

**COVID-19: POTENTIAL IMPACTS OF MACROECONOMIC VARIATIONS
BASED ON DISCLOSED SENSITIVITY AND PROXY AS AT DECEMBER 31, 2019¹**

A) Potential impact on Q1/2020 net income attributed to common shareholders

Revenues on UL policy funds	Potential impact of ±\$9.5M for every 10% deviation of the closing value of the TSX at the end of Q1/2020 vs. 17,298 threshold ²
MERs collected on investment funds	Potential impact of ±\$5.3M for every 10% deviation of the average value of the TSX during Q1 vs. 17,181 threshold ²
Other items related to macroeconomic variations will also impact Q1/2020 net income attributed to common shareholders. For example, hedging program losses occur when markets are volatile.	

B) Potential impact on solvency ratio²

Equity market variation	(30%)	(20%)	(10%)
Impact on Dec. 31, 2019 solvency ratio (in percentage points)	+1%	+2%	+1%
Interest rate variation	(50 bps)	(25 bps)	+25 bps
Impact on Dec. 31, 2019 solvency ratio (in percentage points)	+2%	+1%	(1%)
Credit spread variation	(50 bps)	(25 bps)	+25 bps
Impact on Dec. 31, 2019 solvency ratio (in percentage points)	(3%)	(1%)	+1%

C) Macroeconomic variation impact on reserves (stocks matching long-term liabilities)³

S&P/TSX level at which provisions for future policy benefits would have to be strengthened	13,000 points (as at December 31, 2019) S&P/TSX is a proxy that can move differently than our equity portfolio, which is composed of different categories of equity securities.
Interest rate variations	IRR: impact on net income of a 10 bps decrease: +\$2M
	URR: promulgated rate by the Canadian Institute of Actuaries (CIA) based on historical data. CIA stated that a URR update was not anticipated before the implementation of the IFRS 17 accounting standard. This CIA statement was made prior to the decision to delay the effective date of the IFRS 17 accounting standard to January 1, 2023.

D) Liquidity

As at December 31, 2019, the company considered that its liquidity level was more than adequate to meet all commitments over a minimum twelve-month horizon based on various adverse scenarios affecting inflows and outflows of liabilities, asset liquidity, collateral needs and the capacity of the various liquidity channels.⁴

¹ Please refer to page 21 of the Rolling Nine Quarters Financial Information Package, available on ia.ca.

² Please refer to slides 13 and 27 of the Q4-2019 Results slide deck, available on ia.ca.

³ Please refer to slides 24 and 25 of the Q4-2019 Results slide deck and page 31 of the 2019 Management's Discussion and Analysis for the year ended December 31, 2019, available on ia.ca.

⁴ Please refer to pages 40 et 41 of the 2019 Management's Discussion and Analysis for the year ended December 31, 2019, available on ia.ca.