consolidation; changes in laws and regulations, including tax laws and changes made to capital and liquidity guidelines; actions by regulatory authorities that may affect the business or operations of iA Financial Group or its business partners; risks associated with the regional or global political and social environment; risks related to climate change including the transition to a low-carbon economy and iA Financial Group’s ability to satisfy stakeholder expectations on environmental, social and governance issues; data and cyber risks; risks related to human resources; hedging strategy risks; liquidity of iA Financial Group, including the availability of financing to meet existing financial commitments on their expected maturity dates when required; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; the occurrence of natural or man-made disasters, international conflicts, pandemic diseases (such as the COVID-19 pandemic) and acts of terrorism.
- Material factors and assumptions used in the preparation of financial outlooks include, but are not limited to: accuracy of estimates, assumptions and judgments under applicable accounting policies, and no material change in accounting standards and policies applicable to the Company; no material variation in interest rates; no significant changes to the Company’s effective tax rate; no material changes in the level of the Company’s regulatory capital requirements; availability of options for deployment of excess capital; credit experience, mortality, morbidity, longevity and policyholder behaviour being in line with actuarial experience studies; investment returns being in line with the Company’s expectations and consistent with historical trends; different business growth rates per business unit; no unexpected changes in the economic, competitive, insurance, legal or regulatory environment or actions by regulatory authorities that could have a material impact on the business or operations of iA Financial Group or its business partners; no unexpected change in the number of shares outstanding; and the non-materialization of risks or other factors mentioned or discussed elsewhere in this document or found in the “Risk Management” section of the Company’s Management’s Discussion and Analysis for 2022 that could influence the Company’s performance or results.

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, the “Risk Management – Update” section of the Management’s Discussion and Analysis for the period ended March 31, 2023 and elsewhere in iA Financial Group’s filings with the Canadian Securities Administrators, which are available for review at 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.

Documents Related to the Financial Results

For a detailed discussion of iA Financial Corporation’s and iA Insurance’s first quarter results, investors are invited to consult the Management’s Discussion and Analysis for the quarter ended March 31, 2023, the related financial statements and accompanying notes and the Financial Information Package for each company, all of which are available on the iA Financial Group website at ia.ca under *About iA*, in the *Investor Relations/Financial Reports* section and on SEDAR at sedar.com.

Conference Call

Management will hold a conference call to present iA Financial Group’s first quarter results on Wednesday, May 10, 2023 at 11:30 a.m. (ET). The dial-in number is 416-981-9030 or 1-800-908-8370 (toll-free within North America). A replay of the conference call will be available for a one-week period, starting at 2:00 p.m. on Wednesday, May 10, 2023. To access the conference call replay, dial 1-800-558-5253 (toll-free) and enter access code 22026433. A webcast of the conference call (listen-only mode) will also be available on the iA Financial Group website at ia.ca.

Annual Meeting

iA Financial Corporation is holding its Annual Meeting virtually at 2:00 p.m. (ET) on Wednesday, May 10, 2023, at the following web address: <https://www.icastpro.ca/eia230510b>. A webcast of the meeting as well as a copy of management's presentation will be available on the Company's website at ia.ca under *About iA*, in the *Investor Relations/Events and Presentations* 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 an important Canadian public company and is listed on the Toronto Stock Exchange under the ticker symbols IAG (common shares) and IAF (preferred shares).

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