Creating Value
the iA way

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Investor presentation
March 2019
Solid fundamentals

- New company structure is beneficial from a value-creation standpoint
- Steadily growing EPS guidance and delivering on our targets
- Reserves are well positioned with good macroeconomic protection
- Capital position is better than ever
- Strong and flexible balance sheet
- Sustaining outperformance through business growth and acquisitions
New company structure

Beneficial from a value-creation standpoint

- Structure aligned with other publicly traded P&C and life insurance companies
- Gives iA more flexibility to manage debt instruments and execute growth strategy
- Better serves our ambitions and the changing needs of our multi-faceted financial services organization
- More efficient capital and tax structure

<table>
<thead>
<tr>
<th>Credit agency</th>
<th>S&amp;P</th>
<th>DBRS</th>
<th>A.M. Best</th>
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</thead>
<tbody>
<tr>
<td>iA Financial Corporation Inc.</td>
<td>A−</td>
<td>A (low)</td>
<td>N/A</td>
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<tr>
<td>Industrial Alliance Insurance</td>
<td>A+</td>
<td>A (high)</td>
<td>A+ (Superior)</td>
</tr>
<tr>
<td>and Financial Services Inc.</td>
<td></td>
<td></td>
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Steadily growing EPS guidance and delivering on our targets

Committed to minimum 10% annual EPS growth until IFRS-17

Reported EPS and Core EPS Reconciliation

<table>
<thead>
<tr>
<th>Year</th>
<th>Reported EPS</th>
<th>Core EPS</th>
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<tbody>
<tr>
<td>2012</td>
<td>$3.22</td>
<td>N/A</td>
</tr>
<tr>
<td>2013</td>
<td>$3.57</td>
<td>$3.30</td>
</tr>
<tr>
<td>2014</td>
<td>$3.97</td>
<td>$3.54</td>
</tr>
<tr>
<td>2015</td>
<td>$3.57</td>
<td>$4.04</td>
</tr>
<tr>
<td>2016</td>
<td>$5.19</td>
<td>$4.69</td>
</tr>
<tr>
<td>2017</td>
<td>$4.81</td>
<td>$4.86</td>
</tr>
<tr>
<td>2018</td>
<td>$5.59</td>
<td>$5.55</td>
</tr>
<tr>
<td>2019</td>
<td>$6.15</td>
<td>$5.75</td>
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1 See “Reported EPS and Core EPS Reconciliation” in this slide package. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.
Earnings visibility with various profit improvement initiatives

Multiple levers to reach or exceed our 10% EPS growth target up to IFRS-17 in 2022

6% organic growth + 3% profit improvement in all lines of business + 1% distribution, a core function + 2% acquisitions (US and distribution) and NCIB = ≥ 10% annual EPS growth

Profit improvement initiatives identified for 2019:
- Employee Plans: Expecting momentum to continue
- US Operations: Solid growth in both divisions
- Dealer Services: Solid growth from P&C and car loans
- Investment income on capital: Portfolio optimization
- Expenses: Efficiency gains and synergies for many business units
- Taxes: Efficiency gains reflected in lower ETR guidance
Reserves are well positioned

P/H experience indicative of long-term trend

2018 year-end assumption review:
No material issue in 2018
URR is 15 bps ahead of the promulgated rate

2018 policyholder experience:
Favourable across all operations

Significant turnarounds:

iAAH:
Outperformance in 2018 after 3 years of losses

Employee Plans division in Group Insurance:
Successful realignment after a few difficult years

<table>
<thead>
<tr>
<th>Policyholder experience (EPS impact in cents(^1))</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Individual Insurance</td>
<td>8</td>
<td>(18)</td>
<td>26</td>
<td>24</td>
<td>(1)</td>
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<tr>
<td>Individual Wealth Management</td>
<td>4</td>
<td>4</td>
<td>7</td>
<td>(7)</td>
<td>(3)</td>
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<tr>
<td>Group Insurance</td>
<td>15</td>
<td>(3)</td>
<td>(1)</td>
<td>1</td>
<td>(15)</td>
</tr>
<tr>
<td>Group Savings and Retirement</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>US Operations</td>
<td>4</td>
<td>(2)</td>
<td>3</td>
<td>4</td>
<td>(2)</td>
</tr>
<tr>
<td>iA Auto and Home (in income on capital)</td>
<td>3</td>
<td>(6)</td>
<td>(7)</td>
<td>(8)</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>34</td>
<td>(23)</td>
<td>29</td>
<td>16</td>
<td>(19)</td>
</tr>
</tbody>
</table>

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

\(^1\) 2014-2017 adjusted for the addition of fifth line of business (US Operations).
Capital position is better than ever

Good capital generation and flexible balance sheet

2019 capital position

- Solvency ratio of 126%\(^1\) well above 110%-116% 2019 target
- Organic generation target of $250M-$300M in 2019 (~$250M generated in 2018)
- Very low sensitivity of solvency ratio to market and interest rate variations
- Potential capital relief from reduced sensitivity to long-term interest rate (IRR)

Capital flexibility

- Reduce solvency ratio from 126% to 116% = ~$650M
- Debt ratio up from 21.5% to 30.0% = ~$800M or +12.3 percentage points on solvency ratio
- Potential capital deployment of ~$1.1B in accordance with regulatory constraints

NCIB\(^2\)

- Effective November 12, 2018 to November 11, 2019
- iA could buy back up to 5% of its shares for cancellation
- During Q4/18: ~1.1M shares redeemed = ~1% of outstanding shares at Sept. 30, 2018
- Acquisitions remain priority for capital deployment

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1 As at Dec. 31, 2018. 2 See news release for more details.
Sustaining outperformance through business growth

Solid execution

**Insurance in Canada**
- Individual insurance: 1st in individual insurance sales (number of policies)
- Employee plans: $93M sales in 2018 & 8% YoY premium growth in 2018
- Dealer services: One of top 2 in dealer services & 5% YoY sales growth in 2018
- Special markets solutions: 11% YoY sales growth in 2018

**Wealth in Canada**
- Seg funds: $422M net inflows in 2018 – 1st in net sales
- Mutual funds: Net outflows in 2018 – Deploying affiliated wealth distribution strategy in 2019
- Guaranteed products (general fund): 27% YoY sales growth in 2018
- Group savings and retirement: 8% YoY sales growth in 2018

**US divisions**
- Individual insurance: 11% YoY sales growth in 2018 and targeting annual growth of ~7%
- Dealer services: Strong contribution in 2018 and targeting annual growth of ~7½%

This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.
Growing through acquisitions is a priority

US businesses and distribution in Canada are top priorities

**Recent acquisitions**

- **HollisWealth**: iA is now one of the largest non-bank distribution networks
- **DAC**: Moving toward a meaningful business in the US
- **PPI**: iA is now the leader in independent insurance brokerage distribution
- **Abex**: Strengthened insurance distribution capacity in Western Canada

**Distribution**

- Becoming a meaningful business for iA in Canada
- Affiliated distribution makes it easier to deliver value to clients

**Current targets**

**US businesses**

- Individual insurance
- Dealer services
Macroeconomic protection

Gives management time to act

Protection against LT interest rate decrease
(at year-end)

Stock market protection
(drop in TSX absorbed before reserves need strengthening, at year-end)

This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.
$34.6B investment portfolio

Well diversified and of high quality

Distribution of Investment Portfolio

- **Government bonds** 38%
- **Corporate bonds** 30%
- **Stocks** 9%
- **Mortgages and other loans** 10%
- **Invest. properties** 5%
- **Cash & Short-term** 3%
- **Policy loans** 3%
- **Other** 2%

**IMPAIRED INVESTMENTS AND PROVISIONS**

- Gross impaired investments: $24.5M
- Provisions for impaired investments: $8.6M
- Net impaired investments: $15.9M
- Net impaired investments as a % of investment portfolio: 0.05%
- Provisions as a % of gross impaired investments: 35.1%

**BONDS** – Proportion rated BB or lower: 0.78%

**MORTGAGES** – Delinquency rate: 0.09%

**REAL ESTATE** – Occupancy rate on investment properties: 95.0%

**CAR LOANS** – Average credit loss rate (non-prime)\(^2\): 5.2%

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1. Includes derivative financial instruments, investments in associates and joint ventures, notes receivable and cash in trust.
2. Quarterly average credit loss on a trailing-12-month basis. Represents total credit losses divided by the average finance receivables over the same period.

Data as at December 31, 2018. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.
Share price and book value

Low price to book value ratio

IAG Share Price
Historical CAGR: 10.3%

Book Value Per Share
Historical CAGR: 9.6%

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</thead>
<tbody>
<tr>
<td>At year-end</td>
<td>2.17</td>
<td>2.22</td>
<td>1.72</td>
<td>1.61</td>
<td>1.80</td>
<td>1.74</td>
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<td>1.15</td>
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<td>1.31</td>
<td>1.20</td>
<td>1.30</td>
<td>1.37</td>
<td>0.92</td>
<td>1.07</td>
</tr>
</tbody>
</table>

Book Value Per Share and Dividends Paid (end of period)

June 30, 2004
0%


iA shareholder value creation vs. peers

iAG +327%

Peers +193%
Dividend to common shareholders

Steady increases every 3rd quarter in line with target payout ratio of ~30%

First lifeco in Canada to resume dividend increases after the financial crisis

Steady increases every 3rd quarter

Dividend of 41.5¢ per share payable in Q1/19
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investors@ia.ca

Next Reporting Dates
Q1/2019 - May 9, 2019
Q2/2019 - August 1, 2019
Q3/2019 - November 6, 2019

For information on our earnings releases, conference calls and related disclosure documents, consult the Investor Relations section of our website at ia.ca.

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

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

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

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

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