Responsible Choices

STRENGTH
GROWTH
AMBITION

NBF 10th Annual Virtual Quebec Conference
Investor presentation
June 16, 2020
PRIORITIES
Focus on health and safety of employees and advisors
Provide support to clients and communities

AGILITY
Fully operational very quickly, a real success story
High-performance distance selling tools for advisors

EARNINGS
Q1: Reported earnings affected by pandemic and macro
2020: Less earnings visibility due to pandemic uncertainty

SALES & GROWTH
2020 sales were very strong before the pandemic
Strategy remains intact despite temporary slowdown

CAPITAL
Above-target solvency ratio
Low sensitivity to macroeconomic variations

BALANCE SHEET
Strong, conservative and flexible on asset and liability sides
Adequate liquidity and reserves managed with a LT view

VALUE FOR SHAREHOLDERS
Sustainable dividend
10% historical book value CAGR and attractive price/BV ratio

OPPORTUNITY
Occasions occur during and after a crisis
Focused on being ready and acting wisely

Staying on course with our long-term vision
iA priorities since the beginning of the pandemic

Providing support to clients, employees and community

**CLIENTS**
- Priority to provide various forms of relief to help clients in these difficult times
- Examples:
  - Temporary deferral on premiums and loan payments for certain products
  - Temporary premium discounts
  - Facilitating access to telemedicine for group insurance clients

**EMPLOYEES**
- Priority to protect the health and safety of our employees and continue our activities
- Examples:
  - Work from home policy prior to government requirements resulting in more than 97% of our employees working from home
  - Allocation to all employees to organize an ergonomic workspace at home

**COMMUNITY**
- Priority to fight against COVID-19 and its unprecedented effects on our communities
- Examples:
  - Special donations of about $2 million as of April 30, 2020 to:
    - Hospital foundations
    - Health research centres
    - Senior isolation programs
    - Homelessness programs
    - Food banks across the country
    - Support to various organizations affected by the crisis
### Pandemic-related impacts on sales in coming quarters

#### Proven strategy unaffected – Sales results show resiliency

<table>
<thead>
<tr>
<th></th>
<th>Sales before the pandemic</th>
<th>Sales for the remainder of 2020 (Initial assessment)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Insurance</td>
<td>Strong</td>
<td>Lower</td>
<td>Fast digital transition due to highly competitive electronic platforms (see next slide)</td>
</tr>
<tr>
<td>Individual Wealth - Seg funds</td>
<td>Very strong</td>
<td>Close to normal</td>
<td>Focus on supporting affiliates with virtual sales</td>
</tr>
<tr>
<td>Individual Wealth - Mutual funds</td>
<td>Very strong</td>
<td>Lower</td>
<td>Rely on return to normal activities</td>
</tr>
<tr>
<td>Group Insurance - Employee Plans</td>
<td>Strong</td>
<td>Lower</td>
<td>Impacted by car sales and dealerships reopening</td>
</tr>
<tr>
<td>Group Insurance - Dealer Services</td>
<td>Good</td>
<td>Much lower</td>
<td>Relies on release of travel restrictions</td>
</tr>
<tr>
<td>Group Insurance - Special Markets Solutions</td>
<td>Good</td>
<td>Lower</td>
<td>Return to normal when the market stabilizes</td>
</tr>
<tr>
<td>Group Savings and Retirement</td>
<td>Good</td>
<td>Lower</td>
<td>Sales less affected than expected</td>
</tr>
<tr>
<td>US Operations - Individual Insurance</td>
<td>Very strong</td>
<td>Close to normal</td>
<td>Not as affected as in Canada</td>
</tr>
<tr>
<td>US Operations - Dealer Services</td>
<td>Strong</td>
<td>Lower</td>
<td>Client retention is unaffected</td>
</tr>
<tr>
<td>iA Auto and Home</td>
<td>Strong</td>
<td>Close to normal</td>
<td></td>
</tr>
</tbody>
</table>
Distance selling tools for advisors

Strategically advantaged by digital tools and current position in the middle market

Individual Insurance

- Offering approval at point of sale using predictive analysis since 2017 and constantly improving our predictive models
- 100% of iA’s products can be sold at a distance and most important transactions on in-force can be done electronically
- 95%+ of applications are now done electronically
- Main remaining hurdle is fluid requirement for high face amounts

Seg funds

- New electronic platform introduced in 2019
  - a transaction to issue a contract can be completed in less than 10 minutes
  - electronic platform rated 9.7/10 by advisors
- 66%+ of new contracts are now put in place electronically
  and penetration is rapidly increasing

The pandemic has accelerated the adoption of digital tools by advisors

Digital transition is even more beneficial for high-volume companies like iA:
- #1 in number of individual insurance policies issued in 2017, 2018 and 2019
- #1 in seg fund net sales in 2016, 2017, 2018 and 2019
## Pandemic-related impacts on reported earnings in 2020

### Recent market recovery could lead to better results than expected

<table>
<thead>
<tr>
<th>Category</th>
<th>Initial assessment</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NON-CORE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macroeconomics</td>
<td>−−−− to ++</td>
<td>See sensitivities provided during Q1/2020 conference call. Extreme financial market volatility may still impact earnings</td>
</tr>
<tr>
<td>Reserves</td>
<td>N/A</td>
<td>2020 year-end assumption review: Too early to tell. No impact expected for IRR and URR assumptions</td>
</tr>
<tr>
<td><strong>CORE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for normal deviations &amp;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NON-CORE for larger deviations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strain</td>
<td>−</td>
<td>2020: Higher strain from fixed expenses and lower interest rates. 2021: Back to normal due to management actions</td>
</tr>
<tr>
<td>Experience</td>
<td>−−−− to −−</td>
<td>Most pandemic-related losses will be non-recurring post-COVID-19. (disability, mortality, dealers, wealth distribution (AUA) and others)</td>
</tr>
<tr>
<td>iA Auto and Home</td>
<td>+</td>
<td>Positive experience expected</td>
</tr>
<tr>
<td><strong>CORE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets (MERs)</td>
<td>−</td>
<td>Core earnings reduced from AUM reduction in Q1, partly offset by April rebound</td>
</tr>
</tbody>
</table>
US strategy – Moving toward a meaningful business

Steadily and successfully growing on two fronts

Two divisions in the US

Individual Insurance

- Simplified life insurance (mostly final expense and simplified issue term)
- Annual growth targets: +7% Sales, +8% Profit
- Pandemic impact: Sales lower, but close to normal, Profit: Growth to resume in 2021
- Growth initiatives: Distribution diversification, agent growth, and enhanced product offerings

Dealer Services

- Extended warranties and other ancillary products (mostly vehicle service contracts)
- Annual growth targets: +7.5% Sales, +10% Profit
- Pandemic impact: Sales lower, not as affected as in Canada, Profit: Growth to resume in 2021
- Growth initiatives: IAS acquisition and integration, agent recruitment, and further development of direct relationships

Operating Profit (CAD$M)

- 2016: 21
- 2019: 56
- 3-year CAGR: +18.5%
- Targeting 15%+ of iA total

ROE at top of Company’s 11.5% to 13.0% target

This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information. ¹ 2016 Investor Day targets.
Consistent with iA’s growth strategy and capitalizing on positive growth trends within the vehicle warranty market

Creates a US platform of scale with significant synergies to participate in future industry consolidation

Diversifies iA’s product and geographic mix, as well as distribution capabilities

Retains a strong, proven management team to drive future US expansion efforts in vehicle warranties

Advances iA’s ongoing shift towards a capital-light business

Mostly a fee business

Parent Holdings

- One of the largest providers of solutions in the US vehicle warranty market
- Based in Austin, TX
- 35+ years of history
- Multiple-channel distribution: Direct, indirect, and post-sale (direct to consumer)
- Innovative data-driven product development and risk management
- End-to-end product and service offerings
- Strong, high-performing management team
- Large geographic footprint
- Well-positioned as a consolidator with 10 acquisitions in last 6 years
### Capital

**Robust position and flexible balance sheet**

| Solvency ratio | • 121%\(^1\) above target range of 110%-116% – *Appropriate for iA’s risk profile*  
| | • Low sensitivity to macroeconomic variations |
| Debt and coverage ratios | • Leverage ratio of **25.9%** – *Provides flexibility*  
| | • Coverage ratio of **13.3x** |
| Potential capital deployment | • ~$500M\(^1\) (by increasing leverage ratio in accordance with regulatory constraints) |
| NCIB | • iA can buy back up to 5% of its shares\(^2\) for cancellation by Nov. 11, 2020\(^3\)  
| | • Following regulators’ instructions: Buybacks on hold for the moment |

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1 Pro forma following IAS acquisition and sale of iA Investment Counsel Parent Holdings.  
2 As at November 12, 2019.  
3 See initial news release for more details.

Data as at March 31, 2020, unless otherwise indicated. This slide presents non-IFRS financial measures. See “Non-IFRS Financial Information” at the end of this document for further information.
Solvency ratio variations since new capital regime inception

Impact from macro variations is minimal despite macro volatility

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Macro Impact</th>
<th>TSX Impact</th>
<th>Interest Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/17</td>
<td>-0.5%</td>
<td>-5%</td>
<td>-2 bps</td>
</tr>
<tr>
<td>Q1/18</td>
<td>+6%</td>
<td>+1%</td>
<td>-3 bps</td>
</tr>
<tr>
<td>Q2/18</td>
<td>-1%</td>
<td>-11%</td>
<td>-24 bps</td>
</tr>
<tr>
<td>Q3/18</td>
<td>+1%</td>
<td>+12%</td>
<td>-28 bps</td>
</tr>
<tr>
<td>Q4/18</td>
<td>-1.5%</td>
<td>+2%</td>
<td>-21 bps</td>
</tr>
<tr>
<td>Q1/19</td>
<td>---</td>
<td>+2%</td>
<td>+23 bps</td>
</tr>
<tr>
<td>Q2/19</td>
<td>-0.5%</td>
<td>+3%</td>
<td>-16 bps</td>
</tr>
<tr>
<td>Q3/19</td>
<td>+1%</td>
<td>+2%</td>
<td>+23 bps</td>
</tr>
<tr>
<td>Q4/19</td>
<td>+1%</td>
<td>-22%</td>
<td>-43 bps</td>
</tr>
<tr>
<td>Q1/20</td>
<td>+1%</td>
<td>+1%</td>
<td>+0.5%</td>
</tr>
</tbody>
</table>

This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information. ¹ As at January 1, 2018.
### Solvency ratio sensitivity

#### Low sensitivity to macroeconomic variations

<table>
<thead>
<tr>
<th>Variation Type</th>
<th>Impact on Solvency Ratio (in percentage points)</th>
<th>March 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity market variation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(30%)</td>
<td>(2%)</td>
<td>(1%)</td>
</tr>
<tr>
<td>(20%)</td>
<td>(1%)</td>
<td>+1%</td>
</tr>
<tr>
<td>(10%)</td>
<td>+10%</td>
<td>(2%)</td>
</tr>
<tr>
<td>+10%</td>
<td>+20%</td>
<td>(2%)</td>
</tr>
<tr>
<td>+20%</td>
<td>+30%</td>
<td>0%</td>
</tr>
</tbody>
</table>

1 Equity market variation represents an immediate change in public and private equity investments (excluding infrastructure investments), at quarter-end, and considers release of excess protections in reserve.

<table>
<thead>
<tr>
<th>Variation Type</th>
<th>Impact on Solvency Ratio (in percentage points)</th>
<th>March 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest rate variation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(50 bps)</td>
<td>+2%</td>
<td>+1%</td>
</tr>
<tr>
<td>(25 bps)</td>
<td>+1%</td>
<td>(1%)</td>
</tr>
<tr>
<td>+25 bps</td>
<td>(1%)</td>
<td>(2%)</td>
</tr>
<tr>
<td>+50 bps</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2 Interest rate variation represents an immediate parallel change in interest rates across the entire yield curve, at quarter-end.

<table>
<thead>
<tr>
<th>Variation Type</th>
<th>Impact on Solvency Ratio (in percentage points)</th>
<th>March 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate credit spread variation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(50 bps)</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>(25 bps)</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>+25 bps</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>+50 bps</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3 Corporate credit spread variation represents an immediate parallel change in credit spreads across the entire yield curve, at quarter-end.

Note: Actual results can differ significantly from the estimates presented in this slide for a variety of reasons. See the Management’s Discussion and Analysis document for more details. This slide presents non-IFRS financial measures. See “Non-IFRS Financial Information” at the end of this document for further information.
Stress testing on capital and liquidity

Good positioning even under severe scenarios

Solvency ratio

Q1 solvency ratio pro forma post-acquisitions is 121%

Under a comprehensive scenario shocking income, sales and assumptions, assuming interest rates close to 0% for the entire curve and 5% of the population affected by COVID-19 in 2020:

TSX could decrease to 9,000 points and ratio would still be above 110-116%

Liquidity

Liquidity stress tested under many scenarios including some pretty extreme

Under all tested scenarios:

Able to meet all requirements, cashflow needs and client relief measures provided
Hedging for seg funds: An effective and robust long-term program

April and May combined hedging loss < $3M as volatility was offset by a positive from other risks

Impact on EPS

Cumulative expected impact on earnings is nil, with quarterly fluctuations
(Cumulative gains of 20¢ EPS since program inception)

Only 9% of sales in 2019 and 8% of sales in Q1/2020 are in products with high guarantees

Q1/20 loss due to extreme volatility
March was the most volatile month in the history of the S&P/TSX

Q1/20 loss due to extreme volatility
March was the most volatile month in the history of the S&P/TSX
**Investment portfolio**

**High-quality, diversified portfolio**

**Bond portfolio:** 66.7% of total portfolio
- Only 0.5% of total portfolio rated BB or lower
- 48.5% of total bonds are corporate bonds

**Car loans:** 2.0% of total portfolio

**Low direct exposure to equity market:**
- $2.8B of stocks in investment portfolio
  - 51% private equity
  - 29% backing UL and market index = No risk for iA
  - 20% common and preferred shares
- Equity exposure in option strategy
  - Strategy to protect against equity downside
  - Very good performance versus the market

**As at March 31, 2020**

- **Bonds - Corporates - BB and lower:** 0.5%
- **Real estate:** 4.9%
- **Mortgages - Insured:** 5.2%
- **Mortgages - Uninsured:** 2.0%
- **Policy loans:** 2.2%
- **Private placement:** 1.0%
- **Private equity:** 3.4%
- **Car loans:** 2.0%
- **Others:** 2.2%
- **Stock backing UL & market indices:** 1.9%
- **Common & preferred shares:** 1.3%
- **Cash and ST:** 7.2%

**Total:** $41.6B
High-quality, conservative portfolio

As at March 31, 2020

Government & Municipalities 52%
Utilities 14%
Financial 11%
Consumer - Non-cyclical 8%
Consumer - Cyclical 1%
Energy 5%
Industrial 4%
Communications 3%
Others 2%

$27.7B

Bond exposure by credit rating

- 5% AAA
- 47% AA
- 31% A
- 16% BBB
- 1% BB and lower
Limited exposure to hardly hit sectors

Direct exposure to oil and gas is only 0.8% of total portfolio

Oil & Gas

- Total (direct and indirect) exposure = 3.1% of total portfolio

  - Exposure by asset category
    - 87% Corporate bonds
    - 7% Preferred shares
    - 6% Private equity

  - Direct exposure = 0.8% of total portfolio
    (exploration and production)

  - Indirect exposure = 2.3% of total portfolio
    (mostly pipeline and midstream)

  - Corporate bond exposure by credit rating
    - 4% AA
    - 47% A
    - 48% BBB
    - 1% BB

Pandemic-affected sectors

- Total exposure = 1.3% of total portfolio

  - Exposure by asset category
    - 100% Corporate bonds

  - Corporate bond exposure by category
    - 50% Consumer cyclical (retailers, autos and hotels)
    - 47% Industrial
    - 3% Materials

  - Corporate bond exposure by credit rating
    - 12% AA
    - 48% A
    - 40% BBB

Data as at March 31, 2020. 1 Represent iA’s assessment of sectors most affected by the pandemic.
Car loans

Provision was doubled in Q1 to cover expected losses from pandemic-affected accounts

Average credit loss rate (non-prime)\(^2\)
(Trailing 12 months since acquisition of CTL in Q3/15)

- Provision for car loans increased from $10.3M to $20.0M\(^1\) to cover expected COVID-related losses
- Expecting covid-related losses to increase gradually throughout the year, with majority in Q4/20 and Q1/21, and average credit loss rate (trailing 12 months) to stay below 7% through the crisis
- Current cumulative client deferral rate < 20%
- Post-crisis: Expecting higher quality loan originations

Car loans represent 2% of investment portfolio\(^1\)

- Loss rate reduced as focus leans to near-prime loans
- Below 5.8% average credit loss rate seen as reasonable in normal economic conditions

1 As at March 31, 2020. 2 Non-IFRS measure. Represents total credit losses divided by the average finance receivables over the same period.
Low interest rate environment

IRR sensitivity eliminated leading to low impact on earnings

- **Earnings**
  - Impact at year-end on reserves when decreasing IRR and URR assumptions
  - Usually offset by management actions taken during the year

- **Products**
  - Limited impact as iA diversified away from products with LT guarantees

- **Solvency ratio**
  - No material impact due to low sensitivity

- **Financing**
  - Positive impact from lower financing cost

**IRR**: Initial Reinvestment Rate
Impact on net income of IRR changes has been eliminated

**URR**: Ultimate Reinvestment Rate
Maximum assumption is promulgated by CIA
$66M impact on net income for a 10 bps URR variation

Impact at year-end on reserves when decreasing IRR and URR assumptions
→ Usually offset by management actions taken during the year
As at March 31, 2000, first disclosed book value as a public company.  
As at Feb. 3, 2000, when iA became a public company, taking into account the 2/1 split on May 16, 2005.  
As at June 4, 2020.  
As at March 31, 2020.

Share price and book value per share

P/BV ratio of 0.89 at June 4, 2020

IAG Share Price
Historical CAGR: 8%

$8.44
$7.875

Book Value Per Share
Historical CAGR: 10%

$52.29
$46.66

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</tr>
</thead>
<tbody>
<tr>
<td>Price/BVPS</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>
<td>1.94</td>
<td>2.03</td>
<td>1.15</td>
<td>1.41</td>
<td>1.49</td>
<td>1.00</td>
<td>1.14</td>
<td>1.53</td>
<td>1.31</td>
<td>1.20</td>
<td>1.30</td>
<td>1.37</td>
<td>0.92</td>
<td>1.37</td>
<td>0.85</td>
<td></td>
</tr>
</tbody>
</table>

1 As at March 31, 2000, first disclosed book value as a public company.  
2 As at Feb. 3, 2000, when iA became a public company, taking into account the 2/1 split on May 16, 2005.  
3 As at June 4, 2020.  
4 As at March 31, 2020.
Book Value Per Share and Dividends Paid (end of period)

- **iA shareholder value creation vs. peers**

  - **iAG**: +376%
  - **Peers**: +222%

  - June 30, 2004: Chosen as the earliest comparable start date.
  - March 31, 2020
Dividend to common shareholders

Steady increases every 3rd quarter

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

Dividend of 48.5¢ per share payable in Q2/20

Premiums and deposits

Net premiums, premium equivalents and deposits
($Billion)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2020</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Insurance</td>
<td>397.5</td>
<td>3%</td>
</tr>
<tr>
<td>Individual Wealth Mgmt</td>
<td>1,771.0</td>
<td>40%</td>
</tr>
<tr>
<td>Group Insurance</td>
<td>461.3</td>
<td>6%</td>
</tr>
<tr>
<td>Group Savings &amp; Ret</td>
<td>652.0</td>
<td>(3%)</td>
</tr>
<tr>
<td>US Operations</td>
<td>178.9</td>
<td>18%</td>
</tr>
<tr>
<td>General Insurance</td>
<td>84.5</td>
<td>13%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3,545.2</strong></td>
<td><strong>19%</strong></td>
</tr>
</tbody>
</table>

This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information. The figures do not always add up exactly due to rounding differences.
<table>
<thead>
<tr>
<th>Credit rating agency</th>
<th>Issuer rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P</td>
<td>A</td>
</tr>
<tr>
<td>DBRS</td>
<td>A (low)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit rating agency</th>
<th>Financial strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P</td>
<td>AA-</td>
</tr>
<tr>
<td>DBRS</td>
<td>A (high)</td>
</tr>
<tr>
<td>A.M. Best</td>
<td>A+ (Superior)</td>
</tr>
</tbody>
</table>
Building for the long term

iA Financial Group becomes carbon neutral in 2020

ENVIRONMENTAL

⦁ Continuing projects and initiatives aimed at reducing GHG emissions at the source
⦁ All GHG emissions that cannot be eliminated are calculated and offset
⦁ Signatory of United Nations Principles for Responsible Investment (PRI)

SOCIAL

⦁ Extensive donation program equivalent to $850/employee
⦁ Annual Canada-wide philanthropic contest
⦁ COVID-19 relief measures for clients and additional donations

GOVERNANCE

⦁ Top 10 in Globe and Mail 2019 governance ranking (out of 224 companies)
⦁ Solid diversity and inclusion program
Contact
Marie-Annick Bonneau
Tel.: 418-684-5000, ext. 104287
Marie-Annick.Bonneau@ia.ca

Next Reporting Dates
Q2/2020 - July 30, 2020
Q3/2020 - November 4, 2020
Q4/2020 - February 11, 2021

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 iA Financial Corporation 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 originations, 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 fund entries from both in-force contracts and new business written during the period. 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 “Analysis According to the Financial Statements” section of the 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) gains and losses from macroeconomic variations related to universal life policies, the level of assets backing long-term liabilities, 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.
Forward-looking statements

This presentation may contain statements relating to strategies used by iA Financial Corporation or statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “may,” “could,” “should,” “would,” “suspect,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate,” and “continue” (or the negative thereof), as well as words such as “objective” or “goal” or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this presentation, 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.

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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 2019, the “Management of Risks Associated with Financial Instruments” note to the audited consolidated financial statements for the year ended December 31, 2019, and elsewhere in iA Financial Corporation’s filings with Canadian Securities Administrators, which are available for review at sedar.com.

The forward-looking statements in this presentation reflect the Company’s expectations as of the date of this document. iA Financial Corporation 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.