

Quebec City, November 7, 2023

## iA Financial Group Reports Third Quarter Results

### Focused growth strategy driving strong sales results, robust capital position and 10% year-over-year increase in core EPS

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 September 30, 2023, which is hereby incorporated by reference, and is available for review at [sedarplus.ca](http://sedarplus.ca) or on iA Financial Group’s website at [ia.ca](http://ia.ca).

#### THIRD QUARTER HIGHLIGHTS – iA Financial Corporation

- Core EPS<sup>†</sup> of \$2.50, up 10% compared to Q3 2022<sup>1,2</sup> result, and trailing-12-month core ROE<sup>†,3</sup> of 14.8%, close to medium-term target
- Reported EPS of \$0.54 compared to \$0.01 in Q3 2022<sup>1</sup> and trailing-12-month ROE<sup>†,3</sup> of 10.6%
- Strong business growth, including record sales in U.S. Individual Insurance, leading to a solid 17% YoY increase in premiums and deposits
- Robust solvency ratio<sup>†</sup> of 145%, with organic capital generation of \$165M and \$1.6B of deployable capital at September 30, 2023
- Book value per common share<sup>4</sup> reaching \$65.25 at September 30, 2023, up 4% in the first nine months of 2023
- Acquisition of Vericity to further grow in the U.S. life insurance market and diversify distribution with a digital agency

For the third quarter ended September 30, 2023, iA Financial Corporation (TSX: IAG) recorded core diluted earnings per common share (EPS)<sup>†</sup> of \$2.50, 10% higher than the 2022<sup>1,2</sup> third quarter result. Core return on common shareholders’ equity (ROE)<sup>†</sup> for the trailing twelve months was 14.8%,<sup>3</sup> close to the Company’s medium-term target of 15%+. On a reported basis, which includes the impact of volatile items (primarily short-term macroeconomic variations), quarterly net income attributed to common shareholders was \$55 million, EPS was \$0.54 and ROE<sup>†</sup> for the trailing twelve months was 10.6%.<sup>3</sup> The solvency ratio<sup>†</sup> of 145% at September 30, 2023 is well above the Company’s operating target of 120%.

“Business growth momentum in the third quarter was driven by our ability to generate new business and maintain lasting relationships with our clients, resulting in a strong 17% increase in premiums and deposits. We also achieved good profitability in most of our business units, leading to a core EPS<sup>†</sup> increase in line with our medium-term target,” commented Denis Ricard, President and CEO of iA Financial Group. “Particularly noteworthy were the very good results of our U.S. Individual Insurance division, a solid growth story that testifies to the potential of this market as we continue to expand in the U.S.”

“Good core profitability in Q3 is largely attributable to strong results in the core insurance and non-insurance businesses, both of which increased by 10% year-on-year, supported by favourable disability results and lower mortality claims,” added Éric Jobin, Executive Vice-President, CFO and Chief Actuary. “Our financial position remains strong and flexible, with organic capital generation<sup>†</sup> of \$165 million during the quarter. We are on track to achieve our full-year target of over \$600 million to fuel organic growth, digital transformation and future acquisitions.”

Earnings Highlights	Third quarter			Year-to-date at September 30		
	2023	2022 <sup>1</sup>	Variation	2023	2022 <sup>1</sup>	Variation
Net income attributed to shareholders (in millions)	\$56	\$4	not meaningful	\$533	\$142	not meaningful
Less: dividends on preferred shares issued by a subsidiary (in millions)	(\$1)	(\$3)		(\$12)	(\$14)	
Net income attributed to common shareholders (in millions)	\$55	\$1	not meaningful	\$521	\$128	not meaningful
Weighted average number of common shares (in millions, diluted)	102.6	106.2	(3%)	104.0	106.2	(2%)
Earnings per common share (diluted)	\$0.54	\$0.01	not meaningful	\$5.04	\$1.19	not meaningful
Core earnings per common share (diluted) <sup>†,2</sup>	\$2.50	\$2.27	10%	\$6.97	\$6.53	7%

Other Financial Highlights	September 30, 2023	June 30, 2023	December 31, 2022	September 30, 2022
Return on common shareholders’ equity <sup>†,3</sup>	10.6%	9.7%	4.7%	N/A
Core return on common shareholders’ equity <sup>†,3</sup>	14.8%	14.5%	14.4%	N/A
Solvency ratio <sup>†</sup>	145%	154%	126% <sup>5</sup>	130% <sup>4</sup>
Book value per share <sup>4</sup>	\$65.25	\$65.39	\$63.00	\$62.70
Assets under management and administration <sup>†</sup> (in billions)	\$205.6	\$210.9	\$198.1	\$191.8

<sup>1</sup> 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).

<sup>2</sup> To ensure comparability with 2023 results, Q3/2022 and Q4/2022 restated figures have been adjusted to reflect IFRS 9/17 ongoing refinements in methodologies.

<sup>3</sup> The calculation of this value includes 2022 results, which must be considered with caution (see the *Note regarding 2022 restated results* on page 2).

<sup>4</sup> 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.

<sup>5</sup> Ratio calculated under the IFRS 4 accounting standard and the capital standard applicable in 2022.

<sup>†</sup> 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.

*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 management 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 September 30, 2023.

## 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 September 30, 2023 for more information and an explanation of the adjustments applied in the Company’s core earnings<sup>†</sup> calculation.

### Reported and core earnings

The Company recorded core earnings<sup>†</sup> of \$256 million in the third quarter of 2023, which compares to \$241 million in the same quarter of 2022.<sup>6,7</sup> Core diluted earnings per common share (EPS)<sup>†</sup> of \$2.50 in the third quarter is 10% higher than the \$2.27 restated result under IFRS 9 and IFRS 17 for the same period in 2022.<sup>6,7</sup> Core return on common shareholders’ equity (ROE)<sup>†</sup> for the trailing twelve months was 14.8% at September 30, 2023,<sup>8</sup> close to the Company’s medium-term target of 15%+. Core earnings is a non-IFRS measure that represents management’s view of the Company’s ongoing capacity to generate earnings.

On a reported basis, which includes the impact of volatile items (primarily short-term macroeconomic variations), quarterly net income attributed to common shareholders was \$55 million, compared with \$1 million in the third quarter of 2022,<sup>6</sup> EPS was \$0.54 and ROE for the trailing twelve months was 10.6% at September 30, 2023.<sup>8</sup>

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

Earnings						
(In millions of dollars, unless otherwise indicated)	Third quarter			Year-to-date at September 30		
	2023	2022 <sup>6</sup>	Variation	2023	2022 <sup>6</sup>	Variation
Net income to common shareholders	55	1	not meaningful	521	128	not meaningful
Earnings per common share (EPS) (diluted)	\$0.54	\$0.01	not meaningful	\$5.04	\$1.19	not meaningful
Core earnings <sup>7</sup>	256	241	6%	720	701	3%
Core EPS <sup>7</sup> (diluted)	\$2.50	\$2.27	10%	\$6.97	\$6.53	7%

  

Return on common shareholders’ equity (ROE) <sup>†,8</sup>	September 30, 2023	June 30, 2023	December 31, 2022	September 30, 2022
Reported ROE (trailing twelve months)	10.6%	9.7%	4.7%	N/A
Core ROE <sup>†</sup> (trailing twelve months)	14.8%	14.5%	14.4%	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 of \$256 million in the third quarter is derived from the net income to common shareholders of \$55 million and an adjustment of \$201 million, largely due to the unfavourable market-related impacts that differ from management’s best estimate assumptions and that total \$169 million (after tax) from: investment properties (\$101 million), the equity market (\$54 million) and interest rate and credit spreads (\$14 million).

<sup>6</sup> 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).

<sup>7</sup> To ensure comparability with 2023 results, Q3/2022 and Q4/2022 restated figures have been adjusted to reflect IFRS 9/17 ongoing refinements in methodologies.

<sup>8</sup> The calculation of this value includes 2022 results, which must be considered with caution (see the *Note regarding 2022 restated results* on page 2).

<sup>†</sup> 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 other earnings adjustments are: 1) the impact of acquisition-related intangible assets of \$17 million; 2) \$3 million for the charge for the Surex minor shareholders' sell option and the restructuring costs of capital markets activities at iA Private Wealth; 3) the impact of non-core pension expense of \$2 million; and 4) other non-core items totalling \$10 million and which are attributable to software amortization acceleration and write-offs in the context of our digital transformation and, to a lesser extent, to the settlement of two dispute cases.

Reported earnings and core earnings reconciliation						
(In millions of dollars, unless otherwise indicated)	Third quarter			Year-to-date at September 30		
	2023	2022 <sup>9</sup>	Variation	2023	2022 <sup>9</sup>	Variation
<b>Net income to common shareholders</b>	55	1	not meaningful	521	128	not meaningful
<b>Core earnings adjustments (post tax)</b>						
Market-related impacts <sup>10</sup>	169	108		171	417	
Assumption changes and management actions	0	73		(43)	73	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	3	3		6	12	
Amortization of acquisition-related finite life intangible assets	17	16		49	47	
Non-core pension expense	2	5		6	16	
Other specified unusual gains and losses	10	35		10	8	
<b>Total</b>	201	240		199	573	
<b>Core earnings<sup>10</sup></b>	<b>256</b>	<b>241</b>	<b>6%</b>	<b>720</b>	<b>701</b>	<b>3%</b>

#### Core earnings by business segment

The third quarter core earnings result of \$256 million is described in the following paragraphs by business segment.

Core earnings by business segment						
(In millions of dollars, unless otherwise indicated)	Third quarter			Year-to-date at September 30		
	2023	2022 <sup>9</sup>	Variation	2023	2022 <sup>9</sup>	Variation
Insurance, Canada	91	84	8%	256	244	5%
Wealth Management	82	65	26%	223	190	17%
US Operations	32	37	(14%)	75	113	(34%)
Investment <sup>10</sup>	93	97	(4%)	307	255	20%
Corporate	(42)	(42)	—	(141)	(101)	40%
<b>Total<sup>10</sup></b>	<b>256</b>	<b>241</b>	<b>6%</b>	<b>720</b>	<b>701</b>	<b>3%</b>

*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. Third quarter core earnings for this business segment were \$91 million, which is 8% higher than the result for the same period in 2022.<sup>9</sup> The expected insurance earnings recorded was 9% higher than a year ago, and this result is supported by the 17% increase in the CSM recognized for services provided. As for core insurance experience, disability and morbidity were favourable in Individual Insurance and Employee Plans. Also, mortality claims in Individual Insurance were slightly better than expected. These favourable items were offset by higher claims at iA Auto and Home from the impact of a storm event and higher auto claim severity and, to a lesser extent, by higher claims than expected in Special Markets. As a result, a net experience loss of \$6 million was recorded for this segment during the third quarter.

*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 \$82 million for the third quarter were 26% higher than a year earlier.<sup>9</sup> This performance is the result of the 16% year-over-year growth in expected earnings for segregated funds and the 29% year-over-year growth of core non-insurance activities. This growth is mainly due to lower expenses and a solid performance once again from the distribution affiliates, arising mainly from better margins amid the higher interest rate environment.

<sup>9</sup> 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).

<sup>10</sup> To ensure comparability with 2023 results, Q3/2022 and Q4/2022 restated figures have been adjusted to reflect IFRS 9/17 ongoing refinements in methodologies.

<sup>†</sup> 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.

**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. Third quarter core earnings for this business segment were \$32 million, which compares to \$37 million for the same period in 2022.<sup>11</sup> Results in the Individual Insurance divisions were good, as reflected in the core insurance service result, which is 9% higher than last year’s result.<sup>11</sup> This performance is the result of good growth in expected insurance earnings, combined with core insurance experience that was close to expectations. The result for non-insurance activities was lower due to an unfavourable business mix and lower sales in the Dealer Services division, mainly owing to reduced affordability resulting from higher financing costs for consumers.

**Investment** – This accounting segment includes the Company’s investment and financing activities, except for the investment activities of the wealth distribution affiliates. In this business segment, core earnings of \$93 million for the third quarter compare to \$97 million a year earlier.<sup>12</sup> The favourable impacts of the investment portfolio optimization and good performance from iA Auto Finance were offset by the negative impact of the yield curve inversion as a result of interest rate variations during the first half of 2023, which negatively impacted the core investment result by \$9 million (after tax) in the third quarter of 2023. Recall that interest rate impacts on core net investment results for a given quarter are solely dependent on the yield curve at the beginning of the quarter.

**Corporate** – This accounting segment reports all expenses that are not allocated to other segments, such as expenses for certain corporate functions. This segment recorded after-tax expenses of \$42 million, which is the same as a year ago. These expenses include, among other things, investments for the digital transformation and the enhanced employee experience to support talent retention, and regulatory compliance projects, including with regard to 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.<sup>13</sup> However, this metric is not comprehensive as it does not consider required capital, non-insurance business or PAA<sup>14</sup> insurance business. The organic CSM movement is a component of organic capital generation, a more comprehensive metric, and 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 third quarter, the CSM increased organically by \$38 million. This result was mainly supported by the positive impact of new insurance business of \$134 million in the third quarter. Taking into account the net favourable non-organic CSM movement of \$3 million during the third quarter, the total CSM increased by \$41 million during the quarter to stand at \$5,781 million at September 30, 2023.

*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 September 30, 2023. They supplement the information presented above by providing additional indicators for assessing financial performance.*

**Business growth** – Premiums<sup>†</sup> and deposits of \$3.9 billion were up 17% compared to last year and total assets under management and administration<sup>†</sup> increased by 7% year over year, amounting to \$205.6 billion at September 30, 2023. In the Insurance, Canada segment, the Company continues to lead the Canadian market in Individual Insurance in number of policies sold,<sup>15</sup> and all business units recorded solid sales.<sup>†</sup> In Individual Wealth Management, the Company performed very well amid persistent macroeconomic challenges, ranking first in both gross and net sales of segregated funds in the third quarter<sup>†,16</sup> and recording very strong sales of insured annuities and other savings products. Group Savings and Retirement also had good sales<sup>†</sup> performance in the third quarter. In the US Operations segment, sales<sup>†</sup> growth continued its positive momentum in the Individual Insurance division, while in the Dealer Services division, sales were tempered due to reduced affordability.

### **INSURANCE, CANADA**

- In *Individual Insurance*, third quarter sales<sup>†</sup> totalled \$96 million, recording another solid performance, up 3% over a strong quarter a year earlier. This very good result is attributable to the strength of our extensive distribution networks, the performance of our digital tools as well as our comprehensive and distinctive range of products. Sales were notably strong for participating life and living benefit products. The Company continues to lead the Canadian market in terms of number of policies issued<sup>16</sup> and for the third year in a row, ranked first for overall company rating in the Advisor Perception Survey.<sup>17</sup>
- *Group Insurance* is made up of two business units: Employee Plans and Special Markets. For Employee Plans, sales<sup>†</sup> of \$10 million were well above those of \$5 million in the same quarter last year. In addition, third quarter premiums were up 8% year over

<sup>11</sup> 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).

<sup>12</sup> To ensure comparability with 2023 results, Q3/2022 and Q4/2022 restated figures have been adjusted to reflect IFRS 9/17 ongoing refinements in methodologies.

<sup>13</sup> The CSM, excluding the CSM for segregated funds, counts as Tier 1 capital in the solvency ratio calculation.

<sup>14</sup> Premium Allocation Approach.

<sup>15</sup> According to the Canadian data published by LIMRA for the first six months of the year.

<sup>16</sup> Source: Investor Economics, October 2023.

<sup>17</sup> Source: Environics Research.

year, reflecting good retention of in-force business. Special Markets sales<sup>†</sup> reached \$85 million, up 10% year over year, mainly driven by accidental death and dismemberment insurance sales.

- In the *Dealer Services* division, total sales<sup>†</sup> continued to grow well in the third quarter, and amounted to \$193 million, up 10% over the same period last year. This performance was supported by the strong sales<sup>†</sup> growth of P&C products (including extended warranties and replacement insurance), up 19% from the same period in 2022. Despite the impact of the current inflationary environment, which is slowing vehicle sales, the division's sales results were very solid, thanks in particular to the Company's leading position in Canada, its broad and comprehensive product mix and its extensive distribution network.
- At *iA Auto and Home*, direct written premiums<sup>†</sup> reached \$142 million for the quarter, recording a strong increase of 15% compared to the same period last year, mainly supported by good retention of in-force business.

#### WEALTH MANAGEMENT

- In *Individual Wealth Management*, the Company continued to rank first in gross and net segregated fund sales<sup>†</sup> in the third quarter, according to the latest industry data.<sup>18</sup> Segregated fund gross sales<sup>†</sup> amounted to \$882 million in the third quarter, up 13% year over year. In addition, net sales of \$216 million were generated, a good performance despite the macroeconomic challenges facing the industry. In this context, mutual fund gross sales<sup>†</sup> totalled \$289 million compared to \$306 million a year ago, and net outflows of \$222 million were recorded during the quarter. Insured annuities and other savings product sales<sup>†</sup> in the third quarter reached \$618 million, almost doubling last year's third quarter performance, as many customers continue to favour cash equivalent products, which offer safety and attractive yields.
- In *Group Savings and Retirement*, sales<sup>†</sup> of \$522 million in the third quarter were up 8% year over year, a good performance mainly supported by accumulation product sales.

#### US OPERATIONS

- *Individual Insurance* – Very good sales<sup>†</sup> momentum continued in the third quarter to reach a record high of US\$44 million, up 26% from a year earlier, driven by the strong performance of its distribution channels and product range. This continued solid performance confirms the Company's strong growth potential in the U.S. life insurance market.
- *Dealer Services* – Third quarter sales<sup>†</sup> amounted to US\$248 million compared to US\$261 million a year earlier. In spite of improving vehicle inventories, reduced affordability resulting from higher financing costs for consumers continued to have a negative impact on sales.

#### ASSETS UNDER MANAGEMENT AND ADMINISTRATION

*Assets under management and administration*<sup>†</sup> ended the third quarter at \$205.6 billion, up 7% from the previous year and down 3% during the quarter amid unfavourable market conditions.

#### NET PREMIUMS, PREMIUM EQUIVALENTS AND DEPOSITS

*Net premiums, premium equivalents and deposits*<sup>†</sup> totalled nearly \$3.9 billion in the third quarter, an increase of 17% compared to the same period a year ago. All business units contributed to this strong performance, in particular those in the Wealth Management segment.

#### FINANCIAL POSITION

At September 30, 2023, the solvency ratio<sup>†</sup> was 145%, compared with 154% at the end of the previous quarter and 130%<sup>19</sup> a year earlier. This result is well above the Company's operating target of 120%. The nine percentage point decrease during the third quarter is mainly due to the \$400 million debenture redemption (mentioned below), the \$93 million in share buybacks (NCIB) and unfavourable macroeconomic variations. These items were partly offset by the positive contribution of organic capital generation. The acquisition announced on October 3, 2023 of Vericity, a U.S. life insurance carrier and digital agency, is expected to reduce the Company's solvency ratio by three percentage points at closing, which is anticipated in the first half of 2024. Therefore, on a pro-forma basis at September 30, 2023, the solvency ratio is 142%. The Company's financial leverage ratio at September 30, 2023 was 14.7%.<sup>20</sup>

***Organic capital generation and capital available for deployment*<sup>†</sup>** – The Company organically generated \$165 million in additional capital, for a total of \$440 million during the first nine months of the year, and is therefore on track to achieve the Company's organic capital generation target of \$600+ million in 2023, as indicated at the Investor Session held on March 28, 2023. At September 30, 2023, the capital available for deployment is assessed at \$1.6 billion.

<sup>18</sup> Source: Investor Economics, October 2023.

<sup>19</sup> 2022 figures calculated according to the IFRS 4 accounting standard and the capital standard applicable in 2022.

<sup>20</sup> Calculated as: Debentures, preferred shares issued by a subsidiary and other equity instruments/(Capital structure + post-tax contractual service margin (CSM)).

<sup>†</sup> 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 share<sup>21</sup> was \$65.25 at September 30, 2023, up 4% year over year and relatively stable, with a slight \$0.14 decrease during the quarter.

**Normal Course Issuer Bid** – In the third quarter of 2023, the Company redeemed and cancelled 1,074,366 outstanding common shares for a total value of \$93 million under the NCIB program. Under the current 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 4,021,820 shares, or approximately 3.8% of the issued and outstanding common shares as at November 1, 2022, were redeemed between November 14, 2022 and September 30, 2023.

**Dividend** – The Company paid a quarterly dividend of \$0.7650 to common shareholders in the third quarter of 2023. The Board of Directors approved a quarterly dividend of \$0.7650 per share for the fourth quarter of 2023, the same as in the third quarter, on the outstanding common shares of iA Financial Corporation. This dividend is payable on December 15, 2023 to the shareholders of record at November 17, 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 December 15, 2023 must ensure that the duly completed form is delivered to Computershare no later than 4:00 p.m. on November 10, 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.

**Capital redemption** – On September 15, 2023, iA Insurance completed the redemption of its 3.30% Subordinated Debentures due September 15, 2028, which represent an aggregate principal amount of \$400 million.

**Appointment** – On September 5, 2023, iA Financial Group announced the appointment of Catherine Milum as President and Chief Executive Officer of iA Clarington Investments. Ms. Milum succeeds Adam Elliott, who is now President of iA Private Wealth. Also, changes to the Executive Committee announced on May 10, 2023 became effective on August 21, 2023. Please refer to the May 10, 2023 news release for more information.

**Annual actuarial assumption review** – The annual review of actuarial assumptions has begun and will be finalized in the coming weeks. The final results will be reported on February 20, 2024, with the fourth quarter 2023 earnings release.

**Philanthropic contest** – On September 12, 2023, the seventh edition of the Company's philanthropic contest was launched. A total of \$500,000 in donations will be shared by charities working in the health, environment, education and social services sectors. The winners will be announced between December 11 and December 14.

#### **Subsequent to the third quarter:**

- **Acquisition of U.S. company Vericity, Inc.** – On October 3, 2023, iA Financial Group announced that it had entered into a definitive merger agreement to acquire U.S. life insurance company Vericity, Inc. for a purchase price of US\$170 million. Vericity comprises two entities servicing the middle-market life insurance space, with synergies in between and combining artificial intelligence and rich data analytics to deliver innovative proprietary technology: Fidelity Life, an insurance carrier, and eFinancial, a direct-to-consumer digital agency. Vericity employs more than 400 employees. The transaction is expected to close in the first half of 2024 and is expected to become slightly accretive to core EPS in year 2 and to EPS in year 3.
- **NCIB Renewal** – With the approval of the Toronto Stock Exchange and the Autorité des marchés financiers, the Company plans to redeem, under a Normal Course Issuer Bid between November 14, 2023 and November 13, 2024, up to 5,046,835 common shares, representing approximately 5% of its 100,936,705 common shares issued and outstanding at October 31, 2023. The redemption purchases will be made at market price at the time of purchase through the facilities of the Toronto Stock Exchange or an alternative Canadian trading system, in accordance with market rules and policies. The common shares redeemed will be cancelled.
- **iA Private Wealth Dual Registration** – On October 10, 2023, iA Financial Group's investment dealer affiliate, iA Private Wealth, was approved for dual registration by the Canadian Investment Regulatory Organization (CIRO) and is now registered in both the categories of investment dealer and mutual fund dealer. iA Private Wealth is the first major independent firm to receive this approval, which provides greater flexibility and more attractive options for advisors and advisory teams, and ultimately clients, across iA Wealth dealers. This important development establishes a broader basis for the registration of representatives, which will help to enhance opportunities for recruitment, growth, migration and succession planning.

<sup>21</sup> 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.

- **Donation to support mental health research** – On October 11, 2023, iA Financial Group announced a \$150,000 donation to Mental Health Research Canada. The financial support will be used to fund student internships for research into workplace mental health. The Company has long been proactive in the mental health area, namely by creating a network of ambassadors who aim to assist coworkers experiencing mental health issues. Over the past two years, iA Financial Group has also donated \$1.3 million to mental health organizations.
- **Partnership with Mercedes-Benz** – iA Financial Group concluded a partnership with Mercedes-Benz Financial Services Canada to be the new administrator of their First Class Protection Plan Program. This new partnership continues to demonstrate the Company's commitment to the OEM branded Finance and Insurance sector. The new program will be seamlessly integrated into Mercedes-Benz dealerships across Canada, as of January 8, 2024, to include ancillary products.
- **Renée Laflamme named one of the Top 100 most powerful women in Canada** – Renée Laflamme, Executive Vice-President, Individual Insurance, Savings and Retirement at iA Financial Group has been named one of the Top 100 Most Powerful Women in Canada by the Women's Executive Network (WXN) in the "Executive Leaders" category. Every year, these awards recognize outstanding women across Canada who demonstrate remarkable leadership and create meaningful change in their fields, while actively working to shape a more inclusive future. The winners are selected by WXN's Diversity Council of Canada.

## 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%

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.

---

## THIRD QUARTER HIGHLIGHTS – iA Insurance

**Profitability** – In the third quarter of 2023, iA Insurance recorded net income attributed to its sole common shareholder, iA Financial Corporation, of \$75 million compared to \$43 million a year earlier.<sup>22</sup>

**Financial position** – The solvency ratio of iA Insurance was 140% at September 30, 2023, compared with 146% at the end of the previous quarter and 124%<sup>23</sup> a year earlier. The six percentage point decrease in the third quarter is mainly due to the \$400 million debenture redemption (mentioned below) and unfavourable macroeconomic variations. These items were partly offset by the positive contribution of organic capital generation.

**Dividend** – iA Insurance paid no dividend in the third quarter of 2023. For the fourth 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. As a

<sup>22</sup> 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).

<sup>23</sup> 2022 figures calculated according to the IFRS 4 accounting standard and 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.



result, a dividend of \$200 million should be paid, in whole or in part, by iA Insurance to iA Financial Corporation during the fourth quarter of 2023.

**Capital redemption** – On September 15, 2023, iA Insurance completed the redemption of its 3.30% Subordinated Debentures due September 15, 2028, which represent an aggregate principal amount of \$400 million.

**Appointment** – On September 5, 2023, iA Financial Group announced the appointment of Catherine Milum as President and Chief Executive Officer of iA Clarington Investments. Ms. Milum succeeds Adam Elliott, who is now President of iA Private Wealth. Also, changes to the Executive Committee announced on May 10, 2023 became effective on August 21, 2023. Please refer to the May 10, 2023 news release for more information.

**Annual actuarial assumption review** – The annual review of actuarial assumptions has begun and will be finalized in the coming weeks. The final results will be reported on February 20, 2024, with the fourth quarter 2023 earnings release.

<b>iA Insurance</b>						
<b>Earnings Highlights</b>	<b>Third quarter</b>			<b>Year-to-date at September 30</b>		
(In millions of dollars, unless otherwise indicated)	<b>2023</b>	<b>2022<sup>24</sup></b>	<b>Variation</b>	<b>2023</b>	<b>2022<sup>24</sup></b>	<b>Variation</b>
Net income attributed to shareholders	76	46	65%	581	284	105%
Less: dividends on preferred shares	(1)	(3)	—	(6)	(14)	—
Net income attributed to common shareholder	75	43	74%	575	270	113%

<b>Other Financial Highlights</b>				
(In millions of dollars, unless otherwise indicated)	<b>September 30, 2023</b>	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Total capital <sup>†</sup>	6,194	6,500	6,354	6,360
Solvency ratio <sup>†,25</sup>	140%	146%	118%	124%

## 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 September 30, 2023, which is hereby incorporated by reference and is available for review at [sedarplus.ca](http://sedarplus.ca) or on iA Financial Group’s website at [ia.ca](http://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

<sup>24</sup> 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).

<sup>25</sup> Ratio for December 31, 2022 and September 30, 2022 calculated under the IFRS 4 accounting standard and the capital standard applicable in 2022.

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



forward-looking statements 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 and the “Risk Management – Update” section of the Management’s Discussion and Analysis for the periods ended March 31, June 30 and September 30, 2023 that could influence the Company’s performance or results.

Economic and financial instability in a context of geopolitical tensions – Unfavourable economic conditions and financial instability are causing some concern. Central banks have hiked interest rates to combat last year’s high inflation. The war in Ukraine, the Israel-Hamas conflict and tension in China are also causing instability in global markets. These events could result in significant financial volatility and test the Company’s ability to anticipate and mitigate headwinds in its markets and 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 periods ended March 31, June 30 and September 30, 2023 and elsewhere in iA Financial Group’s filings with the Canadian Securities Administrators, which are available for review at [sedarplus.ca](http://sedarplus.ca).

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

#### **Documents Related to the Financial Results**

For a detailed discussion of iA Financial Corporation’s and iA Insurance’s third quarter results, investors are invited to consult the Management’s Discussion and Analysis for the quarter ended September 30, 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](http://ia.ca) under *About iA*, in the *Investor Relations/Financial Reports* section and on SEDAR+ at [sedarplus.ca](http://sedarplus.ca).

#### **Conference Call**

Management will hold a conference call to present iA Financial Group's third quarter results on Wednesday, November 8, 2023 at 10:00 a.m. (ET). The dial-in number is 416-764-8651 or 1-888-390-0620 (toll-free within North America). A replay of the conference call will be available for a one-week period, starting at 2:30 p.m. on Wednesday, November 8, 2023. To access the conference call replay, dial 1-888-390-0541 (toll-free) and enter access code 089988 followed by the pound key (#). A webcast of the conference call (listen-only mode) will also be available on the iA Financial Group website at [ia.ca](http://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](mailto:marie-annick.bonneau@ia.ca)

[ia.ca](http://ia.ca)

#### **Media Relations**

Pierre Picard

Office: 418-684-5000, ext. 101660

Email: [pierre.picard@ia.ca](mailto:pierre.picard@ia.ca)

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